

Level 2, 23-25 O'Connell Street, Sydney 2000  
Box R238, Royal Exchange P.O., Sydney 1225  
Telephone: (02) 9233 4833 Facsimile: (02) 9233 4844

399-405 Bong Bong Street, Bowral  
P.O. Box 1883, Bowral 2576  
Telephone: (02) 4862 4866 Facsimile: (02) 4861 2400

Email: [mail@bray.com.au](mailto:mail@bray.com.au)  
[www.bray.com.au](http://www.bray.com.au)

25 March 2020

### **Bray & Associates Offices**

COVID-19 continues to present challenges to all of us. Right now, Bray & Associates offices remain open, however should this change preparations are in place for us to continue to service our clients remotely. Calls to our usual telephone numbers will be answered as normal during business hours and our staff will continue to be contactable via e-mail. Should you have any queries or concerns please do not hesitate to get in touch.

### **Resources Available to Australian Businesses**

There are many resources available to small and medium size businesses to assist with cash flow, staff matters and other issues associated with COVID-19.

We have attached a summary of some of the tax-related measures recently passed by the Government. More details can be found via various websites including:

The Australian Government Treasury website: <https://treasury.gov.au/coronavirus>

The Australian Taxation Office website:

<https://www.ato.gov.au/Newsroom/smallbusiness/General/COVID-19--information-for-small-businesses/>

The Australian Government Business Resources website: <https://www.business.gov.au/risk-management/emergency-management/coronavirus-information-and-support-for-business>

In addition to these:

The Fairwork Commission is publishing advice for employers, however reference should also be made to individual staff contracts, relevant awards and enterprise agreements:

<https://www.fairwork.gov.au/about-us/news-and-media-releases/website-news/coronavirus-and-australian-workplace-laws>

There are a number of measures aimed at providing companies with the ability to trade through what may be uncertain times, including temporary relief for directors from any personal liability for trading while insolvent: <https://www.business.gov.au/risk-management/emergency-management/coronavirus-information-and-support-for-business/temporary-relief-for-financially-distressed-businesses>

Each of the Australian States is introducing measures to assist small and medium businesses, for example payroll tax and licencing concessions.

If you have any queries or concerns please contact your usual Bray & Associates contact.

## TAXATION MEASURES

### Boosting Cash Flow for Employers

Small and medium business and not-for-profit (including charities) employers with aggregated annual turnovers of under \$50m will be eligible for two tax-free “payments” of up to \$100,000 per employer. The first (capped at \$50,000) will be made after 28th April and the second (also capped at \$50,000) after 28 July 2020. The “payments” will be available from 28 April 2020 and will be paid as a credit to the business upon lodgement of their activity statements.

- SMEs with aggregated annual turnovers of under \$50m employers will now receive two payments equal to 100 per cent of their PAYG withheld from salary and wages, with a maximum of \$50,000 per payment (or a total maximum payment of \$100,000).
- Eligible businesses that pay salary and wages but are not required to withhold tax will receive a minimum payment of \$20,000 (two minimum payments of \$10,000).
- The payments are tax free, there will be no new forms and payments will flow automatically via the ATO.

### Enhancing the Instant Asset Write-off

The government is increasing the instant asset write-off threshold from \$30,000 to \$150,000 and expanding access to include businesses with aggregated annual turnover of less than \$500 million.

The instant asset write-off will apply to new or second-hand assets first used, or installed ready for use between 12 March 2020 and 30 June 2020.

### Backing Business Incentive

The government is introducing a time limited 15-month investment incentive to support business investment and economic growth over the short-term, by accelerating depreciation deductions.

Businesses with an aggregated turnover of less than \$500 million will be able to claim a deduction of 50% of the cost of an “eligible asset” on installation. The balance of the asset’s cost will be depreciated using existing depreciation rules.

Eligible assets are new assets that can be depreciated under Division 40 of the *Income Tax Assessment Act 1997* (i.e. plant, equipment and specified intangible assets, such as patents). The measures do not apply to second-hand assets or buildings and other capital works depreciable under Division 43.

This applies to assets acquired after announcement and first used or installed by 30 June 2021.

### ATO Administrative Relief

The Australian Tax Office (ATO) will provide administrative relief for certain tax obligations (similar to relief provided following the bushfires) for taxpayers affected by the Coronavirus outbreak, on a case-by-case basis.

This includes the ability to defer payment of certain taxes up to six months, and allowing businesses to vary pay as you go instalment amounts to zero for the March 2020 quarter. Business that vary to zero can claim a refund for any instalments made for the September 2019 and December 2019 quarters.