

SPECIAL BULLETIN

CORONAVIRUS (COVID – 19)



Important: An update on 145 Financial - response to COVID-19

In light of the recent developments around the Coronavirus (or COVID-19) and the uncertainty we are all facing day to day, we felt it important to email you to assure you that we expect no major interruptions to the services that we provide to you.

OUR CLOUD SYSTEMS MEAN YOU CAN ALWAYS CONTACT US IF YOU NEED US

While we don't know if we'll be working from our office or working from our homes in coming weeks, we have invested heavily in the latest technology over the past years, and this means we can keep assisting you no matter what may happen.

All members of our team are able to work remotely and have access to all the technology systems and tools they use daily to assist you, our clients.

Please keep emailing or phoning your accountants and advisors at 145 Financial when you need us, and we will be here to help you!

GOOD ADVICE IS NEEDED NOW MORE THAN EVER

If you have any general queries, requests for bookings for meetings or requests for documents, please feel free to contact our reception on either 03 6344 9424 of office@145financial.com.au.

Australian Government Stimulus

Business and Tax

The Australian Government has recently released their \$17.6 billion economic stimulus package in response to the Coronavirus. It is designed to help employers to keep their workforce levels. There are key tax benefits that business owners need to access over the next few months. 145 Financial is here to help business owners receive the maximum benefits they can.

The key tax and stimulus measures include:

Business Investment

- From Thursday **12 March 2020**, the **instant asset write-off threshold** has been increased from \$30,000 (for businesses with an aggregated turnover of less than \$50 million) to **\$150,000** (for businesses with an aggregated turnover of less than **\$500 million**) until **30 June 2020**.
- A time-limited **15-month investment incentive (through to 30 June 2021)** which will operate to accelerate certain depreciation deductions. This measure will also be available to businesses with a turnover of less than \$500 million, which will be able to immediately deduct 50% of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost. As announced, this measure is proposed to only apply to **new** depreciating assets first used, or installed ready for use, by 30 June 2021.

Cashflow Assistance

- **Tax-free payments** of up to **\$25,000** for eligible small and medium businesses (i.e., with a turnover of less than \$50 million that employ staff) based on their PAYG withholding obligations. This is not a cash payment, but it is a credit equal to 50% of the PAYG amounts withheld from salary and wages paid to employees.

Businesses that lodge activity statements on a quarterly basis will be eligible to receive the credit for the quarters ending March 2020 and June 2020. Business that lodges on a monthly basis will be eligible for the credit for the March 2020, April 2020, May 2020 and June 2020 lodgements.

If a business pays salary and wages to employees but is not required to withhold any tax, then a minimum payment of \$2,000 will still be made. The minimum \$2,000 payment will be applied to the first activity statement lodgement.

- **Wage subsidies to support the retention of apprentices and trainees** – Employers with less than 20 full-time employees may be entitled to apply for Government funded wage subsidies amounting to 50% of an apprentice's or trainee's wage for up to nine months from 1 January 2020 to 30 September 2020. The maximum subsidy for each apprentice/trainee is \$21,000.

Individual Assistance

- **Tax-free payments of \$750** to social security, veteran and other income support recipients and eligible concession card holders. It is estimated that around half of those who will benefit will be pensioners. These payments will commence to be automatically made from 31 March 2020.

Tasmanian Government Package

As well as the federal government stimulus package, the Tasmanian state government has also released a \$420 million support package. Details of the Tasmania support and stimulus package [includes:](#)

- One-off emergency relief payments of \$250 for individuals and up to \$1000 for families who are required to self-isolate by public health as a result of coronavirus. This will be available to casual workers and those on low incomes. Funding for this measure will be uncapped.
- To further help those who are self-isolating, the Government will provide \$1million through Communities Tasmania to organisations such as the Salvation Army, The Red Cross and Rural Business Tas.
- \$2 million will be made available to our primary health care sector to ensure that GP's, pharmacists and other health care providers are supported for example by enabling minor capital works and the purchase of equipment including PPE so they can continue providing primary health services.
- \$1 million will be available to support front line workers with accommodation, such as in circumstances where their family members are ill so they can continue to contribute to our response.
- The Government will provide an additional \$1 million in grants to mental health organisations to support individuals experiencing mental health difficulties as a result of the challenges associated with the COVID-19 pandemic.
- Establish an emergency accommodation support fund of \$1 million to be administered through the Department of Communities Tasmania. This will be available for individuals and families who have been placed on home quarantine but who are unable to return to their regular place of residence due to self-isolation measures being in place.
- \$20 million in interest free loans to small businesses in the hospitality, tourism, seafood production, and exports sectors. The loans will be available to businesses with a turnover of less than \$5 million to purchase equipment or restructure business operations and will be interest free for three years.
- Payroll tax liabilities will be waived for hospitality, tourism and seafood industry businesses for the last four months of 2019-20.
- Other businesses with payrolls of up to \$5 million will be able to apply, based on the impact of the virus, to have their payroll tax waived for April to June 2020.
- The Youth Employment Scheme provides a payroll tax rebate for one year, to businesses that employ a young person aged 24 and under, between April and December 2020.
- The targeted Small Business Grants Program provides a \$5,000 grant for businesses that hire an apprentice or trainee in the tourism, hospitality, building and construction, and manufacturing industries.

- 50 per cent discount on liquor licencing fees and a waiver of all application fees for the calendar year 2020, back-dated to 1 January 2020.
- For April, May and June 2020, the Government will waive a number of lease, license and parks' entry fees for tourism operators. Annual fees and levies for rock lobster, giant crab, fin fishers and abalone divers will be waived for 12 months.

Further information on the Tasmanian Government package is available [here](#).

145 financial are watching with keen interest the developments and will be in a position to discuss the benefits of the stimulus packages with clients if and when the packages become law. In the meantime, if you or your business is concerned about COVID-19 and the effects it is having on your business, please contact 145 financial and we will be able to offer you support and advice during this uncertain time. For any questions you may have about accounting, tax or business matters, please feel free to contact us as normal either by telephone on 03 6344 9424 or via email at our direct Email addresses shaun@145financial.com.au keith@145financial.com.au pete@145financial.com.au rachel@145financial.com.au or at office@145financial.com.au for general enquiries.

BUSINESS CONTINUITY PLANNING

As a business owner, now is the time to plan for employees being away from your workplace, shortages of supply, reduction in sales, and the possibility of your workplace being closed for a short period of time if everyone is being forced to self-quarantine.

Over the next few weeks, the things to be considering include;

- Employees working from home, and [workplace obligations](#)
- How do pay your bills in the short term if your sales start to dry up
- How to communicate in a reassuring way with your clients and customers
- How to keep things moving with your business

We're not suggesting in any way that we have all the answers, but it is important for us to work with you and help you and plan for what will happen in the weeks and months ahead.

IMPORTANT – GET YOUR ENDURING POWER OF ATTORNEY (EPOA) AND WILL UPDATED NOW

If you have to self-quarantine or are admitted to hospital, if you don't have an EPOA then no-one else can make important business or financial decisions on your behalf.

We strongly recommend that you have an up to date EPOA and Will, and that your family know where these are stored.

NEXT STEPS

These are times when we need to stay calm and rely on reliable news sources and information from State and Australian Government websites. What you see on social media may be panicky and unreliable information – stay away from this!

Current and up to date reliable information regarding Coronavirus COVID-19 can be found on the **Australian Government Department of Health** [website](#).

Various Coronavirus (COVID-19) [resources](#) are also available.

Our team at 145 Financial are here to help you.

Please reply to this email or phone us on 03 6344 9424 if you need any assistance!