

A photograph of a modern, multi-level building interior. The architecture is characterized by clean, white lines and curved surfaces. A prominent feature is a long, straight staircase with wooden steps and metal railings, leading upwards. The ceiling is high and features a series of curved, recessed lighting fixtures that create a warm, ambient glow. The overall atmosphere is bright and airy, with natural light filtering through a large glass skylight at the top of the frame. The text is overlaid on the left side of the image, with a red vertical bar on the far left edge.

# AICSA COVID-19 WEBINAR

Tax stimulus and best approaches for  
Conveyancers



**WELCOME**



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A photograph of a modern, multi-level building interior. The space is characterized by curved, white architectural elements and a central staircase with wooden steps and metal railings. The lighting is bright and even, highlighting the clean lines and open design of the space. The overall atmosphere is one of a contemporary, well-lit public or commercial building.

# COVID-19 FEDERAL STIMULUS PACKAGES

As at Monday 6 April 2020

# FEDERAL GOVERNMENT

## ▶ JobKeeper Payment (\$1,500 per fortnight)

- Eligibility
  - Business has a turnover of less than \$1 billion and their turnover has fallen by more than 30 per cent
  - Establish that turnover has fallen in the relevant month or three months (depending on the activity statement reporting period of that business) relative to their turnover a year earlier
  - The Commissioner will have discretion to consider additional information that the business can provide to establish that they have been significantly affected by the impacts of the Coronavirus

# FEDERAL GOVERNMENT

- ▶ JobKeeper Payment (\$1,500 per fortnight)
  - Affected employers will be able to claim a fortnightly payment of \$1,500 per eligible employee from 30 March 2020, for a maximum period of 6 months
  - Eligible employee
    - Are currently employed by the eligible employer (including those stood down or re-hired)
    - Were employed by the employer at 1 March 2020
    - Are full-time, part-time, or long-term casuals (a casual employed on a regular basis for longer than 12 months as at 1 March 2020)
    - Are not in receipt of a JobKeeper Payment from another employer

# FEDERAL GOVERNMENT

## ▶ JobKeeper Payment (\$1,500 per fortnight)

- Process
  - Register an intent to apply on the ATO website (sooner the better)
  - Provide information to the ATO on eligible employees (more information to be released)
  - Ensure each employee receives at least \$1,500 per fortnight (before tax)
  - Notify all eligible employees that they are receiving the JobKeeper payment



# FEDERAL GOVERNMENT

▶ JobKeeper Payment (\$1,500 per fortnight)

- Payments
  - Will be administered by the ATO
  - Payments to commence from May 2020 onwards (backdated to March 2020)

# FEDERAL GOVERNMENT

- ▶ JobKeeper Payment (\$1,500 per fortnight)
  - Example
  - Conveyancing business expects turnover will decline by 30% or greater in the coming months
    - Joe, who is a permanent full-time employee on a salary of \$3,000 per fortnight before tax and who continues working for the business
    - Lisa, who is a permanent part-time employee on a salary of \$1,000 per fortnight before tax and who continues working for the business



# FEDERAL GOVERNMENT

## ▶ JobKeeper Payment (\$1,500 per fortnight)

- Continue to pay Joe his full-time salary of \$3,000 per fortnight before tax, and the business will receive \$1,500 per fortnight from the JobKeeper Payment
- Continue to pay Lisa \$1,000 per fortnight before tax salary and an additional \$500 per fortnight before tax, totalling \$1,500 per fortnight. The business must continue to pay the superannuation guarantee on the \$1,000 per fortnight of wages that Lisa is earning. The business has the option of choosing to pay superannuation on the additional \$500 (before tax) paid under the JobKeeper Payment

# FEDERAL GOVERNMENT

- ▶ JobKeeper Payment (\$1,500 per fortnight)
  - What about if I am self-employed?
    - Self-employed can register their interest with the ATO from 30 March 2020
    - Need to nominate an individual to receive the JobKeeper payment
    - Relevant for any business owners who are not an employee

# FEDERAL GOVERNMENT

- ▶ “Cash Boost” for business (2<sup>nd</sup> round of stimulus)
  - Aggregated turnover <\$50m
  - PAYG-W liability
  - First Boost:
    - Min \$10,000
    - Max \$50,000 or PAYG-W on March BAS
    - Paid April with additional amounts in May, June and July
  - Second Boost:
    - Same amount as first boost paid June, July, August, September

# FEDERAL GOVERNMENT

- ▶ “Cash Boost” for business - issues
  - Not cash? Offset against RBA?
  - Eligibility
    - Some sort of lodgement between 1 July 2018 and 12 March 2020 re 2019 year
    - Registered and paying wages
    - Showing business income or consideration for a supply
- ▶ ATO Deferral



# FEDERAL GOVERNMENT

- ▶ Instant asset write-off
  - Asset <\$150k
  - Aggregated turnover <\$500m
  - First used or installed ready between 12 March and 30 June 2020

# FEDERAL GOVERNMENT

## ▶ Business Investment Incentive

- 50% of cost claimable in year 1, plus ordinary depreciation on the rest
- Aggregated turnover <\$500m
- First used or installed ready between 12 March 2020 and 30 June 2021
- No contract/construction before 12 March
- New assets
- For use in Australia principally in a business

# FEDERAL GOVERNMENT

- ▶ Apprentices & trainees
  - <20 employees
  - 50% of wages from 1 January 2020 to 30 September 2020
  - Large business if re-employ a sacked apprentice/trainee
  - \$7,000 per quarter, maximum of \$21,000
- ▶ Early access to superannuation
  - \$10,000 before 30 June and \$10,000 after
  - Reduction in pension payout % by 50% - ie from 4% down to 2%

# AUSTRALIAN BANKING ASSISTANCE

## ▶ Bank Support

- Defer repayments (6 months)
- Interest rate cuts
- Extend loan terms
- Merchant terminal fee waivers

## ▶ Working Capital Assistance

- 50% government guarantee - from commercial banks up to \$250,000
- Unsecured lending - Gov't backed OD for working capital
- Loans up to 3 years with 6 month repayment holiday
- Subject to lender credit assessment process



# TAX OBLIGATIONS

- ▶ ATO Concessions
  - Deferral of payments for 6 months for BAS, Tax, FBT
  - PAYG Instalment Tax Variation
  - Remission of GIC after 23 January 2020
  - Must engage with ATO - not automatic

The background image shows a bright, modern office building interior. A central staircase with a metal railing leads upwards. The architecture features curved walkways and balconies with glass railings. The lighting is a mix of natural light from large windows and warm, recessed ceiling lights. The overall color palette is light and airy, with white walls and ceilings, and accents of teal and gold.

# COVID-19 STATE STIMULUS PACKAGES

As at Monday 6 April 2020

# SOUTH AUSTRALIAN GOVERNMENT

## ► Payroll tax

- For employers whose group wages are \$4 million or less:
  - A payroll tax holiday for 6 months (i.e. no payroll tax payable for 6 months)
- For employers whose group wages are more than \$4 million who can demonstrate significant impact from COVID-19:
  - A deferral of all payroll tax for 6 months (i.e. still liable but no payment for 6 months)

# SOUTH AUSTRALIAN GOVERNMENT

## ▶ Land tax

- Individuals and businesses with outstanding quarterly bills for 2019-20 able to defer payments for 6 months

## ▶ Business and Jobs Support Fund

- A fund to support individual businesses and industry sectors directly affected by coronavirus, and face potential collapse

A photograph of a modern, multi-level office building interior. The space is characterized by curved balconies with glass railings and a central staircase with wooden steps and metal railings. The lighting is warm and ambient, highlighting the architectural details. The overall aesthetic is clean, bright, and professional.

# COVID-19 - HOW DOES A CONVEYANCING BUSINESS RESPOND?

# HOW TO RESPOND

- ▶ Building your resilience plan
  - Build your “new world” cashflow - next 90-120 days
    - What does my settlements pipeline look like?
  - Forecast profit and cashflow post 30 June - understand the long term
  - Know your Breakeven
  - Consider the Government Support and impacts on forecast
  - Line by Line review of costs - non-essential is out
  - Manage creditors - rents!
  - Understand your capital resources - personally, banks
  - Know your indicators - identify when to pull levers
  - Monitor and update regularly

# HELP AND ASSISTANCE

- ▶ BDO
  - Short-term cashflow planning
    - Government subsidies
    - COVID-19 impacts
    - \$495 ex GST

- ▶ Resources available...

[www.bdo.com.au/covid19](http://www.bdo.com.au/covid19)

[www.treasury.gov.au](http://www.treasury.gov.au)



# Q & A

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