

PALMER & ASSOCIATES

CERTIFIED PRACTISING ACCOUNTANTS

Victoria Stage 3 Lockdown

As announced by Victorian Premier Dan Andrews, a Stage 3 stay at home restriction has been placed on all residents in the Greater Melbourne Metropolitan Area and Mitchell Shire for the next 6 weeks. Furthermore, NSW has now joined South Australia in closing their borders with Victoria, effectively closing them off from the rest of Australia.

These actions will no doubt effect Victorian businesses both in and outside of Greater Melbourne as movement is restricted both within the state and across its borders. However, there is relief available from both the Victorian and Federal Government.

VICTORIAN GOVERNMENT INITIATIVES

Restricted postcodes business support program

Businesses operating within a postcode affected by the return to Stay at Home restrictions may be eligible for a one-off, \$5,000 grant to help them get through to the other side of the local lockdown.

Businesses can apply if they:

- Are operating in a postcode that is affected by the return to Stay at Home restrictions (not necessarily their registered address); and
- Are an employing business; and
- Are currently registered to pay GST; and
- Have a payroll of less than \$3 million per annum; and
- Hold an Australian Business Number (ABN) and have held that ABN at 16 March 2020 (date of the State of Emergency declaration); and
- Have been engaged in carrying out the operation of the business in Victoria on 16 March 2020.

Tourism accommodation support program

Payments of up to \$225 per booking per night will be made for each cancelled booking as a result of the travel restrictions placed on residents from Melbourne's restricted postcodes.

This applies to bookings made before 3pm on 30 June 2020 for travel between 11.59pm on 1 July and 11.59pm on 29 July.

Accommodation operators in regional Victoria (comprising the 48 Regional and Rural Council areas, Mornington Peninsula Shire, Yarra Ranges Shire, Victoria's six Alpine Resorts, French Island, Gabo Island and Lady Julia Percy Island) can apply for a refund.

Eligible accommodation providers include hotels, motels, caravan parks, camping grounds and private holiday rentals.

Payroll Tax Refund

Victorian businesses with annual wages up to \$3 million will be able to have their payroll tax for the 2020 financial year waived.

If you have already paid payroll tax for the 2020 financial year, the State Revenue Office will directly contact you to reimburse the payroll tax already paid.

Businesses can also defer payroll tax for the first quarter of the 2020-21 financial year.

Land Tax Deferral

Landowners that have at least one non-residential property and total taxable landholdings below \$1 million have the option of deferring their 2020 land tax payment until after 31 December 2020.

The State Revenue Office will contact all taxpayers who are eligible for this deferral.

Supporting Commercial Tenants

Evictions will be banned for until the end of September for the non-payment of rent for commercial tenancies involving small and medium-sized businesses. Rental increases will also be banned for commercial and residential properties for the same period.

Small and medium sized businesses with an annual turnover under \$50 million per year who have experienced more than a 30 per cent reduction in turnover due to coronavirus can be granted rental waivers or deferrals.

FEDERAL GOVERNMENT INITIATIVES

JobKeeper Payment

The Jobkeeper payment is still open to eligible employers so they can continue to pay their eligible employees and restart quickly when the COVID-19 crisis is over.

To be eligible to receive Jobkeeper payments you must:

- From 1 March 2020 have carried on a business in Australia
- Have faced a 30% fall in turnover
- Have at least 1 eligible employee currently employed full time, part time or long-term casual by your business (including those that are stood down or re-hired)
- The eligible employee must be an Australian Citizen or Resident
- The eligible employee must not be receiving Jobkeeper from another employer

Sole traders may also be eligible to receive Jobkeeper payments if their business has suffered a 30% fall in turnover.

Payments of \$1,500 per fortnight per employee will be paid to businesses registered for Jobkeeper, with this amount being passed on to the eligible employee.

If you believe you are eligible for Jobkeeper payments but are not yet registered with the ATO to receive them, please contact our office to discuss in further detail.

ATO Cash Flow Boost

For those businesses that employ staff and report wages on your monthly or quarterly activity statements, you may have noticed that you received at least a \$10,000 payment from the ATO upon their lodgement.

This is because eligible businesses and not-for-profit (NFP) organisations that employ staff will receive between \$20,000 to \$100,000 in cash flow boost amounts by lodging their activity statements from March 2020 up to the month or quarter of September 2020.

From 1 July 2020 the 2nd phase of the cash flow boost payments comes into effect.

Eligible entities that received initial cash flow boosts will automatically receive additional cash flow boosts when they lodge their activity statements for each monthly or quarterly period from June to September 2020. These will be delivered in either two or four instalments, depending on your reporting period.

The amounts will be equal to the total amount of initial cash flow boosts received and split evenly over the lodgements for the periods June 2020 to September 2020.

If you lodge:

- Quarterly – you will receive 50% of your total initial cash flow boosts for each activity statement
- Monthly – you will receive 25% of your total initial cash flow boosts for each activity statement.

COVID-19 Early Release of Super

If you have been adversely financially affected by COVID-19, you may be able to access some of your superannuation early.

Eligible citizens and permanent residents of Australia or New Zealand can apply to access up to \$10,000 of their super in the 2020–21 financial year.

To be eligible, a citizen or permanent resident of Australia and New Zealand must require the COVID-19 early release of super to assist them to deal with the adverse economic effects of COVID-19.

In addition, one of the following circumstances must apply:

- You are unemployed
- You are eligible to receive one of the following
 - JobSeeker Payment
 - Youth Allowance for job seekers (unless you are undertaking full-time study or are a new apprentice)
 - Parenting Payment (which includes the single and partnered payments)
 - Special Benefit
 - Farm Household Allowance
- On or after 1 January 2020 either
 - You were made redundant
 - Your working hours were reduced by 20% or more (including to zero)
 - You were a sole trader and your business was suspended or there was a reduction in turnover of 20% or more (partners in a partnership are not eligible unless the partner satisfies any other of the eligibility).

We strongly recommend that you seek independent financial advice before you access your superannuation as this may have a detrimental effect on your retirement savings.

Our aim is to provide relevant information to inform and help create opportunities for our clients. Please note: many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should seek professional advice to independently verify their interpretation of the information's applicability to their particular circumstances. If you require further information regarding the contents of this newsletter please do not hesitate to contact our office.