

Round two COVID-19 support Everything you need to know

As some of the country starts to reopen and get back on track, other parts continue to operate under tight restrictions. The government has announced another phase of targeted financial support to help businesses through to the other side of the pandemic.

We have been working with hundreds of businesses over the last few months to help them navigate and manage what support is available to them, and will continue to do so.

Our latest rolling update includes details of the following support options you may be eligible for:

- JobKeeper payment extension
- JobSeeker changes
- \$1,500 disaster payment for paid pandemic leave
- Victorian business support stimulus
- Bank deferrals on loans extended
- JobTrainer skills package – apprenticeship program extended
- Second round of cash flow boosts
- Tax rates reduced for small business
- Night-time economy support program
- Energy efficient grants up to \$20,000 for small business
- Regional tourism accommodation support program
- \$3,000 small business recovery grant for NSW businesses
- New \$5,000 grants for Victorian businesses
- Extended early access to superannuation

We have also summarised a run-down of the industry closures under Stage 3 and 4 restrictions.

To find out more about each specific support measure, view the full blog here:

www.afsbendigo.com.au/round-two-covid-financial-support-need-know

Please contact us if you would like assistance accessing any of the support.

We are here to help. Times like these remind our team of the pivotal role we play. We strive to be your partner in success and provide peace of mind. Contact us on 03 5443 0344.

Economic update

August is here and the wattle is in bloom, a sign that spring is around the corner. Australians will all be hoping for brighter days ahead, as Victoria re-enters restrictions with rising COVID-19 cases. A number of industries in Melbourne have shut their doors to ride Stage 4 restrictions.

After postponing the Federal Budget until October, the government released a budget update on 23 July which gave an insight into the economic impact of COVID-19. It estimates a budget deficit of \$85.8 billion in 2019-20 (4.3% of GDP) rising to \$184.5 billion in 2020-21 (9.7% of GDP). The economy contracted an estimated 0.25% in 2019-20, with a further fall of 2.5% in 2020-21, the first consecutive annual falls in over 70 years.

Unemployment rose from 7.1% to 7.4% in June. The jobless rate is expected to peak at around 9% in December before it begins to fall. As a result of the economic slowdown, inflation fell 1.9% in the June quarter (minus 0.3% on an annual basis), the biggest quarterly fall since 1931. The biggest price falls were for childcare, petrol, primary education, and rents. This was reflected in falling consumer confidence, with the ANZ-Roy Morgan confidence rating falling to a 13-week low of 89 late in the month (the long-term average is 112.8 points).

On financial markets, gold rose to a record high of US\$1975 an ounce in July, reflecting its role as a defensive asset in difficult times. Crude oil prices inched up 1% in July but are down 25% over the year. In good news for Australian exports, iron ore prices rebounded 8% in July (down 7% for the year). The Australian dollar continued to climb, closing the month above US72c.

How we work with you during Stage 3 restrictions

As regional Victoria re-enters Stage 3 restrictions our office will remain closed to the public. We have been successfully operating remotely since March and will continue to do so with limited team members in the office.

You can provide your files and supporting documentation:



via email



via Australia Post



delivery to our Bull St office using the letterbox or the document tub at our front door.

Your AFS accountant will confirm they have received your documents and will let you know if they need anything further.

You can meet with your accountant:



via phone call



via video call



face to face where necessary

Please contact us if you have any questions.



Additional cash flow boost coming for businesses

Additional support is on its way for businesses that received the initial cash flow boost as part of the government's COVID-19 economic stimulus measures.

Your business will receive additional cash flow boosts when you lodge your monthly or quarterly activity statements for June to September 2020.

A quick refresh on the cash flow boost:

- It is based on the PAYG withholding you reported on your March Business Activity Statement (BAS), April Instalment Activity Statement (IAS), May IAS and June BAS
- The minimum payment for each of the boosts is \$10,000 (total \$20,000) and the maximum payment for each of the boosts is \$50,000 (total \$100,000)
- The amounts will be equal to the first cash flow boosts you received and will be split evenly over your lodgements.
- The cash flow boost is tax free.

If you've made adjustments or revised your activity statements after lodgement, the amount of additional cash flow boost payments you receive may be different.

Please call us if you have any questions or would like any assistance in accessing the second cash flow boost. 03 5443 0344.

JobKeeper Payment 2.0 – all you need to know

The government has announced the JobKeeper program will be extended beyond September 2020, to March 2021.

If you currently receive JobKeeper payments it remains unchanged until 27 September 2020.

Eligibility for JobKeeper payments from 28 September 2020, will be based on actual turnover change rather than projected change which was used when businesses first applied.

- From 28 September 2020 businesses will need to reapply and pass a new test to demonstrate a 30% turnover reduction.
- For JobKeeper payments from 28 September 2020 to 3 January 2021, you must show a decline in GST turnover in BOTH the April – June, and July – September 2020 quarters.
- For JobKeeper payments from 4 January 2021 to 28 March 2021, you must show a decline in GST turnover for ALL three previous quarters in 2020 of April – June, July – September and October – December.
- From 28 September the payment amount will reduce to:
 - \$1,200 per fortnight, or
 - \$750 per fortnight for employees working less than 20 hours a week.
- From 4 January payments reduce again to:
 - \$1,000 per fortnight, or
 - \$650 per fortnight for employees working less than 20 hours a week.



Continue to monitor your performance to be prepared for these changes.

We have explained all of the new changes announced in a 2.0 JobKeeper Payment blog on our website. Visit www.afsbendigo.com.au/jobkeeper-payment-2-0-need-know for full details.

STP exemption for small employers

The Australian Taxation Office (ATO) has extended the Single Touch Payroll (STP) exemption for small employers from reporting closely held payees to 1 July 2021 in response to COVID-19.

This STP exemption applies automatically and small employers do not need to apply to the ATO to access it. However, employers should keep records to support their decision to apply the concession.

A “small employer” is one that has 19 or fewer employees, and a “closely held payee” is someone who is directly related to the business, company or trust that pays them, such as family members of a family business, directors or shareholders of a company or beneficiaries of a trust.

New regulations require employers to report cases of COVID-19 in the workplace

WorkSafe Victoria has introduced new regulations which require all employers to report active cases of COVID-19 to the statutory authority, or face fines for failing to do so.

On 29 July, WorkSafe Victoria announced new regulations in which employers are now required to notify WorkSafe immediately on becoming aware that an employee or contractor has attended the workplace during the 'infectious period' following a positive diagnosis of COVID-19.

Self-employed, for example an electrician or a plumber, are also required to directly inform WorkSafe immediately on receiving a confirmed coronavirus diagnosis if they have attended the workplace during the infectious period.

WorkSafe define the 'infectious period' as "the date 14 days prior to the onset of symptoms or a confirmed diagnosis (whichever comes first), until the day on which the person receives a clearance from isolation from the Department of Health and Human Services."

If the employer fails to notify WorkSafe under section 38 of the OHS Act, it can result in fines of up to \$39,652 for an individual or \$198,264 for a body corporate.

The new regulations came into force on 28 July 2020, with the plan to remain in place for 12 months.

To notify WorkSafe of a positive coronavirus diagnosis, employers or self-employed persons should call the WorkSafe advisory service on 13 23 60.

WorkSafe have also developed a step-by-step guide on how to report a confirmed case of COVID-19 in the workplace. Find it at www.worksafe.vic.gov.au/report-incident

Directors' duties still apply despite COVID-19 relief

The Australian Securities and Investments Commission (ASIC) has reminded company directors and officers faced with COVID-19 challenges to reflect on their fundamental duties to act with due care, skill and diligence, and to act in the best interests of the company.

The impacts of COVID-19 will require many companies to focus on and most likely recalibrate aspects of their corporate strategy, risk-management framework, funding and capital management, among other things. This will require directors to reflect on which stakeholders' interests need to be factored into decisions – including employees, investors and creditors. This is still the case even in areas where temporary relief has been provided from specific obligations under the law.

ASIC will maintain its enforcement activities and continue to investigate and take action where the public interest warrants it. Whether action is taken depends on the assessment of all relevant circumstances, including what a director or officer could reasonably have foreseen at the time of taking relevant decisions or incurring debts.

A guide titled 'Impacts of COVID-19 on annual report disclosures' created by the Australian Institute of Company Directors will assist directors, managers and preparers of financial reports.

The guide provides a summary of the key considerations that are important when assessing how best to disclose the effects of the COVID-19 pandemic when preparing annual reports.

Read it here: <https://bit.ly/2X16L9e>

Tax time 2020 is here

There are a number of unique tax deductions this year that you may be able to take advantage of to get the most out of your tax return.

Working from home:

This method allows you to claim 80 cents for each hour you worked from home between 1 March 2020 and 30 June 2020, to cover all deductible expenses.

If you were working from home before 1 March or have documented actual expenses that work out to be more than 80 cents per hours, you can still use the usual method to claim expenses.

Expanded instant asset write-off scheme:

If you've purchased assets for your business, you may be eligible to claim an immediate deduction under

the Instant Asset Write-Off Scheme. From 12 March to 30 June 2020, the threshold for each asset increased to \$150,000 (up from \$30,000) for business entities with aggregated annual turnover of less than \$500 million (up from \$50 million).

Government payments and superannuation withdrawal on your tax return:

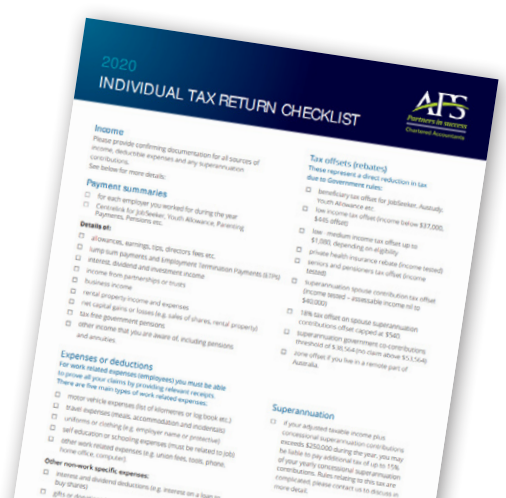
If you have received government support through either of the JobKeeper or JobSeeker programs, these payments will be included as salary and wages in your tax return. Sole traders who have received the JobKeeper payment on behalf of their business will need to include the payments as assessable income for their business.

Lump-sum payments for redundancy or stand down payments are taxable and should be included in your income statement. Similarly, workers should

include other sources of income such as income protection payments, sickness payments or accident payments.

For a detailed guide on what you can claim this tax time, see our tax return checklist.

www.afsbendigo.com.au/wp-content/uploads/2020/06/2020-ITR-Checklist.pdf





L to R: Julia Thomas, Trent McGough, Steph Horton, Sarah Thompson

Welcome to the AFS team!

We would like to wish a warm welcome to our newest team members.

Julia and Sarah have joined our Business Services department and Trent and Steph have joined our Community Bank department. We look forward to having them in the team.



ON THE BLOG

Company officers now accountable for work-related death

As of 1 July 2020 a new law is in place that poses a major risk for board members and company executives.

A new workplace safety Bill has come into effect which states employers, or other duty holders, who breach certain health and safety duties causing the death of another person performing the duty, can now be charged with workplace manslaughter.



ON THE BLOG

Using contractors in your business?

Businesses operating in a number of industries, which hire contractors to perform work directly connected with their operations, are required to lodge a Taxable Payments Annual Report for the year ended 30 June 2020 by 28 August 2020.



You can read our blogs in full at our website here: www.afsbendigo.com.au/news

Boosting your superannuation

While the COVID-19 pandemic has seen some dipping into their superannuation, it's always a smart idea to give your superannuation a bit of a boost if you are able to as even the smallest amount can really add up over time.

There are many ways of growing your superannuation to think about, including;

- Making tax deductible contributions
- Salary sacrificing up to your \$25,000 annual cap
- The low income superannuation tax offset is available to those who earn \$37,000 or less a year, and means that if you or your employer contribute to your superannuation, you may be eligible for a tax offset of up to \$500 per year
- The spouse contributions tax offset means you may be able to claim an 18% offset (maximum of \$540 offset) on contributions up to \$3000 that you make on behalf of your non-working or low-income-earning partner.

Start this financial year the right way. For any questions or advice on your superannuation call Venture Financial Advisers on 03 5434 7600.



The information in this document reflects our understanding of existing legislation, proposed legislation, rulings etc as at the date of issue.

In some cases the information has been provided to us by third parties. While it is believed the information is accurate and reliable, this is not guaranteed in any way.

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