

## Roadmap to reopening What support is available for you and your business

As we start to see what 'COVID normal' is going to look like, there is still support available for businesses in Victoria and around the country who are impacted by Coronavirus.

We have kept a rolling update on our website of the cash grants, fee deferrals and tax relief measures that are available. Below we summarise what these are for Victoria and Australia, depending where you are reading from.

We are here to help. Please contact us if you would like assistance accessing any of the support.  
Call 03 5443 0344 or email [afs@afsbendigo.com.au](mailto:afs@afsbendigo.com.au)

### Victoria

- \$10,000, \$15,000 and \$20,000 grants
- Sole trader support - \$3,000 grants
- Licensed Hospitality Venue grants up to \$30,000
- Outdoor Eating and Entertainment Package - \$5,000 grants
- Grants for alpine businesses
- Grants for business chambers and trader groups
- Deferral of payroll tax
- Stamp duty discount brought forward
- Waived liquor license fees for 2021
- Waived Vacant Residential Land Tax for 2020
- Assistance for exporters

To find out more about each specific support measure, visit: [www.afsbendigo.com.au/third-round-victorian-business-support-explained](http://www.afsbendigo.com.au/third-round-victorian-business-support-explained)

### Australia-wide

- Extension of the JobKeeper program
- Extension of the Instant Asset Write-Off Scheme
- Extension of the Coronavirus Supplement payment
- Pandemic leave disaster payment
- One-off hardship grants
- Early access to superannuation
- JobTrainer program extended
- JobMaker program
- Reduced tax rates for small businesses
- Deferrals on bank loans.

To find out more about these support measures, visit [www.afsbendigo.com.au/round-two-covid-financial-support-need-know](http://www.afsbendigo.com.au/round-two-covid-financial-support-need-know)

## Economic update

COVID-19 delayed the usual Federal Budget May delivery to the start of October, with Treasurer Josh Frydenburg announcing it as the "jobs budget", aiming to secure Australia's future.

In one of the most important Budgets in Australian history, it focuses heavily on job creation, infrastructure, asset write-offs and personal tax cuts. There are also a number of supporting measures for agriculture, real estate, education, infrastructure, aged care and child care. The Budget deficit is projected to blow out to \$213.7 billion this financial year, or 11%

of GDP, the biggest deficit in 75 years.

The economy contracted 7% in the June quarter following the 0.3% fall in the March quarter, taking the annual decline to 6.3%, the biggest since 1945. The government provided a range of stimulus programs to help both businesses and individuals work through the pandemic.

Against this backdrop, the Reserve Bank announced the cash rate would remain on hold at its current record low of 0.25% to help stimulate the economy. A rise in the Australian dollar could tip

the balance. The dollar ended September around US71.5c, down 2c over the month, after dipping as low as US70c.

On a positive note, the ANZ-Roy Morgan consumer confidence index rose for four weeks straight in September, to a 14-week high of 95 points (although still 19.7 points lower than a year ago). The NAB business confidence index also improved, from -14.2 points to -8.0 points in August. Unemployment is also headed in the right direction, down from a 22 year high of 7.5% to 6.8% in August.



**NOW HIRING**

**RISK AND INTERNAL AUDIT CONSULTANT**

For more details on this position please visit [www.seek.com.au/AFS-&-Associates-jobs](http://www.seek.com.au/AFS-&-Associates-jobs)

# Managing FBT in your business with Sam Oliver

## Service spotlight

Fringe Benefits Tax (FBT) is a tax paid by employers on certain benefits they provide to their employees such as company vehicles, car parking, private health insurance, living away from home allowance and much more.

FBT adds an increased level of complexity to business owners from a compliance perspective.

Our FBT team can assist employers by:

- evaluating your situation
- giving advice around tax implications of the benefits provided
- assisting in minimising tax obligations
- structuring the fringe benefits provided to benefit your business
- correctly setting up reporting of benefits.

Please contact Sam if you have any questions relating to FBT in your business. Email [s.oliver@afsbendigo.com.au](mailto:s.oliver@afsbendigo.com.au)



Sam Oliver  
Senior Accountant  
Business Services

## Managing Fringe Benefits Tax during COVID-19

Due to COVID-19, many employers have provided employees with benefits that they would not normally provide under regular circumstances. This includes paying for items that allow employees to work at home.

With this in mind the Australian Taxation Office (ATO) is providing a number of FBT exemptions to help businesses through the financial impacts of the pandemic.

### Company vehicles

The ATO has published a [fact sheet](#) assisting employers in determining if they have a FBT liability during COVID-19 restrictions where a company vehicle is garaged at an employee's home. It highlights the importance of keeping a logbook.

### Emergency health care

There is an exemption from FBT if you provide emergency health care to an employee affected by COVID-19.

### Working from home

Many employers have provided employees with a range of items in an attempt to maximise efficiency by best reflecting their workplace set-up from their employee's home.

These items will be exempt from FBT, where they are primarily used by employees for work. This includes items such as:

- laptops
- printers
- other electronic devices.

### Cancelled events

If employers are required to pay non-refundable costs for cancelled events that employees were due to attend, the cost will be exempt from FBT.

### COVID-19 testing and the flu shot

Providing COVID-19 testing or flu vaccinations to employees will be exempt from FBT as they are work related preventative health care.



To find out more, view our full blog here: [www.afsbendigo.com.au/managing-fringe-benefits-tax-covid-19](http://www.afsbendigo.com.au/managing-fringe-benefits-tax-covid-19)

## JobKeeper extended, with changes

The JobKeeper scheme has been extended from 28 September 2020 until 28 March 2021.

To receive the new JobKeeper Payments from 28 September 2020, the eligibility will be based on actual turnover change rather than projected change.

Employees hired at 1 July 2020 will now also be eligible to receive JobKeeper.

### In summary:

From 28 September 2020, your business must:

- determine your eligibility by verifying that your actual GST turnover for the September 2020 quarter has declined by more than 30% relative to a comparable period (generally the corresponding quarter in 2019)
- work out if the tier 1 or tier 2 rate applies to each of your eligible employees
- notify the ATO and your employees what payment rate applies to them
- ensure your employees are paid at least \$1,200 per fortnight for tier 1 or \$750 per fortnight for tier 2 by the relevant fortnight date.

If you do not satisfy the actual decline in turnover test and were previously receiving JobKeeper payments you should notify your employees.

Our latest blog explains all you need to know about JobKeeper Extension 1. For full details on the new payment rates, eligibility criteria and turnover tests see: [www.afsbendigo.com.au/jobkeeper-payment-2-0-need-know/](http://www.afsbendigo.com.au/jobkeeper-payment-2-0-need-know/)



## Another change in employee leave accruals

The High Court of Australia recently outlined the latest rulings in regards to the calculation of an employee's personal/carer's leave. The High Court rejected the 'working day' construction and instead held the view that what is meant by a 'day' or '10 days' must be calculated in relation to the ordinary hours of work of the employee.

**This comes in response to the Federal Court's 2019 ruling which found that the Fair Work Act's minimum 10 days of paid personal leave should be given to permanent employees regardless of the number of days worked per week or number of hours worked per day.**

The judgement of the High Court ensures equity among full time and part time employees, and among eight hour and 12 hour shift workers.

In summary:

- A full time employee who works 38 ordinary hours per week is entitled to 76 hours of personal/carer's leave per year, where as;
- A part time employee who works 20 hours per week is entitled to 40 hours of personal/carer's leave per year.
- Full time employees remain entitled to 10 days of personal/carer's leave per year whilst the leave is calculated pro-rata for part time employees. This can be calculated as 1/26 of the employee's ordinary hours of work in a year.

Previously, both full time and part time employees would have been entitled to 10 full days of leave per year despite a significant difference between the ordinary hours worked per week.

### The ruling of the High Court is considered a win for employers

If the Federal Court's interpretation of '10 days of paid personal/carer's leave' was upheld, many businesses would have been hit with a major cost implication.

As an employer, if you changed how your employee's personal/carer's leave operated following the Federal Court's ruling in 2019, you should update your payroll system accordingly. Employers should also communicate the outcome of the High Court's decision with their team to avoid any potential confusion. If you would like assistance implementing this please contact our team.

## Employee tax deductions this tax time

The ATO has updated its employee's guide for work expenses for 2019–2020. The document is designed to assist employees to determine whether incurred expenses are tax deductible and outlines the substantiation requirements.

The employee's guide highlights common myths about expenses – for example, the myths that everyone can automatically claim \$150 for clothing and laundry, 5,000km of travel under the cents per kilometre method for car expenses, or \$300 for work related expenses, even if they didn't spend the money, or that employees can claim gym membership if they need to be fit for work.

The additional method for calculating running expenses incurred as a result of working from home (the "shortcut method" allowing an 80 cents per hour deduction) was introduced to help employees working from home during the COVID-19 pandemic. This method was initially only available to use from 1 March 2020 to 30 June 2020, but has now been extended to 30 September 2020.

People eligible to use the shortcut rate are employees and business owners who:

- keep a record of the number of hours worked from home – for example, using a workplace timesheet
- work from home to fulfil their employment duties or to run their business during the period 1 March 2020 to 30 September 2020
- incur additional running expenses that are deductible under the tax law.

People who choose not to use the shortcut rate can instead:

- claim 52 cents per work hour for running costs plus claiming the work related portion of phone and internet expenses, computer consumables, stationery and the work related portion of the decline in value of a computer, laptop or similar device; or
- claim the actual work related portion of all running expenses, which need to be calculated on a reasonable basis.

### Tax return deadline is approaching!

The deadline to lodge your own 2019/2020 tax return is 31 October! If you lodge your tax return through a tax agent the deadline is extended to 17 May 2021.

To take advantage of this extended deadline, please contact us.

You can even claim your accountant's fee as a tax deduction!

Call us on 03 5443 0344 to make an appointment or arrange to have your documents dropped off.

# Supporting our community

AFS was recently involved with launching the 'Bendigo Community Food Pantry' initiative to help central Victorians struggling financially due to impacts of COVID-19.

Bendigo Community Food Pantry provides four free food orders to temporarily reduce the living costs of recipients and help them get back on their feet.

Ordering is easy and can be completely confidential. Pick-up and delivery options are available.

If you or someone you know is feeling the pinch please pass on the details.

Visit [www.bendigocommunityfoodpantry.org.au](http://www.bendigocommunityfoodpantry.org.au)



## On the blog:



### Can property investors claim stamp duty?

Stamp duty is one of the largest expenses involved in purchasing an investment property, so it's not surprising that investors often ask if it's tax deductible.



### Extension to HomeBuilder Program

The HomeBuilder Program has been extended for three months. The program provides all eligible owner-occupiers (not just first home buyers) with a grant of \$25,000 to build a new home or substantially renovate an existing home.



### Have you reviewed your Business Continuity Plan?

While many business have enacted their Business' continuity plan (BCP) during COVID, the current situation shines a bright light on their importance, and for some, it has also highlighted gaps and weaknesses in their BCP.



You can read our blogs in full on our website: [www.afsbendigo.com.au/news](http://www.afsbendigo.com.au/news)

## No better time than now to refinance



As we continue to recover from COVID-19 and progress toward a new form of normality, the sun is starting to shine and happier days are ahead. With government support on offer to boost the economy, such as the Instant Asset Write-Off Scheme and a number of business cash grants, now is a great time to secure finance.

Endeavor works with you to review your individual circumstances, now and in the future to ensure you're on track to achieve your goals. Whether it be business finance, a home loan, a car loan or even equipment finance, we do the shopping for you.

If you would like to have a chat about obtaining finance for you or your business, please give us a call on 03 5434 7690.

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## Thanking our team

Last month AFS team members woke to a new desktop background on their computers followed by a surprise visitor at the front door of their homes. The Partners and CEO delivered over 70 care packages to each team member as a big thank you for the last six months.

Like many others, September was the six month mark of working from home. We are so proud of everything our team has achieved given the circumstances and appreciate the hard work, care and commitment they have delivered to continue to service our clients seamlessly despite working remotely, home schooling, missing loved ones and everything else that has come with the COVID-19 pandemic!

A huge shoutout to Bluebird Patisserie for catering to our big order! How great do all those treats look!




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