



Monday, 23 March 2020
Issue 1.0

Dear members

The Victorian Premier, Daniel Andrews this morning announced Step 1 measures to be imposed in Victoria at 12.00 midday today, to contain the Coronavirus. The Premier's announcement focused on limiting peoples attendance at social venues, including;

- Pubs, registered and licenced clubs (excluding bottle shops attached to these venues), hotels (excluding accommodation)
- Gyms and indoor sporting venues
- Cinemas, entertainment venues, casinos, and night clubs
- Restaurants and cafes will be restricted to takeaway and/or home delivery
- Religious gatherings, places of worship, weddings or funerals (in enclosed spaces and other than very small groups and where the 1 person per 4 square metre rule applies).

There are no fixed timelines attached to these restrictions being lifted. Unless VACC members fall into one of the above categories they should continue with the running of their businesses but with all care taken to maximise social distancing. Where staff can work from home employers should consider if this is an option for them.

Jobs Packages for small and medium businesses – including apprenticeship support

Attached is a **Australian Government [Fact Sheet](#)** – Economic Response to the Coronavirus - incentives to employers covering two areas:

1. Small to Medium Businesses with an annual turnover under \$50,000,000 can receive up to \$100,000 – Via ATO and business activity statements – will receive credits or refund. <https://treasury.gov.au/coronavirus/businesses>
2. Small Businesses (<20 staff) who have apprentices started before 1 March 2020 can receive up to \$21,000 - Contact your Apprenticeship Network Provider

The Victorian **State Government** have setup an Economic Survival and Jobs Package for small to medium businesses impacted by COVIDE-19. To register your interest in receiving more details provide your contact information here:

<https://www.business.vic.gov.au/support-for-your-business/grants-and-assistance/economic-survival-and-jobs-package>

ATO Advice – Cash Payment Boost

As part of the stimulus package announced by the Federal Government earlier this month, a Cash Payment Boost was listed as a stimulus measure.

The incentive is an addition to the enhancement to the instant asset write off.

Please find [attached](#) information compiled by Shinewing Advisers and Accountants on accessing the Cash Payment Boost, which includes:

- Eligibility
- Timing
- ATO administration relief

Immediate expansion of the Instant Asset Write-off for eligible business asset purchases: information for motor dealers

Members will be aware that the government announced an expansion to the Instant Asset Write-off for eligible business asset purchases, along with Accelerated Depreciation Deductions and Boosting Cash Flow for Employers. Service provider Fordham has provided the following [Factsheet](#) to help members better understand how to these measures work.

In addition, they have provided the following table to assist with understanding:

	Am I Eligible?	
	Aggregated Turnover Less than \$50 million	Aggregated Turnover above \$50 million but less than \$500 million
1. Expanded Instant Asset Write-off <ul style="list-style-type: none"> - New or Used Assets acquired/installed ready for use by 30 June 2020; - Asset's installed cost must be less than \$150,000 <i>(Note depreciation cost limit for cars purchased - \$57,581)</i> 	Yes	Yes
2. Accelerated Depreciation Deduction <ul style="list-style-type: none"> - Additional 50% write-off in first year; - New assets only; - Acquired before 30 June 2021 	Yes	Yes
3. Boosting Cashflow for Employers <ul style="list-style-type: none"> - One-off, up to \$25,000 reduction in BAS liability for PAYG-Withholding 	Yes	No

What is Aggregated Turnover?

To clarify this concept – “**Aggregated Turnover**” is generally your annual turnover, plus the annual turnover of any business:

- Connected with you; or
- That is your affiliate.

If your business is in a company or trust, your aggregated turnover includes your annual turnover, plus the annual turnover of all the entities that are connected or affiliated with your company/trust. These connected or affiliated companies may be based in Australia or overseas.

An entity is Connected with you if:

- You control or are controlled by that entity; or
- Both you and that entity are controlled by the same third entity.

Importantly, the ATO specifically note that Employers will still need to meet their ongoing super guarantee obligations for their employees.

It is important to highlight that these administrative measures being implemented by the ATO are not automatic (like for example the Bushfire Relief Measures were). Any business owner wanting to obtain assistance is required to contact the ATO on 1800 806 218, to discuss their situation. Given the highly fluid nature of current events, we are still seeking clarification on the ATO's criteria to define a business as being impacted by the COVID-19 outbreak.

Useful information regarding access to credit from Australian Banks

The Australian Government has announced a package that they will support the Australian small business sector as a result of the crisis COVID-19.

Part of the government's stimulus package, it has been announced that Australian businesses with less than \$50m turnover may be to access an unsecured loan of up to \$250k.

The criteria or features surrounding those loans will see:

- no repayments for six months;
- no establishment or account fees;
- no interest will be payable unless the loan is used.

As an example, the Commonwealth Bank has advised that these loans will be available from today. [Take this link](#) to read more on how these loans may be able to assistance your business. Other banks such as HSBC [are also offering advice](#) on the suite of offerings announced by the Federal Government.

VACC members are urged to take advice from their financial and taxations professional service providers as to what financial strategy you should employ.

VACC lobbying for automotive supply chain to be considered an 'essential service'

Members are understandably seeking clarity regarding the definition of 'essential services' and what that may mean for their business.

There will likely be further announcements regarding this definition and VACC, Motor Trades Association of Australia (MTAA) and the Australian Chamber of Commerce and Industry (ACCI) in Canberra have been lobbying hard on behalf of businesses to have the repair and maintenance of the nation's vehicle fleet considered essential.

VACC CEO, Mr. Geoff Gwilym sent the following this morning to the Premier:

Dear Premier

VACC urges the Victorian Government to consider the full automotive supply chain in its definitions of 'essential services' for the purposes of the Coronavirus outbreak. Whilst the movement of essential goods is critical to the health and wellbeing of Victorians so is the repair and maintenance of its important vehicle fleet. Cars, motorcycles, trucks and tractors all play a critical role in helping government reach their objectives in ridding Australia of this virus. The automotive industry stands by the government to get its work done, we need your help in ensuring our skilled workforce gets access the vehicles that need service and repair.

See also attached the Media Release issued today "[Auto businesses remain open, diligent](#)"

We will continue to keep members updated.

Useful Links

The following links are provided for members:

Government websites:

Department of Human and Health Services

<https://www.dhhs.vic.gov.au/>

Australian Taxation Office

<https://www.ato.gov.au/General/New-legislation/The-Australian-Government-s-Economic-Response-to-Coronavirus/>

Treasury

<https://treasury.gov.au/coronavirus>

BusinessGov

<https://www.business.gov.au/>

Victorian State Government

<https://www.vic.gov.au/>

Worksafe Victoria

<https://www.worksafe.vic.gov.au/>

Professional Service Providers

Should members want to consult with professional service providers VACC will be able to assist with recommended providers. Please contact your Industry Policy Advisor for assistance.

COVID-19 Employer Guide

You may be aware that we have reformatted the March 2020 COVID-19 Employer Guide that was sent out in a VACC Bulletin link on 17 March. There was a text overlay on page 7 that we have fixed. The updated booklet is available on the original Bulletin, however we have also [attached](#) it as a PDF for your convenience.

Geoff Gwilym

Chief Executive Officer

Disclaimer: *The information gathered has been drawn from a number of sources and VACC strongly recommends that members revert to the primary source of information for any clarification.*