

23.3.20

Hi To all Kung Fu, Tai Chi and Wushu Friends

This is our fourth information update on the Covid 19 virus.

GOVERNMENT SUPPORT MEASURES-COVID 19 STIMULUS PACKAGES

The Federal & State Governments have announced a series of stimulus packages to help support our economy through this critical time. They include offering administrative relief for certain tax obligations, including deferring tax payments up to four months.

Summary of Assistance for and Support for Small Business

* Increase in the Instant Asset Write Off from \$30,000 to \$150,000 from 12th March 2020 to 30th June 2020 for businesses with an aggregate turnover of less than \$500 Million.

* Backing Business Investment Deduction by accelerating depreciation deductions to 50% for businesses with aggregate turnover below \$500 Million for assets purchased between 12th March 2020 and 30th June 2021.

* Boosting Cash Flow for Employers & Not for Profits: a minimum payment of \$20,000/maximum payment of \$100,000 for eligible businesses with turnover less than \$50 Million. The payment will be a tax-free credit upon lodgement of March to June Business Activity Statement (BAS) 2020. The payment is equal to 100 per cent of the amount withheld on Salary & Wages; a minimum of \$10,000 up to \$50,000 for each quarterly BAS. The amounts are also available proportionately for Monthly BAS lodgements. For the Jul to Sep BAS, eligible businesses will receive an additional payment calculated and based upon the credit received before June Period. Total additional payment will be minimum of \$10,000 & maximum of \$50,000. Eligible businesses that pay salary and wages will receive a minimum payment of \$10,000 in the March Quarter and \$5,000 in the June & September QTR BAS even if they are not required to withhold tax.

* Supporting Apprentices & Trainees: a wage subsidy to employers of up to a maximum \$21,000 (\$7,000 per quarter) being 50% of an apprentice or trainee's wage. Available for employers that employ less than 20 employees. Applicable period is 1st January 2020 to 30th September 2020. The apprentice or trainee must have been in training with the small business as at 1st March 2020. Registration for the subsidy should be available in early April.

* The State Government will provide full payroll tax refunds for the 2019-20 financial year to small and medium-sized businesses with payroll of less than \$3 million.

* There is also Assistance for affected regions, communities and industries such as tourism, agriculture & education. The Minister for Trade, Tourism and Investment will work with affected industries and communities to develop

recovery plans and measures.

Should you have any queries relating to the Stimulus Packages, please do not hesitate to contact our office.

FORCE MAJEURE

Many members have enquired about stepping away from leasing agreements. With the Government support measures this may not be needed but it is always good to check if your contract refers to '*force majeure*' (French) or sometimes as '*casus fortuitus*' (Latin). These terms are a common clause in contracts that essentially frees both parties from liability or obligation when an extraordinary event or circumstance beyond the control of the parties, such as a war, strike, riot, crime, plague, or an event described by the legal term act of God (hurricane, flood, earthquake, volcanic eruption, etc.), prevents one or both parties from fulfilling their obligations under the contract. In practice, most force majeure clauses do not excuse a party's non-performance entirely, but only suspend it for the duration of the force majeure. For those affected it might be a good idea to see if such a clause is in your leasing or related business agreements/contracts. The current Covid 19 crisis meets the legal definition of '*force majeure*'.

CENTRELINK

Centrelink rules and payments have now been changed for the duration of this crisis. If you are now not working, no longer trading you will likely be eligible for government support. The website to get initial information is: <https://www.servicesaustralia.gov.au/individuals/centrelink> but a subsequent trip to you local Services Australia office will be needed.

BANKS DEFER MORTGAGE PAYMENTS

A CBA spokesperson said:

All of our home loan customers will be able to pause their repayments for up to six months should they need to.

Westpac said:

Westpac customers who have lost their job or suffered loss of income as a result of COVID-19 should contact us for three months deferral on their home loan mortgage repayments, with extension for a further three months available after review.

The NAB wrote:

[Customers can] Pause home loan repayments for up to six months, including a three-month checkpoint.

And the ANZ noted:

[Customers can] Request a deferral of home loan repayments for up to six months, with a review at three months, with interest capitalised.

ONLINE TRAINING

Many members are moving to 'Online Training'. For those that are doing this can you share the information of the 'how to' with me so I can share it with our broader membership.

*Best
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