

PREPARING FOR EOFY 2021: WHAT'S CHANGED, WHAT'S NEW?

It has been a year of recovery for Australia and Australian businesses, with the country achieving some of the best economic outcomes in the world. While there have been disruptions, there have also been additional allowances and tax changes designed to assist businesses. Some of these programs are coming to an end, others are remaining in place, and some are new.



PROGRAMS AND INITIATIVES ENDING

The \$90 billion JobKeeper wage subsidy scheme ended on 28 March 2021, and JobKeeper audits are expected to continue for another six to 12 months.

The instant asset-write off scheme with higher thresholds and eligibility is ending. Assets of up to \$150,000 that were purchased prior to 31 December 2020 and installed ready for use by 30 June 2021 in businesses with an aggregated turnover of less than \$500 million could be written off. These thresholds and eligibility will drop back down to \$30,000 for businesses with turnovers of \$50 million or less.

Tips to remember: ensure all JobKeeper records are complete and up to date in case of an audit and install all previously purchased assets ready for use by June 30 2021.



EXTENDED PROGRAMS

Temporary Full Expensing will be extended for an additional year until 30 June 2023.

Businesses with an aggregated turnover of less than \$5 billion can claim immediate deductions for the business portion of the cost of eligible new depreciating assets. Businesses with an aggregated turnover of less than \$50 million, can immediately claim the business portion of eligible second-hand depreciating assets. Assets must be acquired from 7.30pm AEDT on 6 October 2020 and first used or installed ready for use by 30 June 2023.

Likewise, the temporary loss carry-back scheme will continue for another year. Businesses with turnover of less than \$5 billion can write off COVID-19-caused losses against previous taxed profits to the 2022–2023 year.

Tips to remember: seek professional advice and make the most of immediate deductions and the loss carry-back scheme to reduce tax obligations.



WHAT'S NEW

Businesses with an aggregated annual turnover of under \$50 million for the 2018–19 to 2021–22 income years will see a tax rate drop of 1%, down to 25% for the 2021–2022 tax year.

Tips to remember:

- Check to see if you are eligible for the lower tax rate. The excise refund cap for distillers and brewers is being increased from 1 July 2021. All eligible brewers and distillers will receive full remission of any excise paid on alcohol produced up to a cap of \$350,000 in a financial year. This is an increase from 60%. The scheme is designed to support jobs and growth of the alcohol manufacturing sector.
- Brewers and distillers should lodge excise returns promptly to automatically receive excise remission.



BENEFITS FOR EMPLOYERS LOOKING TO HIRE AND TRAIN

The JobTrainer Fund, which was launched in 2020, is being extended with an additional \$500 million in funding to extend the program until the end of 2022. This fund supports training and upskilling in areas such as digital sectors and aged care.

The Boosting Apprenticeship Commencements program is receiving an additional \$2.7 billion. This will pay businesses a 50% wage subsidy for new apprentices or trainees starting prior to 31 March 2022.

Through JobActive, Transition to Work and ParentsNext, the Government is increasing wage subsidies to \$10,000 by investing \$4.6 billion into helping vulnerable unemployed Australians find work and help with the economic recovery.

Tips to remember: if you are planning on hiring new staff or bringing in apprentices or trainees, be sure to check if you are eligible for a wage subsidy.



For more help preparing your business for the end of financial year, visit our [resource centre](#).