



COVID-19 Economic Stimulus Package Summary

Breaking Down the Economic Response to the Coronavirus

Last week the Australian Government announced an economic response to COVID-19, totalling \$17.6 billion.

We had a look at the stimulus package and broke it down to see what exactly it means for you and your business.

The package has four parts, two which relate to supporting businesses through the economic impacts of the Coronavirus outbreak. The assistance and investment measures in the package are designed to assist Australian businesses and support employing small and medium enterprises to improve business confidence.

1. Delivering support for business investment

Increasing the instant asset write-off

\$700 million to increase the instant asset write-off threshold from \$30,000 to \$150,000 and expand access to include businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020. For example, assets that may be able to be immediately written off are a concrete tank for a builder, a tractor for a farming business, and a truck for a delivery business.

Backing business investment

\$3.2 billion to back business investment by providing a time limited 15 month investment incentive (through to 30 June 2021) to support business investment and economic growth over the short term, by accelerating depreciation deductions. Businesses with a turnover of less than \$500 million will be able to deduct 50 per cent of the asset cost in the year of purchase.

2. Cash flow assistance for businesses

Boosting cash flow for employers

\$6.7 billion to Boost Cash Flow for Employers by up to \$25,000 for small and medium-sized businesses, with a minimum payment of \$2,000 for eligible businesses. The payment will provide cash flow support to businesses with a turnover of less than \$50 million that employ staff, between 1 January 2020 and 30 June 2020. The payment will be tax free.

Supporting apprentices and trainees

\$1.3 billion to support small business to retain their apprentices and trainees. Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage for up to 9 months from 1 January 2020 to 30 September 2020. Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer that employs that apprentice.

More Information

For more information on the Australian Government's Economic Response to Coronavirus please visit the treasury.gov.au/coronavirus

Businesses can also visit business.gov.au to find out more about how the Economic Response complements the range of support available to small and medium businesses.