



Senator the Hon Michaelia Cash

MINISTER FOR EMPLOYMENT, SKILLS, SMALL AND FAMILY BUSINESS

SENATOR FOR WESTERN AUSTRALIA

17 March 2020

\$17.6 BILLION STIMULUS PACKAGE - ASSISTANCE AVAILABLE TO SMALL BUSINESSES

COVID-19 is having a significant impact on the Australian economy.

The Government has moved quickly to put in place health measures to protect the Australian community from this complex and rapidly evolving challenge.

The Government has announced an initial \$17.6 billion stimulus package designed to keep businesses in business and Australians in jobs. The Prime Minister has made it clear that the stimulus package is targeted, measured and scalable.

As part of this initial package, measures for small and family businesses include:

\$6.7 billion measure Boosting Cash Flow for Employers

Tax free payments of between \$2,000 and \$25,000 to eligible business with a turnover of under \$50 million, to provide temporary cash flow support to businesses that employ staff.

This will work by giving eligible businesses that withhold tax to the ATO on their employees' salary and wages receiving a payment equal to 50 per cent of the amount withheld, up to a maximum payment of \$25,000.

Eligible businesses that pay salary and wages will receive a minimum payment of \$2,000, even if they are not required to withhold tax.

This measure will benefit around 690,000 businesses employing around 7.8 million people.

\$1.3 billion measure Supporting Apprentices and Trainees

Employers of apprentices and trainees who employ less than 20 full-time staff can apply for a wage subsidy of 50 per cent, of up to \$7,000 per quarter, for each trainee or apprentice they employ.

This applies to trainee and apprentice wages paid for the period from 1 January 2020 to 30 September 2020 up to a maximum of \$21,000 per eligible apprentice or trainee.

This will support up to 70,000 small businesses and around 117,000 apprentices.

Increasing the Instant Asset Write-Off

We are increasing the instant asset write off threshold from \$30,000 to \$150,000, and expanding access to businesses with aggregated annual turnover of less than \$500 million until 30 June 2020.

Backing Business Investment

Businesses with a turnover of less than \$500 million can, until 30 June 2021, deduct 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost.

This is our first major step in responding to the challenges we face.

As our Prime Minister said:

"...we will continue to monitor events as we go forward. But we've, we got ahead of this early. We've worked very hard to stay ahead and that challenge grows each and every day....I believe very strongly that [Australians] will support our decision to actually make this stimulus the priority at this time for the Australian economy, because it's about their jobs, their livelihoods, and it's also about their future, because on the other side of this, we will bounce back stronger."

If you require further information on any of these measures it is available at www.business.gov.au.

Sincerely

A handwritten signature in blue ink, appearing to read 'Michaelia Cash'.

Senator the Hon Michaelia Cash

Minister for Employment, Skills, Small and Family Business

Senator for Western Australia