

COVID-19 stimulus package
support from the Australian Government

What is the stimulus package?

- Support from the Australian Government to support the Australian economy – \$17.6 billion
- \$1.6 billion in tax relief to small businesses
- Keep small businesses afloat and employees in work



Support being offered to small businesses

- 1 Cash flow payment of up to \$25,000 for employers
- 2 50% wage subsidy for apprentices and trainees
- 3 Increase in the instant asset write-off threshold to \$150,000
- 4 50% accelerated depreciation for investments

1 Cash flow payment for employers

- A payment up to a maximum of \$25,000
- A minimum payment of \$2,000

Who is eligible?

Businesses with a turnover of less than \$50 million that employ staff between 1 January 2020 and 30 June 2020

When will it be received?

Eligible businesses will automatically receive payments of 50% from 28 April 2020, with refunds to be paid within 14 days after that date.

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Wage subsidy for apprentices and trainees

- Wage subsidy of 50% of an apprentice's or trainee's wage for up to 9 months from 1 January 2020 to 30 September 2020.
- Businesses can be reimbursed up to a maximum of \$21,000 per eligible apprentice

Who is eligible?

Small businesses with fewer than 20 full time employees who retain an apprentice or trainee.

When will it be received?

You will be able to register for the subsidy from early April 2020.

3 Increase in the instant asset write-off threshold

- Instant asset write-off threshold will be increased from \$30,000 to \$150,000
- Higher threshold from 12 March until 30 June 2020 - applies to new or second-hand assets installed in businesses during these dates

Who is eligible?

Businesses with aggregated annual turnover of less than \$500 million (up from \$50 million).

When will it be received?

Claimed back via your business tax return.

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Increase in the instant asset write-off threshold

- Deduct an additional 50% of an asset cost in the year of purchase from 12 March 2020 until 30 June 2021
- Designed to support business investment and economic growth over the short term

Who is eligible?

- Businesses with a turnover of less than \$500 million that are purchasing new depreciable assets.
- Eligible assets covered are new assets that can be depreciated under Division 40 of the Income Tax Assessment Act 1997.
- Secondhand assets are not eligible for this initiative.

When will it be received?

Claimed back via your business tax return.

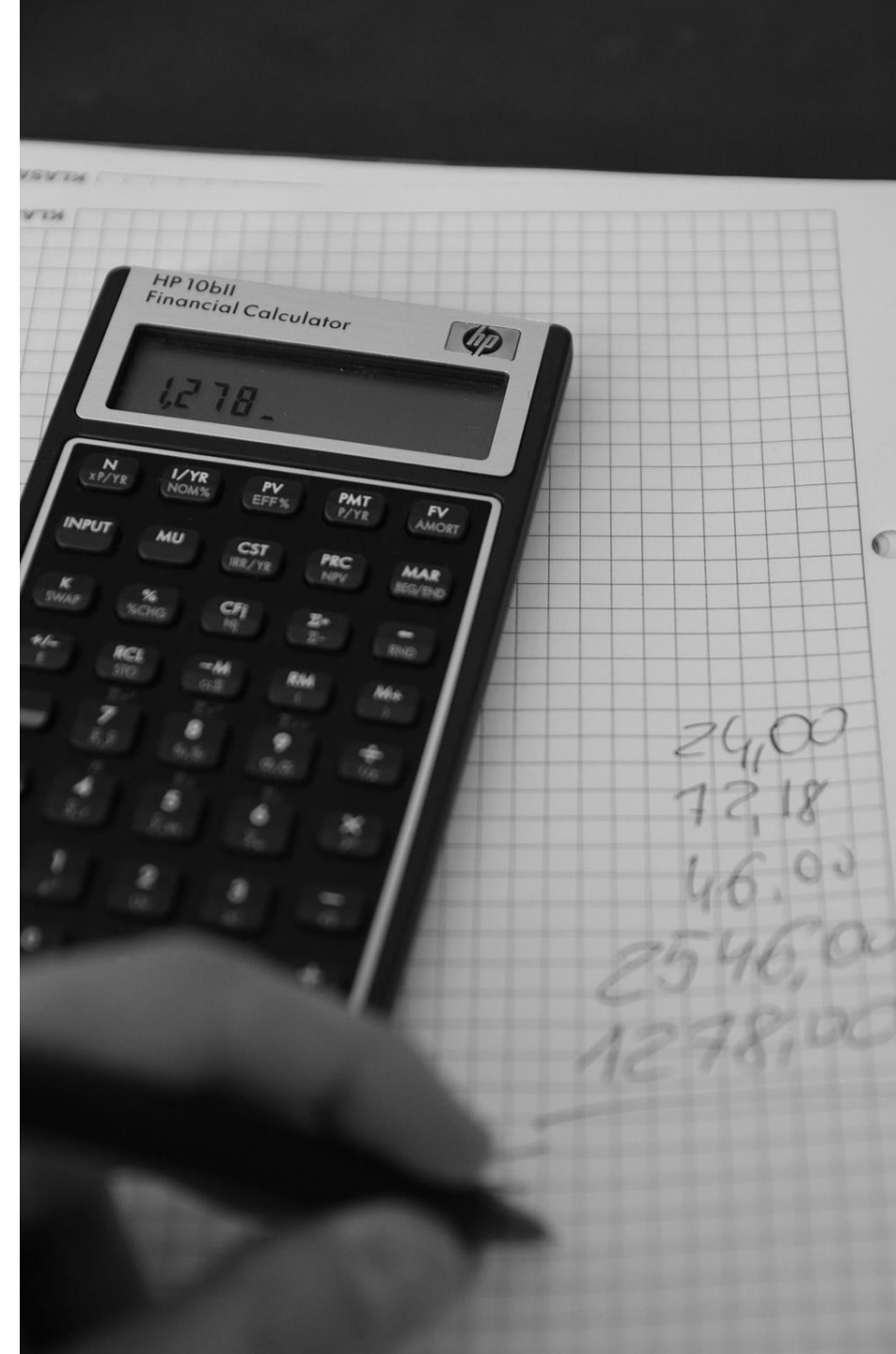
Other measures

- A tax free, one-off \$750 stimulus payment to individual income support recipients and eligible concession card holders, being rolled out from 31 March 2020.
- Targeted regional and community support aimed at businesses and communities particularly affected by the economic downturn due to Coronavirus, e.g. those in the tourism, agriculture and education industries.
- Push to promote domestic tourism.



Tax relief

- ATO will consider relief for certain tax obligations, including deferring tax payments up to four months.
- If you fall behind with your tax and super obligations:
 - review ATO's information on COVID-19
 - call ATO on 1800 806 218 or
 - speak to your accountant or tax professional so that they can work with you to find a solution. Alternatively, Centium can assist in this regard.



Summary: Economic response to the Coronavirus

AIM	WHAT	WHEN
Delivering support for business investment	Increasing the instance asset write-off Lifting the threshold to \$150,000 (from \$30,000) – and making more businesses eligible to use it.	Immediately, until 30 June 2020
	Backing business investment Offering businesses a time-limited incentive to invest, by accelerating depreciation deductions.	Immediately, until 30 June 2021
Cash flow assistance for business	Boosting cash flow for employers Helping small and medium-sized business cover the costs of employee wages and salaries (50% of PAYG withheld, with a minimum \$2,000 payment and up to a cap of \$25,000 over 6 months).	Covers amounts withheld between 1 January 2020 and 30 June 2020
	Supporting apprentices and trainees Wage assistance to help small businesses to keep their apprentices and trainees.	1 January 2020 to 30 September 2020
Stimulus payments to households to support growth	Stimulus payments One-off payments of \$750 to social security, veteran and other income support recipients and eligible concession card holders to support confidence and domestic demand in the economy.	From 31 March 2020
Assistance for severely affected regions	Support for Coronavirus-affected regions and communities Financial support to help regions and communities most affected by the Coronavirus to recover.	As soon as practicable

What next?

- Centium can assist by providing you with information on:
 - what support you are eligible for
 - how to obtain the support
- Contact Centium Managing Director phil.otoole@centium.com.au or 0423 024 951 if you need assistance accessing the Government stimulus package

