



GENERAL MESSAGE

16 March 2020

Federal Government Stimulus Package in response to CORONAVIRUS (COVID-19)

The Australian Government announced an economic stimulus package totalling \$17.6 billion in response to the Coronavirus outbreak. This response aims to support Australian businesses in the areas of cash flow and investment. This ALFA General Message includes information announced by the Federal Government that may assist your business.

Your business might be eligible for the following assistance

CASH FLOW ASSISTANCE

Up to \$25,000 to help business cash flow

What is it?

Eligible businesses will receive up to \$25,000 tax free, with a minimum payment of \$2,000.

Who is eligible?

Small and medium business entities with employees and aggregated annual turnover of under \$50 million (based on prior year turnover).

Eligible businesses that withhold tax to the ATO on their employees salary and wages will receive a payment equal to 50% of the amount withheld (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.

When will it be received?

The payment will be delivered by the Australian Taxation Office (ATO) as a credit in the Activity Statement system from 28 April 2020, upon businesses lodging eligible upcoming activity statements.

More Information? Check out the [FACT SHEET](#).

Up to \$21,000 to support apprentices and trainees

What is it?

Eligible employers can apply for a wage subsidy of 50% of the apprentice's wage paid during the 9 months from 1 January 2020 - 30 September 2020 (maximum \$21,000 per eligible apprentice).

Who is eligible?

Small businesses who retain an apprentice or trainee and employ fewer than 20 full time employees. The apprentice must have been in training with the business as at 1 March 2020.

How to apply?

Employers can register for this subsidy from early-April 2020 by contacting an Australian Apprenticeship Support Network (AASN) provider. Final claims for payment must be lodged by 31 December 2020.

More Information? Check out the [FACT SHEET](#).

Further information is available at:

- The Department of Education, Skills and Employment website at: www.dese.gov.au
- Australian Apprenticeships website at: www.australianapprenticeships.gov.au

For further information on how to apply for the subsidy, including information on eligibility, contact an [Australian Apprenticeship Support Network \(AASN\) provider](#).

INVESTMENT ASSISTANCE

Up to \$150,000 Instant Asset Write-Off

What is it?

The Government has increased the instant asset write-off threshold from \$30,000 to \$150,000. The higher IAWO threshold provides cash flow benefits for businesses that will be able to immediately deduct purchases of eligible assets each costing less than \$150,000. The threshold applies on a per asset basis, so eligible businesses can immediately write-off multiple assets.

Timing?

Applies from announcement until 30 June 2020, for new or second-hand assets first used or installed ready for use in this timeframe.

Who is eligible?

They have also expanded access to include businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020.

More Information? Check out the [FACT SHEET](#).

Further

Accelerating depreciation deductions up to 50% of the cost of an eligible asset

What is it?

The Government is introducing a limited time 15-month investment incentive (through to 30 June 2021) to support investment by accelerating depreciation deductions.

Timing?

Applies to eligible assets acquired after announcement and first used or installed by 30 June 2021.

Who is eligible?

Businesses with a turnover of less than \$500 million will be able to 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. Eligible assets are new assets that can be depreciated under Division 40 of the Income Tax Assessment Act 1997 (i.e. plant, equipment and specified intangible assets, such as patents) acquired after announcement and first used or installed by 30 June 2021.

More Information? Check out the [FACT SHEET](#).

What is ALFA doing?

- ALFA will advise members as relevant new information comes to hand from the Authorities.
- ALFA will continue to engage with the relevant State Government Departments on this issue.
- The safety and welfare of our people is our top priority. ALFA has postponed a number of face-to-face events scheduled over the [next 6-week period](#). These Events will be rescheduled for a later date. Communication will be sent directly to delegates who have registered for these events.

OTHER RESOURCES?

Federal Government - Economic Response to the Coronavirus

- <https://treasury.gov.au/coronavirus>

NOTE: *The material in this GENERAL MESSAGE has been compiled from external resources such as State and Federal government sources. It does not constitute legal advice or recommendations and should not be relied upon as such. It is provided in good faith to assist ALFA members. Appropriate legal advice should be sought that reflects your individual circumstances.*