

# COVID-19

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## Federal Government's \$17.6 Billion Stimulus package




10+  
YEARS

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The following details the \$17.6b federal government stimulus package announced to support businesses to weather disruption caused by COVID-19.

The measures are worth approximately 1.2% of GDP and include measures to fast-track investment, cash payments for small and medium businesses to save jobs and subsidies to help keep apprentices employed.

The Treasurer, Josh Frydenberg has said the vast majority of the stimulus will be spent by the end of June 2020 and will inject \$22b into the domestic economy. The package will not extend beyond 30 June 2021 in the hopes the budget will bounce back.

## Delivering support for businesses

\$700m to expand the instant asset write off scheme – threshold increased from \$30k to \$150k. Turnover threshold increased from \$50m to \$500m. The instant asset write-off scheme will operate until 30 June 2020.


Introduction of a time-limited 15-month investment incentive to support business investment and economic growth over the short-term, by accelerating depreciation deductions.


## Cashflow

\$6.7 billion to boost Cash Flow for Employers by up to \$25,000 with a minimum payment of \$2,000 for eligible small and medium-sized 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.

This measure will benefit around 690,000 businesses employing around 7.8





million people. Businesses will receive payments of 50 per cent of their PAYG withholding in Business Activity Statements or Instalment Activity Statement from 28 April with refunds to then be paid within 14 days.

\$1.3 billion to support small businesses to support the jobs of around 120,000 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.

## Households

\$4.8 billion to provide a one-off \$750 stimulus payment to pensioners, social security, veteran and other income support recipients and eligible concession card holders. Around half of those that will benefit are pensioners.

The payment will be tax free and will not count as income for Social Security, Farm Household Allowance and Veteran payments. There will be one payment per eligible recipient. If a person qualifies for the one off payment in multiple ways, they will only receive one payment.

Payments will be made from 31 March 2020 on a progressive basis, with over 90 per cent of payments expected to be made by mid-April.





## Workforce

\$7000 each quarter in wage subsidies for employers of less than 20 people to save the jobs of 120,000 apprentices. Subsidies will be backdated to 1 January 2020 and will run until 1 September 2020.

Waiting times for a government sickness allowance will be waived for casual workers forced into self-isolation.


## Individuals

One-off payment of \$750 to social security, veteran and other income support recipients and eligible concession cardholders. Over 90% of payments will be made by mid-April 2020.

Deeming rates for pensioners cut by 50 basis points in response to the most recent decision of the Reserve Bank of Australia.

## Health

\$100m is set aside to fund a new Medicare telehealth service which will be available from Friday, 13 March. There is also \$500m to co-fund the increased demand in public hospitals and the public health systems.





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