

## FACTSHEET

### Federal Government's Economic Response to Coronavirus (COVID-19)

The National Electrical and Communications Association (NECA) welcomes the Federal Government announcement of a \$17.6 billion stimulus package designed to counter the negative economic impacts to business, jobs and the community arising from the coronavirus (COVID-19) pandemic.

The Government has announced a number of measures that will:

- support small and medium business including increasing instant asset write-off opportunities and time-limited incentives around depreciation deductions;
- deliver cash flow assistance for small and medium-sized businesses in the form of covering costs of employee wages and salaries and helping to retain apprentices;
- enable financial assistance for regions severely affected by the coronavirus.

NECA members may be eligible to receive assistance in the following:

#### **Delivering support for business investment**

##### Increasing the instant asset write-off

The Government is increasing the instant asset write-off threshold from \$30,000 to \$150,000, and expanding access to include businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020.

This mechanism is effective immediately and until 30 June 2020.

##### Backing business investment

The Government is introducing a time limited 15-month investment incentive 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% of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost.

This mechanism is effective immediately and until 30 June 2021.

#### **Cash flow assistance for businesses**

##### Cash flow for employers

The 'Boosting Cash Flow for Employers' measure will provide up to \$25,000 back to 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. Businesses will receive payments of 50% of their Business Activity Statements (BAS) or Instalment Activity Statement from 28 April with refunds to then be paid within 14 days.

The payment will be tax free.

This measure will cover amounts withheld between 1 January and 30 June 2020.

### Supporting apprentices and trainees

Eligible employers can apply for a wage subsidy of 50% 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.

Employers can register for the subsidy from early-April 2020. Final claims for payment must be lodged by 31 December 2020.

Further information is available at:

- The Department of Education, Skills and Employment website at: [www.dese.gov.au](http://www.dese.gov.au)
- Australian Apprenticeships website at: [www.australianapprenticeships.gov.au](http://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.

### **Assistance for severely affected regions**

The Government will be offering assistance to sectors, regions and communities that have been disproportionately affected by the economic impacts of the Coronavirus, including those heavily reliant on industries such as tourism, agriculture and education. This will include additional assistance to help businesses identify alternative export markets or supply chains. Further plans and measures to support recovery will be designed and delivered in partnership with the affected industries and communities.

For more information:

### **Australian Government's Economic Response to Coronavirus**

[www.treasury.gov.au/coronavirus](http://www.treasury.gov.au/coronavirus)

### **Small and Medium Business assistance**

[www.business.gov.au](http://www.business.gov.au)

### **Delivering support for business investment**

[https://treasury.gov.au/sites/default/files/2020-03/Fact sheet-Support for business investment.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact%20sheet-Support%20for%20business%20investment.pdf)

### **Cash flow assistance for businesses**

[https://treasury.gov.au/sites/default/files/2020-03/Fact sheet-Assistance for businesses.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact%20sheet-Assistance%20for%20businesses.pdf)

### **Assistance for severely affected regions**

<https://treasury.gov.au/coronavirus/sectors-and-regions>

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