



Thredbo. 12-3-2020

Dear Member,

Below is a summary of what the Commonwealth Government has announced in its initial stimulus package to support the Australian Economy through the impacts of COVID – 19. The Accommodation Association has been active in advocating for the direct measures now to support the cashflow position of each member. This is a good first step, but we need additional detail on the \$1 billion support package to know what the positives are for the industry.

The Accommodation Association is strongly advocating for an immediate exemption for business from FBT provisions for business for domestic travel which will provide an immediate positive impact for the tourism sector and support the current 880,000 employees of the sector.

We have also recommended specific fiscal measures to support employment inclusive of the need for States and territories to waive payroll tax in each state over the 2020 year.

These two measures alone would assist in supporting the continued employment of Australians through the impact of COVID – 19 situation.

As always we will continue to provide you updates on our activities and we are here to support your business, employees and you.

Summary of Commonwealth Government Response. Please also find [attached](#) full release.

Specific Support for Tourism, Agriculture and education

A total support package of \$1 billion to support tourism, agriculture and education sectors. The overall specifics of this spend is yet to be decided but will include the following:

- Waiving of fees and charges for tourism businesses that operate in the Great Barrier Reef Marine Park and Commonwealth National Parks.
- Assistance to help businesses identify alternative export markets or supply chains.

Targeted measures will also be developed to further promote domestic tourism. Further plans and measures to support recovery will be designed and delivered in partnership with the affected industries and communities.

General Support for business investment

These measures are active today

- Increase the instant asset write off threshold from \$30,000 to \$150,000 and expand access to include businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020.
 - For example, assets that may be able to be immediately written off are a concrete tank for a builder, a tractor for a farming business, and a truck for a delivery business.
- A time limited 15-month investment incentive (through to 30 June 2021) 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 an additional 50 per cent of the asset cost in the year of purchase.

Cash flow assistance for businesses

- Cash Flow for Employers of 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.
- Businesses will receive payments of 50% of their Business Activity Statements or Instalment Activity Statement from 28 April with refunds to then be paid within 14 days.

Employee support

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

Stimulus payments to households to support growth

- 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.