

MOTOR TRADERS'
ASSOCIATION OF NSW



MTA MEMBER UPDATE

The voice of the motor industry

Dear Member,

Federal Government

Economic Response to the Coronavirus

As you would be aware, the Federal Government recently announced an economic stimulus package in response to the current Coronavirus outbreak.

This assistance is designed to support businesses to manage cash flow and help retain their employees. Small businesses will also receive a wage subsidy for apprentices and trainees to help retain a skilled workforce.

Please find the following summary of the support that is being provided via this economic stimulus package for businesses:

Boosting Cash Flow for Employers

The Boosting Cash Flow for Employers measure will provide up to \$25,000 back to business, with a minimum payment of \$2,000 for eligible businesses. The payment will provide temporary cash flow support to small and medium businesses that employ staff. The payment will be tax free.

Small and medium business entities with aggregated annual turnover under \$50 million and that employ workers will be eligible. Eligibility will generally be based on prior year turnover.

This measure will be applied for a limited number of activity statement lodgements. The ATO will deliver the payment as a credit to the business upon lodgement of their activity statements. Where this places the business in a refund position, the ATO will deliver the refund within 14 days.

Supporting Apprentices and Trainees

Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage paid during the 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.

Employers will be reimbursed up to a maximum of \$21,000 per eligible apprentice or trainee (\$7,000 per quarter).

Support will also be provided to the National Apprentice Employment Network, the peak national body representing Group Training Organisations, to co-ordinate the re-employment of displaced apprentices and trainees throughout their network of host employers across Australia.

The subsidy will be available to small businesses employing fewer than 20 full-time employees who retain an apprentice or trainee. The apprentice or trainee must have been in training with a small business as at 1 March 2020.

Employers of any size and Group Training Organisations that re-engage an eligible out-of-trade apprentice or trainee will be eligible for the subsidy.

Employers will be able to access the subsidy after an eligibility assessment is undertaken by an Australian Apprenticeship Support Network (AASN) provider.

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

Increasing the Instant Asset Write-Off

Effective immediately, 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.

Backing Business Investment

Effective immediately, the Government is introducing 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 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.

For more information, MTA NSW recommends you visit the Australian Government's Economic Response to Coronavirus via <https://treasury.gov.au/coronavirus> or <https://business.gov.au/>

The following Fact Sheet is also available outlining cash flow assistance for businesses:

[CLICK HERE to Download the Cash Flow Assistance for Businesses FactSheet](#)

MTA NSW is able to assist our Members with advice and support by contacting your local Area Manager or Divisional Manager on **P:** 1300 682 679 or **E:** membership@mtansw.com.au

For further information regarding support for Apprentices and Trainees, please contact our Training team on **P:** 1300 682 679 or **E:** training@mtansw.com.au

Yours faithfully,

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