



12 March 2020

Melbourne, Australia

Fiscal stimulus a timely boost amid coronavirus threat

The Government's economic response to the Coronavirus or COVID-19, announced today, should provide a strong boost to many households and businesses as they face an uncertain period, according to Australia's largest accounting body CPA Australia.

CPA Australia spokesperson Paul Drum said COVID-19 continues to present a significant threat not only to human health but also to business and jobs.

"Today's announcements should alleviate some of those business concerns, especially around cash flow," Mr Drum said.

CPA Australia's reaction to today's fiscal stimulus announcements:

- **Cash flow boost for employers** – giving employers up to \$25,000 should boost cash flow for SMEs at this critical time. Businesses will, however, need to get their BAS statements in to get the credit.
- The **short-term extension of the instant asset write off** until the end of June will make it more attractive for businesses under \$500 million in turnover to invest in expensive plant and equipment. However, three months is a very short period to have such assets used or installed to qualify for the offset.
- Similarly, the **introduction of accelerated depreciation** will make it more attractive for businesses under \$500 million in turnover to invest. However, unlike the instant asset write off extension, this measure will be in place until 30 June 2021 and the value of the eligible asset is uncapped, meaning it could be very useful in encouraging investment in the post-crisis recovery.
- The **50 per cent wage subsidy for apprentices and trainees** for small businesses should minimise job losses for this group of people.
- The **\$750 support payment to certain households** will provide a timely boost to spending.

"We encourage those recipients of monies as part of this package to spend it at Australian businesses .

"With the crisis evolving quickly, this may not be the last time the government will need to consider stimulus measures," Mr Drum said.

<ENDS>

About CPA Australia

CPA Australia is one of the world's largest accounting bodies, with more than 165,000 members working in 100 countries and regions and supported by 19 offices globally. Our core services to members include education, training, technical support and advocacy. Employees and members work together with local and international bodies to represent the views and concerns of the profession to governments, regulators, industries, academia and the community. Visit our website: www.cpaaustralia.com.au

Media contact: Vanessa Richards on +61 400 395 559 or vanessa.richards@cpaaustralia.com.au