

12 March 2020

Coronavirus Stimulus Package will Support Tourism Businesses in Navigating Challenges

VTIC welcomes the Federal Government's \$17 billion stimulus package, which provides \$1 billion of direct support and relief for tourism businesses in the wake of the damaging effects of coronavirus.

The package focuses on supporting small business through direct cash payments to boost cash flow, wage subsidies for apprentices and trainees, significant expansion of the instant asset write-off and administrative relief from the ATO.

Tax-free payments for small to medium sized businesses will help ease the cashflow hardship many are facing and help them to pay bills, pay staff and stay afloat.

Businesses with a turnover of less than \$50 million will be eligible for a tax-free payment up to \$25,000 to help strengthen cashflows that have been under increased pressure over the past many weeks.

The tourism, travel and events sector has seen widespread booking cancellations, declining visitation, declining air travel and overall softening of consumer demand.

The expanded instant asset write-off now made available to businesses with a turnover of up to \$500 million, with the threshold increased from \$30,000 to \$150,000, will help businesses bring forward investment to stay competitive.

A 15-month investment incentive will see accelerated depreciation allowing businesses with turnover of less than \$500 million to deduct 50% of costs on eligible assets.

Small business employers of Victoria's 30,000 apprentices will welcome the wage assistance of up to \$7,000 per quarter to help them retain their existing apprentices and trainees, noting the wage subsidy will also be open to employers of any size that re-employ someone who loses their position as a result of the coronavirus downturn.

Casual workers unable to attend work due to coronavirus will be eligible to apply for the Government's sickness payment. In addition, a \$750 stimulus payment will be available to families receiving family tax benefits, people on NewStart and pensioners.

To be attributed to **Victoria Tourism Industry Council (VTIC) Chief Executive Felicia Mariani:**

"This package announced today provides welcome relief to our tourism and events operators across Victoria who have been struggling under the strain of impacts from coronavirus. These measures will greatly support businesses in their efforts to stay afloat.

"The fact that \$1 billion of this \$17 billion package has been dedicated to addressing issues in the tourism industry is a clear indication of the Federal Government's commitment to this sector.

“The ATO relief, accelerated depreciation, direct cash payments and support for casual staff who need to self-quarantine will go a long way to addressing the pressures the industry has been feeling.

“We know this is going to be an incredibly difficult period for the tourism industry across Victoria and indeed across the country. Our regions across the state are still reeling from the impacts of the bushfire crisis on the sector. Coronavirus has added yet another weight to an industry that has been operating under extreme pressure since the start of the new year.

“VTIC’s priority is to support the sector across Victoria to get through this devastating period; not just to recover, but to indeed position it for growth once this current crisis subsides.

“VTIC, in collaboration with our partners at the Victorian Chamber of Commerce and Industry, has given tourism businesses across the state free access to expert services and advice lines by waiving membership fees for our two entry level memberships and providing \$500 credit to existing members for training and services.”

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