



The Hon. Scott Morrison MP
Prime Minister

The Hon. Josh Frydenberg MP
Treasurer

Senator the Hon. Michaelia Cash
Minister for Employment, Skills, Small and Family Business

JOINT MEDIA RELEASE

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IMMEDIATE SMALL BUSINESS SUPPORT FOR BUSHFIRE AFFECTED COMMUNITIES

In response to the devastating bushfires, the Morrison Government has today announced a comprehensive suite of measures to immediately support impacted small businesses.

This initial package responds to the needs expressed by small businesses on the ground and at the small business roundtable last week which saw chambers of commerce from fire affected regions, the Australian Chamber of Commerce and Industry and the Council of Small Business Organisations Australia come together with the Government to discuss the impacts of this natural disaster on small business.

This comprehensive package will make it easier for those who have suffered direct fire damage, or have been indirectly economically impacted following the bushfires, to get back on their feet.

This package deals with the challenges we know small businesses in these areas are facing, and will continue to face. Our immediate priorities for small businesses include grant funding, concessional loans, tax relief, a dedicated and single contact point to help them access the support that is available, and financial counselling services that are targeted to help small and family business owners deal with the emotional and financial challenges they face.

Grant funding

To build on the disaster recovery grants put in place by state governments, the Federal Government will provide top-up grants to eligible small businesses and non-profit organisations under the Disaster Recovery Funding Arrangements.

This program is uncapped and means that businesses and organisations that have sustained damage as a result of the fires can access up to \$50,000 in grant funding (tax free).

Concessional loans

As well as extra support announced already for families and communities to help keep spending in local stores, the Federal Government wants to ensure small businesses have cashflow to run their operations.

The Federal Government will boost the value and concessions for small business loans, also on offer to farmers, primary producers and non-profit organisations, under the Disaster Recovery Funding Arrangements.

To provide maximum flexibility for eligible businesses, loans of up to \$500,000 will be offered for businesses that have suffered significant asset loss or a significant loss of revenue. The loan would be for up to 10 years and used for the purposes of restoring or replacing damaged assets and for working capital.

The loans will be available with a repayment holiday of up to two years, with no interest accruing during this period. The subsequent interest rate would be set at 50 per cent of the ten-year Commonwealth government bond rate (currently around 0.6%).

The Government will be seeking the agreement of the states to provide these loans under harmonised, consistent terms and eligibility criteria.

Dedicated, single contact point

The Government will deliver \$3.5 million to establish the Small Business Bushfire Financial Support Line as well as to fund 10 additional financial counsellors with the ability to provide advice to around 100 small businesses a day.

We want to ensure small businesses have access to the information that they need, when they need it. The Support Line will be staffed by small business specialist financial counsellors who will be able to provide information on the assistance and support available to small businesses in bushfire affected regions.

The Support Line, which will be staffed by trained financial counsellors, will provide information on the assistance and support available to small businesses in bushfire affected regions.

While the specialist Support Line is being established, businesses can visit www.business.gov.au or call 13 28 46.

The Commonwealth will also provide support as required to Recovery Centres that are being established by the states in fire-impacted regions. These Centres will be a one-stop-shop for small business owners and operators to ensure they have access to immediate expert support.

Local economic development plans

The Federal Government will work with local and state governments, business groups and other community organisations to develop Local Economic Recovery Plans.

These plans will be locally developed and locally-led to ensure the focus in each community is on the infrastructure and assets they need to rebuild.

Tax relief

The Commissioner of Taxation has agreed to provide a range of assistance measures to businesses in identified bushfire-impacted postcodes to help to alleviate cash flow pressures and assist these businesses with their recovery efforts.

In particular, taxpayers in impacted postcodes will now have until 28 May 2020 to lodge and pay business activity statements and income tax returns. Impacted businesses that pay their Pay-As-You-Go Instalments quarterly are also allowed to vary these instalments to zero for the December 2019 quarter and claim a refund for any instalments made in the September 2019 quarter.

These measures will assist small businesses with much-needed cashflow support during this difficult time.

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