



JOINT PRESS RELEASE

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THE COALITION'S PLAN FOR SMALL BUSINESS EMERGENCY ASSISTANCE

The Coalition will help small businesses get back on their feet more quickly after a natural disaster by providing the additional support they need.

Our Plan for Small Business Emergency Assistance recognises that small businesses play an essential part in the recovery of local communities from natural disasters. Getting small businesses up and running in regions affected by recent floods, storms and fires is an essential part of recovery. It ensures that supplies are purchased, wages are paid and the local economy can start to recover.

Disasters are tough for small businesses. Beyond the initial clean-up, small businesses often have to then deal with interrupted supply chains, replacing spoiled product, weaker trading conditions, mounting bills and a cash flow squeeze.

Given the immediacy of the challenges facing many Australian communities following natural disasters across the country in recent weeks, the Coalition would welcome any decision of the Government to adopt these policies. There is no copyright on an idea that helps Australians get back on their feet.

We believe that government bureaucracies like the Australian Tax Office can lend a hand to get communities back on their feet in the same way that local volunteers do.

The Coalition's Plan for Small Business Emergency Assistance will:

1 Provide Concessional loans for consequentially affected small business of up to \$100,000.

Existing Commonwealth disaster relief assistance currently includes concessional loans for businesses to repair or replace buildings and equipment and to replace up to one month of stock, allowing many businesses to recover from the physical damage of natural disasters.

However, existing government loans *do not* provide support for businesses that have not experienced any physical damage from a natural disaster but which have nevertheless suffered a significant loss of income due to the disaster's impact on other businesses, households and the community.

Under our plan, a small business that has not experienced physical damage as a result of a natural disaster, but still suffers a loss of income as a consequence, will be eligible for a loan of up to \$100,000.

Eligible businesses will be able to pay back these low interest loans over a period of up to 7 years at an interest rate of 4 per cent, consistent with existing commonly used guidelines.

2 Provide a GST and PAYG Holiday

The Coalition will provide a GST and PAYG (pay as you go) holiday to small businesses in disaster-affected areas.

Under current arrangements, small businesses are required to quarterly report Business Activity Statement (BAS) by set dates each year. Instead, these businesses should have the option of a three month extension for filing their BAS, and not be required to remit their GST and PAYG payments until that time.

While the Australian Taxation Office (ATO) has previously announced a one month deferral for monthly activity statements for disaster-affected businesses, this only benefits larger businesses with an annual turnover over \$20m.

3 Waive the PAYG variation penalty

Disaster-affected small businesses face real uncertainty in accurately estimating their ongoing PAYG tax obligations. Current tax rules impose penalty interest on businesses that do not estimate their PAYG liabilities with an accuracy of greater than 85 per cent.

A Coalition Government will waive for a period of six months any penalty interest for disaster-affected small businesses failing to estimate their PAYG obligation accurately.

This plan will help to stop viable and profitable businesses going bankrupt and keep local people employed.

These are practical steps to assist disaster-affected areas get back on their feet is part of our plan to build a stronger Australia.

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