

## **MEDIA RELEASE**

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### **Finance industry welcomes Government support for SMEs and consumers**

AFIA, the Australian Finance Industry Association, representing over 100 providers of consumer, commercial and wholesale finance, has welcomed today's announcement by the Federal Government to invest up to \$15 billion to enable customers of smaller ADIs and non-bank lenders to get the cash flow support and hardship assistance they need right now.

AFIA is encouraging impacted consumers and small businesses to reach out early to their lenders if they are experiencing immediate financial stress or anticipating financial difficulties in the weeks ahead.

Diane Tate, AFIA CEO says, "The announcement by the Federal Government is good news for small businesses and our economy. It is important for all lenders – the major banks, smaller banks, finance companies and fintech lenders – to do their bit and support their customers.

"Many small business customers are already feeling financial pressure, especially those in industries directly impacted by travel restrictions and social distancing measures, such as tourism, travel and aviation, events management and hospitality, and associated sectors, including car rental.

"The COVID-19 crisis is causing substantial economic uncertainty, market volatility, and low levels of business and consumer confidence. The response to the crisis needs this coordinated effort from the Government, the finance industry, businesses and the community.

"Customers financially impacted by the effects of COVID-19 should not wait, the earlier they talk to their lender the better. Consumers and SMEs should contact their lender as soon as possible to discuss their options", Ms Tate added.

AFIA has been working closely with the Government, Opposition, financial regulators and other financial services industry representatives.

"AFIA has been in regular discussion with the Government on their stimulus packages and further initiatives. We welcome today's announcement which acknowledges the important role all lenders play in supporting small businesses and our economy.

"The Australian Office of Financial Management (AFOM) already has the infrastructure established to make sure this additional \$15 billion injection can quickly get to our customers. This program will supplement the initiatives in the Government's initial stimulus package and backs in the announcement also made today by the Reserve Bank to reduce interest rates to 0.25%.

“We encourage the Parliament to pass the enabling legislation as soon as possible next week.

“While the COVID-19 crisis and the next period is likely to continue to be challenging, AFIA and its members are committed to supporting our customers through this unprecedented time and continuing to finance Australia’s future,” said Ms Tate.

AFIA members are determined to ensure Australia’s finance industry continues to:

- Promote simple, convenient, innovative and affordable credit
- Foster competition and innovation in Australia’s financial services industry, and
- Remain agile and innovative in supporting consumers and small businesses increase their financial and economic participation as quickly as possible.

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