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The Hon Daniel Andrews MP
Premier
1 Treasury Place
MELBOURNE VIC 3002

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Dear Premier

CPA Australia's recommendations for additional support for businesses significantly impacted by restrictions on their operations

CPA Australia represents the diverse interests of more than 166,000 members working in over a 100 countries and regions around the world, including around 37,000 members in Victoria. We make this submission on behalf of our members and in the broader public interest.

As you have acknowledged, the decision to impose Stage Four restrictions in Melbourne to address the COVID-19 public health crisis is having significant economic ramifications. The extension of Stage Four restrictions until at least 28 September 2020 and the conditional timeline set out in the 'roadmap to reopening' will place further pressure on businesses, many of which have already faced at least six months of trading restrictions. The result of this has been a significant impact on cash flow, profitability and jobs.

The viability of many businesses is under serious threat, and with it are the jobs of many Victorians. While current business support measures such as the JobKeeper Payment and the Business Support Fund – Expansion grant will limit job cuts and business closures in the short term, their effectiveness will be severely tested over the coming months.

It is important for the Government to continue to consult with business and professional organisations on a frequent basis to better understand the impact that its policy is having at the coalface. Such consultations should feed into policy improvement where the intended outcomes are not being met or where it fills policy gaps.

CPA Australia is of the view that more temporary Federal and State government support is needed to assist business until the proposed 'COVID Normal' stage is reached. Further, a clear plan for economic and business recovery is needed to accompany the roadmap period and beyond.

CPA Australia recommends the State Government extend the following support to businesses facing a very uncertain future:

- Increase the Business Support Fund -Expansion grant from \$10,000 to \$15,000 for ALL businesses in metropolitan Melbourne, and from \$5000 to \$7500 for ALL businesses in regional Victoria
- Extend the closing date for applications for the Business Support Fund – Expansion grant until two weeks following the commencement of the Third Step of the roadmap to allow those businesses who need assistance to complete the application, the additional time they need to physically meet their accountant to apply for such assistance
- Extend the Business Support Fund – Expansion to include non-employing sole traders
- Extend the payroll tax waiver for businesses with annual taxable wages up to \$3 million until 31 December 2020
- Introduce a small business concessional loan for businesses significantly impacted by COVID-19 along similar lines to the bushfire concessional loans for small business
- Establish an economic recovery advisory panel of external experts from business and academia to advise the Government of how best to facilitate business recovery and create jobs
- Incentivise small business to seek professional advice from their existing trusted adviser
- Working in conjunction with professional business advisers, increase the assistance available to support the mental health of small business owners.

In a crisis of this magnitude, an effective recovery requires the government to engage with and act on the advice of business experts outside of government as well as within, just as it is acting on the advice of medical and scientific experts in informing its response to COVID-19.

If you have any queries on this submission, please do not hesitate to contact Gavan Ord, Manager Business and Investment Policy on 0419 547 782 or gavan.ord@cpaaustralia.com.au.

Yours sincerely



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