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JOINT MEDIA RELEASE

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EXTENSION OF TEMPORARY RELIEF FOR FINANCIALLY DISTRESSED BUSINESSES

The Morrison Government will continue to provide regulatory relief for businesses that have been impacted by the Coronavirus crisis by extending temporary insolvency and bankruptcy protections until 31 December 2020.

Regulations will be made to extend the temporary increase in the threshold at which creditors can issue a statutory demand on a company and the time companies have to respond to statutory demands they receive.

The changes will also extend the temporary relief for directors from any personal liability for trading while insolvent.

These measures were part of more than 80 temporary regulatory changes the Government made designed to provide greater flexibility for businesses and individuals to operate during the coronavirus crisis.

The extension of these measures will lessen the threat of actions that could unnecessarily push businesses into insolvency and external administration at a time when they continue to be impacted by health restrictions.

These changes will help to prevent a further wave of failures before businesses have had the opportunity to recover.

In addition, the Government is providing an unprecedented level of support totalling $314 billion to cushion the blow for workers, households and businesses during the coronavirus crisis.

As the economy starts to recover, it will be critical that distressed businesses have the necessary flexibility to restructure or to wind down their operations in an orderly manner.

The Government will continue to help businesses successfully adapt and restructure so that they can bounce back on the other side of this crisis.

Ends.