



**THE HON JOSH FRYDENBERG MP**  
Treasurer

## **MEDIA RELEASE**

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### **GOVERNMENT TO INVEST UP TO \$15B IN SUPPORT OF SME LENDING**

The Morrison Government today announced an investment of up to \$15 billion to enable smaller lenders to continue supporting Australian consumers and small businesses.

The Government's actions will enable customers of smaller lenders to continue to access affordable credit as the world deals with the significant challenges presented by the spread of coronavirus.

Small lenders are critical to Australia's lending markets, often driving innovation and providing competition for larger lenders.

This funding will complement the Reserve Bank of Australia's (RBA's) announcement of a \$90 billion term funding facility for authorised deposit-taking institutions (ADIs) that will also support lending to small and medium enterprises.

Combined, these measures will support the continued ability of lenders to support their customers and in doing so the Australian economy.

The Australian Office of Financial Management (AOFM) will be provided with an investment capacity of \$15 billion to invest in wholesale funding markets used by small ADIs and non-ADI lenders.

The \$15 billion capacity would allow the AOFM to support a substantial volume of expected issuance by these lenders over a 12 month period.

Importantly the assets being purchased by the AOFM will not be limited to residential mortgage backed securities. The AOFM will also be able to invest in a range of other asset backed securities and warehouse facilities. The Government will provide the AOFM with investment guidelines that will outline the basis on which the AOFM is to undertake these investments.

Enabling legislation will be introduced in the week commencing Monday, 23 March 2020. The AOFM is expected to be able to begin investing by April.

**Ends**