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Treasurer



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Victorian Treasurer

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JOINT MEDIA RELEASE

4 September 2021

EXTENDED SUPPORT FOR VICTORIAN BUSINESSES

A jointly-funded support package from the Commonwealth and Victorian Governments will provide a critical four-week boost to small and medium-sized Victorian businesses most impacted by the current public health lockdown.

The unprecedented joint package of up to \$2.34 billion will deliver certainty to around 175,000 Victorian businesses as the state bands together to restrict the spread of infection while the drive to vaccinate 70 per cent, then 80 per cent, of the population accelerates.

The statewide lockdown has been confirmed until 70 per cent of Victorians have had at least one dose of vaccine – estimated to be around 23 September. The four-week business support payments confirmed today cover a four-week period ending on 30 September.

The vast majority of payments will be deposited automatically into businesses' bank accounts, while a new tiered payments system for the Business Costs Assistance Program will allow for higher payments to businesses with more workers.

Business Costs Assistance Program payments will be automatically made at rates of \$2,800, \$5,600 and \$8,400 a week over September, depending on payroll size.

Eligible cafes, restaurants and bars will continue to receive Licensed Hospitality Venue Fund payments of between \$5,000 and \$20,000 per week.

A major boost to the Small Business COVID Hardship Fund will increase the grant amount to \$20,000 for around 35,000 businesses, and the deadline for applications will be extended.

An Alpine Support Package will help sustain resorts through the remainder of the season and September school holidays with an automatic top-up payment of between \$10,000 and \$40,000, depending on business location and whether they employ staff.

Together, the Commonwealth and Victorian Governments have allocated \$4.3 billion to ensure Victorian businesses can remain viable throughout lockdown, with automatic top-up payments and grants to help cover wages and overheads.

The Treasurer Josh Frydenberg said today's announcement builds on the Morrison Government's \$45 billion in direct economic support delivered to Victorian households and business, since the start of the pandemic.

"The Morrison Government understands the significant impact extended lockdowns have on individuals and businesses right across Victoria."

"We will continue to support Victorians, with our ongoing economic assistance to meet the challenges of the Delta strain."

"Already, the Commonwealth has provided \$1.3 billion in COVID-19 disaster payments to Victorians, supporting the incomes of around 500,000 individuals and in partnership with the State Government, committed more than \$4 billion to small and medium sized businesses over course of this lockdown."

"But there is light at the end of the tunnel. By sticking to the National Plan, agreed to by State and Territory leaders, we can safely ease restrictions and open up our economy."

"And as we progress towards our vaccinations targets of 70 to 80 per cent, the Morrison Government will continue to work closely with the State Government to support Victorian businesses through this difficult and challenging time."

Over the course of the pandemic, the Victorian Government has provided more than \$10 billion in direct financial support for businesses, including \$3.1 billion in cash grants to more than 130,000 businesses since the May/June restrictions period.

Victorian Treasurer Tim Pallas said the Victorian Government understood the importance of maintaining a genuine partnership with the state's small and medium-sized businesses.

"Businesses of all colours and shades have shown great resilience and we'll continue to back them as we move towards the levels of vaccination that we need in order to open up again in a sustained way," Mr Pallas said.

"We are responding to changing circumstances with a package that is bigger than anything we've announced before, and it's the right thing to do. It's right for the dedicated business owners across the state and it's right for their workers."

"This package will support our hardest-hit sectors and businesses and ensure they can keep paying the expenses that don't go away just because the doors are shut."

Victorian Minister for Industry Support and Recovery Martin Pakula said the move to a tiered system of funding for the Business Costs Assistance Program recognised the cumulative impact of an extended period of lockdown.

"It means businesses with more workers will have greater support to maintain those numbers in coming weeks as we look to a future with high levels of vaccination and greater freedoms," Mr Pakula said.

"These are hard yards being done right now, but the rewards will be significant. In the meantime, we'll continue to stand by Victorian businesses and their workers."

Details about Victorian business support payments is available at business.vic.gov.au.

Business Costs Assistance Program Round 4

Funding of up to \$1.6 billion will support about 132,000 businesses across multiple sectors who were recipients of the Business Costs Assistance Program Round Two or July Extension.

Businesses throughout Victoria will receive automatic payments of \$2,800 a week (annual payroll below \$650,000), \$5,600 a week (payroll of 650,000 to \$3 million) or \$8,400 (payroll of \$3 million to \$10 million) to cover ongoing costs such as wages, rent, utilities and insurance.

Businesses will remain eligible while they are unable to operate due to public health restrictions.

Licensed Hospitality Venue Fund 2021

Licensed hospitality businesses that have previously received grants under the Licensed Hospitality Venue Fund 2021 or July Extension programs will receive automatic payments of \$5,000, \$10,000 and \$20,000.

Payment amounts are tiered according to premises capacity: \$5,000 for a capacity of up to 99 patrons or where patron capacity is not specified, \$10,000 for a capacity of 100 to 499 patrons, and \$20,000 for a capacity of 500 or more.

Up to \$289 million funding will support more than 9,300 premises impacted by lockdown.

Hospitality businesses will remain eligible while they are unable to operate due to public health restrictions.

Small Business COVID Hardship Fund

The Small Business COVID Hardship Fund will receive a \$448 million boost, increasing the total grant amount available to small and medium-sized businesses from \$14,000 to \$20,000 in recognition of the impact of the lockdown extension.

The Fund now stands at \$700 million, providing support for up to 35,000 businesses. Some 16,000 businesses that have already received a Small Business COVID Hardship Fund grant will receive an automatic top-up payment of \$6,000.

This program supports businesses that have been ineligible for Victorian Government business support programs since May but have experienced a reduction in revenue of at least 70 per cent. This includes businesses that are legally allowed to operate but are restricted in their ability to generate revenue.

Applications for the Small Business COVID Hardship Fund will close on 10 September.

Alpine Support Package – September Top-Up

Alpine businesses will share in \$11.2 million in support through another automatic top-up payment of between \$10,000 and \$40,000.

These payments will assist alpine businesses through the remainder of the ski season, with a top-up payment available for approximately 430 businesses based on and off the mountain.

For off-mountain businesses, the payment will be \$10,000, for on-mountain business with no employees, \$20,000, and for on-mountain businesses with employees, \$40,000.

COVID-19 Disaster Payments

Eligible workers across the state who lose hours of work due to the lockdown will be able to access the Commonwealth's COVID-19 Disaster Payment, as will individuals who are sole-trader business owners who lose work and that do not qualify for Victorian Government support programs.

The COVID-19 Disaster Payment is administered through Services Australia, with the Federal Government funding the areas declared a Commonwealth hotspot and the Victorian Government assuming responsibility to fund payments in locked-down areas that are not deemed to be official hotspots.

The payment is set at \$450 for people who have lost from eight to 20 hours work or a full day of work (over seven days), and \$750 for 20 hours or more of work lost. People who receive certain Commonwealth income support are eligible to receive a \$200 payment where they have lost eight hours or more of work due to the lockdowns.

Victorian micro-businesses and sole trader business owners who wish to apply for the Commonwealth COVID-19 Disaster Payment can access the Business Victoria Concierge Service on 13 22 15 and schedule an appointment that will provide them with assistance to make an application.

Ends