

ECONOMIC STIMULUS VICTORIA AND FEDERAL UPDATE



INTRODUCTION

With extended lockdown, the Victorian government has released a roadmap to re-opening Metropolitan Melbourne and the state. Regional Victoria restrictions have eased and Metropolitan Melbourne is moving to stages or lockdown easements. Critical dates to the restriction lifting have included 13 September and now to 28 September, 26 October and 23 November. These are dependent on daily case number targets of 30-50 and less than 5 for the 'COVID normal'.

Follows is a summary of the Victorian government stimulus package announced 13th September and an update on Federal government support.

VICTORIAN GOVERNMENT ASSISTANCE FOR BUSINESS

VICTORIAN EXPORT RECOVERY PACKAGE

On 13 September, the Victorian Government announced a \$15.7 million export recovery package to address logistics and supply chain issues caused by the pandemic, and establish new export channels. Businesses will be connected to international markets through virtual trade missions as well as assistance to adapt their export strategies to respond to the rapidly changing global market. There has been interest expressed from our envelop manufacturers. There will be further exploration for print product export as countries experiencing lockdown and industry restrictions look to off-shoring manufacturing for supply.

[Find out more and register your interest.](#)

NEW SUPPORT PACKAGE - VICTORIA

On 13 September, the Victorian Government announced [a new support package](#) that will see \$3 billion in cash grants, tax relief and cashflow support delivered to Victorian businesses to navigate through until lockdowns ease to a 'COVID-19 normal'. The package is to help businesses survive and keep Victorians in jobs and takes the Government's total business support to over \$6 billion. More details for the full package are outlined below and on the [Business Victoria website](#).

BUSINESS SUPPORT FUND – THIRD ROUND – OPENS 18th SEPTEMBER

An additional Business Support Fund will provide grants of \$10,000, \$15,000 or \$20,000 (depending on business size) to ~75,000 eligible businesses with payrolls up to \$10 million. Many sectors will remain closed, restricted or heavily restricted as metropolitan Melbourne and regional Victoria reopen. Grants from this program will help businesses in these sectors survive the extended period of restricted trading. This program is in addition to the first round of the Business Support Fund, which closed on 1 June, and the Business Support Fund – Expansion, which closed on 14 September.

To be eligible for a grant from this program, applicants must:

- > operate a business located within Victoria; and

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- > participate in the Commonwealth Government's JobKeeper Payment scheme; and
- > employ people and be registered with WorkSafe; and
- > have had an annual payroll of less than \$10 million in 2019-20; and
- > be registered for Goods and Services Tax (GST); and
- > hold an Australian Business Number (ABN); and
- > be registered with the responsible Federal or State regulator.

An eligible business will receive:

- > \$10,000 if its annual payroll is less than \$650,000
- > \$15,000 if its annual payroll is between \$650,000 and \$3 million
- > \$20,000 if its payroll is between \$3 million and \$10 million.

SOLE TRADER SUPPORT FUND

The \$100 million Sole Trader Support Fund will provide grants of up to \$3,000 to eligible sole traders working in sectors of the economy that will continue to be affected by restrictions, like media and film production, creative studios, outdoor entertainment and in private museums and galleries – as well as gym owners. To be eligible for a grant, sole traders must be a tenant or licensee in a commercial premises or location and operate in a sector of the economy that is restricted, heavily restricted or not opening under the Second Step of the Roadmap. Details will be available at the [Business Victoria website](#).

MELBOURNE CITY RECOVERY FUND

Recognising that Melbourne's CBD has suffered under restrictions to slow the spread of coronavirus, the Victorian Government has announced a \$100 million fund to reshape Melbourne's CBD in partnership with the City of Melbourne. Small and medium businesses will be able to apply for \$30 million worth of grants to help them move outdoors with COVIDSafe events. \$30 million will support COVIDSafe events and cultural activities to attract visitors back to the CBD when it's safe to do so. Another \$40 million will go towards providing physical improvements to the CBD streetscape.

COVIDSAFE PLANS AND ADAPTING TO COVID NORMAL

Develop your COVIDSafe Plan and find sector guidance for your business by visiting the [Business Victoria website](#).

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The Government will invest \$44 million to equip businesses with the support they need to thrive under a COVID Normal, including \$20 million for small businesses to access off-the-shelf digital programs such as Shopify or Squareonline, training and workshops designed to help businesses adapt to online operations.

For any commercial members looking to web2print or opening online storefronts, please contact hello@thermc.com.au for additional information to these grant options.

PAYROLL TAX RELIEF

Businesses with annual taxable wages up to \$3 million will have their payroll tax for the 2019-20 financial year waived, giving \$550 million back to businesses who need it. Businesses with payrolls up to \$10 million can now defer their payroll tax for the full 2020-21 financial year, providing a \$1.7 billion cashflow boost for businesses. [More information.](#)

WORKING FOR VICTORIA FUND

Under the \$500 million Working for Victoria Fund, displaced workers are eligible to apply for different types of work, and employers can find workers fast with the skills and experience they need. As part of this, a \$50-million [Agriculture Workforce Plan](#) provides dedicated support for our agriculture, food processing and critical food supply chain businesses to meet their labour and operational needs during the coronavirus (COVID-19) pandemic.

The Victorian Government has also announced \$2.7 billion to build the projects, ensuring local small and medium size enterprises get an opportunity to compete for large and small government contracts. All tenderers will be required to find new employees through Working for Victoria in the first instance.

WORKER SUPPORT AND TEST ISOLATION PAYMENTS

Worker Support Payments are now offered through the Commonwealth Government (details below). The Victorian Government is providing payments to financially support Victorian workers, including guardians and carers, while they self-isolate to wait for the results of a coronavirus (COVID-19) test.

BUSINESS RECOVERY AND RESILIENCE MENTORING

The Victorian Government is partnering with the [Victorian Chamber of Commerce and Industry](#) to deliver a business mentoring program to help small businesses navigate the economic challenges posed by restrictions to help slow the spread of coronavirus (COVID-19).

Eligible business owners can receive up to four 2-hour mentoring sessions with an experienced professional who will help them make informed decisions about the future of their business.

PAYROLL TAX EXEMPTION FOR ADDITIONAL PAYMENTS MADE UNDER THE JOBKEEPER PROGRAM

For employers participating in the Commonwealth Government's JobKeeper program, "additional payments" you make to employees are now exempt from payroll tax. For payments to employees that have been stood down, the full \$1500 per fortnight is exempt. The additional payments are also excluded for the purposes of calculating WorkCover Premiums. [More information.](#)

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WELLBEING AND MENTAL HEALTH SUPPORT FOR SMALL BUSINESSES

Victorians dealing with the challenges of running a small business can get the mental health support they need to navigate through the impacts of coronavirus (COVID-19). Current support under this program includes [St John Ambulance Mental Health and Crisis Support Training](#).

Additional programs will be released soon with details available [here](#).

SUPPORT FOR COMMERCIAL TENANTS AND LANDLORDS

The Victorian Government has introduced a Commercial Tenancy Relief Scheme to alleviate the financial hardship faced by tenants and landlords as a result of COVID-19. [More information](#). Private landlords are being encouraged to provide rent relief or holidays to help businesses.

[The Commercial Landlord Hardship Fund](#) offers grants of up to \$3,000 per tenancy to eligible small private, individual and joint-owner landlords, who are facing financial hardship after reducing rent for their tenants under the Commercial Tenancy Relief Scheme requirements. On 20 August, the Commercial Tenancy Relief Scheme was extended until 31 December 2020 and [further support was announced](#).

The Victorian Government is also working directly with commercial tenants in government buildings who can apply for rent relief.

LAND TAX RELIEF

Landowners who have at least one non-residential property and total taxable landholdings below \$1 million have the option of deferring their 2020 land tax payment until after 31 March 2021. On 20 August 2020, the Victorian Government announced further land tax relief. Landlords who provide tenants impacted by COVID-19 with rent relief may be eligible for a 50% waiver on the property's 2020 land tax. Owner-occupiers of commercial properties can obtain a 25% waiver of the property's 2020 land tax and payment of the remaining tax can be deferred to 31 March 2021. [More information](#).

SUPPORT FOR BUSINESS CHAMBERS AND TRADER GROUPS

The Victorian Government will partner with local business groups and chambers of commerce, with grants of up to \$20,000 so they can help their members adapt and find their feet in a COVID Normal world. Information will be available at the [Business Victoria website](#)

VICTORIAN BUSINESS GROWTH FUND (VBGF)

The \$250 million VBGF is now open to support long-term growth opportunities for businesses and boost employment and economic development across the State. Established by the Victorian Government and First State Super, the Fund will operate for 10 years and will help to address barriers faced by successful small and medium enterprises (SMEs). Roc Partners has been engaged to manage the VBGF. Express your interest through [Roc Partners' website](#).

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HOSPITALITY

WAIVERS AND DEFERRALS OF CHARGES

Renewable liquor licence fees for 2020 will be waived. Businesses who have already paid will be reimbursed. [More information.](#)

A further \$137 million in waivers and deferrals of charges was announced on 13 September, including liquor licence fees, the congestion levy and increases to the landfill levy. The 50 per cent stamp duty discount for commercial and industrial property across all of regional Victoria will be brought forward to 1 January 2021 and the Vacant Residential Land Tax will be waived for properties that are vacant in 2020. [More information.](#)

SUPPORT FOR VICTORIAN HOSPITALITY BUSINESSES

The Night-time Economy Business Support Initiative provides rent relief for licenced venues with an individual annual turnover of up to \$50 million, but who are not covered by the Commercial Tenancy Relief Scheme.

The Hospitality Business Grant Program provides one-off \$25,000 grants to eligible food service businesses that have a payroll of \$3-10 million, plus an additional \$5,000 for each additional premises, capped at \$20,000; and a further \$20,000 for those with premises located in the Melbourne CBD. The CBD Small Hospitality Grant makes grants of \$5000 or \$15,000 available to eligible small and medium-sized food service hospitality businesses who have received a Business Support Fund – Expansion grant.

The Government has announced it will establish a \$251 million dedicated Licenced Venue Fund, with grants of between \$10,000 and \$30,000 for licenced venues of all shapes and sizes.

OUTDOOR EATING AND ENTERTAINMENT PACKAGE

The Victorian Government will provide \$87.5 million to councils and businesses outside of Melbourne's CBD to support widespread outdoor dining. Hospitality businesses can access grants of up to \$5,000 to pay for the practical things that will make this plan work. Councils will be eligible for up to \$500,000 for metropolitan councils or \$250,000 for regional councils to help them implement swift and streamlined permit, enforcement and monitoring processes.

TOURISM

ALPINE BUSINESSES

The Government has announced support for businesses in alpine resorts with grants of up to \$20,000 to be made available to help cover their resort fees, saving them a combined \$4.3 million. This is in addition to the Regional Tourism Accommodation Support Program which closed on 14 September and provided accommodation providers in regional Victoria affected by cancellations arising from the metropolitan local lockdown with direct financial support.

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REGIONAL TOURISM ACCOMMODATION SUPPORT PROGRAM

The Tourism Accommodation Support Program provides accommodation providers in regional Victoria with direct financial support if they have been affected by cancellations arising from the current metropolitan local lockdown. Applications are open until the end of the current Stay at Home restrictions or when funds are exhausted. [Apply now.](#)

The Government has announced support for businesses in alpine resorts with grants of up to \$20,000 to be made available to help cover their resort fees, saving them a combined \$4.3 million.

EXPERIENCE ECONOMY SURVIVAL PACKAGE

The Victorian Government is backing Victorian sport, tourism and creative industries, with \$150 million to support sporting clubs and competitions across the state – from grassroots to elite – as well as major tourist attractions, galleries and museums, and the racing industry. [More information.](#)

FURTHER SUPPORT FOR *CLICK FOR VIC*

Click for Vic, a new website and campaign aimed at encouraging Victorians to buy produce, gifts and fashion from local businesses, will be boosted with \$8.5 million for more marketing and advertising and the digital platform and its partnerships with third-party e-commerce providers will be expanded to sell these strengths far and wide.

AGRICULTURE

DAIRY FARM INDUCTION PROGRAM

This program assists dairy farmers to safely, effectively and rapidly on-board new dairy farmhand workers during COVID-19 and beyond.

For further information about the Victorian Government assistance for businesses in response to coronavirus (COVID-19) call the Business Victoria hotline on 13 22 15 or visit their website

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COMMONWEALTH GOVERNMENT ASSISTANCE FOR BUSINESSES IN RESPONSE TO COVID-19)

\$320 BILLION ECONOMIC RESPONSE PACKAGE

EXTENSION TO JOBKEEPER PAYMENT

The Government has extended the JobKeeper Payment by a further six months to March 2021. Support will be targeted to businesses and not-for-profits that continue to be significantly impacted by coronavirus (COVID-19). The payment rate will be reduced and a lower payment rate will be introduced for those who work fewer hours. Other eligibility rules remain unchanged. [Learn more about the JobKeeper Payment for employers and employees or sole traders and other entities](#)

PANDEMIC LEAVE DISASTER PAYMENT

This payment replaces the Victorian Government's \$1500 Coronavirus (COVID-19) Worker Support payment. It is a lump sum payment to support workers in Victoria who can't earn an income because they must self-isolate or quarantine at home, or are caring for someone with COVID-19. [How to claim.](#)

BOOSTING CASH FLOW FOR EMPLOYERS

Up to \$100,000 will be available for eligible small and medium sized businesses (SMEs) and not-for-profits (NFPs) that employ people, with a minimum payment of \$20,000. [More information.](#)

This is an automated process via the ATO when you lodge your activity statements.

TEMPORARY RELIEF FOR FINANCIALLY DISTRESSED BUSINESSES

The Commonwealth Government is temporarily increasing the threshold at which creditors can issue a statutory demand on a company. The Australian Taxation Office (ATO) will tailor solutions for owners or directors of business that are currently struggling due to coronavirus. [More information.](#)

SUPPORTING THE FLOW OF CREDIT - SME GUARANTEE SCHEME

SMEs with a turnover of up to \$50 million will be eligible to receive a guarantee of 50 per cent to SME lenders to support new short-term unsecured loans to be used for working capital. The Scheme will guarantee up to \$40 billion of new lending. [More information.](#)

INCREASING THE INSTANT ASSET WRITE-OFF

The instant asset write-off (IAWO) threshold has been increased from \$30,000 to \$150,000 and expanded access to include businesses with aggregated annual turnover of less than \$500 million (up from \$50 million) until 30 June 2020. [More information.](#)

BACKING BUSINESS INVESTMENT (BBI)

BBI is a time limited 15-month investment incentive (through to 30 June 2021) to support business investment and economic growth over the short term by accelerating depreciation deductions. Businesses with a turnover of less than \$500 million will be able to deduct 50 per cent of the cost of an eligible asset on installation, with existing depreciation rules applying to the balance of the asset's cost. [More information.](#)

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SUPPORTING APPRENTICES AND TRAINEES

Eligible employers can apply for a wage subsidy of 50 per cent of the apprentice's or trainee's wage for 9 months from 1 January 2020 to 30 September 2020. Where a small business is not able to retain an apprentice, the subsidy will be available to a new employer that employs that apprentice. [More information.](#)

ASSISTANCE FOR AFFECTED REGIONS, COMMUNITIES AND INDUSTRIES

The Commonwealth Government is providing \$1 billion to support regions, communities and industries most significantly affected by the coronavirus outbreak. A major relief package of up to \$715 million is also available to support the airline industry. [More information.](#)

INCREASE IN EXPORT MARKET DEVELOPMENT GRANTS

The Commonwealth Government has increased funding for the Export Market Development Grant (EMDG). Funding for the scheme will increase by \$49.8 million in the 2019-20 financial year, allowing exporters and tourism businesses to get additional reimbursements for costs incurred in marketing their products and services around the world.

This increase supplements the additional \$60 million already committed by the Government and brings EMDG funding to its highest level in more than 20 years at \$207.7 million for the 2019-20 financial year.

The Commonwealth Government has announced that the EMDG scheme will be simplified and reoriented in 2021-22 from a scheme providing assistance through reimbursement after expenditure to an upfront grant agreement. This will give eligible exporters funding certainty before they embark on their marketing and promotion activities. In the reoriented EMDG program, multi-year grants will be available for eligible SMEs at three stages of their export journey and assistance to industry bodies and alliances will be expanded to provide help for members who are new to export to become export-ready. Current EMDG arrangements remain in place for 2020-21.

INTERNATIONAL FREIGHT ASSISTANCE MECHANISM

On 3 July, the Commonwealth Government committed an additional \$241.9 million to continue the International Freight Assistance Mechanism (IFAM), helping keep international freight routes and flights operating until the end of the year.

The new funding will keep high-value, time sensitive and perishable exports and vital imports, such as medical supplies and other essential items, flowing as we continue the economic recovery from the COVID-19 crisis. It will also re-establish domestic connections for producers and growers in regional and rural areas that rely on air freight to get their products to customers.

This funding is in addition to the \$110 million announced in April this year to establish the IFAM under the \$1 billion Relief and Recovery Fund to support regions, communities and industry sectors disproportionately affected by COVID-19.

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COVID-19 EXPORT CAPITAL FACILITY

The Commonwealth Government has established a \$500 million COVID-19 Export Capital Facility to assist previously profitable Australian exporters whose businesses have been impacted by COVID-19.

Exporters will be able to access loans from \$250,000 to \$50 million under the Facility. The Facility will complement other measures announced by the Government which enable banks to support new and existing clients. Exporters should contact their banks in the first instance to determine what assistance may be available to them.

For further information about the Federal Government support for businesses during coronavirus, visit the Treasury website and business.gov.au.

USEFUL LINKS AND RESOURCES FOR BUSINESSES IMPACTED BY COVID-19

- > **Austrade:** receive the latest insights for exporters by visiting the [Austrade website](#).
- > **Australian Industry Group:** explore tools and other resources by visiting the [AI Group website](#).
- > **Australian Information Industry Association:** [Australian Business Continuity](#) offers tools, information and free services for businesses to keep functioning with minimal disruption through technology.
- > **Australian Taxation Office:** visit the [ATO website](#) for up-to-date information and advice to business.
- > **Business Victoria:** find tips on how to create a [continuity plan](#), [evaluate risk](#) and [prepare a risk management plan](#). Learn how to [respond and recover](#). [Book a low-cost appointment with a mentor](#) to help you work through or develop a recovery plan.
- > **City of Melbourne:** for information on grants for SMEs and NFPs, visit the [City of Melbourne website](#).
- > **Committee for Economic Development of Australia (CEDA):** explore the latest insights and webinars by visiting the [CEDA website](#).
- > **CPA Australia:** receive high-level tips, including access to Disaster Recovery Toolkits by visiting the [CPA Australia website](#).
- > **Creative Victoria:** information for the **creative industries** is available on the [Creative Victoria website](#).
- > **Export Council of Australia:** for updates on supply chains and freight and a suite of tools and resources for exporters visit the [ECA website](#).
- > **Export Finance Australia:** find support and resources for exporters during the coronavirus outbreak by visiting the [Export Finance Australia website](#).
- > **Sport and Recreation Victoria:** information for the **sport and recreation** industries is available on the [Sport and Recreation Victoria website](#).
- > **Treasury:** The Coronavirus Business Liaison Unit has been established to engage with business on a regular basis and provide updates to government on crucial issues. Visit the [Treasury website](#) to find out more.

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- > **Victorian Chamber of Commerce and Industry:** register for free annual membership and access coronavirus business resources by visiting the [Victorian Chamber of Commerce and Industry website](#).
- > **Visit Victoria:** information for **tourism and events** industries is available on the [Visit Victoria website](#).
- > **Workers in Transition:** this support provides information, tools and resources to help both business and workers through retrenchment and into new opportunities. For more information, visit the [Business Victoria website](#).

For further information please contact hello@thermc.com.au and we can assist in providing more information to specific requests.