

# Business Resilience Package

\$3 billion to support Victorian businesses.

The Victoria Government announced on 13 September 2020 an injection of \$3 billion to assist businesses to survive the ongoing restrictions and to prepare for COVID Normal business.

The \$3 billion in cash grants, tax relief and cashflow support will be delivered to Victorian businesses that have been most affected by coronavirus (COVID-19) restrictions. The package will help businesses survive and keep Victorians in jobs.

The \$3 billion funding will be invested as follows:

## BUSINESS SUPPORT

**Small and Medium Sized Business (\$822 million):** The Third round of the Business Support Fund will provide up to \$20,000 for business with a payroll of up to \$10 million. Grant applications open on Friday 18 September 2020. (see below for further details).

**Licensed Hospitality Business (\$251 million):** Grants of up to \$30,000 for licensed pubs, clubs, hotels, bars, restaurants and reception centres, based on their venue capacity and location.

**Business Chambers and Trader Groups (\$3 million):** A competitive grants program to support metropolitan and regional business chambers and trader groups.

**Alpine Businesses (\$4.3 million):** Grants of up to \$20,000 to help alpine businesses pay a service charge to Alpine Resort Management Boards.

**Sole Trader Support Fund (\$100 million):** Grants of up to \$3,000 to eligible sole traders who operate from a commercial premises or a location to which the sole operator is the tenant or licensee. The criteria appears to exclude mobile sole traders including outdoor personal trainers, tutors and tradespeople who work from home.

## BUSINESS ADAPTATION

The following funding seeks to provide resources and tools to assist Victorian businesses in preparation for reopening under COVID Normal settings:

- **\$20 million voucher program** to assist sole traders and small businesses in building their digital capability.
- **\$15.7 million package** to help Victorian exporters get their products to market and establish new trade channels.
- **\$8.5 million expansion to the 'Click for Vic' campaign** to encourage more Victorians to support local businesses.
- **\$87.5 million Outdoor Eating and Entertainment Package** to support hospitality businesses prepare for COVID Normal reopening across Victoria.
- **\$100 million Melbourne City Recovery Fund** between the Victorian Government and the City of Melbourne to support Melbourne on the roadmap for reopening to COVID Normal in the lead up to Christmas and during summer.

## WAIVERS AND DEFERRALS

The Victorian Government is also providing \$1.8 billion in tax and cashflow support:

- **\$1.7 billion in payroll tax deferrals** for the full 2020-21 financial year.
- **\$41 million to bring forward the 50% stamp duty discount** for commercial and industrial property for all of Regional Victoria.
- **\$33 million to defer the planned increase** in the landfill levy for six months.
- **\$30 million to waive 25% of the Congestion Levy** this year, with the outstanding balance deferred.
- **\$27 million in liquor license fee waivers for 2021.**
- **\$6 million to waive Vacant Residential Land Tax** for vacancies in 2020.

## THIRD ROUND OF BUSINESS SUPPORT FUND GRANTS

The amount of grants available from this program range from \$10,000 to \$20,000 depending on the business' annual payroll.

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

- operate a business located within Victoria; and
- 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.

A full list of the eligibility criteria for a grant will be published when applications open on Friday 18 September 2020.

## CBD SMALL HOSPITALITY GRANTS

The CBD Small Hospitality Grant provides additional support to small and medium hospitality businesses in Melbourne Central Business District (CBD) that have previously received a grant from the Business Support Fund – Expansion program.

Eligible businesses will be provided with a one-off grant to help with the continued operation of their business of either

- \$5,000 (for businesses with a food service seating capacity of 11 to 100 seats) or
- \$15,000 (for businesses with a food service seating capacity of 101 or more seats)

**To be eligible for a grant under this program, businesses must:**

- Be a recipient of a Business Support Fund – Expansion grant and may have received an invitation to apply for a CBD Small Business Hospitality Grant.
- Operate a business with an address located in the Melbourne CBD, including the postcodes 3000 (Melbourne), 3005 (World Trade Centre), 3006 (Southbank) and 3008 (Docklands)
- Operate a restaurant, cafe, pub, bar, club, reception centre, coffee and dessert outlet or takeaway food venue with food service seating capacity of 11 seats or more.
- Hold a Class 2 or 3 Service Sector Certificate of Registration under the Food Act 1984 (Vic).
- Not have received funding assistance through the Night-time Economy Business Support Initiative or the Victorian Live Music Venues Program.

**Applicants will be required to provide:**

- The address of all Melbourne CBD hospitality premises operated by their business
- The seating capacity of their Melbourne CBD hospitality premises. Seating capacity is the sum of the food service indoor and/or outdoor seating.
- The registration number on the Certificate(s) of Registration issued under the *Food Act 1984* by the City of Melbourne for each Melbourne CBD hospitality premises. Businesses may provide a copy of the Certificates of Registration as part of the application if available.

The above information will be checked against the Certificate(s) of Registration and other information held by the City of Melbourne.

Businesses must be a Business Support Fund – Expansion grant recipient and have received an invitation to apply for a grant from this program.

## HOSPITALITY BUSINESS GRANT PROGRAM

Food service businesses that are affected by the return to Stay at Home restrictions may be eligible for a one-off, \$25,000 grant under the Hospitality Business Grant Program to pay for business costs to support the continued operation of the business.

Where an eligible business operates more than one premises, the business may be eligible for an additional grant amount of \$5,000 for each additional premise in Victoria capped at a total of \$20,000 (excluding GST).

An additional grant of \$20,000 will also be available to eligible businesses operating in a CBD location with the postcodes 3000 (Melbourne), 3005 (World Trade Centre), 3006 (Southbank) and 3008 (Docklands).

The total funding an eligible CBD business can receive under this program is capped at up to \$65,000, made up of a \$25,000 grant, an extra \$5,000 grant for each additional premises located within Victoria, capped at a total of \$20,000 and a \$20,000 grant if your business is located in Melbourne CBD (postcodes 3000, 3005, 3006 and 3008).

The program has been designed to support larger hospitality businesses that have been hardest hit by the Stay at Home Restrictions and have largely been ineligible for Business Support Fund grants and the Payroll Tax Rebate due to having a payroll of \$3 to \$10 million in 2019-20.

### **To be eligible for a grant, your business must:**

- Operate a business with premises located in Victoria; and
- Operate a restaurant, cafe, pub, bar, club, reception centre, coffee and dessert outlet or takeaway food venue that serves patrons and hold a Class 2 or 3 Service Sector – Certificate of Registration under the Food Act 1984 (Vic); and
- Have an annual payroll of greater than \$3 million and lower than \$10 million in 2019-20; and
- Be registered for Goods and Services Tax (GST) on 30 June 2020; and
- Hold an Australian Business Number (ABN) and have held that ABN at 30 June 2020; and
- Be registered with the responsible Federal or State regulator.
- A CBD business is also eligible for an additional \$20,000 grant from the special program for CBD businesses if its premises are located in postcodes 3000 (Melbourne), 3005 (World Trade Centre), 3006 (Southbank) or 3008 (Docklands).



**Applicants will be required to provide:**

Applicants are not required to attach documentation; however, you will be required to attest to the value of their annual payroll. You will also need to

- certify that you meet all the eligibility criteria.
- make sure your Australian Business Number (ABN) registration information is up-to-date and current at the time of application.
- provide evidence of the location of the premises where you conduct your business operations, including registration under the Victorian Food Act 1984 through the provision of the most recent Certificate of Registration. The Certificate must be valid as at 30 June 2020.
- For businesses with more than one venue, you are required to provide an organisational structure of your business, including subsidiaries and holding companies related to the business.
- You may be asked to provide further information at the discretion of the Department of Jobs, Precincts and Regions. This could include utility bills for the premises where you operate.

Please note businesses that have received funding under the Victorian Live Music Venues Program and/or the Business Support Fund - Expansion program are not eligible for funding through this program.

## COMMERCIAL LANDLORD HARDSHIP FUND

The Commercial Landlord Hardship Fund has been created in recognition of small, private landlords who may not have the capacity to provide rent reductions to their tenants under the requirements of the Commercial Tenancy Relief Scheme (CTRS).

The Victorian Government is offering 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 CTRS requirements.

Each grant amount will be equal to the amount of the rent waiver provided to the tenant, up to \$3,000 per eligible tenancy. A rent waiver is where the rent or part of the rent owed for an agreed period of time is never repaid.

For example, I am a landlord and have given my tenant a rent waiver amounting to \$1,600 since the pandemic began. Provided you meet all of the eligibility criteria outlined below, you can apply for \$1,600 in support.

This fund will be open for applications from 21 August 2020 for eight weeks or until funds are exhausted, whichever comes first.

### **To be eligible for the grant:**

Landlords can apply if they meet all the following criteria.

- The applicant must be a private individual (i.e. a person) or joint landlords who are private individuals **and NOT** a Self-Managed Superannuation Fund, Trust or any other incorporated entity like a company.
- The applicant is a sole owner, or joint owner with other private individuals, of a leased commercial property and your individual total taxable landholdings (which may include part holdings) are under \$1 million as evidenced by your 2020 Land Tax Assessment issued by the State Revenue Office.

Where the land does not meet the land tax assessment threshold, a 2019-20 Municipal Rates Notice can be used as evidence for the landholding.

**NOTE:** The \$1 million total landholding threshold applies to all properties excluding your principal place of residence.

- The applicant is a landlord (or are landlords) to one or more commercial properties where a tenant is eligible for Commercial Tenancy Relief Scheme (CTRS) in Victoria, meaning that the tenant is:
  - A small to medium enterprise (SME) with a turnover under \$50 million with an Australian Business Number (ABN); and
  - Participating in the Commonwealth Government's JobKeeper scheme.
- The Landlord has provided rent relief to the tenant of at least a 30 percent reduction of total rent payable, of which at least 50% or more is in the form of a waiver for the equivalent of a minimum three-month period. This can be prior to or after the commencement of the fund on 21 August 2020.

Landlords can claim against rent waivers that have occurred in the three months prior to 21 August 2020 which is the date of this fund's commencement. Future rent waivers that have been agreed to with the tenant, consistent with the regulations that at least meet the 30 per cent rent reduction requirement for the equivalent of a three-month period up to 31 December 2020, may also be claimed.

- The applicant must be in financial hardship, or about to be in financial hardship, due to reducing rent for the relevant CTRS-eligible tenant.

The applicant can only make one application to the fund. A landlord with multiple eligible commercial properties can apply for each eligible property in one application. Where there are multiple owners of a premises, grants are apportioned to individual applicants according to individual interests in the property. Each part-owner must apply individually for the grant.

**Applicants will be required to provide:**

To demonstrate you have provided a rent waiver which meets the requirements of the program, landlords need to provide:

- the commercial lease arrangements and rent payable before the start of the Commercial Tenancy Relief Scheme (29 March 2020);
- the specific amount of rent waived, the relief period and the written agreement between both parties after 29 March 2020.
- their 2020 Land Tax Assessment notice or 2019-20 Municipal Rates Notice as applicable to identify their total landholdings and the location of the CTRS-eligible commercial premises.
- original and/or amended leases, correspondence with the tenant or the outcome of a mediation agreement.
- Applicants must provide their tenant's contact details to verify their CTRS eligibility



**We will continue to provide more information as and when it becomes available.**

**Please feel free to contact this office should you have any questions in relation to the new announcements.**

*The information supplied in this memorandum has been sourced from numerous publications available to The Mischel & Co Group of Companies including the Australian Taxation Office website and other tax specialist.*

*The content of this information memorandum is general information only and hasn't taken your circumstances into account. It's important to consider your particular circumstance before deciding what is right for you as it does not reflect all legislation and announcements but simply highlights those points which we believe are most likely to affect our clients.*

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