



THE HON JOSH FRYDENBERG MP

Treasurer



MR TIM PALLAS

Victorian Treasurer

THE HON MARTIN PAKULA

Victorian Minister For Industry Support And Recovery

JOINT MEDIA RELEASE

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SUPPORTING VICTORIAN BUSINESSES THROUGH TO REOPENING

A jointly-funded package of grants from the Commonwealth and Victorian Governments will support thousands of small and medium-sized businesses through the next six weeks at which point Victoria is expected to reach 80 per cent vaccination.

The funding package of up to \$2.27 billion announced today will support businesses most affected by restrictions as Victoria reaches the 70 per cent, then 80 per cent fully vaccinated thresholds on the state's *Roadmap to Deliver the National Plan*.

At these key markers, forecast around 26 October and 5 November respectively, dining, entertainment, retail, sport, recreation and other sectors will progressively and safely open.

The package announced today provides businesses with further certainty that support will continue in line with Victoria's Roadmap. This will see more than 160,000 businesses receive support, ranging from retailers and gyms to hairdressers and hotels – mostly through automatic deposits into their bank accounts.

Of these, around 124,000 eligible businesses will receive automatic Business Costs Assistance Program grants ranging from \$1,000 to \$8,400 per week, rising according to payroll, until the end of October. Businesses that remain closed or severely restricted over the first two weeks of November will also receive automatic payments for that period.

More than 9,000 eligible cafes, restaurants, hotels and bars across Victoria will receive automatic Licensed Hospitality Venue Fund payments of between \$5,000 and \$20,000 per week until the end of October.

Licensed Hospitality Venue Fund payments will continue for the first half of November, set at reduced rates to reflect lower restrictions in place at that stage under Victoria's Roadmap.

The package will also enable a further 30,000 businesses to receive a one-off \$20,000 payment through the Small Business COVID Hardship Fund, taking the number of recipients to 65,000.

Since late July, the Commonwealth and Victorian Governments have joined forces to allocate \$6.6 billion to help Victorian businesses remain viable through lockdown, with automatic payments and grants to help cover wages, rent, utilities and other costs.

Treasurer Josh Frydenberg said this package comes on top of the Morrison Government's more than \$45 billion in direct economic support to Victorian households and businesses since the start of the pandemic.

"The Morrison Government understands the significant impact lockdowns and border closures have had on small and medium businesses across Victoria which is why safely opening up in line with the plan agreed at National Cabinet is so important.

"We can't eliminate the virus, we need to learn to live with it in a COVID-safe way. Our economy has bounced back strongly before once restrictions are eased and is well positioned to do so again when lockdowns lift."

The Victorian Government has to date provided more than \$10 billion in direct financial support for businesses over the course of the pandemic – before today's new \$1.1 billion commitment to the joint package.

Victorian Treasurer Tim Pallas said the funding will ensure businesses have the best chance of sustaining the final weeks of lockdown and recovering strongly.

"Victorian businesses have endured so much over the past 20 months and they've been amazingly resilient as we've faced challenge after challenge," Mr Pallas said.

"We are opening up and our Roadmap shows us how we get there – this jointly funded package will underpin businesses across the state, help them to keep their workers on and plan for a really positive future."

"We know that the bills don't stop just because revenue does and we are proud to stand with the businesses that form the backbone of our economy."

Victorian Minister for Industry Support and Recovery Martin Pakula said the funding for business was an important part of a comprehensive plan for re-opening.

"Vaccination is our way out of the pandemic and as more and more Victorians roll up their sleeves, those key double-dose targets are in sight," Mr Pakula said.

"Once we open up, it's vital for everyone that we can stay open. That's businesses owners, their workers and suppliers and their customers."

"The Vaccinated Economy trials starting in little over 10 days will be another important step for businesses as we move steadily and safely to greater freedoms."

Business Costs Assistance Program Round Five

Funding of up to \$1.26 billion will provide for automatic payments to recipients of the Business Costs Assistance Program across October and into the first half of November.

Businesses will be eligible to receive two fortnightly payments between 1-29 October on a rising scale.

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Eligible non-employed businesses will receive \$1,000 per week, increasing to \$2,800 a week for an annual payroll of up to \$650,000, \$5,600 a week for a payroll of \$650,000 - \$3 million and \$8,400 a week for a payroll of \$3 million - \$10 million.

Businesses that remain closed or severely restricted between 70 and 80 per cent double dose will receive an automatic payment for the period from 29 October to 13 November.

The full list of eligible ANZSIC codes for the *Business Costs Assistance Program* will be available on the Business Victoria website tomorrow.

Businesses that have previously received or been approved for a Business Costs Assistance Program Round Two or July Extension grant will be eligible for these payments.

Licensed Hospitality Venue Fund

More than 9,000 licensed hospitality businesses that have previously received grants under the Licensed Hospitality Venue Fund or July Extension programs will receive further automatic payments in October.

Weekly payment amounts are stepped 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.

Between 70 and 80 per cent double dose, payments for licensed premises in metropolitan Melbourne will be reduced by 25 per cent, and in regional Victoria by 50 per cent as the economy continues to progress to greater levels of freedom.

The Licensed Hospitality Venue Fund payments will total up to \$407.5 million for the six-week period.

Small Business COVID Hardship Fund

Some \$600 million has been added to the Small Business COVID Hardship Fund, taking the total program to \$1.3 billion.

The existing \$700 million funding pool has been fully subscribed and the new allocation means 65,000 businesses will now be supported with one-off grants of \$20,000.

The Fund supports businesses that have suffered significant losses due to the pandemic, including businesses legally allowed to operate but restricted in their ability to generate revenue, but have previously fallen between the cracks in terms of government support.

Ends