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19 August 2021

Backing Melbourne businesses and their workers

Joint media release with

Mr Tim Pallas

Victorian Treasurer

The Hon Martin Pakula

Victorian Minister For Industry Support and Recovery

A new round of support from the Commonwealth and Victorian Governments will flow to small and medium businesses most affected by the extension of public health restrictions in Melbourne.

The need to suppress the Delta coronavirus outbreak means the Melbourne lockdown will remain in place until 11:59pm on Thursday, 2 September. The joint package of support will ensure that the current level of support being provided to businesses in Melbourne will continue during this two week extension.

The vast majority of the \$807 million package funded 50:50 by the Commonwealth and Victorian Governments announced today will flow automatically to more than 110,000 businesses in industries ranging from hospitality to non-essential retail, accommodation, events businesses, hairdressing and beauty services.

The Commonwealth and Victorian Governments have committed almost \$2 billion since this most recent outbreak to help support Victorian businesses that are playing such a vital role in the fight against the fast-moving Delta variant.

Commonwealth COVID-19 Disaster Payment arrangement for Melbourne workers and eligible sole-trader businesses have also been extended to 2 September in line with the new restrictions period. Since 1 July, almost \$450 million in COVID-19 Disaster payments has flowed to Victoria supporting the incomes of more than 330,000 Victorians.

The Treasurer Josh Frydenberg said the Morrison Government would continue to support businesses affected by extended lockdowns in Victoria.

“We have worked collaboratively with the Victorian Government to give businesses as much certainty as possible during this challenging period, providing almost \$2 billion in business support during this most recent outbreak alone,” the Treasurer said.

“Small businesses are integral to our economy and we will continue to support them.”

“The extended business support builds on the more than \$45 billion in direct economic support the Morrison Government has delivered to Victorian households and businesses during the pandemic.”

The Victorian Government has provided more than \$9 billion in direct economic support for businesses over the course of the pandemic, including \$1.5 billion in cash grants paid to more than 98,000 businesses since the May/June restrictions period.

Victorian Treasurer Tim Pallas said that the Victorian Government had shown it would respond swiftly and meaningfully to support businesses as conditions changed.

“The Victorian Government recognises the serious challenges faced by businesses as the community joins together to fight the Delta strain in Melbourne,” Mr Pallas said.

“Automatic payments mean money is transferred quickly to the accounts of businesses so they can continue to meet their commitments and plan for the future.”

“We are locking down so that when we open again, we give ourselves the best chance of staying open.”

“Businesses are looking for certainty and it’s only by suppressing this volatile strain that we can achieve this.”

Victorian Minister for Industry Support and Recovery Martin Pakula said the Small Business COVID Hardship Fund, which now stands at over \$250 million, is a vital component in Victoria’s business support effort.

“We know there are businesses that have fallen through the cracks; businesses that haven’t qualified for support in the past but have nonetheless experienced dramatic impacts due to the pandemic,” Mr Pakula said.

“The Hardship Fund will support up to 18,000 businesses across the state - regional and metropolitan alike. We encourage businesses that believe they meet the criteria to make an application for support.”

More information about the business support programs is available at the Business Victoria website (<https://business.vic.gov.au/>).

Small Business COVID Hardship Fund

An additional allocation of \$72 million will boost the Small Business COVID Hardship Fund to \$252 million, with grants increasing from \$10,000 to \$14,000 and available to small- and medium-sized businesses across the state.

The fund opened for applications on 12 August 2021 through the Business Victoria website and will help up to 18,000 businesses that have been ineligible for business support programs and have experienced a reduction in revenue of at least 70 per cent.

Businesses that are legally allowed to operate but are restricted in their ability to generate revenue - such as a food store located at a shopping centre or a manufacturer supplying goods for closed venues - will be among those businesses that that could be eligible.

Business Costs Assistance Program

More than 110,000 businesses in metropolitan Melbourne will automatically receive payments of \$5,600 (\$2,800 per week) through a \$625 million injection.

The Business Costs Assistance Program provides support for businesses that are significantly affected due to the lockdown but continue to incur costs.

Licensed Hospitality Venue Fund 2021

Automatic payments of \$5,000, \$10,000 and \$20,000 per week will be made to about 7,000 licensed hospitality premises in metropolitan Melbourne that have previously received grants under the Licensed Hospitality Venue Fund 2021 or July Extension programs. An additional \$110 million has been allocated to the new licensed hospitality venue initiative.

Payment amounts will be stepped according to premises capacity: \$5,000 for a capacity of up to 99 patrons, \$10,000 for a capacity of 100 to 499 patrons and \$20,000 for a capacity of 500 or more.

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 the rest of the state.

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.

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