

COVID- 19 GOVERNMENT INCENTIVES – What’s New & What’s Changed?

VICTORIAN STATE GOVERNMENT

1. Business Support Fund Grant – Round 3

- Available to businesses operating from a location in Victoria and must:
 - Be included in the eligible business sectors
 - Be a participant in the JobKeeper Scheme
 - Employ staff & registered with Worksafe
 - Annual payroll less than \$10 million in 2019-2020
 - Entity is registered for GST
 - Hold an ABN
 - Registered with Federal or State regulator
- Value of the grant:
 - Payroll less than \$650,000 = \$10,000 grant
 - Payroll between \$650,000 - \$3 million = \$15,000 grant
 - Payroll between \$3 million - \$10 million = \$20,000 grant

Further information is available here: <https://www.business.vic.gov.au/>

2. Support for Sole Traders

- Grants of up to \$3,000 to sole traders who are tenants in a commercial premises in industries covering:
 - Retail
 - Accommodation
 - Food services
 - Creative and media
 - Hairdressing
 - Gyms
 - Events
 - Education and Training

3. Victorian Land Tax Relief – Further Measures

- Land tax reduction increased to 50% for eligible commercial and residential landlords that wavier 50% or more rent for at least 3 months to eligible tenants.
- Eligible landlords can defer payment of the 2020 land tax up to 31 March 2021
- Owner-occupiers of commercial properties maybe eligible for a 25% reduction on the property’s 2020 land tax subject to additional conditions.
- Full wavier of 2021 land tax for residential properties in eligible council areas that are vacant for more than 6 months in 2020.

4. Victorian Payroll Tax – Further Measures

- Additional payments made by employers to bridge gap between the employee’s wage and the JobKeeper payment is exempt from payroll tax.
- Employers with payroll under \$10 million (ungrouped) in 2019/2020 can defer 2021 payroll tax liability until 2022 financial year
- Monthly payroll tax returns must still be lodged for 2021 financial year.

5. Victorian Congestion Levy Relief

- 25% waiver of the 2020 congestion levy and car park owners able to defer liabilities until 31 March 2021.

6. Victorian Stamp Duty Discount – Brought Forward

- 50% stamp duty discount for commercial and industrial properties purchased in regional Victoria from 1 January 2021 onwards.

7. Commercial Landlord Hardship Grant

- Only available to individuals and joint individual landlords
- Subject to \$1 million taxable landholdings test
- Tenant is eligible for Commercial Tenancy Relief Scheme and landlord has provided relief under the current regulations
- Grant up to \$3,000 per eligible tenancy

8. Night-Time Economy Business Support Initiative

- Eligible business must:
 - For businesses that operate a licensed pub, club or restaurant on tenanted premises under a liquor licence in Victoria
 - Employ staff
 - Annual turnover less than \$50 million at each premises
 - 30% decline in turnover at 1 or more premises since 16 March 2020
 - Do not qualify for Commercial Tenancy Relief Scheme
- Eligible businesses can apply for:
 - Reimbursement of business/tenancy advice up to \$20,000
 - Relief from commercial rent hardship up to \$150,000 where the business unable to negotiate with landlord in good faith with no result
 - Free mediation services

9. Hospitality Business Grant

- To be eligible businesses must:
 - Operate a restaurant, pub, bar, café, reception centre, coffee or dessert outlet or takeaway food venue in Victoria
 - Hold a Class 2 or 3 Service Sector – Certificate of Registration under the Food Act
 - Payroll between \$3 million and \$10 million in 2019/2020
 - Hold an ABN and registered for GST on 30 June 2020
 - Registered with Federal or State regulator
- Eligible food service businesses receive one off grant of \$25,000 & \$5,000 for each additional premise in Victoria (capped at \$20,000)
- Additional grant of \$20,000 for eligible businesses operating in CBD with postcodes 3000, 3005, 3006 & 3008

10. CBD Small Hospitality Grant

- To be eligible businesses must:
 - A recipient of the Business Support Fund – Expansion Grant
 - Operate a restaurant, pub, bar, café, reception centre, coffee or dessert outlet or takeaway food venue with capacity for 11 seats or more

- Hold a Class 2 or 3 Service Sector – Certificate of Registration under the Food Act
- Business operates from the CBD including post codes 3000,3005, 3006, & 3008
- Not received assistance via Night-Time Economy Business Support Initiative or Victorian Live Music Venues Program.
- Eligible businesses receive:
 - \$5,000 grant for businesses with seating capacity off 11 to 100 seats
 - \$15,000 grant for business with 101 or more seating capacity

FEDERAL GOVERNMENT INCENTIVE

11. ATO Tax Liability Deferral – Finished 14 September 2020

- The ATO granted payment deferral until 14 September 2020 that now must either be paid in full or a payment arrangement maybe negotiated with the Taxation Office.

12. Apprentice Wage Subsidy - Extension

- Wage subsidy of 50% of apprentice or trainee wages for up to 9 months from January 2020 to 31 March 2021 (previously September 2020)
- Small businesses (fewer than 20 people) claiming prior to 1 July 2020 continue based on 1 March 2020 eligibility date
- Maximum benefit of \$21,000 per apprentice or trainee
- Newly available to medium sized businesses employing 199 or fewer employees who retain an apprentice or trainee undertaking an apprenticeship on 1 July 2020
- Medium sized businesses can register from 1 October 2020 and final claims lodged by 30 June 2021

13. Bank Loan Deferrals Expiry

- With the expiry of the 6 month COVID loan repayment deferral fast approaching, borrowers will need to discuss with lenders how they should be proceeding at the end of the deferral period this may include:
 - Resuming pre-COVID loan repayments
 - Restructuring of the loan terms
 - Applying for a further 4 month extension
 - Tailored hardship assistance