



News Flash

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New Support Payment- The Small Business COVID Hardship Fund

On 12th of August applications opened for a new Small Business COVID Hardship Fund, jointly funded by the Victorian and Commonwealth governments to assist businesses:

- whose operations have been severely impacted by COVID-19 restrictions that have been in place between 27 May 2021 and August 2021
- that have experienced at least a 70% reduction in turnover as a result of the COVID-19 restrictions, and
- which are ineligible for other key COVID-19 Victorian Government business grant programs that have been announced since 27 May 2021.

Successful applicants can receive a one-off payment of \$10,000. This fund is available to businesses that don't qualify for the existing funds, provided they meet the eligibility criteria.

Standard Eligibility Criteria

To be eligible, for the Business COVID Hardship Fund, a business must have experienced at least a 70% decline in turnover for a minimum consecutive two week period against a particular benchmark period, and prove the 70% decline is as a direct consequence of COVID-19 restrictions. In addition, the business in question must:

- Be located within Victoria and have an annual Victorian payroll of up to \$10M in the 2019-2020 financial year on an ungrouped basis
- Be registered for GST and hold an ABN **on and from 28 July 2021**
- Be registered with Worksafe Victoria (for employing businesses)
- Have been severely impacted by COVID-19 restrictions that have been in place between 27 May 2021 and August 2021
- Be ineligible for other key COVID-19 Victorian Government business grant programs

70% Decline In Turnover Test

There are two comparison periods to test turnover, but these are dependent on whether or not the business was operating in May 2019. In assessing the drop in turnover, there is a need to compare GST Turnover for consecutive two week periods.

If the business was operating in May 2019, then the comparison is the best consecutive two-week trading period between 27 May 2019 and 10 September 2019, with their worst consecutive two-week trading period between 27 May 2021 and 10 September 2021.

For businesses that were not actively trading in 2019, the alternative benchmark period is 1 February 2021 to 28 July 2021.

Evidence Requirements

The reduction turnover evidence must be attested to by a qualified agent (qualified accountant, registered BAS agent, registered tax agent).

This support fund will include businesses that are able to operate but COVID-19 restrictions preclude them from generating revenue, for example:

- Key customer was required to close
- the location or type of business meant that access to customers was severely impacted
- customers cancelled bookings or orders.

The Small Business COVID Hardship Fund is now [open](#) for application and will close on 10 September 2021.

Other Support Measures are Available in Victoria

In addition to the COVID Hatrdship Fund, for your information below we include a summary of other COVID-19 support measures currently available for businesses in Victoria:

COVID-19 Disaster Payments

Workers who lose hours due to the lockdown are eligible for support through the Commonwealth's COVID-19 Disaster Payment.

The payment whjich is set at \$450 for people who have lost from eight and up to 20 hours work or a full day of work (over 7 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.

Businesses that do not qualify for Victorian Government support programs because they are not registered for GST also qualify for the COVID-19 Disaster Payment.

Business Costs Assistance Program

Under a new State-Commonwealth business support package, businesses are automatically paid a "Business Costs Assistance Program Round Three" grant of \$2,800.

Business Continuity Fund

The Business Continuity Fund provides a \$5000 payment to businesses in 24 sectors that were affected by additional capacity limits when reopening in late July 2021 under COVID-19 restrictions.

This payment is in addition to the Business Costs Assistance Program July Top-Up payments and the Business Costs Assistance Program Round Three payment.

Licensed Hospitality Venue Fund

Payments of \$5,000 to \$20,000 will be made to venues across Victoria that received funding support from the Licensed Hospitality Venue Fund through the May/June and July lockdowns.

A tiered approach will be administered in accordance 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-plus.

Rent relief scheme for commercial tenants: Vic

In addition to the above, the Victorian Government has introduced new legislation in the form of the Commercial Tenancy Relief Scheme, to support commercial tenants and landlords who are experiencing financial hardship as a result of COVID.

The scheme applies to businesses that have experienced a loss in turnover of more than 30% "during the pandemic" and will entitle them to receive rent reductions proportional to the business' reduction in turnover.eg a business with a turnover of 40% of pre-pandemic levels can only be charged 40% of its rent. Of the balance, at least half must be waived, with the remainder to be deferred.

Drop in turnover will be calculated by comparing their turnover for the final quarter of the 2020-21 financial year with turnover from the final quarter of 2018-19. Special arrangements will be in place to assess the turnover impacts for new businesses which were not operating in 2019 (but details were not disclosed).

Also commercial landlords will not be able to issue an eviction notice for eligible tenants without obtaining a direction from the Victorian Small Budsiness Comission(VSBC). The protections are backdated to 3 August 2021.

Further details can be found on the [Victorian Small Business Commission website](#).

Land tax relief

On the landlords' side of the ledger, the Government will provide land tax relief of up to 25%. Small landlords who can demonstrate acute hardship will be eligible to apply for payments as part of a \$20m hardship fund

For further information, please contact your Kaias Phillips Team member on 03 9489 5888.

The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information. If expert assistance is required, professional advice should be obtained.