

10 July 2020

Victorian Government: Return to Stage Three Lockdown – Business Support Package

On Friday 10 July, Treasurer Tim Pallas and Minister for Industry Martin Pakula announced the Victorian Government's \$534 million **Business Support Package**, directed at industry impacted by the return to [a stage three lockdown](#) in greater Metropolitan Melbourne and Mitchell Shire Council.

The Business Support Package will provide relief and investment to businesses already receiving support, as well as businesses which were previously ineligible to earlier COVID-19 business stimulus. The package includes:

1. Expanding the **Business Support Fund** – which provides 80,000 eligible businesses with \$5000 in cash grants, which expands the fund by \$400 million.
2. **Night-Time Economy Support Fund** – which provides \$30 million in dedicated funding for the hardest hit businesses in hospitality.
3. **Mental Health Support Package** - which provides a \$26 million investment in mental health support for Victorian business owners and operators dealing with the prolonged challenges of running a small business during the COVID-19 pandemic.
4. **Business Mentoring Program** – which provides \$10 million to pair small business owners with experienced professionals and advisors.
5. **Regional Tourism Fund** - a \$40 million capped fund for businesses to cover the costs of refunds, as well as marketing campaigns to boost region to region visitation while Melbourne is locked down. Eligible operators will be able to claim up to \$225 per night for up to five nights for each room cancelled due to the return of Stage 3 restrictions, provided they refund the booking in full.
6. **Central Business District Fund** – which provides \$20 million fund for businesses in the CBD – in recognition of the impact of the long-term stay at home orders.

In addition to the funding packages the Treasurer announced an **extension and expansion to payroll tax deferrals**. Eligible businesses with payrolls up to \$10 million can defer their liabilities for the first half of the 2020/21 financial year.

The assistance packages were designed in close consultation with industry, including the Australian Hotels Association and the Victorian Chamber of Commerce and Industry.

Economic Indicators

The Treasurer noted the new support packages form just a portion of the over \$6 billion in stimulus and business assistance provided by the Victorian State Government in response to the COVID-19 pandemic. Pallas added that the existing stimulus will not be the sum of support, and that Victorians can expect more assistance as the impact of the virus on various sectors becomes clearer.

Despite the unprecedented state stimulus, unemployment is likely to continue to rise, peaking at eleven per cent. Further, Gross State Product (GSP), is projected to decline fourteen per cent, and a full recovery could be two to three years away.

Further Information

For more information, please contact your Hawker Britton consultant, Victorian Director, JP Blandthorn on +61 407 366 304 or Policy and Business Analyst, Raphael Mengem at rmengem@hawkerbritton.com.

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