

PROGRAM GUIDELINES

Small Business COVID Hardship Fund

Program Summary

The Victorian Government's Small Business COVID Hardship Fund assists small to medium businesses whose operations have been severely impacted by COVID restrictions that have been in place between 27 May 2021 and August 2021 (**COVID-19 restrictions**) and;

- have experienced at least a 70 per cent reduction in turnover as a result of the COVID-19 restrictions, and
- are ineligible for other key COVID-19 Victorian Government business grant programs that have been announced since 27 May 2021.

1 Standard Eligibility Criteria

1.1 To be eligible for the Program, a business must:

- a) be located within Victoria¹; and
- b) as a direct consequence of COVID-19 restrictions since 27 May 2021 (**Impacted Period**)², have experienced a reduction in turnover³ of at least 70 per cent for a minimum consecutive two-week period comparable to a **Benchmark Period** in 2019 (note alternative arrangements are available for businesses who do not have a trading history in 2019); and
- c) have an annual Victorian payroll of up to \$10 million in 2019-20 on an ungrouped basis⁴; and
- d) be registered for Goods and Services Tax (GST) on and from 28 July 2021⁵; and
- e) hold an Australian Business Number⁶ (ABN) and have held that ABN on and from 28 July 2021; and
- f) be registered with the responsible Federal or State regulator⁷; and

Additional eligibility requirements for employing businesses⁸:

¹ Business location is determined using the ABN registered operating address or, if required, workplace addresses registered with WorkSafe Victoria.

² See Section 3.2 for the definition of the Impacted and the Benchmark Period.

³ Turnover is to be measured as the GST turnover of the business. GST turnover is the total business income (not profit), and minus i) GST included in sales to customers, ii) sales that are not for payment and are not taxable, iii) sales not connected with the business, iv) input-taxed sales and v) sales not connected with Australia. For more detail refer to [guidance from the ATO](#) and GSTR 2001/7.

⁴ Where a business is in a payroll group, the payroll eligibility criteria applies to each business in the payroll group. That is, any member of a group with an annual Victorian taxable payroll of up to \$10 million in 2019-20 can apply.

⁵ A business or enterprise must register for GST if it has a GST turnover of \$75,000 or more. Not-for-profit entities with annual turnover between \$75,000 and \$150,000 that are not registered for GST and are registered with the Australian Charities and Not-for-Profit Commission are eligible to apply. Businesses with annual 2020-2021 turnover of \$75,000 or more that are not required by relevant taxation legislation to be registered for GST are eligible to apply, subject to provision of a statutory declaration from a registered tax agent

⁶ Commonwealth, state and local government agencies or bodies are not eligible to apply for this program.

⁷ Where required by relevant and applicable legislation. Responsible regulators are the Australian Securities and Investment Commission (ASIC); the ACNC for charities and not-for-profits; and Consumer Affairs Victoria (CAV) for incorporated associations.

⁸ Employing businesses are defined as those businesses required to be registered for WorkCover insurance or equivalent. Sole

- g) be registered with WorkSafe Victoria⁹; and
- h) attest that the business is supporting its workers to access any paid leave entitlements, or that if a person can work from home, to work from home during the COVID-19 Restrictions, and supporting their casual workers, where possible.

2 Other eligibility requirements

2.1 Businesses will not be eligible to receive a Small Business COVID Hardship Fund grant if they have received support under any of the government COVID-19 support packages launched on and after 27 May 2021, including:

- Business Costs Assistance Program Round Two
- Business Costs Assistance Program Round Two Extension
- Licensed Hospitality Venue Fund 2021
- Licensed Hospitality Venue Fund 2021 – July Extension
- Alpine Resorts Support Program
- Victorian Events Support Package, comprising of:
 - Sustainable Events Business Program
 - Impacted Public Events Support Program
 - Independent Cinema Support Program
 - Live Performance Support Program (Presenters)
 - Live Performance Support Program (Suppliers)

For further information on these programs refer to the Business Victoria website.

- 2.2 Organisations that operate a private gender-exclusive club where membership is only by invitation or nomination by an existing member are not eligible for assistance under the Program
- 2.3 Before applying to this program, applicants should check the eligibility requirements of the Commonwealth Government's COVID-19 Disaster Payment as a successful application to the Small Business COVID Hardship Fund may impact access to financial support from the Commonwealth.
- 2.4 A business as defined by its ABN can only receive one grant under the Program.

3 Demonstration of reduction in turnover

3.1 To be eligible for the Program, a business must demonstrate that as a direct consequence of COVID-19 restrictions since 27 May 2021 (**Impacted Period**), they have experienced a reduction in turnover of at least 70 per cent for a minimum consecutive two-week period comparable to a **Benchmark Period** in 2019. Note alternative arrangements are available for businesses who do not have a trading history in 2019.

traders, individuals in partnerships and individual trustees of trusts must employ persons other than themselves to be eligible in this category of 'employing businesses'.

⁹ Businesses operating within Victoria that hold an equivalent worker's compensation policy in another Australian jurisdiction in accordance with Victorian WorkCover legislation are eligible. Evidence of the valid interstate insurance policy and operation located within Victoria is required

3.2 The Impacted and Benchmark Periods are defined as incorporating the dates within:

Impacted Period is 27 May 2021 to 10 September 2021

Benchmark Period is;

- For businesses that were actively trading in 2019: 27 May 2019 to 10 September 2019, or
- For businesses that were not actively trading in 2019: 1 February 2021 to 28 July 2021.

3.3 To calculate whether the applicant satisfies the 70 per cent reduction in turnover test the following steps are required:

A. Select a minimum consecutive two-week trading period within the Impacted Period where the business turnover was most impacted by COVID-19 restrictions.

B. Select a minimum consecutive two-week trading period as a **comparison point** within the Benchmark Period.

C. Calculate the reduction in turnover using the following formula,

Reduction in turnover % = $[1 - (\text{GST turnover in Period A} / \text{GST turnover in Period B})] \times 100$

If the reduction in turnover (as calculated using this formula) is less than 70 per cent, then the business is not eligible for this program.

3.4 The **comparison point** for businesses:

- actively trading in 2019, should generally be the similar time of the year unless there are exceptional reasons as to why a different time is chosen, noting that slight adjustments for trading days are acceptable; or
- not actively trading in 2019, should reflect a normal level of trading activity for your business between 1 February 2021 to 28 July 2021.

4 Evidence Requirements

4.1 The reduction in turnover evidence must be attested to by a **Qualified Agent**¹⁰. The Qualified Agent may apply on behalf of the applicant or the application must include a PDF copy of a signed copy of the [“Letter from the Qualified Agent”](#). See Section 5 of these guidelines if you do not use a Qualified Agent.

¹⁰ A Qualified Agent is any of the following:

- Qualified accountant who belongs to one of the following professional bodies at the declared membership classification i) CPA Australia (i.e. CPA and FCPA), ii) Chartered Accountants Australia and New Zealand (i.e. CA, ACA and FCA) and iii) Institute of Public Accountants (i.e. AIPA, MIPA and FIPA) and comply with the body's continuing professional education requirements; or
- A registered BAS Agent who belongs to one of the following associations at the declared membership classification, including i) the Institute of Certified Bookkeepers (FICB, MICB, AICB), and ii) the Australian Bookkeepers Association (Member), and iii) Association of Accounting Technicians (Australia) Limited and comply with the body's continuing professional education requirements; or
- A registered Tax Agent who belongs to one of the following professional bodies, including i) The Tax Institute, ii) National Tax Agents' Association (NTAA PLUS) and iii) Tax & Super Australia and comply with the body's continuing professional education requirements.

- 4.2 The Qualified Agent cannot be, an employee or director of the applicant, or an associated entity of the applicant, or a director or employee of an associated entity of the applicant.
- 4.3 Applicants may be asked by the Department of Jobs, Precincts and Regions (Department) to produce evidence of how the COVID restrictions caused a reduction in turnover and how the reduction in turnover between the Impacted and Benchmark Periods was determined.
- 4.4 The Department may ask applicants to produce the following evidence for both the Benchmark and Impacted Periods:
 - a Business Activity Statement (i.e. month, quarter or annual statement),
 - total sales,
 - invoices,
 - financial statements, and/or
 - bank statements.
- 4.5 The Department may at its discretion validate any information provided by the Applicant with the Qualified Agent and the Australian Taxation Office as part of the assessment process or for future audits.

5 Invitation to Apply for Applicants who normally lodge their own tax return

- 5.1 Applicants who normally do not use a Qualified Agent to lodge their Business Activity Statements and are unable to engage a Qualified Agent to support their application to this Program may register their interest to the Department on the Business Victoria website for accessing an alternate application process (i.e. Invitation to Apply).
- 5.2 Applicants will be required to provide the same documentation as they would if they were to apply through a Qualified Agent, due to the need for additional verification the Invitation to Apply process may take longer.
- 5.3 The Department will send the applicant an email which includes a link to an 'Invitation to Apply' application form. The applicants will be required to provide evidence of the turnover for both the Benchmark and Impacted Periods as outlined in Section 3 of these guidelines.
- 5.4 The Department may at its discretion validate any information and evidence provided by the Applicant with an external organisation and the Australian Taxation Office as part of the assessment process.
- 5.5 If any information in the application is found to be inaccurate, false or misleading the application will not be assessed by the Department and may be referred to review by the appropriate law enforcement or regulatory agency.

6 Demonstration of eligibility

- 6.1 Applicants must attest that they meet the eligibility criteria at the time of application and intend to remain trading at the end of the COVID-19 restrictions. Applicants will

also need to meet the eligibility criteria at the time the application is assessed by the Department.

- 6.2 **Proof of Identity:** The person making the application must be a person identified on the Australian Business Register as either the owner, co-owner, associate or authorised contact of the applicant business.
- 6.3 The person applying must provide details of a current proof of identity document. The proof of identity must be one of the following:
- a driver licence or learner permit issued in any Australian jurisdiction; or
 - an Australian Passport; or
 - a Medicare Card; or
 - a foreign passport for those issued with an Australian Visa.
- 6.4 The identity document details will be verified against persons listed on the Australian Business Register. ¹¹
- 6.5 If the current proof of identity is unable to be confirmed at the point of application, Applicants will receive a follow-up email with instructions to amend their proof of identity details. If the applicant does not then rectify the proof of identity details before the Program closing date, the application will not be considered by the Department for this Program.
- 6.6 The Department's decisions on all matters pertaining to the award of funding under this Program is at the Department's absolute discretion.

7 Grant amount and payment

- 7.1 The total value of a grant under the Program is \$20,000 for an eligible business.
- 7.2 Grants to successful applicants will be paid into the bank account nominated on the application form.
- 7.3 The Department will endeavour to notify all Applicants of the successful outcome of their complete application within 15 business days. Incomplete applications or applications under the 'Invitation to Apply' pathway (see Section 5) may require longer processing times.

8 Funding use

- 8.1 Grant funds must be used to assist the business, for example on:
- Meeting business costs, including utilities, wages or rent;
 - Seeking financial, legal or other advice to support business continuity planning;
 - Developing the business through marketing and communications activities; or
 - Any other supporting activities related to the operation of the business.

¹¹ For employing businesses, in the event that the Proof of Identity documents cannot be verified against the Australian Business Register, the Department will rely on an accurate Workcover Employer Number (i.e. WorkSafe registration) for the Applicant.

9 Assessment Process

- 9.1 Funding will be allocated through a grant application process, through which businesses are invited to apply for a grant.
- 9.2 As part of the assessment process, any information provided by an Applicant will be shared and subject to verification with other government agencies (state and federal) including the Victorian State Revenue Office, WorkSafe Victoria, the Australian Business Register, Australian Taxation Office and the Commonwealth Department of Home Affairs, CPA Australia, Chartered Accountants Australia and the Institute of Public Accountants.¹²
- 9.3 Any of the following circumstances may be taken into consideration in any decision whether to award a grant:
- Any adverse findings by a Government agency or local council regarding a business or its operation;
 - A business is, or notice has been given that it will be, placed under external administration;
 - There is a petition for bankruptcy or to wind up or deregister a company or business; and
 - The business is or becomes deregistered or unregistered (including cancellation or lapse in registration or any relevant permit).
- 9.4 Businesses must ensure that their ABN registration information is current and accurate as at the time of application.
- 9.5 Each application will be carefully considered and assessed against the eligibility criteria. If an unsuccessful Applicant considers that their application has been incorrectly assessed, they will have the opportunity to lodge a complaint. More information on the complaints process and a complaint form can be found at <https://business.vic.gov.au/contact-us/complaints>.
- 9.6 Only final applications that are lodged with the Department will be considered and assessed, and applications in draft stage will not be considered.

10 Application processing delays

- 10.1 There may be delays in processing an application, if the application:
- does not meet all the eligibility criteria
 - does not have correct evidence or documentation
 - requires amendment
 - is a duplicate application for the same business
 - has incorrect information, such as ABN or bank details (for successful Applicants)
 - requires the provision of evidence to the Department's satisfaction of how the COVID restrictions caused a reduction in turnover and how the reduction in

¹² The Department is not responsible for any delays caused by third party validation of an Applicant's eligibility. By making an application the business and Applicant consents to the assessment and verification process

- turnover between the Impacted and Benchmark Periods was determined
- does not include current or accurate information registered with relevant regulators or partner agencies, such as the State Revenue Office, Australian Business Register, Australian Taxation Office, CPA Australia, Chartered Accountants Australia and New Zealand, and Institute of Public Accountants or WorkSafe Victoria.

10.2 If the applicant is awaiting the outcome of another application to a key COVID-19 Victorian Government business grant program (refer to see Section 2), this may delay the outcome of an application to this program.

11 Compliance and Audit

11.1 Applications may be subject to audit by the Victorian Government, its representatives or the relevant Auditor-General and will be required to produce evidence (such as business activity statements, bank statements, financial reports, sales reports and invoices, payroll reports to demonstrate impact and turnover) at the request of the Victorian Government for a period of four years after the grant has been approved.

11.2 If any information in the application is found to be inaccurate, false or misleading, or grants are not applied for the purposes of the business in accordance with the terms of funding as set out in these Guidelines and any attached application, the grant will be repayable on demand.

12 How to Apply to this Program

12.1 Applications are submitted online via the Business Victoria website (business.vic.gov.au). All questions in the application need to be completed and requested information is to be provided to ensure timely assessment and grant payment.

12.2 If you have any queries about your application or require further information on the program visit business.vic.gov.au or contact the Business Victoria Hotline at 13 22 15.

13 Closing date

13.1 The Program will be open for applications until program funds are exhausted or **11.59 pm Friday 10 September 2021**, whichever is earlier.

14 Other Information about this Program

14.1 The Department reserves the right to amend these guidelines and application terms at any time as it deems appropriate.