Saturday, 2 October 2021

VICTORIA GOES IT ALONE TO BACK CONSTRUCTION INDUSTRY

The Victorian Government is backing construction businesses most affected by lockdown restrictions with a $196.6 million package of cash grants for thousands of operators as the industry prepares to reopen next week.

The new support package will provide a one-off payment to eligible businesses, including sole traders, covering the restrictions period from 21 September to 4 October.

More than 70,000 construction businesses in Melbourne, the City of Greater Geelong, Surf Coast Shire and Mitchell Shire could be eligible for *Business Costs Assistance Program Round Four – Construction* grants.

Eligible non-employing sole trader businesses will receive a one-off payment of $2,000, increasing to $2,800 for businesses with an annual payroll of up to $650,000, $5,600 for a payroll of $650,000 to $3 million and $8,400 for a payroll of $3 million-$10 million.

These grants would have been doubled if the Commonwealth had not refused to contribute to the Victorian construction industry.

The Commonwealth has broken with its well-established principle of co-funding business support packages 50:50 with states across the country – despite having funded NSW construction businesses during their recent construction shutdown.

Data released this week shows NSW has also received $6.15 billion in *COVID-19 Disaster Payments*, compared to $2.40 billion for Victoria.

In the week to 26 September, NSW received 85 per cent more in these payments than Victoria.

Up until the point at which Victoria reaches 80 per cent full vaccination, construction workers who lose hours of work due to restrictions can access these payments under the Commonwealth's scheme, as can sole traders who are not registered for GST, lose work and do not qualify for state support.

The payment is currently 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.

Applications for *Business Costs Assistance Program Round Four – Construction* support will open in mid-October. To be eligible, businesses must be registered under a relevant construction-sector ANZSIC codes, have a Victorian payroll of less than $10 million a year, have incurred direct costs due to restrictions, and be registered for GST.

Businesses must have not previously received support under the *Business Cost Assistance Program* or the *Small Business Covid Hardship Fund*. Guidelines will be published at business.vic.gov.au next week – businesses can register for email notification ahead of this.

Over the course of the pandemic, the Victorian Government has allocated more than $11 billion in direct economic support to business, including $4.7 billion in cash grants to more than 170,000 businesses since June this year.

Victoria's business support grants for the construction sector sit alongside the *Business Costs Assistance Program*, which is supporting more than 120,000 businesses most affected by lockdown in sectors ranging from retail to beauty services, tourism and events.

Quotes attributable to Treasurer Tim Pallas

"The Victorian Government will go it alone with construction industry support and give businesses the help they need to get back on their feet as our state moves along our roadmap to reopening."

"It's up to Josh Frydenberg and the Prime Minister to explain why construction businesses in Victoria have been treated differently to those in NSW."

Quote attributable to Minister for Industry Support and Recovery Martin Pakula

"We want the construction industry to re-open with full compliance of public health orders and the vaccination requirement, and we'll back businesses to get to that point in the best shape possible."