

Latrobe Valley Economic Growth Zone Business Reimbursement Scheme

2021 Guidelines

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GLOSSARY

Term	Definition
Applicant	An eligible business entity that applies for a reimbursement payment.
Business Concierge	A business adviser providing information about business support programs to the Latrobe Valley Region business community support.
Business Concierge Service	A program funded by the LVA aimed at providing direct advice to the business community through Local Government Agencies at Baw Baw Shire, Latrobe City and Wellington Shire.
Business Expansion	<p>Business expansion for the purpose of this Scheme is defined as:</p> <ul style="list-style-type: none"> • Growth in business turnover, and • Significant capital investment, and • Growth in new employment <p>Applications related to the purchase of established businesses must demonstrate growth through substantial capital investment, improvement or development at the site and new employment outcomes to be eligible under the Scheme. Business purchases or consolidations without this are ineligible for support.</p>
Direct Business Activity	<p>For the purpose of satisfying land duty reimbursement eligibility, an eligible business enterprise operated by an applicant from the site of the purchased property either owned directly by the applicant or a company related to the applicant as determined by the LVA.</p> <p>Applications for pro-rata reimbursements where the applicant business shares the site with another business may be considered.</p> <p>Reimbursement applications for businesses that do not operate from the site of the new purchase are ineligible.</p>
Direct Employment	Employed directly by the applicant or a related company.
Eligible Properties	<p>For the purposes of this Scheme, Eligible Properties are those as defined for the State Revenue Office (SRO) Victoria 50% commercial and industrial land transfer duty concession for Eligible Properties in regional Victoria announced in the 2020-21 Victorian budget.</p> <p>Further information on Eligible Properties can be accessed in:</p> <p>Duties Act 2000 No. 79 of 2000 Authorised Version incorporating amendments as at 29 April 2020 Division 5A—Commercial and industrial land in regional Victoria 64A Definitions</p> <p>“eligible transfer means a transfer of dutiable property referred to in section 10(1)(a) or (ad) that—</p> <p>(a) is wholly in regional Victoria; and</p> <p>(b) the transferee intends to use solely or primarily for a qualifying use;</p> <p>qualifying use means a land use described in an Australian Valuation Property Classification Code (AVPCC) based on the Valuation Best Practice</p>

	<p>Specifications Guidelines; AVPCC in the following ranges— (a) 210 to 299; (b) 310 to 499;</p> <p>NOTE - farming use properties are excluded from eligibility under the Scheme, except in cases where the use of a farming property is being converted from farming to industrial or commercial use.</p> <p>*Further information can be accessed at https://sro.vic.gov.au</p>
New Business	<p>For the purposes of this Scheme, new business includes:</p> <ul style="list-style-type: none"> • new business start-ups • businesses relocating to the Latrobe Valley • businesses incorporating a subsidiary to conduct business in the Latrobe Valley; and • Latrobe Valley businesses expanding their activities
New Employment	<p>For the purposes of this Scheme, new employment outcomes may include casual, fixed term, part-time and full-time jobs that:</p> <ul style="list-style-type: none"> • Are additional to the existing business employee profile; and • Collectively amount to a minimum of one FTE position; and • Are additional to the employee profile plus any FTE positions created at the time of any previous reimbursement made under this Scheme; and • Are remunerated in accordance with the relevant employment Award wages; and • Demonstrate continuous employment amounting to one FTE for a period of no less than 12 weeks from the date of approval, purchase or settlement of the activity
FTE	<p>Full-Time Equivalent. For the purposes of employment outcomes for this Scheme, one FTE is equal to full time working hours – e.g. 38 hours per week.</p>
Latrobe Valley Region	<p>Baw Baw Shire Council, Latrobe City Council and Wellington Shire Council.</p>
LVA Assessment Panel	<p>A panel convened from the Directors of the Latrobe Valley Authority.</p>
One-off Fee or Charge	<p>A non-recurrent State or Local Government fee or charge incurred in the course of establishing or expanding an eligible business.</p>
Recipient	<p>An Applicant that has secured a reimbursement payment.</p>
Reimbursement	<p>A reimbursement payment of any one-off State or Local Government fee or charge incurred by an applicant in the course of establishing or expanding an eligible business within the Latrobe Valley Region.</p>

1. INTRODUCTION

1.1 Background

The Victorian Government established the Latrobe Valley Economic Growth Zone (EGZ) Incentive Fund in November 2016 as part of a \$266 million support package designed to create jobs and grow local business complementing other support for Latrobe Valley workers and businesses impacted by the closure of the Hazelwood Power Station.

The EGZ Reimbursement Scheme (the Scheme) is an element of that overall fund and aims to use reimbursement payments to support businesses to contribute to the economic prosperity of the Latrobe Valley region.

Since its inception in November 2016, the Scheme has provided support to over two hundred and sixty businesses within the Latrobe Valley Region to establish or expand their operations.

A review of the Scheme in October 2020 recommended a more targeted future approach to deliver greater economic impact for the Latrobe Valley region.

The extension of the Scheme will prioritise a focus on building the capacity of small business within the region.

The Scheme is administered by the Department of Jobs, Precincts and Regions through the Office of the Latrobe Valley Authority (LVA).

The Scheme will operate from 1 January 2021 until such time as the Program funding is exhausted or the LVA at its sole discretion ceases the Scheme. The LVA reserves the right to amend the Scheme Guidelines at any time.

1.2 Purpose

The Scheme supports the reimbursement of 'one-off' State and Local Government fees and charges incurred in the establishment of a new enterprise or the expansion of an existing one in the Latrobe Valley region.

Ongoing or recurrent State or Local Government business fees and charges are not eligible for reimbursement under this Scheme.

1.3 Outcomes

The Scheme is designed to achieve the following outcomes in the Latrobe Valley Region:

- Attract new investment
- Support Business Expansion and growth
- Create New Employment outcomes
- Stimulate business capacity, diversification and innovative practice
- Boost economic benefit

2. ELIGIBILITY

The eligibility criteria for the Scheme is described below. The LVA reserves the right to assess other activities or types of expenditure as ineligible where it determines that an application does not support the achievement of the Scheme outcomes or is contrary to the objectives and intention of the Scheme.

2.1 General Eligibility

2.1.1 Applications for reimbursement through the Scheme will only be considered for activities that meet the objectives, and must:

- Land reimbursement applications must be aligned with the eligibility requirements for the State Revenue Office (SRO) Victoria 50% commercial and industrial land transfer duty concession which is available for Eligible Properties in regional Victoria announced in the 2020-21 Victorian Budget.
- Farming use properties are excluded from eligibility under the Scheme, except in cases where the use of a farming property is being converted from farming to industrial or commercial use.
*Further information can be accessed at <https://sro.vic.gov.au>
- Be for the residual 50% of land transfer duty expenses incurred after accessing the SRO reimbursement.
- Be for eligible expenses incurred on or after 1 January 2021.
- Meet all requirements as outlined within these Guidelines.
- Establish a new business or meet the definition of Business Expansion within the Latrobe Valley Region.
- Create New Employment outcomes as defined over and above the existing business employment profile.
- Increase capital investment related to the business activity.
- Meet all industrial relations and safety obligations as an employer in accordance with the National Employment Standards and WorkSafe Victoria.
- Confirm that the business is not currently subject to any criminal or civil proceedings and has not previously been found guilty of or incurred penalty for any criminal conviction or civil dispute.
- Confirm that the business is considered financially viable for the foreseeable future.

2.1.2 Except in exceptional circumstances (as agreed by the LVA), retrospective applications will not be accepted beyond a period of six months past the date of settlement, vehicle purchase or permit approval.

2.1.3 The LVA may, at its discretion, adjust requested amounts based on the eligibility of the fee and charge evidence presented in an application.

2.1.4 Applications generally should not be submitted in anticipation of a purchase, approval or property settlement. Where this occurs, the LVA may close the application and request a later resubmission accompanied by the required evidence.

2.1.5 All accompanying evidence must be submitted within three months of the initial formal application being made to the LVA.

2.1.6 Unless otherwise agreed, the LVA will close applications after three months where required additional information has not been returned and re-application accompanied by the required evidence must be made.

2.2 Applicant Eligibility

Applicants must be a legal entity as outlined:

Companies

- Be a legally structured business with an Australian Business Number (ABN)

Trust Structures and Superannuation Schemes

- An Incorporated Trustee can apply on behalf of a Trust provided that the Trustee will remain sufficiently liable for the performance of any agreement it signs

Partnerships

- Individual Partners may apply on behalf of a Partnership provided that the Partners will remain sufficiently liable for the performance of any agreement they sign

Sole Traders

- Sole Traders may apply provided that they remain sufficiently liable for the performance of any agreement they sign and comply with the criteria as set out for Companies above

Not-for-Profit Organisations

- Must be an incorporated body, cooperative or association operating a business enterprise
- Must have an Australian Business Number (ABN) or can provide written advice from the Australian Tax Office that no withholding tax is required from the grant payment

Ineligible Applicants

The following are not eligible to participate in the Scheme:

- Individuals without a formal business structure and associated ABN
- Commonwealth, State and Local Government Agencies
- Publicly funded research and education institutions
- Industry associations
- Not-for-profit organisations not operating a business enterprise
- Property developers not operating their own business at site of the subject property
- Farming use properties, except where the use of farming property is converted from farming to industrial or commercial use, and meets other eligibility criteria
- Applications to establish or expand a business where that establishment or Business Expansion is outside of the Latrobe Valley Region.

Applications from other Gippsland local government areas may be considered at the discretion of the LVA but only where significant economic and employment impacts can be demonstrated to occur within the Latrobe Valley region.

2.3 Reimbursement Eligibility

The Scheme applies to one-off State and Local Government fees and charges related to new or expanding business activity, accommodating the following three types of eligible transactions:

- Land transfer duty paid on property purchases to the Victorian State Revenue Office
- Eligible fees/charges paid to the Victorian Government
 - Planning application fees, licensing application fees, permit charges, environmental approval fees and other relevant fees and charges
 - Stamp duty payments associated with one-off purchase fees for new, additional vehicles or plant.

Applications related to the replacement or upgrade of existing fleet are ineligible under the Scheme.

- Eligible fees/charges paid to Baw Baw Shire Council, Wellington Shire Council and Latrobe City Council
 - Planning and permit fees

The LVA reserves the right, at its absolute discretion, to amend the reimbursement conditions in respect of reimbursement payments not yet awarded.

2.3.1 Land Transfer Duty

2.3.1.1 Businesses may apply for reimbursement of Land Transfer Duty incurred on property purchases for eligible new or expanding businesses within the Latrobe Valley Region.

2.3.1.2 Recipient businesses are expected to remain in the region supporting local economic activity and job expansion for a minimum of twelve months into the future.

2.3.1.3 Land transfer duties paid to the State Revenue Office of Victoria may be reimbursed as the new or expanded business becomes operational and can demonstrate progress towards New Employment outcomes.

2.3.1.4 Where the business

- ceases operation prior to a continuous period of twelve months; and/or
- ceases to realise the required New Employment outcomes; and/or
- on-sells the subject property within six months of the date of the final reimbursement payment;

all reimbursements must be repaid to the State Government of Victoria.

2.3.1.5 Applications must demonstrate that:

- The property is located within the Latrobe Valley Region (unless otherwise agreed)
- The property owner operates a business directly from the purchased property site
- The business will continue to be operated by the applicant for at least twelve months after its establishment
- Unless by prior agreement with the LVA, settlement of the purchased property occurred within six months of lodgement of the application with the LVA.

2.3.2 Permits and Vehicle Stamp Duty Fees

2.3.2.1 Businesses may apply for reimbursement of applicant permit fees and charges and vehicle stamp duty fees incurred for eligible new or expanding businesses within the Latrobe Valley Region.

2.3.2.2 Eligible fees and charges may include planning fees, stamp duty, licensing and registration fees, permit charges, environmental approval fees or other relevant State and Local Government charges. Other eligible fees and charges may be considered on a case-by-case basis by the LVA. Recurrent business fees or charges are not eligible for reimbursement.

2.3.2.3 A Business operating from leased premises may make application for the reimbursement of fees and charges related to the establishment of a new business, or a Business Expansion.

2.3.2.4 Where the business

- ceases operation prior to a continuous period of twelve months; and/or
- ceases to realise the required New Employment outcomes; and/or
- on-sells the subject property or vehicle/plant within six months of the date of taking ownership;

all reimbursements must be repaid to the State Government of Victoria.

2.3.2.5 Applicants must demonstrate that the reimbursement costs:

- Were paid on behalf of the business to the Victorian Government or a Latrobe Valley Region Council
- Are eligible for reimbursement under this Scheme
- Are related to the application activity

3. Application and Assessment

3.1 There are five steps to the reimbursement process.

- Discuss your application with Latrobe Valley Authority staff or the Business Support Concierge Service at Latrobe City Council, Wellington Shire Council and Baw Baw Shire Council to obtain information about your eligibility and supporting evidence requirements
- Lodge an application with the LVA accompanied by your supporting evidence
- The LVA will consult with relevant government agencies and undertake standard business checks
- The LVA will assess your application and may request an interview with you at the business site to confirm your supporting evidence
- Applicants should be advised of the outcome of their application within four to six weeks of submission provided that full supporting information is provided.

3.2 All questions in the application must be completed and associated evidence provided within appropriate timeframes for it to be considered as formally submitted to the LVA, and to proceed to assessment.

3.3 An LVA assessment panel will consider submitted applications based on the eligibility criteria described within these guidelines.

3.3 Claims made within an application must be substantiated and full supporting evidence provided. Further information may be sought from applicants by the LVA where required at the discretion of the LVA Assessment Panel.

4. Administration and Payments

4.1 Provision of Evidence

4.1.1 Applicants seeking reimbursement under this Scheme are required to provide supporting evidence confirming the business activity is New or a Business Expansion occurring within the Latrobe Valley Region.

Note that tax invoices or bank statements alone are not sufficient evidence that a payment has occurred.

The evidence may include but is not limited to:

- The information provided in the application outlining the business establishment or Business Expansion and the anticipated New Employment outcomes
- Tax receipts, or other acceptable evidence of payment of all claimed fees and charges
- In the case of complex property transactions, evidence of the business structure and the legal connection between the business operating at the site and the owner of the site

- A Statutory Declaration confirming the business meets the Eligibility Criteria specified in Section 2 of these Guidelines, and any claims made in relation to the application as required
- 4.1.2 Where a property is purchased:
- a copy of the State Revenue Office 'Statement of Duty and Land Transfer'
 - a copy of the current Certificate of Title
 - a copy of the property Contract of Sale with the covering letter and disbursements
 - a copy of the property Notice of Acquisition
- 4.1.3 Where a vehicle is purchased:
- a copy of the purchase invoice detailing the stamp duty paid
 - a copy of the receipt showing full payment by the applicant or a copy of the loan documentation
 - a Statutory Declaration confirming that the purchased vehicle is in addition to existing fleet
 - images of the purchased vehicle showing the registration and company logos (where appropriate)
- 4.1.4 Where a permit is approved:
- a copy of the payment receipt
 - a copy of the approved permit
- 4.1.5 Where Business Expansion and/or New Employment outcomes are stated:
- a Statutory Declaration confirming the completion of construction and /or the completion of twelve weeks continuous employment by New employees subject to an application, and
 - any additional Statutory Declarations confirming details requested by the LVA
 - The LVA may request additional evidence such as pay slips or payroll records related to New Employment outcomes involving immediate family members.
- 4.1.6 The LVA at its absolute discretion, may require an interview and/or site visit to be conducted by its staff for the purpose of validating the evidence provided.

4.2 Payment Conditions

- 4.2.1 The LVA will authorise payment based on the Guidelines and evidence provided.
- 4.2.2 Reimbursement of land transfer duty will occur in stages as described below, after full payment is confirmed by the applicant business to the State Revenue Office.
- Half of the land transfer duty cost will be reimbursed on approval of an application
 - Half of the land transfer duty cost will be reimbursed following completion of construction and /or 12 weeks employment provided the business is established, or Business Expansion is demonstrated
 - The LVA may at its absolute discretion review the eligibility of the application or delay the release of the any payment that cannot be validated by the required evidence

- The timing of the final payment will be influenced by the evidence provision requirements being met to the satisfaction of the LVA
- Where the business:
 - ceases operation prior to a continuous period of twelve months; and/or
 - does not realise the required New Employment outcomes; and/or
 - on-sells the subject property within six months of the date of the final reimbursement payment

any reimbursements already provided must be repaid to the Victorian Government.

5. Conditions

5.1 Acknowledgement and Evaluation

Recipients may be invited to participate in future promotional activity for the Scheme. This often takes the form of a media release or on-line video.

Recipients will be invited to participate in an on-line survey within 12 months of the final reimbursement payment to assist the LVA with the evaluation of this Scheme.

5.2 Information Privacy

Any personal information provided by an applicant or a third party in an application will be collected by the LVA for the purpose of Scheme administration. This information may be provided to other Victorian Government bodies for the purpose of checking or assessing applications.

If confidential personal information about third parties is included in an application, Applicants are required to ensure that the third party is aware of the contents of this Privacy Statement.

Any personal information collected, held, managed, used, disclosed or transferred will be held in accordance with the provisions of the *Information Privacy Act 2000* (VIC) and other applicable laws.

The Department of Jobs, Precincts and Regions, is committed to protecting the privacy of personal information. The Department's Privacy Policy can be found online at <https://djpr.vic.gov.au/>. Enquiries about access to information should be directed to the Department's Privacy Unit by email privacy@ecodev.vic.gov.au.

5.3 Contact information

For more information about the Economic Growth Zone Business Reimbursement Scheme, please contact the Latrobe Valley Authority or the Business Support Concierge Service at Latrobe City Council, Wellington Shire Council or Baw Baw Shire Council.

Phone: (03) 1800 136 762

Email: lva.grants@lva.vic.gov.au