

NSW COVID Support - July 2021

NSW COVID-19 Support Payments

In response to the latest announcement of a major economic support package aimed at supporting businesses and individuals through the current COVID-19 lockdown in NSW, ICB report on the latest information as of the 14th of July, 2021 to assist our members and their clients in gaining clarity on the latest in news and information regarding the support packages.

Individuals

Disaster Payments Increase from Week 4

“You don’t have to have lost your job; you don’t have to have left your employer. It doesn’t matter who your employer is,” Morrison said. “If you have lost those hours, you can access that payment right now.”

- Applies to those individuals in the Lockdown area or affected by the Lockdown.
- If the individual has lost 20 hours or more work: was \$500 now \$600 a week.
- If the individual has lost less than 20 hours: was \$325, now \$375 a week.
- As from Week 4 going forward if the individual is in the system there is no need to reapply. (As long as the health orders are in place)

As of 18th July all residents of NSW are eligible

- Federal Government will pay for Lockdown areas via [Services Australia](#)
- State Government will pay for the rest via [Services Australia](#)

Individuals may be eligible if all the following apply:

- You cannot attend work and have lost income on or after day 8 (second week of Lockdown) of COVID-19 restrictions.
- You do not have access to appropriate paid leave entitlements through your employer. Note: you do not have to use annual leave or sick leave. Access to pandemic leave is appropriate paid leave.
- You are not getting an income support payment, a state or territory pandemic payment, Pandemic Leave Disaster Payment, or state small business payment for the same period.
- People will be eligible for the payment, including where they are still working, provided they have lost more than 8 hours or a full day of work.
- From the third week of lockdown, applicants will no longer be required to declare they have less than \$10,000 in liquid assets to be eligible for the payment.
- The Commonwealth will make the payment a recurring payment for approved recipients for as long as the Commonwealth declared hotspot and lockdown restrictions remain in place.
- Recipients do not need to re-claim for each seven-day period of a lockdown.

Small Business

Grants (as previously announced)- for the first 3 weeks

- For businesses with turnover more than \$75k and less than \$10m

- Eligible if decline in turnover (definition: total normal income, excluding GST – what goes on the Profit and Loss as a business's income).
 - ▶ 30% or more: \$7,500
 - ▶ 50% or more: \$10,500
 - ▶ 70% or more: \$15,000
- The process will be handles by [Services NSW](#) and we are still awaiting details.
- Business will need a letter from BAS Agents or Accountants confirming turnover.
- Applications open 19th July 2021.

Cashflow Boost - Applies to Business After Week 4

- There will be a payroll subsidy after week 4 of lockdown.
- Between \$1,500 and \$10,000 a week.
 - ▶ Based on 40% of NSW payroll payments
- Applies to Businesses with turnover up to \$50m, but more than \$75k.
- You will need to indicate a 30% decline in turnover. We need to wait for more detail on how that decline in turnover will be calculated but it has been indicated:
 - ▶ It will need to be calculated over a two-week period in 2021 compared to two-week period in 2019 (pre COVID-19). **Note: the calculation will not be using 2020 as a comparison period.**
- To be eligible to for this subsidy a business must maintain full-time, part time and long-term casuals staffing levels as of 13th July 2021.

The process will be handled by Services NSW.

- Register your interest now and join their mailing list so once the system is up and running you will receive notification – Service.nsw.gov.au

Sole Traders

- There will be a \$1000 a week support payment

The process will be through Services NSW, and we are awaiting details of application access.

Micro Businesses

- Turnover between \$30k & \$75k.
- Will be eligible for \$1500 per fortnight from week 1 of the Lockdown.
- If 30% reduction in turnover.

The process will be through Services NSW, and we are awaiting details of application access.

Other Support

State Charges/Fees

Reductions & Deferrals

- Payroll tax liabilities deferred for 2 months.

- Payroll tax waiver of 25% (wages up to \$10m) if 30% turnover reduction.
- Land Tax Rebate if landlord supports tenants (both commercial and residential)
 - ▶ Up to 100% of 2021 liability equal to value of rent reductions.

No evictions

Business

- Landlords cannot evict tenants due to lockdown.
- See Small Business Commissioner [mediation](#) for disputes

Residential

- 60-day moratorium on evictions.
- Workers who have 25% loss of income.

Bank Support

The Banks are indicating further support

ABA Announces

- National support package
- All small business (lending <\$3m and turnover <\$5m)
- Impacted by COVID

Types of support

- 3-month repayment deferrals.
- Loan terms extended.

Income Tax

- NSW Small business grants and small business payments will be tax exempt. Not accessible for income tax.
- ATO are offering payment plans and looking at no interest for this period of lockdown. Will take the circumstances of the business into account.
- If on PAYG instalments business should be able to vary PAYG Instalments

Special Support

- Arts sector \$75m.
- Accommodation sector \$26m.
- Expanded mental health services.

What to do

- Register with Services NSW – expression of interest
- Turnover – wait for the details on what they are calling turnover
 - ▶ A two-week period within 26th June 2021 to 26th July 2021 compared to 2019
 - ▶ A letter signed by BAS Agent or Accountant (await the template)
- Headcount 13th July 2021 – more details to follow.

Note: Do not rearrange circumstances to make a business eligible. The government are seeking to support business quickly and efficiently. As Bookkeepers, do not support fraud. If it is proven people are changing circumstances to fit in with eligibility there will be less support and more compliance in the future.

Our advice is to not compare these packages to any form of JobKeeper or Cashflow Boost but to see them as a new support package and understand them as per guidelines.

For all NSW clients, keep an eye on [The Small Business Commissioner NSW Website](#) for the latest information and updates.



Key components of the 2021 COVID-19 package for businesses include:

- An extension to the previously announced business grants program. This means eligible businesses with Australian wages below \$10 million can claim grants between \$7,500 and \$15,000 to cover the first three-weeks of restrictions.
- A "JobSaver" employee retention scheme providing cashflow support to businesses to help them retain staff. The cash boost will be up to 40% of weekly payroll with a payment of between \$1,500 to a maximum of \$10,000 per week, provided staffing levels are maintained at the level as of 13 July 2021. Non-employing businesses are eligible for \$1,000 per week.
- A new grants program for micro businesses with a turnover of between \$30,000 and \$75,000 which experience a decline in turnover of 30 per cent. The businesses will be eligible for a \$1,500 payment per fortnight of restrictions.
- Payroll tax waivers of 25 per cent for businesses with Australian wages bills of between \$1.2 million and \$10 million that have experienced a 30 per cent decline in turnover, as well as payroll tax deferrals and interest free repayment plans.
- Land tax relief equal to the value of rent reductions provided by commercial, retail and residential landlords, up to 100 per cent of the 2021 land tax year liability.
- A requirement on landlords to participate in mediation before taking actions to evict or lock out tenants.
- An increase in the payment amount for stood down workers from \$500 to \$600 per week for those who lost more than 20 hours, and to \$375 for those who lost between 8 and 20 hours, and available to workers outside of the Greater Sydney lockdown areas.
- Deferral of gaming tax assessments for clubs until 21 December 2021 and hotels until 21 January 2021.
- A \$75 million support package for the performing arts sector to be administered by Create NSW.
- A \$26 million support package for the accommodation sector.
- Expanded mental health services with programs targeted at young people and CALD communities.