



15 July 2021

NSW & Federal Government Support for Businesses - COVID-19

Due to the recent COVID-19 outbreak in NSW, and the resulting disruption in business, the state and federal government have devised a rollout of economic assistance to NSW businesses who have been impacted financially.

On Tuesday 13 July, a new support package for businesses based in NSW, (who have been affected by COVID-19), was announced jointly by the NSW Premier, Gladys Berejiklian, and the Australian Prime Minister, Scott Morrison. It is currently a proposed measure and referred to as the "Saving Jobs Support Program".

New 2021 COVID-19 Business Grant

A new support payment will be available to NSW entities that have an annual turnover between AUD 75,000 and AUD 50 million, and can demonstrate at least 30 per cent decline in their "national" turnover since stay at home orders were issued by the NSW government.

Whilst detailed guidance is still to be released, to receive the payment eligible entities will be required to maintain their full-time, part-time and long-term casual staffing level as of 13 July 2021. Per federal government announcements, eligible entities will receive up to 40 per cent of their NSW payroll payments, at a minimum of \$1,500 and a maximum of \$10,000 per week.

Micro businesses, (i.e. with turnover between AUD 30,000 and AUD 75,000), which have been impacted by the current greater Sydney COVID-19 restrictions may be able to apply for a payment of AUD 1,500 per fortnight from late July 2021.

Applications can be made from 26 July 2021 onwards. The evidentiary documents required as part of the submission to demonstrate decline in turnover have not yet been stipulated, and we await further guidance.

In addition to the above, the NSW government also announced the proposed extension of its existing small business grants program:



Small Business Support Grant

The Small Business Support Grant will be available to small businesses to pay for a wide array of ongoing costs including: operational, marketing, legal and other expenditure incurred in the business. To be eligible for the grant a business must, (subject to change by further announcements):

1. Be ABN registered in, (or physically located and primarily operating in), NSW;
2. Have fewer than 20 full time employees;
3. Pay wages below the NSW Payroll Tax threshold of \$1.2 million;
4. Incur costs for which no other form of government support is available;
5. Have annual turnover exceeding AUD 75,000; and
6. Not be applying for, or in receipt of, the "Hospitality & Tourism Support Grant"

Whilst the rollout is still in progress, it is anticipated grants will be paid on a "tiered" basis with:

- AUD 15,000 available to businesses with a decline in turnover of 70%;
- AUD 10,500 available to businesses with a decline in turnover of 50%; and
- AUD 7,500 for businesses with a decline in turnover of 30%.

We will provide updates as further announcements become available, however if you have questions regarding the above, please do not hesitate to contact Sheltons Australia as outlined below.

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