



# What lockdown support is available to NSW business?

**If your business is adversely impacted by NSW lockdowns, support is available.**

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The NSW and Federal Governments have released a series of measures to support business during extended lockdowns of four weeks or more.

- Up to \$100,000 in weekly JobSaver cashflow support payments
- Up to \$15,000 through the expanded NSW 2021 COVID-19 business grants program
- NSW micro-business grants
- NSW payroll tax deferrals and a 25% payroll tax waiver
- NSW rent protections and grants
- NSW sector support for the arts and accommodation sector

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## JobSaver: Cashflow Support of up to \$100,000

JobSaver is a weekly payment between a minimum of \$1,500 and maximum of \$100,000 based on 40% of the NSW payroll payments of your business (including not-for-profits).

Eligible businesses without employees that meet the eligibility criteria (such as sole traders with no employees), will be able to access a payment of \$1,000 per week.

The cashflow support will cease when lockdown restrictions are eased or when the Commonwealth hotspot declaration is removed.

Funding is also limited to specific purposes.

## How to apply

Applications can be made online through [Service NSW](#) and close at 11:59pm on 18 October 2021.

If your business has successfully applied for the COVID-19 business grant, your business will be automatically eligible for JobSaver but will need to provide the additional information on payroll and headcount.

To apply for JobSaver, you will need your business's Australian income tax return, Notice of Assessment or other documentation demonstrating the business had a national aggregated annual turnover of between \$75,000 and \$250 million for the 2020 income year.

If your business is not on the [highly impacted industries](#) list, you will also need to submit a letter from us demonstrating that that you meet the decline in turnover test.

If your business is in the performing arts sector, please see the [NSW Performing Arts COVID support package](#) – CreateNSW is streamlining all applications through them.

## Eligibility

- Have an active ABN; and
- Can demonstrate that your business was operating in NSW as at 1 June 2021; and
- Had an aggregated turnover between \$75,000 and \$250 million for the year ended 30 June 2020; and
- Maintain employee headcount as at 13 July 2021 – the number of people you employed in NSW including full time, part time and long-term casuals that have been employed by the business for more than 12 months; and
- Have experienced a decline in turnover of at least 30% over a minimum 2-week period from the start of the Greater Sydney Lockdown (from 26 June 2021), compared to the same period in 2019. The application will

ask you for your lowest fortnightly turnover in this period.

Some businesses are ineligible for JobSaver. These include businesses predominantly earning passive income (rent, interest, or dividends), businesses owned by sovereign entities (foreign Governments), businesses in liquidation or bankruptcy proceedings, businesses that did not have an ABN as at 1 June or backdated their ABN, government agencies, local governments, banks, and universities.

## How is the 40% of payroll calculated?

Your payroll is based on your most recent Business Activity Statement (BAS) lodged with the ATO prior to 26 June 2021 for the 2020-21 financial year. Use the figure at item W1, removing any amounts withheld on behalf of contractors. To determine weekly payroll, divide the amount by the number of days in the BAS period and multiply this by 7.

For businesses with employees outside of NSW, you will need to calculate the amount based on just the NSW employees using the same method you use to report on your BAS.

If your business does not submit a BAS with a W1 amount, use your 2019-20 NSW payroll tax reconciliation return. If your business does not submit a BAS, you will need to contact ServiceNSW to discuss alternatives.

Where an employer's headcount changed because of circumstances outside the control of the employer (such as voluntary resignations, death of an employee) it will not be taken as a reduction in employee headcount on 13 July.

## I don't have employees, can I still qualify?

If your business does not have employees (such as sole traders) but meets all the other eligibility tests, you can apply for JobSaver but only if the

individuals associated with and deriving income from the business have not received a Commonwealth COVID-19 Disaster Payment since 18 July 2021. You also need to ensure that the business is the primary income source for the associated person.

### **I have stood down my employees, do they still qualify for the headcount test?**

Yes. If you have stood down your full time, part time or long-term casual employees, they are counted in the headcount. During a stand down the employment relationship remains (their role has not been terminated), the employee is not paid (unless they are taking paid leave), and they continue to accrue annual leave. See the [FairWork website](#) to clarify how and when an employer can stand down employees.

### **An employee has resigned, does this impact my headcount?**

No. If the employee is no longer with the business due to circumstances outside of your control, such as resignation or death, this will not impact the headcount test.

If however you forced the employee to resign or terminated their employment, this will impact on your headcount and eligibility for JobSaver and the COVID-19 business grant. Any actions taken by the business that reduce headcount will need to be reported to Service NSW.

### **How is aggregated annual turnover measured?**

Aggregated turnover is generally your business's annual turnover plus the annual turnover of any business connected with you or that are an affiliate of yours. If you have any related entities that carry on a business, please contact us and we'll work with you on calculating this figure.

Annual turnover generally includes income that has been generated in the ordinary course of carrying on a business. You would normally use GST-exclusive figures for this purpose. ATO guidance suggests that JobKeeper and cash flow boost amounts would probably be ignored as part of this calculation.

### **How is decline in turnover measured?**

In general, GST turnover concepts are used to determine whether the business has suffered a decline in turnover of at least 30%.

However, ServiceNSW has not provided clear guidance on how GST turnover should be calculated for the purpose of this grant. If it is not clear whether your business can pass this test, it may be necessary to contact ServiceNSW to discuss the situation.

### **I don't have a 2019 comparison period, can I still get help?**

Businesses that are not able to meet all the eligibility criteria can still potentially qualify for the grant, but it is necessary to contact ServiceNSW to discuss the situation before applying. Alternatives may be available where:

- You can demonstrate over a shorter period prior to 26 June 2021 that your aggregated income would have been \$75,000; or
- Your turnover in the test period in 2019 was not representative of your normal turnover, for example because of bushfires.

You are likely to need us to verify any alternative scenarios for you as part of your application.

## 2021 COVID-19 Business Grant of up to \$15,000

The COVID-19 Business Grant provides up to \$15,000 to eligible businesses (including not-for-profits and sole traders) with annual wages of up to \$10 million.

The value of the grant is determined by the impact of the lockdown on your turnover. Your business will need to prove a decline in turnover across a minimum 2 week period from 26 June 2021 to 17 July 2021.

Decline in turnover	Grant
70%+	\$15,000
50% or more	\$10,500
30% or more	\$7,500

### How to apply

Applications are made online through [Service NSW](#) and close at 11:59pm on **13 September 2021**.

### Eligibility

The 2021 COVID-19 business grant is available if you:

- Have an active ABN; and
- Can demonstrate that your business was operating in NSW as at 1 June 2021; and
- Have had total annual Australian wages of \$10m or less as at 1 July 2020; and
- Have had an aggregated annual turnover between \$75,000 and \$50m (inclusive) for the year ended 30 June 2020; and
- Have unavoidable business costs from 1 June 2021 for which there is no other government support available; and
- Maintain employee headcount as at 13 July 2021 – the number of people you employed in NSW including full time, part time and long-term casuals that have been employed by the business for more than 12 months; and
- Have experienced a decline in turnover of at least 30% over a minimum 2-week period from 26 June 2021 to 17 July 2021 compared

to the same period in 2019. The application will ask you for your lowest fortnightly turnover in this period.

- For businesses and not-for profits on the NSW border with Victoria impacted by lockdown orders that began on 27 May 2021, use the turnover period from 27 May 2021 to 17 July 2021 compared to the same period in May and/or June and/or July 2019.

Some businesses are ineligible for the grant. These include businesses predominantly earning passive income (rent, interest, or dividends), businesses owned by sovereign entities (foreign Governments), businesses in liquidation or bankruptcy proceedings, businesses that did not have an ABN as at 1 June, government agencies, local governments, banks, and universities.

### Can I get the JobSaver and the business grant?

If your business meets the eligibility conditions, you can access both the grant and JobSaver.

If your business does not have any employees, you cannot access the grant if persons associated with the business, and who derive income from it, have applied for, or are receiving, the Commonwealth COVID-19 Disaster Payment.

If your business is in the performing arts sector, please see the [NSW Performing Arts COVID support package](#) – CreateNSW is streamlining all applications through them.

### I don't employ staff, can I still get the grant?

For sole traders and other businesses without employees, you can access the grant if you meet the other eligibility criteria **but** only if persons associated with the business, and who derive income from it, have not applied for, and are not receiving, the Commonwealth COVID-19 Disaster Payment.

*We can work with you to help assess your eligibility and apply for the grant!*

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## **\$1,500 Micro-Business Grants**

The micro-business grant provides \$1,500 per fortnight while lockdown restrictions apply to sole traders and other small businesses with aggregated annual turnover between \$30,000 and \$75,000. The grants are available from week one of the lockdown until restrictions are eased.

### **How to apply**

Applications are made online through [Service NSW](#) and close at 11:59pm on 18 October 2021.

Where your business operates through a trust structure, you will need to provide additional information to demonstrate that a national aggregated annual turnover of more than \$30,000 and less than \$75,000 is derived through the trust.

### **Eligibility**

- Have an active ABN registered in NSW or can demonstrate your business was operating in NSW as at 1 June 2021; and
- Have had an aggregated annual turnover of more than \$30,000 and less than \$75,000 for the year ended 30 June 2020; and
- Have experienced a decline in turnover of at least 30% over a minimum 2-week period from the start of the Greater Sydney Lockdown (from 26 June 2021), compared to the same period in 2019; and
- Have business costs for which there is no other government support available; and
- Have not applied for either the 2021 COVID-19 Business Grant or JobSaver; and
- Have less than 20 full time equivalent employees at 1 June 2021; and
- If you are an employer, maintain your headcount as at 13 July 2021; and
- If you do not have employees, such as a sole trader, the business making the application is your primary source of income.

Businesses that received the \$1,500 small business fees and charges rebate can apply for this grant.

If your business does not have any employees, you cannot access the grant if persons associated with the business, and who derive income from it, have applied for, or are receiving, the Commonwealth COVID-19 Disaster Payment.

Ineligible businesses include those predominantly earning passive income (rent, interest, or dividends), or businesses in liquidation or individuals in bankruptcy proceedings.

### **There is a problem with my 2019 comparison period, can I still get help?**

Businesses that are not able to meet all the eligibility criteria can still potentially qualify for the grant, but it is necessary to contact ServiceNSW to discuss the situation before applying. Alternatives may be available where:

- The business was not operating for the full year to 30 June 2020 (e.g., new businesses) and you can prove the turnover requirements over a shorter period of time.
- Your business was affected by drought, bushfires or other natural disasters.
- A business change (acquisition, disposal or restructure) impacted the business' turnover.
- You're a sole trader or partnership and turnover was impacted by sickness, injury or leave.

You are likely to need us to verify any alternative scenarios for you as part of your application.

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## Payroll tax relief

### Payroll tax and lodgement deadline deferred

NSW payroll tax has been deferred for July and August 2021 until 7 October 2021 for all businesses.

The due date for the 2020-21 annual reconciliation has also been deferred until 7 October 2021.

**Previous payroll tax deferrals and payment arrangements for 2020-21 due in July 2021 have not been deferred.**

### 25% payroll tax waiver for businesses between \$1.2m and \$10m

Businesses with Australian wages of between \$1.2 million and \$10 million that have experienced a 30% decline in turnover, will be provided with a 25% payroll tax waiver in 2021-22. Further details of the reduction will be available by the end of August from [RevenueNSW](#).

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## Rent protections and grants

Commercial and retail rent protections are in place.

### Eviction moratorium

A short-term eviction moratorium is in place for rental arrears where a residential tenant suffers loss of income of 25% due to COVID-19 and meets certain other criteria. The moratorium applies to tenants with an annual turnover of \$50 million or less.

Commercial and retail landlords will need to attempt mediation before recovering a security bond, or locking-out or evicting a tenant impacted by Public Health Orders.

## Land tax relief

Land tax relief equal to the value of rent reductions provided by commercial, retail and residential landlords to financially distressed tenants is available for up to 100% of the 2021 land tax liability.

See [Residential Tenancies Moratorium Application for rent negotiation](#)

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## Specific sector based support

### Arts community

Applications have opened for the [NSW Performing Arts COVID support package](#) covering performances impacted by NSW Government Public Health Orders from 26 June 2021.

The funding amount per performance is calculated using a formula of average ticket price multiplied by the number of tickets available for sale and a specified percentage tied to the lockdown period.

To be eligible for funding, you must be one of the following:

- An eligible venue
- A producer of an eligible performance scheduled to perform at one of the eligible venues
- A promoter of an eligible performance scheduled to perform at one of the eligible venues.

See the [full details and the list of eligible venues and performances here](#).

### How to apply

Applications are made online through [SmartyGrants](#).

## Accommodation sector

Business in the accommodation have been advised to apply first for the COVID-19 Business Grant.

In addition, there will be a support package for eligible tourism accommodation providers that have lost business during the school holiday period. Assistance will be based on the number of cancelled 'room nights' of:

- \$2,000 for up to 10 room nights
- \$5,000 for 11 or more room nights

To be eligible, you will need to be able to show evidence of cancellations for lost room nights between 25 June and 11 July 2021.

## Gaming machine tax deferrals

All businesses paying hotel or club gaming machine tax will be able to defer the taxes for the 2021-22 financial year:

- Hotels: deferrals for June and September quarter until 21 January 2022.
- Clubs: deferrals for the August quarter until 21 December 2022.

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## How to contact us

We're available to assist you with the lockdown support for your business.

Some of the details for the grants are not yet available. We will keep you up to date.

Here's how you can contact us:



***Davies, Thompson & Wright Services Pty Ltd***

***Chartered Accountants***

***Phone: 02 65432766***

***Email: [admin@dtwservices.com.au](mailto:admin@dtwservices.com.au)***

*The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.*

***Updated 29 July 2021***