

Overview of the 3 Covid-19 Business Grants

Businesses in NSW impacted by COVID-19 can access, subject to separate eligibility criteria, the following business support payments:

- COVID-19 business grant (One off payment up to \$15,000)
- COVID-19 micro-business grant (fortnightly payment backdated to 26 June 2021)
- JobSaver payment (weekly payment equally funded by Commonwealth and NSW Government)

Service NSW is responsible for implementing and administering these business support schemes. Whilst we have details around the eligibility rules for each of the above support measures, unless it is a simple or straight forward scenario, we urge clients to wait for more guidance from Service NSW if in doubt.

COVID-19 business grant (One off payment up to \$15,000)

The COVID-19 business grant applies for the first 3 weeks of the lockdown, namely 26 June to 17 July 2021. The one-off cash grant ranges from \$7,500 to \$15,000 depending on the decline in turnover over a minimum 2-week period from 26 June to 17 July 2021 compared to the same period in 2019. Only GST registered entities who have turnover between \$75,000 to \$50M for the year ended 30 June 2020 are eligible to apply. Sectors such as construction who have faced lockdown restrictions at a later point in the lockdown, may find eligibility for this grant problematic as the decline in turnover test applies over a 2-week period from 26 June to 17 July 2021 compared to the same period in 2019. Southern border businesses have a different comparison period.

COVID-19 micro-business grant (fortnightly payment backdated to 26 June 2021)

The COVID-19 micro-business grant presumably applies to entities who are not registered for GST and have aggregated annual turnover between \$30,000 and \$75,000 for the period ended 30 June 2020 on the proviso that this represents the primary income source for a person associated with the business. The entitlement is a fortnightly payment of \$1,500 to cover business expenses during the lockdown. A turnover decline of 30% or more is required over a 2-week period commencing 26 June 2021 and ending on 30 July 2021, compared to same period in 2019. If the entity has applied for either the COVID-19 business grant or JobSaver payment, they are not eligible for this fortnightly payment. Payments apply from 26 June and can be backdated.

JobSaver payment (weekly payment equally funded by Commonwealth and NSW Government)

The JobSaver weekly payment kicks in from week 4 (from 18 July onwards) and is meant to supplement support to businesses who received the COVID-19 business grant and continue to be impacted by the COVID-19 restrictions. The weekly payment will be equivalent to 40% of the NSW weekly payroll, subject to a minimum amount of \$1,500 and a maximum of \$10,000. If you are a non-employing business such as a sole trader, you may be entitled to a payment of \$1,000 per week.

Important note – Each of these schemes has strict eligibility criteria that must be met and supported by prescribed documentation. Each scheme allows some limited flexibility for alternative circumstances, but these are at the discretion of Service NSW. More guidance is expected to be released for alternative circumstances that will be allowed.

Warning - Successful applications may be subject to an audit and evidence must be kept for a minimum of 5 years.

Common terminology used for all three support measures

Aggregated annual turnover - Annual turnover is all ordinary income you earned in the ordinary course of running a business for the income year. Aggregated turnover is generally your annual turnover plus the annual turnover of any business:

- connected with you
- that is your affiliate

If your business is a company, your aggregated turnover includes your annual turnover, plus the annual turnover of all the entities that are connected or affiliated with your company. These connected or affiliated entities may be based in Australia or overseas.

Decline in turnover: the Goods and Services Tax (GST) turnover as defined in A New Tax System (Goods and Services Tax) Act 1999 (Cth) (GST Act) will be applied when assessing whether an applicant experienced a 30% or more decline in national turnover.

Employee Headcount: the number of persons who are employed in New South Wales and who are permanent (full time or part time), or casual staff that have been employed by the business for more than 12 months.