
SUPPORT FOR BUSINESSES

NSW, Victoria and SA

29 July 2021

(previous update was on 26 July 2021)

Introduction

- The state governments of NSW, Victoria and South Australia have announced business support measures whilst businesses in each of these states grapple with the current and/or recent lockdowns.
- These support measures are designed to support the cash flow of businesses and support jobs.
- NSW entered a lockdown on 26 June at 6pm. It is due to last 9 weeks and end at 11:59pm on 28 August 2021.
- Victoria entered a lockdown on 16 July. It ended on 26 July at 11:59pm with some trailing restrictions.
- South Australia began a 7-day lockdown on 20 July and it ended as planned on 27 July. South Australia also has some trailing restrictions in place.

• This pack **summarises the key support measures announced so far as at 28 July 2021.**

- | | |
|--------------------|-------------|
| 1. New South Wales | pages 3-14 |
| 2. Victoria | pages 15-24 |
| 3. South Australia | pages 25-26 |

New South Wales

- The NSW state government announced a stimulus package worth up to \$5.1 billion on July 13.
- There was further support for businesses announced on July 28.
- The key measures for businesses are detailed on the following pages.

COVID-19 business grants (1 of 2)

- A one-off payment to help businesses with cashflow support for the first 3 weeks of the Greater Sydney lockdown commencing 26 June 2021.
- These grants are also available to sole traders and not-for-profit organisations.
- Three different grant amounts will be available depending on the decline in turnover experienced over a minimum 2-week period from 26 June 2021 to 17 July 2021, compared to the same period in 2019:
 - \$7,500 for a decline of 30% or more.
 - \$10,500 for a decline of 50% or more.
 - \$15,000 for a decline of 70% or more.
- To be eligible these criteria must also be met:
 - Have an active ABN and demonstrate your businesses was operating in NSW as at 1 June 2021.
 - Payroll up to \$10 million as at 1 July 2020.
 - Aggregated annual turnover of \$75,000 - \$50 million (inclusive) for the year ended 30 June 2020.
 - Have business costs for which there is no other government support available.
 - Maintain staffing levels as at 13 July 2021.

COVID-19 business grants (2 of 2)

- If a business does not meet all of the eligibility criteria outlined on the previous page, the business may still be able to apply for the grant if evidence to support alternative circumstances outlined in the government's guidelines can be met (these are available on the Service NSW website).
- The grant can be used for business costs incurred from 1 June 2021, including:
 - Utilities, wages and rent.
 - Financial, legal or other advice to support business continuity planning.
 - Marketing and communications activities to develop the business.
 - The cost of perishable goods that can no longer be used.
 - Other activities to support the operation of the business.
- Businesses and not-for-profit organisations on the NSW border with Victoria impacted by the stay-at-home orders that began on 27 May 2021 may use a different comparison period to demonstrate a decline in turnover. For each of the 3 grant amounts, these businesses must demonstrate a decline in turnover over a minimum 2-week period from 27 May 2021 to 17 July 2021.
- Applications are now open and can be submitted through Service NSW.

JobSaver

- Fortnightly payments to help maintain employee headcount and provide cashflow support to businesses.
- It is funded jointly by the NSW and Commonwealth governments.
- Employing businesses: 40% of weekly payroll, with a minimum payment of \$1,500 per week and a maximum payment of \$100,000 per week. The upper threshold was revised up from \$10,000 on 28 July.
- For non-employment businesses, such as sole traders, payments will be set at \$1,000 per week.
- To be eligible the following criteria must be met:
 - Demonstrate a decline of 30% in revenues.
- Business turnover has to be between \$75,000 and \$250 million. The upper threshold was revised up from \$50 million on 28 July. Businesses must maintain employee headcount as at 13 July 2021.
- Weekly payroll should generally be determined by referring to the most recent Business Activity Statement (BAS) given to the Australian Taxation Office (ATO) before 26 June 2021 for the 2020-21 financial year.
- Applications are now open.
- The expanded payment will take effect from 18 July 2021, the start of the program.
- Businesses can apply via Service NSW.

COVID-19 micro business grants

- A fortnightly payment of \$1,500 for small businesses, sole traders, or not-for-profit organisations.
- To be eligible the following criteria must be met:
 - Turnover between \$30,000 and \$75,000.
 - A decline in revenue of 30% or more.
 - Businesses that provide the primary income source for a person associated with the businesses.
- Applications will open in late July.
- Businesses can register via Service NSW to receive updates.

Tax relief

Payroll Tax Deferrals

- Businesses have the option to defer payment of the 2020-21 annual reconciliation, July and August 2021 monthly return periods until 7 October 2021. Interest-free payment plans for up to 12 months will be available.
- Any business paying payroll tax is eligible to apply for this deferral via Revenue NSW.

Payroll Tax Reductions

- A 25% reduction in payroll tax to help reduce overheads for eligible businesses.
- To be eligible the following criteria must be met:
 - A 30% decline in turnover.
 - For NSW businesses with grouped Australian wages of no more than \$10 million.

Gaming Machine Tax Deferrals

- Gaming machine tax deferral options for clubs and hotels.
 - Clubs: deferral of the August quarter until 21 December 2021.
 - Hotels: deferral of the June and September quarters until 21 January 2022.

Dine and Discover

- The Dine and Discover vouchers have been extended until August 31.
- The Dine & Discover program encourages the community to get out and support dining, arts and recreation businesses.
- NSW residents aged 18 or over can apply for four \$25 vouchers, worth \$100 in total.
 - Two \$25 Dine NSW vouchers can be used for dining at restaurants, cafes, bars, wineries, pubs and clubs or takeaway meals.
 - Two \$25 Discover NSW vouchers can be used for entertainment and recreation, including cultural institutions, live music and art venues.
- Businesses need to apply via Service NSW to be able to participate in the program.
- The Dine and Discover vouchers have been extended to 31 August 2021 and can be used 7 days a week, including on public holidays.

Performing arts COVID-19 support package

- Performing arts venues, producers and promoters who have had to cancel or postpone performances will be eligible to receive assistance payments under the NSW Performing Arts COVID Support Package.
- To be eligible, a business will need to provide at a minimum evidence of performances scheduled, venues and average ticket prices.
- Those that meet the eligibility criteria will receive payments that are based on their venue capacity, average ticket price and an agreed percentage tied to the public health order.
- The funding will cover performances impacted by the lockdown from 26 June 2021 to 30 September 2021.
- Applications are now open and can be completed via SmartyGrants.

Support for accommodation providers

- Tourism accommodation providers who have lost business during the school holiday period 25 June 2021 to 11 July 2021, may be eligible to receive assistance payments based on the number of cancelled room nights.
- Businesses must show evidence of booking cancellations in order to receive:
 - \$2,000 for up to 10 room nights cancelled or
 - \$5,000 for 11 or more room nights cancelled.
- To be eligible, businesses must be registered for GST and/or hold an ABN, be located in NSW and the accommodation premises must be an entire property, i.e. not holiday letting of a spare room in a residence.
- Where an owner/operator owns multiple accommodation premises (identifiable by differentiated street addresses), each accommodation premises is eligible for the grant.
- The NSW government has also advised that tourism accommodation providers should first apply for the COVID-19 business grant.
- Applications for the COVID-19 business grant are now open.

Relief for residential and commercial landlords & tenants (1 of 3)

Tenants in commercial or retail premises

- Protection will be offered for impacted tenants in commercial and retail tenancies in NSW.
- Landlords will not be able to lock out or evict impacted tenants without first going to mediation.
- Eligibility - tenants must have an annual turnover of \$50 million or less. Tenants must also be eligible for either the Micro-business COVID-19 Support Grant, the COVID-19 NSW Business Grant or the JobSaver scheme.
- More information will be provided soon on the NSW Small Business Commissioner website.

Landlords leasing commercial properties

- For landlords with tenants in financial distress. Landlords with commercial properties may be eligible for a land tax concession if they provide rent reductions to their tenants. The concession will be the value of the rent reduction provided, up to 100% of 2021 land tax on a parcel of land
- To be eligible, a commercial tenant needs to have an annual turnover of up to \$50 million and be approved for the Micro Business COVID-19 Support Grant and/or the 2021 COVID-19 NSW Business Grant and/or the JobSaver scheme.
- Available for rent reductions made from now until 31 December 2021.

Relief for residential and commercial landlords & tenants (2 of 3)

Eviction moratorium for residential tenants

- Eligible COVID-impacted residential tenants who cannot meet their rent payments will be protected from eviction during the moratorium period commencing from 14 July and ending 11 September 2021.
- Residential landlords who decrease rent for impacted tenants can apply for a grant or land tax reductions depending on their circumstances.
- A landlord or agent may continue to seek a termination in other circumstances including the sale of premises, illegal use of premises, damage to property, hardship and the end of a fixed-term agreement.
- To be eligible for the protection against eviction, a tenant needs to:
 - Provide evidence the rent paying members of the household are impacted by COVID-19 and have lost employment, work hours or income or have had to stop working because they or other members of their household (or in their care) were/are ill with COVID-19; and
 - The household's take home weekly income has reduced by 25% or more (including any government assistance received) compared to the weekly income received in the 4 weeks prior to 26 June 2021.
 - Continue to pay at least 25% of the rent payable.
- The 60-day protection against eviction for rental arrears applies to all tenancy agreements, including informal, unwritten agreements.

Relief for residential and commercial landlords & tenants (3 of 3)

Landlords leasing residential properties

- For landlords with tenants in financial distress.
- Landlords with eligible properties may be eligible for a grant or land tax concession if they provide rent reductions to their tenants.
- How much? Either
 - A grant equal to the value of the rent reduction, up to a maximum of \$1,500, to residential land owners to pass on to their tenants as part of the Residential Tenancy Support Payment, or
 - Concession equal to the value of the rent reduction provided, up to 100% of 2021's land tax bill.
- Eligibility:
 - For land tax relief, the landlord must verify the tenant has a reduction in household income of 25% (or more) as a result of COVID-19 and the landlord cannot also claim the Residential Tenancy Support Payment of up to \$1,500.
 - For Residential Tenancy Support Payment: available for rent reductions made from 14 July 2021.
 - For land tax relief: available for rent reduction made between 1 July 2021 and 31 December 2021.
 - Details regarding applications can be found on the NSW revenue website for land tax relief and NSW Fair Trading for the Residential Tenancy Support Payment.

Victoria

- The Victorian government announced up to \$484.3 million in support for businesses in response to the July lockdown.
- Separately, on 28 July, the Commonwealth and Victorian Governments announced they will jointly fund a new \$400 million round of support to help Victoria's small and medium-sized enterprises (SMEs) recover from the recent lockdown, including assistance for commercial property renters and landlords.
- These are in addition to more than \$500 million support provided through the May/June restrictions period.
- The key measures announced in response to the current lockdown are detailed on the following pages.

Top up for the LHVF and BCA programs

- Automatic top-up payments are being provided to businesses affected by the current restrictions in metropolitan and regional Victoria.
- Top-ups were announced in two rounds on 16 July and 21 July 2021.
- The top-ups apply to businesses that received support following the May-June lockdown:
 - **Licensed Hospitality Venue Fund (LHVF)** recipients will receive a total of \$7,200 in top-up payments.
 - **Business Costs Assistance (BCA)** Program recipients will receive a total of \$4,800 in top-up payments.
- Businesses that had not previously applied or have since become eligible to apply for these grants, may apply for July lockdown support payments and will be considered outside the automatic top-up process.
- You can subscribe to Business Victoria to receive notifications for when applications will open.

Business continuity fund

- A \$156 million Business Continuity Fund will be established to deliver \$5,000 grants to up to around 30,000 businesses that remain impacted by capacity limits placed on businesses by necessary public health restrictions.
- Twenty-four eligible sectors are covered by the fund including gyms, cafes, restaurants, catering services and hairdressers.
- Recognising businesses located in the CBD will continue to be impacted due to restrictions on the number of staff allowed in office buildings, they will be eligible to receive an additional \$2,000 recognising reduced foot traffic due to office density limits.
- All recipients must have received or been eligible for the previous Business Cost Assistance Program.
- The Victorian government is expected to soon provide more details on how to apply.

Additional support for licensed hospitality venues

- The Licensed Hospitality Venue Fund will receive a \$70 million boost, with grants of up to \$20,000 to be made available to support licensed venues as their operations continue to be impacted by current restrictions.
- These grants recognise that larger venues depend more on dine-in and have higher operating costs, so need more support than smaller operations.
- An additional \$2,000 will also be made available to the business if it is located within the CBD.
- To receive this funding, venues will need to have received or been eligible for the Licensed Hospitality Venue Fund 2021.

Top-up of grants

- Alpine hospitality, retail, accommodation and experience operators have been hit hard in their high season.
- Businesses that were eligible for grants of up to \$15,000 will receive an extra \$3,000, on top of any entitlements under the Licensed Hospitality Venue Fund or Business Costs Assistance Program.

Support for public and live performance events

Impacted Public Events Support Program

- Eligible public events and suppliers to public events affected by the lockdown will receive up to \$25,000 and \$10,000, respectively, through the Impacted Public Events Support Program.
- Further information will be made available soon by the Victorian state government.
- Businesses can subscribe to Business Victoria to receive notifications for when applications will open.

Live Performance Support Programs – Presenters and Suppliers

- A new round of Live Performance Support programs will provide up to \$7,000 for presenters and up to \$2,000 for suppliers.
- You can subscribe to Business Victoria to receive notifications for when applications will open.

Grants for sporting clubs

- A new round of the Sporting Club Grants Program will provide \$2,000 grants for community sport and active recreation organisations for events that have been unable to proceed or will have to be cancelled or postponed.
- Eligibility criteria:
 - Victorian sport and active recreation organisations with a payroll of up to \$3 million.
 - Costs greater than \$2,000 arising directly from the cancellation or postponement of events during the lockdown from 11:59pm on Thursday 15 July to 27 July 2021.
- This funding is only available to organisations that are not eligible to seek funding from the Business Costs Assistance Program.
- Applications can be completed via the Sports and Recreation Victoria website.

Small business COVID-19 hardship fund

- A new \$85 million fund will be established to support small businesses who have not been eligible under existing business support funds.
- Small businesses with a payroll of up to \$10 million who have experienced a 70% or greater reduction in revenue will be eligible for grants of up to \$5,000.
- More details to come regarding eligibility criteria and application process.

Additional support for alpine businesses

- Alpine Business Support will receive a further \$9.8 million to deliver grants of between \$5,000 and \$20,000 to 430 Alpine based businesses in recognition of restricted inter and intra-state travel during the peak winter season.
- The funding also includes an additional \$5 million support to alpine resort operators and management boards.
- More details to come regarding eligibility criteria and application process.

Commercial tenancy relief scheme and landlord hardship fund

- A total of \$80 million will be provided by the state government to support landlords that offer rent relief to their tenants.
- The Commercial Tenancies Relief Scheme will be reinstated to provide rent relief to commercial tenants, while separate support will be provided to landlords who help their tenants.
- The scheme will be available to businesses with an annual turnover of less than \$50 million who have had a decline in turnover of at least 30% due to COVID-19.
- A mediation service for tenants and landlords will help support those negotiations.
- More details to come regarding eligibility criteria and application process.

South Australia

- The SA state government announced a stimulus package worth \$100 million on July 21.
- The key measures for businesses are detailed on the following page.

Grants

- Small and medium businesses may be eligible for a \$3,000 cash grant, whilst non-employed business such as sole traders, trusts and companies may be eligible for a \$1,000 cash grant.
- The eligibility criteria for the grants are as follows:
 - Be located within South Australia.
 - Have an annual turnover of \$75,000 or more in 2020-21 or 2019-20 and be registered for GST.
 - Have a valid and active ABN.
 - Must employ staff in South Australia.
 - Have an Australia-wide payroll of less than \$10 million in the 2019-20 financial year.
 - Experienced a 30% reduction in turnover in the week of Tuesday 20 July to Monday 26 July 2021 compared to the week prior.
- Non-employed businesses will be exempt from having employed people.
- Applications are currently not open. Businesses can register on the SA Treasury website to receive a notification via email when they do open.
- Applications for the business support grant will close at midnight on 30 September 2021.

Contact listing

Chief Economist

Besa Deda

dedab@stgeorge.com.au

(02) 8254 3251

Senior Economist

Jarek Kowcza

jarek.kowcza@stgeorge.com.au

0481 476 436

Economist

Matthew Bunny

matthew.bunny@stgeorge.com.au

(02) 8254 0030

Research Assistant (Secondment)

Sonali Patel

sonali.patel@stgeorge.com.au

(02) 8254 0030

Disclaimer

The information contained in this report (“the Information”) is provided for, and is only to be used by, persons in Australia. The information may not comply with the laws of another jurisdiction. The Information is general in nature and does not take into account the particular investment objectives or financial situation of any potential reader. It does not constitute, and should not be relied on as, financial or investment advice or recommendations (expressed or implied) and is not an invitation to take up securities or other financial products or services. No decision should be made on the basis of the Information without first seeking expert financial advice. For persons with whom St.George has a contract to supply Information, the supply of the Information is made under that contract and St.George’s agreed terms of supply apply. St.George does not represent or guarantee that the Information is accurate or free from errors or omissions and St.George disclaims any duty of care in relation to the Information and liability for any reliance on investment decisions made using the Information. The Information is subject to change. Terms, conditions and any fees apply to St.George products and details are available. St.George or its officers, agents or employees (including persons involved in preparation of the Information) may have financial interests in the markets discussed in the Information. St.George owns copyright in the information unless otherwise indicated. The Information should not be reproduced, distributed, linked or transmitted without the written consent of St.George.

Any unauthorised use or dissemination is prohibited. Neither St.George Bank - A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 ACL 233714, nor any of Westpac's subsidiaries or affiliates shall be liable for the message if altered, changed or falsified.