

Financial support for those impacted by COVID-19 lockdowns

By Paul Nesbitt

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This article has been updated to reflect the recent government measures released on 29 July 2021.

The Australian Federal Government, in conjunction with the NSW State Government, have announced a number of measures to support households and boost business cash flows through the uncertainty brought on by the extended stay-at-home restrictions (lockdowns) in Greater Sydney.

While primarily targeting NSW, those impacted in other states and territories may also be eligible to access the support available.

Individual and Households

Changes to COVID-19 Disaster Payment

The COVID-19 Disaster Payment is available to individuals living or working in a Commonwealth declared hotspot subject to an extended lockdown. The payment amount has also increased from the previous support available.

The payment will be available to those in Sydney Local Government Areas that were declared hotspots from 1 July 2021, being the City of Sydney and areas in the Eastern suburbs. Residents and workers from these areas are eligible to apply for the payment from **Thursday 15 July 2021**.

Those not directly in a Commonwealth declared hotspot, but who have been financially impacted by the lockdowns, being those in Greater Sydney and the impacted areas of NSW are eligible to apply from **Sunday 18 July 2021**.

The following amounts of the Payment are based on the level of lost earnings for an individual in a week:

- A payment of \$600 each week, where the individual has lost 20 hours or more of work a week (increasing to \$750 a week from 5 August).
- A payment of \$375 each week, where the individual has lost between 8 and 20 hours per week, or a full day of their usual work hours in that week (increasing to \$450 a week from 5 August).

In addition to the loss of earnings, the following general criteria must also be met:

- Must be an Australian resident or hold an eligible working visa.
- Individual must be 17 years or older.
- Not receive an income support payment (such as AUSTUDY, JobSeeker), ABSTUDY Living Allowance, Dad and Partner Pay or Parental Leave Pay.
- Not receive the Pandemic Leave Disaster Payment, a state or territory pandemic payment or a state small business payment for the same period.
- Lived in, work from or visited a Commonwealth-declared COVID-19 hotspot.
- Lived in, work from or visited a location subject to a state or territory restricted movement order.

- Had paid employment and because the individual was in the COVID-19 hotspot or subject to restricted movement, cannot attend work on or after day 8 of the restrictions.
- Lost income on or after day 9 and do not have appropriate paid leave entitlements.
- If claiming for a period prior to the third week of lockdown, individuals must have liquid assets under \$10,000. As much of Sydney has already been in lockdown for two weeks, this requirement will generally no longer be relevant.

For those that are eligible, claims can be made via an individual's myGov account, linked to a Centrelink online account. Where both members of a couple have been impacted, they will both be eligible for the payment but will be required to apply separately.

The payment will be recurring so long as the lockdown restrictions remain in place, removing the need to reapply each week of lockdown.

The COVID-19 Disaster Payment is assessable income and the recipient will be required to declare the payment in their tax return.

New short-term moratorium on evictions and landlord incentives and Land Tax relief

Tenants who cannot pay their rent in full due to the impacts of the recent COVID-19 restrictions cannot be evicted between now and 11 September 2021.

The NSW Government has offered incentives for residential landlords affected by the recent outbreak with a payment of up to \$1,500 per tenancy for those who agree to reduce rent for COVID-19 affected tenants.

For Small and Medium Businesses

Support payments for businesses who continue to retain their employees

For small and medium sized businesses, including not-for-profits, eligible entities will receive 40% of their NSW payroll payments. This will be at a minimum of \$1,500 and a maximum of \$100,000 per week.

For non-employing businesses, such as sole traders, the payment is set at \$1,000 per week.

The eligibility criteria are as follows:

- Eligible businesses must have an annual turnover between \$75,000 and \$250 million for the year ended 30 June 2020.
- Their turnover for a minimum two-week period from 26 June 2021 until the date the lockdown is over, is lower than the equivalent two-week period in 2019 by at least 30% or more.
- Businesses will be required to maintain their full time, part time and long-term casual staffing level as of 13 July 2021.

- The business must be active in nature and not merely earning passive income from investments.
- Provide the required evidence supporting the decline in turnover which may include a letter from the accountant or tax agent for the business, subject to the specific industry in which the business operates.

Applications will be processed through [MyServiceNSW](#) from **26 July 2021**.

The assistance will cease when the current lockdown restrictions are eased, or the declaration of a hotspot is removed.

NSW Payroll Tax 25% discount

Businesses with Australian wages between \$1.2 million and \$10 million, which have had a decline in turnover of at least 30% will be entitled to a permanent discount of 25% of their 2021/22 payroll tax liability. Further details on how this will operate will be released by Revenue NSW shortly.

This is in addition to the existing deferral of payment of the July and August 2021 liabilities until 7 October 2021.

NSW government COVID-19 grants

Businesses with annual wages up to \$10 million may apply to receive grants between \$7,500 and \$15,000. The amount of the grant received will be based on the level of the decline in turnover suffered as a result of the lockdown restrictions as follows:

- \$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.

The eligibility criteria are as follows:

- The business must have an active ABN and was operating in NSW as at 1 June 2021.
- Eligible businesses must have a national annual turnover between \$75,000 and \$50 million for the year ended 30 June 2020.
- Their turnover for a minimum two-week period from 26 June 2021 to 17 July 2021 is lower than the equivalent two-week period in 2019 by at least 30% or more. Businesses on the Victorian border may test their decline in turnover for a minimum two-week period from 27 May 2021 to 17 July 2021.
- Businesses will be required to maintain their full time, part time and long-term casual staffing level as of 13 July 2021.
- Have business costs for which there are no other support available from the government.
- The business must be active in nature and not merely earning passive income from investments.

- Provide the required evidence supporting the decline in turnover which may include a letter from the accountant or tax agent for the business, subject to the specific industry in which the business operates.

Applications commenced **from 19 July 2021**.

Micro businesses with an annual turnover between \$30,000 and \$75,000, which have suffered a decline in turnover of at least 30% as a result of the restrictions, may apply for \$1,500 fortnightly payments from late July. The decline in turnover must be for a minimum two-week period from 26 June 2021 until the date the lockdown is over, compared to the equivalent two-week period in 2019.

NSW Land Tax relief

Land tax relief is available where a landowner has provided a rent reduction (not a deferral) to a commercial or residential tenant, with the reduction provided between 1 July 2021 and 31 December 2021.

The relief provided is the lesser of the rent reduction provided or 100% of the 2021 land tax liability on the specific property a rent reduction has been granted.

Where the property is leased by a commercial tenant, the relief only applies where the commercial tenant has annual turnover up to \$50 million and is eligible to receive one of the COVID-19 NSW government grants or the JobSaver scheme.

The tenant must have suffered financial distress as a result of the restrictions defined as:

- A decline in turnover for a commercial tenant of at least 30% compared to a previous comparable period.
- For residential tenants, a reduction in household income of at least 25%.

Mental Health Support

Both the Federal and State Governments have also committed funding of \$17.35 million to support mental health support institutions as Greater Sydney heads into the fourth week of stay-at-home restrictions.

As the situation evolves, further updates will be provided as more information becomes available.

If you have any questions in relation to the COVID-19 Disaster Payment, or the other support measures available please do not hesitate to discuss these with your [Fordham Partner](#).

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