



THE TAX INSTITUTE

2021 COVID-19 support measures: Part 3

Facilitator:

Scott Treatt, CTA, General Manager, Tax Policy and Advocacy, The Tax Institute

Presenter:

Robyn Jacobson, CTA, Senior Advocate, The Tax Institute

21 September 2021 | Online

Updated 23 September 2021

Welcome to our Sponsor



Abbreviations

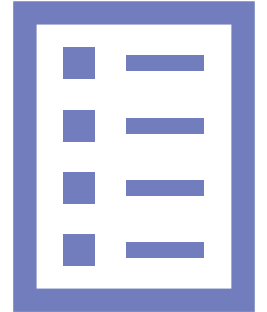
Abbreviation	Explanation
BAS IAS	Business activity statement Instalment activity statement
CB Grant	(NSW) 2021 COVID-19 Business Grant
Disaster Payment	2021 COVID-19 Disaster Payment
DIT	Decline in turnover
GST Act	<i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>
ITAA 1997	<i>Income Tax Assessment Act 1997 (Cth)</i>
JobSaver	(NSW) 2021 COVID-19 JobSaver payment
MB Grant	(NSW) 2021 COVID-19 Micro-business Grant
NANE	Non-assessable non-exempt (income)

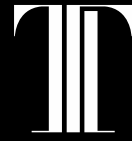
Abbreviations

Abbreviation	Explanation
NFP	Not-for-profit-organisation
NSWG	NSW State Government
PAYGW	Pay As You Go Withholding
Public health order	<u>Public Health (COVID-19 Temporary Movement and Gathering Restrictions) Order 2021</u> issued on 26 June 2021, including new versions of PHO (principal or with amendments consolidated)
Rebate	NSW Small business fees and charges rebate
RTA RBA	Registered tax agent Registered BAS agent
SAP	Substituted accounting period
SNSW	Service NSW
TASA	<i>Tax Agent Services Act 2009 (Cth)</i>

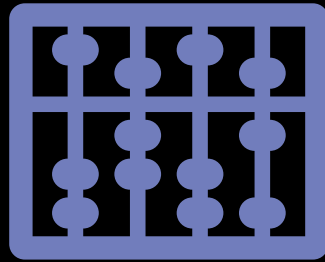
Overview of session

- Framework and overview
- NSW JobSaver payment — re-attestation requirement
- FAQ — a facilitated discussion
- What business support is available in other States and Territories?
- **Live facilitated Q&A**





THE TAX INSTITUTE



Framework | Overview

Resources | Rules and guidance

Service NSW

[Grants, loans and financial assistance](#)

[2021 COVID-19 Business Grant \(CB Grant\)](#) | [Guidelines](#) | [Terms and Conditions](#)

[COVID-19 JobSaver payment \(JobSaver\)](#) | [Guidelines](#) | [Terms and Conditions](#) | [Reconfirming eligibility](#)

[2021 COVID-19 Micro-business Grant \(MB Grant\)](#) | [Guidelines](#) | [Terms and Conditions](#) | [Reconfirming eligibility](#)

[Small business fees and charges rebate \(Rebate\)](#) | [Guidelines](#) | [Terms and Conditions](#)

[Concierge call back service](#) **13 77 88** Monday to Friday, 7:00am to 7:00pm (AEST)

[Communication toolkit for accounting and tax practitioners \(FAQs\)](#) — scroll to bottom of page, under Stakeholder toolkits

Resources | Rules and guidance

Other States and Territories

VIC: [Small Business COVID Hardship Fund](#) | [Guidelines](#) | Closed on 10 September 2021

[Business Costs Assistance Program Round Four](#)

[Business Continuity Fund](#)

[Commercial Tenancy Relief Scheme](#)

ACT: [COVID-19 Business Support Grant](#) | Employing businesses [Guidelines](#) | Non-employing businesses [Guidelines](#)

[COVID-19 Small Business Hardship Scheme](#) | Opens in October 2021

NT: [Territory Business Lockdown Payment Program](#) | [Terms and Conditions](#) | Closed on 27 August 2021

QLD: [2021 COVID-19 Business Support Grant](#) | [Employing](#) businesses [Guidelines](#) | Non-employing businesses

[Administrative Direction](#) | Border businesses [Guidelines](#)

[Tourism and Hospitality Sector Hardship Program](#) | Opens in October 2021

Other States and Territories

SA: [COVID-19 Business Support Grant — July 2021](#) | [Guidelines](#)

[COVID-19 Additional Business Support Grant](#) | [Guidelines](#)

[COVID-19 Tourism and Hospitality Support Grant](#) | [Guidelines](#)

[COVID-19 Business Hardship Grant](#) | [Guidelines](#)

[Major Events Grant](#) | [Guidelines](#)

TAS: [Micro and Small Business – Border Closure Critical Support Grant](#) | [Guidelines](#)

WA: [Small Business Lockdown Assistance Grant: Round Two, June 2021](#) | Closed on 31 August 2021

[WA Tourism and Travel Agent Support Fund 2021](#) | [Guidelines](#)

At a glance | Key business support

State or Territory	Amount	Annual turnover Payroll	Decline in turnover	Program open
NSW CB Grant	\$7,500 to \$15,000	Turnover: \$75,000 to \$50m	3 tiers: ≥ 30%, ≥ 50%, ≥ 70%	19 Jul – 1 Oct 2021
JobSaver employing	\$1,500 to \$100k per week	Turnover: \$75,000 to \$250m	≥ 30%	26 Jul – 18 Oct 2021
Non-employing	\$1,000 per week	Turnover: \$75,000 to \$250m	≥ 30%	26 Jul – 18 Oct 2021
Lge tourism/hospitality	Up to \$300k/\$500k per week	Turnover: > \$250m to \$1b	2 tiers: ≥ 50%, ≥ 70%	26 Aug – 18 Oct 2021
Registered charities	\$1,500 to \$100k per week	Turnover: \$75,000 to \$250m	≥ 15% to < 30%	Late Sep – 18 Oct 2021
MB Grant	\$1,500 per fortnight	Turnover: > \$30,000 to < \$75,000	≥ 30%	26 Jul – 18 Oct 2021
VIC Hardship Fund	\$20,000	Vic payroll ≤ \$10m	—	Closed on 10 Sep 2021
Assistance Program	\$2,800 to \$8,400 per week	Vic payroll ≤ \$10m	—	Ongoing
ACT Support Grant	\$7,500 to \$20,000	Turnover: > \$75,000	≥ 30%	26 Aug – 7 Oct 2021
Hardship Fund	Up to \$10,000	Turnover: \$30,000 to \$10m	≥ 30%	Opening in Oct 2021
NT Lockdown Payment	\$1,000 × 2, + additional \$2,000	\$75,000 to < \$10m	≥ 50%	Closed on 27 Aug 2021
QLD Support Grant	\$1,000 to \$30,000	> \$75,000	≥ 30%	31 Aug – 30 Nov 2021 (non-emp) 16 Aug – 16 Nov 2021 (emp)
Tourism/Hospitality Hardship Program	\$15,000 to \$50,000	Tiers based on payroll levels	≥ 70%	Opening in Oct 2021

At a glance | Key business support

State or Territory	Amount	Annual turnover Payroll	Decline in turnover	Program open
SA Support Grant	\$1,000 to \$3,000	Turnover: > \$75,000 Australian payroll: < \$10m	≥ 30%	29 Jul – 30 Sep 2021
Additional Grant	\$1,000 to \$3,000	Australian payroll: < \$10m	≥ 30%	13 Aug – 17 Oct 2021
Tourism/Hospitality Support Grant	\$1,000 to \$20,000	Tiers based on turnover	—	17 Sep – 31 Oct 2021
Hardship Grant	\$2,000 to \$6,000	Australian payroll: < \$10m	≥ 50%	17 Sep – 31 Oct 2021
Major Events Grant	Up to \$100,000 (based on attendance numbers)	Australian payroll: < \$10m	—	16 Aug – 17 Oct 2021
TAS Support Grant	\$7,000 to \$110,000	Turnover: \$25,000 to < \$10m	≥ 30%	3 Sep – 8 Oct 2021
WA Assistance Grant	\$3,000	Turnover: ≥ \$75,000	≥ 30%	Closed on 11 Aug 2021
Tourism and Travel Agent Support Fund	\$2,000 to \$10,000	Turnover: \$50,000 to \$10m	≥ 30%	Closes on 30 Sep 2021

At a glance | JobSaver support

	Businesses and NFPs Conditions	Tourism, hospitality and recreation (1) Conditions	Tourism, hospitality and recreation (2) Conditions	Registered charities¹ Conditions available soon	Micro-business Grant Conditions
Amount of support payment	40% of NSW Weekly Payroll \$1,500 to \$100,000/week Non-employing entities: \$1,000/week	40% of NSW Weekly Payroll Up to \$300,000/week	40% of NSW Weekly Payroll Up to \$500,000/week	40% of NSW Weekly Payroll \$1,500 to \$100,000/week Non-employing entities: \$1,000/week	\$1,500 per fortnight
Regularity	Fortnightly	Fortnightly	Fortnightly	Fortnightly	Fortnightly
Program open	26 Jul to 18 Oct 2021	26 Aug to 18 Oct 2021	26 Aug to 18 Oct 2021	Late-Sep to 18 Oct 2021	26 Jul to 18 Oct 2021
Agg. turnover	\$75,000 to \$250m	> \$250m to \$500m	> \$500m to \$1b	\$75,000 to \$250m	> \$30,000 to < \$75,000
DIT	≥ 30%	≥ 50%	≥ 70%	≥ 15% to < 30%	≥ 30%
Initial DIT period	From 26 Jun 2021	From 26 Jun 2021	From 26 Jun 2021	From 26 Jun 2021	From 26 Jun 2021
Reconfirming DIT	From 13–26 Sep 2021	From 13–26 Sep 2021	From 13–26 Sep 2021	From 13–26 Sep 2021	From 20 Sep to 3 Oct 2021
Maintain headcount	As of 13 Jul 2021	As of 13 Jul 2021	As of 13 Jul 2021	TBA	As of 13 Jul 2021
Business costs incurred	Since 26 Jun 2021	Since 26 Jun 2021	Since 26 Jun 2021	Since 26 Jun 2021	Since 1 Jun 2021

COVID-19 business grants processing

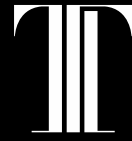
From 19 July to 16 September 2021:

- **413,193** applications received (\$3.3 billion)
- **382,832** applications approved (\$3 billion)
- **9,668** applications declined (\$100 million)
- **12,383** applications in progress or to be assessed and **8,310** applications with the customer for response (total in progress \$234 million)
- **\$5.3 billion** paid to businesses (total of upfront and recurring payments)

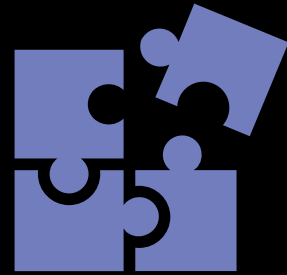


Interaction of NSW measures

If claiming this → ... can the business claim this ↓?	Disaster Payment	CB Grant	JobSaver	MB Grant	Rebate
Disaster Payment		Sole traders can choose one, but not claim both			Yes
CB Grant	Sole traders who claim DPs cannot also claim these measures However, employing entities whose employees receive DPs may be eligible for these measures		Yes	No	Yes, but not for those expenses covered by Rebate
JobSaver		Yes		No	Yes
MB Grant		No	No		Yes, but not for those expenses covered by Rebate
Rebate	Yes	Yes, but not for those expenses covered by Rebate	Yes	Yes, but not for those expenses covered by Rebate	



THE TAX INSTITUTE



JobSaver | Retesting

New re-attestation requirement

- From 13 September 2021, will need to confirm each fortnight that the business has continued to experience a DIT of 30% or more
- Also required to confirm that the business is maintaining its employee headcount as of 13 July 2021 as stated in the initial application
- All options were on the table throughout the consultation with the NSWG¹
- We worked to ensure that an appropriate balance was struck between the policy intent and a practical, flexible outcome for businesses and accountants



Policy intent

- Substantial outlay of public money by NSW Government and the Commonwealth — important that support is targeted to those businesses and NFPs in genuine need
- Experience throughout the pandemic indicates some recipients of COVID-19 business support experience gradual improvements in turnover as their business adapts — so it's also **important that public money is not paid to businesses that have recovered**
- JobSaver (and the MB Grant) are recurring fortnightly payments, not one-off grants — so from mid-September, **businesses will need to reconfirm their eligibility to continue to receive payments** under both programs



Reconfirming eligibility

Businesses will need to reconfirm their eligibility at the end of each fortnight to continue to receive:

- JobSaver for the period from **13 September to 26 September 2021**
- MB Grant for the period from **20 September to 3 October 2021**

and each fortnight thereafter



What is a comparison period?

The **comparison period** means the period:

- in 2019, or 2020; or
- from 12 June to 25 June 2021,

that was compared to the turnover in a period starting on or after 26 June 2021 to work out whether the business experienced a DIT of 30% or more due to the impact of the public health order



Businesses that are closed

If the business is closed from 13 September to 26 September 2021, and cannot trade during this period due to the public health order, the business can **confirm its eligibility without doing any further work**



I've continued to experience a decline in turnover of at least 30% because of the public health order

Yes

No

Select 'Yes' if your business is closed during this 2-week period and can not trade because of the public health order

Businesses that are trading

If the business is trading, it will need to reconfirm its eligibility at the end of each fortnight to continue to receive support

Work out the DIT each fortnight using one of the following 3 options:



If your initial comparison period was in 2019 or 2020

- **Option 1** — Use the same year but the corresponding fortnight as the current fortnight for which you are reconfirming your eligibility
- **Option 2** — Use the same comparison period that was used in the application

If your initial comparison period was 12 June to 25 June 2021

- **Option 3** — You must use the same period that was used in the application

Reconfirming eligibility

- Must use the same option each time eligibility is reconfirmed
- Will not need to provide any additional evidence or attach any documentation when reconfirming eligibility — however, adequate records will need to be maintained to evidence eligibility if required
- Business owner, or a qualified accountant, RTA or RBA acting for the business, will need to declare that:

I understand that it's an offence under the Crimes Act 1900 (NSW) to provide false or misleading information to a public authority.

I understand that I'll receive fortnightly communications from Service NSW about my eligibility for JobSaver payments.

Submit



Option 1 | Example

Rolling comparison period — in 2019 or 2020

- Business has experienced a DIT of 30% more compared to the same period in 2019 or 2020
- Must use the same year (i.e. 2019 or 2020) for the comparison period as chosen in initial application

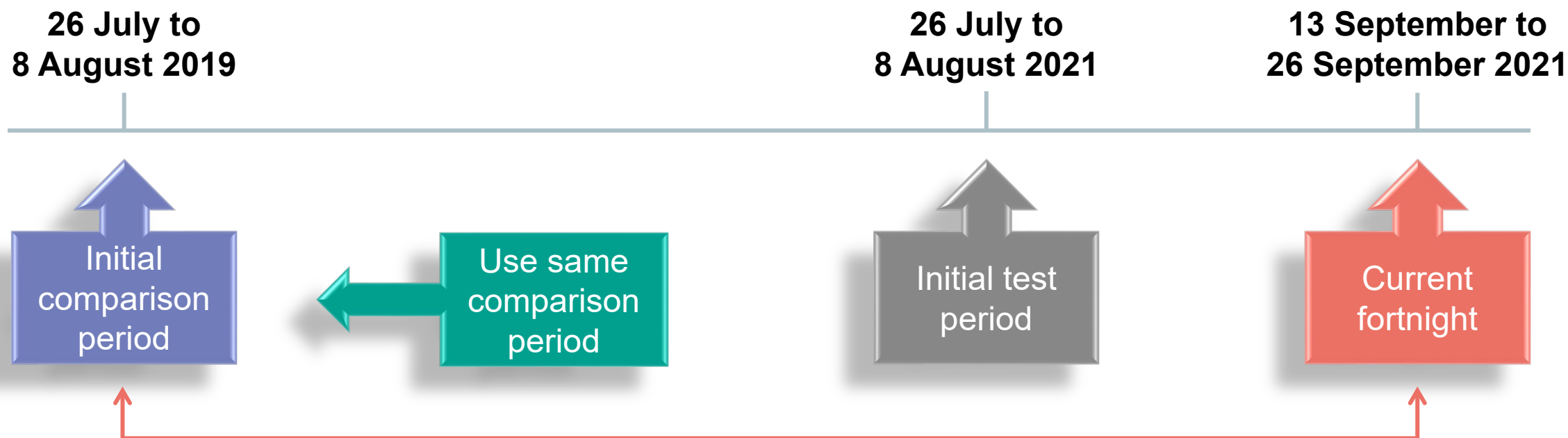


¹ Cannot use 13 September to 26 September 2020 in this example

Option 2 | Example

Static comparison period — in 2019 or 2020

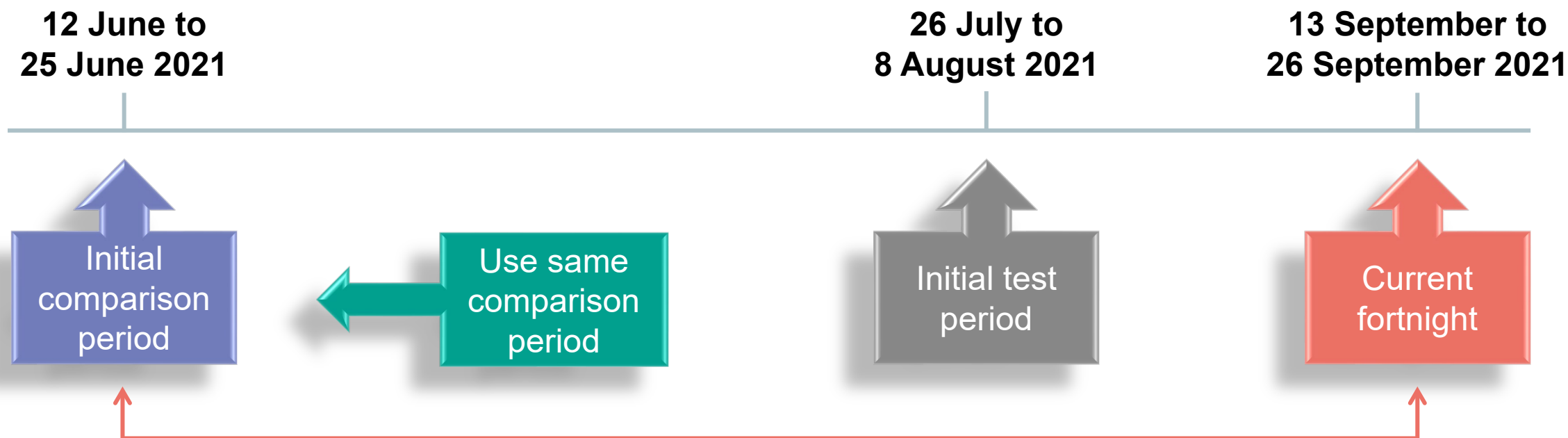
- Business has experienced a DIT of 30% more compared to the fortnight in 2019 or 2020 that was used as the comparison period in the initial application



Option 3 | Example

Static comparison period — 12 June to 25 June 2021

- Business has experienced a DIT of 30% more compared to the 2-week period immediately before any NSW restrictions (12 June to 25 June 2021 inclusive)



Reconfirming eligibility

Please confirm the following to receive the Jobsaver Payment for 13 September to 26 September 2021

I've maintained the employee headcount stated in my application

A decline in employee headcount is acceptable if it's due to voluntary resignation or other reasons outside your control. If this is the case, select 'Yes'.

- Yes
 No

Enter your current headcount

If you don't have employees, enter '0'.

I've continued to experience a decline in turnover of at least 30% because of the public health order

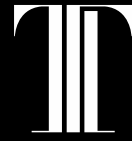
Use [1 of these 3 options](#) to work out the decline in turnover. The decline must be for the period 13 September to 26 September 2021.

Note: You'll need to use the same option each time you confirm your eligibility for future payments.

Select 'Yes' if your business is closed during this 2-week period and can not trade because of the public health order.

- Yes
 No





THE TAX INSTITUTE



FAQ

A facilitated discussion

FAQ | Reconfirming eligibility

1. What if the comparison period used in the initial application was more than 2 weeks?

If the comparison period used in the initial application was more than 2 weeks (e.g. a 3-week period, 4-week period or 5-week period), the turnover amount for the comparison period must be **converted to a fortnightly amount** for comparison purposes to the current turnover by **dividing by the number of days in the period and multiplying by 14**.



2. Does this mean a business can oscillate in and out of JobSaver?

Yes. JobSaver is not a one-off test. As eligibility will be reconfirmed each fortnight, businesses may oscillate between qualifying and not qualifying from one fortnight to the next. A business can exit and re-enter JobSaver multiple times.

Becoming ineligible for one fortnight does not disqualify a business from becoming eligible again in a future fortnight where they meet the eligibility conditions. A business does not need to re-apply.

FAQ | Reconfirming eligibility

3. What happens if I don't reconfirm by the due date?

Don't worry, you won't miss out on the payment for that fortnight. The reconfirmation option will remain open for each payment period for the duration of the program.



4. When will I receive payment?

Payment will be received within 5 business days of a business reconfirming their eligibility. September payments will continue even if a business doesn't reconfirm eligibility, however any payments after that will be processed only once eligibility is confirmed.

5. Can the Government recover all or part of the payment from a business or NFP if it is later found it is no longer eligible?

Yes. If a business or NFP declares that it continues to be eligible and receives a JobSaver payment, but is later found to be no longer eligible, the Government can recover all or part of the payment.

FAQ | Reconfirming eligibility

6. Do I need to confirm eligibility for 13–26 September if the September payment will be made anyway?

Unable to confirm the next fortnight unless the previous one is confirmed



Fortnight 13–26 Sep	Eligible	Not eligible
Makes re-attestation	Confirms Yes — Will continue to receive payments into October	Confirms No — Will not receive payment for fortnight from 13–26 September ¹
Does not confirm eligibility	Will receive the September payment but will not receive any October payments until confirm 13–26 September (so next fortnight can be confirmed)	Will receive the September payment but can expect SNSW to investigate later and recover the overpayment

¹ The business will be emailed again the following fortnight and asked whether it is experiencing the requisite DIT

FAQ | Reconfirming eligibility

7. How do I confirm fortnightly if I prepare my accounts only once a month?

You can delay reconfirming for a particular fortnight if, for example, the business finalises its accounting records at month-end. You can reconfirm for multiple fortnights in one go.

Your myServiceNSW account will show all the fortnights for which confirmation is still required.



8. What is my fortnightly turnover if I prepare my accounts only once a month?

A business that invoices monthly can convert its monthly turnover to a fortnightly equivalent by **dividing the income received over the past 31 days by 31, and multiplying the result by 14.**

9. What if the business has some turnover but remains impacted?

A business that has some turnover but remains impacted by the public health order will need to re-calculate its turnover before eligibility is reconfirmed.

However, where the business continues to be impacted by the public health order and it is clearly apparent that it continues to experience the requisite DIT, the business can indicate that it still meets the DIT requirement.

Example: If your business had a decline in turnover of 50% when you first applied, and your turnover has increased by only 20% since then, this means your business continues to experience a decline in turnover of 30% or more and is still eligible for JobSaver payments.



10. Who can reconfirm eligibility?

The person who submitted the initial application is required to submit the reconfirmation of eligibility. If an accountant, RTA or RBA applied on behalf of the business, they will need to reconfirm the business' eligibility.



11. Am I subject to TPB obligations for any COVID-19 work that I do?

Yes. The TPB has [advised](#) that tax practitioners may be providing clients with advice in response to various COVID-19 assistance packages being offered by the different states and territories.

While these programs are not tax agent, BAS or tax (financial) advice services, because they fall under non-Commonwealth legislation, agents must still be mindful of their Code of Professional Conduct obligations in s 30-10 of the TASA — acting with honesty and integrity, acting lawfully in the best interests of your clients and competency.

12. What constitutes a reduction in the employee headcount?

Business must notify SNSW if the employee headcount declines over the period of the payment due to any actions of the business — i.e. the employer **does not take active steps to end the employment relationship** with their employees.

Staff reductions resulting from circumstances outside the employer’s control will not be taken as a reduction in employee headcount.



Will maintain headcount where an employee:	Will not maintain headcount if:
<ul style="list-style-type: none"> ▪ Voluntarily resigns or retires, or passes away ▪ Is stood down without pay (remains employed) ▪ Concludes a mutually agreed employment contract period ▪ Is terminated for misconduct (e.g. theft, harassment, bullying) ▪ Is hired (increasing the headcount by hiring additional employees) 	<ul style="list-style-type: none"> ▪ Dismissed ▪ Made redundant

13. Does a business in regional NSW need to wait 3 weeks before it can claim JobSaver?

No. NSWG policy is that the CB Grant applied for the first 3 weeks of the Greater Sydney lockdown and the JobSaver program applies from the 4th week.

An eligible business can apply for, and receive, fortnightly payments backdated to the start of the fortnight in which they first experienced the requisite DIT on or after the commencement of JobSaver on 18 July 2021, without having to wait for 3 weeks first.



14. Does that mean that a business that doesn't experience the requisite DIT until later can apply¹ now and receive JobSaver payments back to the start of the program (18 July)?



No. The date to which payments are backdated depends on when the requisite DIT is first experienced over a minimum 2-week period².

Fortnight first experienced DIT	JobSaver payments backdated to:
26 June 2021 to end of July 2021	18 July 2021
August 2021 to 12 September 2021	Start of the fortnight in which the business first experienced the requisite DIT
On or after 13 September 2021	Start of the fortnight for which the business confirms it continues to experience the requisite DIT

15. Does the DIT need to be attributable to COVID-19?

Yes. Unlike JobKeeper, the DIT must be due to the public health order.

16. Does aggregated turnover include foreign entities?

Yes. Guidance has been amended to remove misleading references to ‘national’ and ‘Australian’ and include references to entities *connected with* and *affiliates* of the business entity, including foreign entities.

17. Can a business with a SAP use an alternative 12-month period in lieu of ‘the year ended 30 June 2020’?

Yes. Businesses that have a substituted accounting period (**SAP**) (i.e. do not have an income tax year end of 30 June 2020), can provide the business’ lodged Australian income tax return for the last financial year ended prior to 30 June 2020.



18. Does aggregated turnover include JobKeeper payments?

No. Consistent with the ATO's [position](#) in 2020, JobKeeper payments are ordinary income, but they are not derived in the ordinary course of carrying on a business. Accordingly, JobKeeper payments are not included in aggregated turnover.



19. What if the business has been underpaid or overpaid?

Businesses that were initially **underpaid** should have now received any outstanding amounts owed to them.

- Contact SNSW if SNSW has not already contacted the business.
- **CB Grant:** Businesses will need to contact SNSW and demonstrate their eligibility for a higher payment (i.e. will need to provide evidence if the tier has changed).

Where a business has been **overpaid**, SNSW will pause fortnightly payments (rather than request repayment) until the overpayment is recovered and make any adjustments at the end of the program.

20. Do NFPs need to include donations and government grants in their aggregated turnover and DIT calculations?

Guidance to clarify this will be available soon.

21. Does the business have to be registered for GST to be eligible for the CB Grant or JobSaver?

No. The business is not required to be registered for GST. Earlier versions of the online application prevented you progressing an application if the entity was not registered for GST, but this has been fixed.

22. Who can provide an accountant's letter for an accountant?

An employing accounting firm can provide a letter covering their own business.

A sole trader accountant cannot verify their own DIT — they will need to obtain a letter from an Independent Practitioner (qualified accountant, RTA or RBA)



23. What information must a trust structure provide to evidence turnover?

A trust is eligible only if it operates the business, not where it receives passive income from the business.

Where a business operates through a trust structure, additional information must be provided to demonstrate the aggregated annual turnover of \$75,000 to \$250 million is derived through the trust.

[Clause 6.9] Service NSW can request a combination of the following documents:

- Accountant's letter
- Prior BAS
- Income tax declarations
- Audited profit and loss statements
- Receipts and invoices from purchases
- NSW payroll tax reconciliation returns



24. Is the DIT calculated using a cash or accruals basis?

The guidance advises that ‘The **Australian Taxation Office Goods and Services Tax (GST) concept** will be applied ...’

A business cannot choose a method in calculating its DIT that differs from how it usually reports GST

A business does not have the flexibility under JobSaver that was afforded by the ATO’s approach in [LCR 2020/1 JobKeeper payment – original decline in turnover test](#) to determine its turnover based on:

- Accounting or tax method adopted (i.e. cash or accruals)
- GST attribution rules (s 29-5 of the GST Act)
- Making of a supply (Div 188 of the GST Act)



25. Can I use an IAS to evidence NSW Weekly Payroll?

No. NSW Weekly Payroll should generally be determined by reference to the calculations underlying the most recent BAS provided to the ATO **prior to 26 June 2021** for the 2020–21 financial year.



- Cannot provide a BAS for the June 2021 quarter
- Cannot provide an IAS — must use the BAS for the March 2021 quarter, so if report PAYGW:
 - **Quarterly** via a BAS — divide the **W1** amount¹ by the number of calendar days reported in the PAYGW section of the BAS (**90**) and multiply by 7
 - **Monthly** via an IAS — divide the **W1** amount¹ by the number of calendar days reported in the PAYGW section of the BAS (**31**) and multiply by 7

¹ Adjusted to exclude amounts paid on behalf of contractors under a voluntary withholding arrangement, or employees who usually worked, or were based, outside New South Wales

26. What does the exclusion for entities that ‘... primarily earn passive income’ mean?

- This issue has been raised, leading to extensive discussion
- Similar issue arises for non-employing businesses where the business is the **primary income source** for its owner — SNSW has provided this guidance:

A non-employing business will be considered to be the primary income source of an associated person where **more than 50%** of the total income of the associated person for the year ended 30 June 2021 comes from that non-employing business.

- NSWG is still to clarify exactly what constitutes passive income and what is meant by ‘primarily’, but expected it will similarly be ‘more than 50%’



27. Is an employing business eligible for JobSaver if the only employees are associated persons?

It is clear that a non-employing business, e.g. sole trader, is not eligible for JobSaver if individuals associated with and deriving income from the business have received a Commonwealth COVID-19 Disaster Payment since 18 July 2021.

A similar prohibition employing business where the only employees are associated persons is not contained in the Guidelines.



28. Will the NSWG undertake compliance activities to detect overpayments and fraud?

Yes. The NSWG is using data-matching processes, information-sharing with the ATO and undertaking other processes to detect overpayments and fraud.

29. What system issues have been addressed?

- **Version control** — this issue remains a concern, although FAQs now have ‘date added’
- **Waiting times** — these have improved significantly, and delays are assisted by the availability of the **Concierge** service
- **No logo on letter of authority** — SNSW is now accepting letters of authority from businesses without a logo on the letterhead (as not all businesses have a logo)
- **Ability to save application and return to it later** — a JobSaver application can be started and saved but this functionality is not available for the CB Grant or the MB Grant
- **SNSW emails lacking identifying details** — this has been an issue, but emails should now contain identifying details



30. What if the business' expenses are less than the CB Grant?

If the expenses incurred from 1 June to 17 July 2021 are less than the CB Grant monies received, the business may retain the monies on the condition that they are spent on eligible expenses that arise in the future and retain evidence of the same.

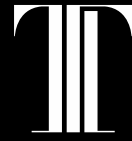


31. Has the date for lodging applications for the CB Grant been extended?

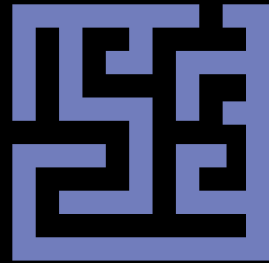
Yes. Applications must be lodged before midnight on **Friday 1 October** (extended from 13 September).

32. How does a business seeking the MB Grant determine its DIT if it isn't registered for GST?

A business not registered for GST can determine its DIT using the same accounting method it uses for income tax purposes (consistent with ATO position for JobKeeper purposes).



THE TAX INSTITUTE

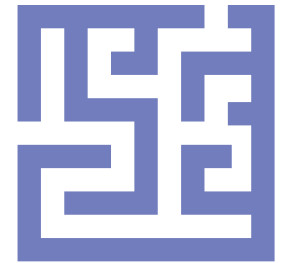


**Other issues and
observations**

Tax treatment of government payments

s 59-97 of the ITAA 1997

COVID-19 business support measures declared tax-free



A support payment is non-assessable non-exempt (**NANE**) income where:

- Payment is received under an eligible State or Territory grant or Commonwealth support program (first announced on or after 13 September 2020)
- Aggregated turnover is **less than \$50 million** in the income year the payment was received
- Payment was received in 2020–21 or 2021–22 for eligible State or Territory grants, or 2021–22 for eligible Commonwealth programs

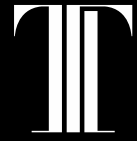
Tax treatment of government payments

- **No deduction for expenses** incurred by businesses receiving government support payments that are NANE income:
 - Cannot claim a deduction for expenses incurred solely to get a non-taxable government grant
 - Expenses incurred both to gain assessable income and to get a non-taxable government grant — need to apportion on a fair and reasonable basis
- Distribution of NANE amount is a **frankable (but unfranked) distribution**:
 - If benchmark franking percentage varies by more than 20% — disclose by **31 October**
 - If breach the benchmark rule — liable for franking deficit tax by **31 July**



Income tax treatment of payments¹

Program	NANE	Program	NANE
NSW CB Grant	✓	VIC Small Business COVID Hardship Fund	✓
JobSaver	✓	Business Costs Assistance Program Round Four	?
MB Grant	✓	Business Continuity Fund	✓
Small business fees and charges rebate	?	Commercial Landlord Hardship Fund 3	?
ACT COVID-19 Business Support Grant	?	QLD 2021 COVID-19 Business Support Grant	?
COVID-19 Small Business Hardship Scheme	?	Tourism & Hospitality Sector Hardship Program	?
SA COVID-19 Business Support Grant — July 2021	?	NT Territory Business Lockdown Payment Program	?
COVID-19 Additional Business Support Grant	?	TAS Micro & Small Business – Critical Support Grant	?
COVID-19 Tourism & Hospitality Support Grant	?	WA Small Business Lockdown Assistance Grant	?
COVID-19 Business Hardship Grant	?	Tourism and Travel Agent Support Fund 2021	?
Major Events Grant	?		



THE TAX INSTITUTE



Other jurisdictions

Common features and exclusions¹

- Business must be located or operate in the State or Territory
- Non-employing businesses are not eligible to apply if persons associated with the business, and who derive income from it, have applied for, or are receiving, the Commonwealth COVID-19 Disaster Payment
- Funding is to support eligible businesses with meeting their business costs/seeking advice
- Common exclusions:
 - Government entities
 - Entities that primarily earn passive income (rent, interest or dividends)
 - Companies in liquidation or provisional liquidation, administration or under any scheme of arrangement with its creditors
 - Any business that has received a comparable payment from another State or Territory Government
 - A business is, or notice has been given that it will be, placed under external administration
 - A company or business that is subject to a petition for bankruptcy or to wind up or deregister that company or business



State and Territory | Support measures



Refer to your slide pack for further details on the measures¹ available in your State or Territory

Program: [Small Business COVID Hardship Fund](#)

- **\$20,000** grant*
- Program opened on 27 May 2021 and **closed** on 10 September 2021

Eligibility

- DIT of at least **70%** for a minimum consecutive 2-week period from 27 May to 10 September 2021
- Comparison (benchmark) period:
 - **Actively trading in 2019:** 27 May 2019 to 10 September 2019
 - **Not actively trading in 2019:** 1 February 2021 to 28 July 2021
- DIT must be attested to by a 'qualified agent'
- Victorian payroll up to **\$10 million** in 2019–20 (ungrouped basis)
- Registered for GST on and from 28 July 2021
- Ineligible if business has received support under any COVID-19 support package launched on or after 27 May 2021

Program: [Business Costs Assistance Program Round Four*](#)

- Program open: Ongoing
- Payments made automatically (do not need to apply)

Eligibility

Available to eligible *Business Costs Assistance Program Round Two* and the *Business Costs Assistance Program Round Two July Extension* recipients ([Eligible ANZSIC classes](#)) based on the size of their annual payroll:

- For businesses with no payroll or an annual payroll below \$650,000: **\$2,800 per week**
- For businesses with an annual payroll between \$650,000 and less than \$3 million: **\$5,600 per week**
- For businesses with an annual payroll between \$3 million and \$10 million: **\$8,400 per week**

Program: [Business Continuity Fund*](#)

- Program open: Ongoing
- Payments made automatically (do not need to apply)

Eligibility

\$5,000 payment to recipients of the *Business Costs Assistance Program Round Two* and the *Business Costs Assistance Program Round Two July Extension* who are in 24 sectors that were affected by additional capacity limits when reopening in late July 2021 under COVID-19 restrictions

Program: [Commercial Landlord Hardship Fund 3](#)

- Program open: 13 September to 11:59pm on 15 January 2022

Eligibility

Grant up to **\$6,000** to eligible small landlords who experience hardship as a result of waiving rent for their tenant(s) between 28 July 2021 and 15 January 2022 (acute hardship: up to \$10,000)

Program: [Commercial Tenancy Relief Scheme](#)

- Program open: 28 July 2021 to 15 January 2022

Eligibility

Rent waivers, reductions, remissions or deferrals to businesses with an annual turnover of less than \$50 million that have suffered a DIT of at least **30%** due to COVID-19

Program: [COVID-19 Business Support Grant](#)

- Grants* of **\$7,500** (non-employing) and **\$20,000** (employing)
- Program open: 26 August 2021 to 5:00pm on 7 October 2021

Eligibility

- DIT of at least **30%** assessed by comparing a consecutive 7-day period from 13 August to 17 September 2021 with a comparable consecutive 7-day period in April 2021 to August 2021
- Annual turnover of more than \$75,000 in either 2019–20 or 2020–21
- Total annual Australian wages of less than \$10 million in 2019–20 or 2020–21 (if employing)
 - Specifically, an owner, partner, director or shareholder in a company is not considered to be an employee for the purpose of this grant
 - A beneficiary of a trust is also not considered to be an employee for the purpose of this grant
- Registered for GST on or before 1 April 2021 (and have valid and active ABN)

Program: [COVID-19 Small Business Hardship Scheme](#)

- Grants* of up to **\$10,000**
- Program open: October 2021

Eligibility

- Credits for payroll tax, utility charges, rates and other selected fees and charges up to a maximum of \$10,000 (inclusive of GST) per operator
- DIT of at least **30%** from June 2021 quarter to September 2021 quarter
- Annual turnover of \$30,000 to \$10 million
- Applicants for the COVID-19 Business Support Grant can also apply for the COVID-19 Small Business Hardship Scheme

Program's guidelines, including eligibility criteria, will be available soon

Program: [Territory Business Lockdown Payment](#)

- Lockdown payments of up to **\$3,000** (in addition to round one)
- Program **closed** on 27 August 2021

Eligibility

- DIT of at least **50%**
- Annual turnover of \$75,000 to less than \$10 million
- Fewer than 20 full-time equivalent employees
- Lockdown payment 1: **\$1,000**
- Lockdown payment 2: **\$1,000**
- Extended closure payment for eligible businesses: **\$2,000**
- Valid ABN as at the date of announcement of the lockdown

QLD | COVID-19 business support

Program: [2021 COVID-19 Business Support Grant](#)

- Grants* of **\$1,000** (non-employing) and **\$10,000 to \$30,000** (employing) — extended to border businesses from 16 Sep 2021
- Program open: 16 Aug 2021 to 16 Nov 2021 (employing) and 31 Aug 2021 to 30 Nov 2021 (non-employing)

Eligibility

- DIT of at least **30%** for nominated 7-day period (must include at least 1 full day of a lockdown or border closure event)
- Comparison period — same 7-day period in July/August 2019 or same period in July/August 2020
- Annual payroll of no more than \$10 million (subject to exception below) in any of 2018–19, 2019–20 or 2020–21:
 - Small employing — annual payroll less than \$1.3 million: **\$10,000**
 - Medium employing — annual payroll \$1.3 million to \$10 million: **\$25,000**
 - Large employing (tourism and hospitality sector only) — annual payroll more than \$10 million: **\$50,000**
- Annual turnover of more than \$75,000 for any of 2018–19, 2019–20 or 2020–21
- Eligibility may need to be supported by a letter by an accountant (CAANZ, CPA Australia or IPA) or an RTA or RBA
- Registered for GST (and ABN held since 30 June 2021)

Program: [Tourism and Hospitality Sector Hardship Program](#)

- Grants* of **\$15,000 to \$50,000** (employing only)
- Program open: October 2021

Eligibility

- DIT of at least **30%** for at least 7 consecutive days between 1 July and 30 September 2021
- Small employing (including employing sole traders) — annual payroll less than \$1.3 million: **\$15,000**
- Medium employing — annual payroll \$1.3 million to \$10 million: **\$25,000**
- Large employing — annual payroll more than \$10 million: **\$50,000**

Program's guidelines, including eligibility criteria and FAQs will be available soon

Program: [COVID-19 Business Support Grant – July 2021](#)

- Grants of **\$1,000** (non-employing) and **\$3,000** (employing)
- Program open: 29 July 2021 to midnight on 30 September 2021

Eligibility

- DIT of at least **30%** in the week of 20 July to 26 July 2021 (inclusive) compared to the prior week
- Annual turnover of more than \$75,000 for 2019–20 or 2020–21
- Total Australian payroll of less than \$10 million in 2019–20 (employing)
 - To be considered an employee, staff must be under the control of the business, receive regular PAYG salary or wages, and have PAYGW amounts as well as superannuation paid by the employer
 - An owner, partner, or beneficiary of a trust is not considered to be an employee for the purpose of this grant
- Registered for GST on or before 20 July 2021 (and have valid and active ABN)

SA | COVID-19 business support

Program: [COVID-19 Additional Business Support Grant](#)

- Grants of **\$1,000** (non-employing) and **\$3,000** (employing)
- Further grant of **\$1,000** if operate from a commercial premise in the Adelaide CBD (postcode 5000)
- Program open: 13 August 2021 to midnight on 17 October 2021

Eligibility

- DIT of at least **30%** over the 2 weeks from 28 July to 10 August 2021 compared to average fortnightly turnover in the June 2021 quarter
- Total Australian grouped payroll of less than \$10 million in 2019–20 (employing)
 - To be considered an employee, staff must be under the control of the business, receive regular PAYG salary or wages, and have PAYGW amounts as well as superannuation paid by the employer
 - An owner, partner, or beneficiary of a trust is not considered to be an employee for the purpose of this grant
- Registered for GST on or before 28 July 2021 (and have valid and active ABN)
- Operate in an eligible industry sector identified in the list of [eligible ANZSIC classes](#)

SA | COVID-19 business support

Program: [COVID-19 Tourism and Hospitality Support Grant](#)

- Grants* of **\$1,000** (non-employing) to **\$20,000** (employing)
- Program open: 17 September 2021 to midnight on 31 October 2021

Eligibility

- Recipient of *COVID-19 Additional Business Support Grant*
- Operate in an [eligible tourism and hospitality sector](#)
- Employing:
 - Annual turnover of up to \$2 million: **\$3,000**
 - Annual turnover of more than \$2 million to \$5 million: **\$10,000** (automatic payment of \$3,000 + additional top-up grant of \$7,000)
 - Annual turnover of more than \$5 million: **\$10,000** (automatic payment of \$3,000 + additional top-up grant of \$17,000)
 - To be considered an employee, staff must be under the control of the business, receive regular PAYG salary or wages, and have PAYGW amounts as well as superannuation paid by the employer
 - An owner, partner, or beneficiary of a trust is not considered to be an employee for the purpose of this grant

SA | COVID-19 business support

Program: [COVID-19 Business Hardship Grant](#)

- Grants* of **\$2,000** (non-employing) and **\$6,000** (employing)
- Program open: 17 September 2021 to midnight on 31 October 2021

Eligibility

- Not received support under any SA Government COVID-19 support package launched on and after 20 July 2021
- DIT of at least **50%** for a consecutive 2-week period in the period from 20 July 2021 to 31 August 2021 compared to:
 - For businesses that were actively trading in 2019 — from 20 July 2019 to 31 August 2019
 - For businesses that were not actively trading in 2019 — from 1 January 2021 to 30 June 2021
- Total Australian grouped payroll of less than \$10 million in 2019–20 (employing)
 - To be considered an employee, staff must be under the control of the business, receive regular PAYG salary or wages, and have PAYGW amounts as well as superannuation paid by the employer
 - An owner, partner, or beneficiary of a trust is not considered to be an employee for the purpose of this grant
- Registered for GST on or before 20 July 2021 (and have valid and active ABN)

Program: [Major Events Grant](#)

- Grants* of up to **\$25,000** (expected attendance of more than 1,000) and up to **\$100,000** (expected attendance of more than 10,000) — grant is equal to the lesser of the non-recoverable financial loss and the amount above
- Program open: 16 August 2021 (applications for the larger grant of up to \$100,000 opened on 17 September 2021) to midnight on 17 October 2021

Eligibility

- Event was a one-off, catering for a combined capacity of over 1,000
- Incurred a non-recoverable financial loss from cancellation or postponement of the event as a result of restrictions from 20 July to 10 August 2021
- Total Australian grouped payroll of less than \$10 million in 2019–20 (employing)
 - To be considered an employee, staff must be under the control of the business, receive regular PAYG salary or wages, and have PAYGW amounts as well as superannuation paid by the employer
 - An owner, partner, or beneficiary of a trust is not considered to be an employee for the purpose of this grant
- Registered for GST on or before 20 July 2021 (and have valid and active ABN)

Program: [COVID-19 Micro and Small Business – Border Closure Critical Support Grant](#)

- Grants* of **\$7,000 to \$110,000**
- Program open: 2:00pm on 3 September 2021 to 2:00pm on 8 October 2021

Eligibility

- DIT of at least **30%** for minimum 2-week period from 26 June to 7 October 2021 compared to the same dates in 2019 or 2020
- Annual turnover in 2018–19, 2019–20 or 2020–21 financial year, or the 2020 calendar year, of:
 - Tier 1 — \$25,000 to \$49,999: **\$7,000**
 - Tier 2 — \$50,000 to \$1 million (non-employing): **\$14,000**
 - Tier 3 — \$50,000 to \$1 million (employing): **\$35,000**
 - Tier 4 — more than \$1 million to \$5 million (employing): **\$60,000**
 - Tier 5 — more than \$5 million to \$10 million (employing): **\$110,000**
- ‘Registered for tax purposes’ in Australia with a continuously active ABN on or before 1 May 2021

Program: [Small Business Lockdown Assistance Grant: Round Two, June 2021](#)

- Grants of **\$3,000**
- Program **closed** on 31 August 2021

Eligibility

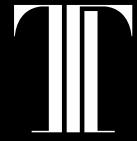
- DIT of at least **30%** in the week of 29 June to 5 July 2021 (inclusive) compared to the prior week
- Annual turnover of \$75,000 or more
- Australian payroll of less than \$4 million
- Specified industries for Perth, Peel and Rottnest regions
- Registered for GST on or before 20 July 2021 (and have valid and active ABN)

Program: [WA Tourism and Travel Agent Support Fund 2021](#)

- Grants* of **\$2,000 to \$10,000**
- Program closes at 3:00pm on 30 September 2021

Eligibility

- DIT of at least **30%** in the 6-week period from 10 July to 20 August 2021 compared to the 6-week period from 15 May to 25 June 2021
- Tourism business that operates within at least one of 5 categories (not available for privately-owned residences rented out for short stay accommodation (e.g. holiday homes, apartments))
- Sole traders or non-employing (no minimum or maximum annual turnover): **\$2,000**
- Annual turnover of more than \$50,000 to \$100,000 (employing): **\$2,000**
- Annual turnover of more than \$100,000 to \$1 million (employing): **\$5,000**
- Annual turnover of more than \$1 million to \$10 million (employing): **\$10,000**
- Valid and active ABN prior to 15 May 2021



THE TAX INSTITUTE

Thank you

Q&A ...

Presenter and Disclaimer

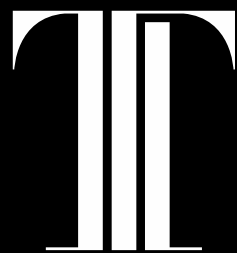
© Robyn Jacobson, CTA 2021

Robyn Jacobson, CTA is the Senior Advocate at The Tax Institute.

Her role is a key engagement and advocacy contact for Tax Institute members, government, non-government organisations, regulators and other stakeholders. She brings to the role her 23 years' experience as a professional tax trainer, and preceding roles in public practice.

Robyn is a Chartered Tax Adviser of The Tax Institute, Fellow of both Chartered Accountants Australia & New Zealand and CPA Australia, and a registered tax agent.

Disclaimer: The material and opinions in this presentation should not be used or treated as professional advice and readers should rely on their own enquiries in making any decisions concerning their own interests.



THE TAX INSTITUTE