

## WELCOME

Welcome to our February 2022 edition of the StewartBrown newsletter. We hope to keep you informed of the important tax developments and issues affecting businesses in Australia today and throughout the year ahead.

## NSW COVID BUSINESS SUPPORT PACKAGE

Further details of the new NSW COVID business support package have now been made available. Four new emergency measures have been introduced aimed to support businesses crippled by restrictions including payroll lump sums, Rapid Antigen Test rebates, commercial tenant and landlord grants, and financial assistance for the performing arts sector.

### 2022 Small Business Support Program

The Small Business Support Program provides eligible businesses a lump sum payment of 20 per cent of weekly payroll with a minimum payment of \$750 per week and a maximum payment of \$5,000 per week. Non-employing businesses will receive \$500 per week (paid as a lump sum of \$2,000).

Eligible businesses must have:

- (1) an annual turnover of between \$75,000 and \$50 million for the year ended 30 June 2021 or the year ended 30 June 2020,
- (2) experienced a decline in turnover of 40 per cent or more due to the impact of Public Health Orders or the impacts of the Omicron COVID-19 strain during the month of January and from the 1st to the 14th of February 2022, and
- (3) maintain their employee headcount from the date of announcement of the scheme (30 January 2022) until the end of February 2022.

The turnover comparisons require businesses to compare their January 2022 and first half of February 2022 to either:

- (1) January 2021-first half of February 2021, or
- (2) January 2020-first half of February 2020.

The support program is for the month of February 2022 (only) and applications will open on the ServiceNSW website from mid-February 2022.

### Small Business Fees, Charges and RAT Rebate

The existing Small Business Fees and Charges Rebate has been increased from the current \$2,000 to \$3,000. In

addition, eligible employing small businesses will be able to use the rebate to cover half the cost of Rapid Antigen Tests (RATs). This will support worker availability by allowing healthy staff who have been exposed to COVID-19, but continue to test negative, to continue to work. Businesses currently registered will receive an automatic top up of \$1,000 and newly registering businesses will receive a rebate of \$3,000.

### Commercial Landlord Hardship Grant and extended Commercial Leasing Relief

For many commercial property tenants and landlords, rent pressures due to COVID-19 restrictions have exacerbated an already challenging time. While the National Cabinet's Commercial Leasing Code of Conduct was issued as a guideline nationally, the States have adopted it individually in varying forms and any extensions are on a state by state basis. As a result, there have been a number of relief packages offered across the country when it comes to leases and rents to ensure the economic impact of COVID-19 is shared by both property owners and tenants.



For businesses with an annual turnover of less than \$5 million, the NSW State Government has extended its rent relief support under the Retail and Other Commercial Leases (COVID-19) Regulation 2021. Under the Code of Conduct parties are intended to mediate in good faith and property owners are required to reduce rent in proportion to the tenant's decline in turnover.

This means if a tenant has experienced a 40 per cent decline in turnover as a result of COVID-19 impacts, then the property owner must provide a 40 per cent reduction in rent – with at least 50 per cent of any relief in the form of a rent waiver. Any deferred rent must be paid back over the remaining lease term or over two years, whichever is greater.

There are a number of other considerations and eligibility requirements relating to the regulation but, at a high level, commercial and retail property owners cannot take certain actions against an eligible tenant (i.e. evict an eligible tenant) unless they have first renegotiated rent as required and attempted mediation. From 13 January 2022, these amendments to the Regulations have extended rent negotiation rights for tenants from 13 July 2021 to 13 March 2022.

For eligible landlords of commercial properties who have provided rental relief waivers to affected tenants, grants of up to \$3,000 per month (GST inclusive), per property, are available. Rent relief waived must comprise at least half of any rental reduction provided. This program has now been expanded in 2022 to landlords who claimed the 2021 land tax relief.

We would also refer you to our recent Land Tax newsletter for additional information concerning measures specifically aimed at providing financial relief to landlords paying Land Tax in NSW. Please contact your StewartBrown Manager or Partner if you don't have a copy of that newsletter and would like one.

## Performing Arts Package

For almost two years, the Performing Arts sector has been one of the hardest hit sectors of the economy. The NSW Performing Arts Relaunch Package provides financial support and much needed relief to eligible venues, producers, promoters, and musical and theatrical performances. The program has been extended to include performances staged from 19 September 2021 to 30 April 2022.



The funding amount per performance will be calculated using a formula of average ticket price multiplied by the number of tickets available for sale (capped at 10,000) and a specified "Agreed Percentage", and up to a maximum of \$12.5m. Performances must be directly impacted by Public Health Orders. Further details and eligibility criteria is available at [Create NSW](#).

If you have any queries concerning any aspect of the business support package, please contact your StewartBrown Manager or Partner who would be happy to assist.

## OTHER SERVICES OUR FIRM OFFERS

You might be interested to know that our firm provides the following services in addition to the more traditional accounting and taxation services of other accounting firms:

### Financial Planning

We offer our clients a full range of financial planning services through our in-house Stewart Brown Advisory Pty Limited which is headed by Amanda Lee and Peggy Liang, both fully qualified financial planners.

### Mortgage Finance

Our firm has a relationship with a wholesale mortgage provider – Mortgageport. This means that we can offer you access to favourable commercial, business and residential mortgage loans.

Contact your StewartBrown Manager or Partner in the first instance to find out more about these services.



## CONTACT US

### Address:

Level 2, Tower 1, 495 Victoria Avenue  
CHATSWOOD NSW 2067

### Phone:

61 2 9412 3033

### Fax:

61 2 9411 3242

### Email:

[info@stewartbrown.com.au](mailto:info@stewartbrown.com.au)

### Web:

[www.stewartbrown.com.au](http://www.stewartbrown.com.au)

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