



 **William Buck**

## The Changes to the 2021 COVID-19 Government Support Measures

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Updated and correct at 12pm 12 August 2021

- [Preface](#)
- [2021 COVID-19 Business Grant](#)
- [COVID-19 JobSaver Payment](#)
- [2021 COVID-19 Micro-business Grant](#)

As the definitions, guidance and eligibility criteria continue to be updated by Service NSW on a daily basis, **we strongly advise** that each business checks the Service NSW websites prior to applying to ensure it is compliant with the latest eligibility criteria and guidance.

- Information in this document is according to the information available on the Service NSW website as at **12pm on Thursday 12 August 2021** and answers provided by NSW Government officials in a webinar to accountants on **9<sup>th</sup> August 2021**.

## Preface

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- Material updates have been made to the Service NSW webpages for:
  - 2021 COVID-19 Business Grant
  - COVID-19 JobSaver Payment
  - 2021 COVID-19 Micro-business Grant
- This document will summarise the before and after for each Government support measure as well as note any other significant changes.
- Some changes are beneficial as they expand the eligibility criteria
  - e.g. Allowing alternative comparison periods to 2019
- Others may narrow the previous eligibility criteria
  - e.g. Changes to the definition of aggregated annual turnover
- Terms and conditions yet to be updated for all three Government support measures.
- Some slight differences between the Guidelines of each measure
  - These may be fixed by Service NSW in the coming days.

## 2021 COVID-19 Business Grant

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## What has changed for the 2021 COVID-19 Business Grant?

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### — Eligibility – what changed?

- Aggregated annual turnover
- Turnover for the purposes of calculating decline in turnover
- Comparison period
- Maintain employee headcount
- Eligible expenses
- No other changes

### — Alternative circumstances – Significant new guidance

- New business, natural disaster, business acquisition/disposal/restructure, Sole trader/partnership impacted by sickness, injury or leave
- Documentation required if operating business through a trust

### — Application Process – Some tweaks

- Accountants can apply
- Letter has been updated

### — Other

- Not-for-profits (NFPs)
- Issues arising from the changes

## **Eligibility Criteria Updates**

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## What is Aggregated Annual Turnover?

	Before	After
<b>Aggregated Annual Turnover</b>	<p>Previous guidance from Service NSW stated that it was only national/Australian turnover included.</p> <p>Definition as per the T&amp;Cs:</p> <ul style="list-style-type: none"> <li>“The Australian Taxation Office income assessment concept will be applied when assessing whether an applicant had annual national turnover between \$75,000 and \$50 million (inclusive).”</li> </ul> <p>As per FAQs provided by the NSW Government on 28 July 2021:</p> <ul style="list-style-type: none"> <li>“Aggregated annual turnover means the annual <b>Australian turnover</b> of your business as well as the annual <b>Australian turnover</b> of any business that is "connected with you" or any business that is your "affiliate" for the year ended 30 June 2020.”</li> </ul>	<p>The definition in the updated T&amp;Cs is:</p> <ul style="list-style-type: none"> <li>“<i>Aggregated Annual Turnover means aggregated turnover as defined in s. 328.115 of the Income Tax Assessment Act 1997 (Cth).</i>”</li> </ul> <p><b>The term “national” has been removed</b> and therefore <b>worldwide income</b> of the entity, its connected entities and its affiliates is included in aggregated turnover.</p> <p>No guidance on implications if applied based on original definition and Service NSW guidance.</p>

## What is Turnover for the Purposes of Calculating the Decline in Turnover?

	Before	After
<b>Decline in Turnover</b>	<p>Previously defined as:</p> <ul style="list-style-type: none"> <li>• <i>“The ATO’s GST concept should be applied when assessing whether a business has experienced a 30% or more decline in national turnover.”</i></li> </ul> <p>Cash vs Accruals</p> <ul style="list-style-type: none"> <li>• If your business accounts for GST on an accrual basis, you should use this method. If your business accounts for GST on a cash basis, you should use this method.</li> </ul> <p>No other guidance.</p>	<p>The updated T&amp;Cs now define Turnover as meaning</p> <ul style="list-style-type: none"> <li>• <i>“The GST turnover as defined in s. 188.10 of the A New Tax System (Goods and Services Act) 1999 (Cth).”</i></li> </ul> <p>If an entity is part of a GST group, the entity calculates its GST turnover as if it wasn’t part of the group.</p> <ul style="list-style-type: none"> <li>• Each entity calculates its decline on a standalone basis.</li> </ul> <p>At the date of this document there is no mention that the JobKeeper modifications made to the GST Act definition of “current GST turnover” relevant to NFPs will apply.</p> <p>Cash vs Accruals</p> <ul style="list-style-type: none"> <li>• Must use the same method as used when accounting for GST</li> </ul>

## Comparison Period

	Before	After
<b>Comparison Period</b> <i>(non-Southern Border businesses)</i>	Minimum two-week period from 26 June 2021 to 17 July 2021 compared to the same period in June and/or July 2019.	Minimum 2-week period from 26 June 2021 to 17 July 2021 compared to: <ul style="list-style-type: none"> <li>the <b>same period in 2019</b>, or</li> <li>the <b>same period in 2020</b>, or</li> <li>the 2-week period immediately before the Greater Sydney lockdown commenced (<b>12 June to 25 June 2021</b>)</li> </ul> Can choose any of these three periods. <ul style="list-style-type: none"> <li>i.e. choose the period that gives the largest decline in turnover and therefore largest Grant amount.</li> <li>Don't need to contact Service NSW if choosing one of these periods.</li> </ul>
<b>Comparison Period</b> <i>(Southern Border businesses)</i>	Minimum two-week period from 27 May 2021 to 17 July 2021 compared to the same period in May and/or June and/or July 2019.	Minimum 2-week period from 27 May 2021 to 17 July 2021 compared to: <ul style="list-style-type: none"> <li>the <b>same period in 2019</b>, or</li> <li>the <b>same period in 2020</b>, or</li> <li>the 2-week period immediately before the Victorian restrictions commenced (<b>13 May to 26 May 2021</b>)</li> </ul>

## Maintaining Employee Headcount – Now Aligns with JobSaver Guidance

	Before	After
<b>Maintain Employee Headcount</b>	<p>Means maintenance of the employer-employee relationship consistent with employment law.</p> <p>Remain eligible if employees voluntarily resign.</p>	<p>Means the employer will not take active steps to end the employment relationship with their employees.</p> <p>Employees who have been stood down under the Fair Work Act 2009 or take leave without pay are considered employees for the purpose of headcount.</p> <p>Remain eligible if employee headcount declines for reasons outside the control of the employer, e.g. if employees voluntarily resign.</p>

## Eligible Expenses

	Before	After
<p><b>Do you need to have eligible expenses that are at least equal to the Grant amount?</b></p>	<p>Business grant is a “one-off payment to help meet unavoidable business costs incurred from 1 June to 17 July 2021.”</p> <p>To be eligible, a business had to have “incurred Eligible Expenses”.</p>	<p>Still unclear whether must have expenses of at least the amount of the Grant eligible for (i.e. the \$7,500/\$10,500/\$15,000 amount).</p> <ul style="list-style-type: none"> <li>• Service NSW have hinted, but not given definitive guidance, that they have no plans for the money to be paid back if used in the business over the course of the lockdown period and in getting business back up and running after lockdown.</li> <li>• Key message appears to be that it needs to be used for business costs at some stage</li> </ul>

## Alternative Circumstances Updates

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## Alternative Circumstances

	Before	After
<p><b>If cannot demonstrate minimum \$75K aggregated annual turnover and/or minimum decline in turnover</b></p>	<p>Businesses may still be eligible if:</p> <ul style="list-style-type: none"> <li>• Weren't operating for the full year to 30 June 2020 (e.g. <b>a new business</b>) but can demonstrate income consistent with \$75,000 per annum over a shorter period prior to 26 June 2021, and they can demonstrate they have been significantly impacted by the lockdown, or</li> <li>• Their turnover in June/July 2019 was not representative of their usual or average turnover (e.g. <b>due to drought or bushfires</b>) which is usually \$75,000 per annum or more, and they can demonstrate they have been significantly impacted by the lockdown.</li> </ul>	<p>These are now covered in “Attachment C: Alternative rules for businesses that do not meet standard eligibility criteria for the COVID-19 Business Grant, COVID-19 JobSaver payment, and COVID-19 Micro-business Grant” of the JobSaver Guidelines</p> <ul style="list-style-type: none"> <li>• <b>Importantly</b> only those affected by natural disasters will be able to choose an alternative period. Otherwise one of the 3 standard comparison periods must be chosen</li> <li>• <b>More details set out in the following slides</b></li> </ul>

## Alternative Circumstances

	How to demonstrate aggregated annual turnover	How to demonstrate decline in turnover
<p><b>1. Businesses that commenced after June 2019 (but before 1 June 2021)</b></p> <p><b>2. Businesses impacted by acquisition, disposal, or restructure</b></p> <p><b>3. Sole trader or small partnership impacted by sickness, injury or leave</b></p>	<p>Businesses applying for the Business Grant and JobSaver must show the equivalent of \$75,000 or more in annual turnover.</p> <p>If a business is unable to demonstrate turnover for a full year, a shorter period can be accepted provided that period is representative of the “normal operating environment” of the business. The turnover for this shorter period will be annualised to calculate an annual turnover figure for the business.</p> <p>Businesses should use a minimum 3-month period to demonstrate turnover, and provide:</p> <ul style="list-style-type: none"> <li>• a BAS for at least one quarter (or 3-monthly BAS), or</li> <li>• an Australian Tax Return annotated to show when the business commenced during the financial year.</li> </ul> <p>If unable to provide one of these, please visit the Guidelines on the Service NSW website.</p> <ul style="list-style-type: none"> <li>• <b>If a business restructured</b> and now operating the same business through a new entity, the business may still be eligible if it can demonstrate it is the same business. This is applicable even if the restructure occurred after 1 June 2021.</li> </ul>	<p>“As per the guidelines”</p> <ul style="list-style-type: none"> <li>• i.e. No alternative comparison periods. Use the standard periods:</li> </ul> <p>Minimum 2-week period from 26 June 2021 to <b>28 August 2021</b> compared to:</p> <ul style="list-style-type: none"> <li>• the <b>same period in 2019</b>, or</li> <li>• the <b>same period in 2020</b>, or</li> <li>• the 2-week period immediately before the Greater Sydney lockdown commenced (<b>12 June to 25 June 2021</b>)</li> </ul>

## Alternative Circumstances

	How to demonstrate aggregated annual turnover	How to demonstrate decline in turnover
<b>4. Businesses impacted by natural disasters (e.g. drought, bushfire, flood)</b>	Same as previous slide.	As per the guidelines, or a business can show a decline in turnover of 30% or more due to the Public Health Order over a minimum 2-week period within the Greater Sydney lockdown (commenced 26 June and due to end 28 August 2021), compared to <b>the same period in 2018</b> .

## Alternative Circumstances – Businesses Operating through a Trust

	Before	After
<b>Additional Information Required if a Trust is Applying</b>	<p>Additional information will also be required to be provided where a business operates through a trust structure to demonstrate an aggregated annual turnover of \$75,000 or more is derived through the trust, as opposed to a business linked to a trust.</p> <ul style="list-style-type: none"><li>• We didn't know what the additional information was.</li></ul>	<p>Now we know – a letter from your independent accountant</p> <ul style="list-style-type: none"><li>• “If you are applying on behalf of a trust, you will need to provide a letter from an independent accountant that shows an annual turnover of more than \$75,000 is derived through the trust, as opposed to a business linked to a trust.”</li></ul>

## Application Process Updates

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## Application Process

	Before	After
<b>Can an Accountant Apply on Behalf of Clients</b>	<p>An application may be made by an owner of the business or a person authorised to apply on their behalf.</p> <ul style="list-style-type: none"> <li>• Interpretation was business must apply themselves.</li> </ul>	<p>Terms and conditions remain the same, however the Common Questions page clarifies whether accountants may apply:</p> <ul style="list-style-type: none"> <li>• <i>“Your <b>accountant can apply</b> on behalf of your business. Your accountant will need to provide a letter of authority from you to show that they are authorised to act on behalf of your business”</i></li> </ul>
<b>Accountant’s Letter</b>	<p>Various versions been released to date</p>	<p>Please use the latest version from the Service NSW website at time of application</p> <ul style="list-style-type: none"> <li>• <a href="#">Link to Accountant's Letter</a></li> </ul>

## **Other Updates and Unanswered Questions**

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## Not-For-Profit (NFP) Organisations

	Before	After
<b>Decline in Turnover for NFPs</b>	No modifications previously specified	Still no mention on whether the JobKeeper modifications to GST turnover applicable to NFPs apply.
<b>Additional Information Required</b>	Nothing previously mentioned	Need to provide all of the following: <ul style="list-style-type: none"> <li>• a copy of the constitution (or a governing document such as articles of association)</li> <li>• minutes and resolutions from AGM (bi-annual meetings) for the previous 3 years</li> <li>• audited financial statements for the previous 3 years.</li> </ul>

## Some Issues

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- What if already applied for the Business Grant but could now show a larger % decline in turnover using one of the new comparison periods?
  - Service NSW hadn't thought of this question and so don't have an answer at this stage
  
- What if a business previously applied based on definition of aggregated annual turnover being “national” but now are not eligible after including the worldwide income of itself, its connected entities and its affiliates?
  - This question has not been covered by Service NSW as their view is they did not mean to exclude overseas turnover. However, the original grant T&Cs allowed an application to be made on this basis so it is unclear if it would have to be repaid now the terms have been changed
  
- Issue with tax-free status of the Business Grant:
  - Eligibility for the Business Grant is based on aggregated turnover of up to \$50 million for the year ended 30 June 2020. However the tax-free status is limited to those entities with an aggregated turnover of less than \$50 million for 2021-22.
    - Aggregated turnover may have increased to over \$50m since the year ended 30 June 2020 and therefore it may not be tax-free.

## Links for the 2021 COVID-19 Business Grant

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<https://www.service.nsw.gov.au/transaction/2021-covid-19-business-grant>

[2021 COVID-19 business grant – Guidelines](#)

[2021 COVID-19 business grant – Terms and Conditions](#)

[2021 COVID-19 business grant – Common questions](#)

[COVID-19 business grant documentation](#)

## COVID-19 JobSaver Payment

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## What has changed for the COVID-19 JobSaver Payment?

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### — Basics

- Period covered
- Maximum weekly amount updated to \$100K

### — Eligibility – what changed?

- Aggregated annual turnover
- Turnover for the purposes of calculating decline in turnover
- Comparison period
- No other changes

### — Alternative circumstances – Significant new guidance

- New business, natural disaster, business acquisition/disposal/restructure, Sole trader/partnership impacted by sickness, injury or leave
- Documentation required if operating business through a trust

### — Application Process – Some tweaks

- Documentation for evidencing weekly payroll amount
- Accountants can apply
- Letter has been updated

### — Other

- Not-for-profits (NFPs)
- Issues arising from the changes

## Basic Information Updates

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## Period Covered and Amount

	Before	After
<b>Period of Recurring Payments</b>	Eligible businesses and NFPs will receive fortnightly payments backdated to cover costs incurred from week 4 of the Greater Sydney lockdown (from 18 July 2021 onwards)	No change but we now know that <b>lockdown extends to 28 August 2021</b> at least. <ul style="list-style-type: none"> <li>• <b>Important:</b> Once eligible, <b>eligibility is backdated to 18 July 2021.</b></li> </ul>
<b>Maximum Amount Increased for Employing Businesses</b>	The payment will be equivalent to 40% of the weekly payroll for work performed in NSW: <ul style="list-style-type: none"> <li>• minimum payment will be \$1,500 per week</li> <li>• <b>maximum payment will be \$10,000 per week.</b></li> </ul>	The payment will be equivalent to 40% of the weekly payroll for work performed in NSW: <ul style="list-style-type: none"> <li>• minimum payment will be \$1,500 per week</li> <li>• <b>maximum payment will be \$100,000 per week.</b></li> </ul>

## Eligibility Criteria Updates

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## What is Aggregated Turnover?

	Before	After
<p><b>Aggregated Turnover</b></p>	<p>Previous eligibility criteria from the T&amp;Cs:</p> <ul style="list-style-type: none"> <li>“had a <b>national</b> Aggregated Annual Turnover of between \$75,000 and <b>\$50 million</b> (inclusive) for the year ended 30 June 2020”</li> </ul> <p>Definition from the JobSaver Guidelines:</p> <ul style="list-style-type: none"> <li>“The Income Tax Assessment Act 1997 aggregated turnover definition will be applied when assessing whether an applicant had <b>national</b> aggregated annual turnover between \$75,000 and <b>\$50 million</b> (inclusive).”</li> </ul> <p>As per FAQs provided by the NSW Government on 28 July 2021:</p> <ul style="list-style-type: none"> <li>“Aggregated annual turnover means the annual <b>Australian turnover</b> of your business as well as the annual <b>Australian turnover</b> of any business that is "connected with you" or any business that is your "affiliate" for the year ended 30 June 2020.”</li> </ul>	<p>Updated eligibility criteria:</p> <ul style="list-style-type: none"> <li>“have had an aggregated annual turnover between \$75,000 and <b>\$250 million</b> (inclusive) for the year ended 30 June 2020”</li> </ul> <p><b>The term “national” has been removed</b> and therefore <b>worldwide income</b> of the entity, its connected entities and its affiliates is included in aggregated turnover.</p> <p>Also note <b>increased maximum aggregated turnover threshold</b> to \$250 million.</p>

## What is Turnover for the Purposes of Calculating the Decline in Turnover?

	Before	After
<b>Decline in Turnover</b>	<p>Previously defined as:</p> <ul style="list-style-type: none"> <li>“Turnover means the GST turnover as defined in s. 188.10 of the A New Tax System (Goods and Services Act) 1999 (Cth).”</li> </ul> <p>Cash vs Accruals</p> <ul style="list-style-type: none"> <li>If your business accounts for GST on an accrual basis, you should use this method. If your business accounts for GST on a cash basis, you should use this method.</li> </ul> <p>No other guidance.</p>	<p>Same definition but updated guidance.</p> <p>If an entity is part of a GST group, the entity calculates its GST turnover as if it wasn’t part of the group.</p> <ul style="list-style-type: none"> <li>Each entity calculates its decline on a standalone basis.</li> </ul> <p>At the date of this document there is no mention that the JobKeeper modifications made to the GST Act definition of “current GST turnover” relevant to NFPs will apply.</p> <p>Cash vs Accruals</p> <ul style="list-style-type: none"> <li>Must use the same method as used when accounting for GST</li> </ul>

## Comparison Period

	Before	After
<b>Comparison Period</b>	<p>Minimum two-week period from 26 June 2021 to <b>30 July 2021</b> compared to the <b>same period in June and/or July 2019</b>.</p> <p>With the extension to lockdown, it was previously unclear whether eligibility would be backdated to the beginning of JobSaver (18 July 2021) if decline in turnover was not experienced until August.</p>	<p>Minimum 2-week period from 26 June 2021 to <b>28 August 2021</b> compared to:</p> <ul style="list-style-type: none"> <li>the <b>same period in 2019</b>, or</li> <li>the <b>same period in 2020</b>, or</li> <li>the 2-week period immediately before the Greater Sydney lockdown commenced (<b>12 June to 25 June 2021</b>)</li> </ul> <p>Can choose any of these three periods.</p> <ul style="list-style-type: none"> <li>i.e. choose any period that demonstrates a 30% decline in turnover.</li> <li>Don't need to contact Service NSW if choosing one of these periods.</li> </ul> <p><b>Importantly eligibility is backdated</b> to the beginning of JobSaver (18 July 2021).</p>

## Alternative Circumstances Updates

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## Alternative Circumstances

	Before	After
<p><b>If cannot demonstrate minimum \$75K aggregated annual turnover and/or minimum decline in turnover</b></p>	<p>There are several circumstances where a business may not meet the eligibility criteria and supporting evidence requirements, but still may be eligible for JobSaver. These circumstances include:</p> <ul style="list-style-type: none"> <li>• businesses not operating for the full year to 30 June 2020 (e.g. <b>new businesses</b>)</li> <li>• businesses affected by <b>drought, bushfires or other natural disasters</b></li> <li>• <b>business acquisition, disposal, or business restructure</b> that has impacted the business' turnover</li> <li>• a sole trader or small partnership <b>impacted by sickness, injury or leave.</b></li> </ul>	<p>These are now covered in “Attachment C: Alternative rules for businesses that do not meet standard eligibility criteria for the COVID-19 Business Grant, COVID-19 JobSaver payment, and COVID-19 Micro-business Grant” of the JobSaver Guidelines</p> <ul style="list-style-type: none"> <li>• <b>Importantly</b> only those affected by natural disasters will be able to choose an alternative period. Otherwise one of the 3 standard comparison periods must be chosen</li> <li>• <b>More details set out in the following slides</b></li> </ul>

## Alternative Circumstances

	How to demonstrate aggregated annual turnover	How to demonstrate decline in turnover
<p><b>1. Businesses that commenced after June 2019 (but before 1 June 2021)</b></p> <p><b>2. Businesses impacted by acquisition, disposal, or restructure</b></p> <p><b>3. Sole trader or small partnership impacted by sickness, injury or leave</b></p>	<p>Businesses applying for the Business Grant and JobSaver must show the equivalent of \$75,000 or more in annual turnover.</p> <p>If a business is unable to demonstrate turnover for a full year, a shorter period can be accepted provided that period is representative of the “normal operating environment” of the business. The turnover for this shorter period will be annualised to calculate an annual turnover figure for the business.</p> <p>Businesses should use a minimum 3-month period to demonstrate turnover, and provide:</p> <ul style="list-style-type: none"> <li>• a BAS for at least one quarter (or 3-monthly BAS), or</li> <li>• an Australian Tax Return annotated to show when the business commenced during the financial year.</li> </ul> <p>If unable to provide one of these, please visit the Guidelines on the Service NSW website.</p> <ul style="list-style-type: none"> <li>• <b>If a business restructured</b> and now operating the same business through a new entity, the business may still be eligible if it can demonstrate it is the same business. This is applicable even if the restructure occurred after 1 June 2021.</li> </ul>	<p>“As per the guidelines”</p> <ul style="list-style-type: none"> <li>• i.e. No alternative comparison periods. Use the standard periods:</li> </ul> <p>Minimum 2-week period from 26 June 2021 to <b>28 August 2021</b> compared to:</p> <ul style="list-style-type: none"> <li>• the <b>same period in 2019</b>, or</li> <li>• the <b>same period in 2020</b>, or</li> <li>• the 2-week period immediately before the Greater Sydney lockdown commenced (<b>12 June to 25 June 2021</b>)</li> </ul>

## Alternative Circumstances

	How to demonstrate aggregated annual turnover	How to demonstrate decline in turnover
<b>4. Businesses impacted by natural disasters (e.g. drought, bushfire, flood)</b>	Same as previous slide.	As per the guidelines, or a business can show a decline in turnover of 30% or more due to the Public Health Order over a minimum 2-week period within the Greater Sydney lockdown (commenced 26 June and due to end 28 August 2021), compared to <b>the same period in 2018</b> .

## Alternative Circumstances – Businesses Operating through a Trust

	Before	After
<b>Additional Information Required if a Trust is Applying</b>	<p>Additional information will also be required to be provided where a business operates through a trust structure to demonstrate an aggregated annual turnover of \$75,000 or more is derived through the trust, as opposed to a business linked to a trust.</p> <ul style="list-style-type: none"><li>• We didn't know what the additional information was.</li></ul>	<p>Now we know – a letter from your independent accountant</p> <ul style="list-style-type: none"><li>• “If you are applying on behalf of a trust, you will need to provide a letter from an independent accountant that shows an annual turnover of more than \$75,000 is derived through the trust, as opposed to a business linked to a trust.”</li></ul>

## Application Process Updates

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## Weekly Payroll – Evidence Requirements

	Before	After
<b>Businesses that submit a BAS with a W1 amount (wages and salaries) recorded</b>	Most recent BAS that was submitted to the ATO prior to 26 June 2021 within the 2020-21 financial year	No change
<b>Businesses that submit a BAS without a W1 amount (wages and salaries) recorded</b>	Their 2019-20 NSW payroll tax reconciliation return.	Their 2019-20 NSW payroll tax reconciliation return and copies of the payroll report/s filed with the ATO using single touch payroll (STP), after redacting all personally identifiable information, which include information used in the calculation of Weekly Payroll. The STP report should include the effective date, branch ID, Submission ID, Event Type, Gross payments and PAYGW.

## Weekly Payroll – Evidence Requirements

	Before	After
<b>Businesses that do not submit a BAS</b>	Contact Service NSW to discuss alternate evidence of wages and salaries.	Copies of the payroll report/s filed with the ATO using single touch payroll (STP), after redacting all personally identifiable information, which include information used in the calculation of Weekly Payroll. The STP report should include the effective date, branch ID, Submission ID, Event Type, Gross payments and PAYGW.
<b>Businesses that do not submit a BAS or payroll reports using single touch payroll</b>	Fell under the category above.	Contact Service NSW to discuss alternate evidence of wages and salaries.

## Application Process

	Before	After
<b>Can an Accountant Apply on Behalf of Clients</b>	<p>An application may be made by an owner of the business or a person authorised to apply on their behalf.</p> <ul style="list-style-type: none"> <li>• Interpretation was business must apply themselves.</li> </ul>	<p>Terms and conditions remain the same, however the Common Questions page clarifies whether accountants may apply:</p> <ul style="list-style-type: none"> <li>• <i>“Your <b>accountant can apply</b> on behalf of your business. Your accountant will need to provide a letter of authority from you to show that they are authorised to act on behalf of your business”</i></li> </ul>
<b>Accountant’s Letter</b>	<p>Various versions been released to date</p>	<p>Please use the latest version from the Service NSW website at time of application</p> <ul style="list-style-type: none"> <li>• <a href="#">Link to Accountant's Letter</a></li> </ul>

## Application Process - Evidence in Support of Eligibility

	Before	After
<b>Businesses on the highly impacted industries list</b>	<ul style="list-style-type: none"> <li>• Declare they satisfied the decline in turnover test</li> <li>• Declare their employee headcount on 13 July 2021</li> <li>• If they have employees, declare they will maintain this employee headcount</li> <li>• If they do not have employees, declare the business is the primary income source for the owner of the business</li> <li>• Submit an Australian Income Tax Return (or Notice of Assessment) demonstrating it meets the aggregated annual turnover criteria</li> <li>• Provide details of their qualified accountant, registered tax agent or registered BAS agent</li> <li>• Provide evidence of weekly payroll (as discussed in a previous slide)</li> <li>• Lodge other supporting documents as required.</li> </ul>	<p>Businesses on the highly impacted industries list applying for a <b>maximum weekly payment of \$10,000 or less</b></p> <ul style="list-style-type: none"> <li>• No changes</li> </ul> <p>Businesses on the highly impacted industries list applying for a <b>maximum weekly payment of more than \$10,000.</b></p> <ul style="list-style-type: none"> <li>• See next slide</li> </ul>

## Application Process - Evidence in Support of Eligibility

	Before	After
<p><b>Businesses not on the highly impacted industries list or businesses applying for a weekly payment of more than \$10,000</b></p>	<ul style="list-style-type: none"> <li>• Submit evidence through a letter from a qualified accountant, registered tax agent or registered BAS agent that they satisfied the decline in turnover test</li> <li>• Declare their employee headcount on 13 July 2021</li> <li>• If they have employees, declare they will maintain this employee headcount</li> <li>• If they do not have employees, declare the business is the primary income source for the owner of the business</li> <li>• Submit an Australian Income Tax Return (or Notice of Assessment) demonstrating it meets the aggregated annual turnover criteria</li> <li>• Provide evidence of weekly payroll (as discussed in a previous slide)</li> <li>• Lodge other supporting documents as required.</li> </ul>	<p>Businesses <b>not on the highly impacted industries list</b></p> <ul style="list-style-type: none"> <li>• No changes</li> </ul> <p>Businesses on the highly impacted industries list applying for a <b>maximum weekly payment of more than \$10,000.</b></p> <ul style="list-style-type: none"> <li>• Now need to provide a letter from a qualified accountant, registered tax agent or registered BAS agent.</li> </ul>

## **Other Updates and Unanswered Questions**

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## Not-For-Profit (NFP) Organisations

	Before	After
<b>Decline in Turnover for NFPs</b>	No modifications previously specified.	Still no mention on whether the JobKeeper modifications to GST turnover applicable to NFPs apply.
<b>Additional Information Required</b>	Nothing previously mentioned.	Need to provide all of the following: <ul style="list-style-type: none"> <li>• a copy of the constitution (or a governing document such as articles of association)</li> <li>• minutes and resolutions from AGM (bi-annual meetings) for the previous 3 years</li> <li>• audited financial statements for the previous 3 years.</li> </ul>

## Some Issues

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- What if a business previously applied based on definition of aggregated annual turnover being “national” but now are not eligible after including the worldwide income of itself, its connected entities and its affiliates?
  - This question has not been covered by Service NSW as their view is they did not mean to exclude overseas turnover. However, the original grant T&Cs allowed an application to be made on this basis so it is unclear if it would have to be repaid now the terms have been changed
- **Issues with tax-free status of JobSaver:**
  - Treatment of JobSaver payments as tax-free income is limited to those entities with an aggregated turnover of less than \$50 million for 2021-22. This means that those JobSaver recipients with an aggregated turnover of \$50m to \$250m (inclusive) in 2021–22 will not be able to treat the JobSaver payments received as tax-free. According to The Tax Institute, this is deliberate policy intent.
  - Eligibility for JobSaver based on aggregated turnover for the year ended 30 June 2020. However the tax-free status requires the aggregated turnover to be less than \$50m in the 2021-22 income year.

## Links for the COVID-19 JobSaver Payment

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<https://www.service.nsw.gov.au/transaction/jobsaver-payment>

[Guidelines](#)

[Terms and Conditions](#)

[JobSaver payment FAQs](#)

[JobSaver payment documentation](#)

## 2021 COVID-19 Micro-business Grant

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## What has changed for the 2021 COVID-19 Micro-business Grant?

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### — Eligibility – what changed?

- Aggregated annual turnover
- Turnover for the purposes of calculating decline in turnover
- Comparison period
- Eligible expenses
- No other changes

### — Alternative circumstances – Significant new guidance

- New business, natural disaster, business acquisition/disposal/restructure, Sole trader/partnership impacted by sickness, injury or leave
- Documentation required if operating business through a trust

### — Application Process – Some tweaks

- Documentation required
- Accountants can apply
- Letter has been updated

### — Other

- Not-for-profits (NFPs)
- Issues arising from the changes

## Eligibility Criteria Updates

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## Eligibility

	Before	After
<p><b>Aggregated Turnover</b></p>	<p>Previous eligibility criteria from the T&amp;Cs:</p> <ul style="list-style-type: none"> <li>“they had a <b>national</b> Aggregated Annual Turnover of more than \$30,000 and less than \$75,000 for the year ended 30 June 2020”</li> </ul> <p>Definition from the Guidelines:</p> <ul style="list-style-type: none"> <li>“The Income Tax Assessment Act 1997 aggregated turnover definition will be applied when assessing whether an applicant had <b>national</b> aggregated annual turnover of more than \$30,000 and less than \$75,000.”</li> </ul> <p>As per FAQs provided by the NSW Government on 28 July 2021:</p> <ul style="list-style-type: none"> <li>“Aggregated annual turnover means the annual <b>Australian turnover</b> of your business as well as the annual <b>Australian turnover</b> of any business that is "connected with you" or any business that is your "affiliate" for the year ended 30 June 2020.”</li> </ul>	<p>Updated eligibility criteria:</p> <ul style="list-style-type: none"> <li>“they had an aggregated annual turnover of more than \$30,000 and less than \$75,000 for the year ended 30 June 2020”</li> </ul> <p><b>The term “national” has been removed</b> and therefore <b>worldwide income</b> of the entity, its connected entities and its affiliates is included in aggregated turnover.</p>

## Eligibility – What is Turnover?

	Before	After
<b>Decline in Turnover</b>	<p>Previously defined as:</p> <ul style="list-style-type: none"> <li>• <i>“Turnover means the GST turnover as defined in s. 188.10 of the A New Tax System (Goods and Services Act) 1999 (Cth).”</i></li> </ul> <p>Cash vs Accruals</p> <ul style="list-style-type: none"> <li>• If your business accounts for GST on an accrual basis, you should use this method. If your business accounts for GST on a cash basis, you should use this method.</li> </ul> <p>No other guidance.</p>	<p>Same definition but updated guidance.</p> <p>If an entity is part of a GST group, the entity calculates its GST turnover as if it wasn't part of the group.</p> <ul style="list-style-type: none"> <li>• Each entity calculates its decline on a standalone basis.</li> </ul> <p>At the date of this document there is no mention that the JobKeeper modifications made to the GST Act definition of “current GST turnover” relevant to NFPs will apply.</p> <p>Cash vs Accruals</p> <ul style="list-style-type: none"> <li>• Must use the same method as used when accounting for GST</li> </ul>

## Eligibility – Comparison Period

	Before	After
<b>Comparison Period</b>	<p>Minimum two-week period from 26 June 2021 to <b>30 July 2021</b> compared to the <b>same period in June and/or July 2019</b>.</p> <p>With the extension to lockdown, it was previously unclear whether eligibility would be backdated to the beginning of the Micro-business Grant (26 June 2021) if decline in turnover was not experienced until August.</p>	<p>Minimum 2-week period from 26 June 2021 to <b>28 August 2021</b> compared to:</p> <ul style="list-style-type: none"> <li>the <b>same period in 2019</b>, or</li> <li>the <b>same period in 2020</b>, or</li> <li>the 2-week period immediately before the Greater Sydney lockdown commenced (<b>12 June to 25 June 2021</b>)</li> </ul> <p>Can choose any of these three periods.</p> <ul style="list-style-type: none"> <li>i.e. choose any period that demonstrates a 30% decline in turnover.</li> <li>Don't need to contact Service NSW if choosing one of these periods.</li> </ul> <p><b>Importantly eligibility is backdated</b> to the beginning of the Micro-business Grant (26 June 2021).</p>

## Eligible Expenses

	Before	After
<p><b>Do you need to have eligible expenses that are at least equal to the Grant amount?</b></p>	<p>Business grant is a “fortnightly payment to help meet unavoidable business costs incurred from 26 June 2021 until the Program ends”</p> <p>A condition of payment under the program is that the business “uses the payments to cover Eligible Expenses incurred since 1 July 2021 ”.</p>	<p>No change in publicly available guidance though:</p> <ul style="list-style-type: none"> <li>• Service NSW have hinted, but not given definitive guidance, that they have no plans for the money to be paid back if used in the business over the course of the lockdown period and in getting business back up and running after lockdown.</li> <li>• Key message appears to be that it needs to be used for business costs at some stage</li> </ul>

## Alternative Circumstances Updates

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## Alternative Circumstances

	Before	After
<p><b>If cannot demonstrate minimum \$30K aggregated annual turnover and/or minimum decline in turnover</b></p>	<p>There are several circumstances where a business may not meet the eligibility criteria and supporting evidence requirements, but still may be eligible for the Micro-business Grant. These circumstances include:</p> <ul style="list-style-type: none"> <li>• businesses not operating for the full year to 30 June 2020 (e.g. <b>new businesses</b>)</li> <li>• businesses affected by <b>drought, bushfires or other natural disasters</b></li> <li>• <b>business acquisition, disposal, or business restructure</b> that has impacted the business' turnover</li> <li>• a sole trader or small partnership <b>impacted by sickness, injury or leave.</b></li> </ul>	<p>These are now covered in “Attachment C: Alternative rules for businesses that do not meet standard eligibility criteria for the COVID-19 Business Grant, COVID-19 JobSaver payment, and COVID-19 Micro-business Grant” of the Micro-business Grant Guidelines</p> <ul style="list-style-type: none"> <li>• <b>Importantly</b> only those affected by natural disasters will be able to choose an alternative period. Otherwise one of the 3 standard comparison periods must be chosen</li> <li>• <b>More details set out in the following slides</b></li> </ul>

## Alternative Circumstances

	How to demonstrate aggregated annual turnover	How to demonstrate decline in turnover
<p><b>1. Businesses that commenced after June 2019 (but before 1 June 2021)</b></p> <p><b>2. Businesses impacted by acquisition, disposal, or restructure</b></p> <p><b>3. Sole trader or small partnership impacted by sickness, injury or leave</b></p>	<p>Businesses applying for the Micro-business Grant must show the equivalent of between \$30,000 and \$75,000 in annual turnover.</p> <p>If a business is unable to demonstrate turnover for a full year, a shorter period can be accepted provided that period is representative of the “normal operating environment” of the business. The turnover for this shorter period will be annualised to calculate an annual turnover figure for the business.</p> <p>Businesses should use a minimum 3-month period to demonstrate turnover, and provide:</p> <ul style="list-style-type: none"> <li>• a BAS for at least one quarter (or 3-monthly BAS), or</li> <li>• an Australian Tax Return annotated to show when the business commenced during the financial year.</li> </ul> <p>If unable to provide one of these, please visit the Guidelines on the Service NSW website.</p> <ul style="list-style-type: none"> <li>• <b>If a business restructured</b> and now operating the same business through a new entity, the business may still be eligible if it can demonstrate it is the same business. This is applicable even if the restructure occurred after 1 June 2021.</li> </ul>	<p>“As per the guidelines”</p> <ul style="list-style-type: none"> <li>• i.e. No alternative comparison periods. Use the standard periods:</li> </ul> <p>Minimum 2-week period from 26 June 2021 to <b>28 August 2021</b> compared to:</p> <ul style="list-style-type: none"> <li>• the <b>same period in 2019</b>, or</li> <li>• the <b>same period in 2020</b>, or</li> <li>• the 2-week period immediately before the Greater Sydney lockdown commenced (<b>12 June to 25 June 2021</b>)</li> </ul>

## Alternative Circumstances

	How to demonstrate aggregated annual turnover	How to demonstrate decline in turnover
<b>4. Businesses impacted by natural disasters (e.g. drought, bushfire, flood)</b>	Same as previous slide.	As per the guidelines, or a business can show a decline in turnover of 30% or more due to the Public Health Order over a minimum 2-week period within the Greater Sydney lockdown (commenced 26 June and due to end 28 August 2021), compared to <b>the same period in 2018</b> .

## Alternative Circumstances – Businesses Operating through a Trust

	Before	After
<b>Additional Information Required if a Trust is Applying</b>	<p>Additional information will also be required to be provided where a business operates through a trust structure to demonstrate an aggregated annual turnover of between \$30,000 and \$75,000 is derived through the trust, as opposed to a business linked to a trust.</p> <ul style="list-style-type: none"><li>• We didn't know what the additional information was.</li></ul>	<p>No guidance given for the Micro-business Grant</p> <ul style="list-style-type: none"><li>• Assumed the same as JobSaver – a letter from your independent accountant</li></ul>

## Application Process Updates

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## Documentation Required

	Before	After
<b>Evidence of Decline in Turnover</b>	<p>Evidence was to be in the form of a:</p> <ul style="list-style-type: none"> <li>• Letter from a qualified accountant, registered tax agent or registered BAS agent, or</li> <li>• Business bank account statement (separate from any personal accounts).</li> </ul>	<p>Evidence to be in the form of:</p> <ul style="list-style-type: none"> <li>• One of the same two options or</li> <li>• Profit and loss statements from an accounting software and an annotated personal bank statement</li> </ul>
<b>Evidence that the aggregated annual turnover criteria is met</b>	<p>This can be in a form of a:</p> <ul style="list-style-type: none"> <li>• Letter from a qualified accountant, registered tax agent or registered BAS agent; or</li> <li>• Business activity statement (BAS); or</li> <li>• Business bank account statement (separate from any personal accounts); or</li> <li>• Australian income tax return (or Notice of Assessment)</li> </ul>	<p>Evidence to be in the form of:</p> <ul style="list-style-type: none"> <li>• One of the same four options or</li> <li>• A profit and loss statement from an accounting software for a minimum three-month period during the 2019-20 financial year, and one of the following documents               <ol style="list-style-type: none"> <li>1. An annotated personal bank statement for the same minimum three-month period, or</li> <li>2. A 2019-20 personal income tax return.</li> </ol> </li> </ul>

## Application Process

	Before	After
<b>Can an Accountant Apply on Behalf of Clients</b>	<p>An application may be made by an owner of the business or a person authorised to apply on their behalf.</p> <ul style="list-style-type: none"> <li>• Interpretation was business must apply themselves.</li> </ul>	<p>Terms and conditions remain the same, however the Common Questions page clarifies whether accountants may apply:</p> <ul style="list-style-type: none"> <li>• <i>“Your <b>accountant can apply</b> on behalf of your business. Your accountant will need to provide a letter of authority from you to show that they are authorised to act on behalf of your business”</i></li> </ul>
<b>Accountant’s Letter</b>	<p>Various versions been released to date</p>	<p>Please use the latest version from the Service NSW website at time of application</p> <ul style="list-style-type: none"> <li>• <a href="#">Link to Accountant's Letter</a></li> </ul>

## **Other Updates and Unanswered Questions**

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## Not-For-Profit (NFP) Organisations

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## Links for the 2021 COVID-19 Micro-business Grant

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<https://www.service.nsw.gov.au/transaction/2021-covid-19-micro-business-grant>

[2021 COVID-19 micro-business grant – Guidelines](#)

[2021 COVID-19 micro-business grant – Terms and Conditions](#)

[2021 COVID-19 micro-business grant – Common questions](#)

[COVID-19 micro-business grant documentation](#)

Thank you.

Questions?

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