

Tuesday, 17 November 2020

## DIGITAL VOUCHERS A WIN FOR SMALL BUSINESS

Tens of thousands of small and medium-sized businesses across the State will be able to apply for digital vouchers worth \$1,500 to help pay for government fees and charges as part of the Government's COVID-19 stimulus and recovery plan in the 2020-21 NSW Budget.

Minister for Finance and Small Business Damien Tudehope said up to \$500 million would be allocated in the Budget for the new vouchers providing a critical cash injection for smaller businesses below the payroll tax threshold.

"These new digital vouchers will be of huge benefit to the many entrepreneur and mum and dad businesses across NSW," Mr Tudehope said.

"The vouchers will be available from April 2021, which is when many licence fee waivers will expire, along with the end of JobKeeper, and they will no doubt be a very helpful boost at a critical time."

Treasurer Dominic Perrottet said the vouchers would leave more money in the pockets of small and medium businesses as NSW ramps-up its economic recovery.

"Small businesses have had to deal with the triple crises of bushfires, droughts and COVID-19 and it's important that we support them to keep their lights on and their doors open," Mr Perrottet said.

"When we help businesses stay in business, we keep people in jobs which will help us build a better NSW."

Minister for Customer Service Victor Dominello said Service NSW would assist with issuing eligible businesses with the vouchers, with further information to become available on the Service NSW website in coming weeks.

"These vouchers, which will be available until 30 June 2022, will help businesses below the payroll tax threshold," he said.

"We want to make it easy to run a business and when we support small businesses, we support the recovery and jobs."

The cost-cutting measure will support small businesses to recover from the impacts of COVID-19 and will be available to be used to pay for government fees and charges, including local government.

Other Budget measures to support business include payroll tax relief, the Out & About program and an extension of the Business Connect program for three years.

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## GROUNDBREAKING SUPPORT TO HELP BUSINESSES GROW AND CREATE JOBS

Businesses are set to benefit from thousands of dollars in tax relief and a raft of other support measures designed to improve their cashflow and help them hire more staff as the NSW Government pushes forward with its COVID-19 stimulus and economic recovery plan outlined in the 2020-21 NSW Budget.

From \$1,500 digital vouchers for smaller enterprises to cover government fees and charges, to relief from payroll tax, and a three-year extension of the Business Connect program, businesses are at the forefront of the NSW Government's 2020-21 Budget, providing billions of dollars in support.

Minister for Finance and Small Business Damien Tudehope said the Budget was all about bolstering businesses as NSW plans for its post-pandemic future.

"Many businesses across NSW have faced the triple challenges of droughts, bushfires and COVID-19 this year and it's important that we support them at this critical time," Mr Tudehope said.

"Small businesses make up 97.5 per cent of businesses in NSW and they are the backbone of the economy; if we keep businesses in business, we keep people in jobs and help create new ones as we drive the State's economic recovery."

Key Budget measures to support business and jobs include:

- A two-year payroll tax rate cut from 5.45 per cent to 4.85 per cent and a permanent increase in the payroll tax threshold from \$1 million to \$1.2 million. These tax cuts, **worth \$2.8 billion**, will provide an **average saving of around \$34,000 a year** for the next two years for businesses liable for payroll tax;
- **\$500 million** for an **Out & About digital voucher program providing \$100 worth of digital vouchers to NSW residents to spend on eating out and entertainment activities to boost businesses and encourage people to spend locally;**
- **\$472 million** for new **digital vouchers worth \$1,500 which can be used by small businesses under the payroll tax threshold towards the cost of government fees and charges;**
- **More than \$39 million** in a funding boost for the Business Connect program which has been extended for a further three years to support small businesses across the State to access targeted business advice;
- **\$5 million** for the NSW Small Business Commission to establish a new tendering support service under a four-year program, providing small business with practical tips and assistance to prepare and submit Government tenders;
- **Almost \$2 million** to continue the small business rebate program, providing up to \$500 to support small business owners and sole traders who buy and install safety equipment; and
- A temporary extension to 28 March 2021 of the National Cabinet Mandatory Code of Conduct – SME Commercial Leasing Principles for retail tenants only

### **Payroll tax cuts**

The government has announced a further permanent increase in the payroll tax-free threshold from \$1 million to \$1.2 million, which will see 3,500 NSW businesses no longer having to pay payroll tax.

The payroll tax rate will also be cut from 5.45 per cent to 4.85 per cent from 1 July 2020 for two years, with the government estimating a saving to businesses of around \$2.4 billion for this fiscal year and the next.

The government has committed \$472 million to provide small and medium-sized businesses that do not pay payroll tax with a \$1,500 digital voucher for the cost of government fees and charges.

## **SPONSORED CONTENT**

### **Getting out and about**

Up to \$500 million will be spent on the Out and About program to stimulate spending in the local economy, including restaurants, visitor sites and cultural attractions.

Under the program, every adult resident will be eligible to claim up to \$100 in digital vouchers to spend on eating out and entertainment.

The government will also invest \$15 million in a partnership with the City of Sydney to help revitalise the Sydney CBD and help businesses get back on their feet, including through promoting outdoor entertainment and al fresco dining.

### **Trade and investment**

The government has established a \$250 million Jobs Plus Program that aims to create or support 25,000 jobs to 30 June 2022 and will support companies who want to relocate their head offices to NSW or expand their jobs footprint in NSW.

The program includes payroll tax relief, up to a four-year period, for every new job created where a business has created at least 30 new net jobs.

There's also a commitment of \$179.8 million to grow the trade and investment network offshore to support NSW businesses in key international markets.

The strategy includes six key hubs globally as well as the appointment of an Agent General in the UK and five NSW Senior Trade and Investment Commissioners in Tokyo, New York, Mumbai, Singapore and Shanghai.

The government has also announced \$175 million in additional funding for investment in new film and TV projects.

### **Training and upskilling workers**

The NSW government said it will invest \$318.6 million over two years in the Skilling for Recovery training package — to help jobseekers retrain or upskill and support school leavers entering the workforce for the first time.

This training program will be delivered according to its stated commitments under the Commonwealth JobTrainer Fund.