

Intro:

Welcome to CPA Australia's COVID Chat. A weekly podcast to answer your questions about the latest news and developments impacting business.

Dr. Jane Rennie:

Hello, I'm Dr. Jane Rennie, general manager of external affairs at CPA Australia.

Gavan Ord:

And I'm Gavan Ord, business and investment policy advisor also at CPA Australia.

Dr. Jane Rennie:

It's Monday the 27th of September and this is the first in a series of podcasts where we'll discuss need to know COVID-19 information from a business and accounting perspective and give our thoughts on trends and developments as we see them.

In today's episode, there's really something for everyone because we're going to try and cover off each state and territory, starting with New South Wales, where I thought we'd talk about applications for the New South Wales COVID business grants, which are closing soon.

Gavan Ord:

Thanks Jane. So, many of you listening would recall that at the start of the New South Wales lockdown in late June, the government announced a COVID business grant that was to cover three weeks from the 26th of June to the 17th of July. That particular grant closes on Friday the 1st of October. So that's the grant which is a one-off payment of 7,500 to \$15,000. So that closes on the 1st of October, so if you have had a decline in turnover of between 30% and above, please make that application as soon as possible otherwise you will miss out and the government has already extended the application, so I don't think there'll be extending applications again for that particular grant. On the JobSaver grant at the moment, applications close on the 18th of October and the same with the micro-business grant, they close on the 18th of October

Dr. Jane Rennie:

And Gavan on that one, JobSaver and micro-business grants, I know there was a bit of consternation, a bit of anxiety recently about the requirement to reconfirm eligibility. What can you tell us about what we've been able to find out on that requirement?

Gavan Ord:

And boy was there some consternation around that particular grant, that particular reconfirmation. So last week, many of you would have seen that the New South Wales government shifted its position on reconfirmation. Reconfirmation will be required, but it doesn't necessarily require retesting unless you are not certain whether the business is still... The decline in turnover is still 30% or higher. So if you are uncertain, you'll still need to retest and retest fortnightly. People were worried about, not worried, but they were thinking, "Oh, I don't need to reconfirm for fortnight ending 26th of September, because the payment will be made automatically." Yes, the payment will be made automatically, but, and this is the big but, if you don't reconfirm for that fortnight, you won't be able to reconfirm for the following fortnight, so you will miss out on the payment for the following fortnight.

Now you can bundle up all your reconfirmations at the one time, so you don't need to rush and get it done this week, or next week. You can delay. But the key thing is you must reconfirm. You will be paid automatically for this particular fortnight, but you must reconfirm. If you don't, you'll miss out on a payment the next fortnight. Also the New South Wales government has made it very clear to us if you are no longer eligible, so your turn over has picked up, you need to tell them.

If you've seeing what's happened federally with JobKeeper and the pressure that the federal government has been under on businesses being paid JobKeeper when they're no longer eligible, you can sort of understand why the New South Wales government have taken to this fortnightly reconfirmation. They just don't want to repay... They just don't want to see businesses getting payments that they're no longer eligible to.

Dr. Jane Rennie:

And Gavan, every time I hear you talk about these different grants, I'm struck by how much work is involved, both for businesses and for the accountants who support them, which brings me to Queensland because I find it quite perplexing that accountants can't actually submit applications for Queensland business grants. Is that correct?

Gavan Ord:

Yeah, so that's correct. That's a deliberate policy decision that third parties like accountants can't apply for their business grants. And now that's not the case in New South Wales nor Victoria and I think that may be contributing to what looks like a relatively low uptake in Queensland so far in comparison. That's why businesses engage our members to do the sort of work for them. They don't have the expertise or the time to necessarily do this work, or they don't want to do it. They're too busy running their business, so that's one of the reasons why they pay our members to do this sort of interaction with government for them.

Dr. Jane Rennie:

And this brings me to why government's consulting with the professional industry bodies is so important. I know you meet with Service New South Wales and divisions of the New South Wales government incredibly frequently, but your consultation with the Queensland government hasn't been so good and I think that plays out in the requirements that we've seen in the Queensland business support grants, would you agree?

Gavan Ord:

Yes, I would agree and I would also say Victoria has improved a lot. What we found is the more the consultations there is with us, the better that the guidelines are, the better the process is, that we have mechanisms to address member issues as they come up and by not engaging with accounting bodies and bookkeeping bodies and tax bodies earlier, the guidelines become vague, the processes become a little bit unwieldy like in Queensland, you have to show your daily turnover figure in each application.

To me, that's sort of going back to the 40s and 50s where someone would every day they tally up their takings for the day and write and in their little book. Things just don't work like that anymore and if they'd engaged with us earlier, they might've had an easier process, which better achieves the policy outcome and most importantly, getting the money to business that needs early and quickly.

Dr. Jane Rennie:

Which is one of the features we've seen of the ACT business grants. There's been some criticism of how slow the money is in getting to businesses. It's quite a generous payment from what I understand, but it sounds like the balance has been tipped a bit too much in favour of the integrity checks being done, but that comes at a cost of the money flowing really slowly out the door.

Gavan Ord:

Yeah. Look, I agree. We made a comment in the Canberra Times, was it last week or the week before? ACT's processing time is around 30 days for an application. In New South Wales and Victoria, it's five days. Now in ACT, they've had nearly a 10% drop in employment in late August, so people really need that money. They need the money now, businesses need the money now. To wait 30 days is not best practise. At this point in time of crisis in ACT, they should really be focusing on getting the money out the door quickly and if there are problems later on, chase up that money. But to wait the process around the integrity first and supporting business second, I think that's the wrong approach at this time, particularly in ACT, which is also in lockdown.

Dr. Jane Rennie:

Now I'll draw your attention to, we mentioned a couple of business support grants closing soon, South Australia, the COVID-19 business support grant, that's this week, if I'm not mistaken.

Gavan Ord:

That's right, that's 30th of September, yes.

Dr. Jane Rennie:

And do we have some grants closing soon in Western Australia?

Gavan Ord:

Well, yes. Western Australia, they've got their tourism and travel agents support grant, which closes on this Thursday, the 30 September as well same as us [crosstalk 00:09:23]-

Dr. Jane Rennie:

Now, just on that one, Gavan, to interrupt you, the WA tourism grant, that's quite an interesting one because of the size of what's on offer. I know in, I think it's in Queensland and Tasmania, we've got really big sums of money available to tourism operators, but that's not the case in WA, is it?

Gavan Ord:

No. In WA, the grants are at the moment \$1,000 to \$10,000 for tourism businesses that have been affected. Whereas in Queensland, it's now up to a \$100,000. It's think it's 30,000 to 50,000. And in Tasmania, it's 7,000 to \$110,000 depending on the size of the business. I think there's a bit of an equity issue there and I know that all those grants, the federal government's contributing half the costs. I think it's time for the feds to have a conversation with the Western Australian government around the size of the support for WA's tourism sector.

Dr. Jane Rennie:

And while we've mentioned Tasmania recently, we've got a new grant there to encourage small businesses to obtain financial or other business guidance and that could include advice from an accountant. What can you tell us about that?

Gavan Ord:

Yeah, so this is a grant that opens today, the 27th of September. It's a competitive grant, so the quicker you get your application in on behalf of your clients, the better. You have to show what the service you're offering and you have to have an itemised invoice as part of the grant application. So the business makes the application, the payment is 750 to \$1,500, so it's essentially a voucher to encourage businesses to seek advice from a professional around things like cashflow management, strategic planning, pricing decisions. But you have to include that information in the actual application for the grant and in your invoice it has to be itemised, so... And I would say, given this is a reheating of a previous grant, the quicker you get that application in, the more likely you are or your client is to receive that money.

Dr. Jane Rennie:

Now I wanted to move to the Northern Territory where with other states and territories we've talked about what's on offer, but the Northern Territory seems to be characterised by what's not on offer. I think you mentioned there, there aren't any grants or supports to talk about and what concerns me that I'd like to touch on is what this says about the government's preparedness as other states are moving towards reopening and so the chance increases that there will be a COVID-19 incursion into the Territory. How prepared do you think the government is to roll out business supports if they're needed?

Gavan Ord:

Yeah, look, that's a good question. So the Northern Territory has gone through maybe two or three snap lockdowns and when those snap lockdowns were announced, they announced business support. I think it was a thousand dollars to cover three days of snap lockdown. Look, they've got some processes in place, but if they were to go for an extended lockdown Northern Territory, that is, I'm just not certain whether the processes they have in place would be adequate to support businesses in the Territory.

And look, this is a trend, this is an issue we're seeing all the states and territories, but none of them were prepared for an extended lockdown. None of them. They all thought at the end of JobKeeper, COVID would never come back, so they didn't plan ahead and the consequences being that small business in particular have had to wait weeks, if not longer, for money to start flowing, to support them during the extended lockdown.

Dr. Jane Rennie:

And the other side of this of course is how prepared businesses are to close with very short notice. We've seen in other states only a couple of hours. So, but that might be a question for another day.

Finishing off with Victoria, where we've got a new commercial tenancy relief scheme. Is that right, Gavan?

Gavan Ord:

It's been in place for a little bit of time, but the thing to be concerned about is at the end of this month, September, if you're a small business and you haven't applied for commercial rent relief, you have to apply for commercial rent relief by the 30th September and if you do, then you get that rent relief from

your landlord backdated to the 28th of July. If you don't apply by the 30th, then the rent relief will start from the date of application.

So if you're are a small business or you're advising a small business, tell them to get the information ready and get that information to their client as soon as possible. Now, if there were some Melbourne supporters out there, the landlords, they might be a little bit hungover this week and they might be a little bit... They might be waiting on... They may miss something, but get your tenants to contact their landlords as soon as possible.

Dr. Jane Rennie:

And just a note in closing, Victoria is of course, one of three locations that have recently released a reopening roadmap of sorts. The others being New South Wales, and the ACT. CPA Australia has issued a media release today calling for governments to answer questions about those reopening roadmaps so that businesses can have a greater level of certainty about what they can do. Any last thoughts on that one, Gavan?

Gavan Ord:

Yeah, so what we did was on that one, we went to members and asked, "What are your reopening questions?" And we got to around about 25 separate questions and we pared that back to the top 10 questions. So if you get a chance, have a look at those questions. And these are questions where you think government should be answering, and they cover your business and your customer, your business and your employees, and also managing future closures. What happens in the future if your business was to shut because of a future COVID outbreak?

And we've seen in Singapore where they've actually got to 80% vaccination rates. Singapore last week went back into lockdown, even though they've gone to 80% vaccination rates and they're well ahead of Australia on their roadmap. So we could still have closures as part of our future exit strategy as well. So for business, don't think once we reach 80%, that's it. We may still have lockdowns, but they could be targeted, they could be broader.

Dr. Jane Rennie:

Well, that's all we've got for today's COVID Chat Podcast. If you've enjoyed what you've heard, please tune in again next week and tell your friends. Thanks, Gavan and thanks also to Chris and Eve for providing technical support.

Outro:

And that's our episode for this week. Thanks for listening. To ensure you don't miss an episode, subscribe to the CPA Australia podcast channel on your favourite app and for more COVID resources, guides and information, visit cpaaustralia.com.au/COVID.