



2021 COVID-19 micro-business grant – Guidelines

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1. About the program

On 26 June 2021, the *Public Health (COVID-19 Temporary Movement and Gathering Restrictions) Order 2021* ('the Public Health Order') was issued. This restricted freedom of movement, gatherings and the ability of certain premises to open in the Greater Sydney region (Metropolitan Sydney, Blue Mountains, Central Coast, Wollongong, and Shellharbour). One day earlier (on 25 June) the 4 local government areas (LGAs) of the City of Sydney, Randwick, Woollahra and Waverley were subject to stay-at-home orders.

On 17 July 2021, the NSW Government updated the Public Health Order, which further restricted the movement of residents in 3 Sydney LGAs (Fairfield, Canterbury-Bankstown and Liverpool) and placed new limits on non-essential retail and construction activity across Greater Sydney.

On 21 July, the Public Health Order was amended to include a stay-at-home order for the regional areas Orange, Blayney and Cabonne Shire for an initial period of 7 days. Border restrictions have also been imposed by Victoria, Western Australia, South Australia, Queensland and Tasmania.

This has created challenges for many micro-businesses in New South Wales who have had their work impacted by the restrictions, while continuing to incur business costs.

The 2021 COVID-19 Micro-business Grant ('the Grant') is designed to provide cashflow support to micro-businesses with an aggregated annual turnover more than \$30,000 and less than \$75,000. The Grant will help micro-businesses survive the lockdown so they can continue to support the economy after restrictions are lifted.

The Grant will be available to micro-businesses in New South Wales impacted by the Public Health Order that meet the eligibility criteria outlined in this document.

Service NSW will deliver the Grant on behalf of the NSW Government.

By applying for this Grant, applicants agree:

their application may be subject to an audit by the NSW Government or its representatives and agree to participate in the process if required, and

Service NSW and Revenue NSW may use other data provided by applicants to other government agencies to assist with determining eligibility for the Grant.

A public reporting channel will be established to allow people to report employing businesses not adhering to these Guidelines.

2. Available funding

2.1 Eligible businesses (including non-employing businesses such as non-employing sole traders) and not-for-profit organisations can apply for a fortnightly payment of \$1,500 to cover business expenses for the duration of the Greater Sydney lockdown.

3. Eligibility criteria

3.1 Businesses and not-for-profit organisations impacted by the Public Health Order will be eligible if:

they have an Australian Business Number (ABN) as at 1 June 2021 registered in, or can demonstrate they are primarily operating in, New South Wales;

they had a national aggregated annual turnover of more than \$30,000 and less than \$75,000 for the year ended 30 June 2020;

they experienced 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 30 July 2021) compared to the same period in 2019

they have business costs for which there is no other government support available;

they have not applied for either the 2021 COVID-19 Business Grant, or the JobSaver scheme;

for employing businesses, they must maintain their employee headcount on 13 July 2021 while they continue to receive grant payments (businesses that do not maintain their headcount agree to notify Service NSW), and

for non-employing businesses, the business receiving payments must be the primary income source for the associated person. Individuals with more than one non-employing business may only claim payments for one business.

3.2 Non-employing businesses are not eligible to apply if persons associated with the business, and who derive income from it, received a Commonwealth COVID-19 Disaster Payment.

3.3 Employees can receive Commonwealth COVID-19 Disaster Payments if their employer is receiving the Grant.

3.4 Certain entities, such as those primarily earning passive income (rents, interest, or dividends) or those with an ABN registered after 1 June 2021 are not eligible for this Grant. The full list of ineligible businesses is at [Attachment A](#).

4. How funding may be used

4.1 The Grant will help eligible micro-businesses with costs incurred from 1 June 2021. These costs may include, but are not limited to, the following expenses:

salaries and wages;

utilities and rent;

financial, legal or other advice;

marketing and communications;

perishable goods; or

other business costs.

4.2 The Grant must only be used for expenses for which no other government support is available. For example, the Grant cannot be used to pay Government fees and charges that would be covered by the [\\$1,500 Small Business Fees and Charges Rebate](#).

5. Application process

5.1 Applications will open on 26 July 2021 and close at 11:59pm on 18 October 2021.

5.2 Once deemed eligible, businesses will receive automatic fortnightly payments. Businesses will not need to re-apply, but businesses with employees must notify Service NSW if they are not maintaining the number of employees they had on 13 July 2021.

5.3 Payments will be made in arrears with the first payment backdated to 26 June 2021.

5.4 Businesses that received the \$1,500 Small Business Fees and Charges Rebate can apply for this Grant.

5.5 Only one application can be submitted for a single ABN.

5.6 Only one application is permitted where there are multiple businesses under a single ABN.

6. Evidence in support of eligibility

6.1 Eligible businesses applying for the Grant are required to:

submit evidence they experienced 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 30 July 2021) compared to the same period in 2019. This will in the form of a:

letter from a qualified accountant, registered tax agent or registered BAS agent, or

business bank account statement (separate from any personal accounts).

submit evidence they had an aggregated annual turnover of more than \$30,000 and less than \$75,000 for the year ended 30 June 2020. This can be in a form of a:

letter from a qualified accountant, registered tax agent or registered BAS agent; or

business activity statement (BAS); or

business bank account statement (separate from any personal accounts); or

Australian income tax return (or Notice of Assessment) – businesses can choose to redact their tax file number.

if they do not have employees, declare the business is the primary income source for the owner of the business,

if they do have employees, declare they will maintain their employee headcount on 13 July 2021 for the period for which the business is receiving grant payments and notify Service NSW if employee headcount declines over the period of the payment due to any actions of the business, and

lodge other supporting documents, as required, to demonstrate that they meet the eligibility criteria.

6.2 Businesses that are unable to provide sufficient evidence of eligibility are ineligible for the Grant.

Alternative circumstances

6.3 Micro-businesses primarily operating in New South Wales with their ABN registered elsewhere should contact Service NSW. They may be able to apply if they can provide evidence their business was primarily operating in New South Wales on 1 June 2021. Evidence to demonstrate this includes commercial rates notices or lease agreements. Where a rates notice or lease agreement is not available, Service NSW may accept a combination of the following:

utility bills

insurance papers

supply invoices

registration papers

contractor licences.

6.4 There are several circumstances where a business may not meet the eligibility criteria and supporting evidence requirements, but still may be able to apply. These circumstances include:

businesses not operating for the full year to 30 June 2020 (e.g., new businesses)

businesses affected by drought, bushfires or other natural disasters

business acquisition, disposal or business restructure that has impacted the business' turnover

a sole trader or small partnership impacted by sickness, injury or leave.

Businesses in these circumstances should contact Service NSW to determine if an alternate comparison period, or alternative supporting evidence, can be applied.

6.5 Where a business operates through a trust structure, the applicant will be required to provide additional information to demonstrate a national aggregated annual turnover of more than \$30,000 and less than \$75,000 is derived through the trust. The entity operating the business is eligible for the Grant, not other entities that are receiving passive income from the business.

6.6 Service NSW can request a combination of the following documents to support its determination of eligibility:

accountant's letter

prior Business Activity Statements

Australian tax returns (or Notice of Assessment)

profit and loss statements prepared by a qualified accountant

receipts and invoices from sales

business bank account statements (separate from any personal accounts).

6.7 Where a micro-business is unable to provide these documents, or where Service NSW is satisfied it has other suitable methods to determine eligibility, Service NSW may accept another form of documentation.

6.8 Micro-businesses requiring assistance with their online application can contact Service NSW on [13 77 88](tel:137788).

7. Definitions

Aggregated annual turnover: the *Income Tax Assessment Act 1997* aggregated turnover definition will be applied when assessing whether an applicant had national aggregated annual turnover of more than \$30,000 and less than \$75,000.

Business: an entity carrying on a business as per the *Corporations Act 2001*.

Decline in turnover: the Goods and Services Tax (GST) turnover as defined in *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* (GST Act) will be applied when assessing whether an applicant experienced a 30% or more decline in national turnover.

Employee has the same meaning as its ordinary or common law meaning. Where it is not known whether there is an employer/employee relationship, businesses and not-for-profits should consider the [guidance provided by the ATO](#) [\[7\]](#).

Employee headcount: the number of persons who are employed in New South Wales and who are permanent (full-time or part-time), or casual staff that have been employed by the business for more than 12 months.

Greater Sydney means (a) the Greater Sydney Region within the meaning of the *Greater Sydney Commission Act 2015*, and (b) the local government areas of the Central Coast, the City of Shellharbour and the City of Wollongong.

Independent practitioner: is not an employee or director of the applicant, an associated entity of the applicant, or a director or employee of an associated entity of the applicant.

Maintain their employee headcount means the employer will not take active steps to end the employment relationship with their employees. 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. Businesses will remain eligible if their employee headcount declines for reasons outside the control of the employer, for example if employees voluntarily resign or retire.

Micro-business means a business that:

holds an Australian Business Number (ABN)

has aggregated annual turnover of less than \$75,000, and

has fewer than 20 FTE employees as at 1 June 2021.

Micro-business owner is a sole trader, partnership, private company or trust that carries on a business.

Non-employing business means a business entity that does not have employees. This may include a range of entity types, such as non-employing sole traders or any other businesses without employees.

Not-for-profit organisation means an entity whose principal objective is not the generation of profit. A not-for-profit entity can be a single entity or a group of entities comprising the parent entity and each of the entities that it controls.

Qualified accountant, registered tax agent or registered BAS agent means an Independent Practitioner that is a:

qualified accountant as defined in the *Corporations Act 2001*;

registered tax agent as defined under the *Tax Agent Services Act 2009*; or

registered BAS agent as defined under the *Tax Agent Services Act 2009*.

Attachment A: Ineligible businesses

A business is not eligible for the 2021 Micro-business COVID-19 Grant if any of the following apply:

the business is a company in liquidation or provisional liquidation

the business is an individual who has entered bankruptcy

the business has been found to have been engaged in fraud

the business primarily earns passive income (rent, interest, dividends)

the business registered its Australian Business Number (ABN) after 1 June 2021.