

Southern Lakes Business Response Group

COVID-19 – Update 15 – 15/04/2020 – 4.00pm

*Here's the latest update from the **Southern Lakes Business Response & Recovery team***

As promised, this morning the Government announced a suite of new measures to provide relief for small and medium-sized businesses during the COVID-19 pandemic. [Visit here for more information.](#) This was on the back of the Treasury's scenario planning released yesterday which outlined that without further government support, the impact on businesses and the NZ economy would be worse, especially for unemployment levels.

One of the key announcements was a tax loss carry-back scheme that will allow a large number of businesses to access their previous tax payments as cash refunds. Essentially this means a forecast loss in the current financial year can be offset against the tax paid on a profit from last year.

This is another big injection into the economy and is welcomed by the group. We'll be working with the relevant agencies and providers to ensure things such as the consultancy support are available to Southern Lakes' businesses when they need it.

The uptake locally of the Regional Business Partnership support continues and the Otago team are working hard to ensure businesses get the one-on-one support they need, we kindly ask that people are patient as it's important people get the support they need and the team have a number of new requests to process.

A reminder of the week ahead:

- Yesterday the Treasury released its economic scenario planning. Click here to view details.
- Today Finance Minister Grant Robertson announced more assistance for businesses.
- Tomorrow Prime Minister Jacinda Ardern will announce details of what Level 3 means for businesses, schools, health and our community. Details will be announced at the 1pm press conference and updated on the website here www.covid19.govt.nz.
- On April 20, Cabinet will make a decision on whether New Zealand will change Alert Levels or stay at Alert Level 4.

We'll bring you an update tomorrow outlining the key information for businesses to plan and better understand how to operate under Level 3.

What's new?

The Government has announced a suite of new measures to provide relief for small and medium-sized businesses during the COVID-19 pandemic.

Finance Minister Grant Robertson says while the Government has already acted swiftly in response to the crisis, with about \$20 billion in support already announced, it recognises that more is needed.

The new measures include:

- \$3.1 billion tax loss carry-back scheme (estimated cost over the next two years)
- \$60 million estimated annual savings to business each year from changes to the tax loss continuity rules
- \$25 million in the next 12 months for further business consultancy support
- Greater flexibility for affected businesses affected to meet their tax obligations
- Measures to support commercial tenants and landlords

Commercial leases

The Government also announced it will extend the current 10 working day timeframe that commercial landlords may cancel the lease to 30 working days. This will be for both the period the tenant is in arrears before the notice is given, and for the period to remedy the breach.

The Government will also extend the timeframes for lenders from 20 to 40 working days for mortgaged land, and from 10 to 20 working days for mortgaged goods. This will apply to commercial mortgages and home loans. However, the already announced mortgage deferrals are likely to be the first port of call for residential borrowers.

Reminder:

Economic Scenarios - The Treasury has released economic scenarios showing the potential impact of COVID-19 on unemployment, GDP and the ability for the economy to recover. There are five scenarios explored with varying degrees of fiscal support, analysing different levels and time periods within those levels, as well as border closure times and global economics. [Read the full report and the detailed scenarios here.](#)

Wage subsidy advice

The Ministry for Social Development has advised us that some wage subsidy applications have been declined due to incorrect information. These businesses will be sent an email explaining their application has been declined and that they need to check their details are correct with IRD. In order to ensure you get the subsidy as quickly as possible, MSD has provided some guidance below:

Advice for applicants:

Make sure that they have all the information at their fingertips when they go online to apply, ie:

- Staff member name
- Staff IRD number
- Staff status – part-time or full-time (and that this is correct)

Please also read the instructions before applying and tick the right boxes on the forms.

For example:

- If people are self-employed, sole trader or a contractor, the applicant doesn't have staff and should use the [Self Employed Application](#).

- If they are a sole trader, they need to make sure that they are registered as such with IRD (MSD check and if IRD say they aren't self-employed/sole trader, the application is declined).
- If they have any staff at all, they should be ticking the [Employer Application](#). The business owners should be including themselves in the list of staff.

Webinars

Tourism and Hospitality specific

Hospitality industry - The Restaurant Association is holding weekly webinars for members and non-members on topics including restructuring, social media marketing, food costing and more.

[Click here for all training and webinars](#)

General business and economic

Harnessing your Resilience during COVID-19 - facilitated by Workplace Support Southern Training & Development Manager, Trudy Schievink.

- Thursday 16th April, 2pm - [Click here to register](#).
- Thursday 23rd April 10am - [Click here to register](#)

We are living through an unprecedented event that means our world is changing rapidly around us. Now is the time for us to ensure we are looking after ourselves so we can in turn, look after others. How we view these challenges and respond to this specific event will influence the way we navigate through this COVID-19 crisis.

This one-hour online webinar introduces how resiliency can enhance our capacity to effectively manage during this crisis. It includes identifying sources and symptoms of stress, explores the importance of harnessing resiliency and introduces resiliency strategies and resources.

Tax and COVID-19: What you need to know - Monday 20 April 10am

Stephen Richard, Technical Director for Tax Advisory with FINDEX will brief you on the changes to tax legislation resulting from the Government's COVID-19 relief package as well as penalty and interest remission for late tax payments. Register in advance for this webinar: [Click here](#)

Preparing for the Redundancy Process - Hosted by John Farrow (Employment Partner) Anderson Lloyd - Tuesday 21st April 2020

Unfortunately for some businesses the Government's Wage Subsidy cannot prevent the inevitable. Redundancies need to be based on a sound business rationale but also need to be procedurally fair. A flawed redundancy can give rise to personal grievances and a successful personal grievance can result in compensation and lost wages, in addition to any redundancy compensation that you have already paid as part of your redundancy process.

In this Webinar John will discuss the restructuring and redundancy processes, including good faith consultation requirements; provision of necessary information and consideration of redeployment options. **Register in advance for this webinar: [Click here](#)**

FAQs

Business FAQs on COVID-19 - How do I apply for the subsidy, what does it mean for my business, the economy, my staff etc. [BDO has set up a great resource here.](#)

General FAQs on COVID-19 - What it is, what self-isolation and level 4 means etc. [Click here for the COVID-19 website.](#)

Local FAQs on COVID-19 - What services are available, how can I get help etc. [Click here for local Council information.](#)

Local Business FAQs- Up-to-date [local information for businesses here.](#)

We are here to help, so if you have any concerns, or are not getting the support you need, from the resources, please contact anyone below.

Destination Queenstown – Ann Lockhart – CEO – annl@queenstownNZ.nz

Queenstown Chamber – Anna Mickell – CEO – ceo@queenstownchamber.org.nz

Lake Wanaka Tourism – James Helmore – GM – james@wanaka.co.nz

Ignite Wanaka Chamber – Naomi Lindsay – Executive Officer – naomi@ignitewanaka.co.nz

QLDC Economic Development – Peter Harris – Economic Development Manager
peter.harris@qldc.govt.nz

Regional Business Partners – Tara Druce – Business Advisor – tara@otagorbp.co.nz