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BUSINESS / COVID-19

New Covid-19 resurgence business support scheme announced

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A new Resurgence Support Payment will be available to businesses if New Zealand has to move to alert level 2 or above for a week or more.



The payment would include a core per business rate of \$1500 plus \$400 per employee up to a total of 50 full-time employees, or \$21,500 (file image). Photo: 123rf.com

It is designed to support sectors like hospitality and events, which face particular

disruptions as alert levels change.

This is part of the resurgence plan outlined by ministers ahead of the summer break.

Finance Minister Grant Robertson said it recognised that "some businesses face one-off costs or impacts to cashflow when we step up an alert level to follow public health advice".

"The payment is structured to provide most support to smaller firms who are most likely to face cashflow issues but will be available to all businesses and sole traders."

It would include a core per-business rate of \$1500 plus \$400 per employee up to a total of 50 full-time employees, or \$21,500.

Firms that experienced a 30 percent drop in revenue over a 14-day period would be eligible.

"We've also committed to the Wage Subsidy Scheme whether there's a regional or national move to alert levels 3 and 4," Robertson said.

"The Wage Subsidy Scheme has been very effective in keeping people in work so far with more than \$14 billion paid out to protect 1.8 million jobs."

The minister of justice has also been asked to go back and have another look at options for future commercial tenancy negotiation support, which Cabinet will discuss early next year.

"We're also keeping the Leave Support Scheme and adding to it by introducing a new Short-term Absence Payment to also cover eligible workers needing to stay at home while awaiting a Covid-19 test result," Robertson says.

"This will be a one-off payment of \$350 to employers to pay workers who need to stay home while awaiting a test or while someone who is their dependent is doing so, in accordance with public health advice."

Other support still in place include the loan products Business Finance Guarantee Scheme, which is being extended to June 2021 with additional availability and flexibility, and Small Business Cashflow Scheme, which has also recently been extended.

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