

Tuesday, 22 June 2021

## STRONG SUPPORT FOR BUSINESS IN BUDGET

Businesses will benefit from key support measures in the 2021-22 NSW Budget designed to boost their cashflow and help them prosper.

Minister for Finance and Small Business Damien Tudehope said the NSW Budget would continue to support businesses to help drive the State's economic recovery.

"This Budget will support small businesses to stay in business and seek opportunities to grow," Mr Tudehope said.

"Support measures include funding for the NSW Small Business Commission to provide advocacy and mediation services and a new policy requiring larger businesses to pay their small businesses subcontractors within 20 business days when they are engaged to supply goods or services to the NSW Government."

"Small businesses represent more than 98 per cent of businesses in NSW and they are the backbone of the State's economy. As we move further away from the challenges of 2020's pandemic, it's more important than ever that we provide them with the targeted support they need."

Key 2021-22 Budget measures to support business and jobs include:

- The **NSW Small Business Commission** will receive \$13 million in funding in the next financial year to provide:
  - Additional mediation staff to support the low-cost resolution of retail and commercial tenancy disputes as well as business-to-business disputes;
  - Additional customer service positions to manage calls and web-based enquiries from small businesses and enhanced advocacy, surveying and stakeholder engagement activities; and
  - Continuation of a previously funded four-year \$5 million tender support program in partnership with TAFE NSW aimed at helping small businesses improve their tendering skills and win more work from the NSW Government and the private sector.
- Introduction of the new **Small Business Shorter Payment Terms Policy**. Under the policy, large businesses who contract to supply goods or services valued at or above \$7.5 million to NSW Government agencies will be required to pay their small business subcontractors within 20 business days.
- A refreshed **Small and Medium Enterprise (SME) and Regional Procurement Policy** which will increase opportunities for SMEs and regional businesses to supply goods and services to the NSW Government through measures such as:

- Increasing the current general exemption of \$50,000 for small businesses to \$150,000 for SMEs and regional businesses. This means they can be directly engaged by agencies for goods or services up to that value, even where there is a whole-of-government contract in place;
  - Requiring agencies to first consider SMEs for procurements up to \$3 million, where direct engagement is permitted; and
  - Requiring suppliers tendering for contracts valued at more than \$3 million to submit an SME and Local Participation Plan, which will become contractually binding.
- Continuing **payroll tax cuts** for the next year, which will benefit thousands of NSW businesses. The payroll tax rate was cut from 5.45 per cent to 4.85 per cent for two years in the 2020-21 Budget and there was a permanent increase in the payroll tax threshold to \$1.2 million, saving businesses an average of \$34,000 a year
- Continuing the \$1,500 fees and charges rebate scheme to help small businesses cover the cost of NSW and local government fees and charges. The \$472 million scheme is available to small businesses with total wages below the 2020-21 \$1.2 million payroll tax threshold
- An **extension of the Dine & Discover** program by a month, until the end of July, giving people more time to use all their vouchers. Every adult in NSW is eligible for four \$25 vouchers worth \$100 in total, to spend across almost 14,000 participating businesses
- Introduction of a new \$50 million CBD Friday voucher stimulus program that will offer NSW residents \$100 worth of vouchers for use towards dining and entertainment experiences in the Sydney CBD on Fridays
- Continuing the **Business Connect** program. The program received a \$39.3 million boost last year, representing a four-year commitment, and the program will continue to support small businesses across the State to access targeted business advice and skills training.

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