



New Zealand Government Responses to COVID-19

The New Zealand Government economic response package has been billed as the most significant peace-time economic plan in modern New Zealand history to cushion the impact of COVID-19.

Below are some of the measures to boost cashflow and confidence [announced](#) April 15 2020 which include tax breaks, business advice and help for tenants and landlords. This support adds \$3.1b over two years to the \$20b already announced.

COVID-19: Information for businesses

This [Business.govt.nz](https://business.govt.nz) page brings together under one portal comprehensive information about government support for businesses who have been impacted by COVID-19 (novel coronavirus). Topics covered include mental health, emergency planning and contingency planning.

[Mental health](#), [emergency planning](#) and [contingency planning](#)

Finance and cashflow support

[Business finance support and mortgage holiday](#)

The **Business Finance Guarantee Scheme** includes a six month principal and interest payment holiday for mortgage holders and SME customers whose

incomes have been affected by the economic disruption from COVID-19.

The scheme will include a limit of \$500,000 per loan and will apply to firms with a turnover of between \$250,000 and \$80 million per annum. The loans will be for a maximum of three years and expected to be provided by the banks at competitive, transparent rates.

The Government will carry 80% of the credit risk, with the other 20% to be carried by the banks.

[Tax Relief](#)

Tax relief available to help defer tax payment and other tax relief options.

On April 27 a tax loss carry-back scheme estimated to cost \$3.1b over two years was announced. This 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.

\$60m estimated annual savings to business each year from changes to the tax loss continuity rules

Businesses will also get more flexibility over tax deadlines, along with \$25m worth of free specialist advice, and extensions to timeframes for cancelling commercial leases or proceeding with mortgagee sales.

Inland Revenue would also be given greater flexibility for dealing with business affected by COVID-19, which could include extending deadlines for filing tax returns and paying provisional and terminal tax for up to 18 months.

Leases, mortgagee sales and repossession of properties extensions

The Government has extended the notice required for the cancellation of leases, and for mortgagee sales or repossession of properties.

Landlords will have to give 30 days notice to cancel a lease, up from the current 10 days.

The timeframes for lenders is extended from 20 to 40 working days for mortgaged land, and from 10 to 20 working days for mortgaged goods.

Business development and growth

[Information for exporters](#)

This New Zealand Trade and Enterprise (NZTE) site is a resource for exporters to help them mitigate the impacts of the novel coronavirus (COVID-19) pandemic.

The website has also consolidated information of various government agencies such as Business.govt.nz, New Zealand Customs, Ministry for Primary Industries, Ministry of Foreign Affairs and Trade Export helpline, Callaghan Innovation, Immigration and Ministry of Health.

[NZTE Tools and Resources](#)

Tools include a business continuity plan template, managing cash flow, dealing with employees and supply chain.

[NZTE Export Business Continuity Service](#)

This is a new service for NZTE's export customers that will provide them with bespoke professional services, conducted

by PwC or Deloitte, including business continuity planning, scenario planning, business remodelling, and supply chain readjustment.

An additional \$25 million in the next 12 months for further business consultancy support

[Air Freight Capacity Support Package](#)

New Zealand Trade and Enterprise is supporting co-ordination of some additional flights to deliver freight capacity. Exporters or freight forwarders interested in using this capacity should contact myfreight@nzte.govt.nz setting out type of goods, quantity, New Zealand shipping port, overseas destination port and frequency. A case should also be made as to why these goods should be freighted – what will happen if they are not.

Importers requiring urgent supplies with high-priority goods such as medical supplies which they are unable to organise shipment of should also contact myfreight@nzte.govt.nz, setting out the same information as required for exporters.

Business support measures

Over the next 12 months the Government will make available \$25m for free specialist advice for SMEs to supplement tax measures and wage subsidies.

The scheme would use established services such as the [Regional Business Partner Network](#), and helplines run by the [Employers and Manufacturers Association](#) and [Canterbury Chamber of Commerce](#).

The advice could range from human resources advice to business continuity planning to financial management

Employment Issues

This Employment NZ site give guidance for employees, employers and businesses, including the wage subsidy, working arrangements, annual leave, minimum wage and the leave payment scheme.

Wage Subsidy

The wage subsidy is for businesses including registered charities, non-government organisations, self-employed and sole traders, contractors, incorporated societies, and post-settlement governance entities.

The Wage Subsidy will be paid at a flat rate of:

- \$585.80 for people working 20 hours or more per week (full-time rate)
- \$350.00 for people working less than 20 hours per week (part-time rate).
- The subsidy is paid as a lump sum and covers 12 weeks per employee.

Non-Government Response to COVID-19 in New Zealand

There have been a range of responses from economic development agencies, and business advocacy groups. Below is a list of some of these:

BusinessNZ

BusinessNZ is the umbrella organisation of four large regional organisations that together cover the entire country.

Auckland Tourism, Events and Economic Development:

<https://www.aucklandnz.com/Tamaki-Makaurau-Auckland-Covid19-updates>

Central Economic Development Agency:
<https://ceda.nz/covid-19-support/>

Christchurch NZ:
<https://www.christchurchnz.com/covid-19-what-you-need-to-know>

WellingtonNZ:
<https://www.wellingtonnz.com/business/covid-19/>

Compiled by:
Dr Tanya Jurado
Vice-President Academic & Industry
Engagement
Small Enterprise Association of Australia
and New Zealand (SEAANZ)
<http://www.seaanz.org/>