

## FLOORING NZ STAKEHOLDER UPDATE

### STAKEHOLDER UPDATE 18 MAY 2020

Dear FloorNZ Member,

We are sure like the majority of New Zealanders you will be happy to be at Alert Level Two even though this is certainly a surreal time.

**Some key points for retailers at Alert Level Two are as follows:**

Retail businesses:

- need to keep customers 2 metres apart
- **do not need to keep records of customers to enable contact tracing.**
- There is no maximum number of customers allowed in a store, as long as they can keep 2 metres apart at all times.

You may have personally experienced various interpretations of these measures with some in retail requesting customers to log in and others not. If in doubt refer to the following government website:

<https://covid19.govt.nz/alert-system/alert-level-2/#workplaces-and-businesses>

### FINANCIAL SUPPORT FOR BUSINESSES

With the new alert level the government has announced a suite of additional financial support packages which can be found at the following link: <https://covid19.govt.nz/businesses-and-employees/businesses-and-services/financial-support-for-businesses/#wage-subsidy-and-leave-schemes>

### COVID-19 WAGE SUBSIDY EXTENSION

A Wage Subsidy Extension payment will be available to support employers, including sole traders, who are still significantly impacted by COVID-19 after the existing Wage Subsidy ends.

The Wage Subsidy Extension will be available from 10 June 2020 until 1 September 2020.

**You can't apply for the Wage Subsidy Extension for an employee until their 12 week Wage Subsidy has finished. Applications open from 10 June 2020.**

- You must have had, or expect to have, a revenue loss of **at least 50%** for the 30 days before you apply, compared to the closest period last year.
- It will cover **8 weeks** per employee from the date you submit your application.
- It will be paid to you as a lump sum at the same weekly rate as the Wage Subsidy.
- You'll need to agree to certain obligations, such as to:
  - pass the subsidy on to your employees
  - retain your employees for the duration of the subsidy
  - do your best to pay your employees at least 80% of their normal pay
  - take active steps to mitigate the impact of COVID-19 on your business.

#### Receiving more than one COVID-19 payment

You won't be able to receive more than one COVID-19 payment for the same employee at the same time. This includes the:

- Wage Subsidy
- Leave Support Scheme, and the Wage Subsidy Extension.

## SMALL BUSINESS CASH FLOW LOAN

This Small Business Cashflow (Loan) Scheme (SBCS) has been introduced to support businesses struggling because of loss of actual or predicted revenue as a result of COVID-19.

Inland Revenue will administer the payments and repayments of this scheme. Applications will be open from 12 May – 12 June 2020.

Eligible businesses are entitled to a one-off loan. The maximum amount loaned is \$10,000 plus \$1,800 per full-time-equivalent employee.

The annual interest rate will be 3% beginning from the date of the loan being provided. Interest will not be charged if the loan is fully paid back within one year.

[Further Information on Loan](#)

## BUDGET 2020

The budget announcement last week has presented several opportunities we are currently investigating which could enable FloorNZ members to have apprenticeship training subsidized. This could ensure unlike the GFC when we had a major deficit in trained resource, employers able to retain apprentices through this subsidy. Some of the areas we are analyzing are as follows:

- \$1.4 billion for trades and apprenticeship training for all ages. This means that workers in other industries could transfer to our industry and have their training paid for.
- \$320 million for free trades training. Free training programs for learners of all ages for 2 years. It doesn't include the fees-free scheme which is funded separately and will continue to operate. It will be available from July 2020. Building and construction are one of the approved areas.
- \$412 million to support employers to retain and keep training their apprentices. Whether this includes an employer subsidy is unknown at present.

There are no details on how this will be implemented yet, but we will monitor closely and keep you informed as information comes to hand.

## MEMBERSHIP

We are very appreciative of the feedback we keep receiving about the updates and the assistance this provides. If you have not yet paid your membership fees, we are happy to look at a monthly installment program to help with your cashflow. If you know of other flooring businesses who are not FloorNZ members we would appreciate you sharing your experience of your FloorNZ membership and the benefits it can offer.

**Regards**

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