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Treasurer

MEDIA RELEASE

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JOBKEEPER UPDATE

The Morrison Government's historic \$130 billion JobKeeper payment will support millions of Australian jobs and help cushion the blow from the severe economic impact from the coronavirus.

The \$1,500 per fortnight JobKeeper payment is the equivalent of about 70 per cent of the median wage and represents about 100 per cent of the median wage in some of the most heavily affected sectors, such as retail, hospitality and tourism.

Around 900,000 businesses expressed interest in the JobKeeper scheme prior to enrolment.

Enrolments opened at the start of the week and so far more than 400,000 businesses have enrolled covering around 2.4 million employees.

To ensure the integrity and the efficient operation of the JobKeeper payment the Government is clarifying the operation of the rules:

- **Employees employed through a special purpose entity, rather than an operating entity:** Changes will address the circumstances where business structures use a special purpose entity to employ staff rather than staff being directly employed by an operating entity. The Government will provide an alternate decline in turnover test for the eligibility of special purpose service entities that provide employee labour to group members and that have not met the basic test for decline in turnover. This alternate test will apply where an entity provides the services of its employees to one or more related entities, where those related entities carry on a business deriving revenue from unrelated third parties. The alternate test will be by reference to the combined GST turnovers of the related entities using the services of the employer entity.
- **Charities and the treatment of government revenue:** Changes will allow charities (other than schools and universities) to elect to exclude government revenue from the JobKeeper turnover test. This will allow employing charities receiving revenue from government to use either their total turnover, or their turnover excluding government revenue, for the purposes of assessing eligibility for the JobKeeper Payment. This will help to ensure that the eligibility of charities is not adversely affected where they are delivering significant services that are funded by government.
- **Religious practitioners:** Changes will allow JobKeeper Payments to be made to religious institutions in respect of religious practitioners (with the exception of those that are students only), recognising that many religious practitioners are not 'employees' of their religious

institutions.

- **‘One in, all in’ principle:** Once an employer decides to participate in the JobKeeper scheme and their eligible employees have agreed to be nominated by the employer, the employer must ensure that all of these eligible employees are covered by their participation in the scheme. This includes all eligible employees who are undertaking work for the employer or have been stood down. The employer cannot select which eligible employees will participate in the scheme. As noted in the explanatory statement to the existing rules, this ‘one in, all in’ principle is already a key feature of the scheme and will be made clearer in the rules.
- **Full time students aged 16 and 17 years old:** As noted in the explanatory statement to the existing rules, the benefit of the JobKeeper payment to workers over the age of 16 is justified for those who are financially independent and who require the security provided by participation in the JobKeeper scheme and the maintenance of the working relationship that it affords. The rules will provide that full time students who are 17 years old and younger, and who are not financially independent, are not eligible for the JobKeeper Payment. This clarification will apply prospectively, which would mean an eligible employer that has already met the wage condition of paying such an employee \$1,500 for a fortnight could be entitled to a JobKeeper Payment in arrears for that fortnight.
- **International Aid Organisations:** Changes will allow entities that are endorsed under the Overseas Aid Gift Deductibility Scheme or for developed country relief to meet the requirement that not-for-profits pursue their objectives principally in Australia. The current requirement that employees must be Australian residents to be eligible under the JobKeeper program would remain in place.
- **Universities:** Changes will clarify that the core Commonwealth Government financial assistance provided to universities will be included in the JobKeeper turnover tests.

The banks have also agreed to setup special hotlines to help businesses who need finance to bridge the gap until the first JobKeeper payments are made. The banks have also agreed to bring JobKeeper-related applications to the front of the queue and work with the ATO to accelerate the finance assessment process.

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