



A message from the CEO

Coronavirus (COVID-19) update 9/4

\$130 billion JobKeeper passes Federal Parliament

Legislation underpinning the monumental \$130 billion JobKeeper package passed the Lower House and the Senate last night. Additional legislation has also passed making changes to a number of other laws, particularly in the Fair Work Act.

We have updated our Frequently Asked Questions section on our COVID-19 portal this morning in regards to the JobKeeper program. You can access this FAQ by [clicking here](#).

What does the JobKeeper program mean?

The JobKeeper program will greatly assist eligible businesses in staff retention over the next six months by providing payments of \$1,500 per eligible employee per fortnight. Where an employee's total remuneration is less than \$1,500 per fortnight (before tax), or the employee has been stood down, the employer must provide the employee at least \$1,500 per fortnight (before tax). Where an employee earns more than \$1,500 per fortnight, employers can use the payment to subsidise the employee's wages.

Under the program, full-time staff, part-time staff, sole traders and long-term casuals are eligible to receive the payments and employers are legally obligated to pass on the payments.

Eligible businesses include those with turnovers of less than \$1bn who have suffered reductions in revenue of at least 30 per cent since March 1. Businesses with turnovers above \$1bn need to prove reductions in revenue of at least 50 per cent.

The JobKeeper money will flow to employers from the Australian Tax Office (ATO) from the beginning of May and while we await a formal application process from the Federal Government, I encourage you to register your interest for updates by [clicking here](#) if you haven't done so already.

Based on our conversations with the office of Federal Minister for Employment, Skills, Small and Family Business, Michaelia Cash, we are very confident that we will be eligible to receive this assistance for MTA Group Training apprentices, which we will use to top up their wages and pass the balance on to their hosts. We will communicate directly with hosts and MTA Group Training apprentices as soon as we have confirmation

What do we know about the test for eligibility for the JobKeeper scheme?

Employers (including not-for-profits) will be eligible for the subsidy if, at the time of applying:

- their business has an annual turnover of less than \$1 billion and they estimate their turnover has fallen **or will likely fall** by 30 per cent or more; or
- their business has an annual turnover of \$1 billion or more (or is part of a consolidated group for income tax purposes with turnover of \$1 billion or more) and they estimate their turnover has fallen **or will likely fall** by 50 per cent or more; and
- their business is not subject to the Major Bank Levy.

Self-employed individuals will be eligible to receive the JobKeeper Payment where they meet the relevant turnover test outlined above. For charities registered with the Australian Charities and Not-For-Profit Commission (ACNC), they will be eligible for the subsidy if they estimate their turnover has or will likely fall by 15 per cent or more relative to a comparable period.

To establish that a business or not-for-profit has faced or is likely to face the relevant fall in turnover, most would be expected to establish that their turnover has or will likely fall **in the relevant month or quarter (depending on their Business Activity Statement reporting period) relative to their turnover in a corresponding period a year earlier. Turnover is calculated as it is for GST purposes, and is reported on Business Activity Statements.** It includes all taxable supplies and all GST free supplies but not input taxed supplies.

Where a business or not-for-profit was not in operation a year earlier, or where their turnover a year earlier was not representative of their usual or average turnover, (for example, because there was a large interim acquisition, they were newly established, were scaling up, or their turnover is typically highly variable), the Tax Commissioner will have **discretion to consider additional information** that the business or not-for-profit can provide to establish that they have been adversely affected by the impacts of the Coronavirus.

The Tax Commissioner will also have discretion to set out **alternative tests** that would establish eligibility in specific circumstances (for example, eligibility may be established as soon as a business ceases or significantly curtails its operations). There will be some tolerance where employers, in good faith, estimate a 30 per cent or more, or 50 per cent or more fall in turnover but actually experience a slightly smaller fall.

If a business is part of a consolidated group for income tax purposes, with a turnover of more than \$1 billion, the 50 per cent or more turnover test will apply to each business in that consolidated group. If the consolidated group has a turnover of less than \$1 billion, the 30 per cent or more turnover test is applied to each business in that consolidated group. Individual businesses within a consolidated group may be eligible for the JobKeeper payment while other businesses in the group may not be eligible.

As the rules are released by the Tax Commissioner, we will provide updates on eligibility.

State Government to provide cash grants of \$10,000 to thousands of SA small businesses

Businesses with a turnover of at least \$75,000 per year and those that have a total wages bill up to \$1.5 million will get a \$10,000 direct cash boost within weeks under a \$190 million State Government plan to strengthen the local economy.

This move by the State Premier, Steven Marshall, is an effort to support cash flow for small businesses and could assist in paying bills that may be arriving in the next few months for businesses that meet the eligibility criteria.

An application process will open soon and will remain open until June 1. To be eligible, a business with the aforementioned turnover and wages requirements, must employ people, have an ABN, have operating since 1 March 2020 and has been highly affected or closed because of the Coronavirus.

Remember to check into our COVID-19 portal regularly by [clicking here](#) or the image below which has the latest updates.

Paul Unerkov
MTA CEO
