

## NECA MEMBER COVID-19 UPDATE

### LATEST FEDERAL ANNOUNCEMENTS

#### 1. EXTENSION OF SUPPORT FOR APPRENTICES AND TRAINEES

In March the Federal Government announced \$1.3 billion to support business to retain or re-engage apprentices through the Supporting Apprentices and Trainees measure as part of the initial Economic Response to the COVID-19.

Due to concerns that apprentices and trainees have been suspended or returned to Group Training Organisations (GTOs) and can no longer be supported in their employment and training, the Federal Government will increase the value of the Supporting Apprentices and Trainees wage subsidy to \$1,500 per fortnight for GTOs, where the **Host Employer of any size** is receiving the JobKeeper Payment and retains their apprentice.

This change will apply retrospectively to wages paid from 1 April 2020, and will be rolled out in line with existing processes for the Supporting Apprentice and Trainees measure, with payments made quarterly in arrears.

The Federal Government is working with the National Apprentice Employment Network to update the guidelines for the Supporting Apprentices and Trainees measure.

**Note**, this support is not provided through the ATO, it is delivered through the apprenticeship payment system.

**Remember**, even if apprentices are eligible for JobKeeper, small businesses, including those using a Group Training Organisation, can still access the 50% wage subsidy for wages paid to apprentices between January to March this year.

**For more information:** not available at this time

#### 2. JOBKEEPER ALTERNATIVE DECLINE IN TURNOVER TESTS

The alternative decline in turnover test rules for the JobKeeper payment scheme have now been registered by the ATO.

The Commissioner has determined alternative tests for fall in turnover for classes of entities where there is not an appropriate relevant comparison period.

However, if an entity satisfies the basic test it does not need to go to an alternative test determined by the Commissioner.

Circumstances where an alternative test applies:

- the entity commenced business after the relevant comparison period (the business did not exist in that period)

- the entity acquired or disposed of part of the business after the relevant comparison period (the business is not the same business in that period as it is now)
- the entity undertook a restructure after the relevant comparison period (the business is not the same business in that period as it is now)
- the entity's turnover substantially increased by:
  - o 50% or more in the 12 months immediately before the applicable turnover test period; or
  - o 25% or more in the 6 months immediately before the applicable turnover test period, or
  - o 12.5% or more in the 3 months immediately before the applicable turnover test period.
- the entity was affected by drought or other declared natural disaster during the relevant comparison period
- the entity has a large irregular variance in their turnover for the quarters ending in the 12 months before the applicable turnover test period, excluding entities that have cyclical or regular seasonal variance in their turnover, or
- the entity is a sole trader or small partnership where sickness, injury or leave have impacted an individual's ability to work which has affected turnover.

The Commissioner cannot determine an alternative decline in turnover test in all circumstances. It is only where there is an event or circumstance that is outside the usual business setting for entities of that class which results in the relevant comparison period in 2019 not being appropriate for measuring decline in turnover.

The Commissioner can also only determine a test for a class of entities, and cannot make discretionary decisions for individual entities.

If you fall into more than one of the classes of entities covered by the alternative test, you can choose which alternative decline in turnover test to apply. You only need to satisfy one of the tests (it does not matter if you do not satisfy one of the other tests that applies to you).

**For more information:**

[https://www.ato.gov.au/General/JobKeeper-Payment/In-detail/Applying-the-turnover-test/Coronavirus Economic Response Package \(Payments and Benefits\) Alternative Decline in Turnover Test Rules 2020](https://www.ato.gov.au/General/JobKeeper-Payment/In-detail/Applying-the-turnover-test/Coronavirus-Economic-Response-Package-(Payments-and-Benefits)-Alternative-Decline-in-Turnover-Test-Rules-2020)  
[Explanatory statement: Coronavirus Economic Response Package \(Payments and Benefits\) Alternative Decline in Turnover Test Rules 2020](#)

**LATEST STATE AND TERRITORY ANNOUNCEMENTS**

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