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The nature in which the Coronavirus has impacted Australian business has made the JobKeeper payment, a key component of the Federal Government's business support package, highly desirable to Australian business owners. The payment provides a \$1,500.00 per fortnight, per employee wage subsidy to employers for a period of 6 months. Although on the surface the JobKeeper payment seems relatively simple to access, we discuss some challenges that businesses have faced in accessing the payment and how recent changes to the rules surrounding the payment may provide a remedy for those currently unable to access the JobKeeper payment.

The current picture

The ATO has recently implemented section 20(4) of the *Coronavirus Economic Response Package (Payments and Benefits) Alternative Decline in Turnover Test Rules 2020* which introduces seven alternative tests which businesses can use to apply for the JobKeeper subsidy.

Before looking at the alternative tests, first, let's run through a quick summary of the current test. In order to be eligible for the JobKeeper subsidy a business must, among other things, show to the Australian Taxation Office (ATO) that business turnover has fallen by 30% as compared to the same period in 2019. For a variety of reasons, numerous businesses have failed to show that turnover has fallen by 30%. Nevertheless, if your business does not satisfy this test, you may now be able to apply for the JobKeeper subsidy under an alternative test.

The Alternative Tests

The ATO has introduced seven alternative tests which cater for a broad range of businesses. Your business may be applicable to one of the tests if:

1. Your business was established less than a year ago;
2. Your business undertook an acquisition or a disposal that changed your business' turn-over;
3. Your business, or part of it, has undergone a restructure in the past year which has changed your turn-over;
4. Your business' turnover has increased by either:
 - I. 50% or more in the last 12 months;
 - II. 25% or more in the last 6 months; or
 - III. 12.5% or more in the last 3 months.
5. Your business conducted some or all of its business in a declared drought or natural disaster zone during the relevant comparison period and you believe that these circumstances had an effect on turnover;
6. Your business has had an irregular or periodic turnover over in the last 12 months. Your business will be eligible if in the 12 months leading up to the test period, the period with the highest turnover was more than twice that of the period with the lowest amount of turnover; or
7. You are a sole trader or a small partnership with no employees and your businesses turnover was impacted by you not working for a period of time within the 12 months preceding your application.

Key Points to consider if you're Business falls under an alternative test

Where applying for the JobKeeper payment under an alternative test, you must ensure that you understand the following:

- Where your business meets the requirements to apply an alternative test, your business will be provided with an alternative period or amount that may be used to compare against the projected GST turnover for the relevant test period;
- In order to satisfy one of the alternative tests, your business must provide a number of GST turnover calculations which are to be made for the various alternative periods;
- Your business is required to self assess its own eligibility to one or more of the alternative tests. Despite the ability to self assess, businesses must ensure that they have turnover calculations on file in the event that the ATO undertakes a review of their JobKeeper payment eligibility;
- Your business need only satisfy one of the alternative tests;
- There are allowances if your business qualified for the ATO's bushfire 2019-2020 lodgement and payment deferrals and the ATO's Drought Help concessions. The allowances provide that months that were affected by bushfires and drought will be excluded from the comparison period, unless there are no other appropriate months; and
- The ATO has extended the deadline to register for the JobKeeper payments for April and May, as well as the mandatory monthly business declaration for April to 31 May 2020.

What does this mean for your business?

The introduction of the alternative tests has significantly increased the scope and availability of the JobKeeper payment to Australian businesses. We urge businesses that did not meet the original turnover reduction test when applying for the JobKeeper payment to reconsider their options by matching their business to one or more of the alternative tests.

How can ClarkeKann Assist?

ClarkeKann appreciates that determining whether your business is eligible for the JobKeeper subsidy under the alternative tests can be tricky, particularly when it comes to interpreting and applying terms such as 'test periods' and 'GST turnover calculations.' It is important that you are diligent in your application for the JobKeeper payment, especially given that businesses that don't comply with their obligations under the scheme are potentially liable for a wide range of administrative and criminal sanctions.

ClarkeKann is happy to assist if you are having difficulty with any aspect of the JobKeeper payment. Please contact [John Gray](#) on 02 8235 1205 for further information.