

Senate Standing Committee on COVID-19
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Australian Government's response to the COVID-19 pandemic

2019 - 2020

Division: JobKeeper Division
Topic: Not for profits
Reference: Written questions from Senator Siewert, received on 29 April 2020

Question:

1. Why have not-for-profits been excluded from the changes announced on 24 April 2020 relating to how the 15% revenue loss is calculated?
2. Did you consult with the not-for-profit sector in making this decision? If so, with whom?
3. What is the expected cost for the change to the treatment of government revenue announced on 24 April 2020?
4. How many workers are expected to be helped by this change?

Answer:

1. The changes announced on 24 April will allow ACNC-registered charities (other than schools and universities) to elect to exclude government revenue from the JobKeeper 15 per cent turnover test. This treatment reflects the important role played by charities in supporting the Australian community and the highly regulated nature of ACNC registered charities. The change was limited to charities and does not apply to the broader not-for-profit sector. Not-for-profits will continue to be eligible subject to the existing turnover threshold test.
2. Targeted consultation was undertaken with the sector on the announced eligibility changes.
3. It does not materially change the estimated financial impact of the JobKeeper scheme as outlined in the Explanatory Memorandum for the Act and Schedule 2 to *the Coronavirus Economic Response Package Omnibus (Measures No. 2) Act 2020*.
4. The change helps to deliver on the Government's overall policy intent of the JobKeeper program. We have not separately estimated the impact of the changes to the detailed design of the program.