



Policy costing

Profitable corporations to return JobKeeper payments	
Person/party requesting the costing:	Mr Adam Bandt MP, Australian Greens
Date costing completed:	22 April 2021
Expiry date of the costing:	Release of the next economic and fiscal outlook report.
Status at time of request:	Submitted outside the caretaker period.
	<input checked="" type="checkbox"/> Confidential <input type="checkbox"/> Not confidential
Summary of proposal: This proposal would require the 65 companies listed in Attachment A to repay the entire amount of the JobKeeper payments that they have received. The policy would have effect from 1 July 2021.	

Costing overview

The proposal would be expected to increase both the fiscal and underlying cash balances by \$1,152.9 million over the 2020-21 Budget forward estimates period. This reflects an increase in tax revenue of \$1,155.4 million and an increase in departmental costs of \$2.5 million over the 2020-21 Budget forward estimates period.

The proposal would not be expected to have any financial impact beyond the 2020-21 Budget forward estimates period. A breakdown of the financial implications from 2020-21 to 2030-31 is provided in [Attachment B](#).

These estimates are sensitive to a number of factors related to JobKeeper data, including the impact of successful, albeit late, applications for the payment from April 2020 to February 2021, amounts received in March 2021 and or any voluntary repayments since the beginning of April 2021.

These estimates have been adjusted to account for the tax deductibility of repayments of the previously taxable JobKeeper amounts. This treatment is consistent with rules set out by the Australian Tax Office (ATO) on voluntary JobKeeper repayments, where businesses are expected to repay the amount of JobKeeper that they received less any tax paid on that amount.

Note that the Parliamentary Budget Office (PBO) has not made an assessment of the legal grounds on which the proposal could be based nor has it made provision for the cost or delays associated with any potential legal disputes that may follow. Moreover, the PBO has not made an assessment on how the repayment of JobKeeper would affect the viability of these companies in the future should the proposal be implemented in its current form.

Table 1: Financial implications (\$m)^{(a)(b)}

	2020–21	2021–22	2022–23	2023–24	Total to 2023–24
Fiscal balance	-	1,152.9	-	-	1,152.9
Underlying cash balance	-	1,152.9	-	-	1,152.9

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

– Indicates nil.

Key assumptions

The PBO has made the following key assumptions in costing this proposal.

- There would be full compliance with the proposal. This means that the total amount of JobKeeper payments made to the listed companies would be repaid in full.
- The repayments would be made within one financial year, starting from 1 July 2021.
- The repayments would be collected by way of a non-deductible levy equivalent to 70 per cent of total JobKeeper payments.

Methodology

The total amount of JobKeeper to be repaid under the proposal was based on information provided by the ATO. This information was the net JobKeeper payments received by the 65 listed companies from April 2020 through to February 2021, where net payments are the sum of JobKeeper payments made to companies less any voluntary repayments made prior to 7 April 2021, when the data was sourced from the ATO. This amount was then reduced by 30 per cent to account for tax previously paid on JobKeeper payments, where this is in line with the standard company tax rate for large companies.

The total amount of departmental costs for the ATO was estimated based on previous budget measures of similar size and complexity from the 2017-18 Budget.

Revenue and departmental expense estimates have been rounded to the nearest \$100,000.

Data sources

The Australian Tax Office provided information on net JobKeeper payments for the payment fortnights of April 2020 through to February 2021 as at 7 April 2021.

Australian Tax Office, 2019. *Commissioner of Taxation annual report 2019-20*, Canberra: Australian Taxation Office.

Australian Tax Office, 2021. *JobKeeper voluntary repayments*. Available at: <https://www.ato.gov.au/General/JobKeeper-Payment/Employers/JobKeeper-voluntary-repayments/>. [Accessed 21.04.2021]

Commonwealth of Australia, 2017. *2017-18 Budget*, Canberra: Commonwealth of Australia.

The New Daily 2021. *UPDATED: The New Daily reveals the companies that kept JobKeeper – despite huge profits*. Available at: <https://thenewdaily.com.au/finance/finance-news/2021/03/03/jobkeeper-company-profits/>. [Accessed 17.03.2021]

Attachment A – Profitable corporations to return JobKeeper payments

Table A1: Listed companies^(a)

Company Name	
Accent Group	Lynas
Adairs	MaxiTRANS
AMA Group	Mayfield childcare
AMPOL	McGrath Limited
ARB 4X4 Accessories	McMillan Shakespeare
AUB Group	Michael Hill
Aventus Group	Mirvac Group
Bingo Industries	Moelis Australia
Blackmores	Monadelphous
Carsales	Monash IVF
City Chic	National Tyre&Wheel
Cochlear	nib Group
Collins Foods	Nick Scali
Crown	Nine Entertainment
Domain	Pact Group
dusk	Qube
Eagers Automotive	Redcape Hotel Group
Elmo Software	SeaLink Group
Empired	SEEK
Good Drinks	Senex
GPT Group	Service Stream
Harvey Norman	Seven West Media
HT&E	Silk Laser Clinics
Humm Group	SkyCity
IDP Education	Southern Cross Media
Ingenia	Star Entertainment
Integral Diagnostics	Steadfast Group
K2 Asset Management	Tabcorp
Kathmandu	Vicinity Centres
Kip McGraph	Virtus Health
Lendlease Group	Vita Group
Lindsay Australia	VIVA Energy
Lovisa	

- (a) This list of companies was originally published by The New Daily on 3 March 2021 and subsequently updated on 25 March 2021 in the article *UPDATED: The New Daily reveals the companies that kept JobKeeper – despite huge profits.*

Attachment B – Profitable corporations to return JobKeeper payments

Table B1: Profitable corporations to return JobKeeper payments – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2020– 21	2021– 22	2022– 23	2023– 24	2024– 25	2025– 26	2026– 27	2027– 28	2028– 29	2029– 30	2030– 31	Total to 2023–24	Total to 2030–31
<i>Revenue</i>	-	1,155.4	-	-	-	-	-	-	-	-	-	1,155.4	1,155.4
<i>Departmental expense</i>	-	-2.5	-	-	-	-	-	-	-	-	-	-2.5	-2.5
Total	-	1,152.9	-	-	-	-	-	-	-	-	-	1,152.9	1,152.9

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.