



3 August 2020

Hon Scott Morrison MP  
Prime Minister  
Parliament House  
Canberra ACT 2600

Hon Josh Frydenberg MP  
Treasurer  
Parliament House  
Canberra ACT 2600

Dear Prime Minister and Treasurer,

### JobKeeper 2.0

First let us thank you and the Treasurer for the extension of JobKeeper. Unfortunately, JobKeeper 2.0 is deficient in two key areas. First, it sets tougher and inequitable rules on business eligibility. Second, employee eligibility is structured to provide less support to business over time.

As well as a series of formal submissions, we have made several attempts to have a meeting with the Prime Minister. Unfortunately, the meeting we had finally scheduled was cancelled on the day. Bearing in mind the recent spike in the pandemic, and actions by governments to further restrict our sector, this matter is now of the utmost urgency and we request your immediate response to it.

#### Business turnover eligibility test

Unfortunately, the new business eligibility test does not take into account "lumpy" or uneven turnover being experienced as a result of the frequent changes to trading restrictions. We propose the business eligibility test be assessed as follows:

- First extension period (28 Sep 2020 to 3 Jan 2021) - average over both the June and September quarter.
- Second extension period (4 Jan 2021 to 28 Mar 2021) - average over the June, September and December quarter.

#### "Re-set" for replacement employees

JobKeeper eligible employees are resigning for reasons including, e.g. better alternative employment, students moving home as a result of all classes being online. This diminishes the value of JobKeeper support for businesses. The Treasury review of JobKeeper recommended "targeted wage subsidies aimed at people newly entering the labour market", yet this was ignored in JobKeeper 2.0. We recommend the following:

- Amend the "eligible employee" definition to include new (replacement) employees
- Provide that new (replacement) employees are eligible for a JobKeeper payment
- But, the number of total JobKeeper eligible employees in a business to be capped at the number of employees eligible for JobKeeper as at 1 March 2020
- The rate of JobKeeper payment per individual then to be set on the number of hours worked (+/- 20 hours) in the four weeks of pay period in their new employment

Yours faithfully,

SCOTT LEACH  
NATIONAL PRESIDENT

DAVID CANNY  
SENIOR VICE PRESIDENT