



21 July 2020

Hon Josh Frydenberg MP
Treasurer
Parliament House
Canberra ACT 2600

Dear Treasurer,

JobKeeper extension and employee eligibility “re-set”

Thank you the extension of JobKeeper until March 2021. The extension will go a long way to saving businesses and jobs as we emerge from the COVID crisis. However, there is one issue we wish to raise with the Government relating to the JobKeeper employee eligibility provisions.

The AHA is concerned as to the effectiveness of JobKeeper for businesses which have suffered long-term shutdowns - as is being experienced in Victoria right now. Given the length of forced shutdowns - and the nature of our highly casualised, mobile and often seasonal workforce, we are seeing the continuity of employment starting to break down.

As JobKeeper is only payable for those employees who were with the employer on 1 March 2020, this would decrease the assistance to those businesses which have been shut down the longest as they are trying to re-open. There is a real concern when those businesses do re-open their JobKeeper-eligible staff may have already moved on.

We are requesting the Government to provide a “re-set provision” of JobKeeper employee eligibility for businesses which have extended periods of shutdown, such as those in Victoria. For businesses that have undergone extended forced shutdown, such a “re-set” could take the form a head count in the business as at 1 March 2020. This would have the following benefits:

- Enables employers to provide more jobs
- Encourages people back to work
- Recognises the complete shut-down of the industry and displacement of workers
- Cures an unintended consequence for those businesses that have endured the greatest financial stress

The Government has shown a willingness to move quickly where needed in these fast-changing times and to tackle unintended consequences when they arise and we thank you for that. Providing a JobKeeper employee eligibility re-set will enable those businesses forced to have closed the longest to re-open their doors and get more people into work in these times of high unemployment.

Yours faithfully

STEPHEN FERGUSON
NATIONAL CEO