



The Hon Scott Morrison MP
Prime Minister

The Hon. Josh Frydenberg MP
Treasurer

Senator the Hon. Anne Ruston
Minister for Families and Social Services

JOINT MEDIA RELEASE

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JOBKEEPER PAYMENT AND INCOME SUPPORT EXTENDED

The Morrison Government will deliver more support for households and businesses to help Australians through the COVID-19 pandemic and bolster our economic recovery.

The JobKeeper Payment will be extended by six months to 28 March 2021 and the temporary Coronavirus Supplement for those on income support will be extended until 31 December 2020.

Prime Minister Scott Morrison said the extra assistance would continue supporting hundreds of thousands of Australians who are without work, and offer businesses and their workers a lifeline to not only get through this crisis, but recover on the other side.

“We will have Australian’s backs as we face the ongoing impacts of COVID-19,” the Prime Minister said.

“There is no silver bullet and this is about delivering the support Australians need and the policies our economy requires to reopen, recover and create jobs.

“These supports are a lifeline but our JobMaker plan is also setting Australia up for our country’s recovery. We’re delivering the initiatives and reforms that will help grow our economy and create the jobs we need for the years ahead.”

Treasurer Josh Frydenberg said the extension of support recognised Australia’s economic recovery was still in its early stages and a number of businesses and individuals remained significantly affected by the global COVID-19 pandemic.

“The Government’s focus remains on reopening the economy where it is safe to do so, but the extension of these measures recognises that some parts of the economy will continue to be affected and need continued support,” the Treasurer said.

“Sadly, as a result of this global health pandemic, businesses will close and people will lose their jobs, but that is why we have extended the Coronavirus Supplement and announced a new skills package to help people transition from welfare to work.

“It is also why we are extending the JobKeeper Payment beyond September to help keep businesses in business and Australians in jobs as our economy reopens.”

Minister for Families and Social Services Anne Ruston said the extension of the Coronavirus supplement would support many Australians who may have found themselves out of work, through no fault of their own.

“The Government has acted decisively to support hundreds of thousands of Australians, many who are receiving income support for the first time,” Minister Ruston said.

“We are extending the Coronavirus Supplement and enhanced eligibility criteria for a further three months to cushion against the economic impact of the pandemic.

“We are also increasing the income free area for JobSeeker Payment and Youth Allowance (other) to \$300 a fortnight to encourage and support recipients to take up job opportunities as businesses reopen.”

JOBKEEPER PAYMENT

The JobKeeper Payment has been instrumental in supporting job retention, maintaining employment links and business cash flow, as well as providing income support to eligible employees.

This extension will provide further support to significantly impacted businesses so more Australians can retain their jobs and continue to earn an income.

The JobKeeper Payment is currently due to finish on 27 September 2020, but will now remain available for eligible employers until 28 March 2021.

As the economy reopens the payment will be tapered in the December and March quarters to encourage businesses to adjust to the new environment, supporting a gradual transition to economic recovery, while ensuring those businesses who most need support continue to receive it. A two-tiered payment will also be introduced from 28 September, to better align the payment with the incomes of employees before the onset of the COVID-19 pandemic. Employees who were employed for less than 20 hours a week on average in the four weekly pay periods ending before 1 March 2020 will receive the lower payment rate.

JobKeeper Payment rates from 28 September 2020 to 28 March 2021:

| Date | Full rate per fortnight | Less than 20hrs worked per fortnight rate |
|--|-------------------------|---|
| 28 September 2020 to 3 January 2021 | \$1,200 | \$750 |
| 4 January 2021 to 28 March 2021 | \$1,000 | \$650 |

From 28 September 2020, businesses, and not-for-profits will be required to reassess their eligibility by reference to their actual June and September quarter turnovers to demonstrate that they have suffered an ongoing significant decline in turnover. Organisations will need to demonstrate that they have experienced the relevant decline in turnover in both of those quarters to be eligible for the JobKeeper Payment in the December quarter.

Employers will need to again reassess their eligibility for the JobKeeper Payment for the March quarter. Employers will need to demonstrate that they have met the relevant decline in actual turnover in each of the previous three quarters ending on 31 December 2020 to remain eligible for the JobKeeper Payment in the March quarter 2021.

If they do not meet the turnover test in the extension period this does not affect their eligibility prior to 28 September 2020. The continuation of JobKeeper for these businesses will help support the economic recovery and provide them with sufficient time to adjust.

The JobKeeper Payment will continue to remain open to new participants that meet the eligibility requirements.

Also, as the Review recommended, an independent evaluation will be conducted at the conclusion of the program.

The new arrangements for the JobKeeper Payment are expected to cost an additional \$16.6 billion.

COVID-19 SUPPLEMENT

The Government will extend the payment period of the temporary Coronavirus Supplement for those on income support from 25 September 2020 to 31 December 2020 to continue to provide elevated assistance while the economy is still in its early stages of recovery.

As the economy reopens, the Coronavirus Supplement will be extended at the rate of \$250 per fortnight. The extended Coronavirus Supplement reflects the gradually improving economic and labour market conditions and is designed to ensure there are appropriate incentives for all payment recipients to seek out employment or study opportunities.

Both existing and new income support recipients will continue to be paid the Coronavirus Supplement.

The Government will also ensure income support is appropriately targeted as the economy recovers by reintroducing a range of means testing arrangements.

From 25 September 2020, the assets test and the Liquid Assets Waiting Period will be reintroduced and the JobSeeker Payment partner income test will increase from 25 cents for every dollar of partner income earned over \$996 per fortnight to 27 cents for every dollar of partner income earned over \$1,165 per fortnight.

The Government will also improve incentives to work by increasing the income free area for JobSeeker Payment and Youth Allowance (Other) from \$106 per fortnight to \$300 per fortnight and will simplify

the taper rate from a dual taper of 50 cents and 60 cents to a single taper of 60 cents. This will mean recipients are more easily able to calculate the value of every dollar they earn.

These changes will mean individuals will be able to earn up to \$300 per fortnight without foregoing any JobSeeker payment or affecting their eligibility for the Coronavirus Supplement.

The expanded criteria for JobSeeker Payment and Youth Allowance (Other) will continue to provide payment access for permanent employees who are stood down or lose their employment, sole traders, and the self-employed until 31 December 2020.

Reduced waiting times, including the Ordinary Waiting Period, Newly Arrived Resident's Waiting Period (NARWP) and the Seasonal Work Preclusion Period, will continue to be waived until 31 December 2020.

The new arrangements for the Coronavirus Supplement are expected to cost an additional \$3.8 billion.

Further details are available at treasury.gov.au.

Media contacts:

Prime Minister's office: Press Office, (02) 6277 7700

Treasurer's office: Kane Silom, 0438 225 175

Minister Ruston's office: Sheradyn Holderhead, 0418 514 271