

Australian Council of Trade Unions (ACTU)

Answer to question on notice from public hearing in Canberra on 2 November 2020

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The ACTU is of the view that the additionality test can be improved through a fundamental shift from a 'headcount' methodology to one that also takes account FTE (Full-Time Equivalent) numbers.

There are two ways to count the number of employees. Firstly, "headcount" where each individual person counts as one employee whether their appointment is full time, ~~or~~ part time or casual. FTE operates through totalling the number of all positions using the percentage of the appointment rather than the number of individuals. While it is often more straightforward to utilise headcount to look at changes in employment in a business, it can provide a simplistic view which doesn't take into account the sometimes changeable amount of work being done by each employee, including reductions for existing employees. Simply looking at headcount means that changes made to existing employee hours to be replaced by subsidised workers are missed.

On this basis it is our view that the JobMaker scheme should require additionality to be determined ~~through~~ by including an additional requirement of an increase in the business' FTE figure, not merely its headcount. In addition to this, to ensure that other workers are not seeing their hours reduced to allow for a subsidised worker to be hired, the additionality requirement should state that the businesses' FTE count must increase by the amount of FTE represented by the new employees in order for the employment to be eligible for subsidy.