

Senate Select Committee on COVID-19
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into the Australian Government's response to the COVID-19 pandemic

2019-2020

Division: Financial System Division
Topic: Small business loans
Reference: Written Questions from Senator Griff –19 June 2020, IQ20-000139

Question:

Can Treasury Advise:

1. The 'predominant purpose' test was suspended for small business loans for existing customers in response to COVID-19.
 - a. Does the removal of the test for loans predominantly for personal purposes mean that these loans will be exempt from responsible lending requirements?
 - b. If so, what steps is the Government taking to ensure people do not take on unaffordable loans that will cause significant hardship?
2. Has the Treasurer considered requiring all small business lenders that only offer small business loans to become members of the Australian Financial Complaints Authority, so that borrowers have a free and independent forum for resolving complaints with lenders?

Answer:

The National Consumer Credit Protection Amendment (Coronavirus Economic Response Package) Regulations 2020, made on 2 April 2020, provide a six month exemption for credit licensees from responsible lending obligations in relation to certain lending activity to existing small business customers.

Credit licensees are, however, still required to ascertain the predominant purpose of credit that they are providing to determine whether other consumer protections apply, including provisions in the National Credit Code regarding pre-contractual disclosure, the terms of the contract, interest charges, hardship situations and the enforcement of the contract.

Banks remain subject to APRA's prudential standards and credit providers subscribing to an industry code are subject to any additional protections provided by the code. All credit licences are required to be members of AFCA, and relevant industry codes can require signatories to be a member of AFCA.

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Treasury Portfolio

Inquiry into the Australian Government's response to the COVID-19 pandemic

2019 - 2020

Division: Retirement Income Policy Division
Topic: Early access super scheme
Reference: Written Questions from Senator Gallagher –19 June 2020, IQ20-000140

Question:

1. Please provide an update (to the most recent available date) to the table on the early access super scheme provided to the Committee on 11 June in QoN IQ20-000109
2. Does Treasury or the ATO have any data on what has happened to the money withdrawn from super accounts under the early access scheme? If so please provide this data.

Answer:

1. COVID-19 approvals – ATO demographic data

Age Range	Number of applications approved	Value of application approved for release \$m
a. 20 and less	38,400	110
b. 21-25	275,400	1590
c. 26-30	425,300	3140
d. 31-35	401,300	3415
e. 36-40	328,800	2960
f. 41-45	255,300	2350
g. 46-50	230,300	2150
h. 51-55	176,000	1650
i. 56-60	108,400	1015
j. 61-65	31,800	285
k. 66-70	2,400	20
l. 71 and over	500	5
z. Unknown	0	0
Total	2,273,900	18,690

Source: ATO (Data as at 21 June 2020)

Gender	Number of applications approved	Value of application approved for release \$m
Male	1,283,500	10,815
Female	990,100	7,875
Other	300	0
Total	2,273,900	18,690

Source: ATO (Data as at 21 June 2020)

IQ20-000140

2. The Australian Bureau of Statistics is collecting data on the use of money withdrawn from superannuation. The fourth cycle of the ABS Household Impacts of COVID-19 Survey released on 29 May 2020 found that 57 per cent of those who had released their super had already, or planned to use the money to pay immediate expenses such as household bills and rent and 36 per cent planned to save it.

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Treasury Portfolio

Inquiry into the Australian Government's response to the COVID-19 pandemic
2019 - 2020

Division: JobKeeper Division
Topic: JobKeeper
Reference: Written – 19 June 2020, IQ20-000141

Question:

3. For the most recent available date, please provide:
 - a. the total number of complaints received via the JobKeeper tip-off line
 - b. the most common topics/categories of these calls, with numbers for each topic/category
 - c. the number of complaints received which relate to:
 - i. employee eligibility
 - ii. employer eligibility
4. Have any investigations been conducted into the misuse of JobKeeper by employers? If so:
 - a. How many have been commenced
 - b. How many have been completed
 - c. Of the completed investigations, how many have resulted in an adverse finding against the subject of the complaint
 - d. How many were the result of a complaint from the JobKeeper tip-off line
5. How many employees in receipt of JobKeeper payments through their employer had reported average weekly earnings (prior to the commencement of JobKeeper) below the rate of JobKeeper?
6. Please provide a fortnightly breakdown (to the most recent available fortnight) of:
 - a. How many businesses have accessed JobKeeper payments
 - b. How many employees have received JobKeeper payments through their employer
7. For the most recent available week, please provide a breakdown of the following by gender:
 - a. Jobkeeper payments – total value
 - b. Jobkeeper – number of recipients
 - c. Cash Flow Boost payments – employees of eligible businesses

Answer:

3. For the most recent available date, please provide:

a. the total number of complaints received via the JobKeeper tip-off line

The JobKeeper Tip-Off hotline was established on 17 April 2020. Tip-offs can also be made via an e-form online and the ATO app.

The total number of JobKeeper related tip-offs received is 4,651 as at 19 June 2020.

b. the most common topics/categories of these calls, with numbers for each topic/category

The figures provided below are as at 19 June 2020.

1. **Employee eligibility** – 1,756 tip-offs received.
2. **Employer eligibility** – 1,724 tip-offs received.
3. **Payment issues and complaints** – 1,292 tip-offs received.
4. **Employer and employee disputes** – 894 tip-offs received.

Note: Some tip-offs may cover more than one issue and these are recorded in the one or more categories reported in the tip off in the breakdown above.

c. the number of complaints received which relate to:

i. employee eligibility

1,756 tip-offs received as at 19 June 2020.

ii. employer eligibility

1,724 tip-offs received as at 19 June 2020.

4. Have any investigations been conducted into the misuse of JobKeeper by employers?

Yes.

If so:

a. How many have been commenced?

As at 22 June 2020, approximately 55,000 JobKeeper applications had been subject to an integrity check. Not all integrity checks result in further compliance activity. The ATO has commenced approximately 25,000 compliance activities.

b. How many have been completed?

As at 26 June 2020, approximately 18,000 compliance activities had been completed by the ATO.

c. Of the completed investigations, how many have resulted in an adverse finding against the subject of the complaint?

As at 26 June 2020, approximately 6,500 entities subject to compliance activities by the ATO have been found to be partly or fully ineligible for a JobKeeper claim, as a result of either risk rule eligibility requirements or failure to meet program integrity rules such as having an ABN/active business at the requisite date.

d. How many were the result of a complaint from the JobKeeper tip-off line?

Included in the ATO's compliance activities are approximately 1,200 matters that have resulted from an allegation raised through the JobKeeper tip-off line.

In regard to JobKeeper tip-offs, there is a dedicated team at the ATO that examines all JobKeeper tip-offs. The ATO takes all information referred to them seriously and protects the complainant's identity in accordance with the law requiring whistle-blower protection.

When the ATO receives information through a tip-off, they will cross-check the information and assess whether further action is required.

5. How many employees in receipt of JobKeeper payments through their employer had reported average weekly earnings (prior to the commencement of JobKeeper) below the rate of JobKeeper?

The JobKeeper payment is made to employers by the ATO, not directly to employees. It is not a requirement of the JobKeeper Payment program for employers to report their employee/s earnings to the ATO prior to their organisation receiving JobKeeper payments.

6. Please provide a fortnightly breakdown (to the most recent available fortnight) of:

a. How many businesses have accessed JobKeeper payments

The following information provides the number of organisations that have had their applications processed for the JobKeeper payment for the April and/or May fortnights and is based on unique ABN's. Applications are considered processed when organisations have completed the enrolment, verification and declarations steps for JobKeeper. Reporting on the number of applications processed was provided to Treasury from 4 May 2020. The table below provides the number of applications processed from 4 May 2020 and updated numbers for the following three fortnights and then to midnight 25 June.

Table: Number of organisations (unique ABN's) with processed applications for the April and/or May fortnights

4-May	18-May	2-Jun*	15-Jun	25-Jun**
148,670	736,542	860,353	920,252	926,782

*There was no reporting provided on 1 June due to an ATO systems deployment for the June JobKeeper application forms, therefore 2 June data has been provided for that fortnight.

** The most current reporting on JobKeeper payment is as at midnight Thursday 25 June.

b. How many employees have received JobKeeper payments through their employer?

The following information provides the number of eligible employees and eligible business participants that have been nominated on the JobKeeper applications processed for April and/or May fortnights. Reporting on the number of eligible employees/business participants nominated on a processed JobKeeper application was provided to Treasury from 4 May 2020. The table below provides the number of eligible employees/business participants from 4 May 2020 and updated numbers for the following three fortnights and then to midnight 25 June.

Table: Approximate number of eligible employees and eligible business participants nominated for the April and/or May JobKeeper fortnights (see note (a) below)

	4-May	18-May	2-Jun*	15-Jun	25-Jun**
April fortnights nominations	440,000	2,800,000	3,200,000	3,300,000	3,300,000
May fortnights nominations			1,100,000	2,800,000	3,500,000

*There was no reporting provided on 1 June due to an ATO systems deployment for the June JobKeeper application forms, therefore 2 June data has been provided for that fortnight.

** The most current reporting on JobKeeper payment is as at midnight Thursday 25 June.

- (a) This table provides approximate numbers of employees and eligible business participants nominated for the April and/or May JobKeeper fortnights. Note that employees and eligible business participants can be nominated for April and/or May. Therefore the count of actual employee/eligible business participant numbers for the monthly claims refresh each month and should not be summed together. For example, an employee can leave their employer to take up a new job and will not be claimed for in the next month by their employer or eligible organisations can enter the JobKeeper payment program at any month of the scheme (prospectively) should their circumstances change and they become eligible and their employees meet the eligibility criteria.

7. For the most recent available week, please provide a breakdown of the following by gender:

As the April month claims are the only available full month of data (as May claims are still being finalised) on JobKeeper payments, data analysed for employees and eligible business participants that were nominated by organisations as eligible for JobKeeper claims is for the April fortnights 1 and/or 2 (April month claims) as at 18 June 2020. As at that date the total JobKeeper payments for the April month were approximately \$10 billion covering approximately 3.33 million eligible employees/business participants. The breakdowns below are provided on this data¹:

a. Jobkeeper payments – total value

Of the \$10 billion payments – approximately \$4.7 billion was paid to females and \$5.3 billion to males.

b. Jobkeeper – number of recipients

Of the 3.33 million - approximately 47 per cent were female and 53 per cent were male.

c. Cash Flow Boost payments – employees of eligible businesses

As at 24 June 2020, 736,656 business and not-for-profit entities have been processed as eligible for the Cash Flow Boost. These entities employ 6.38 million people. A gender breakdown of these employment numbers is not collected.

¹ The JobKeeper payment is made to employers by the ATO, not directly to employees. It is not a requirement of the JobKeeper Payment program for employers to report their employee demographics to the ATO prior to their organisation receiving JobKeeper payments. Therefore, the breakdown provided in this question is based on initial analysis that has been undertaken using other ATO data sources.

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2019 - 2020

Division: Social Policy Division
Topic: Homebuilder
Reference: Written Questions from Senator Gallagher –19 June 2020, IQ20-000142

Question:

8. For the most recent available fortnight, please provide the Committee with a breakdown by state and territory of the total number of HomeBuilder applications:

d. Received;

e. Granted; and

f. Delivered.

9. Please provide the Committee with a fortnightly update to the figures requested in (8) above

10. The Government estimates that the HomeBuilder Program will cost about \$688 million, indicating that approximately 7,000 grants will be used for substantial renovations and around 20,000 grants will go towards new builds. On what modelling has the Government based this estimate? Please provide a copy of this modelling.

Answer:

8. States and Territories will administer HomeBuilder, as outlined in the HomeBuilder National Partnership Agreement (NPA). As at 3 July 2020, all States and Territories have now signed the HomeBuilder NPA.

Implementation efforts are underway for States and Territories to begin receiving applications. The Commonwealth notes that the Australian Capital Territory will begin accepting applications from Monday 13 July 2020, and Tasmania is expected to begin accepting applications from Monday, 6 July 2020.

9. Treasury will provide a regular update on the number of HomeBuilder applicants received, granted and delivered once States and Territories start to accept HomeBuilder applications.

10. Treasury has undertaken analysis to estimate the possible number of grants under the HomeBuilder scheme. This analysis took into account available building activity data as well as economic forecasts for activity in the sector, adjusted to account for the eligibility requirements of the scheme. As with estimates of this kind in the current circumstances, there is uncertainty as the scheme is demand-driven and there are a number of factors that will affect take-up of the grants.