

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
2020 - 2021

Division: Labour Market Policy Division
Topic: Lower tier and JobSeeker
Reference: Committee Hansard Page 8 –11 February 2021, IQ21-000009

Question:

Senator SIEWERT: Previously you've said that you expect that some of those people on the lower tier will also be receiving JobSeeker. Do you know if that's correct? Is that the case?

Ms Wilkinson: Certainly, if they meet the income test associated with JobSeeker then, yes, you can be on the lower tier and get JobSeeker. It depends on whether you meet all of the various conditions, including things like the partner income test, obviously.

Senator SIEWERT: Yes, obviously. Do you know how many that is?

Ms Wilkinson: I don't have that figure for you. I'm happy to take that on notice and see if we can get it for you

Answer:

There is no data that directly identifies those individuals receiving JobKeeper Payment at the lower tier who are also receiving an income support payment.

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

2020 - 2021

Division: Labour Market Policy Division
Topic: JobKeeper data by industry
Reference: Committee Hansard Page 9 –11 February 2021, IQ21-000010

Question:

Ms Wilkinson: The data that we have thus far is the industry data associated with the December quarter JobKeeper payments, and I guess it's worth recalling that eligibility for JobKeeper in the December quarter depended on your turnover test for the September quarter. That is why Dr Kennedy is absolutely right—when you look at these data, you see the impact of the Victorian shutdown and you see the impact of some of the ongoing restrictions, across all states and territories, including WA, that were still in place at that time. So, for example, the highest representation business in JobKeeper by an industry was actually construction at that point and the second highest was professional scientific and technical services, and then there's a distribution across a range of different industries. You're absolutely right as to some of the industries that Dr Kennedy has talked about, and those like transport, postal and warehousing, which is where you would find the aviation sector. That's well represented. That's about the third-highest category. Accommodation and food services is about the 10th-highest industry. But perhaps, if it's useful, we could give you a table by industry on notice

Answer:

See Table 1.

Table 1: Applications for first quarter of the JobKeeper extension (October 2020 – December 2020), by industry, as at 17 February 2021

| Industry | Unique entities | | Total net payments | | Unique individuals | |
|---|-----------------|--------------|--------------------|--------------|--------------------|--------------|
| | Number | Share (%) | \$ million | Share (%) | Number | Share (%) |
| Construction | 91,059 | 17.2 | 1,773.2 | 14.0 | 228,736 | 13.7 |
| Professional, Scientific and Technical Services | 80,069 | 15.2 | 1,720.4 | 13.6 | 225,222 | 13.5 |
| Transport, Postal and Warehousing | 52,930 | 10.0 | 915.0 | 7.2 | 118,298 | 7.1 |
| Other Services | 45,634 | 8.6 | 882.2 | 7.0 | 117,972 | 7.1 |
| Administrative and Support Services | 33,463 | 6.3 | 927.3 | 7.3 | 125,041 | 7.5 |
| Accommodation and Food Services | 30,969 | 5.9 | 1,192.5 | 9.4 | 161,558 | 9.7 |
| Retail Trade | 29,303 | 5.6 | 817.0 | 6.5 | 108,993 | 6.5 |
| Health Care and Social Assistance | 26,048 | 4.9 | 631.5 | 5.0 | 85,765 | 5.1 |
| Arts and Recreation Services | 25,987 | 4.9 | 638.1 | 5.1 | 88,613 | 5.3 |
| Manufacturing | 24,772 | 4.7 | 933.1 | 7.4 | 120,037 | 7.2 |
| Agriculture, Forestry and Fishing | 19,437 | 3.7 | 293.7 | 2.3 | 37,950 | 2.3 |
| Education and Training | 16,325 | 3.1 | 503.2 | 4.0 | 68,754 | 4.1 |
| Rental, Hiring and Real Estate Services | 16,233 | 3.1 | 393.8 | 3.1 | 52,022 | 3.1 |
| Wholesale Trade | 13,203 | 2.5 | 404.3 | 3.2 | 51,770 | 3.1 |
| Information Media and Telecommunications | 10,054 | 1.9 | 238.8 | 1.9 | 32,015 | 1.9 |
| Financial and Insurance Services | 8,131 | 1.5 | 184.3 | 1.5 | 23,997 | 1.4 |
| Public Administration and Safety | 2,027 | 0.4 | 82.4 | 0.7 | 11,190 | 0.7 |
| Electricity, Gas, Water and Waste Services | 1,075 | 0.2 | 33.6 | 0.3 | 4,302 | 0.3 |
| Mining | 1,021 | 0.2 | 60.1 | 0.5 | 7,809 | 0.5 |
| Other* | 218 | <0.1 | 3.9 | <0.1 | 534 | <0.1 |
| Total | 527,958 | 100.0 | 12,628.4 | 100.0 | 1,670,578 | 100.0 |

* This group includes entities with no industry code/categorisation reported, or ATO business industry codes that are out of ANZSIC scope.

Notes for Table 1:

- ‘Unique entities’ means the number of unique ABNs with at least one application processed in the period October to December 2020. Entities include employers and eligible business participants with a processed application.
- ‘Unique individuals’ means the number of unique employees and eligible business participants for whom an entity has a processed application and a payment has been disbursed for the period October to December 2020.
- Net payments is the payment disbursements after repayments from entities.
- Industry is based on ANZSIC codes registered with the Australian Business Register.

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

2020 - 2021

Division: Corporate and International Tax Division
Topic: Measure of profits relative to the businesses that receive JobKeeper
Reference: Committee Hansard Page 14 –11 February 2021, IQ21-000011

Question:

CHAIR: Going back to the issue of those businesses that have done very well through COVID and received JobKeeper, has any analysis been done of how many of these companies—particularly those with turnover over \$100 million—have increased their profit or paid out good dividends or executive bonuses whilst they've been in receipt of JobKeeper?

Mr Hirschhorn: From the ATO side, the short answer is no. Profit is an accounting concept reported through the ASIC financial statements. We are concerned with the turnover effects. In a sense, we find out accounting profit and dividends paid when people lodge their income tax returns. I can understand your interest for us, in a sense, focusing on whether the people appropriately got money under the rules as they are. It would be a very complex task but not relevant to our task. We don't have the data yet.

CHAIR: Maybe it's one for Treasury, then? Has the government asked that you look at this?

Ms Wilkinson: As Mr Hirschhorn said, because we don't have the tax returns—I'm not the Revenue Group expert, but I don't think we yet have the tax returns for the 2019-20 year. That would be the point at which you could do an analysis which looked at some measure of profits relative to the businesses that receive JobKeeper. We haven't done that analysis. We've obviously been monitoring the reporting, particularly through the newspapers, of different businesses, and there's different information coming up through the reporting season, but we haven't done a formal analysis of looking through the million or so JobKeeper businesses to analyse that yet. No, we haven't.

CHAIR: Has the government asked you to?

Ms Wilkinson: I don't think so, but I will take that on notice .

Answer:

No, Treasury has not undertaken analysis of the number of companies that have increased their profits or paid out good dividends or executive bonuses while they have been in receipt of JobKeeper.

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Division: Macroeconomic Conditions Division
Topic: Forecast on rent debt
Reference: Committee Hansard Page 18 –11 February 2021, IQ21-000012

Question:

Senator SIEWERT: First off, do you have an estimate or forecast on how many people, in particular jobseekers, are going to have rent debt given the rent deferrals?

Mr Yeaman: I haven't seen that, Senator. I don't know. I'll check with my colleagues behind me or if anyone else has that information. I haven't seen that combination of data put together. If it's available, we'll certainly look and we're happy to take it on notice

Answer:

The Commonwealth Treasury does not forecast or collect this data.

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2020 - 2021

Division: Macroeconomic Conditions Division
Topic: Level of savings for people on JobSeeker
Reference: Committee Hansard Page 28 –11 February 2021, IQ21-000013

Question:

Senator SIEWERT: Thank you. You commented earlier about the levels of saving that people have at the moment. Are you aware of what the saving level is for those on JobSeeker?

Mr Yeaman: Not off the top of my head. As a general rule, my understanding is that savings rates for lower- income households would generally be lower than those for higher-income and middle-income households but I haven't seen recent data to confirm that. We can have a look at it for you if you like

Answer:

JobSeeker recipients are not required to explicitly report their spending and saving as part of their reporting requirements. As such, the Treasury is unable to estimate a specific savings rate for JobSeeker recipients.

Household survey data show households reliant on income support have, on average, lower net worth than other households with comparable demographic structures, suggesting households reliant on income support have had, on average, lower savings rates and a higher propensity to consume income. However, these data predate the COVID-19 pandemic.

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

2020 - 2021

Division: Macroeconomic Conditions Division
Topic: Spending increase of people on JobSeeker
Reference: Committee Hansard Page 28 –11 February 2021, IQ21-000014

Question:

Senator SIEWERT: It would be appreciated if you could take that on notice. As you've articulated, and from the data I have seen today, people are spending the increase in the JobSeeker payment. Some have probably saved a bit, but they have actually been meeting their needs in terms of spending it. Would that be a correct interpretation of what is happening at the moment?

Mr Yeaman: In the broad. I don't have the precise figures in front of me and I haven't looked at them in the immediate past. We can take it on notice and confirm it for you. My understanding is that, broadly, you are right: we do generally expect low-income households to spend relatively more of the income they receive than middle- and high-income households. But my recollection is that, even among low-income households, with the level of support that has come in, we are seeing some of that being saved and put towards mortgage payments and into offset accounts, which I think the Reserve Bank governor has talked about a number of times as well. So it is a combination: we are seeing some going into saving and we are seeing some go into current consumption. But we are happy to take that on notice .

Answer:

JobSeeker recipients are not required to explicitly report their spending and saving as part of their reporting requirements. As such, Treasury is unable to estimate how much of the Coronavirus Supplement they are spending.