

BULLETIN

Industry Divisions



Reference No: VADA JobKeeper 2.0/mm-07-20

Date issued: 28/07/2020

The impact of JobKeeper 2.0 on Victorian dealers: Survey

Members received confirmation that the JobKeeper Payment, in its original form, will run up until the previously announced 27 September 23.59 hrs.

What is new with JobKeeper?

The Australian government has announced that from that 28 September JobKeeper will be extended – at a lower rate and with stricter eligibility – until March 2021. It is now referred to as **JobKeeper 2.0**

VACC thanks the Australian Government for its support business by extending JobKeeper until March 2021.

What are dealer members saying about JobKeeper 2.0?

VACC has received many calls from dealers concerned about their respective businesses meeting the JobKeeper 2.0 eligibility from the post 28 September period.

At a specially convened meeting of the Victorian Automobile Dealers Association (VADA) on 24 July , many VADA members advised that they would be forced into a situation of reducing staff levels at their dealerships if the eligibility criteria is not amended to reflect the current JobKeeper or similar.

VACC requests that you provide feedback to the impacts on current and future employment on your dealership(s) by taking the following survey:

**The impact of JobKeeper 2.0
on Victorian dealers: Survey**

VACC will use the data portfolio supplied by Victorian dealers to assist in lobbying the Australian Government to review the eligibility criteria of JobKeeper 2.0.

Issues for dealers to consider

There are major issues mandated within the JobKeeper 2.0 eligibility criteria that will see many members fail to qualify for the wage subsidy.

Those issues of concern that are contained within the eligibility criteria for JobKeeper 2.0 are:

- From 28 September 2020, businesses and not-for-profits seeking to claim the JobKeeper Payment will be required to demonstrate that they have suffered an ongoing significant decline in turnover using actual GST turnover (rather than projected GST turnover).
- From 28 September 2020, businesses and not-for-profits will be required to reassess their eligibility with reference to their actual GST turnover in the June and September quarters 2020. They will need to demonstrate that they have met the relevant decline in turnover test in both of those quarters to be eligible for the JobKeeper Payment from 28 September 2020 to 3 January 2021.

VADA members are particularly aggrieved as a further six-week Victorian specific COVID-19 shutdown will disrupt dealer's business activities along similar lines as the original lockdown the saw a downturn of approximately 70 per cent of sales and decrease in 28 per cent employment levels across Victoria.

The June market saw irrational and unsustainable consumer spending. It must be remembered that the dealer sector is still in the midst of 27 consecutive months of sales decline and has been trading in recessionary like conditions for over 12 months.

Dealers and the staff they employ should not be punished for having an improved month.

Further JobKeeper advice

Members needing further advice and support on JobKeeper Payments are encouraged to contact the Chamber's IR Department, including our dedicated JobKeeper VACC IR resource, Andrea Chwalko via achwalko@vacc.com.au

Michael McKenna MBA

Industry Policy

Industry Divisions

VACC

Level 7 | 464 St Kilda Road | Melbourne Vic 3004

P: 03 9829 1280 | **M:** 0418 822 939 | **F:** 03 9867 1795 | **W:** vacc.com.au