



NSW PLEA TO BRING BACK JOBKEEPER

September target to lift lockdown

EXCLUSIVE

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The NSW government has requested financial modelling for a lockdown of Greater Sydney that extends until mid-September due to the severity of the outbreak and an expectation that businesses and jobs won't survive without more financial support.

The state's crisis cabinet will convene this morning and is expected to imminently announce a significant extension of the lockdown – due to end on Friday – given rising case numbers, hospitalisations, and burgeoning infections concentrated in the city's southwestern suburbs.

Officials were originally considering September 3 as an end date to the lockdown. However, it is now understood they are modelling multiple financial scenarios including those for a lockdown that ends on September 17.

NSW Treasurer Dominic Perrottet is expected to submit a request for the reintroduction of the JobKeeper wage subsidy scheme to the commonwealth based on the new timetable.

The federal government is

already considering extending financial support measures to larger businesses, asking Treasury to consider options on lifting caps and providing payments to specific industries that may not be located inside an official hotspot.

However, those talks are at an early stage and no decisions have been taken about any extra support, government sources said.

Several big companies that do not qualify for existing payments are warning they will stand down significant numbers of staff, with Freedom Furniture already putting off 100 workers in NSW.

Others, such as cinema and hotel operator Event Hospitality & Entertainment, are warning they need wage subsidy programs to mitigate the impact of ongoing lockdowns on their businesses.

As the Greater Sydney lockdown now appears likely to run for several more weeks, officials are examining changes to eligibility criteria to include more companies and employees and

higher payment rates should lockdowns become endemic and additional sectors are damaged. On Sunday, Scott Morrison said federal cabinet's expenditure review committee was meeting

regularly to discuss income support contingencies in addition to the "truckload of financial support going in" to NSW, which he said was valued at \$500m a week.

"We will continue to do what is necessary to ensure the recovery of our economy, to get to the other side of this when the lockdowns are lifted," the Prime Minister said. "The Treasurer and I and the expenditure review committee of cabinet, we meet regularly, we met this week.

"We will continue to work through contingency options and prepare ourselves for whatever set of circumstances may present. So we'll keep doing that".

Any change to financial supports will need an agreement with the states, which are splitting the cost with the commonwealth.

There are different thresholds and payments by state; NSW provides payments of 40 per cent of weekly payroll up to \$10,000 and reductions in some taxes and fees.

Josh Frydenberg told The Australian the government was "very conscious of the unpredictable nature of the Delta variant and this requires us to undertake prudent contingency planning for a range of scenarios that arise in the



weeks and months ahead”.

“We currently have a set of effective economic measures to support individuals and businesses in partnership with the federal and state governments,” the Treasurer said. “But Covid has taught us you never know what is around the corner and that is what we seek to prepare for.”

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He remains opposed to the reintroduction of the JobKeeper scheme, despite a push from the NSW government, the ACTU and key business leaders.

Mr Frydenberg argues the current payments were enough to deal with the deteriorating case numbers in Greater Sydney.

“We have a set of payments now which are moving fast and they’re flexible,” he told Sky News on Sunday. “Right now we have effective payments which are going out to households. And more than 600,000 payments have gone out the door, and more than \$300m has been paid.”

On Sunday, the Council of Small Business Organisations of Australia also called for urgent and tailored cash flow assistance to businesses. Interim chief executive, Alexi Boyd, said “the situation for many small and family businesses is catastrophic ... Dwindling cash reserves, accumulated debt from expenses which keep growing, the stress of not knowing when the next lockdown will occur or for how long, will lead many small business people to simply walk away.”

ACTU secretary Sally McManus said it was time for the government to restore JobKeeper.

“The current disaster payment is less than the minimum wage and less than what workers received during lockdowns in 2020,” she said.

“Working people need better support and the security of know-

ing a job will be waiting for them once lockdown is over.”

Economists say if lockdowns become a permanent feature over coming months, the nation could slide back into recession.

Deloitte Access Economics partner Chris Richardson said “the emergency payments that are being rolled out at the moment have the big advantage that they’re fast and they’re targeted”.

“If we stay stuck in lockdowns for another couple of months – and not just in Sydney – then the way we’re doing it at the moment wouldn’t have the firepower needed to keep more businesses going and keep more workers connected to their businesses.

“So we’re OK as we are for now. But if this gets much worse, then we should swap over to a tweaked JobKeeper. JobKeeper isn’t perfect either, but we know it gets some great results”.

Mr Perrottet has previously called for JobKeeper to be reinstated, although that request has found little favour among federal Liberals from his state.

Senator Hollie Hughes said Mr Perrottet’s comments were frustrating because premiers hid “behind their own health orders and then looked to the (federal government) to fix it”.

“If there are people that are falling through the cracks, I’m sure Mr Perrottet could discuss that with the Treasurer,” she said.

“I am really concerned that state premiers see lockdowns and

total lockdowns, as the only way to deal with this pandemic, and then look to the federal government to pay for it.”

Liberal Wentworth MP Dave Sharma is also opposed to restarting JobKeeper, saying the current program was effectively the same scheme without being intermediated by business.

“I think there is a strong case for the NSW government to allow certain sectors and businesses to get back to work, where they are low risk, have appropriate precautions in place, and are in LGAs where there are no active cases,” Mr Sharma said.

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