

~~PROTECTED SENSITIVE~~
TREASURY MINISTERIAL SUBMISSION

22 May 2020

PDR No. MS20-001007

Treasurer

JOBKEEPER PAYMENT - NUMBER OF EMPLOYEES COVERED**TIMING:** For information**KEY POINTS**

- Analysis of applications processed for the JobKeeper payment indicates that the number of employees covered by the payment is significantly less than implied by enrolment data as initially entered by employers.
 - As at 20 May 2020, payments have been processed covering 2.9 million employees. Payments have been made to 760,000 organisations.
 - This contrasts with enrolments indicating coverage of 6.5 million employees for the 910,000 organisation that have enrolled for JobKeeper.
 - For 760,000 organisations that have now had payments processed, analysis suggests employee numbers at enrolment were overestimated by around 2.4 million employees (5.3m estimated employees converted to 2.9m actual claims).
 - Only around 16 per cent of enrolled organisations have not yet progressed to the application and payment phase of the process. Assuming these enrolments progress to the application and payment phases of the process, we expect around 500,000 to 650,000 additional employees will be covered by these organisations.
 - This indicates that total employees covered by existing enrolments could be in the order of 3.3 to 3.6 million, dependent upon how many remaining enrolled organisations proceed to finalise their application and payment.
 - Given the 31 May deadline for April claims, it is anticipated that there may also be some further enrolments and claims not covered above. There may also be employers who only meet the tests and claim for later months, and so who have not yet enrolled.
- The discrepancy has arisen due to around 1,000 enrolled organisations entering materially incorrect estimated employee data in to the enrolment form. It is likely this was generally an inadvertent error, possibly where they misunderstood the information being requested.
 - This element of the enrolment form is a free text field that asks organisations to estimate the number of employees likely to be nominated for JobKeeper. It was included in the enrolment form to get an early read on the likely number of employees covered by the program (see **Attachment A** – Screenshots of the JobKeeper systems view).
 - As an example, approximately 550 employers in step 1 of JobKeeper enrolment put 1500 in the free text field as their estimate of eligible employees, obviously in error. For the other identified errors in this field, there were a variety of other random employee numbers entered by employers, again in error.

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- When completing their claim for JobKeeper, organisations subsequently have to enter details of all eligible employees, and this is the information used to process payments (see **Attachment B** – Overview of JobKeeper process steps).
- Some more obvious incorrect entries had been manually excluded from estimated employee counts, but further classes of error became apparent on review.
- This means that there are fewer employees than is implied by the enrolment figures working in organisations that have met the requirements for eligibility for the JobKeeper payment, including the decline in turnover test.
- This discrepancy does not impact on the number of organisations covered by JobKeeper, nor does it suggest any problems with payments made under the program.
 - Of the 910,000 organisations enrolled for JobKeeper, we expect most of these businesses to progress to the application and payment phase of the process.
 - Actual claims and payments of JobKeeper require employee by employee disclosure, including TFNs, and so are not liable to the estimation type errors discussed above.
- It does imply that the total cost of the JobKeeper program will be significantly less.
 - We consider the cost is likely to be in the order of \$70 billion rather than the \$130 billion originally estimated, though this may increase over time if additional organisations enter the program.
- JobKeeper is a demand driven program which was designed to support eligible employees in businesses that have experienced a significant fall in their turnover. At the time the JobKeeper program was developed, Treasury estimated that around 6.5 million employees would access the program. This estimate was developed at a time when Coronavirus cases were growing significantly in Australia and restrictions were being tightened across Australia and much of the world.
- The difference between Treasury’s estimates at the time and the number of employees now accessing the JobKeeper program partly reflects the level and impact of health restrictions not having been as severe as expected and their imposition not having been maintained for as long as expected at the time. This has been reflected in some improvement to the outlook for the economy since the original estimate was developed as a consequence of these and other factors. The variation in estimates also reflects the inherent uncertainty associated with estimating the take-up of a demand driven program in the current circumstances.
- Treasury’s overall view of the labour market is unaffected by this reporting error. The JobKeeper program is providing important support to employers and employees through these unprecedented economic times. It remains the case that in the absence of the JobKeeper program, Treasury expects the unemployment rate would have been around 5 percentage points higher. Treasury continues to expect the unemployment rate to reach around 10 per cent, although as indicated by last week’s Labour Force survey, the measured level of the unemployment is highly uncertain given the impact of social distancing restrictions on the participation rate.

- Given the profile of this program and the materiality of this reporting error, the Treasury and ATO will release a joint media statement to explain the situation (see **Attachment C**).
- The Secretary of the Treasury and the Tax Commissioner will also be writing to the Senate COVID-19 Committee to advise them of this matter.

s22
[Redacted]

Jenny Wilkinson
Deputy Secretary
Fiscal Group
Treasury
Phone: 6263 3745

Consultation: Tax Analysis Division

s22
[Redacted]

Jeremy Hirschhorn
Second Commissioner
Client Engagement Group
Australian Taxation Office
Phone: s22 [Redacted]

Attachment A: Screenshots of the JobKeeper Systems View

JobKeeper

All fields marked with * are mandatory.

Businesses and not-for-profit organisations impacted by COVID-19 will be able to access a JobKeeper wage subsidy from the Government to continue paying their employees. Eligible employers are entitled to a JobKeeper wage subsidy of \$1,500 for each eligible employee for fortnights starting 30 March 2020. Employees will need to be paid prior to the employer receiving a JobKeeper wage subsidy. This form is for you to notify us of your intent to claim, and confirm the financial institution details for receiving the JobKeeper wage subsidy.

Business enrolment for JobKeeper wage subsidy

Eligibility information

Ensure all information provided below complies with [legislation for receiving the JobKeeper](#) wage subsidy, and that you are an employer or business that qualifies for the JobKeeper wage subsidy.

Are you an entity that is registered with the Australian Charities and Not-for-profits Commission (but not a university or school)?*

Yes

No

Does your aggregated turnover exceed \$1 billion dollars per annum?*

Yes

No

i You will work out your decline in turnover using GST concepts. You will need to work out current GST turnover and projected GST turnover. This may include using amounts reported on business activity statements. It includes all taxable supplies and GST-free supplies.

For which month have you experienced or are likely to experience a reduction in turnover of 50% or more?*

March

Has your turnover for the entity for the selected month (or the quarter including the selected month) fallen, or is it likely to fall, by 50% or more?*

Yes

No

Source of error

Number of JobKeeper eligible employees paid during April

i Employees paid monthly

If an employee is paid for the full month and is an eligible employee for each fortnight, include them twice, once in each field.

Number of eligible employees who have been or will be remunerated \$1,500 or more (this may include wages, tax and salary-sacrificed super) for each JobKeeper fortnight:

JobKeeper fortnight one (30 March - 12 April)*

285

employees

JobKeeper fortnight two (13 - 26 April)*

285

employees

! There will be an obligation on you to establish eligibility and that of your employees. This program will be subject to ATO compliance activities. Penalties apply for making a false or misleading statement. Note employees must provide you with a completed [nomination form](#) accepting JobKeeper payments.

i In addition to eligible employees the JobKeeper wage subsidy allows enrolment of one eligible business participant. See Help for further information.

Are you intending to register an eligible business participant?*

Yes No

Does the entity's business participant meet all of the following?*

- > relevant individual is not employed by the entity at any time in the fortnight
- > relevant individual is actively engaged in the entity's business
- > relevant individual aged 18 or over (or 16 years if beneficiary in the case of the Trust)
- > relevant individual is not currently receiving parental leave pay, dad and partner pay
- > relevant individual is not currently totally incapacitated for work and receiving payments under an Australian workers' compensation law in respect of their total incapacity to work
- > relevant individual is an Australian resident (within the meaning of section 7 of the Social Security Act 1991), or a resident for income tax purposes and were the holder of a special category (Subclass 444) visa
- > relevant individual is not an employee (other than a casual employee) of another entity

Yes No

Financial institution details for employing entity

Do not provide agency trust account information

Ensure you enter the financial institution details for the employing entity.

Account name*

s47F

BGB*

s47F

Account number*

s47F

I have checked the account details are for the employing entity and confirmed these are correct.

Contact details

Name*

s47F

Phone/mobile number*

s47F

Email*

s47F

Confirm email*

s47F

Declaration

- > I have prepared this document in accordance with the information supplied by the entity.
- > I have received a declaration from the entity stating that the information provided to me is true and correct.
- > I am authorised by the entity to give this document to the Commissioner.

Privacy: For important information about your privacy see our [Privacy Notice](#)

Tick this box to sign this declaration with the identification details you used to log-in.*

JobKeeper

Business enrolment for JobKeeper wage subsidy



Your request has been successfully lodged

s47F

Based on the self-assessment against the eligibility information in accordance with the law that you have submitted, the ATO accepts your enrolment for the JobKeeper wage subsidy.

It is important that you continue to review your eligibility and obligations under the law to ensure your ongoing eligibility as an employer, and for the employees that you will confirm as eligible employees.

Open print friendly version to print or save as a PDF including:

- > Registered bank details
- > Receipt ID

[Print friendly version](#)

Attachment B: JobKeeper | Pathway patterns | April declaration

Step 1: Enrol

Enrol business for JobKeeper wage subsidies

Login

Eligibility information

- > Turnover threshold
- > Month/quarter experienced/likely experience reduction in turnover

Number of eligible employees

- > Estimate employee count for each FN
- > Eligible Business Participant Y/N

Financial Institution Details (BSB & Acc)

Submit

Confirmation and receipt of successful lodgment (print friendly version available)

PROCESS NOTE: When enrolling for JobKeeper, employers provide an **estimated number only** of their expected eligible JobKeeper employees.

Step 2: Claim

Identify and maintain eligible employees

Before you start / Eligibility criteria

- Add Business participant Y/N (Sole trader details prefilled)
- > Update JK status for period

STP /BDE

JK codes

2A

- > Pre-fill employee count for each FN (editable)
- > Cannot manually add employees online (only via STP software/BDE)

–OR–

STP < 200

No JK codes

2B

- > Pre-fill list of employee details
- > Update JK status per employee for period
- > Can manually add employees up to 40 (TFN/DOB) and JK status

–OR–

No STP < 40

No JK codes

2C

- > Can manually add employees up to 40 (TFN/DOB)
- > Update JK status per employee for period

–OR–

STP > 200 / No STP > 40

No JK codes

2D

For this scenario, if no JK codes employer cannot lodge until employee details provided. Form is rejected and the employer is instructed to go through pathway 2a.

PROCESS NOTE: When claiming for JobKeeper, employers provide the details of the **actual eligible employees** including name and TFN's.

Step 3: Declare

Business monthly declaration

View wage subsidy summary

GST turnover

- > Enter current month turnover
- > Enter projected month turnover

Financial Institution Details (able to edit)

Declaration tickbox

Submit

Confirmation and receipt of successful lodgment (print friendly version available)

PROCESS NOTE: The final step of the process is employers complete a **declaration** to finalise their monthly claim. Receipt of submittal is provided to the employer and then the ATO processes the claim for payment for all **eligible employees** identified in Step 2. **No money is paid to employers without completion of Steps 2 and 3.**

Attachment C -
subject to final proofing & formatting



Australian Government

The Treasury

Australian Taxation Office

JOINT MEDIA RELEASE
JOBKEEPER UPDATE

Friday, 22 May 2020

Late yesterday, the ATO and Treasury advised the Government of a reporting error in estimates of the number of employees likely to access the JobKeeper program. The enrolment forms completed by 910,055 businesses who have self-assessed as eligible under the scheme had indicated that this program would cover around 6.5 million eligible employees. The ATO's review of these forms has found that around 1,000 of those businesses appear to have made significant errors when reporting the estimate of eligible employees on their enrolment form. The most common error was that instead of reporting the number of employees they expected to be eligible, they reported the amount of assistance they expected to receive. For example, over 500 businesses with '1' eligible employee reported a figure of '1,500' (which is the amount of JobKeeper payment they would expect to receive for each fortnight for that employee).

This reporting error has come to light as the ATO and Treasury have been analysing the amounts being paid out under the scheme, reconciling these with the estimates provided by enrolled businesses of the likely number of eligible employees. It was not picked up by the ATO earlier as their primary focus in the first fortnight of JobKeeper payments was on ensuring that JobKeeper payments were paid promptly to those eligible for them, and not paid to those who were ineligible. These initial estimates from businesses of employees covered are not linked to payments, and so were not as carefully analysed.

Importantly this reporting error has no consequences for JobKeeper payments that have already been made to eligible businesses, as payments under the scheme depend on the subsequent declaration that an eligible business makes in relation to each and every eligible employee. This declaration does not involve estimates and requires an employer to provide the tax file number for each eligible employee. By contrast, the only use of the information collected in respect of the reporting error was to provide an early estimate of the number of expected employees likely to access the JobKeeper program.

As of 20 May 2020, 910,055 businesses had enrolled in the JobKeeper program. Of these, 759,654 had made claims in relation to their eligible employees and had their applications processed. This resulted in \$8.7 billion of approved payments to those 759,654 businesses, covering around 2.9

million employees. Around 97 per cent of claims have been paid to employers within three business days of employers making the employee declaration.

Around 150,000 enrolled businesses are yet to complete their employee declaration, which is required before payments can be made. Employers can still apply up to 31 May for payments made in April. Moreover the program will remain open to businesses that meet the eligibility criteria at any time over the 6 months it is in operation.

In light of the take-up of the scheme to date, remaining enrolments, and that the scheme remains open to new registrations, Treasury now expects the number of employees likely to be covered under the JobKeeper program to be around 3.5 million.

JobKeeper is a demand driven program which was designed to support eligible employees in businesses that have experienced a significant fall in their turnover. At the time the JobKeeper program was developed, Treasury estimated that around 6.5 million employees would access the program. This estimate was developed at a time when Coronavirus cases were growing significantly in Australia and restrictions were being tightened across Australia and much of the world.

The difference between Treasury's estimates at the time and the number of employees now accessing the JobKeeper program partly reflects the level and impact of health restrictions not having been as severe as expected and their imposition not having been maintained for as long as expected at the time. This has been reflected in some improvement to the outlook for the economy since the original estimate was developed as a consequence of these and other factors. The variation in estimates also reflects the inherent uncertainty associated with estimating the take-up of a demand driven program in the current circumstances.

Treasury's overall view of the labour market is unaffected by this reporting error. The JobKeeper program is providing important support to employers and employees through these unprecedented economic times. It remains the case that in the absence of the JobKeeper program, Treasury expects the unemployment rate would have been around 5 percentage points higher. Treasury continues to expect the unemployment rate to reach around 10 per cent, although as indicated by last week's Labour Force survey, the measured level of the unemployment is highly uncertain given the impact of social distancing restrictions on the participation rate.

Treasury's revised estimate of the cost of the JobKeeper program is around \$70 billion. Updated economic forecasts will be reported in the Government's June economic and fiscal update.

The ATO reminds all eligible employers who have enrolled but not yet made their employee declaration to ensure that they complete their April declaration by 31 May 2020. The ATO also

reminds employers that on an on-going basis they must declare their eligible employees monthly, with May declarations having to be made by the 14th of June.

Department of the Treasury

Contact: Media Unit

Telephone: (02) 6263 2300
media@treasury.gov.au

Australian Taxation Office

Contact: Media Unit

Telephone: (02) 6216 1901
mediaunit@ato.gov.au

s22

From: Wilkinson, Jenny
Sent: Thursday, 21 May 2020 10:45 PM
To: Codina, Martin; Kennedy, Steven; Jeremy Hirschhorn
Subject: Draft statement on JobKeeper [SEC=OFFICIAL:Sensitive]
Attachments: Draft Statement.docx

~~OFFICIAL - Sensitive~~

Martin/Steven/Jeremy

Pls find attached a draft statement in relation to the issues with JobKeeper.

Jenny

Jenny Wilkinson
Deputy Secretary, Fiscal Group
The Treasury, Langton Crescent, Parkes ACT 2600

Phone: +61 2 6263 3745 | Mobile: s22
www.treasury.gov.au

~~OFFICIAL - Sensitive~~

s22

From: Wilkinson, Jenny
Sent: Thursday, 21 May 2020 11:14 PM
To: Jeremy Hirschhorn
Subject: Fwd: MS on JobKeeper numbers [SEC=PROTECTED]
Attachments: Document1.docx; ATT00001.htm

Sent from my iPhone

Begin forwarded message:

From: "Brown, Philippa" <Philippa.Brown@TREASURY.GOV.AU>
Date: 21 May 2020 at 9:33:41 pm AEST
To: "Wilkinson, Jenny" <Jenny.Wilkinson@TREASURY.GOV.AU>
Cc: "Robertson, Belinda" <Belinda.Robertson@TREASURY.GOV.AU>
Subject: MS on JobKeeper numbers [SEC=PROTECTED]

~~PROTECTED~~

Jenny – attached is a draft MS on JobKeeper numbers. Just give me a call if you would like to discuss. I have included some forward looking points in square brackets, so you can think about if you want to include that.

Cheers,
Pip

~~PROTECTED~~

s22

From: Brown, Philippa
Sent: Friday, 22 May 2020 12:39 PM
To: Jeremy Hirschhorn; Robertson, Belinda; Wilkinson, Jenny; O'Halloran, James (ATO - Protected); Katherine Philp
Cc: Suzanne Sinclair; Media Unit; Thomas O'Byrne; O'Halloran, James (ATO - Protected); Media
Subject: [SEC=OFFICIAL]RE: FINAL (almost) media release [DLM=For-Official-Use-Only]
Attachments: 200522 JobKeeper Update (003).docx

~~— DLM Only —~~
~~For Official Use Only~~

Attached is the final statement. Some editorial changes have been made since the last version. This version is now being proofed and formatted for final release.

Pip

Philippa Brown
 Division Head (A/g)

JobKeeper Division
 The Treasury, Langton Crescent, Parkes ACT 2600
 phone: (02) 6263 4050
 mobile: s22
 email: philippa.brown@treasury.gov.au

~~— DLM Only —~~
~~For Official Use Only~~

From: Jeremy Hirschhorn <Jeremy.Hirschhorn@ato.gov.au>
Sent: Friday, 22 May 2020 11:45 AM
To: Brown, Philippa <Philippa.Brown@TREASURY.GOV.AU>; Robertson, Belinda <Belinda.Robertson@TREASURY.GOV.AU>; Wilkinson, Jenny <Jenny.Wilkinson@TREASURY.GOV.AU>; O'Halloran, James (ATO - Protected) <james.o'halloran@ato.gov.au>; Katherine Philp <Katherine.Philp@ato.gov.au>
Cc: Suzanne Sinclair <Suzanne.Sinclair@ato.gov.au>; Media Unit <mediaunit@ato.gov.au>; Thomas O'Byrne <Thomas.O'Byrne@ato.gov.au>; O'Halloran, James (ATO - Protected) <james.o'halloran@ato.gov.au>; Media <media@treasury.gov.au>
Subject: RE: FINAL (almost) media release [SEC=OFFICIAL:Sensitive] [DLM=For-Official-Use-Only]

Pip,

One minor change please from me at the start

“who have been assessed as eligible” to “who have self assessed as eligible”

From: Brown, Philippa [<mailto:Philippa.Brown@TREASURY.GOV.AU>]
Sent: Friday, 22 May 2020 11:36 AM
To: Jeremy Hirschhorn; Robertson, Belinda; Wilkinson, Jenny; James O'Halloran; Katherine Philp
Cc: Suzanne Sinclair; Media Unit; Thomas O'Byrne; James O'Halloran; Media
Subject: FINAL (almost) media release [SEC=OFFICIAL:Sensitive]

~~OFFICIAL - Sensitive~~

All,

Attached is a near final version of the media statement. It incorporates Jeremy's comments, Maryanne's comments and some minor factual and stylistic comments. We are considering this text to be final and cleared.

If there are any concerns with this version, please let Bel or I know ASAP.

We are working with our media team to put the document into an appropriate template for release as a joint Treasury/ATO statement.

Philippa Brown
Division Head (A/g)

JobKeeper Division
The Treasury, Langton Crescent, Parkes ACT 2600
phone: (02) 6263 4050
mobile: s22
email: philippa.brown@treasury.gov.au

~~OFFICIAL - Sensitive~~

From: Jeremy Hirschhorn <Jeremy.Hirschhorn@ato.gov.au>
Sent: Friday, 22 May 2020 11:16 AM
To: Robertson, Belinda <Belinda.Robertson@TREASURY.GOV.AU>; Wilkinson, Jenny <Jenny.Wilkinson@TREASURY.GOV.AU>; O'Halloran, James (ATO - Protected) <james.o'halloran@ato.gov.au>; Katherine Philp <Katherine.Philp@ato.gov.au>
Cc: Suzanne Sinclair <Suzanne.Sinclair@ato.gov.au>; Media Unit <mediaunit@ato.gov.au>; Thomas O'Byrne <Thomas.O'Byrne@ato.gov.au>; O'Halloran, James (ATO - Protected) <james.o'halloran@ato.gov.au>; Brown, Philippa <Philippa.Brown@TREASURY.GOV.AU>
Subject: RE: URGENT - FOR ATO REVIEW: Ministerial Submission - JobKeeper [SEC=OFFICIAL:Sensitive] [DLM=Sensitive]

Belinda,

Given shortness of time some very quick observations:

- I would leave as about 1,000 in both (1,000 needles in a 900,000 haystack...)
- FYI it's about 550 claimed 1500, and then all sorts of semi-random round numbers by the look of things...) if you wanted to work that in somehow

Otherwise all seems fine

JH

From: Robertson, Belinda [<mailto:Belinda.Robertson@TREASURY.GOV.AU>]
Sent: Friday, 22 May 2020 11:08 AM
To: Wilkinson, Jenny; James O'Halloran; Katherine Philp; Jeremy Hirschhorn
Cc: Suzanne Sinclair; Media Unit; Thomas O'Byrne; James O'Halloran; Brown, Philippa
Subject: URGENT - FOR ATO REVIEW: Ministerial Submission - JobKeeper [SEC=OFFICIAL:Sensitive]

~~OFFICIAL - Sensitive~~

Hi ATO

Attached please find the final draft of the Ministerial Submission on JobKeeper for your urgent review. I have also included the 2 proposed attachments.

Can we please have your urgent comments by 11:15am. Please call me if you have any questions. **Note: ATO is to confirm the estimate of actual enrolments where employee estimates were incorrectly entered by employers – Min Sub currently says 100, press statement says 1200.**

This should read 1000, not 100

Attachment A – Screenshot of JK system view

Attachment B – Overview of JK Process Steps (note we are currently producing a clearer version of the image)

Regards

Belinda

Belinda Robertson

Principal Advisor | JobKeeper Division

The Treasury, 1 Langton Cres, Parkes, ACT 2603

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E Belinda.Robertson@treasury.gov.au

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~~OFFICIAL - Sensitive~~

From: Wilkinson, Jenny <Jenny.Wilkinson@TREASURY.GOV.AU>

Sent: Friday, 22 May 2020 10:41 AM

To: O'Halloran, James (ATO - Protected) <james.o'halloran@ato.gov.au>; Katherine Philp <Katherine.Philp@ato.gov.au>; Jeremy Hirschhorn <Jeremy.Hirschhorn@ato.gov.au>

Cc: Suzanne Sinclair <Suzanne.Sinclair@ato.gov.au>; Media Unit <mediaunit@ato.gov.au>; Thomas O'Byrne <Thomas.O'Byrne@ato.gov.au>; O'Halloran, James (ATO - Protected) <james.o'halloran@ato.gov.au>; Brown, Philippa <Philippa.Brown@TREASURY.GOV.AU>; Robertson, Belinda <Belinda.Robertson@TREASURY.GOV.AU>

Subject: RE: Draft Statement (3) [DLM=Sensitive]

~~DLM Only~~
~~Sensitive~~

All

Pls find attached the revised statement for final clearance. There have been significant changes from previous version, so pls read clean. Tracked version included FYI.

This needs to be cleared asap so it can be sent to the TO at 11 along with the final MS.

Release is planned for 11:30.

Many thanks

Jenny

~~DLM Only~~
~~Sensitive~~

From: Wilkinson, Jenny

Sent: Friday, 22 May 2020 8:56 AM

To: 'James O'Halloran' <James.O'Halloran@ato.gov.au>; 'Katherine Philp' <Katherine.Philp@ato.gov.au>; 'Jeremy Hirschhorn' <Jeremy.Hirschhorn@ato.gov.au>

Cc: 'Suzanne Sinclair' <Suzanne.Sinclair@ato.gov.au>; 'Media Unit' <mediaunit@ato.gov.au>; 'Thomas O'Byrne' <Thomas.O'Byrne@ato.gov.au>; O'Halloran, James (ATO - Protected) <james.o'halloran@ato.gov.au>; Brown, Philippa <Philippa.Brown@TREASURY.GOV.AU>; Robertson, Belinda <Belinda.Robertson@TREASURY.GOV.AU>

Subject: RE: Draft Statement (3) [DLM=Sensitive]

~~DLM Only~~
~~Sensitive~~

Latest version incorporating James's comment about ATO primary focus.

~~DLM Only~~
~~Sensitive~~

From: Wilkinson, Jenny

Sent: Friday, 22 May 2020 8:34 AM

To: 'James O'Halloran' <James.O'Halloran@ato.gov.au>; Katherine Philp <Katherine.Philp@ato.gov.au>; Jeremy Hirschhorn <Jeremy.Hirschhorn@ato.gov.au>

Cc: Suzanne Sinclair <Suzanne.Sinclair@ato.gov.au>; Media Unit <mediaunit@ato.gov.au>; Thomas O'Byrne <Thomas.O'Byrne@ato.gov.au>; O'Halloran, James (ATO - Protected) <james.o'halloran@ato.gov.au>; Brown, Philippa <Philippa.Brown@TREASURY.GOV.AU>; Robertson, Belinda <Belinda.Robertson@TREASURY.GOV.AU>

Subject: RE: Draft Statement (3) [DLM=Sensitive]

~~DLM Only~~
~~Sensitive~~

All

Pls find attached a version of the statement incorporating all changes and some additional tweaks from me.

I have attached a clean and tracked version to assist.

Pls track any further changes through the clean version.

The main issue outstanding is the 1200 or 1000 estimate – we need to align these across the MS and statement.

Many thanks

Jenny

~~DLM Only~~
~~Sensitive~~

From: James O'Halloran <James.O'Halloran@ato.gov.au>

Sent: Friday, 22 May 2020 8:20 AM

To: Katherine Philp <Katherine.Philp@ato.gov.au>; Jeremy Hirschhorn <Jeremy.Hirschhorn@ato.gov.au>; Wilkinson, Jenny <Jenny.Wilkinson@TREASURY.GOV.AU>

Cc: Suzanne Sinclair <Suzanne.Sinclair@ato.gov.au>; Media Unit <mediaunit@ato.gov.au>; Thomas O'Byrne <Thomas.O'Byrne@ato.gov.au>; O'Halloran, James (ATO - Protected) <james.o'halloran@ato.gov.au>

Subject: RE: Draft Statement (3) [DLM=Sensitive]

Dear Jeremy and Jenny

Appreciate little time – but I am just waiting for – 15 – 20 min realistically confirmation of the 1200 (though it seems right) but more to see if I can bring forward a subset of that to show of those that say are over 500 employees what was the main reason for the difference.

May not get in time.

In that case, I have only made two comments addition – re the payment processing and the April declaration as a comment in draft

Regards

James

James O'Halloran
Deputy Commissioner
JobKeeper Payment Program
Australian Taxation Office
P [REDACTED]



ATO. Working for all Australians

From: Katherine Philp
Sent: Friday, 22 May 2020 8:07 AM
To: Jeremy Hirschhorn; Wilkinson, Jenny; James O'Halloran
Cc: Suzanne Sinclair; Media Unit; Thomas O'Byrne
Subject: RE: Draft Statement (3) [DLM=Sensitive]

Hi Jeremy

Some minor suggested edits are from me in the attached.

Cheers
Kath

From: Jeremy Hirschhorn
Sent: Friday, 22 May 2020 7:32 AM
To: Wilkinson, Jenny; James O'Halloran
Cc: Katherine Philp; Suzanne Sinclair
Subject: Draft Statement (3) [DLM=Sensitive]

Jenny, some thoughts on the draft media release.

James, could you please look over from a factual perspective (especially the comment that 97% of payments have been made in 3 business days of the claim)

Katherine & Sue, can you please cast your eye over with your media eyes?

Thanks very much,

JH

IMPORTANT

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s22

From: Jeremy Hirschhorn <Jeremy.Hirschhorn@ato.gov.au>
Sent: Friday, 22 May 2020 1:30 PM
To: Wilkinson, Jenny
Subject: RE: Ltr to Senator Gallagher - JobKeeper reporting.docx [SEC=OFFICIAL] [DLM=For-Official-Use-Only]

Looks fine to me!

From: Wilkinson, Jenny [mailto:Jenny.Wilkinson@TREASURY.GOV.AU]
Sent: Friday, 22 May 2020 1:29 PM
To: Jeremy Hirschhorn
Subject: FW: Ltr to Senator Gallagher - JobKeeper reporting.docx [SEC=OFFICIAL]

~~OFFICIAL~~

Happy with this draft?

~~OFFICIAL~~

From: Brown, Philippa <Philippa.Brown@TREASURY.GOV.AU>
Sent: Friday, 22 May 2020 1:26 PM
To: Wilkinson, Jenny <Jenny.Wilkinson@TREASURY.GOV.AU>; s22 [redacted]@TREASURY.GOV.AU>
Cc: Robertson, Belinda <Belinda.Robertson@TREASURY.GOV.AU>; s22 [redacted] <s22 [redacted]@TREASURY.GOV.AU>
Subject: Ltr to Senator Gallagher - JobKeeper reporting.docx [SEC=OFFICIAL]

~~OFFICIAL~~

Jenny, s22 [redacted]

Attached is a draft letter for signature by the Secretary and Commissioner to Senator Gallagher. Let me know of any comments.

Cheers,
Pip

Philippa Brown
Division Head (A/g)

JobKeeper Division
The Treasury, Langton Crescent, Parkes ACT 2600
phone: (02) 6263 4050
mobile: s22 [redacted]
email: philippa.brown@treasury.gov.au

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Australian Government

The Treasury

Australian Taxation Office

Senator Katy Gallagher
Chair
The Senate Select Committee on COVID-19
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Gallagher

We would like to draw the Committee's attention to a media release (attached) issued today by Treasury and the Australian Taxation Office regarding a reporting error in JobKeeper enrolment numbers.

The error was identified yesterday and is in respect of information provided by employers in providing an estimate of eligible employees on their enrolment form.

Importantly this reporting error has no consequences for JobKeeper payments that have already been made to eligible businesses, as payments under the scheme depend on the subsequent declaration that an eligible business makes in relation to each and every eligible employee. This declaration does not involve estimates and requires an employer to provide the tax file number for each eligible employee. By contrast, the only use of the information collected in respect of the reporting error was to provide an early estimate of the number of expected employees likely to access the JobKeeper program.

Treasury and the ATO would be happy to provide further information to the Committee through the ongoing Committee process.

Yours sincerely

Steven Kennedy

Chris Jordan

May 2020

s22

From: Jeremy Hirschhorn <Jeremy.Hirschhorn@ato.gov.au>
Sent: Friday, 22 May 2020 11:07 AM
To: Wilkinson, Jenny
Cc: O'Halloran, James (ATO - Protected); Katherine Philp; Suzanne Sinclair
Subject: Draft Statement Final for clearance [DLM=Sensitive]
Attachments: Draft Statement Final for clearance.docx

Jenny,

Updated with slight tweaks

Re the significant overstatements, I have suggested reverting to 1,000 – I think one significant figure is safer (there's a degree of judgement as to how bad the overstatement should be before it's an error)

Re the specific example, the team have worked out that about 550 of the claims were for exactly 1500 employees, so I have changed the example to that

It's also not as simple as 1500, 3000 etc, we have all sorts of rounded estimates in the population (1,000, 2,000, 750 etc etc), but 1500 is by far the most common and biggest effect through an employee misstatement lens

Hope this helps

JH

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From: Wilkinson, Jenny <Jenny.Wilkinson@TREASURY.GOV.AU>
Sent: Friday, 22 May 2020 8:21 AM
To: Brown, Philippa <Philippa.Brown@TREASURY.GOV.AU>; Robertson, Belinda <Belinda.Robertson@TREASURY.GOV.AU>; O'Halloran, James (ATO - Protected) <james.o'halloran@ato.gov.au>; Jeremy Hirschhorn <Jeremy.Hirschhorn@ato.gov.au>
Subject: Draft MS [SEC=OFFICIAL:Sensitive]

~~OFFICIAL: Sensitive~~

All

Pls see latest version including some additional amendments from me.

Jeremy/James – we need to agree on the 1000 firms claim – the stronger this claim can be made the better.

Pip/Bel can you pls include the additional info from James in the attachment. We should probably also include a statement at the end along the lines of what is in the statement about why these estimates are so much lower.

I am now about to look at statement and expecting a call from TO any minute.

Jenny

Jenny Wilkinson

Deputy Secretary, Fiscal Group

The Treasury, Langton Crescent, Parkes ACT 2600

Phone: +61 2 6263 3745 | Mobile S22

www.treasury.gov.au

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