



## MEDIA RELEASE

Tuesday 21 July 2020

FOR IMMEDIATE RELEASE

### **Job Support Extension a Win for Businesses**

The Motor Trades Association of Queensland (MTA Queensland) today welcomed the Morrison government's announcement to extend the income support provided by JobKeeper for another six months.

The payment subsidy will be reduced after a Treasury review found that if left unchanged, the program could disincentivise a return to work. The review indicated the payment was originally designed to halt the spiralling unemployment rate occurring in late March and continuing the support under the current arrangements could lead to adverse economic consequences.

The changes and extension of the scheme will be effective from October until the end of March 2021. The \$1500-per-fortnight JobKeeper wage subsidy will be replaced by two tiers of payment to more closely reflect the income of an individual prior to COVID-19. The new payments will be \$1200 for the top tier and \$750 for the bottom tier.

The Treasury review found that one quarter of the 3.5 million workers currently receiving JobKeeper were earning about \$550 more a fortnight than before the COVID-19 crisis. JobKeeper 2.0 will introduce a new eligibility test that will differentiate between businesses that are in the rebuilding phase and those still struggling. Businesses with pre-COVID turnover of less than \$1 billion will again have to demonstrate a decline of more than 30 per cent. This will need to be shown using quarterly Business Activity Statements which show a

#### **Motor Trades Association of Queensland**

Address: Freeway Office Park, Building 8, 2728 Logan Road Eight Mile Plains QLD 4113 (Postal: PO Box 4530, Eight Mile Plains QLD 4113)  
Telephone +61 7 3237 8777 | Toll Free 1800 177 951 | Email [info@mtaq.com.au](mailto:info@mtaq.com.au) | Website | [www.mtaq.com.au](http://www.mtaq.com.au)

reduction between this year's September quarter and last year's quarter, or for those filing monthly, a drop between September this year and September last year.

Dr Brett Dale, Group Chief Executive of MTA Queensland said, "The Government's decision gives confidence to those businesses that are still heavily impacted by COVID-19 and further recognises that some businesses are yet to be affected, and they will require longer term support due to global supply chain implications yet to be felt.

"We also fully support the tapering of subsidies for businesses that are recovering, as well as reduced payments for casuals and part-time workers which align more closely with their regular pay.

"It is sensible that the government recognises that support needs to be delivered in phases as there are many uncertainties associated with COVID-19 and the effect on the automotive industry may increase with time. The Government must ensure the long-term welfare of businesses is supported so they can keep their staff and remain viable."

**\*\*\*ENDS\*\*\***

**For more information:**

Lysa Dugandzic | Marketing & Communications Manager | 0428 510 163 | [lysad@mtaq.com.au](mailto:lysad@mtaq.com.au)

**Background:**

The Motor Trades Association of Queensland (**MTA Queensland**) is the peak body representing the interests of employers in the retail, repair and service sectors of Queensland's automotive / mobility industry. There are some 15,500 automotive value chain businesses employing in excess of 90,000 people, that generate more than \$20 billion annually. The Association represents and promotes issues of relevance to the automotive / mobility industry to all levels of Government and within Queensland's economic structure. In 2019 MTA Queensland was announced as an ABA100 winner in The Australian Business Awards and a finalist in the Lord Mayor's Business Awards, for Business Innovation.

The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket sectors of the automotive industry through the **MTA Institute (RTO 31529)** - a registered training organisation. It is the largest independent automotive apprentice trainer in Queensland employing experienced trainers who are geographically dispersed from Cairns to the Gold Coast and Toowoomba to Emerald. In the last year, the MTA Institute delivered accredited courses to more than 2,000 students. The MTA Institute is the first trade RTO in Australia to be approved under the ITECA Industry Certification Program and was announced the winner of the Small Training Provider of the Year at the 2019 Queensland Training Awards.

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**MTAiQ**, Australia's first automotive innovation hub established by MTA Queensland in 2017, is an eco-system that supports innovation for mobility and the motor trades.

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