

Media release

4 May 2020

New JobKeeper changes “the final twist of the knife” for universities: IRU

New amendments to JobKeeper funding rules are “the final twist of the knife for universities” struggling to maintain staff through the COVID-19 crisis, says the Innovative Research Universities (IRU) group.

Under changes to the JobKeeper program announced by the Treasurer on 1 May, universities are now required to use the six-month period of January to June 2020 as the benchmark for revenue changes compared to 2019. All other organisations can choose any month or quarter from April to September 2020.

The new rules will effectively block universities from being able to access the money, given their biggest revenue hit comes in the second semester when no new international students are able to enter Australia and contracts for research reduce due to the economic contraction. The requirement to use January to June intentionally avoids the major reduction to university revenues.

The IRU says this is the sixth time JobKeeper has been reframed for universities (see the list of changes below).

Despite the Education Minister saying on 8 April 2020 that universities are eligible for JobKeeper “under the arrangements that were announced for all other businesses and not-for-profits” (ABC Radio), that now appears not to be the case.

Commenting on the new changes, IRU Executive Director Conor King said:

“Does the Government want robust functioning universities from 2021? The answer appears ‘No’.

“The Treasurer has reframed JobKeeper six times. Now it appears no university can claim it.

“Universities have turned with every twist of the knife, only to be left to heal ourselves each time. This seems to be the final twist of the knife.

“The lack of support will impact how well universities will function in 2021 and beyond.”

“Universities need a second package of support to ensure they come through 2020.”

The six steps to excluding universities from JobKeeper

Monday 30 March 2020

1. The Treasurer announces the JobKeeper scheme to “keep Australian workers connected with their employer and provide hope and more certainty during these difficult and challenging times...Eligible employers include businesses structured through companies, partnerships, trusts and sole traders. Not for profit entities, including charities, will also be eligible.” [Prime Minister and Treasurer media release 30 March 2020](#)

Sunday 5 April 2020

2. Treasurer announces charities subject to a 15% revenue loss test. “Charities that are registered with the national regulator will be eligible for the Morrison Government’s \$130 billion JobKeeper Payment if they have suffered a 15 per cent decline in turnover as a result of the coronavirus.” All universities are registered charities.
[Treasurer media release 5 April 2020](#)

Monday 6 April 2020

3. Treasurer excludes universities and schools that are charities from charities test.
[Australian newspaper article 6 April 2020](#)

Easter Thursday 9 April 2020

4. [JobKeeper Rules released](#), defining loss of revenue in GST terms and allows turnover comparison period to be any month or quarter, April to September 2020.

Friday 24 April 2020

5. The Treasurer announces that Government payments to universities are revenue for JobKeeper purposes. [“Changes will clarify that the core Commonwealth Government financial assistance provided to universities will be included in the JobKeeper turnover tests.”](#)

Friday 1 May 2020

6. JobKeeper Rules amendment 2, sets turnover period for universities to be January-June 2020.
[Coronavirus Economic Response Package \(Payments and Benefits\) Amendment Rules \(No. 2\) 2020](#)

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About the IRU

The IRU is a network of seven comprehensive universities committed to inclusive excellence in teaching and research in Australia. Its members are Charles Darwin University, Flinders University, Griffith University, James Cook University, La Trobe University, Murdoch University and Western Sydney University.