



Australian Government



Australian  
**Small Business and  
Family Enterprise**  
Ombudsman

25 November 2020

The Treasury  
JobKeeper Division  
Langton Cres  
Parkes ACT 2600

*via email:* [JobMakerHiringCredit@treasury.gov.au](mailto:JobMakerHiringCredit@treasury.gov.au)

Dear Sir/Madam

### **JobMaker Hiring Credit rules**

We support the goal of the JobMaker Hiring Credit (the Credit) to boost employment for younger workers. However, we remain concerned about some aspects impacting small business (SMEs) and the effectiveness of the incentive. We recommend:

1. Allowing non-employing sole traders to access the Credit could encourage them to expand their business and employ their first person. Sole traders who do not employ should be eligible to access the program as they account for 62.8 per cent of Australian businesses.<sup>1</sup> The Commonwealth Government's deregulation taskforce is working to make it easier for sole-traders to employ their first person, as many sole traders are genuinely seeking to expand their businesses.
2. The Credit (and supporting regulation) should explicitly provide that SMEs can advertise for eligible staff without fear of penalty from age discrimination laws. Doing so will give SMEs confidence to hire and strengthen the Credit's intent.
3. SMEs should be reasonably protected when a prospective employee presents a signed but false declaration indicating they meet eligibility requirements. If all eligibility responsibility rests with the SME it will create a disincentive to hire. Evidence of employee eligibility could be in the form of a document, provided by the ATO and Services Australia showing Credit eligibility rules. This would maintain scheme integrity and reduce the burden on SMEs.
4. Payment of the Credit should be on a monthly basis. The proposed quarterly payment is too long given current cash-flow stresses faced by SMEs. Monthly payments made under the JobKeeper scheme demonstrate the ATO's ability to make prompt payments across all businesses and the Credit should be no different.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Rowen Murphy on 02 6123 7448 or at [rowen.murphy@asbfeo.gov.au](mailto:rowen.murphy@asbfeo.gov.au).

Yours sincerely

**Kate Carnell AO**

Australian Small Business and Family Enterprise Ombudsman

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<sup>1</sup> <https://www.abs.gov.au/statistics/economy/business-indicators/counts-australian-businesses-including-entries-and-exits/latest-release>