

Senate Standing Committee on Education and Employment

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2014-2015**

Outcome 1 - Employment

Department of Employment Question No. EM1635_15

Senator Lines provided in writing.

Question

New Enterprise Incentive Scheme

Why has the Government decided to cut New Enterprise Incentive Scheme payments from 12 months to 9? - What analysis was done prior to making this decision? - What consultation did the Government/Department carry out before making this decision? - What feedback has the the Department received in relation to cutting back this program?

Answer

The Department monitors the performance of New Enterprise Incentive Scheme Providers to inform Government decisions. The majority of small businesses established through the New Enterprise Incentive Scheme are generating sufficient income by the end of the first nine months of trading. The changes implemented to the length of the New Enterprise Incentive Scheme Allowance does not impact on the 12 months of business mentoring support that is still available to participants.

The Department regularly consults with the National New Enterprise Incentive Scheme Association, the peak organisation representing around 80 per cent of New Enterprise Incentive Scheme providers. Following the announcement, the Association strongly supported the change as it allowed efficiencies to be realised without jeopardising the number of New Enterprise Incentive Scheme Business start-ups per year.

The Department has received strong support for the changes. Only one letter outlining concern regarding the changes has been received.