

## **Provided by Marissa Sandler and Lauren Hockley, Careseekers**

When giving information at the Parliamentary Hearing we did not raise our recommendations around the current exemptions or our recommendation around a specific platform threshold.

### **Amendments to current exemptions**

#### **90 day exemption - section 32(2)(b)(iii) of the *Payroll Tax Act 2007***

We recommend that the 90-day exemption be amended so that it is calculated by reference to the number of hours worked in a year, rather than the number of calendar days on which work is performed.

Under the current formulation, a worker who provides as little as one hour of care on a particular day is deemed to have worked one full day for the purposes of the exemption. This approach does not reflect the realities of care work.

On platforms such as Careseekers, it is common for support workers to provide short-duration services, often one to two hours per day (for example, assistance with personal care). As a result, a worker may exceed the 90-day exemption despite having delivered only approximately 90 hours of work across an entire year.

Basing the exemption on hours worked would more accurately reflect actual labour performed, align with the nature of care and support work, and avoid unintentionally capturing low-intensity, intermittent engagements within the payroll tax net.

#### **Services to the public exemption - section 32(2)(b)(iv) of the *Payroll Tax Act 2007***

We recommend that the “services to the public” exemption be amended to provide greater clarity and certainty in its application.

In particular, the exemption should expressly clarify that:

- Creating a public profile on a digital platform constitutes offering services to the public, as the worker is actively making their services available to a broad and undefined group of potential clients; and
- Where a worker is also engaged or employed elsewhere in a disability or aged care role, this should automatically satisfy the “services to the public” test, recognising that both the NDIS and aged care systems operate on a consumer-directed care model driven by participant choice rather than exclusive or captive engagements.

Clarifying the exemption in this way would better reflect how care services are delivered in practice, reduce uncertainty for workers and platforms operating in good faith, and ensure the exemption operates as intended in consumer directed care markets.

## **Platform specific payroll tax threshold**

We recommend consideration of a platform-specific payroll tax threshold based on scale.

One option would be to introduce a gross transaction value (GTV) threshold for digital platforms (for example, \$50 million in annual GTV), below which payroll tax would not apply. This would operate as a small business exemption, ensuring that early-stage and small platforms are not captured by payroll tax obligations until they reach a level of scale where compliance costs and tax liabilities can be sustainably absorbed.

Such a threshold would:

- protect small and emerging platforms operating in good faith;
- reduce the risk of insolvency caused by retrospective liabilities; and
- allow payroll tax to apply in a more proportionate way once platforms reach genuine economic scale.

This approach would maintain the integrity of the payroll tax base while avoiding unintended consequences for innovation, competition, and service delivery in the care and support sectors.