



MEDIA RELEASE

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Small business left with re-cycled re-announcements in ‘yarn’ and ‘years off’ 2010 Budget

The pressing issues facing the small business community have once again been ignored by Mr Rudd in Labor’s big spending, big taxing 2010 budget, having to make do with re-announcements of ‘more of the same’.

This big spending budget will add pressure on interest rates and has delivered very little for the small business community.

The Budget deficit of \$40.8 billion this coming year and planned borrowings of \$100 million a day for the coming financial year will only add to the difficulties small businesses face in accessing affordable finance.

The Budget presents no plan or strategy to provide assistance to small business with Labor failing to making the tough decisions that are required to secure our economic future.

The Prime Minister and his government continue to use ‘smoke and mirrors’ to mislead Australians into believing that its proposed mining super tax would pay for the 3% increase in superannuation contributions.

Small business employers know that employers will be paying the additional payroll cost, not the mining super tax, and the additional tax raised from a 3% increase in small business employer superannuation contributions more than pays for the tax benefit only some will be able to access.

Any prospect of the 1 in 8 small businesses that may benefit from a company tax rates reduction of 2% will mean very little for employers that will be hit with a 3 per cent increase in payroll cost for superannuation contributions – and few small business employers achieve profits that are greater than their payroll costs.

Mr Rudd must immediately produce the evidence and guaranteed mechanism that will ensure additional employer superannuation costs are fully offset by reduced wage and salary claims if it is to persist in its claim that the extra payroll costs small business will face from 3% increase in employer-funded superannuation contribution produces ‘lost revenue’ for the Government.

Rather than respond positively to the challenges and cost pressures facing small business because of the re-regulated workplace regime, the Rudd Labor Government has gifted \$10 million to the union movement to train shop stewards.

The budget of Fair Work Australia has been boosted by \$90 million, for more of the helpful ‘education’ visits that have resulted in enforcement action against small business employers.

The small business community has correctly characterised the Budget as a ‘yarn’ with no substantial or new initiative to address priority areas of concern and any possible benefit from tax changes is ‘years off’ and cynically linked to the mining super tax when cash-flow and viability pressures are here and now.

Labor has never pretended to be the party of small business and this budget once again shows Labor remains indifferent to the needs of the 2.4 million small businesses in Australia and the more than 4 million small business employees.