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**MEDIA RELEASE**

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**Gillard Government Confirms Contempt for Start-Ups, Self-Employment and Micro-Businesses**

The Federal Budget makes it impossible to conclude anything other than that the Gillard Labor Government simply hates small business.

The Government will pocket \$365 million from the axing of an important micro-business tax incentive and more than 400,000 small business people will know Labor's disdain for them by feeling another hit to their hip pockets.

The Budget scraps the Entrepreneurs Tax Offset (ETO) which delivered up to \$2500 in support and encouragement to Australia's smallest businesses as they get off the ground and grow.

Self-employed people, home-based businesses, small retailers and service providers and people using their own wit and entrepreneurship to enter, re-enter, participate in or defer retiring from the workforce will face a tax hit by the scrapping of the ETO.

It is both extraordinary and offensive that the Gillard Labor Government talks about the 'dignity of work' and 'insisting on participation of more workers' and yet can't see past narrow unionist view that only 'employees' are workers.

The evidence could not be clearer that this Gillard Government is weak and directionless when it asserts that *'our economy can't afford to waste a single pair of capable hands'* and at the same time fails to value and recognise self-employment and micro-businesses as very legitimate ways to earn a living and contribute to our economy.

Australia's economy desperately needs more of the innovation, enterprise and courage of small business people and the self-employed to turn around the 300,000 jobs lost in the sector since the election of the Rudd/Gillard Government.

Instead, the Government is hell-bent on undermining enterprising, aspirational and self-starting people at every opportunity in favour of increasingly regulated, union-controlled big business workplaces.

The ETO was introduced by the Howard Government in 2005 to provide a 25% tax offset on annual income tax liability on turnover up to \$50,000, phasing out to cease at \$75,000 turnover, with the ATO reporting that more than 402,485 micro-business people claiming the deduction in 2008-09.

The Treasurer claims that the ETO holds back micro-businesses while micro-business beneficiaries can't understand why the Government would take away "*a tax incentive for people to set up their own business*" (Barbara Gabogrecan, President, Home Based Business Australia,  
<http://www.startupsmart.com.au/finance/2011-05-09/home-based-start-ups-hit-out-at-vehicle-tax-write-off.html>)

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