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**MEDIA RELEASE**

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**Labor MP insults our smallest businesses in latest Gillard Government attack**

The Gillard Labor Government has opened up a new line of attack on Australia's smallest businesses by suggesting that micro-businesses and the self-employed turn their backs on growth opportunities purely to get access to a modest tax incentive.

Canberra-based Labor MP, Andrew Leigh has used parliament (Hansard, 23 May 2011) to assert a baseless argument in an effort to justify the Government's decision to scrap the Entrepreneurs Tax Offset (ETO) while revealing Labor's true motive.

Mr Leigh makes the insulting claim that business-people are deliberately organising themselves and rejecting 'market opportunities which might be present' solely to claim the ETO benefit he describes as '*a fairly low level of assistance*'.

Labor's argument that 400,000 micro-businesses and the self-employed are turning their backs on growth opportunities to access the ETO is not backed up by the facts.

Despite a maximum ETO benefit of \$2,500, the Government's own data shows the average ETO claimed is less than \$500 and 70% of claims are for less than \$600.

The ETO provides a 25% discount on a small business's annual income tax liability on turnover up to \$50,000, and phases out to cease at \$75,000 turnover. The ATO reports that more than 402,485 micro-business people claimed the ETO in 2008-09.

For Labor to assert that our smallest businesses are arranging themselves and ignoring market opportunities purely to access the ETO, requires the Gillard Government to ignore the actual claims evidence and the tapered nature of the incentive.

Having failed to make any credible case to scrap the ETO, Labor has now turned to insults and make-believe nonsense to justify this latest attack on small business.

The ETO was introduced by the Howard Government in 2005 as support and encouragement to Australia's smallest businesses as they get off the ground and grow.

The Gillard Government's true motive for axing the ETO was inadvertently revealed by the Labor backbencher who claimed it encouraged individuals to work "*as a contractor instead of an employee*".

This is yet another instalment in the Gillard Labor Government's concerted and coordinated campaign to hound and harass small business people out of legitimate contracting arrangements and into employee-employer relationships that facilitate union intervention and control.

Labor would be better served listening to the needs of small business rather than stripping the sector of measures that make a meaningful difference to micro enterprises. the engine room of the Australian economy'.

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