



THE HON BRUCE BILLSON MP
Shadow Minister for Small Business,
Competition Policy and Consumer Affairs
Federal Member for Dunkley

MEDIA RELEASE

4 October 2011

Swan's tax chat words at odds with reality – Labor making it harder for small business

If Treasurer Wayne Swan's declaration is to be anything other than empty rhetoric - that providing incentive for people who work hard was his principal goal in tax reform, then Labor must end its assault on independent contractors, the self employed and small businesses.

With 300,000 jobs lost in the sector since the election of the Rudd/Gillard Labor Government and a steady stream of surveys pointing to plummeting small business optimism, profitability, employment intentions and confidence in the Government, small business wants supportive action not words coming from the tax forum.

A good start for the Treasurer to 'walk the talk' on support for hard working small business men and women would be to ditch the carbon tax given its compounding cost impact and hit to consumer confidence.

The Government could commit to undertaking and releasing modelling on the impact of the carbon tax on particular small business sectors and enterprises and end the dismissive and arrogant attitude to legitimate and unanswered carbon tax concerns.

Government claims that the carbon tax impact on small business will be "*modest, and can be passed through*" contrast vividly with the real life assessment of a significant impact on the costs, competitiveness and viability of small businesses and family enterprises already doing it tough.

The Government's decision to scrap the Entrepreneurs Tax Offset (ETO) runs completely contrary to Julia Gillard and Wayne Swan's endorsement of importance of rewarding enterprise and entrepreneurship.

Instead of support, the Gillard Government is effectively raising taxes for Australia's 400,000 smallest businesses who on average claimed less than \$500 of ETO benefit, with 70% of claimants receiving less than \$600 out of a maximum possible tax offset of \$2,500.

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

Labor's alliance with the trade union movement has seen the Fair Work Ombudsman, Australian Tax Office and Australian Building and Construction Commissioner tasked to target independent contractors and self employed people to force many into union-controlled workplace arrangements.

While Wayne Swan now talks about 'providing incentive' as his guiding principle for the tax chat, the best guide to future action is past form, and the Treasurer and his government continue to do their best to make difficult times even harder for small business and family enterprise 'engine room of the economy'.

Media Contact: Vincent Sheehy 0417 236 109