



THE HON BRUCE BILLSON MP

Shadow Minister for Small Business,
Competition Policy and Consumer Affairs
Federal Member for Dunkley

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Why does Labor hate Tasmanian Small Business?

Labor Federal Member for Braddon, Sid Sidebottom has stated what many already know: small and micro businesses in Tasmania are being ignored because for Labor, *'the big noise of the economy is in the large industries'*.

Despite individual Labor MPs 'talking the talk' about the importance of small business, the Gillard Government fails miserably to 'walk the walk' when it comes to getting behind the small and micro business 'engine room of the economy'.

Labor's cold shoulder to the plight of small business people has already seen 300,000 jobs lost in the sector since the election of the Rudd/Gillard Government and a 25,000 fall in the number of small businesses.

The Gillard Government's adversarial attitude towards our smallest businesses highlighted in the recent federal budget makes it impossible to conclude anything other than Labor simply hates small business.

Labor has scrapped 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.

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.

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 extraordinary and offensive that Mr Sidebottom on the one hand acknowledges the important role small businesses play in our economy and on the other hand supports the scrapping of initiatives designed to help our smallest businesses find their feet.

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 claimed the deduction in 2008-09.

Small businesses in Tasmania are doing it tough, with the Tasmanian Chamber of Commerce and Industry (TCCI) reporting confidence in the Tasmanian economy has fallen to its lowest since the global financial crisis.

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