



# Labor's plan for all small businesses

**Julia Gillard and Labor**  
Let's move Australia forward



## **ONLY LABOR STANDS FOR TAX RELIEF FOR ALL SMALL BUSINESSES**

<b>Gillard Labor</b>	<b>Abbott Coalition</b>
<ul style="list-style-type: none"> <li>✓ <b>A head-start on the company tax rate cut to 29 per cent in 2012-13 for small companies.</b> <ul style="list-style-type: none"> <li>- This benefits 720,000 small companies (with turnover less than \$2 million).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✗ <b>Small business companies have to wait an extra year until 2013-14 to get a company tax cut.</b></li> <li>✗ <b>3,500 companies, including key suppliers to small businesses such as food producers, utilities and petrol companies, face higher taxes than under Labor.</b> <ul style="list-style-type: none"> <li>- <b>1.5 per cent higher in 2012-13</b> when Mr Abbott's PPL levy starts and they pay 31.5 per cent.</li> <li>- <b>1 per cent higher from 2013-14 onwards</b> when they pay 29 per cent under Labor and 30 per cent under the Coalition.</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>✓ <b>Instant write-off for any new business asset costing up to \$5,000 for <u>all</u> 2.4 million small businesses from 2012-13.</b> <ul style="list-style-type: none"> <li>- This includes the 70 per cent of small businesses not run through a company that don't benefit from a company tax cut.</li> </ul> </li> <li>✓ <b>Simplified depreciation of other assets in a single depreciation pool (combining two pools into one).</b></li> </ul>	<ul style="list-style-type: none"> <li>✗ <b>No tax relief for the 1.7 million (or 70 per cent of) small businesses that are not incorporated.</b></li> <li>✗ <b>No simplification of depreciation arrangements.</b></li> </ul>
<ul style="list-style-type: none"> <li>✓ <b>New R&amp;D tax credit, providing a 45 per cent refundable credit for firms with an annual turnover of less than \$20 million.</b></li> </ul>	<ul style="list-style-type: none"> <li>✗ <b>Outdated R&amp;D tax concessions, which only benefit businesses already making a profit.</b></li> </ul>

## What the Gillard Labor Government has delivered for small business

### *Supporting small business through the global recession*

- ✓ A **small business tax break** during the GFC to claim an additional 50 per cent tax deduction for eligible assets like cars and equipment costing more than \$1,000.
- ✓ **Support for local tradies** and the small businesses that supply them through stimulus investment in schools, housing, roads and local infrastructure projects.
- ✓ **Tax Office assistance** for more than 100,000 small businesses experiencing financial distress to remain viable, worth \$155 million over four years.
- ✓ More than 15,000 calls to our **small business support line** to help small businesses through the global recession.

### *Helping small business prosper*

- ✓ **\$42 million invested in small business advice and support** through small business advisory services at Business Enterprise Centres located in suburban, rural and regional Australia.
- ✓ **Simple fair dismissal procedures for small businesses** through an extended qualifying period and a Fair Dismissal Code, which provides for a dismissal to be fair.
- ✓ A **superannuation clearing house** so small businesses can pay their employees' super contributions in a lump sum to Medicare.
- ✓ **Improvements to the Franchising Code of Conduct** to empower prospective franchisees when negotiating with franchisors.
- ✓ **Standard business reporting** to make it easier to submit forms such as Business Activity Statements, Tax File Number Declarations and payroll tax returns.
- ✓ **Protecting small businesses against more powerful businesses** by providing penalties of up to \$1.1 million for unconscionable conduct and strengthening the laws dealing with predatory pricing.
- ✓ **Helping small businesses go online** by providing \$14 million to improve e-commerce capabilities, enabling them to take up the new opportunities offered by the National Broadband Network.
- ✓ **Permanent voice for small business** through the ACCC Small Business Commissioner and the Small Business Advisory Committee.

### *Making it easier to deal with Government*

- ✓ 96.5 per cent of small business invoices paid on time under **on-time payment guarantee** with penalty interest if not paid on time.
- ✓ **Easier to sell to government** with consistent and simpler tendering processes and by developing a liability risk-assessment guide.