



JOINT PRESS RELEASE

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CITIES

REAL ACTION TO SUPPORT SMALL BUSINESS

The Coalition believes in the importance of small business as the engine room of the Australian economy.

The men and women of Australia's small business sector work hard, take risks and create jobs right across the economy. They deserve a government that supports them.

The Coalition will cut company tax from 30 per cent to 28.5 per cent. This will provide a tax cut to all Australian companies.

The Coalition will reward calculated risk-taking to grow small businesses by working with regulatory authorities to ensure that the commitment of personal guarantees and private asset mortgage is rewarded by more affordable and improved access to small business finance.

The Coalition's paid parental leave will help small business attract and retain workers. Small businesses, independent contractors and the self-employed will benefit from the Coalition's plan to provide paid parental leave to working women for six months at their full salary. The Coalition's plan will not disadvantage small business and will help attract and retain a stable workforce.

The Coalition will extend Unfair Contract protections for small business. The Coalition will provide a 'fair go' for small business by extending the unfair contract protections currently available to consumers to cover the small business sector.

The Coalition will provide small business with a fairer deal on personal services income by not changing current laws relating to the treatment of personal service income.

The Coalition will improve small business access to Commonwealth contracts. We will require government departments and agencies to use tender procedures and procurement practices that do not disadvantage small business participation and instead, actively encourage it.

In a Coalition government, the Minister for Small Business will sit in Cabinet and will make an annual statement to Parliament on progress and Commonwealth departments and agencies will be required to publish their small business guidelines in their annual reports.

The Coalition will ensure departments and agencies pay small business bills on time by adopting a 'pay on time or pay interest' basis. Unlike Labor, this won't be limited to only 'formal' contracts, it will apply to any small business that provides a service to the government. If an account is not paid within the 30 days, interest will be applied at the same rate as the 'General Interest Charge' applied by the Australian Taxation Office to late tax payments. As an additional incentive to encourage on-time payments, department and agency budgets will not be topped up to cover their delinquency.

The Coalition will establish a dedicated small business advocate – the Small Business and Family Enterprise Ombudsman. The Ombudsman will be empowered to ensure that small business concerns are registered and understood across all levels of government and the bureaucracy. In addition, the Ombudsman will be an advocate for the small business sector, able to help small businesses resolve disputes with government departments and agencies.

The Coalition will give small business a say in taxation. We will ensure through future appointments that the Board of Taxation will always include a small business presence. Board members who have practical day-to-day experience of running a small business would be included and have a say on matters affecting taxation policy and administration.

The Coalition will encourage a better understanding of fair commercial conduct. The Small Business & Family Enterprise Ombudsman, in conjunction with the ACCC, will prepare and publish a series of ‘better practice’ guidelines to explain and encourage ‘fair commercial conduct’.

The Coalition has also identified a number of areas of government activity where a little commonsense and understanding can help get government off the back of small business.

We will ensure genuine consultation with the small business sector about changes in government-imposed fees and charges to ensure that any change is implemented in a proportionate and equitable way.

Under a Coalition government, Cabinet proposals will be accompanied by an assessment of the potential impact on small business.

The Coalition will reduce the compliance burden on small business and will adopt the principle of minimum effective regulation for proposals to amend or extend compliance burdens on small business.

Every Minister will be required to guard against growth in the regulatory burden and will, where possible, reduce existing red-tape. This responsibility will be included in the job description of every Minister, and they will be accountable to the Prime Minister and the Parliament for their performance.

The Australian Accounting Standards Board will be required to justify additional disclosure and compliance obligations being imposed on non-listed enterprises in excess of adopting International Financial Reporting Standard for small to medium size businesses.

In addition to the Coalition’s \$2.5 billion commitment to reduce company tax, we will commit an additional \$13.5 million over the forward estimates to fund these measures. This funding will be provided from the nearly \$24 billion in recurrent savings that have been identified by the Coalition over the forward estimates.

The Coalition is committed to the small business sector and determined to ensure that government makes it easier, not harder, for small business to prosper and grow.

28 July 2010