

Our Plan

- Choose Another Issue -

ISSUE 03

BACKING SMALL BUSINESS



Small business is the engine room of the Australian economy, employing 4.7 million Australians.

Small and medium businesses are driving jobs growth in Australia and must continue to do so.

That is why last year, we announced:

- A 1.5 percentage point tax cut for incorporated small businesses with a turnover of less than \$2 million per year;
- A 5% tax discount for unincorporated small businesses;
- Immediate tax deductions for each and every asset purchased up to \$20,000; and
- Immediate deductibility of professional expenses when establishing new small businesses.

The Turnbull Government's **Ten Year Enterprise Tax Plan** will support growth, higher wages and jobs by lowering the tax rate for companies over time to an internationally competitive level.

We will:

- Cut the small business **company tax rate to 27.5 per cent** for small businesses with a turnover less than \$10 million.
- Increase the **unincorporated tax discount from 5 per cent to 8 per cent**, capped at \$1,000 for small businesses with a turnover less than \$5 million.
- **Extend access to the instant asset write off** so that small businesses with a turnover less than \$10 million can instantly deduct each and every asset under \$20,000.
- Make life easier by **simplifying Business Activity Statements (BAS)**, reducing reporting labels from seven to three.

The company tax rate will be progressively lowered to 25 per cent by 2026-27 for all companies.

We are also supporting small business by:

- Cutting red tape by \$4.5 billion, including simplifying the process for establishing an employee share scheme and removing almost 450,000 small businesses from the PAYG system;
- Opening new markets by signing export trade agreements with China, Korea and Japan;

- Extending protections against unfair contract terms to small businesses; and
- Appointing the first ever Small Business and Family Enterprise Ombudsman.

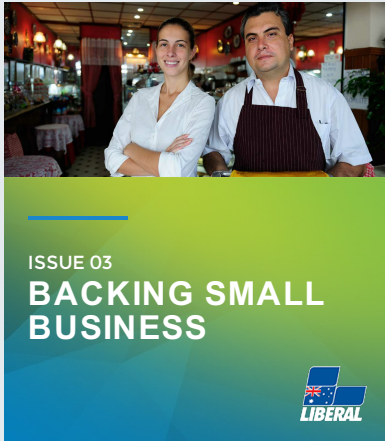
The Coalition is also fixing Australia's competition laws to help small to medium companies compete with larger established ones and to ensure they're not shut out of markets unfairly by the big players.

Adopting the recommendations of the Harper Review, the Coalition will repeal the current Section 46 of the Competition and Consumer Act and replace it with a new provision that prevents firms with substantial market power from engaging in conduct that has the purpose, effect or likely effect of substantially lessening competition.

This will prevent the misuse of market power and benefit small businesses. It will enhance competition, support innovation, benefit consumers and boost jobs and growth.

This is an important reform for Australia's more than two million small businesses.

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