



LEVELLING THE PLAYING FIELD

Standing Up for Small Business

Backing small business over the big end of town

From your local tradie, to your favourite café, to independent grocers: small business is the engine room of our economy, our biggest employer, and active members of our communities. While the big parties pander to big business, The Greens are working with small business, for small business.

There are over 2 million small businesses operating in Australia. In fact, around 97% of all businesses in Australia are small businesses¹. Small business also provides nearly 5 million Australians with a job – that’s around 44% of our entire workforce². Small business is the lifeblood of our economy, and the fabric of our workforce.

But with just over one in ten small businesses closing every year³, we know it’s tough for this sector, which is why we’ve been meeting with small business operators, and we’ve been listening to what they say. The Greens will:

- **continue to work in the Parliament to secure the Effects Test for fairer business competition**
- **allocate \$815.9 million over four years to restore loss-carry-back provisions that enable small businesses to manage ‘lumpy’ cash flows**
- **increase the small business entity turnover threshold from an annual turnover of no more than \$2 million per annum, to an annual turnover of no more than \$10 million per annum**
- **support the \$20 000 instant asset write-off**
- **increase the threshold for GST registration to \$150,000 or more for businesses, and to \$300,000 or more for not-for-profits to reduce administrative burdens**

- **free up small businesses from the administrative burdens of being a superannuation intermediary, by having employee super collected with tax as a pay as you go contribution, to be distributed by the Australian Tax Office**
- **protect hire equipment from receivership acquisitions**
- **extend the Do Not Call Register to business telephone numbers**
- **allocate \$20 million to implementing programs for small business owners and staff to ensure their mental health is being looked after, because we know that running a small business is stressful.**

> FIGHTING FOR MARKET FAIRNESS

We fought alongside small business for an Effects Test to stamp-out anti-competitive behaviours from big business, and will continue to do so.

An Effects Test was part of the Effective Competition Policy we took to the last election, and a recommendation of the Harper Review. On March 16 this year, the Turnbull Government, after fighting it every step of the way, finally gave in to this public and political pressure, and committed to long-overdue reform to Section 46 of the *Competition and Consumer Act 2010*.

The ALP continue to oppose an Effects Test, but the Greens will fight to secure it.

> HELPING SMALL BUSINESS THROUGH GOOD TIMES AND BAD

The Abbott Government axed the loss-carry-back provision designed to help small business when they repealed the Mining Tax package. The Greens will work to restore this measure to help manage ‘lumpy’ cash flows, just as we successfully worked to restore and increase the instant asset write-off threshold, which was slashed at the same time.

¹ Gilfillan G. 2015, *Statistical Snapshot: Count of small businesses*, APH, viewed 03 May 2016, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1516/Count

² Gilfillan G. 2015, *Statistical Snapshot: Small business employment contribution and workplace arrangements*, APH, viewed 03 May 2016, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1516/Employ

³ Gilfillan G. 2015, *Statistical Snapshot: Count of small businesses*, APH, viewed 03 May 2016, http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1516/Count

The Abbott-Turnbull Government abolished a provision that allowed companies to 'carry back' up to \$300,000 as a refundable tax offset for up to two years. This measure was particularly beneficial to small businesses that fluctuate year-on-year. The Greens will allocate **\$815.9 million over four years** to restore this measure and support businesses that are viable over the long-term, but can experience short-term difficulties with cash flow.

A return of a loss carry-back provision will bring our tax system back in line with other countries such as Canada, France, Germany, the United Kingdom and the United States of America.

> DEFINING SMALL BUSINESS

To better reflect what can be regarded as small in today's international marketplace, The Greens commit to increasing the small business entity turnover threshold from an annual turnover of no more than \$2 million per annum, to an annual turnover of no more than **\$10 million per annum**.

This would make our definition more comparable with international small business definitions, such as the EU (no more than EUR 10 million (AUD 15 million) annual turnover) and China (no more than CNY 30 million (AUD 6 million) annual turnover)⁴.

> INSTANT ASSET WRITE-OFF

When the Abbott-Turnbull Government slashed the instant asset write-off threshold in 2014 from \$6,500 to \$1,000, we replied with a policy and campaign, backed by a recommendation in the Henry Tax Review, that the \$6,500 threshold needed to be increased, not decreased.

The Greens support the continuation of the \$20 000 instant asset write-off being made available to businesses with a turnover of up to \$10 million per annum.

Instant asset write-offs are an incentive for small business to reinvest money into their operations, which is good for the business, good for the suppliers, and ultimately good for customers and the economy.

> LETTING YOU GET ON WITH BUSINESS

The Greens **will increase the threshold for GST registration from \$75,000 to \$150,000 or more for businesses, and from \$150,000 to \$300,000 or more for not-for-profits**, with these figures to be increased annually, in line with CPI. This will mostly

affect sole traders and micro businesses, but we know you have more important things to do with your time than filling out business activity statements (BAS) every month or quarter.

We also think you have more important things to do than acting as the Government's agent for superannuation. That's why the Greens will free small businesses from this non-core activity by having employee super collected with PAYG (pay as you go) to be distributed by the Australian Tax Office to the relevant superannuation fund manager. This would free up around 800,000 Australian businesses from the administrative burden of being a superannuation intermediary, which would mean more time for growing their businesses, and to spend with families.

The Greens will protect hire equipment from receivership acquisitions. If a company you hire equipment to goes into receivership, you shouldn't be penalised for it. We will amend Section 12(3)(c) of the *Personal Property Securities Act 2009* to ensure lessor's property cannot be used as security in another company's receivership proceedings.

The Greens will also extend the Do Not Call Register to business telephone numbers. We will allow all phone and fax numbers to be included in the Do Not Call Register, so that you and your staff can go about your business without unnecessary disruption, and focus your valuable resources on what's most important: your business.

> HEALTHY MIND, HEALTHY BUSINESS

The Greens understand that small businesses are more than just products, processes and bottom lines – first and foremost small businesses are people.

The Greens will allocate \$20 million to implementing programmes for small business owners and staff to ensure their mental health is being looked after, because we know that running a small business is stressful.

Recent research found mental health conditions cost Australian businesses at least \$10.9 billion each year, with one in five workers having taken time off work in the previous year due to mental health concerns⁵. And we know that small business workers, and particularly owners, are doing it tough because you are the business, and you've got everything riding on it. The Australian Greens will increase small business awareness of the mental health supports available to them and their staff by ensuring Government agencies better communicate mental health issues, preventative measures, and services to small businesses, and by ensuring agencies provide programmes specifically tailored for self-employed and small business

⁴ Kushnir, K. 2010, *How Do Economies Define Micro, Small and Medium Enterprises (MSMEs)?*, International Finance Corporation, viewed 10 May 2016, <http://www.ifc.org/wps/wcm/connect/624b8f804a17abc5b4acddd29332b51/msme-ci-note.pdf?mod=ajperes>

⁵ PwC 2014, *Creating a Mentally Healthy Workplace: Return on investment analysis*, Heads Up, viewed 10 May 2016, https://www.headsup.org.au/docs/default-source/resources/beyondblue_workplaceroi_finalreport_may-2014.pdf

owners. Research has shown that on average for every dollar invested in mental health wellbeing, there is a \$2.30 return on investment to be gained by the business⁶.

The Greens will also ensure that various Government agencies communicate better amongst themselves, so that mental health concerns don't fall between the cracks, so that when health concerns are raised with agencies such as the Australian Tax Office this triggers a notice to the Department of Health for follow up.

appointment of an Australian Small Business and Family Enterprise Ombudsman.

And it was a Greens amendment to the *Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Bill 2015* that ensured most small business would be protected from unfair terms in standard form contracts (including franchise agreements). This amendment increased the coverage of the legislation from 80% of small businesses to 95% of small businesses.

> REPOWERING BUSINESS

As part of our plan to Renew Australia⁷, the Greens have announced initiatives aimed at increasing uptake of renewables by business by reducing the costs of doing so. These include:

- A \$5 million information campaign to promote the Clean Energy Finance Corporation's schemes to support Households and Businesses installing solar with no upfront costs;
- Ensuring a fair price for solar is paid by energy companies;
- Working to reform laws that will enable access to solar energy for commercial tenants; and
- Allowing battery storage installations to be depreciated over three years, instead of 15.

More on these initiatives can be found at:

<http://greens.org.au/solar>; and <http://greens.org.au/batteries>.

> REFORMING THE VET SECTOR

We understand that small businesses needs And we hear that you are feeling more and more let down by Australia's vocational education and training (VET) sector.

That's why the Greens have policies to properly fund and fix our vocational education sector, with a stronger TAFE system front and centre. We also want to improve the quality of training provided, particularly by private Registered Training Organisations (RTOs). You can read more about this at: <http://greens.org.au/save-tafe>.

> WORKING WITH YOU, FOR YOU

The Greens have always been a party for small business. While the big parties pander to big business, we have always backed small business. But we don't just work for you, we work with you.

We introduced to Parliament the *Small Business Commissioner Bill 2013*. Three years later, this resulted in the creation and

⁶ibid

⁷ Renew Australia: <http://greens.org.au/renew>.