

12 May 2015

FEDERAL BUDGET 2015

Statement from Alex Malley, chief executive of CPA Australia

“SMALL BUSINESS A WINNER BUT BUDGET FAILS ON A VISION FOR AUSTRALIA”

Despite the positive announcements in tonight’s budget for Australian small business, it is not clear from the fine print that the government has delivered on a vision for Australia’s future.

CPA Australia’s chief executive Alex Malley said that “tonight’s budget lacks a real vision and commitment to the serious and overdue structural reforms that are desperately needed to secure Australia’s future.”

“It’s evident that the Government has been spooked by the negative reception it got from its first budget.”

“When the focus of a budget is on minimising how many people you offend, you know it is not about charting a course for the country’s future prosperity,” Mr Malley said.

“Still nursing the wounds of its first bruising budget process, where a number of key reforms were rejected by the community and the Parliament, this time around it appears the preference is to be a small target and to please as many people as possible.”

“Minimising bad news isn’t good news, especially when the challenges for our country are significant.”

“Australian business and the community are desperate for a boost in confidence and certainty – unfortunately there are only a handful of initiatives announced tonight that assures me that we’re heading in the right direction.”

“The only real highlights tonight are the positive announcements for Australian small business.”

“Minister Billson should be applauded for leading on the package of initiatives designed to support small businesses, and help them invest and create jobs.”

“Conversely, while the big ticket item of childcare reform is important, there are real questions over its funding.”

“There has to be a level of courage and conviction to tackle reform. It is what we expect from our political leaders, yet following the trauma of last year’s budget, this Government appears to have lost its nerve.”

“If the government is uncertain, how are families and businesses expected to have the confidence needed to invest in jobs and grow the economy.”

“Deferring problems to future budgets with a nod and a ‘she’ll be right’ wink is unacceptable,” Mr Malley said.

While the overall budget misses the mark, Mr Malley says a number of positive initiatives are worth highlighting:

Small business announcements the shining light

“The tax cut to small businesses and the tax discount for unincorporated businesses will help drive growth in the sector and allow these businesses to create jobs and invest in Australia’s future.”

“We should be doing everything we can to encourage today’s small businesses to grow into tomorrow’s big businesses, with all the new jobs and spending which that brings.”

“By allowing small businesses to immediately deduct assets costing less than \$20,000 is a positive move which will support vital and much needed business investment.”

“Asset write-off relief will have an important cash flow benefit for small businesses, helping them to make vital capital investments and grow their businesses.”

Tax cuts – we need to go further

“Despite a welcome cut in the corporate tax rate for small businesses, much more needs to be done to boost Australia’s tax competitiveness.”

“Despite a cut to 28.5 percent Australia still remains out of sync with the rest of the developed world where corporate tax rates have fallen significantly over recent years.”

“You only need to look at the UK where the corporate tax rate has fallen steadily from 28 per cent down 20 per cent in recent years. The obvious question is if the UK can do it, then why not Australia?”

“Australia needs an across-the-board company tax rate cut to increase productivity and to increase jobs.”

“By closing the digital tax loophole come 1 July 2017, the government will finally address a well overdue levelling of the playing field for Australian businesses so they no longer feel like they’re being treated as second class business citizens.”

“More important than the modest revenue gain being flagged by the Treasurer, this is about enabling Australian companies to compete internationally, grow their business and employ more Australians.”

Supporting innovation is vital for Australia’s future

“We’ve been saying for a long time that innovation is the key to Australia’s future. It’s only through our brains and entrepreneurial spirit that we will create the industries and jobs of the future.”

“It is disappointing that we allow too many Australian researchers to end up with American accents when they have no choice but to go overseas to realise the potential of their innovation.”

“It is encouraging that the budget highlights initiatives to level the playing field for small business, by removing the current obstacles to crowd-sourced equity funding and expanding the tax concessions for employee share schemes.”

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“These types of initiatives help bring us in line with global best practice and allow Australia to compete on a global stage.”

“These initiatives will help Australian businesses turn their ideas into viable businesses.”

“We note that such a regime must strike an appropriate balance between the financing needs of business and sensible investor protections.”

Incentives to employ older Australians

“With the release of the latest Intergenerational Report we need to stop thinking about the ageing population as a problem.”

“The fact that we are living longer is something to be celebrated.”

“Beyond the obvious productivity benefits, there are a host of social and economic gains to be derived from providing opportunities for older workers, with their experience, common sense and wisdom, to remain engaged in the workforce for longer”, Mr Malley said.

“For businesses, especially as they grow, cash flow is vital – this initiative is welcome and shows that the government is speeding up the process for business to get these important funds.”

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