

David Bannatyne

Small Businesses are very important to Australia. We know that about half of Australians (49%) work for small business and about 95-97% of all business in Australia meet that criteria.

The bracket of up to \$2m in turnover, that's about 95-97% of all businesses in Australia.

When I go through this, I can see 7 key things that have come out of this budget.

1. Tax cut from 30% to 28.5% for incorporated businesses – so this is 1.5% small business can reinvest back into their businesses and to employing new people.
2. For unincorporated businesses, they are allowed to deduct up to 5% up to a maximum of \$1000 per year. Again there's something they can reinvest back into the business.
3. The third thing that's come up is a \$20,000 tax deduction that's kicked in as of tonight. I'm really pleased to see that, because that's something that if you are a café owner and you want to buy new plan equipment – new tables and chairs, that's an immediate deduction that you can claim. And for the tradies, whether it's tools or a payment on a utility for a vehicle, that's a great win for them.
4. Is around capital gains – this is really important for small businesses that are structured in a certain way and may want to change and this would take away that tax burden they would have to pay.
5. Shares in small business – if shares were given to employees as part of an incentive package, they actually had to pay tax when those shares were awarded. Now that can be deferred and is not actually payable until when those shares are actually sold.
6. Crowd source funding – this has been talked about by the Government for some time. I think it's a good thing. It's about innovation and marketplace
7. The abolishment of fringe benefit taxes on portable devices for small business. I really like this one because this is how these people operate. They really are a mobile business. So around tablets, laptops and phones, a fringe benefit tax would be taken away from these items and that's a good sensible move.

Wrapping up and looking over what's happened tonight – this is a great start for small business and what we want to see happen here is that we drive confidence to small business and they reinvest in the businesses and continue to innovate and more importantly employ people. All of that can only be good for the economy.