

## **Tom Elliott Transcript**

### **Was there anything that particularly stood out from the budget for you?**

Well I was very taken by the backpacker tax. I didn't realise that backpackers were going to be such a big source of revenue for this Government which is cash strapped.

The other thing I liked to see was that all the ABC presenters were sitting out in the cold last night. Clearly the ABC are suffering from budget cuts and it's no bad thing.

### **Any surprises for you?**

There are a few surprises. The Government is pushing ahead with what I call the 'Google Tax' going after 30 big multinational companies. Probably not a surprise because it was leaked, but I really doubt they'll raise that much money for it. And also, I reckon the Government has been overly optimistic with the economic growth forecast. As usual, there's no contingency plan just in case something goes wrong.

### **What do Small Business Customers have to look forward to with the announcements?**

Well small business should feel lucky that Joe Hockey comes from a small business family because there were quite a few goodies for small businesses. For example, you have the tax cuts from 30 go down to 28.5%, that applies to businesses with a profit of \$2 million or less. I think there will be a lot of big companies try and turn themselves into small companies to take advantage of this. If small businesses aren't incorporated as companies, they can get a \$1000 tax reduction whether they are a partnership, or a sole trader or whatever. There's the ability to write down \$20,000 worth of purchases. This is probably aimed at what's left of our car industry. So lots to like for small businesses.

### **Any watchouts for businesses?**

Big businesses trying to masquerade as small businesses is something to be concerned about. Also the over optimism about economic growth forecasts. I remain rather pessimistic about the Australian economy moving forward. What this Government is trying to do is hold its expenditure steady and hope that revenue will somehow go up. Frankly I think that's a triumph of hope and not recent experience.

### **What can consumers and families take out of it?**

There was a lot of talk about families last night – whatever definition of families you may use. The childcare rebates for working mums is quite good. Having said that, the double dipping on paid parental leave and taking some of that away. Though families were talked about a lot, there wasn't a great deal in there for them this time.