

26 October 2023

MEDIA RELEASE

Australian Small Businesses eagerly wait for much needed support

The Institute of Financial Professional Australia is pleased that the Australian small business community is one step closer to receiving much needed support through certain tax measures that aim to help small businesses improve their cash flow and save on costs.

Head of Tax Technical Neville Birthisel said, "This Bill is important for the small business community as it proposes to increase the instant asset write-off threshold from \$1,000 to \$20,000 for the 2023-24 financial year."

"Additionally, it aims to provide small and medium enterprises (SMEs) with a bonus tax deduction related to electrification and energy efficiency for the same financial year."

Mr Birthisel says despite the benefits of such measures to small business, the association is disheartened that the small business community has to face an unsettling period of legislative uncertainty.

The focal point of the current legislative delay is the *Treasury Laws Amendment (Support for Small Business and Charities and Other Measures) Bill 2023*. Despite being lodged in the House of Representatives, the Bill has stalled and is now under referral to the Senate Economics Legislation Committee for inquiry and report, due by 23 November 2023.

"It is unfortunate that the Bill has been rendered controversial by the inclusion of amendments relating to non-arm's length expenses for superannuation entities under its umbrella of "Other Measures." Whether intentional or not, the resulting delay leaves Australian small businesses in a state of unease and financial planning limbo."

Mr Birthisel commented further on the matter stating it was disappointing that the Government chose to include contentious superannuation amendments in a Bill that is otherwise designed to assist thousands of Australian small businesses.

"The non-arm's length expense rules that relate to superannuation funds have long been a topic of dispute. Their inclusion jeopardises the urgency of passing essential

measures like the instant asset write-off and the energy efficiency incentive. This leaves many of our members and the wider small business community in the dark, uncertain of how to proceed, when all they wish is to operate their businesses efficiently.”

Mr Birthisel says it is not the first time that important measures have been held up due to Bills being referred to the legislative committee for inquiry. "The current situation bears a striking resemblance to past delays in the passing of crucial legislation, such as the technology investment boost, which only received approval a mere seven days before the incentive period ended.”

The Institute of Financial Professional Australia urges the Government to withdraw the non-arm's length expense rules for superannuation funds from this Bill (and to re-engage with industry in relation to these rules) and act promptly to ensure the swift passage of essential legislative measures that stand to benefit the small business community, thereby providing them with the much-needed certainty they require to plan for the future.

Media contact

Neville Birthisel

Head of Tax Technical

Phone: (03) 8851 4555

Email: n.birthisel@ifpa.com.au