

A BIG BOOST FOR SMALL BUSINESS

Fuelling the engine room of the economy

The Australian Greens are the party of small business. We have a plan to support genuine competition across the economy, by reducing the market power of the biggest players and leveling the playing field for the more than two million small businesses around the country. Our plan to keep small businesses in business saw us become the only party to receive the endorsement of the Council of Small Business of Australia for the 2016 Federal Election.¹



THE GREENS WILL:

- Introduce a 110% small business wages credit
- Bring down your power bills
- Double the GST Registration Threshold
- Guarantee you get paid on time
- Defend you from unfair contract terms from large businesses

INTRODUCE A 110% SMALL BUSINESS WAGES CREDIT

Nearly half of all working people are employed by small businesses, which generated around 40 per cent of new jobs². Backing small business means backing job creators.

The 110% small business wages credit will mean businesses with a turnover of up to \$2 million can claim 110 per cent of their wages bill against their income. This will reduce their tax bill and lower the cost of expanding to create jobs, increase investment, and raise wages.

The Australian Greens' small business wages credit will see 9 out of 10 Australian businesses able to claim an additional tax deduction for giving their workers a pay rise or bringing on new staff. This will benefit over 2.1 million businesses right around the country.

For workers, the small business wages credit will make it easier to negotiate a pay increase - because for every \$100 extra in your pay packet, your employer can reduce their tax base by \$110.

Successive Labor and Liberal Governments have offered tax breaks for small businesses to invest in technology, property and machinery. They've offered incentives to replace workers with robots. We're balancing the ledger, putting people back at the heart of small business policy.

BRING DOWN YOUR POWER BILLS

The Australian Greens know that the cost of energy is a key pressure for many small businesses, who've been driven to the wall by price hikes due to energy companies gouging profits and needlessly gold-plating energy infrastructure.

That's why we support reducing energy costs for small businesses by establishing a publicly-owned energy retailer, to drive competition and reduce the average power bill by \$200 a year.³

In addition, we'd regulate power prices to provide certainty for household and business consumers, and establish a fund to progressively buy back the critical interconnectors that link up the national energy market – which are currently owned by major players who make huge profits off them.

The Australian Greens' plan also provides assistance for small businesses investing in clean and renewable technologies, to reduce both their emissions and power costs.

Under the Australian Greens' \$2.2 billion Battery Storage Fund⁴, small businesses will have access to low-interest loans of up to \$15,000 (tapering down to \$9300 in 2023) administered by the Clean Energy Finance Corporation to assist with the installation of battery storage. These loans will be repayable over a 10 year period.

The Australian Greens' plan will also establish a Clean Energy Small Business Fund, with an initial funding injection of \$200 million over the next 4 years.⁵

Through this, small businesses will be eligible to apply for grants of up to \$10,000 to cover the cost of investment in assets or capital works that will reduce fossil fuel use, improve energy efficiency, or switch from gas to clean energy.

Both the Battery Storage Fund and Small Business Clean Energy Fund can be used in conjunction or in addition to the existing \$20,000 instant-asset write off for small businesses - extended to 30 June 2019 - which the Australian Greens' plan would extend indefinitely.



² The Australian Small Business and Family Enterprise Ombudsman 2016, [Small Business Counts: Small Business in the Australian Economy](#), Australian Government, Canberra, viewed 11 April 2019,

³ Australian Greens 2019, Create Power Australia, a not-for-profit, public energy retailer, Australian Greens, Melbourne, viewed 15 March 2019, <https://greens.org.au/platform/renewables>

⁴ Bandt 2019, Greens launch \$2.2 billion battery storage fund, Australian Greens, Melbourne, viewed 15 March 2019, <https://greensmps.org.au/articles/greens-launch-22-billion-battery-storage-fund>

⁵ Australian Greens 2109, [Renew Australia 2030: Powering past coal to a clean future for all of us](#), Australian Greens, Melbourne, viewed 28 March 2019

DOUBLE THE GST REGISTRATION THRESHOLD

The Australian Greens know your small business has more important things to do than fill out paperwork every quarter.

The Australian Greens will double the value of the GST registration threshold from \$75,000 to \$150,000 for small businesses, and from \$150,000 to \$300,000 for not-for-profits.

These thresholds will be indexed to inflation, so that you won't be required to register for the GST until your income has increased in real terms rather than just nominal dollars.

By freeing up small businesses from regular reporting, we're reducing the compliance costs for sole traders and micro businesses, opening up time and resources to grow your business.

GUARANTEE YOU GET PAID ON TIME

Australian small businesses are waiting longer than any other small businesses in the world for their invoices to be paid⁶ - and this can make the difference between insolvency and a healthy business continuing to operate.

The Australian Greens were the first party with a policy for prompt payments for small businesses, with strict laws requiring big business to make prompt payments to small business suppliers.

Our prompt payment plan will introduce penalties for contracts involving a small business and a large business or government agency, when payments to the small business are not made within 30 days.

The Australian Greens moved for prompt payment legislation in 2017 that would require small businesses be paid on time, in full, where a contract is entered into between a small business with \$10 million or less annual turnover and a big business of \$25 million or more annual turnover, or a government agency.

Late payments make it harder to run a business, but for many small business owners, they also make it harder to pay the bills and put food on the table.

DEFEND YOU FROM UNFAIR CONTRACT TERMS FROM LARGE BUSINESSES

Some small businesses are currently protected by unfair contract laws that protect businesses from contract terms that are exploitative, misleading or unbalanced. The law allows small businesses to challenge those terms and, if successful, get those contracts declared void.

But this protection only applies to small businesses with fewer than 20 employees and for contracts with payment valued less than \$300,000 upfront, or less than \$1 million over more than 12 months.

As a result, dairy farmers aren't protected because their supply contracts exceed the value threshold, meaning supermarkets can retrospectively change the price they pay suppliers for milk already supplied. Trucking companies aren't protected, as most have more than 20 employees. Motor dealers can't access this protection because of the high upfront price of their products.

What's supposed to be a protection against the abuse of market power isn't protecting the people it's supposed to.

The Australian Greens will abolish employment and value thresholds on unfair contract law. This will ensure that no small business falls between the cracks, and every small business gets the full protection of the law.

It was an Australian Greens amendment to the Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Bill 2015 that ensured most small businesses would be protected from unfair terms in standard form contracts (which can include anything from software licence and support agreements to franchise agreements, the latter of which are often offered on a take it or leave it basis). This amendment increased the coverage of the legislation from 80 per cent of small businesses to 95 per cent of small businesses.



⁶ Anderson, F. 2016, [Late payments the 'silent killer' of small business](#), The Australian Financial Review, Canberra, viewed 22 March 2019,

REMOVING EMPLOYERS FROM SUPER COLLECTION PROCESS

In the next term of Government, the Australian Greens will fight for the removal of small business employers from the superannuation collection process. Small business owners have enough on their plate without having to act as a collection agent for superfunds. This non-core function costs valuable time and money for small business owners.

The Australian Greens believe small business workers' superannuation funds should be included with tax payments made by employers to the Australian Tax Office (ATO). The ATO would then make payments to superfunds based on advice from workers that is included in their annual tax returns. As part of the Australian Greens' plan to restore the 4,600 jobs slashed from the ATO⁷, this crucial function will be passed from small business to the ATO, which already manages GST and PAYE payments for businesses and their workers.

Most importantly, this would give small business workers greater certainty of where their funds are, and the time and money that would have gone into administering superannuation funds could then be redirected into what small business owners do best - running small businesses.

Superfunds would also save an estimated \$1 billion a year in administration costs⁸, meaning that money would go back to their members. Removing employers from the superannuation collection process would therefore be a win-win-win for small business owners and their workers.

HELP HEALTHY BUSINESSES WITH HEALTHY MINDS

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

The Australian Greens' plan for mental health allocates \$604 million over the decade for mental health intervention measures in smaller businesses. This will mean that small business owners and staff can ensure their mental health is being looked after, because we know that running a small business is stressful.

Research has 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 concerns. And we know that small business workers, and in particular, small business owners are doing it tough: because you are the business, and you've got everything riding on it.

Our plan is to increase small business sector awareness of the mental health supports available to them and their staff. We will ensure Government agencies better communicate mental health issues, preventative measures, and services to small businesses, and make sure agencies provide programmes specifically tailored for self-employed and small business 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 business.

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

MAKE MATERNITY LEAVE FLEXIBLE FOR SMALL BUSINESS OWNERS

Current maternity leave conditions just don't work for women in small business. Women who are running a small business are often unable to take 18 weeks paid leave in one block.

The Australian Greens' plan for small business includes maternity leave that can be staggered over a 12 month period. This is a progressive approach to maternity leave that will give working women and their infant children the recognition and support they need.

ENSURE SMALL BUSINESS REPRESENTATION ON BOARDS

The Australian Greens recognise the importance of small business to our economy. This is why our plan for small business would see each of the major independent economic regulatory authorities with at least one dedicated representative of the small business sector on its board.

⁷ Dingwall & McIlroy 2017, [ATO cuts 4600 jobs in four years as Labor points to IT woes, consultancy spend](#), Sydney Morning Herald, Sydney, viewed 29 April 2019,

⁸ Strong, P. 2018, [Remove employers from superannuation and we all win](#), Australian Financial Review, Sydney, viewed 18 April 2019,

FIGHTING FOR YOU, FIGHTING WITH YOU

The Australian Greens have a track record of being consistent, strong voices for small businesses, and delivering real legislative results. In the past three Parliaments. We have:

- introduced to Parliament the Small Business Commissioner Bill in 2013. Three years later, this resulted in the creation and appointment of an Australian Small Business and Family Enterprise Ombudsman.
- led the call for an effects test, to reduce the ability of big business to use their overwhelming market power to constrict competition and push small businesses into the red. We went to an election with the policy in 2013, we supported the policy when it was recommended by the Harper review, we supported it when it was rejected by the Abbott cabinet in 2015, and we supported it in 2016 when it was finally supported by the Turnbull Government. Labor called it “a lawyer’s picnic”.⁹
- secured a backpacker tax rate in 2016 of 15 per cent, which prevented it from defaulting to 32.5 per cent, and reduced the Government’s plan to tax 95 per cent of backpackers’ superannuation down to 65 per cent. This was a great win for small agricultural businesses that rely on backpacker labour, which was welcomed by the National Farmers’ Federation (this deal also included an extra \$100 million in Landcare funding).
- introduced legislation in 2018 to increase the value of the Instant Asset Write-Off to \$50,000 for assets that reduce a business’s energy footprint, and moved amendments to ensure the Instant Asset Write-Off becomes permanent – in contrast to the Liberal Party, which has refused to extend it beyond June 2020. This would allow small businesses to reduce their energy bills, reduce their tax bills, and reduce their carbon emissions – all at the same time.



⁹ Bowen, C. (2016) Interviewed by Louise Yaxley for PM, 14 March [online] Available at: <http://www.abc.net.au/pm/content/2016/s4424550.htm> [viewed: 13 March 2019]