

Budgets a welcome boost



THIS month's state and federal budgets both delivered some wins for small business.

It was pleasing to hear both Federal Treasurer Scott Morrison and his Victorian counterpart Tim Pallas emphasize in their speeches just how important small businesses are in building Victoria's and Australia's economies.

In the past 12 months an extra 15,000 small businesses began operating in Victoria, while the latest figures from the Australian Bureau of Statistics showed business numbers across the country have risen for the third consecutive year.

Both governments have made investing in the growth of small business a priority in their 2017-18 budgets.

Each and every measure is designed to make it easier for small business to operate on a daily basis, while also allowing them to fulfil ambitions to grow and prosper and employ more people.

One of the measures introduced by the State Government and welcomed by the Geelong Chamber of Commerce is a further \$221 million cut to payroll tax.

The State Government has brought forward by 12 months a rise in the payroll tax-free threshold that will benefit about 38,000 businesses.

The threshold will increase from \$575,000 to \$625,000 from July 1 and then to \$650,000 from July 1 next year.

Of interest for the majority of businesses in the Geelong region are measures to reduce the payroll tax rate for regional businesses, down from 4.85 per cent to 3.65 per cent.

I was speaking with several of our members a few days after the State Budget was handed down, when the Treasurer visited Geelong to detail his package, and they told me a reduction in payroll tax was good news for their business.

This Budget measure will impact about 800 businesses in



our region, paving the way for them to employ more staff and expand their operations.

Payroll tax remains an unfair impost on small businesses and acts as a disincentive to employ more staff.

While the chamber will continue to lobby the State Government — along with our Victorian chamber counterparts — to seek to have the payroll tax threshold raised further to \$850,000 to make Victoria more competitive with other states in Australia, we acknowledge this tax cut is a step in the right direction.

It means that regional Victorian businesses will have the lowest payroll tax rate of any state or territory in Australia.

Of the Budget measures delivered by the Federal Government, business is set to benefit from incentives of \$300 million delivered to the states and territories to reduce red tape.

The Geelong Chamber of Commerce has long advocated to all levels of government for reforms to be made in this area to make it easier to do business, particularly for small business operators who often struggle under the burden of regulatory compliance.

Both the federal and state governments are conducting their own reviews into small business regulations, so hopefully this funding will speed up the process to reduce or eliminate unnecessary and time-consuming red tape.

It was pleasing to see measures taken to help address youth unemployment in Geelong, which is as high as 20 per cent in some areas.

The new \$1.5 billion Skilling Australians Fund has the objective of strengthening apprenticeships and traineeships. Small and medium businesses will also benefit from the \$20,000 instant asset write-off originally due to expire on June 30 but extended a further 12 months and expanded to include businesses with an annual turnover of up to \$10 million.

The commitment of both governments to regional areas in their budgets is welcomed, particularly towards improving our rail service.

Every day thousands of people use the Geelong to Melbourne train but face numerous disruptions that cause delays in both directions.

Geelong deserves a reliable train service, so the funding commitments announced should help deliver significant improvements for commuters.

I'm also pleased to see \$200 million allocated to another round of the Building Better Regions Fund.

The chamber supports any initiatives that support business growth and create more job opportunities.

Bernadette Uzelac is chief executive of Geelong Chamber of Commerce. Twitter @GeelongChamber



DELIVERING: Federal Treasurer Scott Morrison in Question Time and (left) State Treasurer Tim Pallas.

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