



HON CRAIG EMERSON MP

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SUBJECTS: Small business tax initiative

TONY EASTLEY: First came the Christmas bonus for many families and pensioners. Now the Federal Government is giving a gift to more than one-million small businesses.

Their pay-as-you-go tax instalments for the last part of this year will be cut by 20 per cent.

With the story, Brendan Trembath.

BRENDAN TREMBATH: There are more than a million small businesses in Australia and the Small Business Minister Craig Emerson has a gift for them to help them through tougher times.

CRAIG EMERSON: Every quarter, so every three months, a business that is in the so-called pay-as-you-go system pays a quarterly instalment of their business income tax. Now in March what we will be saying to them is that they can pay 20 per cent less than they otherwise would have had to pay.

BRENDAN TREMBATH: Will they ever have to pay that \$2,000?

CRAIG EMERSON: It depends on their final tax position. I mean if they happen to be, you know, going strong and earn good income then they'd pay income tax as normal. If their income is down then they'd pay it on the reduced income.

BRENDAN TREMBATH: The Government's announcement is welcome in this cafe in inner Sydney. Rudy Herriman owns this small business.

RUDY HERRIMAN: Anything is good news when there's a tax cut for small businesses. It's very tough out here at the moment. Rental is expensive. You know wages is going up and stuff like that.

BRENDAN TREMBATH: Around the corner Steven Karaman manages a salad shop. The move has his support too.

STEVEN KARAMAN: It's better than nothing. Anything comes our way it's great to see.

BRENDAN TREMBATH: The aim is meant to be to get the economy moving. How is business, your business at the moment?

STEVEN KARAMAN: Well it's very quiet at the moment. I don't know what it is but it is very quiet. I think people are scared out there and they're holding on as much as they can.

BRENDAN TREMBATH: You sell food, an essential item, but still things are pretty quiet?

STEVEN KARAMAN: Oh definitely, it's still quiet, yeah.

BRENDAN TREMBATH: Small businesses employ many people.

Graham Turner works for a sign making company and he also approves of the tax cut. He says it's better to give small businesses a break than to hand out billions of dollars to many families and pensioners.

GRAHAM TURNER: I think it's more responsible giving it to businesses where it can be more effectively used rather than hoping people will spend it and boost the economy.

BRENDAN TREMBATH: Why are businesses more responsible than your average consumer?

GRAHAM TURNER: Because businesses provide jobs which will help us all in these times.

TONY EASTLEY: Small business employee Graham Turner in that report by Brendan Trembath and Michael Edwards.

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