

Comparison of small business policies between the major parties

This document will be updated as needed leading to the election.

This document was given to the major parties for review in case we missed any key issue, so any missing point is not due to shenanigans but more to the complexity of policies and policy assessment.

We give some leeway to parties in opposition as they will not have the same level of resources to articulate or research policies.

Comments on the policies of The Greens and the Centre Alliance will be provided soon.

Contents

TAXATION POLICY AND PROCESSES.....	2
RED TAPE.....	3
LATE PAYMENT	4
COMPETITION, CONTRACTS AND JUSTICE.....	5
WAGE POLICY.....	7
ENERGY	8
INFRASTRUCTURE and NBN	10
DIGITISATION & CYBER SECURITY	11
ACCESS TO FINANCE.....	12
INDUSTRY SPECIFIC POLICIES	13
VOCATIONAL EDUCATION & TRAINING	14
EXPORT MARKETS	15
MENTAL HEALTH.....	15
SUMMARY – Election Policy Comparisons of the Major Parties	16

TAXATION POLICY AND PROCESSES		
Wherever possible tax should be easy and obvious		
COSBOA	Coalition	Labor
<p>Tax rate for all businesses should be 25%. We need an instant Tax Write off up to \$50k and/or a viable investment allowance.</p> <p>There needs to be continuous streamlining of tax processes.</p>	<p>The Coalition will reduce the tax rate to 25% for businesses with a turnover of less than \$50 million. They have extended the instant asset write-off until June 2020 for assets up to \$30,000 and expanding access to businesses with a turnover up to \$50 million.</p> <p>For unincorporated businesses with a turnover of less than \$5 million, there will be a tax discount of 16%.</p> <p>Coalition established an independent appeals body - the Small Business Taxation Division within the Administrative Appeals Tribunal. Key features include:</p> <ul style="list-style-type: none"> • A concierge service within the Australian Small Business and Family Enterprise Ombudsman's office to support small businesses without legal representation. • - where the small business does not have legal representation and the ATO engages external legal counsel, the ATO will cover the cost of providing small business with equivalent legal representation; • If the ATO appeals the AAT decision the ATO will pay the small business owners' reasonable costs. 	<p>Labor has also promised to reduce the tax rate for businesses with a turnover of less than \$50 million to 25% Labor has promised an Australian Investment Guarantee, which will allow businesses to deduct 20% of any new eligible asset worth more than \$20,000.</p> <p>Labor has said they will do the "same tax cuts as the Coalition".</p> <p>Labor will establish a new position in the tax office for a Second Commissioner (Appeals) who will be dedicated to handling tax disputes and appeals. Labor will tax discretionary tax funds at 30% on distributions.</p> <p>Labor will abolish negative gearing on new properties.</p> <p>Labor will abolish franking credit refunds.</p> <p>Labor will limit claims for cost of accountants to \$3,000.</p>

RED TAPE		
COSBOA supports required regulations but any compliance demands must be necessary and achievable.		
COSBOA	Coalition	Labor
<p>COSBOA seeks less complexity, Examples – removal of small business from PPL admin; Removal of business from superannuation collection; The fast track development of digital solutions such as e-invoicing and single touch payroll; Support for businesses that do not use business software; Streamlining of FBT to be more realistic and not tax support for employees with health and fitness needs; Simplifying workplace relations to the benefit of employers and employees; This list is not exhaustive.....</p>	<p>Since they have been in government, the Coalition has simplified the Business Activity Statement, doubled ASIC financial reporting thresholds, and will give \$300 million to states and territories for delivering agreed reductions in red tape.</p> <p>The Coalition will modernise the Government’s business registers to improve how businesses interact with government.</p> <p>The Coalition will also make it easier for employers through the superannuation clearing house to pay their super contributions online through one transaction directly to the ATO.</p>	<p>Labor has said that it is committed to streamlining or reducing red tape when appropriate, and will update COSBOA on further announcements during the campaign.</p>

LATE PAYMENT		
An culture of late payment of invoices had crept into the Australian Business community over the last decade.		
COSBOA	Coalition	Labor
<p>We work closely with Small Business and Family Enterprise Ombudsman and the Business Council of Australia to fix this problem.</p> <p>This is one of the key issues for small business.</p>	<p>From July 2019, the Government will be required to pay its bills within 20 days. The Coalition will also require big businesses tendering for government contracts to match the government's 20 day payment terms.</p> <p>The Coalition will increase payment times transparency by requiring the 3,000 big businesses with a turnover of over \$100 million and government agencies to publish their payment information.</p> <p>The Coalition will also ensure 35 per cent of all government contracts up to \$20 million are awarded to Australian small businesses.</p>	<p>Labor supports auditing Australia's top 3,000 companies and those companies will be required to pay within 20 days of tendering for government contracts.</p>

COMPETITION, CONTRACTS AND JUSTICE		
For too long laissez-faire economists have said that all businesses are the same – we aren't		
COSBOA	Coalition	Labor
<p>COSBOA wants improved competition policy.</p> <p>For too long 'do nothing' economics have dominated competition policy to the detriment of innovation and prices and choice for consumers as well as the competitiveness of the small business community. We need better policies.</p> <p>Unfair contract terms need to be enhanced and sanctions increased for those who scam and exploit small business people.</p> <p>Access to Justice needs to be provided so that a small business person is not locked out of court action by not having enough money and muscle - despite being right.</p>	<p>The Coalition has introduced into Parliament a package of legislative reform measures including:</p> <ul style="list-style-type: none"> • Creating new criminal and civil phoenix offences for company directors who engage in illegal phoenix activity and new powers for courts to order imprisonment for up to 12 months for employers who continue to not pay their employees super. • Introducing Director Identification Numbers. • Preventing directors from backdating their resignations • Preventing sole directors from resigning • Making directors personally liable for their company's GST and related liabilities. <p>The Coalition introduced unfair contract legislation in 2015 and have committed to making unfair terms in contracts illegal and punishable by civil penalties, removing the value threshold to broaden the small business contracts covered, redefining small businesses as a business that employs less than 100 persons or had turnover of less than \$10 million and extending unfair contract terms to government contracts.</p>	<p>Labor plans to deal with phoenixing by:</p> <ul style="list-style-type: none"> • Increasing penalties • Allowing individuals and entities to be named for these offences • Requiring all company directors to obtain a unique Director Identification Number with a 100-point identification check • Introducing an objective test for transactions depriving employees of their entitlements • Set up a Tradie Pay Guarantee and a Tradie Litigation Fund. <p>Labor has committed to make the inclusion of unfair terms in contracts illegal and punishable by fines of up to \$10 million.</p> <p>Earlier this year, Labor's Small Business Access to Justice bill passed through parliament. Small businesses involved in court cases may apply to be exempt from having to pay the legal costs of the other side if they lose the case.</p>

COMPETITION, CONTRACTS AND JUSTICE (continued)		
COSBOA	Coalition	Labor
Continued from previous page	<p>The Coalition established in 2017 the Small Business & Family Enterprise Ombudsman. The Ombudsman provides a strong independent advocacy for small business to the Government and direct assistance and advice to small businesses who are in dispute.</p> <p>The Coalition strengthened in 2017 the misuse of market power provisions in the Competition law to stop big businesses abusing market power and did not oppose Labor's Access to Justice Bill that has further strengthened the misuse of market power provisions.</p> <p>In 2018, the Coalition created a new Australian Financial Complaints Authority that promises "free, fast and binding dispute resolution". As part of its response to the banking royal commission, the Coalition extended the Authority's remit to consider financial complaints back to 1 January 2008.</p> <p>The Coalition is committed to effective and fair reforms to the franchising sector and have established a Taskforce to examine the feasibility and implementation of the recommendations in the Parliamentary Joint Committee Franchising report.</p>	<p>Labor established the National Small Business Commissioner which eventually turned into the Ombudsman.</p> <p>Labor will create a process called a 'Super Complaint,' which will allow selected peak consumer groups to complain to the ACCC about various issues. They cite energy prices and unfair contract terms as potential issues.</p> <p>Labor will also increase the ACCC litigation budget by \$24.5 million a year to take on more anti-competitive cases</p>

WAGE POLICY		
Australian wages and work conditions are world class. We need less complexity and more facts for the benefit of employees and small business employers		
COSBOA	Coalition	Labor
<p>COSBOA supports continuation of the current process for wage determination.</p> <p>COSBOA supports Sunday penalty rates of 150% to match what big business pays. Note that Sunday penalty rates have not decreased in any real sense over the last two years. Any rise in Sunday penalty rates will only impact small businesses.</p> <p>The 'double dipping' issue needs to be sorted as soon as possible.</p>	<p>The Coalition supports continuation of the current process and supports the Fair Work Commission as the independent arbiter.</p> <p>The Coalition has made a regulation that will protect small businesses who pay a casual worker an amount in lieu of leave entitlements from a subsequent double dipping claim.</p>	<p>Labor has said that they will mandate a wage increase from a minimum wage to a living wage but hasn't specified how much this increase will be, or how they will account for the impact on employment.</p> <p>Labor will reverse the changes made to Sunday penalty rates by the Fair Work Commission within the first 100 days of being in government.</p> <p>Labor has not supported regulation changes to bring clarity to "double dipping". Labor claims there is no real problem in this area of workplace relations.</p> <p>Labor is committed to confronting the gig economy including changing the legal test for sham contracting.</p>

ENERGY		
Our energy crisis has been manufactured by all political parties driven by uncompromising ideologues. We urgently need the action based change and risk management in the energy sector.		
COSBOA	Coalition	Labor
<p>COSBOA wants a coherent plan for energy (don't we all).</p> <p>In particular we need a decrease in the price of energy.</p>	<p>The Coalition will invest in "new reliable power generation" including Snowy 2.0 and Battery of the Generation.</p> <p>The Coalition is investing \$50.4 million in regional and remote communities and small businesses by supporting up to 50 off-grid and fringe-of-grid communities and small businesses.</p> <p>The coalition will require energy companies to sign contracts that guarantee enough energy to meet demand.</p> <p>The Coalition supports a "Big Stick" legislation, which would give the Government the power to ban unfair late payment fees and stop energy rip-offs.</p> <p>The Coalition has an \$11.7 million Business Energy Advice Program for businesses to get better deals and increase energy efficiency. There is an Energy Efficient Communities Program that will provide \$50 million through 2,500 grants to help small businesses reduce power bills.</p>	<p>Labor has committed to seek implementation of the NEG to deliver policy stability and certainty, and 50% of Australia's power coming from renewables by 2030. They will support greater CEFC investment in renewables, storage and energy efficiency supported by \$10 billion injection of additional capital.</p> <p>Labor has committed \$2 million to support the meat industry in becoming carbon neutral by 2030 through a Strategic Meat Industry plan.</p> <p>Labor has a National Energy Plan to manage the transition to renewables which will involve:</p> <ul style="list-style-type: none"> • A \$5 million Energy Security and Modernisation Fund • More money to CEFC (\$10 billion) • The establishment of a Just Transition Authority in charge of transition plans. <p>Labor will abolish standing market offers and create default market offers. They will require energy retailers to reference discounts between switching from an old offer to a default offer.</p>

ENERGY (continued)		
COSBOA	Coalition	Labor
		<p>Plans to reduce our power bills by tackling our energy inefficiency problem. They will:</p> <ul style="list-style-type: none"> • Allow ARENA to support energy efficiency projects • Increase CEFC's support for energy efficiency projects • Create a manufacturing energy efficiency accelerator program, which will give \$20,000 grants to provide manufacturers with advice on energy management and improvement • \$10 million over 4 years for an Energy Affordability and Productivity Review. <p>Has a national target for electric vehicles to make up 50% of new car sales by 2030, supported by \$200 million in new charging infrastructure investment.</p>

INFRASTRUCTURE and NBN		
To compete on the world stage we need quality infrastructure and the best communications platform in the world		
COSBOA	Coalition	Labor
<p>We need continued infrastructure development to allow for ease of transport of people and material as well as access to overseas markets.</p> <p>Small business must be assured access to sub contracts in major projects.</p> <p>The NBN must be world class as a communications platform.</p>	<p>The Coalition’s NBN plan is to enable all Australians to connect by 2020.</p> <p>The coalition claims their multi-technology approach means the NBN will be completed 6-8 years sooner under previous processes.</p> <p>The Coalition has made improvements to ensure NBN customers get the service they expect from retailers, including:</p> <ul style="list-style-type: none"> • The ACMA enforceable standards, backed by penalties, to address pain points experienced by consumers on the NBN • ACCC imposed penalties and court enforceable undertakings with retailers who have misled consumers • A three part Consumer Safeguards Review • NBN voluntary undertaking with the ACCC to improve wholesale service standards. 	<p>Labor will establish an NBN Service Guarantee to set service safeguards for fault rectification timeframes. A key design feature of this policy is higher penalties when service standards are not met for small business issues. This will better safeguard small businesses against excessive downtime.</p> <p>Labor will also implement initiatives that could improve reliability and speed for up to 1 in 5 small businesses connected to copper-based fibre to the node, at no cost to the business.</p>

DIGITISATION & CYBER SECURITY		
This issue is at the highest level of risk affecting business viability		
COSBOA	Coalition	Labor
<p>Government must work closely with and support industry to confront this issue.</p>	<p>A re-elected Coalition Government will invest \$156 million in cyber security, including to protect small business, older Australians and families from cybercrime through the: Development of online training, and Establishment of a 24/7 helpdesk to help small businesses when they suffer a cyber attack.</p> <p>This builds on the Coalition’s Cyber Security Small Business Program, which provides grant funding for small businesses to get a cyber security health check.</p> <p>The Coalition’s Small Business Digital Champions Project will showcase the digital transformation of 15 small businesses over the next 12 months to teach businesses around the country how to thrive in the digital economy.</p> <p>The Australian Small Business Advisory Services Digital Solutions offers small business owners high quality, low cost advice on how to improve their digital capabilities.</p>	<p>Labor has recently announced:</p> <ul style="list-style-type: none"> • An AI Centre of Excellence for Melbourne • A National Blockchain Academy in Perth • A \$25 million investment in a series of regional digital skills development hubs to give workers better digital skills; these centres would also offer training on how to launch a digital business. <p>Labor will mandate one in every 10 workers on government infrastructure projects be apprentices, to IT companies working on government contracts.</p>

ACCESS TO FINANCE		
The Royal Commission has created an unnecessary credit squeeze that has to be confronted.		
COSBOA	Coalition	Labor
<p>There is currently a credit squeeze occurring in Australia.</p> <p>Small business that are looking to start or grow need access to finance if they are able to satisfy normal due diligence processes.</p>	<p>The Coalition has introduced legislation to establish a \$2 billion Australian Business Securitisation Fund.</p> <p>Commitment to \$100 million in funding to establish the Australian Business Growth Fund and partner with financial institutions to provide equity funding to small business. The aim is for the Fund to grow to \$1 billion as it matures.</p> <p>The Government has committed to improve the ability of small businesses to offer employee share schemes to help them attract, retain and motivate employees and grow their businesses including increasing the value limit from \$5,000 per employee to \$10,000 per employee in a 12 month period.</p>	<p>Labor will establish a \$1 billion Australian Manufacturing Future Fund and increase funding of CEFC by \$10 billion.</p> <p>Labor supports, in principle, the Coalition's policies.</p>

INDUSTRY SPECIFIC POLICIES		
Some sectors are growing & some are struggling, such is the way of modern economies. Governments must act where necessary.		
COSBOA	Coalition	Labor
<p>We know that any industry sector should be provided with support and attention, especially those going through major restructuring.</p> <p>We do not believe that unions or industry should be given sole control over any industry sector.</p> <p>Market forces and quality regulation and quality regulators are needed to ensure fair competition and safe workplaces.</p>	<p>The Coalition has committed to an automotive industry code of conduct to deliver clear and fair rules between car manufacturers and new car dealers.</p> <p>The Coalition has announced \$22.5 million over 4 years to provide small businesses grants of up to \$10,000 to host more live music. This covers artist costs, upgrading performance venues and investing in equipment.</p> <p>The Coalition opposes abolishing the Australian Building and Construction Commission which protects 1.1 million employees and 350,000 small construction businesses.</p> <p>The coalition opposes reinstatement of the Road Safety Remuneration Tribunal.</p>	<p>Labor wants a “better deal” for auto dealers by setting up an industry-specific code through the Competition and Consumer Act to deliver clear rules for manufacturers and dealerships.</p> <p>Labor’s live music policy includes \$10 million for Sounds Australia to work with local governments to remove barriers for live music venues. This includes small grants to promote emerging Australian bands overseas and help local bands with practical support.</p> <p>Labor has a policy to make car manufacturers share technical information to create fairness for independent mechanics.</p> <p>Labor will ban “price parity” clauses that prevent accommodation providers from competing with multinational websites.</p> <p>Labor will abolish the Australian Building and Construction Commission.</p> <p>Labor will restore the Road Safety Remuneration Tribunal.</p>

VOCATIONAL EDUCATION & TRAINING		
The current system, designed by laissez-faire economists, has failed employers and employees alike		
COSBOA	Coalition	Labor
<p>We have been calling for a major restructure of VET in Australia. The current system is not working for small business or for our employees.</p> <p>This is not just about apprenticeships, it is about skills and training for all workers that meets the needs of industry.</p>	<p>The Coalition has a \$585m package to support the VET sector, which will involve creation of 80,000 new apprenticeships to deal with skill shortages.</p> <p>Eligible apprentices receive \$1000 after their first year and \$1000 when the training is completed. Employers receive extra support. Introduced the Australian Apprentice Wage Subsidy.</p> <p>The Coalition will invest a further \$60m & double the Apprentice Wage Subsidy trial, creating an extra 1,600 apprentice places in rural & regional Australia.</p> <p>Commonwealth Scholarship Program for young Australians to encourage more young people to get a VET qualification Will update skills needs list</p> <p>Will pilot a program that creates 10 industry training hubs in regional towns with high youth unemployment.</p> <p>Will establish a national skills commission, skills organisations, national careers institute & a national careers ambassador.</p> <p>Supports a Future Female Entrepreneurs Project.</p>	<p>Labor has stated it will invest more than \$1 billion in TAFE and Apprentices. It will:</p> <ul style="list-style-type: none"> • Increase funding for TAFEs (\$200 million) to rebuild and upgrade their campuses • Waive upfront TAFE fees for 100,000 students • Provide 150,000 additional apprentice incentives in areas of skill shortages • Support 10,000 young Australians to do a pre-apprentice program to prepare them for an apprenticeship • Provide support for 20,000 older workers to retrain through an Advanced Adult Apprenticeship <p>Will undertake a National Inquiry into Post-Secondary Education to ensure our vocational education system is fit for the future. This will include making sure the system is meeting the needs of industry, including small business.</p>

EXPORT MARKETS		
We believe there are around 250,000 small business people who want to be part of the global market.		
COSBOA	Coalition	Labor
We need support to access markets and information delivered in a way we can understand.	<p>The Coalition have committed an increase of \$60 million to the Export Market Developments Grants Scheme to assist small businesses access new export opportunities created through Trade Agreements signed with China, Korea, Japan, Peru, Hong Kong and Indonesia.</p> <p>The Coalition will negotiate new free trade agreements to increase international market opportunities for small businesses.</p>	Silent

MENTAL HEALTH		
For too long the mental health of the self-employed has been ignored, to everyone's detriment		
COSBOA	Coalition	Labor
<p>COSBOA has spent many years trying to focus governments and agencies on the mental health of everyone in a workplace.</p> <p>If there are 5 people in a workplace and we only focus on four of them (the employees) then we fail those four people as well as fail the employer and the families associated with the employer and the employees.</p>	<p>The Coalition will support the mental health of small business owners through their partnership with Everymind, to expand a new digital mental health tool designed for sole traders.</p> <p>The Coalition will work with the ASBFEO & mental health stakeholders to improve the online accessibility of mental health information for small business owners.</p> <p>The Coalition are running a nationwide campaign to promote existing mental health resources for small business.</p>	Comprehensive policies – no specific mention of the self-employed

SUMMARY – Election Policy Comparisons of the Major Parties

COSBOA policy area	COSBOA “Importance Weighting” (1 to 3) <i>with 1 being “critical importance”</i>	Group Policy Scores	
		Coalition Score	ALP score
1. Taxation policy and processes	3	69%	69%
2. Red Tape	2	60%	40%
3. Late payment	2	75%	40%
4. Competition, Contracts and Justice	2	65%	41%
5. Wage policy	1	65%	32%
6. Energy (and Climate) policy	1.5	40%	50%
7. NBN and infrastructure policy	2	65%	45%
8. Digitisation and cyber security	2	70%	45%
9. Access to finance	1	75%	65%
10. Industry specific policies	3	70%	40%
11. Vocational Education and training	1	75%	70%
12. Export market facilitation	3	60%	0%
13. Mental health policy	2	70%	0%

Key findings:

- Of the 13 policy areas deemed to be ‘Important Policy Areas’ for small business, the Coalition trails in one (i.e. Climate and Energy) and the ALP’s trails in 7 areas, with a further two areas where the ALP had no policy coverage (i.e. Export Market Facilitations and Mental Health policy for small business owners).
- Of the three areas deemed to be of ‘critical importance’ (i.e. Wage Policy, Access to Finance and VET), the parties were deemed to be similar in two areas (i.e. Access to Finance and VET) but the ALP policy was ranked as a ‘fail’ in the area of “Wage Policy”.