

28 June 2018

Media Release

Tax cut reversal a threat to family businesses

This week's announcement by Labor, indicating they will reverse the recently implemented company tax cuts if elected to Government, is a threat to Australia's family owned and operated small and medium businesses (SMEs).

"Company tax cuts announced in the 2018/19 Federal Budget, are good news for SMEs. They are sensible measures that help to deliver employment and investment opportunities for thousands of businesses and tradespeople. A reversal of these measures will have a significant and negative impact upon employment growth and the uptake of trade apprenticeships in Australia," said Suresh Manickam, CEO National Electrical and Communications Association (NECA).

A significant number of Australian businesses are family owned SMEs with turnovers within the \$10-\$50 million bracket. It is these businesses, their employees and apprentices that will feel the brunt of Labor's tax policy.

"It's a kick in the guts to Australians who seek to get ahead," said Manickam.

"Reversing these tax cuts creates economic uncertainty by undermining the Government's long-term strategy of tax relief – and it's definitely not in the best interests of the electrical contracting sector. We're perplexed that the Henry Tax Review, commissioned by the former Labor Government, recommended a reduction in company taxes, and yet the current ALP leadership is recommending the opposite. NECA is struggling to understand this new position taken by the Opposition," he added.

NECA calls upon the Opposition to reflect upon this announcement, and to reassess its position in the interests of national employment opportunities, apprenticeship growth, encouraging family businesses and the maintenance of a responsible and efficient tax system for Australia.

-ENDS-

NECA media contact

Lynda Proude 0458 726 355, lynda.proude@neca.asn.au