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FEDERAL BUDGET HITS SOME RIGHT NOTES FOR BUSINESS

The state's peak business organisation, **Business NSW** believes the Federal Budget provides targeted support for businesses as they grapple with the pressures of skills shortages, bouncing back from the pandemic and the rising complexity of the digital economy.

Treasurer Josh Frydenberg has announced a projected deficit of \$78 billion for the 2022/23 financial year.

"This is a Budget that has a number of welcome measures for businesses, yet it leaves long-overdue tax reform and major issues such as unaffordable insurance costs off the list," said **Business NSW** Chief Executive Daniel Hunter.

"With the current severe labour shortages across all industries, upskilling our local workforce, coupled with an increase in permanent skilled migration should also be a priority for the Government so that Australian businesses of all sizes can take advantage of the post-COVID economic recovery," Mr Hunter said.

"With a Federal Election due in less than two months, there is no doubt this presents a series of measures that make it more attractive to expand business investment and take on more staff.

"Fuel excise will be cut in half for the next six months, meaning the cost of filling up a tank of petrol or diesel will reduce, which will be applauded by many small businesses and their families.

"For every hundred dollars a small business spends on training their employees, they will get a \$120 tax deduction, which is a major boost to staff productivity and retention.

"Small businesses will also be able to claim a bonus 20% tax deduction for investments in digital technologies like cloud computing, cyber security and web design.

"These are practical measures that demonstrate an understanding of the pressure points of running a small business in 2022.

"The popular Small Business instant asset write off scheme, allowing businesses with a turnover of up to \$50 million to write off new assets has been extended to conclude on 30 June 2023.

"Prior to the onset of the pandemic, the shortage of skilled labour was becoming a major problem for the Australian economy, and with two years of closed borders and a lack of international students, that problem has only intensified.

“The new \$2.8bn investment system will see both employers and apprentices benefit with cash incentives which we welcome, as it supports \$5000 payments to new apprentices and up to \$15000 in wage subsidies to employers.

“One off cost of living tax offsets of \$420 will see more money in the pockets of around 10 million workers, while more than 6 million are expected to receive a one-off payment of \$250 to assist cost of living pressures. We are hopeful that this will feed through to greater consumer confidence on the high-street.

“This Budget is clearly aimed at putting more money back into the pockets of working Australians and providing support for small business owner,” Mr Hunter said.

About Business NSW

Formerly the NSW Business Chamber, *Business NSW* is the peak policy and advocacy body which has been representing businesses in NSW since 1826.

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