



AUSTRALIAN CHAMBER OF  
COMMERCE AND INDUSTRY

# MEDIA RELEASE

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## BUSINESS TAXATION - ACCI REACTION

Statement by Mr Peter Anderson, Chief Executive

Opposition Leader Tony Abbott's announcement today of a Coalition plan to cut company tax to 28.5% from July 2013 is a definite step in the right direction, and means that both Julia Gillard and Tony Abbott now have plans for reduced company tax once the budget returns to surplus.

That is a solid step forward, though the cost relief is a few years away.

It is not however the full measure of the ambitious tax reform that the nation needs. The Henry Tax Review recommended a 25% company tax rate. Today's ACCI small business survey shows that small business rates both personal tax reform and company tax reform highly, as not all small businesses are incorporated. Capital gains and payroll tax are also areas in need of integrated reform.

Lower company tax helps the economy to be competitive especially in our Asian region, and provides some cost relief that supports jobs. That our political leaders are now focusing on supporting our economy and building its strength is a good thing.

ACCI remains opposed to the Coalition's proposal to fund its generous paid parental leave scheme by a higher tax on large companies. Although the Coalition has said that its paid parental leave levy is temporary, it's still not the way to fund community-wide social policy.

ACCI also remains opposed to the Government's plan to increase the superannuation levy on Australia's employers by 33% over the next decade. The value of company tax reductions and small business depreciation changes proposed by the Government are outweighed by the cost of higher superannuation from 2015 onwards.

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*ACCI represents over 350,000 businesses in every State and Territory and all industries. Our network employs around 4 million employees, ranging from the top 100 companies to tens of thousands of small and medium businesses.*

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