

NATIONAL INDEPENDENT RETAILERS ASSOCIATION

Media Release

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This Henry is not from the reformation

NIRA has further reviewed the government's response to the Henry Tax review and sees it as a bandaid approach to the tax reform small business needs and not the real reform we need.

Peter Strong, CEO of NIRA, stated today "we still believe there are a couple of positives for small business in the response of the government to the Henry review. But after all the hype and all the expectations we are becoming more disillusioned with the response. This response is something that a group of junior public servant smay have developed, there is no real reform here and red tape will continue and in some cases get worse."

Mr Strong also added "The changes to the tax rate on companies is good for big business but the reality is that many small businesses do not have a company structure and will not benefit from this cut and those that do have a company structure receive most of their payments as salaries so the company tax cut will have no real impact. A family who have a company structure are not companies in the same sense as Coles and Woolworths and the like. They are still just individuals who are trying to make a living through their own endeavours and that must be recognised through change to process not by changing company tax rates."

Mr Strong added that "We are not seeing real reform based on the fact that a small business is normally one or two people who rely on the business for their income and for their families welfare, and need more time to do that and less time for compliance."

NIRA is frustrated by this response from government. We need to have real reform and get further red tape cuts out to small businesses. We also need to make a tax return for a small business owner a much easier process.

Peter Strong further stated "Get small business out of the super industry. We are paid nothing for collecting super for all the huge multi billion dollar super funds and now we will be paid nothing for all the changes we have to implement. Every time there is an increase in super we will all have to buy an upgrade to our accounting software at between \$90 and \$250 each time. This

will be easy for big business but not a great outcome for the person running a small retail shop. There is also some confusion about how the rises will take place and how this will affect other pay rises. And while the big mining companies have to pay a lot more, if the Senate agrees, the banks will continue to increase their profits.”

Mr Strong added “Our analogy with Henry IV and Henry V becomes more apt, small business needs a Henry V who will spend time among the small business troops holding our economy together and develop confidence in the battle with big business and red tape. This current response is not good enough, we need more.”

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