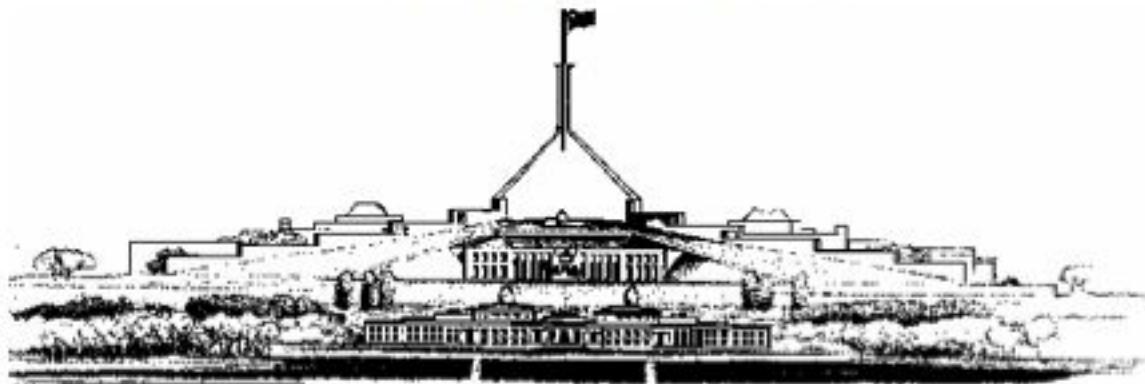




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Treasury Laws Amendment (2017
Enterprise Incentives No. 1) Bill 2017**

Second Reading

SPEECH

Wednesday, 21 June 2017

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

| | |
|---|---|
| Date Wednesday, 21 June 2017 Page 7307 Questioner Speaker Littleproud, David, MP | Source House Proof No Responder Question No. |
|---|---|

Mr LITTLEPROUD (Maranoa) (18:40): Can I just acknowledge the words of the previous speaker, the member for Kingsford Smith, and state: the hypocrisy of the Labor Party knows no bounds. To sit here in this parliament and talk about a deficit—the deficit that was created by the Rudd-Gillard-Rudd years and the member for Lilley, Wayne Swan, who was the Treasurer during that time. They took the nation from the world owing us money to we owing the world money. What a disgrace—to sit in this parliament and to throw such virtues around this place with no foundations.

Opposition members interjecting—

Mr LITTLEPROUD: It is great to see those opposite wanting to interject. It obviously hits a chord to understand that their lunacy during the years of the reign of that Labor government has taken us from a place where the world owed us money to, now, we owing the world. What a disgrace to come into this parliament and to try to sit here with some virtues and then, to overlay that, to try to tell the people of Australia that they understand small business and that they understand the engine room of this nation.

Let me tell you about small business. I am fortunate enough to have been a small-business owner. I am proud to say that I am a small-business owner. In fact, I can go further than that. I was formerly in the finance industry where I supported a lot of small businesses that helped, particularly, regional and rural Australia employ people. You have to understand how small business works. You have to understand the economic impact that they bring to regional communities, but also to metropolitan communities—the bricks and mortar that people are prepared to invest. The capital that people are prepared to invest in our communities to employ people is significant. For the Labor Party to come into this place and to oppose legislation that will support small businesses that are doing the heavy lifting in this economy—they are not like the union hacks that sit opposite and that want to drive up costs for businesses and drive up those impediments for business to be able to do the things that they need to do—and to come in here to put another shackle around the small-business industry is appalling. But it is something that we have become used to.

What this bill is doing is allowing small businesses to be able to increase their access to losses. We have to understand that small businesses do not always have an easy cash flow ride. There are times when that cash flow does hit a heavy wall. We have to be pragmatic and we have to be supportive to ensure that we put a framework and an environment around small business to ensure that we: let them ride through those tough times; simplify the tax losses; allow them to change their ownership and be agile. We talk about an agile world. Well, it is an agile world as a small-business owner. As a small-business owner, I can tell you that you have to be agile. The market is forever changing. You forever have to be at the forefront of not only technology but the marketplace. You actually have to have a government that is prepared to put an environment around you and that understands the challenges that you will face as a small-business owner. If you do not, we will go back to what I talked about before in terms of unemployment. In my home town of Warwick, retailers employ one in seven people. It is a significant employer in my local community. Without them—that backbone—being part of our local economy, I can assure you that we will not have a small regional community like Warwick.

But that is something you would not expect the Labor Party to understand. That is something that the latte-sipping set from that side, that very rarely get outside Melbourne, Sydney or Brisbane, would hate to understand and to get an appreciation of—that is, what small businesses are like in rural and regional Australia. It is simple for them to sit in their latte sets, to be able to sit where they are and not have an appreciation of what is driving this nation. If you have a strong regional Australia, you have a strong nation.

But there are also some very important measures around this. It is about the flow of capital. You would not expect those opposite to understand that flow of capital. The only way that they understand that is more debt. Thanks to Wayne Swan's years, his legacy lives on. And, yes, our debt has lifted. There is a legacy from Wayne Swan and Kevin Rudd and Julia Gillard. They have left a legacy to every Australian child for years to come, thanks

to the decisions that they made—and what decisions were they? They were Pink Batts and school halls. Even as I get around my electorate now, it is quite interesting. I was at a school hall that Kevin Rudd helped build that now has to be repaired. These mindless decisions that were made in haste by the Labor Party are affecting our economic credentials now, so that we are now going back to ensure that we are pulling economic levers that will drive our nation's economy, that will drive us forward.

We are pulling the economic levers that will make sure that our nation rebuilds from the legacy of Wayne Swan and his time as Treasurer of this nation. It may not be attractive to everybody, but this is the heavy lifting a government has to do which is responsible for how we are going to take this nation forward to repair the economic vandalism that took place by the Labor Party over those long years—those long, dark years, where this nation went from having the world owe us money, to us owing the world money. It is still taking a significant toll and effort by us to ensure that we get those settings right, that we put the environment around a small business economy that will ensure the growth of our nation.

Capital is important and, if we do get that setting right, it is important to ensure that we have—I think they call it—a similar test, a qualitative test, to ensure that new transactions allow for that generation of new income sources, for capital to flow into small businesses. Capital is one of the hardest things for a small business to achieve. As a former banker, I can tell you, capital is king. If you cannot get capital you do not grow. This tax measure, these incentives that we are putting in place, are ensuring that we are putting an environment around the growth of small businesses in regional and rural Australia—and even in the latte-sipping sets of those opposite who only care about metropolitan Australia. But they do not seem to care, they want to come in and oppose everything.

This mantra of bipartisanship goes missing very quickly from those opposite when it becomes politics and they can see a cheap political point to be made out of nothing. But this is at the expense of the good men and women who are across our nation and employing millions of young Australians. The 25,000 small businesses in my electorate of Maranoa—that goes across 42 per cent of this state—are the ones who the heart and soul of my electorate. They are the ones who are doing the heavy lifting—not the union thugs of those opposite that they support. This is about real measures, real economic decisions that will make sure that we have a future for those men and women not only in the metropolitan areas but in regional and rural Australia.

I think the other important facet of this bill is around this self-assessment of the effective life of depreciable intangible assets. We are now moving into intellectual property and intangible assets, and allowing greater ability around the depreciation of those assets. As we move in to a more nimble environment globally, it resonates locally. I can give you a couple of examples—particularly from my electorate of Maranoa—one where innovation has been at the forefront since Federation. In fact, our national airline carrier was formed in my electorate because of innovation that had to happen. The airline industry in Australia was created in Longreach, in my electorate. Qantas, our national carrier, was formed there through necessity, through innovation of those of yesteryear that saw the ability to innovate their business, to take it forward. But they needed an environment around them that the government set to ensure that survival—and look at them today.

But fast-forward to our present day, when, only in the last three months, we were fortunate enough to have the Governor-General visit my electorate and open a vinegar factory. It is the first vinegar factory in Australia's history. An entrepreneur has come to Stanthorpe in the Granite Belt and created a new industry through innovation, with his intellectual property and with the tangible assets that he has. He has come into that small community to employ 10 people and is looking to expand further and to employ up to 30 people. That is an exponential increase in the population of the community of Stanthorpe. That is about a government putting in an environment around a business to ensure that they have the ability to prosper and to grow and to actually undertake the development of that intellectual property they hold. That is intellectual property that is world's best, that has now been recognised internationally around the world by the standard they have set. But the environment that we have set as a government is there to allow them to do it, and that is what this bill will undertake. But I won't just stop there.

Let me talk about the Queen Garnet plum, also developed in my electorate. It is a plum that has the highest amount of antioxidants and anthocyanins in the world. In fact, it has had trials on rats that have seen the transformation of heart disease and diabetes, and there are now moves toward human trials. The opportunity sits because of that intellectual property that was allowed to grow and be fostered by a government, and this bill will continue to allow it to be fostered. It would allow putting in an environment to allow that innovation and to see 75,000 trees produced and picked, as we speak. It is something that we as a nation should be proud of.

We as a nation and as a government set the environment around those people who are prepared to take those risks, to step forward, to put their capital up and to take the risks that we ask them to do. They should not be hamstrung by a government that wants to hold them back, that wants to be the holder of all authority and all power and all centralisation. Our job as a government is not to get in the lives of those we represent, but to get out of their way. We should allow them to innovate, to actually grow and prosper, to give them that environment and to ensure that they attract the capital they need to be able to do the things they have to do. That is what a government should do, not take the heavy-handed approach that we have seen over the decades of the Rudd-Gillard-Rudd years, that have seen us go into record debt levels, the legacy of which we are trying to move.

While the former speaker, the member for Kingsford Smith, talked about an \$80 million hit to the budget, let me tell you that this will have exponential benefits through the environment that we have set around the people that we believe in. The people that we believe in, in this nation, will take our nation to the next level. We have faith in the Australian people. We have faith that they will take our nation forward, and our job is to set that environment around them. We should not think that government can do it better but that people can do it better if we get out of their way. If we set that environment and are able to support them then we will ensure that this nation prospers. Not only will it prosper with the best science and innovation in the world but also with the best prosperity in the world. That will give younger Australians, the next generation of Australians, the ability to have a job not just in metropolitan Australia but also in electorates like mine in Maranoa. That is what this government needs to do.

While we talk about bipartisanship with those opposite, it goes missing when the heavy lifting has to happen. That is the sad fact of what happens with those opposite. If we are genuine we will walk into this place with our heads held high about what we are trying to do for the Australian people. We will walk out and put forward an environment that allows them to prosper. We are investing \$80 million in those people we believe in, and we are complementing that with tax measures to ensure those multinational companies out there are paying their fair share. That is the right thing to do by the Australian people, to ensure that those companies that want to come in and take advantage of the Australian public and the Australian marketplace do pay their fair share of tax. I do not think there is anyone that would say they should not. That is the responsible measure, and it is a responsible measure that this government has undertaken. We undertook it because we saw the necessity to do it, to support our own and to support the Australian people that need the environment around them to go forward.

I am proud to say that we are now going to ensure that those multinational companies around the world that are in our marketplace will pay their fair share. This will support our nation going forward and give us the opportunity to take these measures. But those opposite seem to think that it is better to support those multinational companies around the world rather than our own companies. This is about taking our nation forward with a measure that is pulling an economic lever that will take us to the next level. This is doing the heavy lifting to pay back the legacy of Wayne Swan, who, as the Treasurer of this nation, destroyed our economy to the point of putting us on the brink. We are now taking this nation back. We are taking steps to ensure that Australia goes forward in the direction that it deserves. I am proud to say that our government is at the forefront of that. Our government is standing up, and I say to those opposite: put away the hypocritical virtues and come with us on this journey, because Australia will be better for it.