

Media release

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REIA welcomes MRRT benefits for small business

Real Estate Institute of Australia (REIA) CEO Ms Amanda Lynch welcomed the benefits flowing to small business following the passage of the Mineral Resources Rent Tax (MRRT) Bill 2011 in the House of Representatives overnight.

The benefits that small business will see include:

- a 1 per cent reduction in company tax
- the accelerated initial deduction for motor vehicles permitting small business to immediately write-off up to \$5,000 and depreciate the remainder of the value at 15 per cent in the first year and 30 per cent in following years

The bill also includes a staged increase in superannuation from 9-12 per cent.

Ms Lynch warned that although the incremental rises in superannuation to 12 per cent would boost retirement savings and property investment over the longer term, it could only be afforded in a newly reregulated labour environment if employees did not use the initiative as an excuse for excessive wage-bargaining.

Ms Lynch appeared before the House of Representatives Economics Committee's public hearing on the Mineral Resources Rent Tax Bill 2011 on 8 November to discuss the redistribution of wealth from the tax.

REIA was one of only three groups chosen to represent small business at the hearing alongside the Council of Small Business of Australia (COSBOA) and the Business Enterprise Centres.

"We are pleased that we could put our point of view forward on behalf of the real estate profession and small business," continued Ms Lynch.

"The two-speed economy means that small business is doing it tough and not all sectors are sharing in the prosperity of the mining boom and the housing sector is particularly affected," she said.

"This outcome is an important step in acknowledging the importance of small business to the economy – the nation's largest group of employers," concluded Ms Lynch.

The Hansard is available at www.aph.gov.au/hansard/reps/commttee/r433.pdf

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