



Small business

Small businesses will not be required to pay a carbon price.

Small businesses will not have to count or monitor their carbon pollution or electricity use. They will not have to fill in a single form as part of the carbon price reform.

The impact of a carbon price on small business will vary and most small businesses will not be significantly affected.

The impact of a carbon price on small business

A carbon price will create new job opportunities across a range of industries. For example, over time, renewable energy will grow from 10 to 40 per cent of the generation mix by 2050. This kind of growth will create spin-off opportunities for a whole range of small entrepreneurs and business owners.

There may be some indirect cost impacts on small businesses, such as higher electricity bills, as a result of bigger companies passing on the costs of the carbon price. But these costs are projected to be modest. Prices of some consumer goods and services will rise, but the Government's household assistance package will ensure millions of households will be better off compared to their average price impact, so customers will still be able to support small businesses.

Measures to assist small business adjust to a carbon price

The Government recognises the contribution of small business to Australia's economy. Small businesses comprise about 96 per cent of all businesses and represent about 35 per cent of industry value added and provide 47 per cent of the nation's jobs.

Small business operators often can't spare the time or don't have the financial resources to focus on matters outside their core business. That is why the Government will help small businesses get the support they need to stay competitive under a carbon price and share the benefits of Australia's clean energy future.

Increasing the business asset write-off

For businesses with an aggregated turnover of less than \$2 million a year, the small business instant asset write-off threshold will be increased from \$5,000 to \$6,500 for depreciable assets from the 2012-13 income year.

The existing instant asset write-off improves business cash flow by providing an immediate income tax deduction for the cost of eligible assets. Increasing the amount businesses can write off immediately to \$6,500 will increase cash flow and assist small business to grow and invest in new equipment.

Support for small business: information assistance grants

The Government will establish a \$40 million Energy Efficiency Information Grants program to provide information to small to medium businesses and community organisations on practical measures they can take to reduce their energy costs.

Being able to get clear information from trusted sources is vital to small business. So this program will be delivered through grants to industry associations and non-government organisations which have established relationships with small businesses.

Clean Technology Innovation Program

The Government has allocated \$200 million over five years to the *Clean Technology Innovation Program*.

The program targets Australian companies, including small business and individuals (committed to form a company if offered funding), as well as those companies collaborating with research institutions or other companies (both domestic and/or international).

Competitive grants will be provided for the development of an innovative clean technology product, process or service including research and development, proof of concept and early stage commercialisation.

Funding will be based on a co-investment of \$50,000 to \$5 million on a co-investment of \$1 for each \$1 of government funding.

Register your interest by contacting the AusIndustry hotline on **13 28 46** or email hotline@ausindustry.gov.au.

Clean technology advice for small businesses

The Government will inject an extra \$5 million over four years to improve delivery of clean technology advice and other non-grant business support programs to small and medium businesses. These include the Industry Capability Network, Supplier Advocates and Enterprise Connect.

Recognising carbon neutral businesses – Low Carbon Australia

Low Carbon Australia works with businesses to help them become carbon neutral. Taking part in Low Carbon Australia's carbon neutral program can provide benefits such as:

- market opportunities including by positioning products as carbon neutral;
- business advantages including independent third party recognition of climate change and carbon management activities a company has undertaken; and
- reducing costs by reducing resource use.

Small Business Support Line

The Government operates a highly successful Small Business Support Line to provide small business owners with a single point of contact for access to information and referral services to improve their business sustainability and better manage their business. Support Line advisers link into the network of Business Enterprise Centres and other small business advisory services around Australia.

Telephone: **1800 77 7275**
Monday-Friday | 8am-8pm AEDST
Email: SBSL@innovation.gov.au

Business.gov.au

Information and advice is also available online at www.business.gov.au. The website, which includes a grants finder is a free service and provides information, tools and resources from the Australian and State and Territory Governments to assist in planning for, starting and running a small business.

Key elements of a carbon price

A carbon price provides incentives to reduce emissions where they are cheapest, breaking the link between economic growth and growth in pollution.

Treasury modelling demonstrates that the cost to Australia of cutting pollution and transforming our economy to cleaner energy sources is very modest. The Australian economy continues to grow, jobs continue to grow and average incomes continue to grow under carbon pricing.

A carbon price is not a tax on households - around 500 of the biggest polluters in Australia will be required to pay for their pollution under the carbon pricing mechanism.

Small businesses will not have to pay a carbon price or be involved in any compliance activities like filling out forms.

The carbon price will commence on 1 July 2012, with a fixed price for the first three years. The price will start at \$23 per tonne and will rise at 2.5 per cent per annum in real terms.

From 1 July 2015 onwards, the carbon price will be set by the market. This will be the flexible price stage.

Further Information

For further information go to the Clean Energy Future website at www.cleanenergyfuture.gov.au or call 1800 057 590.