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EXTENSIVE SUPPORT FOR JOBS AND SMALL BUSINESS

The Gillard Labor Government will provide extensive support for jobs, competitiveness and innovation in Australian manufacturing as it moves to the low-carbon global economy of the future, as well as extra tax relief for small business.

A central element of the Clean Energy legislative package passed by the Senate today is the \$9.2 billion Jobs and Competitiveness Program which will assist industries like aluminium, steel, cement, lead and zinc, glass making, LNG and paper manufacturing.

This Program will assist emissions intensive and trade exposed activities which release high levels of carbon pollution but have difficulty passing on costs because their prices are set in global markets.

The Senate is also due to consider legislation this week for the Government's Steel Transformation Plan which will deliver extra assistance to steel makers facing pressures from a high Australian dollar, high commodity prices and weak growth in construction.

The Steel Transformation Plan will provide \$300 million over five years to support investments which will allow the sector to transform into a more efficient and sustainable industry.

In addition, the Government's \$1.2 billion Clean Technology Program will assist manufacturers which do not meet "emissions intensity, trade exposed" assistance thresholds.

The Clean Technology Program comprises:

- \$800 million under the Clean Technology Investment Program for grants supporting investments in energy-efficient equipment and low-pollution technologies, processes and products.
- \$200 million under the Clean Technology Food and Foundries Investment Program for energy efficiency improvements by food processors, metal forgers and foundries.
- \$200 million under the Clean Technology Innovation Program for business R&D spending in renewable energy, low-pollution technology and energy efficiency.

There will be opportunities as well as challenges for manufacturers from the shift to a low-carbon economy. That is why the Gillard Government will support Australian businesses in maintaining a competitive advantage.

The Government recognises the important role that small business plays in our economy and in supporting Australian jobs.

That is why the Clean Energy Future package will extend the instant asset write-off threshold from \$5,000 to \$6,500 per item for small businesses with turnover less than \$2 million a year, from 2012-13.

This will further improve cash flow for small business operators, helping them to grow and invest in new equipment, by providing an even larger immediate income tax deduction for the cost of eligible assets.

The carbon pricing mechanism will not apply to small business. Small businesses will not have to count or monitor their carbon pollution or electricity use. They will not have to fill out any extra forms as part of the carbon price mechanism.

A \$40 million Energy Efficiency Information Grants program will support small to medium businesses with practical measures to reduce their energy costs.

The Gillard Government will also inject a further \$5 million over four years to provide clean technology advice and other non-grant business support programs to small and medium businesses.

Around half of Australia's two million small businesses are micro-businesses, the majority of these tradies and owner-operators running family businesses. These small business owners will benefit from the same tax cuts as householders, especially the trebling of the tax-free threshold from \$6,000 to \$18,200 from July next year.

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