



**Australian  
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Director  
Small Business Tax Unit  
PO Box 6100  
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Via email: [SkillsBoost@treasury.gov.au](mailto:SkillsBoost@treasury.gov.au)

Dear Director

**RE: Treasury Laws Amendment (Measures for consultation) Bill 2022: Skills and Training boost/ Treasury Laws Amendment (Measures for consultation) Bill 2022: Technology investment boost**

The Australian Chamber of Commerce and Industry (ACCI) appreciates this opportunity to provide comment to the Treasury on the draft *Treasury Laws Amendment (Measures for consultation) Bill 2022: Skills and Training boost* and *Treasury Laws Amendment (Measures for consultation) Bill 2022: Technology investment boost*.

The impacts of the COVID-19 pandemic over the past few years have resulted in more small businesses than ever before needing support investing in digital technology and their people. The measures announced in the 2022-23 Federal Budget, providing an additional tax deduction of 20 per cent for small businesses, with an annual turnover of less than \$50 million, to invest in external training of staff and business expenses and depreciating assets that support digital uptake, was strongly supported by the business community.

ACCI is pleased to see the legislation has now been drafted to enact these vital measures. This will provide support to approximately 3.7 million small businesses with some 8 million workers to upskill their staff and increase their digital presence. It has never been a more important time to support digital uptake with the impact of the pandemic estimated to have increased the rate of digitalisation by seven years within a two-year period. However, it is estimated that close to half a million Australian SMEs have no or little engagement with digital tools<sup>1</sup>. These small businesses are lagging behind larger businesses who have been able to adapt more rapidly, this level of government support will be essential to improve the uptake of digital tools.

Small businesses that are digitising or may have had to pivot their business model in recent years now have a need for additional skills and training. This will be assisted by financial support via tax relief from the government. The training and skilling of staff is a considerable financial burden for small businesses, and an additional 20% tax deduction for eligible expenditure on external training of employees by providers registered in

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<sup>1</sup> Myob, [Australia's SMEs: A Snapshot](#), 2022



Australia will allow businesses to upskill their staff. There should be scope to expand eligible training providers to include bona fide registered associations (companies limited by guarantee or state/territory incorporated associations) responsible for delivering legitimate training and certified continuing professional development to their members. Currently the tax deduction bonus for training excludes sole traders but it should also be extended to them as they may also be in equal need of training to upgrade their skills. A sole trader could find it beneficial to undertake some key training in certain areas to develop their skills and enhance their productivity.

The backdating of the *Technology Investment Boost and the Skills and Training Boost bills* to the 29 March 2022 is welcomed. We know some small businesses heard the announcement and subsequently purchased equipment or provided training for their staff. The training and equipping of staff are expensive and in a tight job market where skills shortages are prevalent innovative ways to assist small business owners are essential.

Further, we believe the two pieces of legislation should be amended so the end dates of the incentives are both the 30 June 2025. The Technology Investment Boost and the Skills and Training Boost bills complement each other and will allow a small business to purchase equipment and then train their staff in the usage of said equipment. It will greatly benefit small businesses if both programs operate side by side for the duration of their existence. The impacts of the incentives will potentially see a much greater number of small businesses digitalise and grow, allowing them to contribute to the growth of the nation's GDP.

In summary, these Bills are introducing incentives that will create a productivity uplift for small businesses from a digital upgrade and a smarter, more highly skilled staff. ACCI fully supports both pieces of legislation and encourages their introduction into Parliament as soon as possible.