



30 May 2014

Review of Tax Impediments to Small Business  
Board of Taxation Secretariat  
C/- The Treasury  
Langton Crescent  
PARKES ACT 2600

To Whom It May Concern

**Board of Taxation Review of Tax Impediments Facing Small Business**

The Chamber of Commerce and Industry is Western Australia's peak business organisation, representing over 9,000 Western Australian businesses across the state. Over 85 per cent of CCI's members are small and medium sized firms (SMEs).

Taxation is an important issue facing SMEs in Western Australia. Uncertainty and complexity surrounding taxing arrangements can act as a significant barrier to small businesses, who often lack the detailed knowledge and understanding of taxation laws that exist in larger firms. Increasingly, small businesses are turning to specialist taxation compliance firms to ensure they are meeting their obligations, which add to the cost of doing business and works against small business growth.

In this respect, CCI looks forward to the outcome of this Inquiry delivering a reform program which helps ease the complexity of small business interaction with the tax system, and helps ease the tax burden for businesses in their early years of operation.

CCI contributed to the development of the Australian Chamber of Commerce and Industry's (ACCI) submission to the Review, which is attached for your information.

In particular, CCI wishes to draw the Board's attention to ACCI's remarks regarding payroll tax. Payroll tax remains one of the most significant taxation issues small businesses face in Western Australia. The tax, while levied by State Government and so beyond the direct scope of the Board of Taxation, results in a direct cost borne by businesses that grow and employ people, and must be part of any reform agenda seeking to ease the burden on small business.

The Western Australian payroll tax exemption threshold (\$800,000 per annum, as of 1 July 2015) means that a business in Western Australia can only employ nine workers on full time average weekly earnings before becoming liable for the tax, compared to 20 a decade ago. This is a clear impediment to small business growth.



CCI would also welcome the opportunity to meet with the Board to discuss these and other issues to assist the Board in the development of a reform agenda aimed at easing the burden faced by small business.

Should you have any questions, please contact Ryan Buckland on (08) 9365 7693 or [ryan.buckland@cciwa.com](mailto:ryan.buckland@cciwa.com).

Yours sincerely

John Nicolaou  
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