

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2014 - 2015

Department/Agency: Treasury

Question: BET 2

Topic: \$20,000 Proposal for an Instant Write-off

Reference: Hansard page no. 10 - 01 June 2015

Senator: Wong, Penny

Question:

2. Senator WONG: All right. Mr Fraser, when did you first become aware of the \$20,000 proposal?
Senator Cormann: You already asked that question, and we have taken it on notice.
Senator WONG: Can you just let me ask questions?
Senator Cormann: But you have already asked the question, and we have taken it on notice.
Senator WONG: I have not asked this question.
CHAIR: It was very similar.
Senator WONG: The \$20,000, not the proposal for an instant write-off. He then says, 'I was aware of the proposal.' Then Mr Fraser tells me the government made a decision from a range of options. I am asking when the \$20,000 proposal was first brought to your attention.
Senator Cormann: And I am taking that question no notice.
Senator WONG: I am not surprised.
Senator Cormann: I am a bit confused, because the shadow Treasurer—
Senator WONG: Could I move on? This is non-responsive. He is reading off a press release.
Senator Cormann: I am seeing clarification.
CHAIR: Order! Minister, please. Everybody needs to give each other the time. I will adjudicate whether people are out of order. Minister, are you seeking some clarification?
Senator Cormann: Thank you. I am reading here from the shadow Treasurer that Labor supports the small business package, and that has been clear since budget night over two weeks ago. In listening to Senator Wong, it appears that Senator Wong is inconsistent with the position that was adopted by the leadership of the Labor Party. I am just wondering what the line of questioning is all about.
Senator WONG: Mr Fraser, you will recall—I am only working of memory, but can someone confirm my recollection that the GFC stimulus measure increased this to \$6½ thousand? Five? No-one remembers?
Mr Fraser: I would have to check. I do not know.

Answer:

2. See answer to *BET 1 – Instant asset write-off* regarding the \$20,000 proposal.
As reported in the 2010-11 Budget, as part of the Minerals Resource Rent Tax package, the former Government raised the instant asset write-off threshold to \$5,000 for most assets, effective from the 2012-13 income year. As reported in the 2011-12 Mid-Year Economic and Fiscal Outlook as part of the Carbon Tax package, the former Government further raised the

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instant asset write-off threshold to \$6,500 for most assets, again effective from the 2012-13 income year.