

7 DECEMBER 2022

Mr Alan Raine

Committee Secretary, Senate Economics Legislation Committee

Parliament House

CANBERRA ACT 2600

*via My Parliament portal*

Dear Mr Raine

**Inquiry into Treasury Laws Amendment (2022 Measures No. 4) Bill 2022 [Provisions]**

Thank you for the opportunity to provide feedback in relation to the provisions of the Treasury Laws Amendment (2022 Measures No. 4) Bill 2022 (the Bill).

This office provided feedback on 11 April 2022 and 16 September 2022 to the Treasury on particular components of the Bill, specifically the Digital Games Tax Offset and the Skills and Training Boost, respectively. The ASBFE O broadly supports these changes, and notes the importance of small businesses having access to clear and timely information that allows them to practically assess the effects on their business.

We provide the following additional comments on the Bill:

- **Schedule 1: Digital Games Tax Offset:** The requirements to complete a digital game should be adjusted, allowing for milestone payments at specified intervals.

Further, the minimum spend of \$500,000 on qualifying Australian development expenditure should be reduced to \$300,000 to capture smaller developers.

We welcome the changes made from the exposure draft legislation, that may alleviate potential disadvantage to independent “indie” studios who often have structures which could be considered to have breached arm’s length exclusions.

- **Schedule 3: amendment to the *Fringe Benefit Tax Assessment Act 1986*:** Fringe benefits tax (FBT) is difficult for small business to navigate, so we strongly support simplification of record-keeping requirements and reduction in compliance costs.

However, more can be done to reduce the regulatory burden of FBT for small businesses and we encourage consideration of additional simplification measures; for example, aligning FBT reporting with other tax reporting obligations.

- **Schedule 4: Skills and Training Boost and Schedule 5: Technology investment boost:** The ASBFE O welcomes these additional tax deductions for small businesses. We note, however, that the expenditure period ends at the end of the 2022-23 income year, leaving only six months for small businesses to invest in upskilling employees. Consideration should be provided to extending this time period.

Further, clarification is still required on eligibility for employees located outside of Australia.



Australian Government



Australian  
**Small Business and  
Family Enterprise**  
Ombudsman

Thank you for the opportunity to comment. If you would like to discuss the matter further, please email [REDACTED].

Yours sincerely

**The Hon. Bruce Billson**

Australian Small Business and Family Enterprise Ombudsman