

Overview of 1st two months of the Labor Government (2025-2028)



Small Business & International Development, Department of Treasury

This report assesses the Ministry's performance over the first 60 days of the current term, focusing on key actions, policy initiatives, major statements, challenges faced, and gaps in approach. The analysis concludes with an evaluation of the overall impact of the Ministry during this period.

Key actions undertaken

1. Reducing red tape and regulatory burdens

- **Streamlining compliance:** Prioritized reducing bureaucratic hurdles for small businesses, announcing efforts to simplify compliance processes. This included developing a national screening check for care sector workers, adopting overseas standards to ease market entry, and streamlining commercial planning and zoning.
- **National Small Business Strategy:** Launch of a landmark National Small Business Strategy, developed in partnership with states and territories. This strategy aims to create a unified support framework for businesses at all stages, from start-up to maturity.

2. Tax relief and financial support

- **\$20,000 instant asset write-off:** Reaffirmed the government's commitment to extend the \$20,000 instant asset write-off for another 12 months, providing small businesses with immediate tax relief and encouraging investment in productivity-enhancing assets.
- **\$900 million national productivity fund:** The fund was promoted as a key resource backing these reforms, offering targeted support to boost small business productivity and innovation.

3. Support for women and multicultural entrepreneurs

- **Promotion of female entrepreneurship:** The Minister's early engagements, such as her address at the Female Founder Festival, emphasized the growth of female-owned businesses and the importance of mentorship and community support for women entrepreneurs. She cited a 24% increase in female-owned small businesses between 2006 and 2021.

4. Digital tools and cybersecurity

- **Digital Upskilling:** Advocated for practical training in online marketing, automation, AI tools, and fintech, aiming to make these resources accessible through government-run hubs and online platforms.

Legislative changes and new programs

National Small Business Strategy: The rollout of this strategy represents a new, coordinated approach to small business policy, though its legislative underpinning and detailed implementation remains in early stages.

Major challenges

Challenges	Responses/action taken
Complex regulatory environment	Early efforts to streamline compliance and coordinate with state governments have been initiated. Tangible simplification outcomes are yet to be achieved.
Rising costs and economic uncertainty	Engagement with business forums and ombudsmen has set the stage for policy responses. However, no specific measures have been implemented yet.
Cybersecurity threats	Limited policy response to date. While consultations are ongoing, no targeted interventions have addressed digital vulnerabilities for small businesses.

Gaps and areas for improvement

- While commitments were made, most measures (such as the asset write-off extension) are in consultation or announcement phases, with limited immediate impact on business costs or regulatory burdens.
- No major legislative changes or new funding programs were enacted in the first 60 days; progress has been primarily strategic and consultative.
- Although highlighted as priorities, comprehensive programs to address cyber risks and digital upskilling have not yet been launched.
- Calls from industry for further reductions in the small business tax rate or broader tax relief have not been addressed beyond existing commitments.

Overall impact

The following summarize recommendations dated May 31, 2025, sent by IPAG Asia Pacific, Melbourne to Hon Anne Aly, Minister for Small Business for implementing in the 1st 100 days of the 2nd term of the Labor Government. It provides status of implementation and what needs to be done is to be on track for timely completion of the initiatives.

IPAG Recommendations	Implementation Status (✓/X)	Progress Made	Remarks
Reduce regulatory burdens on small businesses and simplify compliance	✓	Advanced red tape reduction through National Small Business Strategy, including streamlined zoning and standards.	Implementation focused on continuity of existing strategy; no major new legislative push yet.
Small business tax relief (extend \$20k instant asset write-off)	✓	\$20,000 instant asset write-off extended for 12 months.	Key Labor pledge fulfilled, though not expanded beyond 1 year or complemented with new deductions.
Create a Small Business Forum with multi-stakeholder engagement	X	No formal forum was established, but informal engagements like roundtables and industry consultations were held.	Stakeholder engagement was strong, but institutionalized forum yet to be formed.
Promote international development focused on economic self-reliance (ODA alignment)	X	No new measures or integration with small business portfolio visible.	Portfolio overlaps noted, but no new self-reliance-oriented ODA initiatives reported.

Moving forward.....

While the Ministry's early efforts reflect a commitment to supporting small businesses, evident in the continuation of key tax relief measures and the reinforcement of regulatory simplification, the pace of structural reform has been modest. Positive steps, such as the extension of the \$20,000 instant asset write-off and informal stakeholder outreach, signal intent, but the absence of institutional mechanisms like a formal Small Business Forum or new ODA-aligned initiatives suggests that implementation remains uneven. To meaningfully deliver on the promise of economic resilience and small business empowerment, the government must now accelerate its agenda, institutionalise stakeholder engagement, and introduce targeted reforms that go beyond continuity and into bold, future-focused action.