2012 Business Monitor: SME dissatisfaction with Federal Government hits record high

Two in five see tax loss carry-back scheme as business health contributor

New research released today by MYOB found almost three in five small to medium business operators were dissatisfied with the Federal Governments support for helping businesses like theirs succeed. Only one in six were satisfied, according to the study by Australias largest provider of business management solutions. Dissatisfaction has soared in the last two and a half years. In the March 2010 MYOB Business Monitor it was felt by 38% of respondents, while the July 2012 report saw it reach 57%. This is the highest level of dissatisfaction recorded since the research began in March 2004 and a rise of five percentage points on March 2012s report. The proportion of the 1,004 surveyed business owners and managers who were satisfied with government support was low at 17%, but had increased from 11% in March.MYOB CEO Tim Reed says, The policies recently introduced by the Federal Government appear to have not yet struck a chord with SMEs. The tax loss carry-back scheme is generally seen as positive, but the carbon tax is deeply unpopular amongst business owners. It is difficult to know if these factors are driving their negative view of the government, or whether it is simply that many businesses are doing it tough. Our latest research found few are seeing any improvement in their revenue and most lack confidence in any short term recovery. With challenges come opportunities. Business managers who continue to innovate and look for new ways to take advantage of opportunities may be able to improve their situation. For example, the tax-free threshold increase to $18,200 should encourage more part time workers to return to the workforce. This could be an opportunity for businesses to improve the skills of their team. Getting online is also a great way to attract new customers.Respondents in transport, postal and warehousing sectors were the most dissatisfied with Federal Government support (75%), followed by those in finance and insurance (68%) and agriculture, forestry and fishing (58%). Business, professional and property services operators were by far the most satisfied (29%).When comparing results by length of time in business, those in established ventures were the most dissatisfied with its support (70%) and those in start-ups were the most satisfied (33%).Tax loss carry-back scheme welcomed by majorityWhen asked their opinion of the tax loss carry-back scheme introduced in the Federal Budget, 16% felt it would assist in keeping their business afloat, while 25% felt it would help maintain their current level of business activity. 22% said they would welcome it but dont really need it, 14% didnt know and 10% said they did not care either way. The remaining 13% said the government should spend its time on other initiatives.Almost half (49%) of medium sized business operators stated the scheme would help maintain their current business levels. They were almost twice as likely than those in smaller businesses to say so, with this 49% comparing to 27% of small businesses, 25% of micro businesses and 24% of sole operators. More than one quarter (26%) of start-ups said it would help keep their business afloat, compared to 11% of those in established businesses. The latter were more likely to state the government should spend its time on other initiatives (20%).Slight increase in satisfaction with State Governments Fewer than half of those surveyed (49%) were dissatisfied with their State Governments efforts to make things better rather than worse for their business in the last six months. This was a slight drop from the 51% reported in the March 2012 report and well behind the peak dissatisfaction recorded in June 2008 (63%). Further, 16% were satisfied with their State Governments performance a slight increase on the 15% in the prior MYOB Business Monitor. 33% were neither satisfied nor dissatisfied, which was steady.NSWVICQLDSAWAVery dissatisfied14%22%25%38%18%Quite dissatisfied28%33%31%17%19%Neither satisfied nor dissatisfied37%27%32%33%36%Quite satisfied17%12%8%9%19%Very satisfied4%3%1%1%8%Don't know1%3%3%2%0%*Note: TAS, NT and ACT were excluded from the above table (though were in the national figures), as they accounted for only 38 respondents. Also note that the survey was completed after the recent QLD election.Queensland business operators were the most dissatisfied (56%), followed by those in South Australia (55%), though there wasnt a noticeable difference between the states results apart from Western Australia. There, only 37% of business operators were dissatisfied and they were the most satisfied of all the respondents (27%).With a new Premier in Queensland since the last survey, Queensland business operators level of dissatisfaction had dropped noticeably from 68% in the March 2012 report to 56%. However, this was still the highest result of any state. Satisfaction levels were the lowest of any state, at 9% (compared to 12% in the last report), and one third were neutral on the subject (32%).Nearly two thirds want carbon tax abolishedIn a new question asking for their desired fate for the carbon tax, almost two thirds of business operators (62%) wanted to see it abolished. There was little difference between the proportion of those who wanted it retained, did not care or were unsure (12 13% each).Those most likely to want the carbon tax abolished included:- Business operators aged 60+ years (73% compared to 46% of Gen Y operators)- Rural business operators (72% compared to 55% of metropolitan operators)- Established business operators (69% compared to 54% of start-ups)- Operators outside of Western Australia (65% compared to 48% of those in Western Australia)- Small business operators (67% compared to 48% of those in medium businesses)Mr Reed says, The carbon tax is now a part of doing business and it does bring some positives. Carbon tax-related financial incentives and programs are available to take advantage of, such as the increased instant tax write-off for business assets. The compensation paid to many households by the government also means this is a good time to be marketing to customers to bring them back to your business. 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