



## Budget 2013: SMEs must take advantage of technology, innovation and skills initiatives to succeed

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### MEDIA ALERT

#### Budget 2013: SMEs must take advantage of technology, innovation and skills initiatives to succeed

This year's budget tax increases and spending cuts are the talk of the town in the lead up to the election. To help Australia's small and medium business operators (SMEs) get the most out of the budget changes, we strongly encourage them to take advantage of technology, innovation and skills initiatives. These will help boost productivity, business performance and confidence in the domestic economy.

MYOB CEO Tim Reed says, "Following the handing down of the budget, it can be tempting for business owners to postpone their growth plans until the election. Jobs and growth are key themes in this budget, and there were some positive announcements and opportunities for SMEs.

"Investing \$24 billion in roads, including highways and rail in our cities and regions, will help ease the pressure of rising fuel prices. This has been a top pressure point of SMEs since 2011. Our latest research found 61% of SMEs would welcome investment in transport infrastructure in our major states and cities. Adopting teleworking technologies can also help ease the pressure by enabling business operators to operate from home or any location outside of the office.

"From a job's perspective, it's a pity the increase in the tax-free threshold to \$19,400 was deferred, but given the government had already lifted the threshold from \$6,000 to \$18,200; this should still encourage more part time workers to return to the workforce as it becomes more financially viable. This could result in a larger group of skilled candidates for businesses to draw from when they are employing new staff. A fresh perspective and new skills in a team can work wonders for innovation.

"I'm pleased with the government's pledge for new funding to help small businesses take advantage of the National Broadband Network. I hope some of this can be directed towards training on leveraging the internet for business. Our research found more than half of SMEs were in favour of free government-funded training on how to use the internet to help them enhance and grow their business. In addition, SMEs with a business website were 60% more likely to experience a revenue rise in the past year.

"The benefits of online technologies include the ability to compete on a more level playing field with local and global rivals, increased productivity and less time spent on business administration. This means more time for growing the business, which has the potential to make a difference to our economy."

Key 2013 Budget measures announced that may impact SMEs include:

\$24 billion investment for road and rail upgrades, including money for the M4 extension in Sydney, Brisbane's Cross River Rail project and Melbourne's Metro train system. \$500 million investment in Industry Innovation Precincts and the government's \$1 billion "Plan for Australian Jobs". \$378.6 million for the Innovation Investment Fund to pump venture capital cash into high-growth businesses. \$29.4 million in assistance for small and medium businesses vying for government services and tenders. Government grants of up to \$1 million will be made available for SMEs. \$12.9 million in new funding to help small businesses take advantage of the National Broadband Network. \$3.2 million over 15 years for the "promotion and marketing" of Australian start-up success stories, with the aim to stimulate innovation within existing Australian businesses. Top initiatives that would turn SME election votes:\*

Making business life easier by reducing paperwork burden, abolishing the carbon tax and investing further in infrastructure were among the top 10 initiatives that would turn SME election votes towards the proposing party.

Policies that significantly simplify the GST/BAS reporting process – 65%  
The abolition of the carbon tax – 63%  
More Federal Government investment in transport infrastructure in our major states and cities – 61%  
A reduction in payroll tax – 57%  
Increased Federal Government funding for skills, training and apprenticeship programs – 57%  
Increased Government funding for innovation, research and development by Australian businesses – 53%  
Waiving any penalty interest charges on late tax payments for start-up businesses in their first two years of operation – 53%  
Providing free Government-funded training to all small businesses on how to use the internet to enhance and grow their business – 51%  
The creation of a single flat tax for personal tax and company tax – 49%  
Further cutting Government expenditure to return to surplus faster – 42%  
Visit <http://myob.com.au/EOFY> for a summary of major tax changes, helpful tips and resources, and download a Federal Budget 2013 white paper.

Note to media: If you'd like further statistics or commentary from MYOB, please contact:

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#### \*About the MYOB Business Monitor

Established in 2004, the MYOB Business Monitor is a national survey of small and medium business owners and managers, commissioned to independent market research firm Colmar Brunton. The most recent study ran in January and February 2013, surveying 1,005 operators from sole traders to mid-sized companies, representing the major industry sectors. The Monitor researches business performance and attitudes regarding areas such as profitability, cash flow, pipeline work, technology usage and the government. Note: the weighting of MYOB client and non-client respondents is reflective of overall market proportions.

#### About MYOB

Established in 1991, MYOB is now Australia's largest business management solutions provider. It simplifies accounting, payroll, tax, CRM, websites, job costing, inventory management and much more for businesses of all ages, types and sizes. Over one million businesses in Australia and New Zealand have used one or more of MYOB's 50+ products and services. Today, its solutions extend online, delivering innovation through cloud computing. This enables its clients to be more productive and make smarter connections with their staff, business partners, business advisors and customers. With a network of 20,000+ accountants, book keepers, certified consultants and other professional partners, MYOB provides support and tools that help make business life easier. Visit: <http://myob.com.au/smarterconnections>.