

SMEs find not much to celebrate in budget

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The small and medium-sized enterprise sector and their advisers found little to be enthusiastic about in last week's federal budget.

Planned changes to earn-out provisions — where the selling price of a business and therefore the tax paid can alter depending on the performance of the business post-sale — did catch the eye of advisers, but that proposal is still being discussed.

The national chairman of William Buck, Nick Haztistergos, said that

overall, little had changed for small business.

"They didn't give too much to small business but they didn't take too much either."

A director at William Buck, Greg Travers, said some of the small business initiatives needed more detail and in any event would take time before coming into effect.

A lack of support from the federal government was the main criticism from 200 chief executives of small and medium enterprises polled by The Executive Connection.

Seven out of 10 thought the budget failed to deliver enough to small business. Only 12 per cent thought it had, while the remaining 18 per cent were undecided.

A lack of support from the federal government was the main criticism.

The dissatisfaction level among small business appears to be growing as more than half believe this year's

federal budget was worse than last year's.

TEC asked the CEOs whether they believed they had sufficient input into the economic decision-making process, given the sector contributes what some claim is about a third of gross domestic product.

Only 1 per cent of the CEOs thought they were adequately consulted about what should be in the budget. Yet 67 per cent answered that consultation was poorly handled, while 19 per cent claimed they were not consulted at all.

Away from the budget, finance remained a key criticism, as 46 per cent believed it was more difficult to access finance now than it was a year ago and 39 per cent thought it was just as hard.

Hayes Knight director Greg Hayes said the boost in funding for the Australian Taxation Office meant the cash economy would come under greater scrutiny.

That is expected to generate almost \$500 million in revenue for the government, and GST enforcement measures a further \$2.7 billion haul.