



Grant Thornton

An instinct for growth™

Federal Budget 2015-16 | Wishlist

Mid-size businesses in Australia do much of the heavy lifting when it comes to creating employment opportunities and national prosperity. Yet they are often inconspicuous and under-supported by government. Many are questioning whether this year's budget will be friend or foe to mid-sized businesses.

International expansion



\$250m

The cap on Austrade Export Market Development Grants should be increased to include businesses with turnover of up to \$250m.

Why?

Australia's two-way trade in goods and services in 2013-14 totalled A\$669 billion and mid-size businesses (MSBs) contribute substantially to this figure. Yet Export Market Development Grants focus on the small end of town, supporting firms with \$50 million turnover or less. MSBs need support to trigger much of their international expansionary activity.

Managing talent to support growth



APPROVED

Faster and more efficient processing of business subclass 457 visa applications (reducing the process from months to weeks by selectively increased resourcing).

Why?

6.6% fewer subclass primary visas were granted in 2014-15 than 2013-14 due to cumbersome visa processing requirements. This is negatively impacting mid-sized business' ability to access the skilled talent from around the globe they need to deliver their business strategies and achieve their growth ambitions.

Tax relief



28.5%

Reduce company tax to 28.5% to include mid-size businesses.

Why?

Australia's current 30% company tax rate perpetuates the competitive disadvantage faced by mid-sized businesses. The government has flagged a 1.5% reduction in the company tax rate for small businesses from 1 July, reducing the rate to 28.5%. Mid-sized business, which employs more people and are geared for growth, must be included in the rate relief.

Access to finance



Greater access to non-traditional financing options.

Why?

Most mid-size businesses (MSBs) are reliant on bank loans to fund their investment and growth. Yet they are often misunderstood by lenders, with the common perception being that MSBs present higher risk and more volatile cash flows. This lack of understanding has led to higher fixed costs - regulation and taxation - accessing capital.