



# MYOB Business Monitor

Federal Election Edition

May 2022

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## Foreword

Now in its 13th year, our bi-annual Business Monitor research sets the tone for how small and medium enterprise (SME) owners feel about the economy and the prospects of their own businesses within it. On the eve of the federal election, this research has been commissioned to raise the issues of most importance to SME owners and operators around the country, and ensure their voice is amplified as Australians go to the polls.

Small and medium businesses are the lifeblood of the Australian economy, and they are coming off the back of a turbulent time. Yet their resilience is to be commended and admired.

As we continue to wade through uncharted waters with record levels of inflation, a lingering global supply chain crisis, workforce disruptions due to COVID-19, and a challenging geopolitical environment, this period of uncertainty looks set to continue. On supply chain alone, our data reveals that 4 in 10 SME owners expect this challenge to continue to impact their businesses for another 1-2 years.

Small business owners are clear in what they want from the government; reduced compliance (66%) and a streamlined GST/BAS reporting process (63%). They'd like to see a company tax rate reduction (58%) and they would vote for policies providing more government contracts to small businesses (53%). These are policy suggestions that they would welcome from an incoming government.

One topic to highlight from the research is just how important the role of digitisation is in helping SMEs to thrive. MYOB welcomed the recent Federal Budget measure to introduce a tax incentive for digital adoption. This research confirms how important the incentive is and will continue to be, with 1 in 3 SME owners saying a tax deduction would help them get started digitally.

We know that once digital adoption gathers speed, the impacts are immediate and significant. This is both at an individual business level and at a macro level for the whole economy, with MYOB modelling showing a positive \$10.5 billion return as a result of the implementation of this policy.

We will use this research to continue to provide a voice to key policymakers on behalf of Australian small and medium business owners, and, as always, to continue to provide digital tools to help SMEs succeed.

Helen Lea  
Chief Employee Experience Officer | MYOB

### Executive Summary:

- Australia's small business sector is divided in their opinions on the future of the Australian economy.
- For SMEs, it's extremely important that the next elected government focus on policies that reduce compliance costs for small businesses.
- Small businesses want incentives introduced so they can utilise digital tools and future proof their businesses.
- There should be a focus on building a strong economy within Australia to help businesses thrive.

From March - May 2022 MYOB surveyed 1000 small business owners from across Australia to find out what is most important to them going into the Federal election, and from a newly elected government...

This is what we found:

### Small business owners are content with the government's current level of support.

36% neither satisfied nor dissatisfied  
27% quite satisfied  
8% very dissatisfied

However, 71% of small businesses believe that it's quite likely there will be a change of government at the upcoming Federal election.



25% said a political party's business policies have a strong impact on how they vote.



Overall, 28% believe a change in government will have a positive impact on their business, rising to 44% for Gen Y (25-39) and dropping to 26% for Gen X (40-54).



20% think a change in government will have a negative impact, and 25% believe it will have no impact.



Almost 1 in 5 (17%) of small business owners are unsure which political party will best benefit the future of their business.

- 39% of small business owners believe the newly elected government should highly prioritise building a strong economy.
- 22% believe another high priority should be on reducing business taxes.

# What policies are most important to small businesses in an election?

## Small business care most about:



Reducing compliance costs.



Future proofing their business with further digital and business skills.



Assistance to address supply chain issues.



COVID-19 pandemic support.

## Top 4 policies for SMEs:

**66%**

would vote for a government that aimed to reduce the compliance costs of running a business.

**63%**

of SMEs would vote for policies that significantly simplify the GST / BAS reporting process.

**52%**

would vote for a government that assigns a proportion of government procurement contracts to smaller businesses.

**48%**

would vote for a government that provided greater support to improve digital capability and business skills in order to 'Future Proof' their businesses.



# Spotlight on digital resilience

**47% of small business owners say digital tools help their business be more productive.**

- **34%** say digital tools helped them work remotely and collaborate.
- **29%** say a tax deduction incentive would help them get started digitally.
- **21%** say digital tools are still too expensive.



**1 in 3 business owners** said they get paid faster using digital tools. **67%** of small businesses use platforms that assist them with tax and BAS lodgements and **42%** say digital tools have enabled them to consistently get work.

**55%** of those that digitised their business more in the past 12 months noted that it helped them stay afloat.

## What are businesses using digital tools to manage?

Tax and BAS Lodgement and Payments.	<b>67%</b>
Compliance like single touch payroll, employee award.	<b>61%</b>
Cashflow, invoicing, online payments platforms. 60% of Gen Y + Z (18-39) use digital tools to manage these.	<b>47%</b>
Business growth including online marketing and SEO.	<b>38%</b>
Workforce management, time attendance and recruitment.	<b>34%</b>
Productivity including project management tools and inventory management.	<b>32%</b>

- **28%** of small businesses plan to increase the amount of investment into IT systems & processes in the next 12 months.

# The Economy

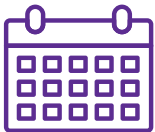
## Australia's SME sector is divided in their opinions on the future of the Australian economy.



Nationally, **36%** of owners say they expect the economy to decline over the next 12 months, while **35%** said they believe it will improve.



However, based on their current profits, only **16%** say they expect their revenue will go down over the next 12 months.



**17%** anticipate the effects of the COVID-19 pandemic will last for another 1-2 years.

## Percentage of SME owners who think the Australian economy will decline significantly over the next 12 months.

Percentage of SME owners who think the economy will decline:

- **40% of Gen X (40-54)**
- **37% Gen Y (25-39)**
- **33% Baby Boomers (55-74)**
- **29% of Gen Z (18-24)**



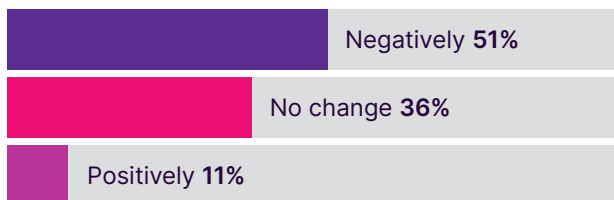
# Spotlight on the impact of the COVID-19 pandemic

**Over half of small businesses in Australia noted the COVID-19 pandemic negatively impacted their business.**

Of the **49%** of SME owners that noted a revenue decline, the main reason behind the decrease in the last year was directly linked to the pandemic.

**We asked small business owners around Australia how the COVID-19 pandemic affected their business:**

How did the COVID-19 pandemic impact your business?



## COVID-19 impacts to SME staffing:



**87%** have not hired any staff from overseas and an additional 17% said this has made staff recruiting very difficult for their business.



**17%** of small businesses had to put more emphasis on training and upskilling local talent which took a lot of time.



## Supply chain post COVID-19 pandemic:



**11%** said that supply chain issues and delays would actually be positive for their business.



**1 in 3** businesses located in rural areas felt the effects of supply chain delays.

**17% of SMEs** believe COVID-19 related impacts on their business will last for another 6 - 12 months.

**1 in 4 small business owners** predict they will be in a stronger position once the pandemic ends.

# Australia's skilled workforce and staff shortage

As the seasonally adjusted unemployment rate fell to 4% in February 2022 we asked small businesses about key contributors and the future of skilled workforce workers and staff shortages in their industries.

Here is what we found...



Nationally 23% of small businesses note they are experiencing staff shortages. 1 in 3 businesses within Agriculture and Farming noted a lack of skilled workers.



39% of small businesses said keeping staff employed in their roles is their most important concern for them.



...from those surveyed 29% of small businesses say they are lacking up to 30% of staff across the board.

Was the COVID-19 pandemic a contributing factor to the lack of staff?

Yes 47% | No 53%



## About Business Monitor:

The MYOB Business Monitor researches business performance and attitudes regarding areas such as profitability, cash flow, pipeline work, technology usage and the government. This report presents the summary findings for key indicators from the MYOB Business Monitor comprising a national sample of 1,000 business owners, managers and directors (operators), conducted from March 22 2022 to April 21 2022. The businesses participating in the online survey were both non-employing and employing businesses. All data has been weighted by industry type, location and number of employees, which are in line with the Australian Bureau of Statistics (ABS - Counts of Australian businesses, including entries & exits - 8165.0).

## About MYOB

[MYOB](#) is a leading business platform with a core purpose of helping more businesses in Australia and New Zealand start, survive and succeed. MYOB delivers end-to-end business, financial and accounting solutions direct to businesses employing between 0 and 1,000 employees, alongside a network of accountants, bookkeepers and consultants.

For more information visit [myob.com](https://myob.com) or follow @MYOB on LinkedIn.

The logo for MYOB, featuring the lowercase letters 'myob' in a white, bold, sans-serif font against a dark purple background.