Budget 2024 Insights Summary Mid-Market - May 2024

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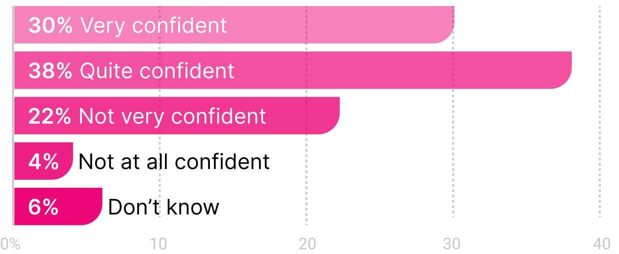
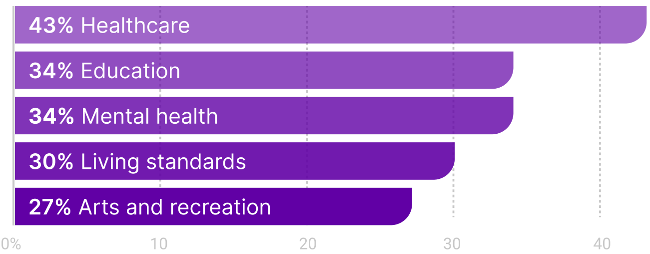
More than two-thirds of mid-market business owners and decision-makers are confident the upcoming annual Budget will deliver for businesses like theirs, according to the latest insights from MYOB. The results showed strong appetite for policy around workforce training and upskilling, reviews of skilled migrant entry criteria, and company tax rate reduction, while the longer-term priorities for the mid-market include fast-tracked digitisation of public sector systems, increased international trade deals and hi-tech infrastructure investment.

Confidence around whether Budget 2024 will deliver benefits for mid-market businesses:



Top five areas mid-market businesses believe the Government should prioritise for more investment*:



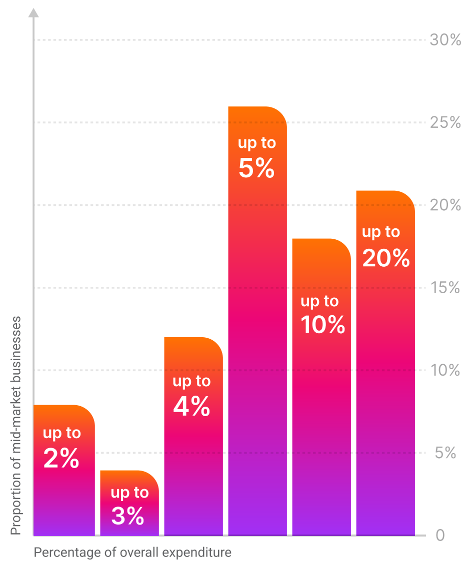
Top five policy announcements the mid-market would most like to see in the Budget this year*:

42%	Support for training and upskilling
32%	Automatic recognition of appropriate training and certification of skilled migrants
31%	Automatic approvals for appropriately certified international materials and products
27%	Changes to/ simplification of the immigration accreditation scheme
26%	Reduction in company tax rate to 25%

Top five longer-term policy initiatives mid-market businesses would like the Government to focus on*:

34%	Fast-track digitisation of Government and public sector systems to improve business-to-government engagement experience
24%	Creating a 30-year plan for national infrastructure projects
24%	Increased international trade deals
23%	Enhanced investment for R&D, innovation and commercialisation
23%	Investment in hi-tech infrastructure

Level of investment mid-market businesses are currently putting toward R&D, as a percentage of overall expenditure:



Note: 9% of those surveyed said they invest less than 1% of their expenditure on R&D.

*Those surveyed could select more than one potential answer.

Methodology

The insights provided in this summary are from the latest MYOB survey of mid-market businesses (defined as businesses with 20-500 FTEs, and more than $5m annual revenue). The survey results comprise a representative sample of 516 owners and decision-makers in mid-market businesses from across New Zealand. Research for this survey took place from March 22nd - April 15th 2024 and was conducted by independent research agency, Dynata. Respondents were sampled randomly from the Dynata online panel and screened to ensure they met the qualifying criteria. Quotas were maintained on industry sector to ensure a reliable and diverse cross section of mid-market business opinions were obtained. Responses for the survey were weighted by industry and business size in line with Stats NZ counts.

Note: for all columns included in this document, where the total percentage value does not add to 100%, the remainder have responded 'Don't Know'/ 'unsure'. In instances where the total percentage value adds to 101%, this is due to rounding of some response figures by the research unit.

Budget 2024 Insights Summary SME - May 2024

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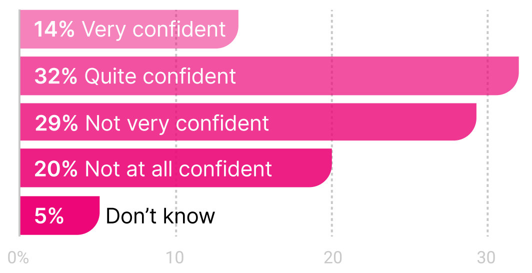
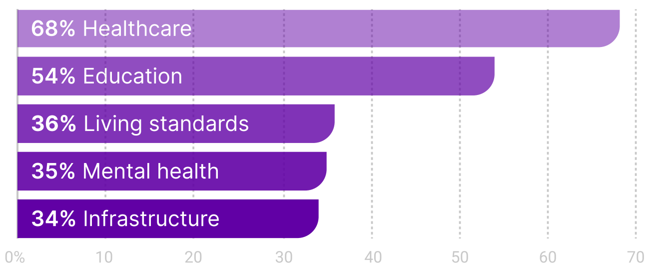
The latest MYOB insights reveal a confidence split among SME owners and decision-makers on whether the upcoming annual Budget will deliver for their business. The findings also highlight that SMEs are hoping for policies that reduce the burden of increasing business expenses and processes, such as tax and compliance, while agreeing that more investment should be prioritised for wider societal gains such as healthcare, education and infrastructure.

Confidence around whether Budget 2024 will deliver benefits for SMEs:



Top five areas SMEs believe the Government should prioritise for more investment*:



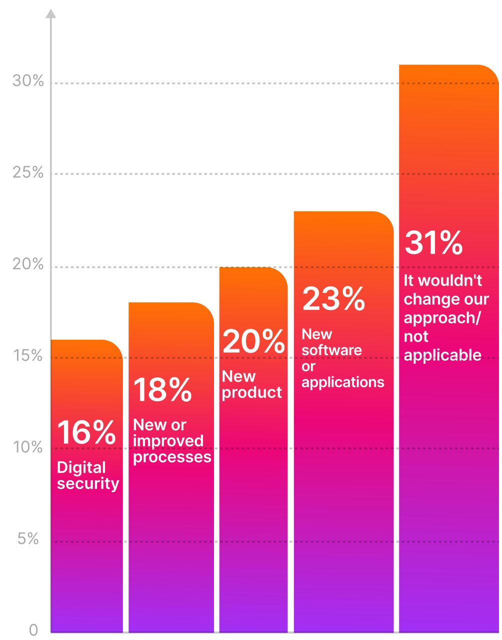
Top five policy announcements SMEs would most like to see in the Budget this year*:

- **43%** Increased investment in healthcare
- **36%** Reduction in the company tax rate to 25%
- **30%** Increased investment in education
- **28%** Increased investment in infrastructure
- **27%** Support for training and upskilling

Top five business-focused policy initiatives SMEs would support*:

- **52%** Reducing the company tax rate from 28% to 25% for small businesses
- **42%** Policies that simplify the tax filing process
- **36%** Simplifying and streamlining consenting process at all levels
- **30%** Assigning a set proportion of Government contracts to local SMEs
- **29%** Lower R&D tax credit threshold

If the Government lowered the threshold for minimum spend and simplified the administration process/criteria for the R&D Tax Incentive, SMEs would likely invest in*:



*Those surveyed could select more than one potential answer.

Methodology

The insights provided in this summary are from the latest MYOB survey of SMEs. The survey results comprise a representative sample of 554 owners and decision-makers in small to medium-sized businesses from across New Zealand. Research for this survey took place from March 13th- March 22nd 2024 and was conducted by independent research agency, Dynata. Respondents were sampled randomly from the Dynata online panel and screened to ensure they met the qualifying criteria. Quotas were maintained on industry sector to ensure a reliable and diverse cross section of SME opinions were obtained.

Note: for all columns included in this document, where the total percentage value does not add to 100%, the remainder have responded 'Don't Know'/ 'unsure'. In instances where the total percentage value adds to 101%, this is due to rounding of some response figures by the research unit.