



MEDIA RELEASE

SENATOR THE HON NICK SHERRY

Minister for Small Business
Minister Assisting on Deregulation and Public Sector Superannuation
Minister Assisting on Tourism

SMALL BUSINESS URGED TO TAKE UP INNOVATION ASSISTANCE

Thousands of Australian small businesses could boost their operations and their bottom line by taking greater advantage of the Gillard Government's R&D Tax Incentive to help create new products and ways of operating.

Minister for Small Business, Senator Nick Sherry, said Australian Bureau of Statistics data shows 36 per cent of businesses employing fewer than five people undertook innovative activity in 2009–10.

Among businesses employing between five and 19 people, 55 per cent report activity to innovate.

"It makes sense for businesses to innovate. Those that do are twice as likely to boost their productivity and put on more staff," Senator Sherry said.

"Innovative businesses look to expand – they're four times more likely to increase their range of products and services and five times more likely to target export markets.

"Too many good ideas are lost or not explored because businesses feel they can't afford to invest in R&D and innovation.

"The new R&D Tax Incentive is designed to make it easier for smaller firms to access support, including upfront support.

"Running a small business can be tough and so is finding the time to look beyond day-to-day operations.

"But it could pay for businesses to take the time and investigate the appropriate support measures – especially the R&D Tax Incentive.

"The new incentive is better targeted, more generous and less complex than the tax concession it replaces.

"It effectively doubles the support for small firms to 15 cents in the dollar and increases support for all other firms by a third, to 10 cents in the dollar."

Senator Sherry said AusIndustry, together with the Australian Taxation Office, was conducting information sessions around the country in October to ensure firms were aware of the support available under the program.

To register for an information session or for more information on the R&D Tax Incentive, visit AusIndustry.gov.au.

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