

THINK Small 1st

ISME believes that a pro-enterprise Government and the creation of a truly entrepreneurial culture in Ireland is essential to restoring the economy and improving society. The next Government must play its part by **THINKING SMALL FIRST** by **simplifying the existing enterprise support schemes, reducing the administrative burden and raising awareness of the available supports.**

Here is a list of questions on some of the top priorities for small businesses & their employees and we encourage all voters to put these to their candidates.

1 Will you end the **TAX DISCRIMINATION AGAINST THE SELF-EMPLOYED** and proprietary directors? SME owner-managers pay more tax than their employees, despite the fact that they are the job-creators.

2 What will you do to improve **SME ACCESS TO FINANCE?** ISME surveys show almost half of small business loan applications are refused.

3 **BUSINESS COSTS** are rising, making it difficult for Irish businesses to compete. How will you address state influenced costs such as local authority rates & charges, insurance and government taxes on transport, to mention just a few?

4 Will you help employers to create more employment by reinstating the **4.25% RATE OF EMPLOYERS PRSI** on low paid employees?

5 Is the roll-out of adequate **BROADBAND** to all areas a priority for you?

6 Will you reinstate **REDUNDANCY REBATES?**

7 High **CAPITAL GAINS TAX** rates are dissuading Owner-managers from passing on their business through succession or sale. Will you reduce the rate?

8 How will you remove the obstacles blocking **SME ACCESS TO PUBLIC PROCUREMENT?**

9 The **COST OF CHILDCARE** is preventing many parents from participating in the labour force, making it more difficult for SMEs to hire and retain good staff. What is your plan to cut childcare costs?

10 SMEs need more funds allocated to employee training. Will you ensure there is further investment in this area paid from the **NATIONAL TRAINING FUND?**

11 Will you change the useless legislation on **PROMPT PAYMENTS?**

12 Will you vote for an **INDEPENDENT PUBLIC SECTOR PAY COMMISSION?**

1) Tax Discrimination against the self-employed

- The Earned Income tax credit for the self-employed is €550. The PAYE tax credit for employees is €1650. These need to be equalised.
- The self-employed should be entitled to opt in to a voluntary social protection safety net which would allow them social welfare entitlements when required.

2) SME Access to Finance

- The launch of the Strategic Banking Corporation of Ireland (SBCI) was a welcome initiative but this area needs further monitoring and potentially more interventions.
- Alternative sources of finance must be developed and promoted as our banking system is currently uncompetitive.
- Interest rates in Ireland are twice the Euro average.

3) Business Costs

- Maintaining and improving competitiveness by reducing business costs, particularly state influenced costs, is a key issue for business.
- Rents, insurance and energy have increased dramatically and must be addressed.

4) Employers' PRSI

- The reintroduction of the 4.25% rate on lower paid employees would help offset the growing cost of labour which is crippling SMEs.

5) Broadband and Online Trading

- The roll out of broadband to rural areas must be prioritised and the Trading Online Voucher Scheme must be expanded with at least 10,000 new vouchers available to businesses with less than 50 employees.

6) Redundancy Rebates

- The 60% redundancy rebate which was abolished during the recession must be re-introduced. This will give employers more confidence when expanding their workforce.

7) Capital Gains Tax

- High Capital Gains Tax (CGT) rates are currently discouraging investment. It should be reduced to 10%.

8) Public Procurement

- SMEs continue to face insurmountable obstacles to obtaining public procurement contracts.
- The establishment of the Tendering Advisory Service (TAS) is welcome but there is much to be done in this area.
- Government must reduce their focus on consortium bidding and social clauses and focus instead on using public procurement contracts to the benefit of local towns and communities.
- The concept of MEAT (Most Economically Advantageous Tender) must be adhered to.

9) Childcare costs

- Childcare costs are an obstacle to labour force participation and must be addressed. Subsidised childcare should be made available to working parents.

10) Training

- As the economy grows extra funding is required. More of the National Training Fund should be used for management training and staff upskilling.
- Many SMEs lose their trained staff to larger businesses having trained them at their own expense.

11) Prompt Payment Legislation

- The Legislation to improve payment times is useless. The real solution is a legislative requirement for mandatory 30-day across the board payment terms.
- The advent of the Prompt Payment Code and Portal were welcome but must be promoted and prioritised.

12) Public Sector Reform

- For the future of the economy the Government has no option but to insist on value for money and reductions in the public sector pay bill. An independent public sector pay commission is required to depoliticise the situation.