Creating a more dynamic and resilient economy inquiry

Questionnaire response 12

Name: XBase Pty Ltd

Submission date: 4/06/2025

1. Support business investment through corporate tax reform

1. What features of the Australian business environment have encouraged or restrained investment over the past 10 years?

The participant did not respond to this question.

2. What elements of the corporate tax system encourage and/or discourage investment and risk-taking?

3/6/2025

Submission to Productivity Commission:
Tax Reform

Title: Remove Dollar-Matching on grants

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- Dollar-matching is an unnecessary constraint.
- It unfairly preferences the already-wealthy.
- It unfairly biases against women, due to investors statistically being less likely to invest in female-founded companies.
- It creates an unnecessary limit to the range and quantity of applicants, blocking ideas from the vast majority of society who cannot source dollar-matching capital at the scale required to found an internationally-competitive business.
- It significantly lowers the amount which can be invested in pre-profit innovation, as applicants can only request an amount equal to what they can raise, rather than requesting what they need;
- Therefore it significantly lowers the likelihood for success.
- If any governance investment is to be made, it should be a full commitment sufficient to guarantee success, otherwise the funding is throwaway.
- A large swath of startups will fail due to being undercapitalized. The requirement for dollar-matching on most (if not all) federal governance grants is a key contributor to these poor outcomes.
- Other metrics such as product readiness, market traction, export sales, are all suitable replacement measurements to validate the strength of the delivery team, and therefore the investability of the initiative. These metrics can be monitored by already-established specialists in institutions such as AusIndustry, ensuring continuous moity over self-assessed grants like RnD offset rebate.
- Additional metrics such as: alignment to national strategy, eg an initiative's value to the autonomy of Australia; risk reduction eg by providing a redundant backup to existing

supply chains; enablement for further opportunities eg by onshoring critical processing to reduce risk and costs for downstream-producers; should all weigh far more in federal investment decisions, than a founder's pre-existing access to capital.

Rebecca Gabrielle Cannon

3. Which parts of the corporate tax system do you find the hardest, or most time or cost-intensive to comply with? How could the compliance burden of the business/company tax system be reduced?

The participant did not respond to this question.

2. Reduce the impact of regulation on business dynamism

1. What areas of regulation do you see as enhancing business dynamism and resilience? What are the reasons for your answer?

The participant did not respond to this question.

2. How has your regulatory burden changed over time?

The participant did not respond to this question.

3. What regulations do you find time-consuming, overly complex or otherwise constraining business dynamism and resilience? What are the reasons for your answer?

The participant did not respond to this question.

4. Can you share any specific examples of where you think a regulator has done a good or bad job of understanding and reducing regulatory burden on businesses and why?