



Speech by

Mr S. ROBERTSON

MEMBER FOR SUNNYBANK

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SMALL BUSINESS ADVISORY COUNCIL

Mr ROBERTSON (Sunnybank—ALP) (12 p.m.): Last Wednesday, it was my great pleasure to chair the inaugural meeting of the recently appointed Queensland Small Business Advisory Council. The council will be a key source of advice to the Queensland Government on a range of issues vital to the interests of small business.

The Deputy Premier, in particular, places great store in the advice that this council will provide and he has ensured that, by appointing me to the chair, he will have a direct line of communication to the matters raised and the solutions proposed.

Mr Pearce interjected.

Mr ROBERTSON: Thank you very much. The council will focus on the most significant small business issues, working on solutions to encourage and support small business growth, employment expansion and prosperity. It will focus on solutions that will improve the environment for small business in Queensland.

The membership of the council is diverse, consisting of representatives of leading businesses and industry associations, small business operators and business support institutions. The composition of the council reflects the Government's commitment to ensure that small business has a direct input into policy development.

In appointing members to the council, the Deputy Premier was also mindful of the significant regional small business constituency, with a representative from both Townsville and Cairns playing an active role. Further, through organised consultation in regional, urban and rural areas, the council can ensure that Queensland small businesses have the best opportunity to voice their concerns direct to Government.

To achieve this, the Department of State Development will work closely with the Government's Regional Communities Program. The aim of this program is to strengthen regional communities' participation in Government decisions. Quarterly ministerial community forums will be held in the following regional areas—

- far-north Queensland;
- north Queensland;
- Mackay/Whitsunday;
- central Queensland;
- Wide Bay;
- south-east Queensland/north;
- south-east Queensland/south; and
- south-east Queensland/west.

There are a variety of vital issues and challenges facing small business in Queensland today—issues such as Y2K, e-commerce, globalisation, business structures, the proposed GST, management skills, services marketing, costs of compliance, franchising, and the list goes on. Some issues are more immediate than others. This is particularly so given the nature and the magnitude of their effect on small business.

As chair of the advisory council I canvassed council members' perception of Y2K issues. It was generally felt that there is still a degree of apathy amongst small businesses about the impact of the

Y2K bug on the operation of their businesses, including the supply of materials for production or sale. I was pleased that council members complimented the Department of State Development on the production of the booklet *The Year 2000 Problem—Misconceptions and Options*. I take this opportunity to recommend this booklet to members of the House for distribution to their business constituents. Although many thousands of copies of this booklet have been distributed throughout Queensland in the past few months, we all have a responsibility to see that it gets into the hands of as many small businesses as possible so that they can assess their own degree of Y2K preparedness. It is an excellent tool for small business and helps to simplify a complex issue.

It is unrealistic to assume that the Queensland Small Business Advisory Council can be all things to all people. Consequently, the council will focus on a maximum of two issues at any one time. Initially, the council will tackle two critical issues on which the Deputy Premier has requested advice.

The first issue concerns the likely impact on small business of a GST—assuming it survives the current negotiations with the Australian Democrats. If the GST does survive, no matter what form it takes it will impact significantly on many of the 185,000 small business operators in this State. To that end, the Department of State Development is commissioning a report that will identify the following: what action small businesses need to take to minimise the negative impact of a GST; the potential areas of market failure in responding to the needs of small business during the transitional and operational phases; and, lastly, what action the Queensland Government can take through the development of appropriate services and products for delivery through the department's State Development Centres.

Regardless of whether members in this place support a GST, all members must recognise that if a GST is introduced there are important issues which must be addressed to ensure that the impacts on small business during the transition and operation of a new comprehensive tax system are minimised. Therefore, it is incumbent on responsible Governments—Governments which have a real concern about the needs of small business, such as the Beattie Government—that we address issues arising out of the introduction of a GST. These issues include such things as tax compliance costs, both start-up and ongoing costs; cost structures; system requirements; margins; cash flows; outsourcing; and business direction for businesses moving to different sectors or different markets as a result of the imposition of a GST.

I hope that the Small Business Advisory Council will have the support of all members of this House, irrespective of party affiliation, in tackling this important issue and making recommendations to help small businesses cope with what will be an extremely trying and challenging time over the next 12 to 24 months.

The second issue to be tackled by the council concerns franchising. Franchising is a fast-growing sector of the Queensland business community. With just 19% of the population, Queensland accounts for 24% of Australia's franchised outlets. A retail industry strategy was released by the former Department of Tourism, Small Business and Industry in 1998. The strategy identified the franchising industry as having substantial economic and employment potential. It also identified a lack of background information held by Government on the franchising industry, and a lack of management and business skills by some franchisors and franchisees.

To that end, the Department of State Development will be commissioning an external study to provide comprehensive information on the Queensland franchising industry so that, once the Small Business Advisory Council considers this report and provides input, a strategy can be put in place to ensure that Government is providing the appropriate support and service delivery.

The consultancy will be required to deliver a report containing a comprehensive profile of the Queensland franchising industry, including information on its composition, sectoral strengths and weaknesses, best practice systems, employment characteristics and industry success rates. It will also analyse existing Commonwealth and other State Government franchising initiatives, including current Commonwealth Government industry and legislative initiatives and their impact on the Queensland franchising industry.

The council will also be informed by the report on current franchising industry issues and concerns including franchisor/franchisee relationships, Government/industry regulation and intervention, consumer protection and emerging opportunities and threats. The report will also identify potential areas of Government interest including areas of market failure and industry opportunities, areas of Government skill or program deficiency and opportunities for industry seeding or the expansion of export activities. Finally, the report will identify potential areas of cooperation between the Queensland Government and other Governments in respect of the franchising industry.

As I mentioned previously, following detailed consideration of the report, the Office of Small Business will develop a comprehensive franchising industry strategy and a line of targeted products and services to address the unique market needs of this important Queensland industry.

One side issue which has arisen is that the Small Business Advisory Committee will be contributing to the discussion about the future of Queensland State schools or the 2010 Queensland State Education discussion paper recently released by Education Queensland. Members of the advisory committee, particularly those who are active small business owners and operators, recognised the importance of tailoring our State education system to provide training for young people who may wish to pursue careers in small business. The views of these experienced small business operators will be made known to Education Queensland via a submission during the 2010 Queensland State Education consultation period.

I am pleased to inform the House that the first meeting of the Small Business Advisory Council was an unqualified success. What was particularly pleasing was the energy and enthusiasm demonstrated by all members of the council. They have a commitment to do the hard work necessary to make the right recommendations to the Deputy Premier to ensure that the environment for small business in Queensland is the best that it can possibly be. The agenda of work to be performed by the council over the coming months will, I hope, receive the support of all members of the House.
