

**Division 58: Small Business Development Corporation, \$9 063 000 -**

Ms Guise, Chairman.

Mr Brown, Minister for Small Business.

Mr G. Etrelezis, Managing Director.

Mr R.H. Buttsworth, Acting Director, Corporate Services.

Mr BARRON-SULLIVAN: Dot point three of significant issues and trends on page 1007 states -

The transition to the proposed new labour relations framework will require adjustment by small business and the review of employment options.

I have been trying to come to terms with the extent to which the minister and the Government as a whole use the Small Business Development Corporation as a sounding-board for policy development. This is a case in point. Did the minister require the Small Business Development Corporation to provide advice on the impact the labour relations legislation would have on small business, or does the Small Business Development Corporation or its board offer advice on these sorts of issues as a matter of course? Obviously, that legislation will have significant implications for small business. How does the corporation operate?

Mr BROWN: The board of the corporation provides advice on these matters to government and to me. Of course, it provides that advice within the context of knowing what the government commitments are. If the Government had made a commitment to do X, there would not be much point in the corporation recommending that the Government do Y. The Government would have already determined an appropriate way to go. The board of the corporation provides advice to me, and I provide advice to Cabinet. As with the other advisory structures in all departments, once advice is received, it is considered. Sometimes the Government accepts that advice, sometimes the advice is modified, and sometimes the advice is not accepted.

Mr BARRON-SULLIVAN: What advice did the agency or its board give the minister about the significant policy matters of the industrial relations changes and the business tax review?

Mr BROWN: Recommendations about the industrial relations changes are before me, and they are under consideration. I am not at liberty to disclose those here and now because they are only considerations.

The Treasurer is about to release a paper on the state business tax review, and some exhaustive discussions will then take place. No doubt, when that paper is in the public forum - the Treasurer has indicated that he intends to release it next month - we will meet with the corporation about the matter.

Ms RADISICH: I refer to page 1015 and the details of controlled grants and subsidies. I note that the State Government was particularly quick to recognise the value of the business enterprise centre program by introducing triennial or funding for the network. That funding is obvious from the grants indicated on page 1015. Can the minister comment on the benefits the initiative will have for the operational effectiveness of the business enterprise centre network and its ability to better service the state small business sector?

[9.10 pm]

Mr BROWN: I thank the member for Swan Hills for that question. We promised two things during the election campaign: first, we would provide triennial or funding for the business enterprise centres. I was pleased to be able to do that in the 2001-02 funding round. Those centres now have either triennial or funding, which means that we kept that commitment.

The other commitment we made in the election campaign was to prevail on the federal Government for additional assistance for the business enterprise centre network. We did not do that as a matter of cost shifting, because we retain our commitment to that network in not seeking to withdraw it. However, the network provides advice on both commonwealth and state programs. Indeed, the former parliamentary secretary to the then Minister for Industry or the then Minister for Small Business was here some years ago. I attended a meeting that he also attended. He said that he had looked at the Western Australian business enterprise centre network and thought that it was extremely impressive. He thought that there should be ways for the Commonwealth to boost that network. We have made representations to the Commonwealth, particularly in the light of its decision to fund what are called small business assistance offices, which in many ways provide almost a duplicate service to that provided by business enterprise centres. Although in Kalgoorlie there is a very good rapport between that network and the BEC network, that is not the case in every town. It was our view - we have advanced this view - at the meeting of small business ministers that federal and state funding should be put together to provide a more enhanced BEC network. The Commonwealth can call it what it likes. We have offered to co-badge with the Commonwealth; it can put its badge on it and we will put ours on it. We have said

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to the Commonwealth Minister for Employment, Workplace Relations and Small Business that he can reopen all 37 BECs if he wants to get his picture in the newspaper and see himself as supportive. We think that would be a better model than the Commonwealth's current model. It would not necessarily require a lot more funding from the Commonwealth than it provides at present, but we think it would strengthen the BEC network. It would provide an opportunity for both commonwealth and state programs to be delivered by that network. Unfortunately, our representations have not borne fruit yet. However, Mr Etrelezis and I will be meeting with the other small business ministers in Sydney on 3 July, and I would be amazed if this matter were not on the agenda again. Essentially, we promised two things in the election campaign: first, to provide triennial funding for certainty for the small business enterprise centres, and we have delivered on that commitment; and, secondly, to seek additional funding through the Commonwealth to get more coherent structures in place, and we have delivered on that commitment. The Commonwealth has not yet agreed, but we will persevere.

Mr HYDE: I refer to dot point six on page 1010 under the major initiatives for 2002-03. This is a follow-on from business enterprise centres. It states that the Small Business Development Corporation will coordinate the delivery of the small business smart business program in Western Australia using the business enterprise centre network and that this will see training valued at \$1.3 million delivered to small businesses throughout Western Australia, including the metropolitan area. Can the minister justify to me as a metropolitan member the expansion of the small business smart business program to finally incorporate metropolitan small businesses?

Mr BROWN: Although I am very familiar with this program, Mr Etrelezis can more articulately go through the matter.

Mr ETRELEZIS: This is a program on which we are working in conjunction with the Department of Training, which supplied the primary funding. It uses our network and business enterprise centres to reach the whole of Western Australia. The scheme was piloted in 2000-01 and only in regional areas. When we looked at the results of that pilot, we discovered that it had much merit in instigating a lot of training at a small business operator level and not necessarily at a small business employee level. When the opportunity came to provide further funding in the 2001-02 financial year, we grasped the opportunity to convince the Department of Training that it should be applied also to metropolitan small businesses and to concentrate it at an operator level. Metropolitan small businesses have been quick to apply for the training vouchers, which are \$200 per small business. They must go through a business enterprise centre to qualify for a voucher. Part of the scheme involves those centres doing a training needs analysis with the operator concerned to ensure that the money is well spent. That process also gives us a handle on gaps in or barriers to the provision of training in metropolitan and regional areas. I am pleased to say that the program is proceeding very smoothly and should continue in 2002-03. The Subiaco business enterprise centre was one of the first centres to distribute its allocation of vouchers. It did that by linking up with local business associations to promote the scheme. It has provided a very effective mechanism to get training off the ground in that area.

Mr HYDE: My good friend the Mayor of Subiaco, Tony Costa, mentioned that he heard the take-up was excellent in that area. Between six and eight vouchers are issued each day.

Mr ETRELEZIS: Subiaco has a very proactive business enterprise centre, as evidenced by the introduction of the pro-Subi scheme, which utilises local council rates to support small businesses. It has already issued its allocation of 125 vouchers and must wait in line for leftovers from other areas.

Mr MASTERS: The minister has stolen a lot of my thunder. He said all the right things about business enterprise centres. I intended to congratulate him and his staff for running those centres. I am well aware of John Anderson in Busselton-Dunsborough, who is doing an excellent job.

Mr BROWN: Yes, he does a good job.

Mr MASTERS: I was going to give the minister the opportunity to bag the Commonwealth Government about the duplication of funds, but he has already done that. I simply offer my support for bringing the two funding programs together, because it makes no sense to have two different groups involved in business enterprise centres. Logistically much more will be achieved by running the programs together.

I refer to page 1015 and the details of controlled grants and subsidies. The first line item is business enterprise centre operational grants. There is a four per cent difference between the 2001-02 estimated actual and the 2002-03 budget. If we were to add inflation, that would be a seven per cent real reduction. It means a reduction for each business enterprise centre from \$91 000 to \$87 400. I presume that the number of centres will not be reduced. Therefore, that represents a \$3 600 reduction in each centre's budget. A reduction of that magnitude is significant for a small office. The Busselton-Dunsborough business enterprise centre has two full-time equivalents. A budget cut of that size will mean a reduction in the services provided.

[9.20 pm]

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Mr BROWN: The BECs get a standard grant each year under their triennial agreement. However, during the course of the year, the Small Business Development Corporation may provide additional funds through other savings. They are not part of the grant and they are announced every year depending on the SBDC's budget position. At the BEC conference held in Albany in November last year, we announced that each BEC would receive supplementary funding of \$5 500. That is not a promise in the triennial grant. However, if we can find the additional funds - that depends on the year and savings that can be made - that supplementation or additional money can be made available to the business enterprise centres. This is not a cut to their grant. In the year in operation, only the grant money is shown. However, if we are able to do the same thing in the next financial year, the allocation will be greater. I do not know about our ability to do that, and I am not guaranteeing that will be the case. However, if we are able to do that, the amount allocated to BECs in the 2002-03 financial year will be above the figure shown in these papers.

Mr BARRON-SULLIVAN: On page 1010, the fifth dot point under major achievements for 2001-02 states that the Small Business Development Corporation has introduced a requirement on state government agencies to develop a small business impact statement to accompany cabinet submissions when the issue impacts significantly on small business. Will the minister explain that process to me? Does that make that, by necessity, a cabinet document? Putting it bluntly, to what extent is the minister able to report on the number of times that matters to which a small business impact statement applies have had a negative assessment? In other words, how often has the minister gone into cabinet with something for which there is a small business impact statement and with an alarm bell ringing that it will have negative implications for small business? I have two questions. First, are these, of necessity, cabinet documents? I notice they accompany cabinet submissions but, as the minister knows, that does not necessarily mean they are cabinet documents. Secondly, how often do these business impact statements indicate negative implications for the small business sector?

Mr BROWN: In the election commitments we promised to improve the reporting to Cabinet on the impact of legislative changes on small business. When I joined the Cabinet, most of the commentary on the business impact statement was only about a three-liner to the effect that it would have an impact, it would not have any impact, or we did not think it would have any impact. Prior to this time, that was the be-all and end-all of the discussion on the business impact statement. Recently we adopted a position whereby agencies are required to put with their cabinet submissions an impact statement on small business. I do not want to suggest in any way that this is something like having to go to Access Economics to run it through a huge economic analysis. However, it requires agencies to better exercise their minds on the impact or potential impact on small business. This has only just been introduced. When proposals that require a rewriting of the cabinet handbook are put to Cabinet, the handbook must be rewritten once those proposals are approved by Cabinet. Agencies must then read the handbook to understand that the rules have been changed. That has now happened. It will probably take a little while for all agencies to comprehend that this is now a requirement. We will have to do a bit of policing to try to ensure that people understand the new requirements. I guess that will not happen overnight. However, in the matter of weeks that this has been in place, I have been pleasantly surprised by some agencies that have started to address this more thoroughly. I do not want to kid members and say that this is a massive economic analysis that comes with a cabinet document. It is not, but it is a much better process than the one that was previously in place.

Mr BARRON-SULLIVAN: Are they deemed to be cabinet documents?

Mr BROWN: Yes; they come with the cabinet submission. The cabinet submission must have certain things attached to it. Now attached to it is the small business impact statement.

Mr HYDE: It will be available in 30 years!

Mr BARRON-SULLIVAN: I must be very patient to see it! The conundrum is that one of the reasons presumably the minister tightened up on this arrangement was to get good advice on the impact on small business of every piece of legislation and policy matter that goes to Cabinet. The other is to provide a degree of accountability to ensure that the Government of the day is doing the right thing by the small business sector. Without seeing that impact statement, it is not possible to weigh that up against the Government's initiative and say whether it did the right thing and took it into account. Is there any scope for making available the impact statement, but not the whole cabinet submission?

Mr BROWN: I doubt it. It would be making part of a cabinet submission available and I would be treading on dangerous territory to make such a commitment, as long as I want to be a minister - and I do want to be a minister a bit longer. This is not the end of the change I am seeking. A more radical proposition will be considered by the Government but not for a short while yet. That will make it much more transparent.

Mr BARRON-SULLIVAN: Is that in train so that every piece of legislation and policy matter will go to Cabinet?

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Mr BROWN: It applies to every piece of legislation that will have an impact on small business. I am trying to think of examples.

Mr BARRON-SULLIVAN: Taxation laws?

Mr BROWN: Yes. There must be green lines down the centre of the line rather than blue lines.

Mr BARRON-SULLIVAN: Prostitution legislation - opening up new small business opportunities?

Mr BROWN: I will not go there. To be honest, it will take us a little while to get agencies to understand the process. No doubt we will have to remind them of their obligations. The intent is clearly there. It was something we said we would do. I am pleased we have done it. Good progress has been made and further improvements could be made. There probably still will be glitches in the system, but we are seeking to improve it.

Mr D'ORAZIO: Dot point 2 on page 1007 refers to business migration and the provision of a valuable source of economic investment in the Western Australian small business sector. The minister will be well aware that a number of South African business migrants have made a huge investment in my area. Can we quantify as a State the amount of investment they have brought us? Can we use it in a federal context, because the rules have been tightened up on business migration? That is a great pity because the more business money that can be attracted the better. I want to encourage as many more South Africans as would like to come to my electorate because they have made a huge contribution not only to the state economy but also to the whole of Australia.

Mr BROWN: Mr Etrelezis has been taking carriage of this, particularly in the United Kingdom. It is an important area for growing our businesses. In a similar vein, one of the issues we have difficulties with is business visas, although this matter relates to business migration. The international chambers constantly raise with us the issue of business visas for people who come here looking for potential alliances, partners or trade. We need also to work with the federal Government on this area.

[9.30 pm]

Mr ETRELEZIS: We have established average figures that can be allocated to each successful business migrant who comes to Western Australia or Australia. It depends on the type of visa they enter with and how long they have to establish their business. Some of them come out straightaway as permanent residents because of their past business experience. If they are going into business straightaway they need certain point scores to achieve that status. Others come in under temporary visas and have four years in which to convert that temporary visa into a permanent visa. In doing so they must establish a business within four years and also employ a certain number of people to qualify for the points test. The average business migrant brings into Western Australia \$900 000 in capital as an injection for the local economy, and on average after four years each of those business migrants who establishes a business has 4.2 employees. We have recently quantified that people who come out to settle in Western Australia will buy a house, will buy one or two cars, will invest in businesses and will acquire business licences. The State also benefits by attraction of revenue from stamp duty and other areas, which evens out at approximately \$25 000 or \$26 000 per annum per migrant. Those categories of business migrants can be quantified and it is pleasing to note that in recent times Western Australia has equalled New South Wales as the most popular destination in attracting business migrants. For the first time in the history of business migration to Australia we have drawn level with the most populated State, New South Wales, in attracting business migrants. One other category applies direct funds to this State's Treasury coffers, and that is the investment-linked visa category, where a certain amount of funds must be lodged with Treasury to qualify for a visa and it must stay there for three years. The State also benefits from that injection into the State's investment-linked visa prospects.

Mr D'ORAZIO: You have just extolled the virtues of the migrants, which I already knew. How can we increase the number? One does not have to be a mathematician to work out that generating those sorts of returns with a million migrants in that program will result in huge economic growth.

Mr ETRELEZIS: Yes. We are very keen to improve on the program by way of increased numbers.

Mr D'ORAZIO: Has the federal Government tightened up on the guidelines and made it more difficult?

Mr ETRELEZIS: It has not changed too many points recently, but it is considering major changes shortly, which is a concern for us. We are having discussions about that. That would make it a bit more difficult for permanent residents to come out straightaway, which is giving away Australia's strategic advantage in comparison with its major competitors - Canada and New Zealand in particular. There is no substitute for marketing these programs, and we have recently been very successful in regenerating interest in the United Kingdom, where the currency conversion with the value of the pound is in favour of migrants coming out to Australia. It is worth taking advantage of situations in those countries when it is a lot more attractive to move to

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a State like Western Australia, particularly from South Africa, followed by Zimbabwe and Kenya in recent times. There is also a strong interest coming from Indonesia and South East Asia.

Mr D'ORAZIO: Will we actively promote this program? It is important to do something positive about this great initiative.

Mr BROWN: The Small Business Development Corporation is directly involved with the United Kingdom initiative. Whether resources will permit us having the same level of involvement elsewhere is questionable, because at the moment I do not know where the resources would come from to do a repeat of the United Kingdom initiative, or whether there is a forum. The United Kingdom forum works well.

Mr D'ORAZIO: I am talking about putting pressure on the federal Government to make sure that it does not change the rules or make it even more difficult, because it is a huge economic boost for this State and country.

Mr BROWN: We can certainly do that through the Small Business Development Corporation. In addition, trade ministers meet annually. There might even be two meetings of trade ministers this year, but I will stand corrected on that. At those meetings, ministers have an opportunity to put their views directly to other trade ministers. Obviously, it is the federal Minister for Immigration and Multicultural and Indigenous Affairs rather than the Minister for Trade who makes these decisions. The Minister for Immigration and Multicultural and Indigenous Affairs will always say that there is a balancing act between the number of non-returns and so on. One scheme has been talked about through which some business associations would be able to verify visitors to Australia. That has not yet been approved. There is a question about the overall capping of the business migrants scheme as well as the rules that surround it. We can certainly make representations and will continue to do so.

Ms RADISICH: I refer to the ninth dot point under major initiatives on page 1010. I am particularly interested in this initiative because I am sympathetic to the causes of mature age business entrants who may have been made redundant, restructured out of a job or have chosen a life or lifestyle change. A number of my more mature constituents might fall into this category. I would like to know about any planned programs that might benefit not only my constituents but also other more mature Western Australians.

Mr ETRELEZIS: The member is correct. This market has been identified as a growing and emerging market. We have seen, for one reason or another, mature age entrants to the small business sector. They usually come out of stable employment positions because of either restructures, mergers, downsizing or outsourcing and find themselves looking for alternative employment. We are finding people with very good business skills who have not previously experienced self-employment. We have decided to introduce a program, which has not yet been finalised, which will provide not only information about and awareness of business opportunities but also early guidance, particularly about where these people will operate in the area of consultancies and offer their services as private sector individuals to the marketplace. They need to be guided, particularly in the areas of market research and marketing their services. They also need the right structures in which to operate and to achieve the best bottom line effort for their endeavours. We are also looking to identify areas where their skills can perhaps be applied in emerging market opportunities, so that they can take advantage of those opportunities. We are also working with the Office of Seniors Interests, so that we can reach as many prospective target markets as possible.

Ms RADISICH: When will this program occur?

Mr ETRELEZIS: We hope to have it up and running by the end of this calendar year.

Mr GRYLLS: I refer to page 1010 and the major initiatives for 2002-03. The seventh dot point states that a review and evaluation of the business enterprise centre program will be undertaken. Is it the intention of this review to determine the additional resources required by BECs in order to function effectively, including the delivery of new programs such as the small business smart business program, or is it the Government's intention to phase out BECs?

Mr BROWN: The answer to the second part of the question is no; the Government does not intend phasing out BECs. We support the BEC program. However, there is a need to periodically review BECs and how they are operate, and the centres from which they are operating. That view has been expressed by the board of the Small Business Development Corporation and the Auditor General. That will not lead to any additional funding in this budget because no additional funding has been provided. Future additional funding will depend on a range of issues and on state finances as a whole. The business enterprise centre program is considered to be a very good program, but it is difficult to provide additional resources in a tight budget. We do not intend to chop the BECs. However, there is always a need to review existing arrangements to see what improvements might be made. The intention is to carry out that review.

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[9.40 pm]

Mr ETRELEZIS: In recent times we have introduced some initiatives to the network to try to improve its effectiveness, because of its enormous reach from Esperance through places like Corrigin and right up to the north and places like Wyndham. We have managed to apply technology to help us improve the effectiveness of the network by giving quicker and easier access to information. Over 12 months ago we introduced an extranet facility specifically for the business enterprise centres network. Via that extranet, people can tap into an enormous amount of information that is stored centrally at the Small Business Development Corporation and which is available through other sources. The individual inquirer or business seeking assistance can also swap and transfer information with others. This has proved very effective. The idea of the review is to explore other areas where we might be able to look at similar sorts of initiatives to improve what available information can be applied to them and what other sources of assistance may be available to them that currently may be untapped. We have tried the standard sources, of course, through local government and federal government programs. However, it is not surprising that sometimes we get coordination in some of these areas when they combine their efforts and perhaps utilise a common source of administrative support; it may be beneficial to a particular region.

Mr GRYLLS: I applaud that initiative. The words “review” and “country services” are often quite scary.

Mr D’ORAZIO: The fourth dot point on page 1009 refers to the new small business advocacy service that was introduced this year. It states that its purpose is to deal with government departments. How successful has it been? What sort of areas does it deal with? Is it basically a consultancy service for small business or does it deal with superficial small items; for example, does it get involved with planning issues or any other major issues that dramatically affect small businesses? Does it try to cut down on red tape, which is another nightmare for small businesses, especially when dealing with government departments?

Mr BROWN: I believe the initiative is very good. Small business has a constant twofold complaint. The first is that it is interfaced with government, particularly where it perceives government as being unresponsive or obstructive. The second relates to red tape, compliance costs and those types of things. The advocacy office does not go out to advocate for all and sundry but operates within government. If a small business has a problem, it can ring the advocacy line and speak to people involved in that office. They will take up the issue with the government department or government agency. What that does is to give small businesses an opportunity, so instead of being ignored they are getting another government department or another advocate on their side from within government.

As equally important, many times when we have looked at red tape issues they have been hard to identify, whereas through this service what we should be able to do over a period is to see where the problems are emerging. That will tell us that this or that is a problem, simply because we have experienced real life examples rather than experiencing after the event or working on some sort of anecdotal feeling. We have the opportunity through this service of providing a direct service to small businesses and saying to them that if they are in that position when dealing with an agency, the advocacy service can advocate on their behalf.

This is a very good program. I would like to say that we invented it, but I must be truthful and say that we did not, we pinched it from somewhere else. We thought that it was a very good idea and, when we had a look at it, we thought we should implement it in Western Australia. Mr Etrelezis may also be able to supplement the answer, and perhaps provide an example or two.

Mr D’ORAZIO: Can he also describe the seniority of the advocacy? Some of the issues could be quite technical. Are the advocates able to provide planning advice to someone who is having trouble getting a council to agree or is having a problem with various regulations, which planners have great pleasure insisting is the law, when in actual fact they are not?

Mr ETRELEZIS: We have not restricted the degree and depth of inquiry in the service provided. As an example, we actually cracked one today on behalf of a small business person, which is good news. Without going into too much detail, the inquiry involved contacting the Commonwealth Telecommunications Industry Ombudsman, the Australian Competition and Consumer Commission, and two major players in the private sector who were providing a telecommunications facility. In a nutshell, the small business person has had his service restored to the extent that he can now resume normal business operations, and was very thankful for the service provided. That was merely a liaison. It may involve seeking redress in some cases, and in others exploring with the parties the opportunity to give a business a fair go.

In terms of the degree of intervention in local government, we have already had some instances which could be likened to a planning approval, when we had to go in to bat for a small home-based business, and another where there was a limitation on parking which would have severely affected a truck operator and dented his business operation. We will take on planning approvals, though not to the extent that we would provide the expertise that

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would usually come from the private sector in lodging appeals and the like. Certainly, we will assist in making representations to the local authority or exploring the options available to the inquirer in progressing a claim against the relevant local government authority.

Mr D'ORAZIO: Is there a cost for this service?

Mr ETRELEZIS: It is a free service.

Mr D'ORAZIO: That is amazing; well done, minister!

Mr BROWN: It is a great service.

Mr D'ORAZIO: It will be swamped, as soon as people hear about it..

Ms RADISICH: We will tell everyone.

Mr D'ORAZIO: It should be used. Small businesses have problems getting access to government departments and local authorities. It is really important.

Mr ETRELEZIS: We have a function coming up shortly. The program has been implemented for a couple of months, but we have not produced any brochures on it. Once that is done, there will be a formal launch.

Mr D'ORAZIO: Can we come?

Mr BROWN: I will have to ask the managing director!

Mr HYDE: My question relates to page 1010, dot point eight under major initiatives for 2002-03, which is the third dot point from the bottom. It refers to a major initiative to work with representatives of local government to explore the feasibility of the standardisation of licence application forms for small businesses across Western Australia's 144 local government authorities. This is a big issue and one which should be benchmarked. When we come back next year, the minister should be able to point to a couple of areas which have been standardised. As an example, I have worked the carnival circuit with many small business people. They may go from Albany, through many cities and towns, all the way to Kununurra, which is in the Shire of Wyndham-East Kimberley. In each of those shires they would pay a different stallholders fee, and apply for a different looking licence, which may need to be put up in the van. In some shires there is no fee, but two country shire people will come out and inspect the premises. The cost of that must be horrendous.

There is a range of fees. When a person crosses the border from Kununurra into the Northern Territory he has to deal with only one licensing officer. That is all that is required for the entire Northern Territory. That does not happen in Western Australia.

The minister also gave the example of home occupations. It seems an issue that could be easily standardised. How serious are we about this? Are we able to benchmark a good news story by the end of the next financial year?

[9.50 pm]

The CHAIRMAN: Member for Perth, if that is a short question I would hate to hear a long one!

Mr BROWN: This is a highly complex area. We are taking advice on the forms rather than the criteria. We want to explore the feasibility; we need to determine whether there is a willingness to do it because we do not want to impose it. It would be hard to impose. Given the breadth of talent we have in this Chamber, particularly with local government, we should call on that level of expertise to work with us on some of those things.

Mr MASTERS: Is the minister referring to the member for Greenough, for example?

Mr BROWN: Anyone who is prepared to assist us. We will work on it, but it will take a while.

Mr MASTERS: I refer to page 1008 of the *Budget Statements*, which refers to a random sample of SBDC clients asked about the usefulness of information and advice provided to them by the SBDC. It is clear that surveys of clients are carried out by the SBDC. Bearing that in mind, I refer to page 1006, which refers to many small businesses that have been impacted upon by the rising cost of public liability insurance premiums. Have there been any surveys or clear indications about the concerns of small business over public liability and related issues? Does the minister think that it is appropriate that the SBDC use its officers to survey small businesses on their problems and solutions? Is there any intention of acting further to resolve the insurance issue over the next few months, especially as the issue is very urgent?

Mr BROWN: The SBDC and its managing director have been involved in two groups established by the Premier to examine public liability issues. In particular, Mr Etrelezis has been involved in the working party looking at options for pooling arrangements. That report is with the Government in a draft form. A copy was provided to me only a day or two ago. I have not had the opportunity of reading it thoroughly. A national

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meeting will be held on 30 May. Western Australia will be represented and will take a number of options to the meeting. Cabinet has given consideration to it. I am not at liberty to go through all the options as it is not within my area of responsibility. I expect that a report will be provided by the relevant minister at the next cabinet meeting or the meeting after that in respect of the outcomes of the 30 May meeting. It is a very significant issue. I heard this morning that the federal Minister for Small Business and Tourism suggested that all the States should somehow temporarily establish their own insurance arrangements. That is a fascinating comment. I am not sure how that could be done in the short term. Obviously, this issue is exercising a number of minds in trying to find a solution. Some of the major problems appear to be occurring outside Western Australia. No matter what we do with state legislation, it may not have a huge impact.

Mr BARRON-SULLIVAN: The survey referred to by the member for Vasse indicated about a 90 per cent approval rating for the Small Business Development Corporation; five per cent of people said services were not very useful and five per cent were neutral. I pass on commendation to the corporation. In politics we dream of having a 90 per cent approval rating.

Mr BROWN: It will never happen in our lifetime!

Mr MASTERS: The last Premier with that approval rating was Brian Burke!

Mr BARRON-SULLIVAN: I am not sure whether there is a point there.

The minister spoke earlier of the advocacy service and the red tape buster service. I appreciate that the corporation cannot give out information on each small business. However, is it intended at the end of the financial year, perhaps in the annual report, to itemise the areas in which small business is having key concerns, like the Ombudsman does? For example, the Ombudsman may list 70 telecommunications matters that were taken up, 60 of which were resolved or whatever. Is it intended to do that with the advocacy service?

Mr BROWN: The question of what should be included in the annual report is a matter under debate. A review of the Small Business Development Corporation Act is presently going on. One issue raised is how much the SBDC spends on collecting statistics and whether it should spend that money elsewhere. That is the reason I had a wry smile when the member for Mitchell raised that matter. It is an important matter, and because of the way the SBDC interacts with other agencies we would not want to be taking a policeman-like role, which would be very negative and would mean we would then not have the support of other agencies. Essentially, we want to act - I forget the term - like a friend of the court by advocating and making the position known without getting people offside. We want to mediate and influence rather than take a policeman-like role, because it will not help small business for the shutters to go up. We will take the question on notice and consider it. However, there are some delicate balances to be considered in that issue about what we do and say so that we do not make it more difficult for the corporation to take up these issues.

Mr BARRON-SULLIVAN: Amicus curiae.

Mr BROWN: That is the phrase, thank you.

The CHAIRMAN: Is the minister noting that point but not agreeing to provide it as supplementary information?

Mr BROWN: Yes. I appreciate the point and we will give it some thought, but it is a little delicate.

Mr BARRON-SULLIVAN: Does the development corporation play a role in tracking the impact on small business of the plethora of taxes and charges with which small business must contend, such as electrical licensing fees and goodness knows what else? This question goes back to my earlier question about the role of policy adviser played by the corporation. Does it play any role in tracking that impact or does the minister believe it should?

Mr BROWN: The advice I am provided with by Mr Etrelezis is that we monitor some taxes and charges, particularly if they are recurring and are pertinent to small business; however, we would not monitor them all.

Mr BARRON-SULLIVAN: Is that information available or is it again subject to freedom of information legislation?

Mr ETRELEZIS: It would be information that is currently publicly available elsewhere anyway; we simply monitor it. Making representations to see whether we can improve the scenario is part of our effort to create an environment that suits small business. For example - I think we can state a claim to this - we were instrumental in introducing triennial licences in many areas and in that way helping small businesses to pay fees every three years instead of annually and, hopefully, reducing their total costs. A prime example is the goods and services tax. We were one of the first agencies to lobby the federal Government on behalf of small business about the burden of compliance imposed on small business in the early stage of the GST.

Mr BARRON-SULLIVAN: Maybe that can be the subject of a future request.



**Extract from *Hansard***  
[ASSEMBLY - Tuesday, 28 May 2002]  
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Mr Dan Barron-Sullivan; Mr Clive Brown; Ms Jaye Radisich; Mr John Hyde; Mr Bernie Masters; Mr John D'Orazio; Mr Brendon Grylls; Chairman

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The CHAIRMAN: The time allowed for this committee has expired. The member for Vasse will have to hold his thought.

*Committee adjourned at 10.00 pm*

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