

**SMALL BUSINESS DEVELOPMENT CORPORATION AMENDMENT
(COVID-19 RESPONSE) BILL 2022**

Receipt and First Reading

Bill received from the Assembly; and, on motion by **Hon Kyle McGinn (Parliamentary Secretary)**, read a first time.

Second Reading

HON KYLE MCGINN (Mining and Pastoral — Parliamentary Secretary) [10:17 pm]: I move —

That the bill be now read a second time.

Prior to the onset of the COVID-19 pandemic in early 2020, the small business sector had been critical to Western Australia's economic stability during the years following the resources investment boom. Arguably, small business and the entrepreneurial spirit are now even more crucial to the state's recovery as the economy rebounds from this once-in-a-lifetime global shock. The small business sector creates and sustains employment, leads innovation and opens up trade opportunities in the global marketplace. Small businesses are also essential to the economic vitality and social fabric of every corner of this great state, providing local jobs, amenities and attractions while also driving reinvestment back into local communities. There are over 223 000 small businesses in Western Australia. Together with medium-sized enterprises, the small to medium-sized enterprise sector contributes more than 45 per cent, or almost \$100 billion, to the state's gross value added. What is more, almost half a million Western Australians work in a small business, equating to more than two in five people in the state's private sector workforce. This government recognises the immense contribution by small and medium-sized businesses to economic growth and job creation in Western Australia.

Through considered management by the McGowan government, our state and its people have been protected from many of the worst impacts of the pandemic. Despite the prevailing strength of the Western Australian economy, necessary public health and social measures, based on health advice, put in place over the last few years to manage the spread of the virus have impacted small businesses across the state. Some closed their businesses for a period and stood down or retrenched staff, while others adapted the way in which their business operated to survive the pandemic. The McGowan government is committed to doing everything it can to not only keep the community safe but also help protect Western Australian businesses, local jobs and the economy from the full brunt of the virus. With our world-leading vaccination rate and sensible public health measures, Western Australians can have confidence in continuing to go out safely and socialise with friends and family. Public health measures and COVID-safe practices are helping to keep people safe and businesses in business by assisting them to continue to operate safely. We know that as COVID-19 caseloads continue to increase, even with safe and sensible public health and social measures in place to minimise community transmission, there will be unavoidable impacts on small business. This impact will be greater for some small businesses than for others and will lead to a decline in revenue and pressure on cash flow. That is why the government has announced a range of COVID-19 business support packages totalling \$1.7 billion since the beginning of the pandemic, including more than \$420 million of assistance since December.

As the government's primary small business agency, the Small Business Development Corporation has played a key role in progressing the state's economic response to the crisis under the \$5.8 billion WA recovery plan. In line with this, over the past two years the SBDC has helped to facilitate the delivery of financial support to scores of small businesses and various industry cohorts, including hospitality and food businesses, travel agents, international education providers and the roadhouses that are critical to intrastate trade. However, due to not having the legislative authority under its enabling legislation to provide grants directly to small businesses, the SBDC has had to partner with other government departments to distribute those much-needed funds. There is room to create greater efficiencies in this process and get government assistance payments into the hands of small businesses faster. As we navigate the next phase of the McGowan government's safe transition plan, we recognise that some small business operators require urgent financial assistance to help maintain their cash flow, pay their staff and suppliers, and support economic recovery.

The bill before the house seeks to amend the Small Business Development Corporation Act 1983 as a matter of urgency to enable the SBDC to provide financial assistance and grants directly to small businesses or in relation to small businesses, such as to the landlords of small retail tenants. The SBDC is best placed to expedite the rollout of the level 1 and 2 COVID-19 business assistance packages and other similar programs in an appropriate manner. With its new powers and functions, the SBDC will be in an optimal position to receive and assess applications from businesses quickly and distribute funding with increased efficiency.

I am sure all in this place can agree that the small businesses adversely impacted by increasing cases and the implementation of the public health and social measures necessary to keep the community safe from the consequences of the virus deserve to have the financial support provided by the state government paid to them as efficiently as

possible. Western Australia's strong budget and healthy financial position has given the state government capacity to provide immediate assistance to small businesses impacted by this phase of the pandemic.

This amendment will ensure that payments through financial assistance programs administered by the SBDC can be dispersed directly by the agency, expediting the distribution of funds to the small businesses that need them most. Expediting the distribution of grants under the business assistance packages will assist small businesses and support the WA recovery plan vision of Western Australia being a thriving and innovative place in which to live, work, visit and do business.

Pursuant to standing order 126(1), I advise that this bill is not a uniform legislation bill. It does not ratify or give effect to an intergovernmental or multilateral agreement to which the government of the state is a party; nor does this bill, by reason of its subject matter, introduce a uniform scheme or uniform laws throughout the commonwealth.

I commend the bill to the house and I table the explanatory memorandum.

[See paper [1132](#).]

Debate adjourned, pursuant to standing orders.

House adjourned at 10.22 pm
