

## **IPSWICH & REGIONAL ACC**

### **The response by the Business Community to the TERMS OF REFERENCE for the Senate Enquiry into Small Business Employment are as follows:**

1. **The effect of government regulation on employment in small business, specifically including the areas of workplace relations, taxation, superannuation, occupational health and safety, local government, planning and tenancy laws.**
  - Regional Businesses are finding too many barriers, with most relating to red tape & charges imposed by Local Government.
  - Regional Councils aren't marketing to attract new business/ investment or showcasing the positives of the area.
  - Business has a distinct lack of trust of Local Government.
  - Local Council's in regional areas should have mandatory divisional boundaries and representatives to ensure there is equality in representation.
  - Superannuation regulations should provide exemptions or a higher tax free threshold for itinerant workers. These costs are impacting on horticulture/farming communities and most itinerant workers do not ever claim their entitlements, it becomes lost revenue.
  - Introduction of mandatory school age and/or employment agency (Job Network) training on OH&S would alleviate the regulation and training cost requirements for employers. Raise the benchmark for employment readiness.
  
2. **The special needs and circumstances of small business, and the key factors that have an effect on the capacity of small business to employ more people.**
  - Government Assistance is not targeted enough at start-up or very small/micro business.
  - Requirement for tax reductions/relief in regional areas for business especially for start-up or expanding business that generates employment growth.
  - Fuel subsidies are required for regional areas to assist with locating a business outside a city. ie. Transport costs are lowering profit margins.
  - Many new and existing small businesses in regional areas require 'Business Coaching' to assist them in the development and implementation of business strategies for growth.
  - Industrial relations issues relevant to dismissal laws are too restrictive for small business eg. 'Protecting non achievers' by making the process too costly and arduous. This has created fear to employ and encouraged the take up of casualisation in opposition to permanent employment.

**3. The extent to which the complexity and duplication of regulation by Commonwealth, state and territory governments inhibits growth or performance in the small business sector.**

- The business community in our region are united AGAINST giving any further autonomy or power in provision of services to Local Government.
- There is no funding support for private enterprise in regional areas other than DRAP or PCP which is only focused on restrictive guidelines. A similar funding scheme is required to be broadened for all small business on a dollar for dollar basis. This has been greatly endorsed by the business community.
- No alignment of processes or synergies in guidelines has been developed for accessing cocktail funding across different levels of Government for one project. Ie. Shared risk and whole of government assistance is required.
- There is a lack of understanding of different levels of Government regulation requirements for start-up and expanding business. There is no manual or mentoring program to assist them.
- A whole of Government process is required for specific industry sectors as they emerge. “One stop shop” for the range of Government regulations relevant to businesses in specific industry sectors.
- Many businesses would benefit from local councils having a manual to guide business through planning approval and other application processes.
- Investors are capitalising on taxation right offs, which often means industrial and retail properties are overpriced and unoccupied. Small business can’t afford the inflated tenancy rates and owners don’t intend to make a profit (no tax advantage). The impact of small towns appearing empty is much greater and there is no attraction for new business to the region.

**4. Measures that would enhance the capacity of small business to employ more people.**

- Government could greatly assist business by providing auditing & review Systems of development projects for expansion that do not meet the commercial lending terms. If the proponent demonstrates sound business planning & cash flow potential then the Government may consider acting as guarantor for the proponent to access commercial lending.
- The Sustainable Regions model should be adopted across all rural regional areas. Eg. – Let the local community be responsible for building the capacity of their community by having a say and working in partnership with Government assistance.
- A whole of Government Facilitator across regional areas to support small business
- The urgent need for quality Mentors in regional areas would assist in confidence building and provide sustained growth.