



COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

## SENATE

EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION  
REFERENCES COMMITTEE

**Reference: Small business employment**

FRIDAY, 13 SEPTEMBER 2002

BRISBANE

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**SENATE**  
**EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION**  
**REFERENCES COMMITTEE**

**Friday, 13 September 2002**

**Members:** Senator George Campbell (*Chair*), Senator Tierney (*Deputy Chair*), Senators Barnett, Carr, Crossin and Stott Despoja

**Substitute members:** Senator Conroy for Senator Carr

**Participating members:** Senators Abetz, Boswell, Buckland, Calvert, Chapman, Cherry, Collins, Coonan, Denman, Eggleston, Evans, Faulkner, Ferguson, Ferris, Forshaw, Harradine, Harris, Hutchins, Knowles, Lightfoot, Ludwig, Mason, McGauran, Murphy, Nettle, Payne, Sherry and Wason.

**Senators in attendance:** Senators Barnett, George Campbell and Conroy

**Terms of reference for the inquiry:**

To inquire into and report on:

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.
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.
3. The extent to which the complexity and duplication of regulation by Commonwealth, state and territory government inhibits growth or performance in the small business factor.
4. Measures that would enhance the capacity of small business to employ more people.

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**Committee met at 9.00 a.m.**

**CHAIR**—I declare open this public hearing of the Senate Employment, Workplace Relations and Education References Committee. On 20 March 2002, the Senate referred to its Employment, Workplace Relations and Education References Committee an inquiry into small business employment. The terms of reference focus broadly on two main issues: firstly, the effects of government regulation on the performance of small business, including the complexity of these regulations and the overlap between Commonwealth, state and local government regulations; and, secondly, the special needs and circumstances of the sector, particularly in regard to the capacity of small business to employ more people. Some of these issues were canvassed by this committee in its inquiry into regional unemployment, which reported late in 1999.

The committee acknowledges the vital importance of small business in the Australian enterprise structure and the need to ensure that the sector has the capacity to grow and to increase the size of the labour market. Of particular interest to the committee is the challenge of transforming successful small businesses into dynamic medium sized industries capable of driving economic growth and employment. The committee has received submissions from a wide range of small business interests and is conducting public hearings in most states as well as less formal roundtable discussions with local businesspeople.

Before we commence taking evidence today, I wish to state for the record that all witnesses appearing before the committee are protected by parliamentary privilege with respect to the evidence provided. Parliamentary privilege refers to the special rights and immunities attached to the parliament or its members and others necessary for discharge of the parliamentary functions without obstruction and fear of prosecution. Any act by any person which operates to disadvantage a witness on account of evidence given before the Senate or any of its committees is treated as a breach of privilege. I welcome all observers to this public hearing.

[9.02 a.m.]

**COULDREY, Ms Margo, Director, Client Relationships, Australian National Training Authority**

**SCOLLAY, Ms Moira, Chief Executive Officer, Australian National Training Authority**

**CHAIR**—I welcome the witnesses from the Australian National Training Authority. The committee has before it submission No. 84. Are there any changes that you wish to make to the submission?

**Ms Scollay**—No.

**CHAIR**—The committee prefers all evidence to be given in public. However, the committee will also consider any request for all or part of evidence to be given in camera. I point out that such evidence may subsequently be made public by order of the Senate. Do you wish to make an opening statement?

**Ms Scollay**—Yes. Thank you for inviting us to make a submission to the inquiry and for the opportunity to attend today on behalf of ANTA. I want to reinforce some key messages. I want to acknowledge that reaching small business is a challenge. It has been a huge challenge for us. Apart from the fact that small business owners have limited resources and time, which means they have to be incredibly focused and careful with their time and money, the reality is that we cannot just devise a strategy for the small business sector. We are absolutely clear on its diversity and the need to further segment.

Within the official ABS definition of small businesses as less than 20 employees, there are, for instance, single person businesses, micro businesses, family businesses and franchisees, but we are now also working with small businesses which form networks of value chains within a region, which are part of supply chains for bigger businesses, and those that receive advice and commercial benefits from being in clusters or cooperatives. All of these have different needs and require diverse strategies to reach them and, of course, they are across a whole diverse range of industries. This was backed up by research that ANTA conducted in 2000, which we called the ANTA marketing strategy. I thought I would table for you today these two pictures of the results of that marketing strategy, because we are using this as part of the basis of our segmentation. We asked businesses and individuals what their attitudes and values were to learning. If you take the one which is the employer segmentation, please take no notice of the quantum that are implied by those divisions, because it was only a survey of 250 businesses.

**Senator BARNETT**—Small businesses?

**Ms Scollay**—No, 250 businesses. This one was really only a very light-touch survey. But what came out of it was that there are ‘high valuer’ companies, who put value on any kind of learning in their company as helping their intellectual capital, if you like. Those high valuers are likely to be small to medium enterprises located in capital cities, and are more likely to be high-tech companies. This is spelled out a bit in our submission, although we can provide more

information for you, but the ‘here and now’ group are most likely to be large businesses and they just want the training that is going to be necessary for today’s work—for the job at hand. There are small businesses as high valuers and there are small businesses in the here and now category. But almost exclusively the ‘not interested’ group are micro businesses. They are basically saying that they are not interested in training. They are so preoccupied with time and survival that it is not something that they can take on.

The other survey results, which I have handed out to you, are the general community segmentation—

**Senator BARNETT**—What is your definition of a micro business?

**Ms Scollay**—Probably those with five or less people. It is particularly relevant in the general community. This was a very major survey of about 4,000 Australians, and it was done in conjunction with the ABS statistical principles. We asked to 16- to 64-year-olds what their attitudes and values were to learning. This becomes important for micro businesses and for the self-employed, because they are more like individuals and they have attitudes to learning that are more likely to be those of individuals rather than those of the world of companies.

You have got a whole spectrum of people, from those who are passionate learners through to those who are done with it, those who say, ‘forget it’, those who are finding it too hard or those who have got learning on hold for a whole range of reasons. Within that segmentation, we know that the passionate learners, for instance, are more likely to be middle-aged females who are what we would call repeat offenders. They just want more and more courses and they will do any number of courses. But you have got these other categories as well. The ‘almost there’ category is made up of men and women aged 25 to 45, who could well be in small business, who have huge fears about the introduction of new technology and have concerns about feeling foolish in front of their children. We have the psychographics and the demographics for all of these groups.

The ‘learning on hold’ group might be women with small children, but in the ‘only if you make it easier’ group is a whole range of people, including Indigenous Australians, people with disabilities and slightly older workers et cetera. But the ‘forget it’ and ‘done with it’ groups are more likely to be men between 25 and 45. They, too, are quite likely to be in small businesses and yet they have a set of attitudes and values which says, ‘I left school at 14 or 15. It always made me feel like a fool and I am not going to touch any of that again.’ That fundamentally influences the way they might run their business or company. The ‘learn to earn’ and ‘might give it away’ groups are mainly young people who have learnt the message that they have got to learn in order to earn a living.

I wanted to give a bit more of the flavour of those two surveys, because we are using those, as well as the other ones that I have mentioned, as part of the way we will segment how you actually approach those people. If you have a person running a small company who is a passionate learner then you would approach them in a completely different way than you would a person who is from the ‘forget it’ or ‘done with it’ group. We know what the strategies are to reach those people. For instance, for the ‘forget it’ and ‘done with it’ groups we know that ACE—adult and community education—is very effective at reaching those people, whereas

they would never in a million years walk into a TAFE, and nor would they approach a private provider. So we are looking at different ways of approaching those people.

Within this diversity in the Australian community and small business community we need to acknowledge the needs of small business owner-operators and accept, too, that they might be different to their employees. That is another area where we are looking to segment. We have got a few key areas on which we are going to focus over the next year, because small business is a major national priority for the ANTA board and for the vocational education and training system next year.

The first priority is joining small businesses in their own world. All the research is showing us that for most small businesses we cannot continue to use the argument that training is good for business. They actually want us to start where they are at, with their business bottom line and business objectives, and not come in with a training agenda. From connecting with what they are trying to achieve as a small business, you then roll out a range of strategies, one of which might be training and others might be new technology, different business processes and different recruitment processes et cetera. Learning is only one of a number of business solutions for them.

The next strategy is tapping into their networks. We know we are not particularly successful in saying to small businesses, 'We are a training provider: have we got a deal for you!' They are too preoccupied with their own problems, which is why to some extent they are in the 'not interested' group. So we are looking at tapping into their own networks of banks, accountants, solicitors, business groups and product suppliers to use those partnerships to work with business support intermediaries to build the knowledge and understanding of training as one suite of important business solutions. We are doing a trial of that at the moment.

The next strategy is to segment and respond to particular needs of the client groups across our different range of industries. First of all, there is the owner-operator and manager-employee difference. We need to be clear about which strategies are targeting which groups and for which purposes. For example, we might focus on strategies that engage owners in training to meet their business management needs on the basis that, with successful management learning, there will be a trickle-down effect to build a learning culture as well as a more effective business. On the other hand, if you have managers and workers—who are in a sense employees of a business—their future success is driven by their own skill development as well as the business bottom line. If we are to reach them, they may be able to become champions for workplace learning and skill development, and this may influence the business owner.

We have a very powerful start here in influencing small business learning culture, as the statistics in our submission indicate. Wage and salary employees of small businesses represent 48 per cent of their total employment. To the extent that we can get to employees, that may influence the learning culture in the business as well. We know that the employees of small businesses are heavily represented in the VET sector.

**Senator BARNETT**—Sorry, I am not quite with you there. Wage and salary earners are 48 per cent of—

**Ms Scollay**—Of small businesses.



**Senator BARNETT**—Do you mean compared to owner-operators?

**Ms Scollay**—The figures are: 48 per cent are in employment with small businesses, 32 per cent are self-employed and 18 per cent are small business employers themselves. They will all have a different vested interest in why they need training. The employer category, which is 48 per cent, is very well represented already, and is more represented than medium and large businesses.

**Senator BARNETT**—Thank you.

**Ms Scollay**—We are in the process of segmenting the training practices and behaviour of small businesses to give us more information about how to target our efforts. We are also looking at refining our products, our funding and our delivery. The research is clear about what small businesses are asking for: they want just-in-time training to meet immediate business needs. They want proactive interventions that answer the question: how do I do this? We need to work collaboratively with our partners in the VET system to remove barriers for this. We know that overall we have a national system of vocational education, which is trying to cut down red tape. Having one national system instead of eight state and territory systems, unlike the school and university sectors, has a major effect, particularly for small businesses, in cutting down the red tape of cross-border activity.

Finally, there are the whole-of-government and whole-of-community approaches. Everyone is talking about it, but it is really hard to do. With goodwill and persistence we are now starting to work with a whole range of other governments including the Commonwealth government, the state and local governments and with other players in the community, in order to build up networks and relationships to navigate through the illogical and complex silos of services. We are not the whole answer but we believe that we have now started to work with others for powerful solutions to some of the challenges.

There are a couple of examples of that. We had a committee that worked over the last couple of years—and which has now done its job really—called the Rural Industries Learning Committee. That was chaired by Wendy Craik, who at the time was the chief executive of the Farmers Federation. We worked across all the agriculture departments at state and federal level, and with the VET system at state and federal level, to map all the FarmBis and farm community programs that are funded by the agriculture departments or the primary industry departments and map those to the vocational education and training system so that they were not seen as quite separate and isolated. The thinking was, ‘Why would you do one when you have got the other?’ We worked to make that much more logical. There is a whole range of industries in which we are aiming to take that forward.

**CHAIR**—Thank you. Do you want to table these two documents?

**Ms Scollay**—Yes.

**CHAIR**—I would like to have a general discussion about two issues relating to training and small business. You fired a lot of figures at us there and some of them appear to be in contradiction to what we have heard from the small business community. For example, some of those figures you just gave on employment tend to be hard to relate to, given that some 66 per

cent, I think, of small businesses are home based businesses that do not employ. There is an argument that a substantial section of the small business community do not want to employ. That is their starting point. It is a lifestyle decision and so forth. But at the end of the day the figures may all gel when you look at them from a different perspective.

There are two distinct issues that have come out in this inquiry so far. One is the issue relating to business skills of small business. It is very apparent from all of the roundtables we have had, all of the submissions that we have had, and the hearings, that there is a very distinct lack of business skills amongst the small business community. Many people out there running businesses have not got a clue how to work out their cash flows, do a business plan—many of those basic business skills. We have a big concern about how we might redress that problem, who might carry responsibility for putting together the training packages in relation to that, how they might be delivered, and the pretty vexed question of whether we ought to make it compulsory for all new businesses to have a basic level of skill before they get to the commencement stage. The question of licensing has been raised. That is one dimension of the argument.

The other issue that has been consistently raised with us is the lack of skilled labour available to small businesses. They cannot get skilled workers. In some areas, that relates to tradespeople. In some areas it may relate to people in the hospitality industry having basic waiting skills and those types of things. There are a variety of skills there. But they say there is a distinct lack of skilled workers. Part of the dilemma of course is that small businesses are notoriously bad trainers. Their expectation is that somebody else is going to train the work force for them and they will pick it up. Somehow or other they have to come to grips with trying to redress that problem. But it seems to us that there is a very distinct mismatch of the skills that are in demand and the delivery of those skills within the labour market at the present point in time. I would be interested to hear what ANTA's role is in that.

The third area that has been raised was raised yesterday, and was to do with small business people who are employing people being able to identify that the people they intend to employ have the skills that they need for their businesses, and how they can make those judgments. I understand, through my involvement in another life, that across most industries there have been competency based modules and KPIs put in place to determine whether or not people possess those skills and competencies. It seems to me that small business ought to be able to pick that up and use those tools as a way of determining, when a person comes in to apply for a job, whether or not they have those basic skills that the small business is looking for. It also seems that they do not have any understanding that that work has already been done and it is out there ready as a tool to be used.

They are three issues I would like to hear your comments on, because they seem to be pretty substantial issues that have been raised with us right throughout this inquiry—particularly the issue of business skills. One other issue, which was raised with us in Perth, is that some of the training packages in some of the industries seem to be a bit off the main game. We were told, for example, that in the cleaning industry they have a seven-hour module to teach people to empty a rubbish bin. That seems to be off the beam in terms of what we are trying to achieve with some of these training agendas, but maybe there is a logical explanation as to why you need seven hours to teach someone to empty a rubbish bin. It seems a bit extraneous.

**Ms Scollay**—It might be an occupational health and safety module in actual fact.

**CHAIR**—It may well be. That is right. It might have no relationship to what the actual task is.

**Ms Scollay**—That range of issues is not new to us, so it is probably not surprising that they have come out so strongly in this inquiry. There are a few ways of dealing with business skills for small business: are they available, are there products, are there services and who pays? We would argue that now there are products. Last September we launched the very big Businesses Services Training Package. Just to be really clear what a training package is, they actually have the wrong name, so do not think they are a training package when I say they are a training package. I will explain to you what they are. For industry representatives, employers and employees, big business and small business at the national and state level, business spells out the competency standards that they want for the workers. They then get mapped to the Australian Qualifications Framework, into the different levels, whether it is certificate II or IV or the advanced diploma. Then there are guidelines as to how you would assess that set of competencies against that qualification, and then there are a whole range of support materials.

The business services area within the vocational education and training system covers about 40 per cent of delivery. There are a huge number of students doing business services of one kind or another. It is in huge demand. A lot of it is done through TAFE delivery, where kids out of school go straight into a TAFE business services diploma or advanced diploma course. It is a set of competencies defined by industry that is intended to be exactly what industry needs to run a business. That has been slow to deliver—and it is one of the latest ones to appear—because it covers so much diversity in what business services actually is, whether you are a small or large business, and what kind of business you might be. But there are units of competency there, qualifications for small business owners and operators and everything you would want to know, from how to handle the GST, cash flow, how you do marketing, how you understand product development, how you introduce new technology, how you manage quality, how you deal with your supply chain, how you build customer relationships—all of that is contained there. That was released in September last year and will be starting to be offered now by the different providers, both public and private, from the beginning of this year.

**CHAIR**—Which year?

**Ms Scollay**—This year, 2002. So 2002 would have seen the beginning of the first delivery. Enrolments would have started from February.

**CHAIR**—Do you know how this has been marketed amongst the small business community? Has it been marketed amongst them?

**Ms Scollay**—That job would be given to the business services training advisory body for them to market it. It will also be something that is marketed by providers who are now starting to offer it. But, again, it will come down to who is going to pay. The business ITAB's job is to market that product. Their success in marketing to small business will not be as great as their success in marketing to medium and large businesses because of the difficulty of getting marketing into small businesses. We know that a lot of what happens with small businesses is word of mouth and person to person, because they get so much advertising material, flyers et cetera, that go straight into the bin because they do not have time to deal with it. So a lot of what we will get to small business will be by hearsay once this stuff is up and running.

**CHAIR**—Wouldn't you use the CPAs and the small business organisations as a conduit?

**Ms Scollay**—Yes, that is what I said in my introduction. We are trying to use these networks: bankers, CPAs, suppliers. We are starting to use whoever is going into small businesses as a conduit.

**CHAIR**—How are the budget cuts to the ITABs going to impact upon this?

**Ms Scollay**—I do not believe it will impact on this particular issue any more than on any other. The federal government, as you know, removed the \$10.5 million in the last budget that had been paid to the states and territories for the state ITABs. The Commonwealth said to the states, 'The Commonwealth funds the Commonwealth ones; the states had better fund the state ones.' We are holding a review, as are all the states and territories. We have always told the national ITABs that that they have to work with the states and territories, in one way or another, in order to have local and state level input into any development of the training products and services. It will be a challenge for us how we do that, but we will find ways of doing it. We will continue to fund the national ITABs and some of the states and territories will continue to fund their ITABs. To the extent that they do not, we will all be looking at what arrangements will be put in place in order to get that advice in the future. So that is one aspect of it.

I am now confident that we do have, within this business services training package, the units of competency as defined by small businesses. They are newly available. The next issue is the delivery. We make the products available from ANTA and then registered training providers, whose quality has to be assured, do the delivery. They might be public providers or private providers. But the funding for the delivery of skills to business owners is not something which the VET system has traditionally done. The VET funding goes to, basically, employees, and to students who are part of profile funding who attend off their own bat, who do not have an employer or who are studying at a TAFE or private provider independently from their employer. So there is that aspect of it.

That then comes down to the question of: who would pay for this funding? For small businesses it is very clear that for it to be paid out of TAFE or VET profile funding you need to get a critical mass, otherwise it is very hard for a TAFE to run a course that is breaking even for them. So they have to either market these products to clusters of small businesses or market them in ways—at times and in locations—that really suit small businesses. That has been hugely problematic and I would say that we have not cracked that one. So the issue becomes: who would pay? I think the percentage of the VET budget that has been going to employers in these sorts of small business courses is less than one per cent. So it is not something which the VET budget has ever been designed to fund.

**Senator BARNETT**—Did you say less than one per cent?

**Ms Scollay**—Yes. We would normally be funding the vocational skills of employees, students who are looking for work or students in transition from school to work: students who will go into a TAFE college and then on to employment. We would not normally be funding employers unless they enrolled in a small business course. From the point of view of short courses, small business courses are much more likely to be paid for, sponsored by and attended by larger to medium size employers. So partly because of the cost and certainly because of the

time factor small businesses do not take up even the short course opportunities that are there in business management. Do you want to follow up on that before I move on to the next topic?

**CHAIR**—Is there an argument here to look at some form of delivery other than through the traditional avenues through which we have delivered skills training, particularly in this area? For example, we have found that in a couple of areas there are very good relations between small business and the ACCs—area consultative councils. Maybe that is a mechanism that ought to be looked at as a form of delivery. In many areas, the BECs—business enterprise centres—have direct links in the small business community in their regions and most of them are registered training organisations. Maybe they are a conduit that ought to be looked at in terms of delivering these packages, rather than the traditional TAFE structure.

I think the comments you made earlier are very valid probably for a lot of these small business people as indeed they were for a lot of workers in that 45 to 55 age group. People are terrified of going back into the school system and they see TAFE as going back into the school system, sitting beside a 16-year-old who is much more literate than they are and feeling embarrassed by the process. So it is a matter of finding a training regime or a delivery mechanism that they feel comfortable with. I think the other thing that is a fair comment on the experiences that we have had for small business is about delivering these packages as small bites, so that you do it just in time when they have an issue and they are able to take the module for that issue rather than trying to get them to cram their head full of what they would think is useless information until they actually come across the problem that they need the information to deal with. So it is also tailoring it to suit that type of structure.

**Ms Scollay**—From where we sit, we believe the flexibilities are there within our system for all of that to happen. We are trying to put pressure now on the system so that you do not need to get whole qualifications. You should just be able to get very small units of competency and package those together in whatever ways are suitable for you. So we are now doing some policy development work around what we are calling a skills passport. It was around some years ago, you might remember, and I think got knocked off because it was going to be too hard to implement. But now with modern technology, there should be no reason why someone over the course of their life could not build up a portfolio of skills that can be logged into a skills passport.

There are also ways of delivering that. The whole market has been opened up to the extent that TAFEs are not the only provider. They are a major provider—they deliver 75 per cent of the providers and 85 per cent of the hours.

**Senator BARNETT**—You say TAFE is doing that?

**Ms Scollay**—TAFE is 75 per cent of the bums on seats, if you like, the numbers, the people, and 85 per cent of the hours. That is because they are delivering the longer, more complex, higher level courses.

**Senator BARNETT**—Of the total?

**Ms Scollay**—Of the total VET delivery, of the 1.7 million students that are in that.

**CHAIR**—But they are also doing a lot more in-house type training. And they are getting that out and into the factories.

**Ms Scollay**—That is it. They are now much more working not in the classroom but out in the factories and this is one of the ways in which they are getting to older workers and switching people on who had been turned off. They turn up, build a relationship and train in the workplace. They acknowledge units of competency that are not at the level of, ‘Oh well, you have to enrol in a whole certificate III,’ to which people will say, ‘We don’t want to do that.’ So it gradually builds up just in time and just enough now. That is easy for them to do in a workplace of 100, 200, 500 people. It is quite difficult for them to devote the time to do that in the workplace of micro businesses or even small businesses. Small businesses probably do not want them there anyway because they get in the way, so they are finding ways of doing it where they get clusters of small businesses and they do it in what they call ‘after dark’ programs. So they start running them with a cup of tea or dinner from seven until nine or something like that. Again, for the business skills, a lot of that for owners is self-funded. That is a user pays system. Do you want me to move on to the next one that you raised?

**CHAIR**—Yes.

**Senator BARNETT**—Can I pick up a point on that issue. A lot of the small businesses that have been appearing in this inquiry have said that they want it here and now, as you have put in your survey. They say that there is inflexibility in the current situation. In your submission, you say that you are not getting the uptake for your short courses, the ‘here and now’.

**Ms Scollay**—No.

**Senator BARNETT**—So we need to analyse that, work out why, and then fix the problem.

**Ms Scollay**—We do.

**Senator BARNETT**—I am trying to think of what we can do to fix the problem, because this is a real issue.

**Ms Scollay**—I think it will come down to funding, because there is nothing stopping the providers from the point of view of the flexibility of delivering the qualification. They can package it into really small bite-sized chunks and they can deliver it 24 hours a day, seven days a week, just in time, just enough, just for you—which is our mantra, if you like. We are finding that the delivery can happen that way. We went to the P&O warehouses in Sydney recently, where the training provider is there in the workplace, operating seven days a week, 24 hours a day—but it is a big employer so it is worth their investment to be in there. For a small company, it is very hard to do that when there is no source of funds.

**Senator BARNETT**—Have you done an analysis, going through the CPAs or the industry associations, whether it is the Retail Traders Association or whatever—

**Ms Scollay**—We have not.

**Senator BARNETT**—and working through those mechanisms, because the members of those groups are the more active, proactive small businesses.

**Ms Scollay**—That is what we are running a pilot on at the moment. We are calling them the linking groups; we are working with training providers through the linking groups as the way into those groups.

**Senator BARNETT**—So that is happening.

**Ms Scollay**—That is happening right now. We have a major pilot running.

**Ms Couldrey**—The pilot will involve using linkers placed within some of those key networks, in a sense bringing the VET system and what it can offer to the business advice system—because one of the issues is that, if we are not reaching the networks and explaining the benefits that VET can offer in terms of business capability, then those two systems are running parallel instead of together.

**Senator BARNETT**—Exactly. Is the point you are making about funding that, if we kick in a few more dollars, you can subsidise the program? Is that what you are hinting at?

**Ms Scollay**—It is, but I also am realistic enough to know that there are not buckets of money around and that if you fund this you will be taking it from something else. I am realistic enough to know that.

**Senator BARNETT**—What percentage of your total budget is spent on small business management training? You mentioned a figure of one per cent earlier; what was that?

**Ms Scollay**—That figure—

**Senator BARNETT**—Of your total budget?

**Ms Scollay**—Yes. The amount of public money in the total VET budget that is funding small business owner-operator type courses is less than one per cent.

**Senator BARNETT**—Thank you.

**CHAIR**—Do you want to move on to those other couple of issues?

**Ms Scollay**—The next issue you raised was the lack of skilled labour. You mentioned that small businesses are notoriously bad trainers.

**CHAIR**—I did not mean bad in terms of quality; I meant bad in terms of actually delivering training.

**Ms Scollay**—I understand what you mean. In some senses we would share that view but in another sense we would not—in relation to apprenticeships, for instance. Thirty-eight per cent of apprenticeships are in these small businesses. They are very big users of the basic trade

qualifications. Whether people are electricians or plumbers, whether they are in small engineering plants, small bakeries or butchers or any of those small business areas, they use, as their bread and butter, the basic trade qualification in the VET system. In some senses they take people on as apprentices and then recruit them. There is a very high correlation between the apprenticeship and subsequent employment. I do not know the extent to which they then upskill, as technology changes, but they almost certainly have to. Plumbers have to understand that they can now use these extraordinary machines with cameras that go through drains a bit like doctors do—

**CHAIR**—Like a colonoscopy!

**Ms Scollay**—Yes, like a colonoscopy. They do it with pipes and drains. There is no point in them sitting back and saying, ‘Well, I can’t learn that technology.’ They do not survive if they do not learn it. So there is no question that there is a very strong base of apprenticeship employment. The WorldSkills competitions, for instance—you might remember Workskill—for years and years and years have been run through small businesses throughout Australia, particularly rural and remote Australia. There are 60,000 small businesses involved in WorldSkills competitions, absolutely concerned with the excellence of their employees and competing to have the best employees. There is that level at which they are absolutely committed to the base level skills for their occupations in the vocational sector, which are completely different issues from the management one we have just discussed as you have identified.

There is a shortage of skilled labour. Particularly in rural and remote Australia not only can they not get skilled labour but they cannot get apprentices to train. This is something which has been taken up by the Commonwealth government in their National Industry Skills Initiative. They worked their way through about nine industries where there are skill shortages. All the information on those industry by industry is on their skills initiative web site. What is coming out of that really clearly is a whole range of strategies that cut across all of them. A lot of it is to do with careers advice in schools. A lot of it is to do with whether the industry is seen as sexy. Some of these industries are still seen as dirty work. With the emphasis now particularly on male grooming there is a whole range of issues about particularly manufacturing industries lifting their image. For a lot of auto now, cars are chips on wheels. A lot of the modern auto training is not dirty work. A lot of women are now starting to think, ‘Well, this is something I can do. I’m not going to get in a set of overalls and go under a car and get really dirty, but that’s not what is happening anymore.’ There is an enormous amount that needs to be done by those industries. They know this and are putting in action plans to try and address it.

We are working with the careers advisers networks, because many careers advisers go from school to uni to school, and they do not know about vocational education and training—it is not on their horizon. In Ontario in Canada at the moment there is a series of advertisements where you have a guy driving a fast car with a gorgeous girl beside him, hair flowing in the wind, and racing down the highway. It says, ‘Is he a doctor? No. Is he a lawyer? No. Is he a plumber? Yes.’ As he drives into the sunset it shows the word ‘plumber’ on the back of the car. We have got to start lifting the image of these trades otherwise we will not get kids into these professions. Also one of the downsides of the whole privatisation of the big government companies has been—



**Senator CONROY**—Someone said this very thing yesterday and made us laugh.

**Ms Scollay**—Well, we know. The power industry used to train 3,000 or 4,000 apprentices a year in Victoria, now none. And there is an ageing work force.

**CHAIR**—Railways, stock yards.

**Ms Scollay**—Yes. You name it. The third point you were talking about was in relation to employing and have they got the skills; what was that point?

**CHAIR**—The issue was raised yesterday about the capacity of small business to employ people and the fear that they have about taking employees on board. They may employ their own person and they may not be suitable. They raised the question about their capacity to actually assess the individual and whether they have the skills that they actually want. It struck me that we had gone through this whole process of the main things of identifying competencies and putting KPIs in place to measure those competencies. There is actually a tool sitting there that they can readily use to do that but they are obviously not aware of it.

**Ms Scollay**—There are two things there. One is that we need to do much more publicity within the small business community about the value of these portable qualifications so they can know what they are buying. We have to assure the quality of that so that if someone comes along with a certificate III in something an employer will know what it means and it can be guaranteed to mean that. So that is something on our side that we need to continue to work on and be vigilant.

There is another issue here though, and I know we have run out of time, but the smaller the business the more critical it is they get the right person. If you have got a five-person business and you get one person who is the wrong person, you are on a road to nowhere. If you have been a non-employing business, say a family business with three or four employees, and become an employing business taking on a number of employees from outside because you have decided to grow or have some reason to take on another person, you have to probably rearrange your business.

One of the issues that is very clear to us is that as soon as you start to go from a non-employing business to an employing business you need to think strategically about how you are going to integrate that new position. You probably have to reorganise your work and reallocate tasks. It is sort of like getting married. You have got to learn to live a different way. People are not prepared for that. Part of what we are talking about in the training of small business owners is about this capacity to think strategically. It is not only a set of financial skills they need to be able to handle the GST. They know what the occupational health and safety is and they need to know how to market to their customers. They also need to think strategically about how to run their business as soon as they take the step from being non-employing to being employing. That is something that we are looking at through that business services training package.

In terms of the training packages being off the main game and the seven hours on training someone how to empty a bin, I will look into that and get you a response. I will be absolutely amazed if that was the situation. There are problems with some cases where the training packages get implemented. We are working with registered training organisations to make sure

they understand that training packages are not just training packages. They are not to be just taken and handed to a student and say, 'Here it is. Go forth and learn this.' It is the tool for the RTO to translate in order to do the teaching. We are doing a lot of work around the implementation of training packages to make sure that that is not what is happening. The first training packages were not as good as the later ones. Industry did not know how to define the competencies. We are learning this skill now working with industry. Twenty-five thousand people have now been consulted in terms of developing these competency standards across industry. We are getting better and better at doing it. Many packages are now in their second iteration and they are getting better. But sometimes when you see something like seven hours on emptying a rubbish bin almost certainly that will be an occupational health and safety training module of some kind. That is taking into account a whole range of things about personal health, personal hygiene and waste management. Undoubtedly, there is more to it than that. I will get back to you on that.

**CHAIR**—I hope it is. The thing that struck me about it is that obviously there are very scarce dollars in this area. If that is occurring, there are dollars being wasted that could be used in other areas where real skills are actually needed to be delivered.

**Ms Scollay**—This vocational education and training side, not the small business management side, will be funded. This will be part of the normal VET dollar allocation. Overwhelmingly this will be funded training, whether it is apprenticeships or—

**CHAIR**—There is an interesting aside there because the person we were talking to in Perth where this came out was an employer who had undertaken training—the train the trainer courses. He had undertaken training to become a registered training organisation but he had never undertaken any training in business skills.

**Ms Scollay**—Yes.

**CHAIR**—There is a dollar at the end of this so it is worth while doing this.

**Ms Scollay**—Given the huge demand that there is for business services training, and I think it is in the order of 40 per cent of all training that is done in this area, we are giving a lot of thought to whether or not there should not be business services units of competency in every training package across industry, whether it is for creative arts or electrical engineering or whatever, and actually have a stream of business services across everything.

**CHAIR**—Have you also looked at the potential of taking this into the school system itself?

**Ms Scollay**—It certainly is being massively taught in VET in schools. Now we have got the new training package for business services, there is absolutely no reason why that training package should not be being delivered as part of VET in schools, which has now 170,000 students. Predominantly the areas in which VET in schools is happening are in business services and IT. There is an opportunity to pick it up there.

**Senator BARNETT**—On your board do you have a small business representative?

**Ms Scollay**—Yes, we have two. It is a seven-member board. At the moment we have Leonie Clyne, who is a small business owner from Adelaide, and Stella Axarlis, who has until recently been the owner of Bilcon Engineering, which was the only small business to ever win the quality award.

**Senator BARNETT**—Your strategic plan goes through to 2003 and I presume you are preparing now for the next five years after that. Does that include references to small business?

**Ms Scollay**—Yes. We have annual national priorities for 2003, which have two references to small business. You have those as an attachment.

**Senator BARNETT**—Yes, they are at the back here.

**Ms Scollay**—That is for 2003. We are developing a new national strategy for 2004-10 and that will definitely include strategies for small business.

**Senator BARNETT**—The reason I say it is that we have 1.2 million small businesses in Australia and 80 per cent of those are micro business. When we get a figure like one per cent of VET for small business owners and managers, it is a little bit concerning that it is such a low figure.

**Ms Scollay**—Yes, it is.

**Ms Couldrey**—Could I make a point of clarification about that? It is hard to look at the total amount of public funding for VET that is directed at small businesses. It is targeted at particular occupations and qualifications. The figures Moira was also quoting before show small businesses being very high users of the New Apprenticeships system, if they have employees, and also of group training companies which act as the employers and small businesses host the apprentices and trainees through group training. They also are accessing the VET system through that.

**Senator BARNETT**—Yes, obviously the employees of the small businesses are.

**Ms Scollay**—But we also do not know, of the individual students who turn up and enrol in a business services course at a TAFE, what percentage are owner-operators of small businesses. We will never know that figure. They will be the normal funded cases, but we do not collect that data.

**Senator BARNETT**—Thank you.

**CHAIR**—Thank you for that, Ms Scollay.

**Senator BARNETT**—On this one that has been tabled, do you have the full report available?

**Ms Scollay**—Yes.

**Senator BARNETT**—Could we possibly get a copy of that?

**Ms Scollay**—Yes.

**CHAIR**—Also, obviously there is a lot of information there this morning. We may have to come back to you for some clarification or, alternatively, we will be looking at having another hearing in Canberra. We have to talk to the tax office again and we may ask you to come back and talk to us in Canberra.

**Ms Scollay**—Yes. If I could express a preference, I would much rather appear than do written answers.

**CHAIR**—Yes, it is much easier.

**Ms Scollay**—It is the time. We are a tiny organisation and we are really stretched for resources. It is much easier for me to tell you and I would love to appear again if that would help you.

**CHAIR**—Yes. We will give you a bit more time at the table.

**Ms Scollay**—Thank you.

**Ms Couldrey**—I do have one copy of the national marketing strategy with me, but I do not have the required number of copies. Would you like me to table this now, or provide several copies?

**Secretary**—As it is, please.

[9.53 a.m.]

**GRIFFIN, Mr Malcolm Hepburn, Planning and Development Policy Officer, Local Government Association of Queensland**

**LEYLAND, Mr Mark James, Finance and Governance Adviser, Local Government Association of Queensland**

**FOUNTAIN, Mr James Roy, Economic Development Liaison Officer, Gold Coast City Council**

**PERRY, Mr Grayson, Manager, Economic Development, Gold Coast City Council**

**CHAIR**—Welcome. The committee has before it submission No. 28 from the Local Government Association of Queensland, and submission No. 86 from the Gold Coast City Council. Are there any changes you wish to make to the submission?

**Mr Leyland**—No.

**CHAIR**—The committee prefers all evidence to be given in public, although the committee will also consider any request for all or part of evidence to be given in camera. I point out that such evidence may subsequently be made public by order of the Senate. I now invite you to make a brief opening statement. Do you all want to say something, or is there going to be a spokesman?

**Mr Leyland**—I will speak briefly to the association's original submission. The association was formed back in 1896 to give local government a united voice, and is the peak body representing local government in dealings with other governments, unions, business and the community. You would appreciate that there is a huge variety in the size and capacity of councils across Queensland, ranging from Brisbane, with 800,000 people, to a shire like Diamantina, with 336 people in 96,000 square kilometres. So there is some range there.

As we indicated in our original submission, the same operating environment that affects small business also challenges many of the councils in rural and regional Queensland. Those challenges include: the operating costs affected by the imposition of administrative and bureaucratic requirements, distance, communication and transport costs and the loss of essential commercial and social services. I think it is unquestionable that Queensland local governments are pro development, growth and improvement in their area. There would not be a council in Queensland that is not in favour of economic growth or activity that will maintain, at the least, or improve the employment situation in their area.

Councils across Queensland have embraced economic development as a function and that underpins some of the legislation that local government operates in—economic development and ecologically sustainable development. The actual requirements of local government are not onerous on established businesses, often consisting of minor annual licensing and regulation of health and environment issues. The majority of licensing and regulation provisions are now

standardised through state legislation—Environmental Protection Act and the like. With 125 councils across Queensland, there are bound to be local differences in requirements. The important areas where consistency is required are mainly managed by state legislation—the Integrated Planning Act, Environmental Protection Act and so on. Developers across the state know that the same time frames are to be met whether it is for Brisbane City Council or Cook Shire Council.

In Queensland, with regard to state direction, there are only five state planning policies, none of which really address economic development issues—unlike New South Wales where we understand that there might be 60 or more state environmental planning policies, so there is a different regime there. Then there is the Queensland SmartLicence system. I took the time, in the last couple of days, to look at that and pretend to be a new business operator and I found it to be a fairly useful tool. As it matures and more local governments connect to it and provide database links to it, I think it will be a very useful tool for businesses.

Model local laws is another thing that might be a little different here in Queensland. They have been developed by the state's Department of Local Government and Planning and provide an opportunity for consistency in the framework of local legislation. There are 21 model local laws developed by the department. Probably six to 10 of those have some link to business activity. There has been a fair degree of adoption by local government of model local laws, which set a framework. Then there can be subordinate local legislation, which might put a local variation or local requirements into it. It is not universal, but the anecdotal advice we have is that councils will use the model local law, either adopt it in its entirety or make a minor variation to it. Then, if they have a similar matter that they want to regulate, they will use the framework of that so that there is consistency in the way that the laws are set out and so on. It has led to a great reduction in the number of local laws around the state of Queensland.

The National Competition Policy's processes have caused local government to adopt a more businesslike approach through some of the bigger councils having commercialised business units, and certainly a review of council operations has engendered an appreciation of commercial and business requirements. A particular example is that of private building certifications where some local governments have their own building certification units, but they are certainly competing on a very commercial basis with private providers. Regional organisations of councils seem to have been a development in local government over the last five to 10 years, and there would not be very many parts of Queensland that do not have a ROC established. That is proving to provide opportunity for a regional approach to development in the area, less competition between neighbouring local governments and some consistency in approach to things as well.

In summary, the state government over the last five years have enacted a number of pieces of legislation: the Integrated Planning Act, the IDAS—Integrated Development Assessment System—and the Environment Protection Act, just to name some of the main ones. They have provided a more consistent regulatory environment for industry, and the SmartLicence project is further assisting industry to navigate the regulatory environment. The councils are responding. Many of the bigger councils—the Gold Coast City Council and many others—have developed customer service centres. They have changed the way they operate; they are attempting to make dealing with the council a one-stop shop rather than have people being pushed from department

to department. As those systems mature, and the databases and the systems become refined, dealings with business and the community will be assisted and supported.

Our original submission indicated that, in rural and regional Queensland, a reliable and effective, well-maintained road and transport system was essential to local government, to local communities and to small businesses. The basic government health and commercial services in some of the smaller communities are essential to support small business and the local council, and there are cost-of-living differences on the basics, like food and fuel. We suggested that simplification of reporting requirements and reduction in the number of lodgments would assist small business operators and local governments and that perhaps electronic lodgment systems combined with reasonable response times for Internet access would assist people in the rural and regional areas. The last comment I would like to make is that we would suggest that local governments have taken on board economic development as a role in supporting their communities. It would be helpful if best practice examples of the ways that local governments have assisted could be identified and promulgated around the nation.

**Mr Perry**—Gold Coast City Council's submission relates specifically to terms of reference 2 and 4 in how the council have committed to a significant regional economic development program to respond to small business growth in our city. As you have probably noted from our submission, Gold Coast city is Australia's sixth-largest city; it has a population in excess of 425,000 people. It has added more people to its population over the last 25 years than has any other city in Australia, and I suppose there are significant issues which come with that fast population growth.

We have in excess of 40,000 small businesses in our city; I think the figure in 1998 was around 43,000 small businesses. It might be of interest to note that, of those 43,000 small businesses, over 56 per cent were in the construction, property and business services and retail sectors. Council identified that and have responded to that by implementing an economic development strategy that seeks to broaden and strengthen the economic base of the city essentially to grow small business, to increase profitability, to increase employment opportunities and to bring about some effective business practices in the city. We have implemented a range of initiatives across the city over the last couple of years, which have moved to address some of those issues.

**Senator BARNETT**—I am happy for both of you to answer this question, but it is probably directed more to the Local Government Association. I am interested in your 21 model local laws, as you call them. Small businesses have said to us in the last weeks and months that one of the major problems they have is with the burden of red tape and regulation. I have been in small business for 13 years, prior to entering the Senate, and I agree with them wholeheartedly.

Are these 21 model local laws an initiative to try to cut back the amount of red tape and regulation that is faced by small business? What is the reason behind them? You say they are not universal and there are some amendments made by local councils, so they are obviously not mandatory. Should they be mandatory? Secondly, there are only 21—is there a process to increase that number up to 101, or to grow the number of model local laws? One of the issues we had even yesterday was the inconsistency between one council and the next, in terms of people operating a business and trying to deal with different rules and regulations.

**Mr Leyland**—I have made some contact with the Department of Local Government and Planning here in Queensland. They developed the model local laws for adoption by local governments. It is up to each local government to decide whether they wish to adopt a particular local law for their area. The point of this is that it came out of a review of the Local Government Act in 1993. That required all councils across Queensland to look at their by-laws, as they were then—they are now local laws. The advice that I got from the department yesterday was that this process has reduced the number of local laws from 4,983 in 1994 to 2,264 now. A lot of deadwood was cleared out by that process. I seem to recall Mackay City Council, where I was working at the time, probably had 40 or 50 local laws ranging across a whole lot of things, some of which were quite stale. Now it would probably have only 25 to 30.

**Senator BARNETT**—That was a state government imposed review that basically said, ‘Review all your laws, and get on with it’?

**Mr Leyland**—That is right.

**Senator BARNETT**—It was voluntary; it just happened like that?

**Mr Leyland**—The law required us in local government to review our local laws. At the same time the department started a process of developing model local laws so that there would be some consistency in the framework across the state.

**Senator BARNETT**—Is this continuing, and is the state government continuing with their model local laws review?

**Mr Leyland**—The 21 model local laws were developed over the period 1995 to about 2000. I think the department will continue to develop model local laws, but I am not aware of any that they are in the process of developing now. They cover a range of things. A lot of them are administrative things, like meetings, libraries, animal control and so on. But there are occasional ones, like commercial use of roads or rental accommodation and things like that, where the model local law framework has provided some consistency—there will still be local differences.

**Senator BARNETT**—Does the Local Government Association have a role in that process?

**Mr Leyland**—Yes, we had a role in contributing to the development of model local laws.

**Senator BARNETT**—Do you have a view on the merits of sunset clauses in local government by-laws? I know in some states, including Tasmania, there is a 10-year sunset clause. I do not know if you have those in Queensland.

**Mr Leyland**—I am not particularly aware of model local laws having sunset clauses. The area of local government where there are notional sunset clauses is where we are required to review planning schemes and the like every five to seven years. There is an important difference. The planning scheme is completely different to the model local laws; these tend to have a longer life.

**Senator BARNETT**—Does this idea of having model local laws flow through to having model licences, permits and approvals? Does that happen in this state?



**Mr Griffin**—No. In terms of getting a planning approval, councils are drafting their schemes now so that some approvals can be code assessable or self-assessable so that the proponent does not even need to go through a formal council process. If they comply with the provisions of the scheme, it is a very straightforward process. There is no concept of a model approval.

**Senator BARNETT**—I know some states do. It might be worth thinking about it and looking at the work that other states do. My related question is on regulatory impact statements for your local government laws. Do you have them?

**Mr Griffin**—No.

**Mr Leyland**—I am not aware of them. It might be a different terminology. To adopt a local law, you are required to go through a process that involves assessing the provisions of the local law for competition or competitive interests and so on.

**Senator BARNETT**—That is a requirement?

**Mr Leyland**—That is a requirement of the local law making process. In developing the model local laws, those competitive elements were reviewed and subject to a great deal of consultation. Regarding application forms, licence forms and so on, and the smart licence exercise that the state development department has produced now, I recall that a few years ago they gathered application forms from local governments right across Queensland and came up with some models for those which were distributed back to local governments. At that time we in Mackay reviewed the forms that we were using to determine whether we were gathering useless information or asking for too much. We pretty much employed those standards from then on.

**Mr Perry**—With regard to some of the laws we have operating in Gold Coast City, an example which might be of interest to you is the film industry, which is a significant economic driver in our city; we have a lot of filming. Gold Coast City Council recently drove an initiative to try to standardise film permits right across south-east Queensland, through the implementation of a film protocol policy. We were finding that, when filming took place in a number of locations across south-east Queensland, the production company would have to go to each local authority and wade through a number of processes to get approval to film in those particular locations. I suppose with some self-interest we drove a policy through SEQROC, the South East Queensland Regional Organisation of Councils, to put in place a policy that could perhaps be applied right across SEQ.

**Senator BARNETT**—That is good—congratulations. Both of your organisations could respond to my next question. A lot of small businesses talk about the merits of a one-stop shop. As the chair indicated, they are sometimes referred to as a ‘g-shop’, one where you can access all of the information. You have also complimented the smart licence system, but in your comments, Mr Leyland, you said that it requires local government to get information and inject more of their data into the system. Firstly, can you expand on your comment about the need for local government to improve that smart licence system? Secondly—and these are generic questions—should local government be the one-stop shop and to what extent should local government assist small business when they are getting established or when they need help?

**Mr Leyland**—I will speak first about what I regard as the maturity of the smart licence system. When I did the exercise in the last couple of days I found that there was good information on the smart licensing system about business name requirements and tax business activity type requirements, but when it came to the planning or development control issues such as ‘To set up my business am I going to build a new premises?’ and so on, the link simply said, ‘Contact the local government, Mackay City Council, for their requirements.’ I would envisage that as time goes on—and I understand that the smart licence people are driving this—links to material published on the local council’s Internet site, for instance, should be linked into that to provide that one stop.

**Mr Perry**—In answer to your second question regarding one-stop shops, the council has identified that in a number of instances small business use council as the first point of contact if they are looking to establish a business. Because of that, we have endeavoured to provide what you could probably broadly call a one-stop shop. We facilitate their queries and questions and put them on the right path to get all the administrative details of their business together. From the Gold Coast City’s perspective we certainly provide that role. I suppose we are lucky in that we are the second largest local authority in Australia. We have significant resources we can apply to that, while a lot of the smaller councils just would not have the resources to do that.

**Senator BARNETT**—And I think you mentioned in your introduction that there was a council with 336 people in Queensland?

**Mr Perry**—That is correct, and because of the three-tier level of government that we operate under in this country, it is often easier for the small business operator in the city to walk in through the front door of council chambers and say, ‘Can I have some help. I want to start a business in such and such. Who can help me?’

**Mr Griffin**—If I can add to that, the integrated development assessment system is a process where the state and local government have been working together to roll a whole range of different pieces of legislation into one approval process. Primarily, local government is identified as the assessment manager for that. You submit your application to local government and then local government takes on the role of farming that out to different agencies if environmental approval, a social impact assessment or some other licensing is required—and that is even extending into the Environmental Protection Act.

**Senator BARNETT**—We have had representations from home based businesses during this inquiry and we have been advised that well over 60 per cent of all small businesses are home based businesses. From the local council perspective, do you know where those home based businesses are and are you able to communicate with them and, as a result, service them and help them do what they need to do? Or is that not something you want to be involved with and you stay away from?

**Mr Fountain**—We did a survey about three or four years ago to get some indication of the economic impact of home based businesses. I recall that something like one home in four had some form of home based business being carried on, whether it was a plumber doing his work at home and having an office there and leaving during the day or whether it was someone like an accountant. It was a very significant percentage. The council itself would not have those businesses licensed and would have no knowledge of probably 85 to 90 per cent of those busi-

nesses because at the present stage, in reality, it is only those home based businesses that cause problems to and complaints from neighbours that actually get known. So it is an enormous task for council regulatory officers to pick up those numbers.

**Mr Perry**—And certainly through council's economic development strategy we have tried to cluster up businesses into like businesses into 10 precincts across our city with a view to perhaps moving some of those businesses into those clusters. Time only will tell whether that is successful or not.

**Senator BARNETT**—Of course, we have got the Internet and we are in the 21st century—there has been huge growth in home based businesses over the last decade and I assume that that is going to continue.

**Mr Perry**—Yes.

**Senator BARNETT**—We need to be thinking of ways and means of helping them do their job, subject to appropriate planning requirements et cetera.

**Mr Griffin**—Councils, in preparing their land use planning schemes, are actually focusing on home based business as a significant land use and looking at providing flexibility—hours of operation and all those sorts of standard things that do cause problems—and how home based business can be accommodated in planning schemes.

**Mr Perry**—An example of what is happening in our city that is successful is a Delfin Lend Lease project at Robina called Varsity Lakes, which is essentially a live, learn, work and play type of environment where people can actually operate from their house in a SOHO environment. They might have retail downstairs, they can walk their kids across to the Varsity College and send them to school, go back to work at their home, pick them up in the afternoon and go down to the shopping centre all in a livable community environment. We see some of those good initiatives emerging in our city over the next couple of years.

**Senator BARNETT**—Getting back to home based businesses, you do not see any merit in trying to find out where they are and tap into them so that you can serve them better? Obviously they fill out their ABN, and a level of government knows where they are—and the taxman knows where they are.

**Mr Leyland**—My view is from a local government perspective and my experience has been that, if a home business is being established, not everyone—as has been suggested by people from the Gold Coast—will actually go to the effort of getting the planning approvals and so on that might be required. The criterion for approval is probably going to be that a business is not going to cause any disturbance to the amenity of the nearby residences. Really, local government probably is mainly interested in a regulatory way in only those businesses that do cause some problems for the neighbours.

**Mr Perry**—We recently had a research report into the IT industry in our city completed by Gartner Research, and they certainly identified that the number of technology professionals working from home would experience significant growth over the next five to 10 years. That

and some of the other findings of that report did encourage us to go and seek those kinds of opportunities—of professionals working from home—in the technology area.

**Senator CONROY**—I have a couple of questions. Firstly, we had a number of small businesses here yesterday who expressed frustration at dealing across the border, moving between local government regulations in Queensland and New South Wales. Is there any work happening to try and reach common standards or a common approach? Is that something you think is too hard—a matter of ‘let’s just concentrate on getting ourselves as harmonised as we can without looking at the issues across the border’—or is there any interest in this?

**Mr Leyland**—Perhaps the people from the Gold Coast could answer that!

**Mr Perry**—We do deal very closely with Tweed Shire Council. I think it is an opportunity that is fraught with challenges. I am not sure how to provide a solution to that. We have discussed it many times.

**Senator CONROY**—I am sure that businesses on the New South Wales side have the same problem when they come across into your jurisdiction. I guess that is just one of those ongoing issues.

**Mr Perry**—In fact, we are just one big region that services each other. We are a big catchment for employees et cetera, and vice versa. We would love to be able to solve the problem.

**Mr Fountain**—There was a cross-border task force operating a couple of years ago to identify some of these problems. I really do not know what came out of that, but certainly it was focusing on hours of trading.

**CHAIR**—There have been some issues addressed. I think the New South Wales government has a buffer zone for petrol pricing and so forth, doesn’t it, where it tries to reduce the tax on petrol?

**Mr Leyland**—I understood that there was some relationship between the police departments in different states in terms of cross-border activity as well.

**Senator CONROY**—You mentioned in your verbal as well as in your written submission that there is a concentration of small businesses in the building industry—that is a feature of the boom that has been taking place—and that you are trying to diversify that. Are you having any success in that diversification yet? Are you targeting anything? What sort of programs are you putting in place to try and draw in a different demographic—if that is the word—of small business?

**Mr Perry**—Our economic development strategy focuses on eight key industries: education, IT, sport, environment, film and creative industries, food, marine, and health and medical. We have had quite a bit of success in the IT area—in fact, we had something like 50 per cent growth in IT businesses in our city over the last 12 months despite the downturns, so we are very happy with that. The other one that we have had a lot of success with in recent times is the marine industry. The Gold Coast is now the biggest manufacturer of pleasure craft in Australia. We have

put in place a number of initiatives relating to marine training. The marine business is still almost a craft industry in the way it operates, so we are putting in place programs to skill them up in business planning so they can operate effectively, because marine is a global business and the Australian market is too small, and to get them into export markets.

Council has an international business development program where, working across those eight industries, we encourage and take businesses into international markets, get them to trade shows and subsidise the costs of exhibiting internationally. We have a whole raft of programs that we are putting in place to move away from those three industries that there has traditionally been a focus on. Tourism will always remain No. 1 on the Gold Coast, but hopefully we can diversify it enough to smooth out some of those highs and lows.

**Senator CONROY**—So you are worried to a degree that you are caught in a sort of cyclical building boom and bust—albeit that you have been a massive growth area, so you have probably ridden out the booms and the busts a bit better than most.

**Mr Perry**—It has been a significant issue, and it played a major part in how we wrote our economic development strategy. In fact, we do not do a lot of work in the building industry because it is so huge and it can keep on going itself. We focused on those emerging industries that we can really assist effectively. Industries like the IT industry and the environment are very small businesses—microbusinesses—so that is where a lot of effort is going at the moment. Working very closely with state and federal governments, we access a number of funding opportunities through the RAP program.

**CHAIR**—Some evidence was given to us yesterday that economic development officers in councils had failed because there was too much focus on strategy and not enough on-the-ground monitoring of what was happening with small businesses. What is your comment in relation to that?

**Mr Perry**—Do you mean a lot of reports and not enough action? Would that be the comment?

**CHAIR**—Yes, I think that was probably the view.

**Mr Perry**—We have been very mindful of that; in fact, a number of years ago we put in place something called the Regional Economic Development Advisory Committee—which is made up of the heads of every industry association in our city—to use as a sounding board to council in the way we roll out our economic development program. There is something like 28 members on that, and it is chaired by the deputy mayor. In some ways, that gives us a reality check to make sure we are doing the right things and actually implementing programs. I think the response we have had is that industry in this city is supportive of the council's economic development program. It is very much an action based program; it is actually doing things and working with RAP programs to actually implement programs.

**CHAIR**—To what extent is there a working relationship with other organisations on the Gold Coast? We have had a number appear before us: the ACC—the area consultative council—the Friends of Small Business and the National Federation of Independent Business. There have been two or three groups. Is there any coordination or liaison between the various groups or are

you all out there doing your own thing as if you were only group that exists in that part of the world?

**Mr Perry**—In everything we do we try to work with other organisations; in fact, we essentially try to make one of our dollars three or four dollars by involving other partners so we can get the best bang for our buck, so to speak. So we are always talking to the ACC and to state agencies such as the Department of State Development, just to be mindful that we are not doing things they are doing and wasting our resources. In short, the answer would be yes: every single day our business development officers are looking at partnering opportunities for business—and that is the Commerce Queensland and industry associations of the world.

**CHAIR**—Is a fair degree of cooperation happening between you at that level?

**Mr Perry**—We would like to think so, yes. Obviously there will be some instances where their strategies might not fit ours. In writing our strategy, for example, we consulted heavily with state and federal agencies and industry associations to ensure some continuity.

**Mr Fountain**—In that respect, State Development in our area would have officers dedicated to particular industry groups, as we do. I look after the marine industry and I have a very close relationship with the Department of State Development business development officer dealing with marine issues. We are working through training needs, analysis studies and all sorts of other ramifications from that. The same applies with some of the other industry groups like food and IT. So there is a very close working together. They tend to work on an individual client basis—there are more of them out there—while we tend to focus on an industry basis.

**CHAIR**—Do you think there is a closer working relationship at that level than there is at a higher level within those various groups?

**Mr Perry**—We would probably say yes, only because those business development officers are at the coalface every day and they really have a feel for what is happening out there.

**Mr Leyland**—The Gold Coast is very fortunate to have the resources they have. It is an important driver for local government in the Gold Coast area. Across the rest of Queensland the bigger local governments would have economic development teams, units or whatever, and I am sure they would work in similar ways. But I can think of a lot of smaller councils around the state that have just started to get onto economic development over the last three to five years as a role they should be playing. So, once again, I will use the words ‘maturity’ or ‘experience’: as the councils become more experienced in recognising good value coming out of an economic development officer or out of some of the research they are doing, and what performance indicators they should be looking for in employing those officers, I think local government will continue to take a bigger role in this area. As I said in my earlier remarks, there would not be a council in Queensland that was not interested in growth in their area or concerned about decline in population and industry in their area.

**CHAIR**—Have you looked at the possibility of networking some of the larger and more experienced councils, like the Gold Coast, and some of your smaller remotely based councils?

**Mr Leyland**—No, not usually.

**CHAIR**—A mentoring type relationship perhaps?

**Mr Griffin**—There is scope for that though we have not considered it. But, certainly, putting out best practice examples, guidelines and things like that would be really valuable. Apart from Gold Coast and maybe the other 20 large councils in Queensland, you have 100 out there that are probably starting to try to define a role for themselves in economic development. There is real opportunity there for that information to go out to help those councils.

**Mr Perry**—In recent times, over the last couple of years, we have tried to work much more cooperatively and collaboratively with some of our neighbouring councils which are smaller, such as Logan, Beaudesert and Tweed, to really provide them some assistance in cross-border—across local government boundary—opportunities.

**CHAIR**—Mr Leyland, you suggested earlier that there is a need to simplify reporting requirements and reduce the number of returns that are required. Are there any examples that you could give us of areas where reporting could be reduced? Also, what mechanisms are available to feed that back into Commonwealth and state government areas?

**Mr Leyland**—As a practitioner in local government, working in Mackay City Council for example, the bane of our life was the continuing ABS returns that seek information on different statistics. Wearing my other hat now as a Local Government Association employee, one of the things that we have been critical of is the quality of data available on local government. Over the last few years, I am advised, there has been a shift and a reduction in the useful data that can be extracted from those statistics. It seemed to me, in talking with my people in Mackay City Council, particularly in the finance area, that there was always another return of some sort distracting them from their main duties. It is not just ABS; it would have been Grants Commission returns or returns on development activity and building approvals.

**Mr Perry**—And there is significant survey work undertaken by a number of federal departments.

**Mr Leyland**—I do not know personally whether those sorts of requests are made of the industries around the place, but those were the sorts of things that I was suggesting were very time-consuming. If there were an online update process then a lot of people now would find it far more convenient to take 10 minutes, or whatever it might be, to actually do it online than have to fill out forms and so on.

**CHAIR**—And the ABS has not—

**Mr Leyland**—I have not seen that.

**CHAIR**—put a lot of its data collection online?

**Mr Perry**—You can purchase a lot of ABS data online, but whether you can actually respond online I am not sure.

**CHAIR**—I know you can purchase it; but when they ask you for data and you have to respond, it is still in hard copy.

**Mr Perry**—There is a lack of what we would probably call small business data available to us in an effective local government environment. It has made our job significantly difficult to identify where there is some benchmarking taking place in small business and to look at some opportunities.

**CHAIR**—I know. I am not suggesting that you take this up, but in some of the councils in Perth, for example, they were charging a registration fee on a small business purely so that they would know where they were and how many small businesses there were in their council area. It was not a revenue raising measure but simply a mechanism to get them to register so that they would be able to identify the number of small businesses operating in their area.

**Mr Perry**—As more local governments go online to do a lot of their services they will be able to track businesses much more effectively.

**CHAIR**—Thank you very much.

**Proceedings suspended from 10.35 a.m. to 10.57 a.m.**



**LAMONT, Mr Peter, General Manager, Private Sector Industrial Relations, Department of Industrial Relations**

**SELJAK, Mr Robert, Acting Deputy Director-General, Department of Industrial Relations**

**CHAIR**—I welcome the representatives of the Department of Industrial Relations. The committee has before it submission No. 29. Are there any changes you wish to make to the submission?

**Mr Seljak**—No, thank you.

**CHAIR**—The committee prefers all evidence to be given in public, although the committee will also consider any request for all or part of evidence to be given in camera. I point out that such evidence may subsequently be made public by order of the Senate. Do you wish to make an opening statement?

**Mr Seljak**—I would like to make a brief opening statement in support of the submission from the Department of Industrial Relations. The Department of Industrial Relations is the lead agency in Queensland for industrial relations, workplace health and safety and electrical safety issues. The department is committed to the government's objectives of ensuring an industrial relations system that delivers fair and protective jobs and safe and healthy work environments, and building public confidence in electrical safety standards by significantly reducing fatalities and accidents. The submission presented to the Senate inquiry provides an overview of the Queensland Industrial Relations Act 1999, the Workplace Health and Safety Act 1995 and the WorkCover Queensland Act 1996 as they relate to business. This legislation has a common purpose. It seeks to balance the rights and interests of employers while protecting the rights of employees.

**Senator BARNETT**—Thank you very much for your submission. I am particularly pleased that the Minister for Industrial Relations, Gordon Nuttall, has made the submission public. Yesterday we had a submission from the Department of State Development and the relevant minister decided that that should remain confidential. I found that submission to be helpful and productive—there are a lot of positive things happening in Queensland—but, unfortunately, the minister decided, in his wisdom, that that should not be made public. So thank you for the submission.

We have had a lot of representations from small business groups and small businesses around the country and industrial relations has been one of the issues they have raised as being an impediment to growth—whether real or perceived—in terms of the inflexibility in the systems and in the award system. They have raised the issue of the unfair dismissal laws as being—again, whether real or perceived—an impediment to small business growth. Would you like to respond to those concerns that have been expressed?

**Mr Lamont**—On a general point with regard to the unfair dismissal laws, let us take a quick historical look at what has happened in Queensland in the last five or six years. With the

Workplace Relations Act 1997, there was an exclusion for small businesses with less than 15 employees. With the Industrial Relations Act 1999, the Queensland government made a conscious decision not to continue with that provision within the act. The Queensland government's position was, very clearly, that it was opposed to excluding small businesses from the unfair dismissal laws and that it considered it was completely inequitable to allow employees to be treated harshly and unfairly on an arbitrary basis of the number of employees engaged. Basically, the provisions within the legislation now are that employees are excluded for their first three months of employment, except for an invalid reason such as discrimination, pregnancy, injury, illness. It also excludes short-term casuals who are employed for under one year, again except for invalid reasons such as pregnancy, discrimination, attending the birth of a child, and it allows employees to seek reinstatement within 21 days of being dismissed.

**Senator BARNETT**—What have been the consequences of this 1999 legislation on small business and small business employment, in your view?

**Mr Lamont**—If we just look at the raw statistics, back around 1997 we had an average number of 151 applications before the Queensland Industrial Relations Commission for hearings on unfair dismissal cases. That figure has dropped to around 144 at this point. So we can only look at that anecdotally and say that there has been no significant impact on small business from the change in the unfair dismissal laws. We have had a declining number of cases—although that is of course across all businesses; we do not actually have a breakdown of statistics to isolate small businesses.

**Senator BARNETT**—So it is hard to put a finger on the exact impact on small business employment, in your view?

**Mr Lamont**—It would be impossible to put an exact figure on it, but the broad indication is that there has been no real impact at all with the change in legislation.

**Senator BARNETT**—What about the 1999 legislation and the response from the small business sector to that legislation generally? Can you give us a response before I look at some of the specific provisions?

**Mr Lamont**—I cannot, with regard to the unfair dismissal laws.

**Senator BARNETT**—What about just generally with regard to the 1999 legislation?

**Mr Lamont**—A task force was established in 1998 to look at a review of the legislation. That task force released a discussion paper, they went around the state and had a lot of consultations and, largely, the indications that they got from small business were that they were fairly supportive of the award based system—but I cannot recall anything specific that came out with regard to unfair dismissal.

**Senator BARNETT**—I understand there have been some complaints about the incorporation of the minimum leave provisions in the legislation. The minimum leave entitlements have not been an issue for you?

**Mr Lamont**—We have not had any specific complaints that I am aware of.

**Senator BARNETT**—The act requires that the Queensland IRC ensures the awards are suited to the needs of particular enterprises and workplaces; is that right? How is that achieved?

**Mr Lamont**—That is probably quite a difficult question to answer. That is part of the legislation, and of course the commission is seen as independent of the government in its deliberations. We have a system within the legislation whereby we have around 320 awards and around 1,300 agreements. About 33.6 per cent of employees are covered by individual agreements—which means a single employer or a single category of employers—within this state. Those agreements are all ratified through the commission, so the broad assumption would be that it is through those mechanisms that they look at individual industries and relevance.

**Senator BARNETT**—With your award process, when they come up for review and you have got 320, what sort of role does small business have in terms of having an input into the award provisions?

**Mr Lamont**—We have just gone through a major award review process where all 320 awards are currently in the finalisation of being reviewed. It has been a fairly active process. There has been a tripartite committee which has been looking at reviewing the awards. The tripartite committee has representatives from government, employer organisations and union groups. With the employer organisations, it has the Australian Industry Group and the Queensland Chamber of Commerce and Industry represented. Part of the role of the employer organisations is to look at their representative industries. So they have had a role in trying to look at small business.

**Senator BARNETT**—Is it working?

**Mr Lamont**—Largely the review has been looking at how the awards are framed, looking at consistency between awards rather than going into a full-scale review which looks at whether an award is necessarily applicable. That is a process which, under our legislation, needs to happen every three years.

**CHAIR**—Is that similar to what happened in the federal jurisdiction in the late 1980s and early 1990s with award restructuring? Is that what you are looking at?

**Mr Lamont**—I am not 100 per cent up to what happened in the particular process.

**CHAIR**—Is it looking at the specific clauses and determining whether or not they are relevant to conditions and needs within the workplaces?

**Mr Lamont**—It is more looking at the clauses and how they are structured and written.

**CHAIR**—So it is award simplification?

**Mr Lamont**—Yes. It is about simplification and consistency rather than about trying to determine whether that is an applicable provision for that industry. That is subject to separate determination by the commission through an application process.

**CHAIR**—Presumably, that would be something that would be relevant to the respondents to those particular awards rather than to a general review by industry players?

**Mr Lamont**—Yes. Just to take this one step away, there are also provisions within our legislation for the setting of a Queensland minimum wage, which is for non-award employees. You would imagine that a number of small business employees would be non-award. That is currently going through a process of being established. Legislation was changed.

**Senator BARNETT**—Do you know how many small business employees would be non-award?

**Mr Lamont**—No, I do not.

**Senator BARNETT**—Or percentage wise?

**Mr Lamont**—It would only be a guess, I am sorry.

**CHAIR**—Why would you need that, Mr Lamont? Surely, the common rule applies in terms of the state jurisdiction?

**Mr Lamont**—We have a number of provisions applicable to people who are not covered by awards within our legislation. But there is nothing which establishes what the minimum rate of pay would be.

**CHAIR**—So the common rule does not apply generally to everyone in the work force?

**Mr Lamont**—This is basically setting what would be a common rule. We currently do not have it in Queensland legislation. We do have it in the legislation but we do not have one yet.

**Senator BARNETT**—I am not quite with you. You do have it in the legislation?

**Mr Lamont**—Yes, we do. We have a clause which empowers the Queensland Industrial Relations Commission to set a Queensland minimum wage. That was introduced in December last year and we are currently going through the process. The government put an application to the commission in August this year in order to establish a Queensland minimum wage. We did it at the time when the commission was considering the latest state wage case and have applied for the commission to set a minimum non-award rate the same as the minimum for the state wage case. The process that is being entered into for that is that the department which has put the application in, the Department of Industrial Relations, is advertising in all major newspapers throughout the state seeking for any respondents who would like to also enter into or be a party to the application. We are trying to give it as broad an application as possible.

**Senator BARNETT**—Going through that process, what would you imagine would happen in due course?

**Mr Lamont**—We may get a number of respondents.

**Senator BARNETT**—You will get quite a lot of respondents and submissions to that?

**Mr Lamont**—That is what we would hope to get, yes. That will probably take until about Christmas time in order to finalise, in order to give all respondents an adequate opportunity. We are also making sure that some of the other parties who are going to the preliminary hearings at the commission, such as the AIG and Commerce Queensland, are letting their members know about the establishment of a minimum wage.

**Senator BARNETT**—I want to go back and discuss unfair dismissals. We had the executive director of the National Federation of Independent Business give evidence yesterday. He is a restaurateur and he was talking about his own particular concerns and claims. He is concerned about vexatious or frivolous claims. Your arrangements for unfair dismissals allow for conciliation before arbitration; is that right?

**Mr Lamont**—That is correct. Under section 75 of the act, conciliation needs to take place prior to arbitration. It means that the parties go before one of the commissioners, who will attempt to conciliate an outcome.

**Senator BARNETT**—The point he was making was that he was told to go in and sit down and try to work it out. But they did not work it out and it just dragged on and on before they could get to arbitration. At the door of the arbitration commission some weeks or months later, I am not sure exactly how long, the claim was withdrawn at considerable cost to him in time and effort and legal costs and, of course, no real cost to the former employee. How does your system stop vexatious or frivolous claims?

**Mr Lamont**—That is quite a difficult question to answer. You would never encourage a vexatious or frivolous claim, and I think that the majority would not proceed through the conciliation process if that were the case. There is nothing in the legislation that specifically targets the potential for vexatious claims.

**Senator BARNETT**—There is nothing in there?

**Mr Lamont**—No.

**Senator BARNETT**—What is the cost of making an application?

**Mr Lamont**—I could not answer that, I'm sorry.

**Senator BARNETT**—Isn't there a \$50 fee or something?

**Mr Lamont**—There could be; that is with the commission.

**Senator BARNETT**—So you are not sure what that is?

**Mr Lamont**—I am not sure what that is.

**Senator BARNETT**—Are there any alternatives to conciliation that you have looked at?

**Mr Lamont**—No. We have basically left it in the hands of the commission to handle the cases based on application by the parties. One of the things that we do have is the 21-day rule whereby an employee must lodge an application with the commission within 21 days of being dismissed. The registrar then has the right to look at the claim. If it is beyond the 21 days, they can automatically rule it out.

**Senator BARNETT**—This is a generic question about the impediments to small business growth so feel free to respond in any way you like. Is there anything we should be doing to help and assist small business growth in this state, or Australia wide, that you would like to put forward?

**Mr Seljak**—I suppose the legislative framework is only one part of the environment in which small businesses operate. From our department's perspective, we try to assist business to operate and we cover different aspects—for example, their legal obligations in terms of industrial relations, workplace health and safety and workers compensation. We try to provide that information to them in a way they can understand, through direct assistance, seminar programs and face-to-face assistance through our various field based activities. Our role is more in trying to assist business in making sure they comply with their obligations under the various pieces of legislation, thereby achieving that balance. I mentioned in my opening statement balancing the needs of small business to operate with the rights of the small business employee, if you will.

**Senator BARNETT**—You mentioned the 1,300 agreements, and I think you said that covered 36 per cent of the employees.

**Mr Lamont**—Of Queensland employees, 24.6 per cent are covered by awards; 33.6 per cent are covered by individual agreements; and 41.8 per cent are covered by collective agreements. So those 1,300 agreements cover around 70 per cent of employees.

**Senator BARNETT**—What is the difference? Do you mean individual agreements compared to collective agreements?

**Mr Lamont**—Yes. Essentially, the difference is that an individual agreement could be for an individual company and a collective agreement might cover a range of franchises.

**Senator BARNETT**—I am with you. Do you find that the number of agreements is going up or down?

**Mr Lamont**—We have basically found that things like the Queensland workplace agreements have been decreasing. They might be decreasing a little bit in terms of numbers of employees covered, but it is fairly static.

**Senator BARNETT**—Do you think that provides the flexibility that small businesses are looking for in terms of their industrial relations needs?

**Mr Lamont**—It gives them a choice between the types of coverage that they want to have. There is a choice between going for an individual agreement and being reliant on awards, and there are those who have not entered into the award system and who might be covered by non-

awards. Then there is a choice between whether they enter into the state or the federal jurisdictions.

**Senator BARNETT**—What sorts of differences are there?

**Mr Lamont**—Within Queensland, more than 50 per cent of employees—and I do not have the exact figures—are covered under state legislation; approximately 28 per cent are covered under the federal legislation; and the balance are non-award.

**Senator BARNETT**—How much under federal?

**Mr Lamont**—About 28 per cent. About 21 to 22 per cent are covered by non-award.

**Senator BARNETT**—Have those percentages changed much since 1999?

**Mr Lamont**—Not really; they might move small amounts. One of the imperatives of the 1999 legislation has been to try to capture some of those minimum entitlements for people who are non-award employees.

**CHAIR**—How long has the Queensland state act had an unfair dismissal provision in it?

**Mr Lamont**—I could not say the exact date, but at least the last three acts have had unfair dismissal provisions.

**CHAIR**—So it has been there for a very long time.

**Mr Lamont**—Yes.

**CHAIR**—Has anyone looked recently at the trend line? Has it varied in terms of the use of those provisions over the years or has it been pretty much constant?

**Mr Lamont**—The only thing is that we just have the figures for applications lodged before the Queensland Industrial Relations Commission. Since 1997, there has been a decline in the number of unfair dismissal applications. In 1997, it was around 151; around 2000, it was down to 146; and it is now around 144 per month.

**CHAIR**—Thank you.

**Committee adjourned at 11.19 a.m.**