



Response to the Queensland Government's Advancing Small Business Queensland Discussion Paper

CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND SUBMISSION

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Chamber of Commerce & Industry Queensland

1.0 Introduction and Overview

The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide comment on the State Government's Advancing Small Business Queensland Discussion Paper. CCIQ is committed to working collaboratively with the State Government in finding solutions that create and foster opportunities for small business success.

CCIQ is the State's largest business organisation. CCIQ has a State-wide membership across all industry sectors and of business sizes. In total we directly and indirectly represent in excess of 25,000 businesses with links to in excess of a 120 local chambers of commerce and professional associations.

CCIQ for over 140 years has been the voice of small business in Queensland. By articulating the message of small business and acting as solely the voice by factually representing small business views, CCIQ has progressed to having excellent working relationships with all sides of politics with influence to create a better business operating environment in the Sunshine State.

2.0 Importance of Queensland Small Business

Small business is the backbone of the Queensland economy and CCIQ celebrates the contribution that they make to our proud State. The State's 406,000 small businesses represent 97 per cent of all businesses in Queensland and contribute over \$100 billion to our Gross State Product. Perhaps even more importantly they are the heart of each population centre and directly determine the vibrancy of their surrounding communities.

They do this by providing a job to nearly one million Queenslanders across the length and breadth of the State. Small businesses are the providers of opportunity and meaningful way of life for their employees. They influence an employee's capacity to have a family and leave a legacy to last generations.

Queenslanders are right to be proud of their local small businesses who deliver a diverse and world class range of goods and services across the State and internationally. Queensland small businesses have a culture of enterprise, creativity, initiative and continued learning and they are the larger businesses of tomorrow.

Many small businesses are family owned and run, and often operate with a small number of staff. The nature of small business means that many do not have access to the same level of resources as larger companies.

Accordingly, the owner is often responsible for doing the work, balancing the books, managing staff and meeting all the regulatory obligations which leads them to be extremely time poor, working very long hours each week. The more we can do to assist them by providing competitive policy settings, tools, services, information, the better.

3.0 General Principles for a Small Business Strategy

3.1 The Role of Government

The State Government has a vital role in building and sustaining the economy. Queensland businesses see the responsibility of State Government as creating an environment which is conducive to economic growth. Every region in Australia is in competition with each other to retain and attract business and investment. As a result, Queensland needs to have a business operating environment that is the absolute standout as a region to do business in. This is the core and most important role for the Queensland Government. Everything else is secondary of importance to small business.

3.2 Sustainable competitive advantages

The reality is that if the general business environment is right, the marketplace will determine the nature of our economic development and small business start-up. Having a historical competitive advantage on some aspects is no reason to be complacent about the rest. In those areas that are within our control, our target must be the best in every aspect affecting the business operating environment.

Queensland's sustainable competitive advantages are our resources, sunshine, beaches, reef and Daintree. The State's cost of doing business directly determines mobility of capital and must also be a sustainable competitive advantage. Initiatives such as lifting the payroll tax exemption threshold to enable small business to grow and employ is great example of putting out the welcome mat for small business start-up and operation in Queensland.

3.3 Clear and Measurable Goals

It is vitally important that we have a clear vision as to the State's strategy for small business over the next five to ten years. It is even more important that this vision is underpinned by challenging but achievable goals which are measurable. It is not sufficient, for example, to say that we will promote small business unless there is a measurable target as to where small business entry, exit and survival rates will be for example in a given time frame. To foster community ownership these targets or goals must be in the public domain and subject to regular progress reports.

Businesses by Main State: June 2011–June 2015									
	Operating at start of financial year	Entries	Exits	Operating at end of financial year	Change	Percentage change	Entry rate	Exit rate	
	no.	no.	no.	no.	no.	%	%	%	
2014–15									
New South Wales	697,164	96,371	86,864	706,671	9,507	1.4	13.8	12.5	
Victoria	545,962	75,448	66,810	554,600	8,638	1.6	13.8	12.2	
Queensland	416,763	54,550	54,183	417,130	367	0.1	13.1	13.0	
South Australia	143,491	15,811	15,760	143,542	51	0.0	11.0	11.0	
Western Australia	218,666	29,740	27,235	221,171	2,505	1.1	13.6	12.5	
Tasmania	37,074	3,785	4,057	36,802	-272	-0.7	10.2	10.9	
Northern Territory	14,221	1,919	1,902	14,238	17	0.1	13.5	13.4	
Australian Capital Territory	25,443	3,670	3,424	25,689	246	1.0	14.4	13.5	
Currently Unknown	1,378	259	245	1,392	14				
Australia	2,100,162	281,553	260,480	2,121,235	21,073	1.0	13.4	12.4	
Survival of Businesses by Main State: June 2011–June 2015									
	Operating in June 2011	Survived to June 2012	Survival rate	Survived to June 2013	Survival rate	Survived to June 2014	Survival rate	Survived to June 2015	Survival rate
	no.	no.	%	no.	%	no.	%	no.	%
New South Wales	706,839	615,161	87.0	539,356	76.3	483,028	68.3	437,801	61.9
Victoria	543,855	475,246	87.4	419,127	77.1	377,125	69.3	342,165	62.9
Queensland	430,841	370,741	86.1	322,362	74.8	286,378	66.5	257,595	59.8
South Australia	148,230	131,141	88.5	116,645	78.7	105,531	71.2	96,362	65.0
Western Australia	222,493	191,497	86.1	167,789	75.4	150,274	67.5	136,032	61.1
Tasmania	38,859	34,540	88.9	30,809	79.3	27,827	71.6	25,333	65.2
Northern Territory	14,374	12,372	86.1	10,721	74.6	9,494	66.0	8,564	59.6
Australian Capital Territory	25,553	21,949	85.9	18,955	74.2	16,808	65.8	15,081	59.0
Currently Unknown	1,368	1,112		943		827		673	
Australia	2,132,412	1,853,759	86.9	1,626,707	76.3	1,457,292	68.3	1,319,606	61.9

Source: Australian Bureau of Statistics

3.4 Government assistance for industry

The Queensland business community typically does not seek significant direct financial assistance from State Governments, particularly in areas where the same assistance is readily available from other sources. The emphasis on Government assistance should, in the main, be strategic rather than client focused. Examples whereby Government resources can make a significant difference include:

- Disaster support;
- Clustering support and coordination;
- Encouraging business take up of accredited training;
- Export development;
- Business/skills migration; and
- Infrastructure development.

3.5 Targeted Assistance

CCIQ does not support financial incentives in terms of tax holidays targeted towards particular industries or enterprises. By definition this means that remaining taxpayers will pay more than they need to and puts the Government in the unsatisfactory position of picking winners. Put another way, if taxation relief is available, it should be spread across all taxpayers. At the very least financial assistance KPI's should be implemented and published. It will then be possible to benchmark the success of the investment of public funds into such a strategy in a transparent way.

3.6 Industry consultation

It is essential that State Governments consult regularly with industry and commerce. The prime avenue for consultation should be through the existing business organisations such as the chamber of commerce movement. There is certainly no necessity to establish any separate Commissioner role to liaise between the business community and the State Government itself.

4.0 CCIQ Response to 'Advocate'

CCIQ is opposed to the recommendation that the Strategy have an 'Advocate' capacity between business and government. More specifically:

<p><i>Appointment of a Small Business Advocate to provide a voice for Queensland's small businesses</i></p> <p><i>Creating a knowledge and data hub to research key issues impacting on Queensland small businesses and draw on targeted research and publications across government.</i></p>	<p>Opposed</p> <p>To 'Advocate' is to provide a voice for Queensland small business and CCIQ is this voice.</p> <p>CCIQ is the State's largest business organisation. CCIQ has a State-wide membership across all industry sectors and of business sizes and has been providing a voice for small business for over 140 years.</p> <p>CCIQ is committed to representing the interests of its members and the Queensland business community as a whole. The most important aspect of our role is to provide advocacy on industry related issues, designed to build a better business operating environment.</p> <p>CCIQ plays a pivotal role in identifying issues and their impact on industry, as well as researching, analysing and developing appropriate responses to government policies, taxation initiatives, programs and legislation.</p> <p>CCIQ has dramatically changed its approach to advocacy in recent years to be a true voice of business through continually canvassing and then articulating business community views on various issues in a non-partisan manner. In turn CCIQ represents the views of members by:</p> <ul style="list-style-type: none"> • publicly commenting on legislative, taxation and industrial issues; • participating directly in debates with governments
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	<p>and other stakeholders;</p> <ul style="list-style-type: none"> • providing formal submissions to governments on behalf of members; • working in cooperation with state and local governments to identify and address issues that impact on Queensland business; and • responding to media, governments and the general business community to analyse and comment on the performance of the economy and other key business issues. <p>CCIQ is one of many voices representing business interests within Queensland, however CCIQ is the loudest voice and has played a key role in securing many outcomes on behalf of business. Through our continued work with Government, we have effected changes to areas such as taxation, electricity prices, infrastructure spending, national minimum wages, workplace relations laws, workplace health & safety laws, workers compensation and environmental regulations.</p> <p>Over the last financial year our members' voice reached over 67 million Queenslanders (a 17% growth in media coverage) as we advocated tirelessly for small business friendly policies from all levels of government. Over the same period our membership grew by 25% meaning more Queensland small businesses had their voice heard than ever before.</p> <p>CCIQ is steadfastly committed to representing the Queensland business community in a nonpartisan manner. In essence we act as the voice for all business to Government. As a member based organisation, all CCIQ members have an opportunity to have their say on the activities undertaken by CCIQ. In fact each and every action of CCIQ Advocacy is developed in complete partnership with our members through consultation, research and direct discussion.</p> <p>CCIQ is proud of the way in which we develop advocacy for business. We canvass the views of our members through CCIQ's Policy Board, Regional Councils, use of surveys, industry committees, roundtables, regional road shows, website, CCIQ Regional Managers, case studies and other one on one communication with members by CCIQ Advocacy.</p> <p>As the state's peak business organisation, CCIQ provides an invaluable contribution to the political debate and policy development process in Queensland. This position has made CCIQ a trusted source of business community viewpoints.</p> <p>The proposed Strategy effectively sets up a tax payer funded duplication and competitor to our organisation for a role that is already fulfilled by CCIQ with excellence.</p>
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<p><i>Implementing initiatives to reduce red tape and make government compliance easier for small business.</i></p> <p><i>Facilitating partnerships across all levels of government and with key stakeholders to encourage greater collaboration, knowledge sharing and joint delivery of programs.</i></p> <p><i>Primary interface with the Federal Government.</i></p>	<p>Supported</p> <p>It is beyond doubt that the cost and burden of dealing with all tiers of government continues to be the critical issue for Queensland businesses. There is significant urgency in the need to address the cumulative regulatory burden impacting on businesses.</p> <p>Understanding regulatory obligations, paperwork and reporting requirements and finding information and monitoring changes in regulation are all major issues that will not be solved overnight.</p> <p>This State Government must provide a stronger commitment to review and reduce the existing stock of regulation, stem the flow of new regulation and improve the efficiency of essential regulation.</p> <p>A Business Commissioner for example could drive a significant cultural change in the way regulation is developed and made within Queensland including improvements to the level of engagement and consultation with Government Departments.</p> <p>A Business Commissioner could have appropriate authority to drive reform across the Queensland Government in order to get real outcomes that can be seen and felt by business.</p> <p>While a Business Commissioner is certainly a step in the right direction, the establishment of a red tape reduction target, ministerial accountability for the regulation they introduce and systematic mechanisms for reducing the existing stock and stemming the flow of future regulation continue to be strongly recommended.</p> <p>CCIQ believes that these initiatives coupled together with a Business Commissioner with a narrower and specific focus will ensure Queensland small business success.</p>
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CCIQ would support further responsibilities of a Small Business Commissioner including:

<p><i>Provide small business with a mediation and dispute resolution mechanism in dealing with State Government agencies.</i></p>	<p>The Office could provide a dispute resolution mechanism for disputes between business and government departments; and disputes between businesses and local councils;</p> <p>To support the provision of a competitive and fair operating environment for small and medium services, the Commissioner could provide an alternative dispute resolution service. The aim is for such disputes to be effectively and efficiently resolved without the parties having to report to costly and time-wasting court proceedings.</p>
<p><i>Using Small Business in Government Service Delivery and Ensuring Prompt Payments</i></p>	<p>One area where a Small Business Commissioner could actively advocate on behalf of small businesses would</p>

	<p>be to encourage the Government to use small business more often in service delivery.</p> <p>This is an issue of significant concern for small businesses in Queensland, and has been raised by a number of members.</p>
<i>Education and Support Services</i>	A Commissioner could also be responsible for informing and educating government agencies on the operations of small business. This is particularly relevant in the development of Service Charters (see below).
<i>Implementation of Small Business Charters</i>	<p>CCIQ recommends establishing a small business charter across the State Government. Government agencies whose work involves engagement and interaction with small businesses, whether by contract, tender for services, preferred client or service provider, partner, or other means, will be required to enter into a Service Level Agreement with the relevant small business. This is to ensure relevant departments recognise the importance of supporting small businesses and are committed to excellence in dealing with small businesses. As a useful management tool, a Small Business Charter can assist in the setting of service level standards, performance standards, benchmarks for service delivery, and act as an accountability mechanism.</p> <p>Such standards are envisaged to be included in the Small Business Charters:</p> <ul style="list-style-type: none"> • Government tendering practices • Late payments • Government response times to inquiries • Preferential treatment • Licensing and approvals • Grants and approvals • Information and support services • Communication with small business practices

5.0 CCIQ's Response to 'Enable'

CCIQ is supportive of the State Government's desire to enable connections between government and business. More specifically:

<p><i>To Enable connections between the government and business, as well as foster collaboration and information sharing across government agencies delivering small business programs. The Enable program could include initiatives such as:</i></p> <p><i>Increased engagement with regional stakeholders and a coordinated approach in the delivery of programs and services to small businesses in regional areas.</i></p> <p><i>Enhancement of the Queensland Government's Business and Industry Portal to ensure it</i></p>	<p>Supportive</p> <p>CCIQ is supportive of the Department's desire to become an enabler of interaction between government and business. It is vital that government and business have opportunities to connect to interact and to build relationships. However CCIQ believes that the best strategy available to the Department is to work with representative associations to facilitate targeted interactions between businesses and government, whether it's a small, medium or large business.</p> <p>Whilst CCIQ appreciates the Government's desire to foster collaboration between agencies that deliver</p>
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<p><i>continues to be customer focused, responsive and easy to use, and promoting the service to the wider business community.</i></p> <p><i>Facilitating targeted interactions between businesses and government, whether it's a small, medium or large business.</i></p> <p><i>Establishing a central hub to encourage collaboration and streamlining of programs, information and service delivery across the Queensland Government</i></p>	<p>initiatives and programs to small businesses, CCIQ feels that the role for Government should be as funder and strategy owner, rather than implementer. The private sector, industry associations, professional bodies and institutions such as TAFE Queensland are equipped, experienced and able to provide program support to government that connects with their desired audiences throughout metropolitan and regional Queensland.</p> <p>Continued investment in the Business and Industry portal is to be supported, however we would encourage investment to be aimed at accessibility, usability and simplification rather than expansion and additional service provision – particularly where services compete with those offered by private entities. The Business and Industry Portal has the opportunity to become a central connector between business and government information, regulatory application and a conduit to approved sources of information and knowledge from associated and ancillary service providers. This will be achieved by being very focused and targeted.</p>
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6.0 CCIQ's Response to 'Empower'

CCIQ is supportive of the State Government's desire to empower businesses to evolve, adapt and develop. More specifically:

<p><i>To Empower small business through drive innovation, business creation, sustainability and growth. The Empower program could include:</i></p> <p><i>Encouraging more small businesses to adopt digital technologies and solutions to improve existing products and services as well as increase their online presence.</i></p> <p><i>Encouraging small businesses to be more innovative with their processes, business model, products and services.</i></p> <p><i>Encouraging our Entrepreneurs of Tomorrow to turn their ideas into a business and provide targeted information to women and Aboriginal and Torres Strait Islander entrepreneurs on starting and growing their businesses.</i></p> <p><i>Expanding the Mentoring for Growth program to see more mentoring sessions delivered and greater representation of women, migrant and Aboriginal and Torres Strait Islander business owners on mentor panels.</i></p> <p><i>Delivering programs to help new businesses survive their first five years and through times of adversity.</i></p> <p><i>Delivering programs to provide targeted assistance for businesses with high growth aspirations.</i></p>	<p>Supportive</p> <p>The empowerment of small business is essential to their long-term productivity, profitability and sustainability and is at the heart of everything that CCIQ does.</p> <p>CCIQ sees the role of government as an enabler of empowerment as opposed to a provider of services and would counsel government to work with existing experts and established networks to deliver upon this strategy.</p> <p>As we have seen with recent initiatives such as Advance Queensland HotDesQ strategy, government has coordinated providers, established market funding and driven action. This is the perfect example of how to work with the private sector to drive action, to create opportunity and to deliver programs. CCIQ would encourage the department to take a similar approach to fulfilling small business programs and initiatives. This approach should apply to each tactic listed in the empower strategy.</p>
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<p><i>Assist more small businesses to go international.</i></p> <p><i>Providing advice on how to pursue opportunities to supply to major projects in Queensland, such as the Gold Coast 2018 Commonwealth Games, and pursue government procurement.</i></p>	
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7.0 Conclusion

CCIQ believes it is imperative that the State Government demonstrates to the Queensland small businesses that maintaining an environment where they can grow and employ is one of its key priorities.

The CCIQ would be pleased to address in person any queries the Department may have in relation to our response. CCIQ has attached the latest CCIQ Budget Submission which is valuable in determining CCIQ priority areas for improving the attractiveness of Queensland's business operating environment.

For further information please contact:

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