



RESPONSE TO THE QUEENSLAND GOVERNMENT'S SMALL BUSINESS STRATEGY AND ACTION PLAN 2012-15

▼ CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND

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1. OVERVIEW

The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide feedback to the State Government on the release of the Small Business Strategy and Action Plan in 2012. CCIQ is the peak industry body representing the interests of 25,000 Queensland businesses across all industry sectors and sizes. Similar to the demographics of the Queensland business community, the vast majority of these are categorised as small businesses.

CCIQ welcomes the State Government's championing and proactive involvement in reducing the cost of operating a business in Queensland and restoring the State to have the most competitive business operating environment in Australia. More specifically CCIQ wishes to highlight that it is strongly committed to the State Government's efforts to stabilise debt levels, return the budget to a fiscal balance by 2014-15 and regain Queensland's AAA credit rating.

The promotion of a four pillar economy and the growth of sectors like agriculture, tourism, construction and mining are crucial to restoring Queensland's economy and encouraging investment in the State. They are sectors in which many of the State's 412,000 businesses operate within. At the outset CCIQ believes it is of vital importance that the State Government does not take its focus off supporting all small businesses irrespective of their industry classification.

Earlier in 2012, CCIQ released the Big 3 for Business Election Report that outlined the main issues for Queensland businesses. From the research emerged three main issues that were of crucial importance to small and medium enterprise (SME) in Queensland:

- Delivering better economic and fiscal management;
- Reducing Government costs on business; and
- Reducing Government red tape

CCIQ commends the Government on their swift action since coming to office, to implement objectives that aim to address these concerns. The Small Business Strategy and Action Plan is an important step in assessing what Queensland's current economic strategy lacks to allow conditions for business success. CCIQ is committed to assisting the State Government in finding solutions that create and foster opportunities for business success.

CCIQ is committed to working collaboratively with the State Government and other stakeholders to ensure the ongoing success of small business in Queensland. By encouraging growth, prosperity and resilience, Queensland is building a business operating environment that will attract and retain investment and lead to positive economic and social outcomes that will span Queensland in its entirety. Everyone benefits from a strong economy.

2. QUEENSLAND GOVERNMENT SMALL BUSINESS STRATEGY

The conditions and commitments outlined in the Queensland Government's Small Business Strategy capture the issues that are considered of utmost importance to the business community and promote Queensland as offering a competitive business operation. The Queensland business community is pleased to be afforded due recognition by the establishment of a ministerial portfolio and central coordination of assistance and support. CCIQ envisages the role of the Minister and the Department as pivotal to ensuring the success of the Strategy and Action Plan. The goals and priority actions will be addressed in greater detail below.

2.1 ROLE OF GOVERNMENT IN DRIVING BUSINESS GROWTH

One of the challenges confronting the State Government is the extent to which they are to be directly involved in driving business growth. The Small Business Strategy outlines the role of Government as 'primarily establishing and sustaining a robust economic environment to conduct business.'¹ CCIQ supports the State Government's agenda to influence such an environment through competitive tax reforms, skilled labour, a strategic capital investment program and programs to encourage private investment, entrepreneurship and innovation.

CCIQ supports this approach as it directly aligns with the Chamber's view that the role of Government in driving growth is really about creating the conditions in which business can flourish as opposed to the provision of services and direct assistance. CCIQ and other industry associations are already at the coalface, providing businesses with the necessary and practical support on a day to day basis.

Situations where Government should intervene ought to be restricted to periods of severe hardship or indirect efforts to improve conditions for business operators. CCIQ encourages the Government to pursue a more strategic involvement with small business rather than being client-focused. By pursuing a strategy, the Government will be free to focus on creating the conditions that foster competition in the sector and allow the industry groups with expertise to step in and offer specific programs and direct assistance. Ongoing dialogue and communication with industry groups like CCIQ will ensure the Government continues to deliver real outcomes that deliver benefits to business.

CCIQ supports the Government's focus on revenue-neutral strategies to maximise business potential in the State, in line with the Government's strategy to return the State's AAA credit rating and restore confidence in the economy.²

¹ Queensland Government Small Business Strategy, page 6

² CCIQ Submission to the Queensland State Government State Budget 2012-13, August 2012.

Furthermore CCIQ is supportive of the following principles for Queensland Government support for small business outlined in the Small Business Strategy 2012-15, including:

- Support for the four pillars and beyond;
- Support for enterprises in each phase of the business cycle;
- Efficient delivery of service for maximum benefit;
- Multi-channel delivery approach;
- Priority assistance;
- Strategic intervention;
- Relevant service delivery;
- Information and facilitation;
- Personalisation of services to suit individual businesses; and
- Establishing exit strategies for program, information and service delivery

2.2 CHALLENGES AND BARRIERS TO GROWTH

As stated, the three key issues for Queensland business at present include delivering better economic and fiscal management, reducing government costs on business and reducing government red tape. These three key elements of concern should be front of mind when considering challenges and barriers to growth in this section.

2.2.1 ECONOMIC INSTABILITY AND RISING COSTS

Any diverse economy is inevitably going to be faced with challenges confronting industry sectors that are presently experiencing patchwork growth. Queensland is experiencing this shift, with a reliance on natural resources being to the detriment of other equally important sectors such as tourism, construction agriculture and others.

Queensland businesses are in the process of adapting to this new economic paradigm and are moving to harness the opportunities and address the challenges that the mining boom brings. CCIQ's recent Pulse survey of business conditions found the recent slow-down in the mining sector, persisting high Australian dollar, weak sales and the impact of fiscal consolidation (State and Federal) are weighing on the Queensland business community's future expectations. The recent State Budget contained a positive agenda; however the cost of returning the State to a surplus position will initially result in fewer government contract opportunities and decreased consumer spending.³

Recent public sector job cuts in Queensland have the support of the majority of the Queensland business community, with 87 per cent supporting the Government's actions to reduce the size of the public sector.⁴ Some businesses have reported direct and indirect negative impacts as a result of decreased consumer confidence,

³ CCIQ Pulse Survey of Business Conditions September Quarter 2012.

⁴ CCIQ Pulse Survey of Business Conditions September Quarter 2012.

but the majority of businesses have experienced no impact to date from the job cuts or overall reductions in State Government spending.

Actions that the State Government may wish to consider to assist in mitigating any unintended consequences of budget cuts will be addressed in 3.2.

Some other policy initiatives are causing small businesses concern. Despite a relatively uneventful first quarter since its introduction on 1 July 2012, the carbon tax remains a concern to small businesses that will be indirectly affected by increasing energy costs and other associated price rises. The full effect of a transition to a low-carbon economy may not be felt for some time and should be monitored closely.

Industrial relations weighs heavily on small businesses that feel they are hamstrung by current legislation that discourages productivity and flexibility, resulting in an increase of the cost of employing staff at unsustainable levels. CCIQ remains supportive of workplace relations remaining within the jurisdiction of the Commonwealth, however is working closely with the State Government on improvements to skills and training in the State. CCIQ is also making the necessary representations to the Commonwealth on the impact the current legislative framework is having on Queensland businesses.

2.2.2 RED TAPE

The biggest burden on business in Queensland is regulatory compliance. Government red tape has increased in Queensland at an alarming rate of 30 per cent over the past 4 years, costing the State's economy over \$7 billion every year.⁵ This regulation not only burdens current business owners, but also deters future investment in the State.

CCIQ commends the Government on their commitment to reduce red tape by 20 per cent. CCIQ is committed to working collaboratively with the Government and other key stakeholders to ensure that the reduction in red tape benefits business and is not at the expense of the environment, community or economy.

CCIQ is strongly committed to reducing business red tape. In respect to reducing the stock of existing regulation CCIQ notes that the Queensland Cabinet, Ministers and Departments are all collectively working towards this goal. Furthermore the Office of Best Practice Regulation (OBPR) will provide advice to the Government on opportunities to reduce existing Queensland regulation. In relation to stemming the flow of new regulation CCIQ understands that the OBPR will take a lead role in reviewing regulatory impact statements (RIS) and reporting on Departmental performance against regulatory burden benchmarks and targets. CCIQ is supportive of these initiatives. CCIQ is already working well with the OBPR.

The burden of regulatory compliance weighs more heavily on small business owners, than it does for large businesses who often have dedicated resources and

⁵ CCIQ, 2011 Red Tape Survey and 2011 Red Tape Update Paper.

sophisticated processes and systems to complete compliance activities. Regulatory simplification and streamlining offers tremendous benefits to small business and is an ideal area for the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTEBS) to be involved (this is addressed in section 3.3.1).

2.2.3 ATTRACTION AND RETENTION OF SKILLED STAFF

The attraction and retention of skilled staff is difficult for Queensland businesses, as many are competing against the higher wages offered by the resources sector. CCIQ has received numerous reports from employers who have made significant financial and non-financial investments in training employees, only for the employee to leave their role upon completing that training to work in the resources sector.

Additionally, industries outside the resources sector are in competition with the sector when it comes to recruiting staff. Other sectors and industries are generally unable to compete with the resources sector on wages and conditions. There clearly need to be complementary initiatives for small business that are designed at encouraging skilled workers to relocate to regional areas. Further, skill priority lists that have been developed by both state and federal governments to identify professions that are 'in need' and high priority are often focused only on the skills needs of the resource sector, without proper consideration of skills needed outside of the sector.

Any discussion of attraction and retention of skilled staff should not only focus on skilling, but also re-skilling and the importance of removing barriers to re-entry into the workforce. The State Government has an important role to play in supporting SMEs to assist in developing workforce planning practices that clearly articulate what skills they will need to achieve their business objectives, how they will acquire these skills and how they will use them once they are sourced. It is particularly crucial that businesses in workplaces that are likely to be exposed to skills shortages are aware of the importance of planning activities.

Whilst CCIQ understands the need for skilled workers in the resources sector, the skills requirements of SMEs across the State should also be afforded due consideration in the same context.

2.2.4 ENTREPRENEURIAL SKILLS

Entrepreneurial skills go hand in hand with the evolution of a business. How a business owner manages a business will affect that business's ability to grow, respond to challenges, take educated risks and generally run a successful enterprise. The lack of managerial and entrepreneurial skills in a small business can be attributed to a number of factors, including a lack of time and availability of information to business owners, coupled with the fact that many small businesses are owned and staffed by industry and sector experts that lack the necessary commercial skill to foster growth in a business. CCIQ believes basic managerial skills are essential in the day-to-day running of a business.

CCIQ is keen to explore with the Government how we can assist in the ongoing educational development of business owners. Providing business owners with the skills and tools to successfully manage and grow a business is an important medium-long term strategy and a benefit that will flow through to the entire economy. It is industry associations such as CCIQ that have the resources available to assist business owners to develop entrepreneurial skills. CCIQ envisages the role of the Government in directing businesses to private sector service providers for advice and education regarding commercialisation and managerial skills development.

2.2.5 ACCESS TO FINANCE

Many small businesses have experienced profound difficulties in obtaining, retaining and renegotiating finance from Australian banks for business expansion, investment and short-term cash flow assistance. CCIQ research indicates that at any one point in time one third of businesses are seeking finance for business growth opportunities, approximately one third of this are said to experience difficulties. Given they are seeking to grow, it is essential that they are assisted.⁶

Unlike larger businesses, small businesses rely heavily on finance from financial institutions for their working capital and new capital expenditure e.g. on machinery, plant and equipment as well as opportunities for overall expansion. Enhancing the capacity of businesses to access finance will go a long way towards increasing Queensland jobs.

Businesses, particularly small businesses, are facing significant difficulties in accessing finance for a number of reasons, primarily due to banks since the GFC becoming more risk adverse and overly conservative in their small business lending through increased risk margins and non-price loan conditions. Without a strong flow of capital at an affordable rate to the small business community, Queensland will not see a strong private sector led recovery in jobs and the economy. These difficulties have occurred even when the customer has had a long established relationship and a history of meeting commitments to their lending institutions.

2.2.6 ACCESS TO INFORMATION

Many businesses tend not to know where to look for information and assistance. As the opportunities for face-to-face advice and information decrease due to technological advances, many business owners find themselves relying more and more on alternative sources of information. The role of the internet is increasingly important. CCIQ is also seeing an increased take up of informative opportunities through membership offerings such as webinars, seminars and information sessions as more businesses are seeking to educate themselves about compliance, streamlining business procedures and expansion strategies.

The role of Government in providing information to businesses is critical, particularly in the design and roll-out of online services. Not only are online services a cost-

⁶ CCIQ Submission to Banking Sector Inquiry, 2010.

effective solution for Government, but are also convenient for business owners as information is available at any time of day on demand.

2.2.7 TIME

The Government has correctly identified the high work load experienced by small business owners, and the time-poor nature of most SMEs. The burden of regulation (discussed above) is most evident when examining the allocation of time business owners spend on compliance. Given the majority of small businesses in Queensland are non-employing enterprise, many business owners are self-reliant when it comes to running and managing a business, and taking responsibility for all aspects including regulatory compliance and account-keeping roles.

Strategies that assist small business owners manage their time effectively without compromising business growth and maintaining compliance requirements are long overdue. The role of technology in assisting this goal needs to be thoroughly investigated and pursued as part of a broader strategy for time-poor business owners.

2.2.8 COMPETITION AND A COMPETITIVE BUSINESS OPERATING ENVIRONMENT

CCIQ pleasingly acknowledges the Government's efforts to restore Queensland's business operating environment and compete effectively with other states and territories for investment. In respect to actual competition it is increasingly difficult for small businesses to compete with larger, more dominant players in the marketplace, regardless of what products and services they offer.

This heading under the Strategy addressed competition between business for similar product and service offerings. Without seeking to denigrate the importance of competition between businesses, it is also important to investigate how this competition impacts on businesses in Queensland and the environment that is required so that Queensland-based businesses are in the best possible position to compete on a domestic and international level with other businesses.

One way in which businesses can compete with larger companies is in having an online presence. Many SMEs have tapped into the digital revolution by running businesses that are solely reliant on online custom, product and service offerings. Indeed, many businesses that have previously been traditional retailers have closed shop-fronts to focus on and tap into the opportunities that the digital world has to offer.

In October 2012, CCIQ undertook a Digital Readiness Study, to discover how Queensland businesses were taking advantage of the digital economy. Almost 700 businesses responded providing unique insights into their thoughts and perceptions of IT services, social networks and technology and how they could utilise them to grow their business in the future.

The key findings of the study show that Queensland businesses are on the path to digital success however, there are barriers caused by uncertainty, pace of change and infrastructure that are preventing businesses fully participating in the digital economy to their maximum benefit

The majority of businesses report that less than 10% of their revenue comes via their website, presenting Queensland businesses with an opportunity to improve e-commerce services to grow revenue and tap into new markets. Additionally, 75% of businesses currently do not have a mobile site, an area of rapid consumer growth and one which should be utilised.

Social media is being used for business purposes with many businesses active on Twitter and Facebook. However, time, relevance, a lack of understanding and a fear of social media is holding many businesses back.

Businesses feel that many of the barriers to digital success can be overcome through information and training sessions and online resources to help them navigate the digital world. CCIQ is educating businesses on the importance of having an online presence and the importance of participating in digital businesses through a coordinated approach of face-to-face seminars for those new to the digital world, as well as a number of targeted programs aimed at businesses that already have an online presence but are seeking to amplify that presence.

Businesses that do not have an online presence are simply not able to compete with those that do.

2.2.9 TECHNOLOGY

Small businesses need to embrace advances in technology and adapt their business models to take advantage of the opportunities these advances bring. The current reluctance on the part of some small businesses (particularly in regional areas) has the potential to stunt business growth in local economies and will result in missed opportunities if businesses fail to embrace new technologies.

The NBN is valued by businesses with many anticipating the roll out, indicating the NBN represents a good investment in Australia's future. However the majority of businesses do not know when the NBN will be rolled out to their region and are not confident it will be delivered on time (see 2.3.4 and 3.6.3).

2.3 OPPORTUNITIES

There is a tendency to focus on the challenges of a two-speed economy and the crowding out impact of the resources boom. That is not to underestimate the difficulties that a two-speed economy creates. However, a two-speed economy also brings opportunities for businesses to tap into traditional and emerging markets in the State. The Government's efforts to decentralise our economy and renew the focus on the four pillars of tourism, construction, agriculture and mining will allow businesses a major role in reshaping the Queensland economy and participating in the Government's agenda to restore economic growth in the State. As stated, it is

important not to overlook other sectors but the intention to diversify and prioritise is very much supported.

2.3.1 THE FOUR PILLARS

CCIQ supports the State Government's recognition of the four pillars and the renewed focus on developing these industries, including the involvement of small business in the execution of the strategy. These industries represent the importance of State-wide diversification of the Queensland economy and a renewed focus on the importance of industries outside of the mining and resources sector, and beyond SEQ to involve the regional areas in the State.

As the peak business and industry body across all sectors of the Queensland economy, CCIQ understands the importance of pursuing a strategy that catches all facets of small business across the State.

CCIQ acknowledges the State Government's desire to seize the opportunities that the tourism industry presents and help restore Queensland to a premier tourism destination, domestically and worldwide. In the recent past, the industry has struggled against factors such as the high Australian dollar, high aviation fuel prices, consumer's current propensity to save and competing with overseas travel destinations to attract holiday makers. CCIQ is keen to collaborate with the Government on actions that will encourage visitors to Queensland, from both domestic and international markets.

2.3.2 COMMONWEALTH GAMES/SUPPLY CHAINS

The Commonwealth Games will provide the State not only with an opportunity to showcase Queensland as a great tourism destination, but will also drive investment and opportunities for local businesses. Understanding the procurement and tendering processes is a key element of encouraging local content in major investment projects in the State. CCIQ encourages the Government to provide direction for small business for authoritative sources of information regarding involvement in tendering opportunities and how to make the most of the opportunities presented by events like the Commonwealth Games.

The Commonwealth Games will also encourage businesses to take a renewed approach to customer service and focus on what product and service offerings set Queensland apart from the rest of the country, and other nearby nations.

2.3.4 DIGITAL ECONOMY

Given the decentralised nature of Queensland, CCIQ recognises many regional businesses are unable to access the internet, yet the digital economy offers them the ability to compete locally, nationally and globally. This will be addressed in greater detail under the *Action Plan*. Some business owners are reluctant to embrace technology at the expense of face-to-face services.

Whilst this is an understandable reaction to what can be perceived by many as a challenging and daunting part of owning a business, businesses need to be further educated on the benefits of and encouraged to take up new technologies. If small business owners were aware of the benefits that modern technology can bring, the time it can save and opportunities it can provide, they will be more likely to embrace it.

CCIQ believes there is reluctance on behalf of business owners to embrace the shift in technology towards online service delivery. Accordingly, it is increasingly important that the Government continue to advocate for and strongly encourage the use of online services for businesses across Queensland.

2.3.5 INNOVATION AND GLOBALISATION

Despite the State's recent soft economic performance, Queensland has a strong and proud history of innovation. Small businesses are most often at the forefront of innovation. However to innovate requires business profitability and in turn investment. To encourage investment, it is all the more important for the State Government to focus on creating a competitive business operating environment that will enable businesses to continue investing in products and service offerings that are able to compete in an increasingly aggressive global market. The Department has a role in providing support, highlighting the benefits and encourage businesses to continue to be able to tread the path of innovation.

2.3.6 NEED FOR ACTION AND LINKAGES

CCIQ is strongly supportive of the Government's actions to ensure businesses benefit from the continued improvement to Queensland's economic environment. Queensland businesses understand and appreciate the need for the Government to not only set the conditions for economic prosperity, but also to put in place a strategy for small business that will allow challenges to be overcome and opportunities harnessed in the current climate and to adapt in the future.

The Strategy notes the Government's intention to improve small business service delivery as a priority. However, it is important to note CCIQ does not view the role of Government to be primarily in service provision and delivery. To this end, CCIQ encourages the Government to work closely with industry associations and other key stakeholders to ensure business needs are met by the private sector, and to ensure that duplication of services is avoided.

CCIQ supports the Government's intentions to work towards a whole of government strategy that engages and consults with all different levels of Government to avoid duplication in the strategy and action plan. CCIQ is committed to working closely with the Government and other key stakeholders as part of the Government's holistic approach to assist small business and maximise opportunities. What can potentially separate this Government from the last is the determination to convert strong statements of intent into meaningful actions.

3. QUEENSLAND GOVERNMENT SMALL BUSINESS ACTION PLAN

The Government's vision for small business is to be commended. CCIQ strongly supports the initiatives outlined in the Small Business Action Plan and believes each of the actions combined will assist Queensland businesses and encourage investment by creating a robust and competitive economic environment.

3.1 LOWER UNEMPLOYMENT

Job creation is a primary consideration underpinning economic growth and prosperity. CCIQ strongly supports the Government's ambitious but achievable goal to cut the unemployment rate to 4 per cent by 2018 and increase the skills of jobseekers and existing employees. CCIQ continues to believe that the single greatest contribution that businesses can make to society is to provide secure ongoing employment.

3.1.1 PAYROLL TAX RELIEF

As a long-time advocate for taxation reform for small businesses, CCIQ strongly supports the Government's initiatives in expanding the payroll tax threshold from \$1 million to \$1.6 million.

3.1.2 SKILLS AND TRAINING

As part of the Government's commitment to the four pillars and reform of the TAFE sectors, the recently released Final Report of the Skills and Training Taskforce identified the need for consolidation of existing TAFE infrastructure and a renewed focus on the tourism, agriculture, construction and mining industries in education and training.

CCIQ has previously advocated for a demand-driven industry led TAFE sector that addresses skills shortages experienced in key sectors, and throughout regional Queensland.⁷ CCIQ offers in principle support to the final report of the Skills and Training Taskforce, in particular in identifying the important role that Queensland TAFE institutions will play in addressing skills shortages across the four pillars and beyond. CCIQ is pleased to note the Taskforce's recommendation of moving the VET system towards a demand-driven funding model that is industry-led and accurately reflects the needs of the employers by addressing skills shortages in key sectors. Should the Government choose to adopt these recommendations, CCIQ would welcome a return to employer-focused outcomes from skills and training reforms.

3.1.3 ADDITIONAL APPRENTICESHIPS

Apprenticeships are an important part of ensuring a skilled workforce for small businesses. CCIQ is supportive of the Government's investment of \$86 million to

⁷ CCIQ Submission to the Queensland Skills and Training Taskforce, September 2012.

create an additional 10,000 apprenticeship places over the next 6 years to help combat the skills shortage. Additionally, CCIQ supports the recommendations in the Skills and Training Taskforce's Final Report to reduce duplication, increase flexibility and increase completion rates of apprenticeships.⁸

3.1.4 TRAINING PATHWAYS

CCIQ is committed to assisting the State Government identify training pathways and act as a conduit between Government and small businesses.

3.2 CUT GOVERNMENT WASTE

CCIQ supports the Government's actions to date to reduce waste and restore confidence in the State's economy. There have been, and will continue to be, very difficult decisions ahead in order to restore to Queensland's budget integrity and in turn ensure Queensland maintains Australia's leading business operating environment.

The recent State Budget was a good starting point for the Government to cut waste and make the first steps towards getting the Queensland economy back on track. However, some SMEs are reporting unintended consequences as a result of the austerity measures and cuts to existing expenditure.

CCIQ's Pulse Survey of Business Conditions in the September quarter has outlined key measures that can be implemented to minimise the impacts of budget cuts. They include:

- Government to cut red tape and reduce compliance costs on business. This comes as no surprise and shows that business sentiments are largely unchanged since earlier in the year when CCIQ conducted research for the Big 3 for Business where regulatory burden ranked in the top 3 issues of concern to Queensland businesses.
- Encouraging Queenslanders to buy locally and holiday locally, and making Government tendering processes easier for local businesses to participate (this is also addressed in 3.4.1).
- Businesses would really like to see their elected representatives on the ground, listening to their concerns and suggestions in person. CCIQ encourages the Government to consider holding a "Pollies for Small Business" week in their electorate as part of Queensland Small Business Week (see 3.5.3).

CCIQ would be pleased to assist the Government in the development of revenue-neutral policies to assist Queensland businesses combat any unintended consequences of budget measures.

⁸ Skills and Training Taskforce Final Report November 2012, Recommendation 4.0.

3.3 MAKE DOING BUSINESS IN QUEENSLAND EASIER

CCIQ is the Government's strongest advocate in its approach to cutting red tape and improving regulatory compliance for business, including recent actions such as the abolition of the Waste Levy and the commitment to paying Government bills of up to \$1 million within 30 days.

3.3.1 REGULATORY REFORM

CCIQ commends the Office of Best Practice Regulation Interim Report to the Government and strongly endorses all recommendations contained in the Report.

In respect to the Action Plan, a significant amount of time, resources and money is spent by small business owners finding information, understanding compliance obligations and seeking advice, in addition to actually undertaking compliance requirements. Regulatory compliance is often considered so complex that small businesses believe that the only way for them to reduce the risk of non-compliance is to pay for external advice or engage consultants and experts. Accordingly the indirect administrative and information aspects of regulation are often more burdensome and costly than the direct compliance activities and cost of fees, licences and permits.

There is a significant opportunity for DTEBS to deliver significant reductions in the cumulative burden and cost of red tape for small business through the streamlining and simplification of regulatory compliance. CCIQ believes that a key role for your Department may include the following:

- Supporting small and medium businesses with timely and targeted information about regulatory compliance and changes to regulation (including reductions and/or repealed requirements as the deregulation agenda progresses).
- Reviewing existing online resources and publications. This would include improving the language and way that the Queensland Government communicates with small and medium businesses to increase understanding and reduce the complexity of compliance.
- Developing tools to aid small and medium businesses in the process of compliance. For example the use of online tools to schedule and track compliance requirements, templates and reporting tools to reduce the time of compliance, and development of tools and standardised conditions for voluntary self-regulation.
- Provision of training and accreditation services to allow business owners to complete their own audits and or/compliance management to reduce the cost of external consultants and allow businesses to schedule compliance at times most suitable to their circumstances.
- Undertake a review of the frequency of compliance, renewals and reporting to determine if small business with low regulatory risk and/or history of good compliance can shift to alternative models of reduced frequency and reporting by exception.

3.3.2 BUSINESS ONLINE SERVICE

CCIQ supports a whole of government approach to the maintenance of the Australian Business Account/Business Name Registration project that will deliver the Business Online Service. This initiative complements the Chamber's approach to cutting red tape by enabling business owners to access a 'one-stop-shop' for regulatory compliance across the three tiers of government.

3.3.3 PAY GOVERNMENT BILLS ON TIME

This initiative has the strong support of CCIQ, not only because of the commitment it represents to Queensland businesses, but also because it encourages businesses to compete for Government tendering opportunities.

3.3.4 ABOLISH THE WASTE LEVY

CCIQ congratulates the Government on abolishing the Waste Levy of \$35 a tonne for commercial waste. This levy created a significant regulatory and economic impact on SMEs across Queensland. The abolition of the levy has allowed businesses to redirect funding towards other sustainable environmental initiatives that are tailored to suit each business' individual needs.

3.4 INCREASE OPPORTUNITIES FOR SMALL BUSINESS

CCIQ is strongly supportive of initiatives aimed at increasing the involvement of Queensland businesses in both public and private sector projects due to the positive impacts on employment and business growth, particularly in those regions that are not performing strongly at present. Queensland businesses have often commented that they are not aware of the local opportunities that are available to them. Any initiatives that increase the opportunities available to local businesses are strongly supported. Additionally, CCIQ support with increased assistance for local industry in gaining contracts this could include tender writing assistance for business - government departments having user friendly tenders documents that extract the information with the tenderer in mind. . CCIQ believes that an equally important and revenue neutral means of supporting business is a program encouraging the clustering of small businesses to compete and tender for local opportunities. Through business clustering those businesses usually unable to provide the critical amount of product and service for major project requirements may now reach the needed threshold.

3.4.1 GOVERNMENT PROCUREMENT

There is a need to ensure all Queensland businesses are given the opportunity to participate in major and local events and projects through the Queensland Local Industry Policy. The positive impact that this can have on employment, business growth and innovation is substantial.

CCIQ is working closely with the Government on a number of fronts to ensure that all opportunities for engagement are communicated and businesses are armed with the necessary knowledge and materials to be considered for Government and private sector procurement. CCIQ has run a series of webinars that educate business about how to prepare for the tendering process and encourage a greater engagement of SME with larger private and public sector projects.

Most recently, CCIQ conducted a survey on perceptions regarding Queensland business involvement in local opportunities.⁹ Our research indicates that although some businesses are already taking advantage of procurement opportunities, there is a substantial information gap amongst businesses that are simply not aware of the opportunities available to local suppliers and a perception that local businesses cannot compete with larger national and international companies. This is amplified by complex and lengthy application processes that business owners have neither the time nor resources to complete.

CCIQ is currently participating in Review of State Purchasing to make it easier and more competitive for business to get involved in tendering and providing services to Government.

3.4.2 INDUSTRY CAPABILITY NETWORK (ICN)

CCIQ has been working closely with ICN on increasing opportunities for small businesses by conducting webinars and a series of seminars. CCIQ has already seen the positive impact these seminars are having on SME confidence in the tendering and procurement process and hopes to see this filter through to larger-scale projects over the coming months and years. The Network is an excellent example of a program directed at small businesses that aim to breakdown the red tape around tendering opportunities and make the procurement process more accessible to businesses.

Feedback from CCIQ members has confirmed the work that ICN does is extremely valuable to the business community. To ensure the ongoing success of the program, CCIQ would encourage the Government to consider using the ICN as a model that could be adopted by the private sector in the form of other industry associations offering similar services to members with the support of the Government.

3.4.3 SMALL BUSINESS ADVICE AND TRAINING

The importance of availability of information to business has been discussed at length in the previous section of this submission. However, government tendering and procurement opportunities for small businesses in Queensland cannot be overestimated. It is timely with preparations for the Commonwealth Games beginning to take place. The establishment of the industry capability network will assist in providing small businesses with the information they require to approach

⁹ CCIQ Submission to the Review of the State Procurement Policy, November 2012

tendering opportunities with a more informed view of the process and the requirements to participate in public and private sector procurement.

3.4.4 SMALL BUSINESS RESEARCH INITIATIVE

CCIQ is supportive of this initiative, and is keen to work with the Government to explore the opportunity for future collaboration about this program. There is a need for Government engagement with small businesses to inform and in some cases, remind them of the important role SMEs play in the Queensland economy and the mutual benefits that can be gained from partnerships between Government and small businesses.

3.5 STRONGER BUSINESS-GOVERNMENT ENGAGEMENT

CCIQ believes there is great potential for the Government to further engage with business through industry associations. Industry associations are well placed to work collaboratively with the Government to ensure businesses are provided with the most up to date and accurate information about everyday issues that businesses encounter, as well as strategic advice like management and growth options.

3.5.1 SMALL BUSINESS ADVOCACY

As the peak association representing over 25,000 Queensland businesses, CCIQ is committed to continuing to work with the Government to engage with small business to inform policy decisions and give the Government an accurate assessment of small business perceptions of the implementation of Government policies in the future.

3.5.2 SMALL BUSINESS ADVISORY COUNCIL

CCIQ, through its General Manager of Advocacy Nick Behrens, is pleased to continue its role on the Small Business Advisory Council, acting as a direct conduit between small business and the Government. As part of its role on the Small Business Advisory Council, CCIQ looks forward to working with the Government and other members of the Council to ensure the voice of small businesses across industry sectors are heard and considered at the highest level of policy formulation and implementation.

3.5.3 QUEENSLAND SMALL BUSINESS WEEK

As part of Queensland Small Business Week, CCIQ would be pleased to join with the Government in facilitating “Pollies for Small Business”. The New South Wales Business Chamber has previously run the program in conjunction with local Chambers of Commerce and Federal and State Governments whereby local MPs visit a small business in their electorate for several hours to gain an insight into the day-to-day operation of a small business. It is the largest public affairs program of its type in Australia.

Should the Queensland Government choose to run such a program, the Chamber would be delighted to assist in the sourcing and administration of organising the event. Programs like “Pollies for Small Business” provide MPs with a frontline experience, whilst simultaneously giving exposure to local businesses, and an opportunity to raise issues with policy makers that encumber businesses on a daily basis.

3.5.4 INCREASE AWARENESS

CCIQ welcomes the Government’s actions to increase awareness of business to government services in Queensland. CCIQ offers its assistance to the Government in developing and implementing a strategy that targets small business to engage with Government in order to drive the small business strategy and action plan further and influence policy decisions.

3.6 MAXIMISE SMALL BUSINESS POTENTIAL

CCIQ acknowledges and commends the Government’s eagerness to assist small business and equip them with the tools to ensure success. However, CCIQ firmly believes that the most important role of the Government is to create the conditions for success, and to leave service delivery to experts and industry associations who are already equipped with the knowledge and resources to assist small business with targeted advice and information.

3.6.1 BUSINESS TO GOVERNMENT SERVICES AND CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM

As stated previously, CCIQ encourages the State Government to assist businesses by collaborating with industry associations who are best positioned to give targeted advice and information to businesses.

CCIQ encourages the Government to increase the use of the Queensland Business and Industry Portal by providing increased referral services and information for business on where to find assistance. The importance of this engagement cannot be underestimated, in particular at a regional level where access to information is more difficult than metropolitan locations.

Anecdotal evidence suggests that many businesses in rural and remote locations prefer face-to-face service, currently delivered through a number of regional offices across Queensland. Whilst acknowledging the importance of regional offices and personal contacts to small businesses, the existence of these services comes at a great cost to the State Government, and also acts as a disincentive for businesses to access information digitally.

3.6.2 INNOVATION IN SMALL BUSINESS

CCIQ is supportive of Government initiatives that promote a business environment that is conducive to growth across industry sectors. Businesses in the foundation

stages of growth are facing challenges from established enterprise. Programs and incentives need to be tailored to suit businesses at different stages of the growth cycle across industry sectors.

Again, CCIQ supports the role of Government in creating the environment for these businesses to grow, rather than in the execution of programs. Industry associations like CCIQ need to work closely with the Government to ensure service delivery is aligned with the objectives of the Government in encouraging a positive business operating environment.

As part of this strategy, CCIQ continues to be supportive of initiatives like the Queensland-Wide Innovation Network (Q-WIN) and other programs that highlight and encourage entrepreneurship and sees Government and industry working closely together to encourage and highlight innovation in small businesses. That being said, mentoring and coaching programs that have previously been delivered by the Government should be reconsidered as providing an opportunity for industry associations to take a more active role in the execution of the small business strategy. This redirection may potentially free up government resources and allow exposure to highly-targeted and expert advice for business owners.

3.6.3 NATIONAL BROADBAND NETWORK

In a recent survey conducted by CCIQ about Queensland businesses use of technology, most of the companies surveyed indicated that the NBN project would be a good investment for the nation and would help Australian companies to compete globally, work faster and make doing business more affordable.¹⁰ However they were uncertain as to whether it would have a revolutionary impact on their business, Further, more than half of the companies surveyed were unsure whether the project would be rolled out in time, or when it would be rolled out in their region. There is a need to disseminate more information on the project rollout across different parts of the country, and the benefits it will bring for individual businesses.

Whilst CCIQ wants to ensure that businesses embrace the technological shift that the NBN will bring, it is disappointing that the initial roll-out is not going to benefit any of the regions that would stand to gain most from it, including remote regional areas of Queensland.

4. CONCLUSION

CCIQ welcomes the State Government's engagement with businesses across Queensland, and the genuine efforts currently underway to reinvigorate the State's economy. CCIQ looks forward to working closely with the State Government in its ongoing efforts to ensure that businesses are at the forefront of policy considerations. CCIQ commends the State Government on the Small Business Strategy and Action Plan 2012-15.

¹⁰ CCIQ Digital Readiness Survey, October 2012