

WORKPLACE RELATIONS & SMALL BUSINESS

A SMALL BUSINESS AGENDA FOR THE NEW MILLENNIUM

A Small Business Agenda for the New Millennium positions small business to take full advantage of the challenges and opportunities of the business environment in the twenty-first century. Small businesses will be major beneficiaries of the Government's new tax system. The Coalition's small business agenda also builds on the core policies initiated during our first term of Government – the reduction in small business red tape, workplace relations changes, and regulatory reforms.

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Executive Summary

Part 1 Taxation

- Introduce a new taxation system which will make it easier and less costly to run a small business.
- Abolish provisional tax and the provisional tax uplift factor.

- Abolish the Reportable Payments System (RPS) and the Prescribed Payments System (PPS).
- Abolish wholesale sales tax.
- Abolish stamp duty on marketable securities (including shares).
- Abolish stamp duty on credit arrangements, instalment purchase arrangements and rental hiring agreements.
- Abolish stamp duty on mortgages, bonds, debentures and other loan securities.
- Abolish stamp duty on leases.
- Abolish stamp duty on conveyances of business properties.
- Abolish company tax instalments.
- Implement from 1 July 2000 a Goods and Services Tax (GST) at the rate of 10 per cent.
- Introduce a new single comprehensive pay-as-you-go system to replace the existing inefficient payment arrangements.
- Provide up to \$500 million to assist small to medium sized enterprises with GST start-up costs.
- Provide small businesses with a cash flow benefit as GST is collected on sales as they occur – in most cases it will be remitted to the Australian Tax Office quarterly.

- Extend the capital gains tax rollover relief and retirement exemption measures to include land and buildings integral to the business.
- Consult with business on possible reform of the treatment of investments, with the goal of moving towards a company rate of 30 per cent. The prospect of further capital gains tax relief will also be considered.

Part 2 Other small Business Initiatives

- Implement phase two of the Business Entry Point, which will streamline administrative processes and reduce costs for business and enable government and small business to exchange information and conduct transactions through electronic means.
- Assist small businesses by allowing expenditure incurred to fix the year 2000 millennium bug problem to be tax deductible.
- Undertake a major awareness campaign designed to ensure that small businesses are switched on to the information economy, in particular electronic commerce.
- Ensure a high priority is given to the reduction of government paper work and red tape burden on small business. Departments and Agencies will be required to submit regulatory plans on an annual basis detailing regulations repealed, implemented and in prospect.
- Establish an annual Ministerial Council of Small Business Ministers.
- Provide seed funding of \$2 million over three years to establish or support small business mentoring programs in the States and Territories.
- Establish a Joint Parliamentary Inquiry into market domination in the retail sector.

- Provide \$2 million to undertake additional small business management education and training, particularly focusing on micro businesses.
- Provide \$3 million over four years to assist the continued growth and prosperity of women in small business.
- Review the impediments to small businesses accessing the legal system, including small business having access to an effective small claims recovery system.
- Implement with the Australian Performing Right Association (APRA) Limited an exemption to small businesses from the payment of a licence fee for playing a radio or television on business premises.

Labor's Record

After 13 years of Labor Governments, small business in Australia had been brought to its knees. And the economy was saddled with Labor's legacy of high debt and a deficit from Mr Beazley of over \$10 billion.

In 1995 the then Prime Minister Paul Keating said that "*...if small business is feeling the pinch they ought to say small business is not for me....because this is as good as it gets*". (Radio 4QR, 11 May 1995)

That arrogance typifies Labor's attitude to small business. Labor paid lip service to meeting the needs of small business. Invariably they put trade union interests ahead of small business needs. The Coalition gave the Small Business Minister Cabinet status. Labor didn't even have a small business Minister in their first five years of government.

Without exception, Labor squibbed all of the key reforms needed by the small business sector. Every time there was a call for fair trading reforms for small business, Labor commissioned another review. After seventeen reports in their thirteen years, still there was no action on behalf of small business. Now of course Labor argues they would have implemented some measures – in their mythical year 14 – but were prevented from doing so because of the March 1996 election result.

What Labor gave small business was record interest rates of 20.5% - crippling rates that ended the hopes and dreams of so many small businesses. Moreover, through their inept economic management of the economy, Labor gave small business a recession "we had to have", and a sea of red tape and a heavy compliance burden.

Highlights of the Government's Achievements

When the Coalition Government came to office in 1996 we undertook to implement the most far-reaching and fundamental reforms to the small business sector for decades. We were determined to give small business the priority it deserved and reverse Labor's 13 years of neglect.

We immediately embarked on a 100 day action plan as we felt it essential to activate the reform process as soon as possible. Some of our main achievements are detailed below.

A Economic Management

Our management of the economy has delivered record low inflation and the lowest small business interest rates since the 1960s. Small businesses have benefited from the five interest rate cuts since the March 1996 election. That translates into a fall of 2.5 percentage points. For the typical small business on a \$100,000 variable loan, that represents an improvement to the bottom line of \$2,500 per annum.

In addition, we now have genuine competition in the banking sector for small business lending. That competition has led to record low small business overdraft rates of around 7.2 per cent. Moreover, following the initiative of the Coalition Government, the banking sector has agreed to extend the Banking Industry Ombudsman Scheme to small business.

The Coalition has delivered sound economic management, protective security against the financial problems in our region and sensible reforms to put the economy on a more sustainable base.

B Taxation Reforms

As promised, we reduced the provisional tax uplift factor, initially from 8 to 6 per cent in 1996, and then a further one per cent reduction in the May 1998 Budget. That brings the level to half of Labor's 10 per cent rate when Labor was in Government.

The Coalition Government has also cut the costs of having to comply

with fringe benefit tax for small business. An exemption from fringe benefits tax has been provided for both car parking and taxi travel.

In response to the pleas from the small business sector for taxation relief, we have provided two major capital gains tax measures for small business – the capital gains tax rollover provision and the capital gains tax exemption on retirement. In December 1996 the editor of the *Business Review Weekly*, Robert Gottliebsen, described the capital gains tax rollover provision as the most significant tax reform measure for decades.

Under that provision, small business owners can now focus on building up their businesses in the knowledge that they can sell the business to buy another business without facing a capital gains tax bill. Initially we said the business had to be the same sort of business, the so-called "like business" test. Following representations from the sector we dropped the "like business" requirement and so provided an even more far reaching benefit to small business.

Our capital gains tax exemption on retirement initiative recognises that small business owners do not have the same superannuation coverage that many employees now have. This provision encourages them to build up their businesses knowing that they will be eligible for a \$500,000 exemption from capital gains tax for the sale of their business on retirement.

Through these practical taxation reforms we have provided an incentive for small businesses to grow their businesses and therefore take on more employees. This is the way to reduce unemployment.

The small business community can rest assured – we remain committed to taxation reform and as promised we will undertake fundamental reform of the taxation system during our next term.

c Red Tape Reforms

After 13 years of Labor Governments small business was being strangled by red tape. After the 1996 election we immediately commissioned a Small Business Deregulation Task Force to report within six months on ways to drastically reduce the paper work and compliance burden faced by small business. The Government adopted (either wholly or in part) 57 of the Task Force's 62 recommendations.

Key reform measures include:

- cutting the Australian Bureau of Statistics small business "statistical

load" by over 24%. Our objective is to reach 30% by December 1998;

- forcing all government departments to assess small business impacts when reviewing existing or new regulations;
- lessening tax system paper work by extending payment and lodgement times;
- providing for a Business Entry Point for small business to Treasury agencies, including the Australian Tax Office;
- implementing Phase 2 of the Business Entry Point initiative which will facilitate electronic access and communication between small business and government: reducing time, cost and paper work for small business.

There is more to be done and the Government will continue to press on with the red tape reduction program during our second term.

d Fair Trading Reforms

As promised during the 1996 election campaign, the Government commissioned a Parliamentary Inquiry into Fair Trading.

The Government's response to the fair trading committee's report – the *New Deal: Fair Deal* reform package – implemented the strongest fair trading reforms for decades.

As part of that response, the Government has beefed up the trade practices protection provisions for small business against unfair business conduct. The Government's fair trading bill has been passed by the Parliament and operates from 1 July 1998. It gives small business the same strong legal protection consumers have against unconscionable conduct.

Another major element of the Government's *New Deal: Fair Deal* small business reform package was to introduce a mandatory code of conduct for the \$80 billion franchising industry. Similarly the Coalition Government will introduce a mandatory code of conduct (the Oilcode) for the petroleum industry.

Unlike the Labor party we acknowledged that some areas were experiencing serious business conduct problems and that Labor's voluntary codes of conduct were not working. While the Coalition Government prefers not to implement "black letter law", here was a case where mandatory codes were needed, so we implemented them. Labor actually ignored one of their own reports which recommended a mandatory code for franchising.

As part of the *New Deal Fair Deal* reform package we have provided the Australian Competition and Consumer Commission with additional resources (\$480,000 per annum over 3 years) to take on representative actions on behalf of small business. This measure recognises that small business do not have the financial resources to undertake major legal cases. Further, this reform would give small businesses the same access to, and benefit of, representative actions that consumers currently enjoy.

The Labor Party has argued against the commission having the ability to undertake representative actions on behalf of small business. The Maritime Union of Australia doesn't like this provision so Labor blocked it. Once again Labor has put union bosses interests ahead of small business needs. This was a Reid Committee (Fair Trading) recommendation. The Labor Party said they supported the Reid Committee recommendations lock stock and barrel. But when we implemented this reform Labor showed its true colours and argued against the Australian Competition and Consumer Commission having the ability to take on these cases on behalf of small business.

Small business had been pleading with the Labor government for these fair trading reforms for years but were ignored. Labor put these reforms into the too hard basket. A Coalition Government delivered on these key reforms. That is the difference between our parties.

e Workplace Relations Reforms

As promised, the Coalition Government introduced the most significant changes to workplace relations reforms for a generation.

Small businesses in Victoria benefited from a major reduction in red tape when the Victorian system was absorbed into the federal industrial relations system.

Under our legislation small business and small business employees can now make workplace agreements outside of industry award regulation and without union interference. It has restored the rights of small business employees to voluntary union membership and

abolished preference for unionists.

f Unfair Dismissals Legislation

Labor's job destroying unfair dismissal law has been replaced with a 'fair go all round' law. This measure has reduced the number of these applications by around 50%. But there is more to be done. We also tried to introduce an unfair dismissals exemption for small business. However, Labor and the other Opposition parties blocked that exemption in the Senate. A Coalition Government will enact this benefit when re-elected.

Our measure recognised that small business employers are reluctant to take on additional employees because of the fear of a bogus unfair dismissal claim under the discredited (Brereton) unfair dismissal laws. Labor showed yet again that it is totally out of touch with the needs of the sector and that it puts union interests first. The Council of Small Business Organisations of Australia maintains that by blocking that measure, Labor cost Australia around 50,000 new jobs.

g Innovation Investment Fund

While small business is the source of many new ideas and innovations, unfortunately very few of these good ideas end up being commercialised in Australia. In recognition of this problem, the Coalition Government introduced the Small Business Innovation Fund which targets small technology firms seeking venture capital to commercialise their innovations. Over \$200 million has been made available to this program.

A Small Business Agenda for a New Millennium

Small businesses want security and certainty from government. They do not want a repetition of the Labor boom and bust years.

We will continue to give priority to sound economic management of the economy. Small business can be assured that we will not fritter away the gains we have made to the economy. Australia simply cannot afford the profligacy of the Labor years. You only need to look at the financial upheavals in our region to understand the importance of sound economic management of an economy.

In the next term, we will continue to give priority to the reduction of paper work and compliance burden on small business. We know that job is nowhere near complete and more will be done.

The Coalition Government also gives a high priority to establishing a fairer, more efficient and simpler taxation system. In other words we need a twenty-first century taxation system designed to facilitate business, not penalise it.

In the space of a few short years many small businesses will have to make some important decisions regarding the use of new technologies and associated services.

We have all seen the enormous growth recently in the use of the internet in Australia. It has become an important business marketing, research and communication tool. In addition, increasingly small businesses will have to become familiar with the use of electronic commerce in order to remain competitive.

Our policy agenda for the next term addresses these new sets of challenges for small business as they enter the new millennium.

Specifically our small business reform agenda for a second term in Government is as follows:

PART 1 - Taxation

A A New Tax System

The introduction of a GST at a rate of ten per cent from 1 July 2000 will allow the Coalition Government to reduce the tax burden on Australian business by more than \$10 billion each year from 2001-02.

Registered businesses will generally be able to claim a full credit for any GST paid on business. This removes tax on business inputs.

The GST will also provide a cash benefit as businesses will collect GST on a daily basis but only have to remit GST to the taxation office quarterly (monthly for sales greater than \$20 million).

The introduction of a GST will fund the abolition of 10 burdensome, job-destroying taxes.

New pay-as-you-go (PAYG) arrangements will replace the existing inefficient payment arrangements.

The new tax system will result in the abolition or replacement of:

- wholesale sales tax;

- company tax instalments;
- stamp duty on conveyances of business properties;
- stamp duty on leases;
- stamp duty on cheques, bills of exchange and promissory notes;
- stamp duty on marketable securities (such as shares);
- the Reportable Payments System (RPS);
- provisional tax and the provisional tax uplift factor;
- stamp duty on credit arrangements, instalment purchase arrangements and rental (hiring) agreements;
- stamp duty on mortgages, bonds and debentures and other loan securities;
- bed taxes;
- pay as you earn (PAYE);and
- the Prescribed Payments System (PPS).

The details of the Government's new taxation system, as they affect small business, are contained in "The new tax system: working for small business" released in August 1998.

Some highlights are:

(i) Benefits of a GST to Small Business

Labor has been running a scare campaign against a GST. They have suggested that Australia can draw on some lessons from the

New Zealand experience. Well, let's look at the New Zealand experience. It was reported in the *Australian Financial Review* (16/3/98) that a GST had the following impact on New Zealand small businesses:

- "paperwork has not increased";
- "the system is so simple that accountants are not needed for GST returns for small businesses";
- "compliance requires no capital expenditure – not even a calculator if you can do long division"; and

The fact is the new tax system will reduce the number of dealings business has with the Australian Tax Office. Pay-as-you-go arrangements will replace five existing inefficient payment and compliance arrangements. Moreover, small businesses receive a cash benefit because most small businesses will only remit GST to the Tax Office quarterly. The introduction of a GST will fund the abolition of outdated business taxes such as wholesale sales taxes and provisional tax.

(ii) Start Up costs

The Coalition will provide up to \$500 million to assist with GST start-up costs for small and medium enterprises.

(iii) GST Registration threshold

There are a number of procedural and administrative issues that are critical to the successful implementation of the Coalition's tax reform package.

Small businesses with annual sales of less than \$50,000 will not be required to register.

Businesses under the \$50,000 threshold can elect to register if they want to claim input tax credits. If they chose not to register they will not be able to claim input tax credits.

Based on recent statistics up to 1.4 million organisations, including many small businesses, will not be required to register for GST.

The GST will be collected by businesses and organisations that are registered with the Australian Taxation Office.

The Australian Taxation Office will create and maintain a register of Australian businesses. Each business will obtain the Australian Business Number. The number will replace all existing registrations. It will become the only number a business needs for all public dealings with government.

(iv) Cash Flow Benefits

Businesses with annual sales of less than \$20 million will only have to submit a return and remit GST quarterly (monthly for businesses with annual sales above \$20 million).

Businesses that remit quarterly will have a major cash flow benefit. This is estimated to be worth: \$210 a year to a business with taxable sales minus purchases of \$150,000; \$6,980 a year to a business with taxable sales minus purchases of \$5 million; and \$16,750 a year to a business with taxable sales minus purchases of \$12 million.

Businesses under the \$20 million threshold will still have the option to remit monthly. Businesses in a net refund position, such as exporters, may wish to choose this option.

When a business supplies a good or service to another business, it will be required to provide an invoice or sales docket known as a 'tax invoice'. The tax invoice will contain the usual information contained in invoices, but also how much GST is included in the price, or that the price is GST-inclusive.

For purchases of less than \$50, businesses will be able to claim input tax credits without a formal tax invoice.

The return will simply state in a summarised form the amount of tax collected and the amount of tax paid on these purchases, and the difference between the two. It is the difference that is remitted to, or owed by, the government.

Businesses with annual sales of less than \$250,000 will be able to account for GST on a cash basis, irrespective of how they account for income tax. This will ensure that such businesses do not have to remit GST until they have received payment for their goods and services.

(v) Time Limit on Australian Tax Office for Refunds

Because of low cash flow concerns that are present in many small businesses it is important that special regard be had for the impact of Australian Taxation Office refunds.

There will be a requirement that the Australian Taxation Office pay GST refunds within 14 days of lodgement of the GST return by the taxpayer or otherwise pay penalty interest.

(vi) Prepaid Wholesale Sales Tax

In recognition of the transition costs in the lead up to introducing a GST, there is to be a credit for the full amount of Wholesale Sales Tax paid on trading stock prior to introduction of the GST. This will be of importance to all businesses. However, it will be especially important to small businesses because of their tight cash flows.

(vii) The Ongoing Process of Consultation

A Tax Consultative Committee chaired by a distinguished Australian, including community representatives, will be appointed to assist the Government in targeted consultation on outstanding GST design issues. Secretariat support for this committee will be provided by the Commonwealth Treasury.

In addition, a Small Business Consultative Committee will be involved in consultations on the best way of delivering the GST start up incentives to business. It will also play a role in the consultation process with respect to the Government's proposed changes to business taxation.

(viii) Other Business Tax Changes

The Government has decided to extend its Capital Gains Tax small business rollover relief and retirement exemption initiatives to include situations where land and buildings integral to the business are owned separately by an entity (eg a company or an individual) rather than being owned directly by the entity through which the business is operated.

The prospect of further capital gains tax relief will also be considered.

(ix) Personal Tax Cuts

Significant income tax cuts from 1 July 2000 will deliver benefits to operators of small businesses. Tax rates will be lower, and the income

thresholds at which the new rates will apply will be higher.

When the scale is introduced, around 81 per cent of taxpayers will face a marginal income tax rate of 30 per cent or less, compared to around 30 per cent of taxpayers currently.

Reductions in personal tax rates will also benefit operators of small businesses through a reduction in the amount of Capital Gains Tax that will be payable on the disposal of assets, including on the sale of a small business.

PART 2 – Other Small Business Initiatives

A Business Entry Point

The Government has heard the calls from small business for improved access to government information. Micro businesses (five or fewer employees) simply do not have the time to track down the relevant government departments and agencies to find vital pieces of information. Many small businesses find it a daunting task dealing with governments at any level.

It is essential therefore that government improves and facilitates the flow of information and improved communication with the small business sector. To that end, the Government has committed \$13m to establish a Business Entry Point.

The Business Entry Point will provide a service to Australian small business, of any type and location, to make it easier to fulfil the compliance requirements of Commonwealth, State/Territory and local government agencies.

The Business Entry Point will establish a simple to use two way channel for information and transactions between business and government in all jurisdictions.

This channel will allow small businesses to quickly find information through electronic means - principally the internet, but also telephone hotline, fax back services and shopfronts – as well as on-line transactions.

Phase one of the Business Entry Point commenced in July 1998.

As it evolves the Business Entry Point will expand to include interactions related to submitting annual returns, employing staff, and applying for government assistance programs. It will allow businesses

to make payments to government departments and agencies and receive grants and funds electronically.

B Millennium Bug

The Government will provide tax deductibility for most expenditure incurred by small business to fix the year 2000 millennium bug problem.

This represents a positive incentive for Australia's small businesses to be pro-active in addressing this problem.

Tax deductibility indicates that the Government recognises the size of the problem being faced by companies across the country, and it reinforces the Coalition's commitment to make Australia a world leader in the race to remedy the problem as soon as possible.

c Electronic Commerce

The Government will undertake a major public awareness campaign designed to ensure that small businesses are switched on to the information economy.

The National Office of the Information Economy will undertake an extensive series of training programs, summits, seminars, forums and other events that target small business.

D Regulatory Reform

More Time for Business, the Government's response to the Small Business Deregulation Task Force report, outlined an achievable and ambitious agenda to reverse Labor's heavy handed regulatory approach.

Small business want Government off their backs so that they can get on with the business of business. We remain absolutely determined to continue to reduce government paper work and the compliance burden on small business.

Other measures we propose during this next term which will bolster our regulatory reform program include the following:

(i) Annual Regulatory Plans

Commonwealth Government Departments and Agencies will be required to publish annually what legislation and regulations have

been introduced over the calendar year, what regulations have been repealed, and what future regulatory measures are contemplated.

It is proposed that the Department of Workplace Relations and Small Business will carry out these steps in 1998 as a pilot program with a view to broader adoption across the Commonwealth Public Service. The pilot will allow this concept to be fine tuned before annual regulatory plans become a formal requirement on other Commonwealth Departments and Agencies. It is expected that the pilot stage will be completed by the end of 1998 and the new arrangements will commence in 1999.

(ii) Time Boxes

Commonwealth Government forms to be completed by small businesses will include a box indicating the length of time the form took to complete. This will be monitored closely by Departments and Agencies so as to minimise the time taken by small businesses to complete forms.

(iii) Review of Licences

The Government will continue to give priority to the reduction in the number of business licences.

E Consultative Mechanisms

(i) Ministerial Council Meetings

The Government will establish and host a Ministerial Council of Small Business Ministers. Meetings will be held on an annual basis.

F Mentoring

Mentoring involves small business operators with experience, more often than not retired business men and women, making themselves available to provide advice to small business owners seeking assistance.

These mainly community based programs provide enormous benefit to budding small business entrepreneurs. The small scale programs that have sprung up have been well received by the small business community but are struggling to survive financially.

The Government's Micro Business Consultative Group strongly recommended government support for these programs.

The Government will allocate \$2 million over three years as seed funding to establish or support mentoring programs in the States and Territories. The Office of Small Business within the Department of Workplace Relations and Small Business will oversee this program. The Government will undertake an evaluation of the program after the first year with a view to assessing whether key objectives have been met. Our objective is to have these programs self-funding within three years.

G Retailing Inquiry

There are currently major concerns within the retailing industry that small independent retailers are struggling to compete against the major supermarket chains that dominate retail trading in Australia.

The Coalition will establish a Joint Parliamentary Inquiry into market domination in the retail sector.

This Inquiry will commence as soon as possible after the election.

The terms of reference for this Inquiry will be:

- to examine and report within six months on the degree of industry concentration within the retailing sector in Australia, with particular reference to the impact of that industry concentration on the ability of small independent retailers to compete fairly in the retail industry;
- to report on overseas developments with respect to this issue, highlighting approaches adopted in OECD economies; and
- to identify possible courses of action by the Federal Government.

The Coalition has already received representations about the impact of differential sales tax treatment on small independent retailers compared to the major retailers. That differential will be addressed by the Coalition's proposed reform of the taxation system. The Inquiry will therefore confine its investigation to non-tax issues. The Inquiry should, wherever possible, also attempt to provide revenue-neutral recommendations.

The Coalition will also provide the Australian Competition and Consumer Commission with a reference to research and provide evidence to the Committee.

H Retail Tenancy Reform

As part of its fair trading reforms, the Government took the lead on retail tenancy issues.

Each State and Territory has its own retail tenancy legislation or arrangements. The Commonwealth does not have a constitutional head of power with respect to retail tenancy.

The Commonwealth issued a set of minimum retail tenancy standards in the *New Deal: Fair Deal* reform package.

The federal Small Business Minister subsequently convened and chaired a meeting on 5 December 1997 of State and Territory Ministers and Parliamentary Secretaries with responsibility for retail tenancy to consider how to implement a set of principles consistent across Australia to provide minimum standards for retail tenancy laws. Commonwealth, State and Territory Government representatives agreed to work together to implement a set of principles consistent across Australia.

The agreed principles related to:

- Disclosure;

- Ratchet clause;

- Relocation clause;

- Rent reviews;

- Outgoings (auditing and reporting);

- Lease assignment;

- Access to turnover figures; and

- Dispute resolution procedures.

I Skills Development

The Government will provide an additional \$2m to undertake additional small business management education and training, particularly focusing on micro businesses. This will be coordinated by the Department of Workplace Relations and Small Business.

J Women

Small business is vital to generating and maintaining employment, growth and prosperity. Small business is a means by which women can assume greater control and increased flexibility in their working arrangements. Small business is often a family business where family members and friends obtain their first work experience, where the living standards of families are determined by the success of the business.

The growth of female small-business operators between February 1995 and February 1997 (9 per cent) was more than three times that of male operators (2.6 per cent). When the farm and agricultural sectors are included, there are more than half a million women small business operators in Australia (sources: *Characteristics of Small Business*, Australian Bureau of Statistics, 19 February 1998).

- The Coalition will provide \$3 million to assist the continued growth and prosperity of women in small business. As a first step, we will establish a consultative group that represents women across the small business sector, including regional and rural areas and ethnic communities. The consultative group will identify the special needs of women in small business. It will focus upon barriers to participation and impediments to success and advise the government on how to address these issues.

To further assist women succeed in small business, the Coalition will also:

Develop with the Australian National Training Authority nationally recognised training materials on small business management skills, to be available through vocational education and training institutions, and as a self-paced training package; and

improve access to information through on-line technology, seminars and information packages designed to meet the needs of women in small business.

K Access to the Legal System

The Government will instruct the Attorney-General's Department to undertake a review of impediments to small businesses accessing the legal system, including small business having access to an effective small claims recovery system.

L Small Business Exemption – Playing Music in Small Business Establishments

Commencing in late 1996, the Australian Performing Right Association Limited conducted a national compliance campaign which involved approaching small businesses about the playing of music on small business premises and the need to obtain a licence.

Many small business operators had been playing music for years without a licence and without the knowledge that a licence was required. The Government subsequently received representations from small businesses angry about this campaign.

Last year the Government instituted an Inquiry by the House of Representatives Standing Committee on Legal and Constitutional Affairs into copyright music and small business. Australian Performing Right Association has agreed to implement a policy under which complimentary licences will be issued to small business employing fewer than 20 people and where the performance involves a radio or television. The Government will implement these measures in cooperation with the Association.