

**Division 70: Small Business Development Corporation, \$11 851 000 —**

Ms J.M. Freeman, Chairman.

Mr J.M. Francis, Minister for Small Business.

Ms J. Finlayson, Acting Small Business Commissioner.

Mr R. Buttsworth, Director, Corporate Resources.

[Witnesses introduced.]

**The CHAIRMAN:** This estimates committee will be reported by Hansard staff. The daily proof Hansard will be published at 9.00 am tomorrow. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. I am told I do not have to read the rest, so onwards and upwards. The first question is to the member for Girrawheen.

**Ms M.M. QUIRK:** I refer to the alternative dispute resolution service on page 763. How many cases are referred to the State Administrative Tribunal?

**Mr J.M. FRANCIS:** It is estimated that at the end of this financial year the Small Business Development Corporation will have received 2 500 dispute resolution inquiries and provided ADR assistance to almost 450 business-related disputes valued at approximately \$17.5 million. I will take on notice the number of ADR cases that are referred to the State Administrative Tribunal. I agree to provide supplementary information to the member for Girrawheen on the number of alternative dispute resolution cases referred to SAT.

[*Supplementary Information No A48.*]

**Ms M.M. QUIRK:** Also on page 763 is a reference to the business migration program. What is the main industry sector supported by the program, and what checks does the Small Business Development Corporation do to ensure that these migrating businesses comply? I am obviously mindful of the situation at Carabooda.

**Mr J.M. FRANCIS:** It is my understanding that the largest percentage of business migration inquiries are in agribusiness.

**Ms M.M. QUIRK:** The second part of my question was: what checks does SBDC do to ensure that these migrating businesses comply, and I am mindful of the situation at Carabooda?

**Mr J.M. FRANCIS:** Compliance is the responsibility of the federal Department of Immigration and Border Protection. There are a number of different stages in that process, but compliance is a matter for that department once it has been determined that someone is suitable for that program.

**Ms M.M. QUIRK:** What assistance does SBDC provide to assist small business with language issues?

**Mr J.M. FRANCIS:** I will ask the acting commissioner to provide that information.

**Ms J. Finlayson:** Whenever we are aware that interpretation services might be required, and this is a feature of the ADR service, we obtain government-contracted interpreters.

**Mr J.M. FRANCIS:** If they need it, they get it.

**Ms M.M. QUIRK:** What process does SBDC have in place to act upon chronic complaints regarding certain small business operators?

**Mr J.M. FRANCIS:** I am not trying to be difficult—I am trying to provide as much information as quickly as possible—but the member has lost me.

**Ms M.M. QUIRK:** Would an allegation of consistent bad practice by a small business operator be a matter for consumer affairs or would SBDC have some role in intervening?

**Mr J.M. FRANCIS:** I understand that if there is a pattern of this, certainly the commissioner would involve himself in that matter. Generally, the predominant responsibility lies with the Department of Commerce.

**Ms M.M. QUIRK:** I do not have the page reference, minister, but what action has been taken to establish a lease register, which I gather was part and parcel of some legislative changes?

**Mr J.M. FRANCIS:** To the best of my recollection, the review of the establishment of a lease register is being done by the Department of Commerce, not the Small Business Development Corporation. Commerce is not my portfolio, obviously.

**Ms M.M. QUIRK:** I understand that.

**Mr J.M. FRANCIS:** I may be wrong here, so I put that caveat on it, but I understand that when the Department of Commerce looked at the pros and cons of establishing a register, one of the arguments was that publicly making known what a competitor was paying in rent or what lease requirements were established would

have a negative impact on small business operators and would put pressure on driving up the price of rentals rather than down.

**Ms M.M. QUIRK:** Has the minister had input to that extent with the Minister for Commerce?

**Mr J.M. FRANCIS:** I am aware that when this was considered, it was determined that—if it has not been, it is going to be determined—the impact of establishing a lease register would have had more negatives than positives for small business operators and would have driven rental prices up rather than down. That is from memory, so I might stand corrected on that.

**Mr S.K. L'ESTRANGE:** I refer to “Significant Issues Impacting the Agency” on page 763 of budget paper No 2. The first dot point states that the alternative dispute resolution service provides guidance to over 2 100 disputing parties, with around 15 per cent receiving intensive case management, and that it continues to achieve resolution rates of approximately 80 per cent. Can the minister elaborate on how that compares with other jurisdictions in Australia?

**Mr J.M. FRANCIS:** No, because I have about 45 seconds remaining to answer, but I thank the member for Churchlands for his question. I am a big fan of alternative dispute resolution. It does a number of different things. It reduces the cost on small business in trying to settle a financial dispute with another business and does not cost anything to go through that process. It alleviates a lot of congestion in the court system, when previously people might have taken each other to court over small amounts of money at a prohibitive cost, tying up the legal system.

**The appropriation was recommended.**

*Meeting suspended from 1.00 to 2.00 pm*