

**SMALL BUSINESS DEVELOPMENT CORPORATION**

*Motion*

Resumed from 8 September on the following motion moved by Hon Ljiljanna Ravlich —

- (1) That this house calls on the Minister for Commerce and the Minister for Regional Development to make public their positions on the future of the Small Business Development Corporation in light of the uncertainty in the small business community and given the Chamber of Commerce and Industry's position as outlined in its 2009–10 pre-budget submission to government, which states that —

CCI believes that there are significant opportunities for the core functions of the Small Business Development Corporation (SBDC) to be absorbed by other agencies.
- (2) That this house calls on the Minister for Commerce and the Minister for Regional Development to —
  - (a) allay the concern of the small business sector and guarantee that the SBDC will not be privatised in full or part or carved up and its functions distributed to other agencies as part of the government's three per cent efficiency dividend; and
  - (b) confirm that the future of the small business centres around the state is assured and that they will not be privatised in full or part or carved up and their functions distributed to other agencies as part of the government's three per cent efficiency dividend.

**HON LJILJANNA RAVLICH (East Metropolitan)** [2.05 pm]: It is a pleasure for me to be able to get up yet again in this place to bring my concerns to the house's attention. When I last spoke about this issue, I went through the history of some of the concerns expressed by a wide range of people in the small business sector, and concerns have been emerging about the Small Business Development Corporation and its future. Having had these concerns brought to my attention, I have put out a number of press releases expressing those concerns and putting them in the public arena.

Unfortunately, up until now, we have not heard anything from the Minister for Commerce, or indeed from the Minister for Regional Development, about the future of the Small Business Development Corporation—which is obviously the responsibility of the Minister for Commerce because we do not have a minister for small business—or about the network of small business centres that are dotted around the state. I referred to the Minister for Regional Development in this motion because I would have thought that he would be very concerned about any potential threat to the network of small business centres that provide services in all of those regional communities to people who want to set up a business or get advice about the operations of a business or at the very extreme, perhaps even want information about the winding down of a business. Despite having raised my concerns about the future of the organisation and those small business centres, at no time did we hear from the former Minister for Commerce, Hon—what is his name?

**Hon Norman Moore:** Troy Buswell.

**Hon LJILJANNA RAVLICH:** Troy Buswell, how quickly we forget! And I was not even trying to forget him!

I did not hear anything in response to my concerns from the former minister—when he was the minister—and I certainly have not heard anything from Minister Marmion about these matters. Of course, on these issues Hon Brendon Grylls is nowhere to be seen, which would indicate to me that he is —

**Hon Adele Farina:** Missing in action.

**Hon LJILJANNA RAVLICH:** Hon Adele Farina is right; he is definitely missing in action, nowhere to be seen, and clearly not concerned. He probably thinks that this is all very small fry. I make the point again, regarding the motion that we have before the house, that the Ministers for Commerce and Regional Development really should allay the concerns of the small business sector and guarantee that the Small Business Development Corporation will not be privatised, in full or in part, or carved up and its functions distributed to other agencies.

**Hon Max Trenorden:** We could hardly carve it up any more than you did. You took all the people out of the central Wheatbelt, closed them all down —

**Hon LJILJANNA RAVLICH:** The honourable member is more than welcome to get up and make his comments.

**Hon Max Trenorden:** I thought I just made a good contribution then.

**Hon LJILJANNA RAVLICH:** The member should get up on his feet and go through the matter, because quite frankly, I would be most interested to hear what he has to say.

I will continue making the point that I was making; that is, that this would not have been much to ask of the relevant minister who has responsibility for this portfolio. We want an assurance, the small business sector wants an assurance, and the peak body for small business, the Council of Small Business Organisations of Australia, wants an assurance that the future of the Small Business Development Corporation and the network of the small business centres will be guaranteed and appropriately funded so that they can get on with performing the functions that they have for so long performed.

One of the biggest concerns is that any privatisation, in part or full, or carving up of the functions of the Small Business Development Corporation, will mean that the services that the small business sector has become accustomed to being provided free of charge, may have to be paid for.

I will quickly go through the benefits of the small business centres, which offer a range of services to provide assistance and support to new and existing small businesses. Small business centres offer practical help at no cost. They refer small businesses to specialist advisors, such as accountants and lawyers, and help small businesses work their way through a maze of government departments and regulations. Small business centres carry out workshops, provide business information, and assist small businesses with problem solving. The services provided are easily accessible because small business centres are strategically located around regional areas and the metropolitan area. In an increasingly complex world, for a long time small businesses right across the state have valued the fact that these services are provided free of charge. It is unacceptable to the Labor Party and, in my view, to the small business sector, to have that level of support now at risk because the future of the Small Business Development Corporation is not clear.

The agenda for the Small Business Development Corporation was made clear in the “2009–10 Pre-Budget Submission to the WA Government” prepared by the Chamber of Commerce and Industry. When it was reported that there should be a possible carve-up or a privatisation of the Small Business Development Corporation and its network of small business centres, the Combined Small Business Alliance of Western Australia wrote to the Premier. I will put on the public record what was said; it is a view that the alliance still holds. Unfortunately, the Combined Small Business Alliance has still not had any clarity in response to the concerns expressed in correspondence to the Premier on 25 February 2009, which was a long time ago. In that correspondence the position of the Combined Small Business Alliance was made quite clear, but, unfortunately, the government, and the Premier in particular, has been really tardy in dealing with the issues outlined in the letter. That does not mean that the Premier did not write back to the Combined Small Business Alliance. I am sure that the Premier did write to say the government was looking at these issues. But the fact remains that the Combined Small Business Alliance still has the same concerns it had in February 2009 because absolutely no positive action has been taken to allay them. In other words, the former Minister for Commerce basically washed his hands of the issues and walked away, and the current Minister for Commerce has washed his hands and walked away. Quite frankly, time marches on and the problems still exist. I will read a few paragraphs of this correspondence sent by the Combined Small Business Alliance of Western Australia on 25 February 2009. The letter says —

Dear Premier

**Re: 2009–10 Pre-Budget Submission to the WA Government**

We refer to the 2009–10 Pre-Budget Submission to the WA Government by the Chamber of Commerce and Industry WA, in so far as it makes reference, at page 17, to the future of the Small Business Development Corporation (SBDC), as follows:

...

CCI believes that there are significant opportunities for the core functions of the Small Business Development Corporation (SBDC) to be absorbed by other agencies.

There is considerable overlap between the functions of SBDC and a number of other government agencies and the private sector. In particular, SBDC’s role in providing “advice” to businesses, and the attraction and sponsorship of business migrants and investors are functions which are also currently also being provided by regional development commissions, the Department of State Development, and non-government organisations (including CCI) and accordingly could be absorbed into these agencies respectively, or privatised.

In addition, given that the State Migration Centre is not a core service of the SBDC, CCI believes that these services could operate as an independent body, or contracted out to the non-government sector.”

It is very clearly spelt out there. The letter goes on —

It is CoSBA's submission that we unequivocally oppose and reject in total WACCI's submission advocating the demise of the SBDC, which is a reprehensible and preposterous proposition. In our judgment, WACCI's submission pre-supposes a flat-earth one size fits all policy, which clearly demonstrates that it does not present the interests of small business, a contention publicly acknowledged by former Premiers Richard Court and Jeff Gallop. Which further suggest that it does not understand the special needs of small business

In opposing WACCI's submission, we do seek your confirmation that it is the intention of your Government that the SBDC will, whilst working collaboratively with the new Department of Commerce, continue to operate as it has in the past and governed by an independent Board of Management.

The position of the peak group representing small business in this state is quite clear. I do not want to go through the rest of the letter but I will read the last paragraph on page 2 by way of conclusion, which states —

It is also our submission that it is critical to small business that the role and functions of the SBDC remains as they have in the past, in "playing a significant role" that it has. Accordingly, we seek your Government's commitment for maintaining the integrity of the SBDC, an agency highly regarded by small business and fundamental to the Government understanding and supporting the special needs and aspirations of small businesses.

That makes it very clear, but what have we seen the government engaged in? We have seen the government not fund one of the small business centres. We have seen the government undertake work into the economic viability of some of the small business centres and find that a number of them are wanting and are not operating in a cost-effective way. We find the government is not providing any assistance or solutions, apart from one-off additional funding for five or six of these regional centres that were not operating in a cost-effective way. We find that the CEO of the Small Business Development Corporation was basically forced into a position where he was sent away, probably because he could see the new direction of the future of the Small Business Development Corporation. In other words, the corporation was going in a way with which he may not have been comfortable; I do not know, but I half suspect that may have been the case. It was not that organisation alone. We have seen other CEOs depart because of the changed direction of government.

As well as those things, the writing is on the wall in the budget papers. One does not have to be a rocket scientist to look at the allocation for the Small Business Development Corporation in the budget papers and notice that there are, indeed, some very serious question marks about the future of this organisation. The funding allocated to this organisation indicates to me that this is an organisation in decline and that this government has not made any effort to secure its future. Page 881 of the 2010-11 *Budget Statements* states that in 2009-10 the estimated actual funding was \$12.4 million; for 2010-11 the allocation has been reduced to \$12.19 million. I understand that \$800 000 was deducted from that 2010-11 figure for the transfer of the skilled migration program to the Department of Training and Workforce Development; if the \$800 000 had been included in the \$12.1 million, the amount would have been slightly higher than the 2009-10 figure. But when we look at the forward estimates projections for 2011-12, there has been quite a substantial drop in total appropriations, with the figure decreasing to \$10.8 million, compared with the \$13 million allocation in 2008-09.

When the Labor Party was in office it was committed—to the tune of \$13 million—to the funding of the Small Business Development Corporation; unfortunately, I do not have the figure for 2007-08 with me to use as part of this comparative analysis. From being \$13 million in 2008-09, the projected forward estimate for 2011-12 has decreased to \$10.8 million.

At the same time as that has been happening, there has been increasing demand for the services of the Small Business Development Corporation, and increasing demand pressures on the small business network. A question was recently asked of the Small Business Development Corporation by the Standing Committee on Estimates and Financial Operations, and the Small Business Development Corporation stated that the number of people accessing its services and its network of small business centres had increased by 50 per cent over the past five years, during which time there has been a trend towards reduced funding. That means that the government is seeking to have this agency do more for less, which is not sustainable in anyone's books—it is certainly not sustainable now, and it will not be in the future.

I am aware that I am running out of time, but this is a very important motion. In the vicinity of 80 per cent of all businesses are small businesses, and it is critical that we look after and respect the small business sector and its contribution to the state's productivity. I think it is beholden on the Ministers for Commerce and Regional

Development to clearly articulate their plan for small business and the small business centre network in this state.

**HON NORMAN MOORE (Mining and Pastoral — Leader of the House)** [2.24 pm]: This motion was put on the notice paper on 19 March 2009, and it seems that for the year and a half it has been sitting there Hon Ljiljanna Ravlich has been going through a very anxious time, not knowing the answers to some of the questions in her motion. She has spent 18 months in this state of anxiety, waiting for this motion to come on for debate so that she can get the answers to the questions.

If she had any consideration for the amount of time she has used in this chamber to raise matters that are old history, she could have simply asked a question on notice, or without notice, about whether it was the government's intention to carve up and/or privatise the Small Business Development Corporation; if she had, the answer would have been no. That would have saved her all that anxiety!

**Hon Ljiljanna Ravlich:** Don't you worry about my anxiety!

**Hon NORMAN MOORE:** I am desperately worried about the member's anxiety, because she has come into this place and spent 40 minutes telling us how terrible it all is and that there is a state of anxiety in the small business world about not knowing what the future of the Small Business Development Corporation will be, and it has had to wait all this time to find out the answer—that is just ridiculous!

The first part of the member's motion calls on the ministers concerned to make public their position; I will spend some time, in a minute, telling the member what we are doing with the Small Business Development Corporation and what we intend to do with it in the future.

Paragraph 2(a) of the member's motion asks the ministers to —

allay the concern of the small business sector and guarantee that the SBDC will not be privatised in full or part or carved up and its functions distributed to other agencies as part of the government's three per cent efficiency dividend —

I can tell the member right now that that will not happen. It will not be privatised, carved up or distributed amongst other agencies; it will continue as a separate statutory authority—problem solved!

**Hon Ljiljanna Ravlich:** Is it going to be properly funded?

**Hon NORMAN MOORE:** That is the first problem solved—all fixed!

Paragraph 2(b) asks the ministers to —

confirm that the future of the small business centres around the state is assured and that they will not be privatised in full or part or carved up and their functions distributed to other agencies as part of the government's three per cent efficiency dividend.

That is not going to happen, so that is the second problem solved.

We could have done that in three minutes in March last year; instead, this motion has been sitting on the notice paper, consuming trees that have been chopped down to produce the notice paper, for the past 18 months because the member did not simply ask a question in the house. I have just given her two answers, and that hardly took any time at all.

I give the member and the house an absolute assurance that the concerns the member raises in paragraphs 2(a) and 2(b) have no validity whatsoever, and it is not the government's intention to privatise or split up the SBDC or the small business centres—that is not going to happen.

**Hon Ljiljanna Ravlich:** That's what you said about tourism!

**Hon NORMAN MOORE:** I did not say anything about tourism. If the member wants to have an argument about tourism, she should put that on the notice paper and sometime we can have one of those; or, even better, if she asks a question the member will get an answer.

**Hon Ljiljanna Ravlich:** That's in the next batch!

**Hon Liz Behjat:** But wait—there's more!

**Hon NORMAN MOORE:** I know—it will be a long, long time before we get to the next motion.

This is the absurdity of the system we have in place now with motions on notice, Mr President, if I may just make a comment. It is a system that—I will not say “abused” because that is unfair—clearly does not work because we are debating a motion now that was put on the notice paper in March last year.

Hon Ljiljanna Ravlich; Hon Norman Moore; Hon Wendy Duncan; Hon Jon Ford; Hon Max Trenorden; Hon Helen Bullock; Hon Lynn MacLaren; Hon Matt Benson-Lidholm

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*Point of Order*

**Hon LJILJANNA RAVLICH:** I object to the notion that, in some way, I have abused this house or its standing orders, given that I made the effort to write a number of motions that are of concern to constituents of mine who brought these matters to my attention. The Leader of the House's suggestion that the Parliament should not be used in this way, and that by using it in this way I am, in some way, abusing —

**Hon Norman Moore:** I did not call it abuse.

**Hon LJILJANNA RAVLICH:** — the standing orders of this house, quite frankly, I find offensive, and he can withdraw it.

**The PRESIDENT:** Order! That is a point of view, not a point of order.

*Debate Resumed*

**Hon NORMAN MOORE:** I reiterate that I did not say that the member had abused the processes of the house. In fact, I quite specifically said that she had not abused the processes of the house. I said that it demonstrates a problem with the system when we are debating a motion now that was put on the notice paper in March last year.

**Hon Ljiljanna Ravlich:** Well, it's timeless!

**Hon NORMAN MOORE:** Well, I regret to tell the member that it is not, because the issues that the member has raised are old history. I have told the member that they are old history. We need to look at some way in which we can resolve the problem of motions that are seriously out of date, and give people a chance to talk about things that are more contemporary, such as what is happening today or tomorrow, or what happened yesterday, instead of what happened in the member's mind 18 months ago.

I have given the member an answer to part (2) of her motion. It is not going to happen. Therefore, there is no need for the member to worry herself about that any longer. Eighteen months is long enough to worry about an issue. Therefore, I hope that we have taken that off the member's mind and there will be no need for her to worry about that any longer.

What are we doing with the Small Business Development Corporation? I want to make one thing extraordinarily clear to the member about part (1) of her motion. The member seems to think that because the CCI thinks that the SBDC should be absorbed into other agencies, somehow or other that is the government's policy. Well, we agree and disagree from time to time with the CCI, just as I suspect the member agrees and disagrees with the trades and labor council at times. On this occasion, we do not agree with the CCI. That is its position as stated in the letter that the member read from. That is what the CCI thought the government should do. Did the government do that? No. So, as I have said, it is old history. We do not intend to do what the CCI thought might be a good idea. We intend to continue to manage the Small Business Development Corporation in the way it has been run in the past, and that is the way we expect it will be run in the future.

I should say, however, that one matter is being considered at the moment that would make a slight difference to the way in which the SBDC operates. That matter is, as members may be aware, that the government has agreed, in the context of the debate about trading hours and the effect that might have on small business, to the establishment of a small business commissioner.

**Hon Ljiljanna Ravlich:** Yes, but we had to push you to do it!

**Hon NORMAN MOORE:** Ah! I am looking forward to the debate on trading hours so that we can talk about who pushed who on that, and about who is following who on this issue. There is no doubt that the view of the government and the opposition—indeed everybody who has an interest in small business—is that if we do go down the path of deregulating trading hours, we need to put in place some mechanism to look after the interests of small business, and we need to ensure that our commercial tenancies legislation provides the maximum support and assistance to small business. Indeed, in Victoria there is a small business commissioner. We are looking at the way in which that might work in the context of the Western Australian situation. We are considering whether that role could be incorporated into the Small Business Development Corporation, and whether the powers and duties of the SBDC could be expanded to deal more broadly with the commercial tenancies legislation and the consequences for small business of any expansion of trading hours in Western Australia. That is the only contemplated change to the SBDC at this time. I understand that that matter has been discussed with the Leader of the Opposition and that the opposition is aware that the government is contemplating these particular changes. That matter has not yet been determined; but, if that does become the case, I think that will be a good way forward.

It is fair for the member to say that the SBDC has a good track record and is a valuable resource. The government agrees with that. The member has told us how good the SBDC is, and we do not disagree. I think the

member is perfectly right. The SBDC works across a number of fronts in small and medium-size businesses. It is an advocate for small business. It advocates on policy development in government. It advocates on getting rid of red tape. So it is, in fact, as a statutory authority, a very good agency to enable government to look at the way in which it manages, if we like, the legislation surrounding small business. It works with new business leaders and with people who are starting in business, giving them assistance to get the foundations of their business right. The intention is, of course, that because many small businesses fail in the early days, we provide as much support and assistance as possible to small businesses in the early days to enable them to get over that initial hump that many small businesses find difficult to overcome.

The SBDC is, as I have said, an independent statutory authority. It is a small agency. But it has not been reduced in size. In fact, we have maintained its budget. It has a pretty good track record in looking after the interests of small business. In fact, in the past financial year, the corporation provided specialist advisory services to more than 50 000 businesses. That is a significant achievement. That certainly does not demonstrate an agency that is being put under pressure by the government to go out of business. It has also responded to about 15 000 inquiries about business licence information, provided expert advice to businesses that have been affected by things such as the Ravensthorpe nickel mine closure, and assisted with ScreenWest, Tourism WA and the Department of Planning and Infrastructure. It has also worked with the Minister for Fisheries on issues surrounding the rock lobster industry and the future of rock lobster fishermen who wish to exit the industry, or those who want assistance in organising their affairs in the context of the new quota system that will come in this season. It is also an agency that is available to other government departments to assist people who may be affected by any policy decisions that are being made in those agencies. Indeed, with respect to Ravensthorpe and the decision that was made by the company to close down that mine, it was important that the government was able to use this particular corporation to assist the people whose businesses would be affected by that decision.

The SBDC also promotes Western Australia to potential business migrants overseas. Last year, it sponsored 447 new business migrants, who are proposing to transfer to the state around \$568 million in new capital. Again, that is a significant contribution to our economy. The SBDC has also been rolling out a range of unique and innovative programs designed to build resilience in the small business sector and to broaden access to its programs and services around the state. For example, it is delivering a \$2 million BiZFiT small business resilience program, in partnership with Curtin University's Centre for Entrepreneurship and the Western Australian Chamber of Commerce and Industry, to build excellence in established small businesses. It is also working with Aboriginal business operators, through the Aboriginal business unit, to build the capacity of new and established Aboriginal businesses. It is working with other jurisdictions on an exciting new project that will offer Western Australian businesses an innovative online gateway to transacting efficiently with government. Right across government, we are looking at ways and means of using the web to enable people to access government agency services and to make applications for various approvals online. The SBDC is working with the government in respect of that.

So, the SBDC is not an organisation that is doing all those things but that is somehow earmarked for the chop, as the honourable member would suggest it is. What we have here, again, is Hon Ljiljana Ravlich trying to frighten people in the community by suggesting that something is going to happen when indeed it is not. We are very pleased with the work that is being done by this organisation.

The honourable member raised the issue of the Economic Audit Committee and the effect of its reports on this corporation. Well, the Economic Audit Committee report "Putting the Public First: Partnering with the Community and Business to Deliver Outcomes", made no reference at all to the small business centres or the Small Business Development Corporation. I have to say that no formal review of the small businesses centres is being undertaken at the present time. So, it is business as usual for the SBDC, albeit that some of these small business centres would like to be given more funding, as would most other organisations in government, and we are doing our best to deliver that. We acknowledge that there is pressure on these centres, particularly in the north, where there are increasing opportunities for small businesses to commence and grow.

The corporation has a number of key performance indicators, which I would like to spend a moment reflecting upon, to give some indication of what the community thinks about this corporation. In other words, is it delivering a bad service, as one might expect after having listened to Hon Ljiljana Ravlich, or is the community generally satisfied? Stakeholders were asked how they would rate the usefulness of the information or guidance provided. The answers were, for 2006–07, 88 per cent; 2007–08, 88 per cent; and 2008–09, 91 per cent. Stakeholders therefore gave a very high rating to the usefulness of the information and guidance provided, and it is increasing, albeit by only a small amount. Stakeholders were also asked whether they would say that their contact with the Small Business Development Corporation or a small business centre directly contributed to their making an informed decision about starting or buying a business. Again, the answers were, for 2006–07, 70 per cent; for 2007–08, 66 per cent; and for 2008–09, it was back to 72 per cent. The next question was about the

extent to which the information or guidance received had benefited the operations of stakeholders' businesses. In this area there was a decline over the same period from 95 per cent to 91 per cent and then 81 per cent. We will need to look at that to find out what is causing that problem. The final question was how the stakeholders would rate the value of the information or guidance received, and over the three financial years, the responses were 92 per cent, 91 per cent and 96 per cent. Those sorts of performance indicators demonstrate that the corporation is performing well and is not diminishing its service to small business.

The member was also critical of the small business centre program. It is a part-funded model, and the SBDC is always encouraging individual centres to pursue opportunities to supplement core funding. Under the small business centre program, core funding of \$3.027 million was allocated in 2009–10 across the 25 centres in Western Australia. The current funding model comes from a 2006 review of the program, which was done before the time of the current government. All regional small business centres have continued to operate within the available funding. In 2009–10, the small business centre network received a further \$3.2 million from other sources; \$2 million from the federal government; \$381 000 from local government authorities; \$31 000 from corporate sponsorship; and \$704 000 from fee-for-service activities. There is no change to the way in which those centres are being funded.

The member referred to the growing network, and indeed it is growing. Annual client contacts, in respect of client sessions, have increased from 34 700 in 2007–08 to 45 000 in 2009–10. Workshop attendances have increased from 9 400 in 2007–08 to 11 300 in 2009–10. We recognise that there is a growth in the service that is being provided by this organisation, and it will be funded accordingly. As a result of the economic audit that the member mentioned, recurrent funding of \$300 000 per annum was transferred to the corporation commencing in 2008–09, and there have been a number of one-off funding allocations for specific programs. This includes \$3.07 million over three years to the Go West Now skills attraction campaign; and \$2 million over two years to the BiZFiT small business resilience program. Additional funding is therefore being made available to the organisation for particular purposes. Looking at those figures, there is no suggestion whatsoever that this organisation is in any way being wound back, gutted or losing its role within government. Indeed, the government continues to hold the corporation in high regard and recognises how important its role is in respect of the small business sector in Western Australia.

The member also asked about the chairman having been engaged for only a one-year term. My understanding is that when Troy Buswell became the minister, the term of the previous chair was about to expire or had expired. As a new minister, Mr Buswell took the view that he would appoint Mr Mountney for a year to see how he and Mr Mountney worked together and to gauge whether it was a good appointment. Every indication is that the new minister is very happy with the way in which Mr Mountney is operating as chairman. Without pre-empting anything, I would expect that his appointment may well be extended.

I think that just about covers all the matters raised by the member in her comments which, as I said, were more of a historical nature than anything else, but I suppose that it is fair enough that we should consider historical issues in this chamber. I have indicated to her that in respect of the first part of the motion, the government's position is that the SBDC has a very strong future, and regardless of the Chamber of Commerce and Industry of Western Australia's views about what should happen to it, the government has taken the view that it should remain as a statutory authority within government and that it should not in any way be split up or have its duties or functions distributed to other agencies. We look forward to it continuing to provide excellent service to the small business community in Western Australia.

**HON WENDY DUNCAN (Mining and Pastoral — Parliamentary Secretary)** [2.46 pm]: I will also respond to this motion, particularly because Hon Ljiljana Ravlich has mentioned the Minister for Regional Development and asked that he make his position clear on the Small Business Development Corporation. As the minister's parliamentary secretary, I am very pleased to be able to respond and say that the National Party will not support this motion for the reason that it is very evident that the Minister for Regional Development and the National Party are great supporters of small business. The National Party was part of the decision made by the government, confirmed by Hon Norman Moore, to not privatise the Small Business Development Corporation, in full or in part, or to have its functions spread around other agencies. In fact, the National Party is probably the strongest supporter of small business in Western Australia, in many ways, and one of our biggest objections to the expansion of retail trading is that it will not provide the adequate protection to small business that has existed in the past. We certainly commend the government's decision to appoint the small business commissioner alongside the legislation that is about to come into the house, and to look at ways to protect small businesses when they are dealt with unfairly in leasing situations.

The Small Business Development Corporation was absolutely invaluable in our reaction to the closure of Ravensthorpe Nickel. The Minister for Regional Development worked very closely with the SBDC to deliver services to the businesses in Ravensthorpe that are faced with a totally changed business environment and that

are in need of legal advice and business planning support. They worked tirelessly in my electorate for weeks and the services provided by the SBDC were greatly appreciated.

Hon Ljiljanna Ravlich refers in her motion to uncertainty in the small business community. As Hon Norman Moore mentioned, this motion dates from 19 March 2009. I would strongly suggest that there is no uncertainty in the small business community. The small business community has been very strongly supported since 19 March 2009, particularly through the offices of the Minister for Regional Development. We have allocated \$40 million to the WA Community Resource Centre network. That is a royalties for regions program that has been able to augment services to small business in small communities so they have access to government services, government information and government support through Community Resource Centres. The expansion of centres into the regions is very different from what was experienced under Labor when Small Business Development Corporation offices closed down and were taken out of the regions.

The regional grants scheme has provided regional development commissions with more than \$4.4 million each in 2008–09 to fund projects that help attract investment, increase the number of jobs and improve the quality of life in regional areas. The flow of royalties for regions funding into regional areas inevitably flows through to small business to assist them to develop and expand, to become strong, and to serve the regions really well. As Hon Norman Moore mentioned, support for small business can also be seen through the Liberal–National government’s establishment of the Red Tape Reduction Group in January 2009, which consulted widely with small business. The outcomes of its deliberations are now being implemented through government to try to reduce red tape, to reduce impediments and to enable small businesses to reach their full potential. As I mentioned before, the Ravensthorpe nickel mine is an example of great benefit being achieved in regional areas through the Small Business Development Corporation.

Another possible way to expand the services of the Small Business Development Corporation is for it to work closely with the regional development commissions. That work is being carried out at the moment. There is an opportunity for Small Business Development Corporations to work with regional development commissions and the Regional Development Council to identify ways to expand and strengthen services to small business in regional areas. A regional development commission review is taking place. I am chairing the review. Part of the focus of that review is to look at ways we can better deliver government services into the regional areas to ensure that our regional areas are places that will attract small businesses to invest, and to deliver services and to grow strong.

I cannot accept this motion moved by Hon Ljiljanna Ravlich. What this government is doing for small business, in particular the work being done by the Minister for Regional Development through the Community Resource Centres and through the regional development commissions, in supporting small business has certainly not, as Hon Ljiljanna Ravlich claimed, caused uncertainty in the small business community. The small business community is being well served by this government; therefore, we will not be supporting this motion.

**HON JON FORD (Mining and Pastoral) [2.53 pm]:** Once again I am amazed at the National Party’s views in claiming there is no uncertainty in small business. The National Party must deal with a different regional small business community than I deal with. Maybe we have differing definitions of “small business”. I will meet with the Pastoralists and Graziers Association on Friday. That association has a very different view. It represents a bunch of small businesses, which is the National Party’s natural constituency. I can tell the honourable member the PGA does not think the National Party has done anything for them. That is reflected at every meeting I attend. I went to a PGA meeting in Broome at which the Minister for Regional Development once again, according to the PGA members, stood them up; indeed, they asked me to talk to the meeting. That is not a traditional Labor Party heartland meeting, I can tell members. The National Party is obviously dealing with a different region. My memory of the Ravensthorpe disaster was of a government embarrassed into acting. When I went down there with a number of my colleagues, we were told at that stage they had heard nothing from the government. It is a very different story. I will get back to the National Party, one of my favourite topics, later in my response, and its contribution to regional Western Australia. Everyone knows I am happy that the National Party has rediscovered regional Western Australia.

Hon Norman Moore opened his remarks by saying this motion is irrelevant. In a backhanded way, he made an accusation that somehow the opposition could have had these concerns allayed with a simple parliamentary question. There is a big difference between supplying an answer and allaying concerns, I can tell members. Although we welcome the Leader of the House’s comments about the current government’s position in relation to the Small Business Development Corporation, our constituency is interested in long-term stability. We did not hear the Leader of the House say, “This is the government’s policy position. This will be our policy for the life of the government or until the end of the Parliament or until the end of the financial year when we might review.” That is very important because the proposition the Chamber of Commerce and Industry of Western

Australia put forward in its budget submission is that it believes there are significant opportunities for the core functions of the SBDC to be absorbed by other agencies. It does worry small business. It particularly worries small business in regional Western Australia, and particularly small businesses with relationships with major landholders or business property owners and major resource companies. When small business hears an organisation like the CCI make that statement, for them it is that term that has been used recently—"Game on!" It is seen as a long-term objective of the CCI. To allay concerns, small business needs to hear that the government is committed to the Small Business Development Corporation servicing its needs in the long term.

The Small Business Development Corporation is all to do with power relationships. I have been to chamber meetings in small regional towns with the big company on top of the hill; that is, the big mining company or the big oil and gas company. I have sat and talked to people. They all raise concerns about why they do not get the contract to supply the stationery to that business, and how they go about getting into that important opportunity forum. They talk about how they can get into the supply chain of that company to supply tyres or engineering services, or what strategies they need to adopt to try to take part in that business. How do they get involved in transporting the fly in, fly out workers from the airport to the mines? These small business owners are concerned that if the Chamber of Commerce and Industry of Western Australia continues with what they see as a campaign to absorb the functions of the Small Business Development Corporation, they will lose the independence of that corporation. Therefore, when they are sitting at the table with the CCI asking for advice, they are in actual fact talking to people from the organisation that is dominated by the big end of town.

I will give the house another example of this. The CCI currently runs an organisation that is dedicated to maximising opportunities, local content and local participation in the resources sector; it does that under contract. Lots of engineering companies come to me and say they are worried that they are not getting the work. Here we are in what everybody avoids saying is a boom, in which there are huge economic opportunities, yet a heck of a lot of the fabrication shops along the Kwinana strip are empty. Why should they be empty? How could they be empty with the amount of work that is going on in this state? They come to people like me, and, interestingly enough, they go to people in the unions, to argue their case. I have been to meetings sponsored by the Chamber of Commerce and Industry at which these companies are sitting around the table. The big end of town, such as Woodside, Rio Tinto and BHP Billiton, is on one side of the table. The medium-sized contractors such as Henry Walker Eltin and the smaller fabrication shops are on the other side of the table. What the big end of town says outside the room and how it reacts inside the room are completely different. These small businesses rely on those people. Therefore, they are trying to get a point across without offending the people on the other side of the table who have their livelihoods in their hands. I hear about that issue from regional small businesses, in particular, and their concerns about it. In the past 12 months, I have not heard anything that tells me that small businesses have had their concerns allayed. In fact, only a month ago I had a meeting with a group of about eight small businesses in a shopping centre in my electorate. They were having trouble with their landlord. They found it difficult to raise issues with their own chamber because of the perceived relationship that their chamber has with their landlord. They were desperately looking for independent advice. Again, if the SBDC were absorbed into an organisation such as the CCI, it would cut off their access to that independent advice.

I have to point out that I am not having a go at the CCI about this; I am just talking about natural power relationships that occur in all organisations. An organisation such as the CCI and other organisations such as the Chamber of Minerals and Energy of Western Australia have a huge internal conflict in who they represent and how they give equal advice to all their members, because, strangely enough, the big end of town gets the most say because it is responsible for most of the sponsorship of those organisations. It offers them money for campaigning and resources to assist them in running their businesses. A person may have a small tyre dealership in Karratha or may be trying to crack into the mining game. Another person may be running a small cleaning business that wants to supply services to schools, the resource sector and a major shopping centre. To those people, organisations such as the SBDC are very, very important.

As I said, we welcome the statement by the Leader of the House that at this moment the government intends to maintain the SBDC in its current form, including its independence, and wants to invest in it. The government is taking a different view from that of the CCI. To allay the concerns of these small businesses, the government could go out and talk to them and give them the message. It is simply not good enough for the government to just tell the Parliament. In fact, if Hon Ljiljanna Ravlich had not raised this matter, I cannot see how that message would have got out into the regions, in particular my electorate. Therefore, I believe that is very relevant, notwithstanding some of the issues of relevance that the Leader of the House raised regarding other motions. However, I do not think that argument applies to this matter. It seems to me that the most important part of this motion is to allay the concerns of the small business sector and to give a guarantee that the SBDC will not be privatised and fall apart or be carved up. Therefore, it would be nice if the government communicated directly

with small business, either through the development commissions or through other organisations, to let people know what its position is.

Hon Wendy Duncan made a statement that I must respond to. She said that it was very evident that the National Party supports small business, and she put forward some argument in support of that. I do not see it. Interestingly enough, in the past two years, I have had more to do with small business than I have previously. That might have something to do with the fact that we are in opposition now and that people tend to come to opposition members with their problems rather than telling them the good things that the government does. However, I find myself dealing with a broad range of small businesses. As I said before, this ranges from shopkeepers in shopping centres to people with pastoral leases. I am always interested in the work that I do with pastoralists, because, on the face of it, they are not the natural constituents of Labor Party members. However, I must say that the longest relationships I have had in my time as a member of Parliament, and the strongest relationships at a personal level that I have with people, turn out to be with pastoralists. Indeed, I have had a longstanding relationship with the Pastoralists and Graziers Association. Interestingly enough, I hear these people talk about the Liberal Party and I hear them talk about the Labor Party in a general context. Of course, there are people in small business who are active on both sides of politics, Labor and Liberal, and I hear them talk about the Minister for Regional Development. The most common comment, and the most recent comment, that I have heard about the Minister for Regional Development was in Broome, not far from Hon Ken Baston's office, and that was that the problem for the Minister for Regional Development is that he went around saying a whole heap of things that he knew he could not deliver. Now we all know that he cannot deliver, and that is creating a problem for him. That is what I hear about the Minister for Regional Development. I hear different things from local government people; they think the Minister for Regional Development is fantastic. The people in my electorate are not so supportive of the Minister for Local Government. But I have been in that position, and I have some sympathy for a minister who has the big job of reforming local government.

**Hon Robyn McSweeney:** Yes, I remember.

**Hon JON FORD:** Yes, that is right. I wear the \$750 000 campaign as a badge of honour. If that is what they spent, they got ripped off.

Hon Wendy Duncan also claimed that there was no uncertainty. I have said before that members must be careful what they say in this house. I do not think there is a business in Western Australia that is not under some stress and is not facing some uncertainty from the global financial crisis. It is very important for businesses to know that support organisations such as the Small Business Development Corporation will be there to look after their long-term interests. Hon Wendy Duncan, interestingly enough, talked about the trickle-down effect of royalties for regions funding. She said that it inevitably flows down—I think that was the description she used—and supports small business. I do not reckon that that is the case every time. I spoke recently to the owner of a stationery business in Karratha who was very concerned that the business was missing out on contracts. I spoke to a local engineering company in Port Hedland that is watching its work go down south. It is having trouble expanding. I also spoke a couple of weeks ago to a bunch of building tradies in the Fitzroy Valley who are currently worried about contracts being let to companies in the eastern states. That is a national government issue, but it tells me that these businesses are under stress and are facing uncertainty on a daily basis and that everything is not that rosy. Members need to be very careful about making generalised statements. That is why the Small Business Development Corporation is important.

Hon Wendy Duncan also talked about a review of the regional development commissions that she is chairing. That has created some uncertainty. That is inevitable in its own way. The comment that I am hearing from people associated with the development commissions is that there is a fear of amalgamation and centralisation, rather than the development commissions being strengthened. That might not be true, and I will not pre-empt the member's report, but she needs to know, and she should expect, that such a review will invite comments. That brings me back to what I started to say at the beginning of my speech. The parliamentary secretary can stand in the house and assure us that the Barnett government is dedicated to the SBDC, but the fact that a major business representative group such as the Chamber of Commerce and Industry of Western Australia is saying that it sees significant opportunities for the core functions of the SBDC to be absorbed by other agencies does not allay fears. The government needs to talk directly to local businesses and tell them what it has told us. On top of that, it might help if the government told the CCI to stop rattling the cage.

This is a very relevant motion, and it will remain so while the international financial situation remains in its current position and while there is growth. We have also had a national election. All those things add to uncertainty. It is incumbent on the government to allay the concerns of the small business sector. The answer given by the minister to the simple question put to him in Parliament just does not cut it. A dedicated small business minister would send a strong message to small businesses that the government is interested in

supporting them. Members opposite should not talk about trickle-down effects, because it is absolute rubbish. What happens when big lumps of money go out to the regions is that some people make a lot of money, not necessarily the people who are being targeted, and it just adds to the concerns of people in those areas. We need strong, vibrant organisations such as the SBDC and a minister for small business. A commissioner for small business does not cut it either, in my opinion. It might be nice to have, but it is second-best to having a minister, because with a minister there is somebody from the executive at the table who can represent small businesses directly when economic decisions are made about the state. I welcome this motion. I have not heard anything in the two responses we have heard from the government benches that will allay the fears of small businesses. I thank Hon Ljiljanna Ravlich for bringing this motion to the house and giving me an opportunity to talk about the small businesses in the Mining and Pastoral Region, the biggest region in the state and, in many respects, the powerhouse of the state, and to represent the concerns of small business interests. I urge the house to support the motion.

**HON MAX TRENORDEN (Agricultural)** [3.17 pm]: I am delighted also to jump into this debate. It gives me a fantastic opportunity to clear the pipes and to express some anger, particularly at the Carpenter administration, which decimated the Small Business Development Corporation and its operations, particularly in the central Wheatbelt and the regions. Where I live, we had four small business advisers. Do members know how many we have now after the Carpenter administration got into it? We have one. I agree with some of the projections of Hon Jon Ford about the world economy. I am a natural optimist, but I think we are in for a second bite.

**Hon Ljiljanna Ravlich:** You'd never know it!

**Hon MAX TRENORDEN:** That is very nasty. I used to sit beside the member. I encouraged her last year when I sat beside her and laughed at her terrible jokes, and now she gets stuck into me! Just because I have moved four seats away, her nature towards me has changed.

Leaving all that aside, I think there is a very big chance that the world will take a second dip into the current problems. We have only to read about Greece, Spain, Portugal, the United Kingdom, Ireland and, let us not say too loudly, the United States of America. Things do not look too good. However, that is not the issue I wish to talk about.

The central Wheatbelt faces a set of circumstances that mean the economy there will be appalling. We will unfortunately almost certainly be using words such as "suicide" next year. Four people in the past could assist business in the agricultural economy, which involves not only farmers, but also all the people who live in that economy. People could go to those advisers and seek advice on how to run their businesses as the economy declined. It has not rained and the income will not come in. The forecast in today's *The West Australian* is for 9.3 million tonnes of grain. I doubt whether we are going to get that. I think it is an optimistic forecast. There will be a lot of economic pressure in the central Wheatbelt. Previous federal Labor administrations, under a different Prime Minister, poured millions of dollars into the Small Business Development Corporation to assist small businesses in regional Western Australia. Which are those regions? They are Swan Valley, Bunbury, north Perth and south Perth. Did we get a zack in the rural regions? We got not a zack, not a penny. Off the top of my head, I think that the federal government pumped \$2 million into the state. None of it went outside the metropolitan regions, other than to Bunbury.

**Hon Jon Ford:** Will you be expanding the small business corporation back into the Wheatbelt?

**Hon MAX TRENORDEN:** Let us have a little chat about that. We will get there. Perhaps I will get there a little faster than I was going to.

We have taken hold of the nine development commissions, which the Labor Party decimated in its period in government. It turned them from the people's spokesmen to government agencies. They were meant to be the mouthpiece for regional people, and the Labor Party turned them into government agencies. That was never the intent for development commissions. Now, particularly under the National Party's royalties for regions policy, and under this government's role in royalties for regions, those development commissions have purpose. Hon Wendy Duncan is conducting a review of those commissions. The point of that review is to expand their role and let them play their role in governance in whichever region they are in. I know that Hon Jon Ford will agree with me on this: if someone was elected to a local development commission, we would want that person to be the most pre-eminent person in the region, would we not? That is what we have to do. Hon Jon Ford and I will agree on that, without the politics of the argument. It is very important that the leadership and the governance of the development commission are lifted. In any community where we pick a group of people to be on a board, it is pretty pointless to try to keep creating these little boards all over the place. That has been the fault of past governments, both mine and Hon Jon Ford's. We are better off hanging some of that structure under the development commissions, where the same quality board members can play a part in the governance role.

Over the past 15 years of administration there have been telecentres. Many Australian Labor Party members argue about what is a telecentre, what a waste of time it is and so forth. I have heard those debates, but I must admit that I cannot remember any members opposite running those debates. If people live in a Kellerberrin or a Mukinbudin, they know what value a telecentre is to them because it is the only contact centre in the community. Apart from the police and some teachers, no other services are available. The telecentres deliver that service. Part of what we can do is to start linking development commissions with the Small Business Development Corporation and telecentres to try to achieve a common outcome rather than a silo situation in which small business is under one minister and regional development is under another minister and we are not allowed to blend them. Where Hon Jon Ford or I come from, we do not have the resources to have that luxury. We want the good people working together to achieve an outcome.

I am very excited to be able to speak on this subject, because I have a different point of view. I have great concern for the Wheatbelt in general. It is in for a very tough time. Some very good families are under pressure now. That pressure will increase after what should be a harvest. Where will those people go for advice? There are obviously some minor places. If members have ever spoken to some of these people, as I have, they will know that it is really important to see how they react. People with pride have problems with people turning up at their front door when neighbours are watching and thinking that they are obviously under pressure because the small business man has turned up. We have to make arrangements so that people can go to the kitchen table of those families and work with them through problems. When people are in crisis, which I seem to have been all my life, they do not always make the best of decisions. Having someone who can look dispassionately at a crisis and sit with those people allows them the opportunity to sort the chaff from the grain, if I may use that analogy. It is very important to have a calm, stable person say to people that they are in trouble and that there are issues with finances but to keep that in balance with their children, with their wives, with alcohol and maybe drugs and with depression and all those issues that will unfortunately arise in the next 12 months in most of the electorate that I represent.

I think that notice of this motion was given just after the siege of Mafeking. I am not sure whether the Boers had won or lost the war at the time that notice of this motion was given, but it was a long time ago. The budget paper put out by the Chamber of Commerce and Industry of Western Australia prompted the motion. I would say: so what; that is 18 months ago; let us deal with today. The CCI does not have any influence in this chamber other than persuasion, and that is the way it should be. I do not see any member in this chamber becoming highly motivated by it 18 months after the CCI put the paper out. It is very much fish and chips wrapping.

I concede some of Hon Jon Ford's argument on the question of what we are doing about it. We do not want to switch the system back to what it was, because it was really a spot process. We would like to look at a supportive mechanism, starting perhaps with commissions and working down so that all those things are linked and so that the resources of the community that Hon Jon Ford represents and the resources of the community that I represent can be dealt with in a more cohesive manner, and small business does not operate in one silo and regional development operate in another silo. If the argument is that 18 months have gone by and that the process is too slow, I have heard that argument for 23 years, and I have agreed with that argument for 23 years, but it just happens to be the way that things unfortunately move in administration. I make that point. I do not have any problems with where the current administration stands, because we are working on it. It is not quick enough for me either, because, as I said, I see the problems in my electorate rising like a dark thunderstorm and I am worried about just what will happen when that storm breaks. However, we are working on the processes. If I may have my own little gripe: how do we as a chamber allow ourselves to be debating a motion that is 18 months old?

**HON HELEN BULLOCK (Mining and Pastoral)** [3.29 pm]: I rise to support this motion. I listened to Hon Norman Moore's contribution, and the one thing he did not mention was the global financial crisis. At the time when the motion was put on the notice paper, that was very important, but I will come to that in a little while.

Let us have a look at this motion that calls on the government to make public its position about the future of the Small Business Development Corporation and confirm that the Small Business Development Corporation will not be dissolved and absorbed into other government agencies or privatised. The motion also asks for confirmation that the funding of the Small Business Development Corporation will not be cut. This motion was moved on 19 March 2009, which was a long time ago; however, the motion is still relevant and current because, since then, there has been no indication from the government about the long-term plans for the Small Business Development Corporation, other than a funding cut to one of its business enterprise centres. I agree with what Hon Ken Travers said about Hon Ljiljanna Ravlich's motion, which was that most of her motion has stood the test of time.

**Extract from *Hansard***

[COUNCIL — Wednesday, 15 September 2010]

p6584g-6600a

Hon Ljiljana Ravlich; Hon Norman Moore; Hon Wendy Duncan; Hon Jon Ford; Hon Max Trenorden; Hon Helen Bullock; Hon Lynn MacLaren; Hon Matt Benson-Lidholm

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The concerns about privatisation and amalgamation were first raised by the Chamber of Commerce and Industry of Western Australia's 2009-10 pre-budget submission to the state government. Page 17 of the CCI submission stated that, in the CCI's opinion —

... there are significant opportunities for the core functions of the Small Business Development Corporation (SBDC) to be absorbed by other agencies.

That is a very broad conclusion and statement. Where did that come from? It was raised because, in the opinion of the CCI —

There is considerable overlap between the functions of SBDC and a number of other government agencies and the private sector.

It all started from there.

The CCI submission was made in February 2009, in the middle of a financial crisis, and at that time the government was spending as though tomorrow would never come. In addition to that, the government had to set aside about \$1 billion to satisfy the National Party's demands. Also at that time the exchange rate was playing up a bit, so revenue was down. At the same time, the government was desperately trying to balance its books. It was trying to cut funding from all agencies, all corners, and all areas, the result of which was the uncertainty faced by a variety of service providers that relied on government funding to continue the operation of their services. It was a difficult time for agencies such as the Small Business Development Corporation.

The CCI's submission could not have come at a worse time for agencies such as SBDC; on the other hand, it could not have come at a better time for the government—it was like music to the ears of the government. Not only did it give the government a solution, but it also gave it an excuse and opportunity to dissolve or privatise the Small Business Development Corporation to save a few dollars and balance its books.

The Small Business Development Corporation's fear of funding cuts and privatisation was very well founded. On 29 April last year the chief executive officer of the Belmont business enterprise centre was informed that the centre would not be receiving its \$96 000 in state funding after the end of the 2008-09 financial year. In a sense, that was the first step towards the dissolution of business enterprise centres. I will give members a scenario: a continual reduction in funding would force the centre to reduce services, and the lack of a full range of services due to a shortage of funding would eventually reduce the number of visitors to the centres, which would force the centres to be dissolved or amalgamated with other government agencies, or just taken over by the private sector.

Luckily, the global financial crisis did not affect Western Australia as badly as expected, and Western Australia's economy has grown very strongly in the past year; also, another mining boom is on the way, and there was no mention of amalgamation or privatisation in the CCI's 2010-11 pre-budget submission. On the revenue side, the increases in household utility bills will generate an enormous amount of income. For these reasons, the Small Business Development Corporation was funded as it should have been in the 2010-11 budget, and it is true to say that it does not face a funding cut.

Compared with the last budget year, this budget year shows that we are in good times, but members should not forget that good times do not last forever. Sooner or later this funding cut will be back on the agenda, and the Small Business Development Corporation will face this problem of funding cuts, amalgamation or dissolution again.

This motion calls on the government to develop a strategic long-term plan for the Small Business Development Corporation, which has not been done. A few months ago, on 23 December 2009, a warning was sent to the government by the departing Small Business Development Corporation managing director, Steve Moir. That is reported in an article in *The West Australian* of Saturday, 2 January 2010. He is quoted in that article as saying that —

... any amalgamation of the corporation would be detrimental to WA's small businesses.

He is also quoted as making the following comment about the SBDC —

“It is the only body of its type in Australia and it is envied by other states because it is the only place where a business person can talk to a real person who has had any real business experience.”

Mr Moir said SBDC's success could be put down to all of its senior advisers being experienced in small business, which was “very different to normal public service-type thinking”.

This is from a man who should know the Small Business Development Corporation better than anybody else. He knew that the Small Business Development Corporation was in danger of being dissolved. He also knew that this could be his last chance to make a very sincere effort to sound the alarm on that issue.

The article goes on to quote a spokesperson for the then Minister for Small Business and Treasurer, Troy Buswell, as saying —

“The minister will be engaging with the SBDC board in the new year in regard to reviewing the long-term plans for the SBDC, ...

However, so far, nothing has been done. I can understand that, because the then Treasurer was very busy, and the new Treasurer has been in his position for only one year, so why bother, I suppose, from his point of view.

We can find some useful information on the Small Business Development Corporation’s website. The number of small businesses in Western Australia is almost 200 000. In the past three years, just over 25 000 new business names have been registered in Western Australia. That indicates that the global financial crisis did not significantly affect business start-up confidence. After having provided accounting advice and services to small businesses for six years, I think I have some understanding of them and know how to help them. Professional accountants provide useful and practical advice and services. But those services come at a considerable cost. Members only need to consider the cost of services provided to them by their accountants. Some of these services are available from the Small Business Development Corporation. I have to say that I am very impressed by the information that the Small Business Development Corporation has on its website. It is very comprehensive. It is no less than what an accounting firm could provide to those small business operators, and it is free of charge.

The Small Business Development Corporation is providing a very useful service for small business operators, who have committed themselves to hard work and long hours, and are prepared to take the risks to achieve their goals, ambitions and dreams. Many small business operators have very little business experience. Most of them rely on a bank loan to make a start, and some of them struggle to survive and barely make a living. It is only right that the government would help these small business operators by improving its services to these businesses. Of course that requires increased funding.

In a letter from the Minister for Small Business to the Combined Small Business Alliance of Western Australia, dated 18 December 2008, the minister said —

This Government is committed to ensuring the small business sector in WA remains resilient and that government decision making does not impede the ability of small business owners to trade and grow.

I see the SBDC as playing a significant role in facilitating this. It is the Government’s intent to continue actively supporting the small business sector through this agency, and its collaborative work with all government agencies whose functions impact on this important part of the State’s economy.

That is very well said. I will remind the government of this in the future whenever the Small Business Development Corporation faces an issue of dissolution, privatisation or reduction in funding.

An article in the *Western Australian Business News* of 20 January 2010 expressed a view that I could not agree with more. That is that SBDC has —

... expended far too much energy ... protecting its existence rather than evolving and refining its role and service offering.

The article said also that the government needs to —

... embrace the reality of the small business sector as: an essential player in a compelling and diversified economy development strategy; a realistic counter-weight within an ill-balanced (overly resource dependent) economy; and a genuine value-adding piece in a composite economic jigsaw.

An influential, informed and adequately funded SBDC and small business centre network is pivotal to achieving this end result.

The article goes on to quote Albert Einstein’s statement that, “As a matter of cosmic history, it has always been easier to destroy than to create”. The article concludes by stating —

SBDC has decades of knowledge and accumulated experience that with guidance can form the foundation for nurturing future small business success.

I conclude my remarks on that note.

**HON LYNN MacLAREN (South Metropolitan)** [3.50 pm]: I rise to speak to the motion. In some ways I support the motion, but in other ways I am very sympathetic to what the minister said in his response. There are certainly elements of the motion that are of some concern to me, but I will flesh those concerns out as I go on. I appreciate the fact that Hon Ljiljana Ravlich has given us an opportunity to look at the Small Business

Development Corporation and its future in Western Australia. It is understandable that the Labor Party has an interest in looking at this, because I know that it was established in the time that Hon Mal Bryce was the Minister for Small Business. It represented a significant change in the Western Australian business culture to have a government department that actually went some way towards fostering small business in an economy in which large business often has the advantage. That is why it is particularly relevant today to look at the SBDC. We are at the precipice of changing our retail trading environment by extending hours, and the big fear about that is that the bigger players will have an advantage. Therefore, small business is going to need some extra attention to be able to ensure that it can weather this change and maintain its vibrancy as a sector. Although it would have been hard to foresee 18 months ago that this matter would be relevant at this time, at the time it was also hard to imagine that we would be this close to debating bills on retail trading hours. However, that is the situation we find ourselves in, and I take this opportunity to make some comments about that.

As part of the government's reforms in bringing about extended trading hours, it has agreed to establish a small business advocate within the SBDC. Depending upon what one has read, the small business advocate was to be underway before the extended hours were brought into play. We are now hearing that it is part of the same package and that the small business advocate will begin his or her role when the extended trading hours begin. That is a bit of a catch 22, because small businesses are particularly concerned about these changes, and if they do need some help, they will need that help on day one. I, for one, have advocated for the small business advocate to be up and running before we implement extended retail trading hours. That is why this motion is relevant today, because it asks the government to put on the record the nature of its commitment to the SBDC. We would like to have the small business advocate established.

I listened very carefully when the minister rose to address the motion, to find out whether he would put something on the record about whether that commitment would be honoured. It is still unclear to me when the small business advocate will be working. However, I did appreciate the fact that the minister acknowledged that there has been, and will be, no change to the funding of the SBDC, nor to the government's commitment to that very important agency. I felt that that was really good, and I appreciate the fact that the government has made that commitment.

The second part of protecting small business in these times of change is, as was mentioned by the minister, commercial tenancy protections. We have yet to see how they will play out, but we will certainly be watching that. I would expect the SBDC to play a pivotal role in educating small business people about their rights in this time of change so that the big players, the large businesses, do not gain an unfair advantage if trading hours are extended. It is really important to know that 96 per cent of all business in Western Australia is small business. That is a huge sector, and in this post global financial crisis phase, we cannot afford to let them down. We cannot afford to place them in a position of risk, when the laws are changing and they will not have a safety net to catch them so that they can cope with this change. It is critically important that the strategic long-term plan that the government has identified as being necessary is put in place so that even if the small business advocate is not put in place now, we can at least see where it is on the horizon and what that strategic vision is for this corporation. In times of uncertainty, organisations like the SBDC can carry us through, especially when small business is most impacted by changes in the marketplace. I note that more than one-third of small businesses—Hon Helen Bullock may also have mentioned this—are sole traders. That puts a lot of pressure on those businesses. They need to be able to ensure that they can respond appropriately to any change that takes place in the regulatory environment.

I would like to make special note of the comments made by Hon Max Trenorden about the importance of the SBDC in the regions. I was very concerned to learn that the corporation has shrunk in the Wheatbelt from four or five officers to only one. That is of deep concern because it means that farmers in the Wheatbelt, in a time of climate change when they will be looking at trying to develop new ways of supporting themselves, will no longer have that assistance from the SBDC if there is only one person there to assist them. I therefore urge the government to pay attention to what Hon Max Trenorden said and prioritise the regions when looking at expanding the services that the SBDC offers. We know that the impact of the global financial crisis could have been a lot worse if we had not had supports like the SBDC in place to provide advice from a very independent standpoint. Instead of having to go and pay an accountant, people could go to the SBDC and be provided with some guidance on how to weather that storm. I think that is a very valuable and appropriate role for the government.

It is noted in the motion that the Chamber of Commerce and Industry of Western Australia believes that there are significant opportunities for the core functions of the SBDC to be absorbed by other agencies. The minister seems to have indicated that the government has no intention of following that recommendation, and that is very good, but there may well be some role for further assistance from the private sector that small business can get, so I do not think we should dismiss that idea out of hand. However, I think that the core functions of the SBDC,

as I say, have historically assisted Western Australian businesses, and I would like to see it remain there long into the future.

I hope that the remarks that the minister has made today allay the concerns of the small business sector, if indeed it has concerns, about the future of the SBDC. The minister went some way to finally publicly acknowledging that the SBDC is safe and that it is a service that the government is committed to. The only thing that the Greens (WA) would also like to see is for the government to follow through on that commitment to develop the small business advocate within the SBDC.

In concluding my remarks, I would like to support the motion. Although I appreciate the Leader of the House has in many ways addressed most of the concerns, I think it was worthwhile to have those on the record. Therefore, the Greens (WA) support the motion.

**HON MATT BENSON-LIDHOLM (Agricultural)** [4.00 pm]: I rise to totally support my learned colleague Hon Ljiljanna Ravlich. I certainly endorse the remarks of members on this side of the house. I also take note of some of the remarks made by members opposite, in particular Hon Max Trenorden. Hon Max Trenorden made a lot of sense, certainly with respect to the Wheatbelt, where his electorate office is located. The possibility of Australia not being an exporter of primary produce will be a concern in the years to come, I dare say, given climate change coupled with the global financial situation. I tend also to be a bit of a sceptic on the future of the world economy. The statistics very much point in the direction of some sort of correction to the world economic situation, particularly given the debts that many countries have run up and their capacity to trade internationally with countries such as Australia and the world's economic powerhouses such as China, Japan and India. They are of some concern as far as I am concerned. I tend to agree with Hon Max Trenorden in that sense, but he needs to comprehend that in areas such as our Wheatbelt—in fact, across the length and breadth of Western Australia—the big issue is that we need to put in place permanent economic structures to encourage people, and communities for that matter, to diversify their economic base. I know that is easily said, but the role of the Small Business Development Corporation surely must focus well and truly on that. I think Hon Max Trenorden might have been a little liberal in his interpretation that Labor did not play a role in the bush when we were in government. I say to him, from what I can recall, the whole notion of small business development corporations was a Labor initiative that started in the early to mid-1980s. I will stand corrected on that; it is a long time ago these days!

I also make the point that, as a businessperson, I still run, own or am involved in to a greater or lesser extent—I will not say “operate” because I do not get much of a chance to go home these days—a couple of businesses on the south coast. I understand those particular businesses, like 90 per cent of all Western Australian businesses, are small businesses. Small businesses by definition employ fewer than 20 people. Small business owners are generally local people. They are people who go out and make decisions—almost like sole traders. They live and die by the decisions they make; hence the need in many instances to have some sort of recourse to informed advice from organisations such as the Small Business Development Corporation, the various chambers of commerce and industry, business enterprise centres and the like. They form a very significant part of our entire business success. I put it to members that the maintenance of this situation is something that we must very much recommend.

It certainly was comforting to hear the remarks of the Leader of the House when he gave us some sort of guarantee. I may be a bit of a sceptic, Leader of the House, but I would certainly prefer to hear those very words from the mouths of the Minister for Commerce and the Minister for Regional Development.

**Hon Norman Moore:** I am the mouth of the Minister for Commerce in this house!

**Hon MATT BENSON-LIDHOLM:** I acknowledge that. I certainly would very much appreciate a firmer commitment from the government in some sort of official capacity.

**Hon Norman Moore:** I do not know how much firmer the member will get than that!

**Hon MATT BENSON-LIDHOLM:** I trust that is going to happen.

Debate adjourned, pursuant to temporary orders.