

Chairman; Mr Tony Simpson; Ms Margaret Quirk; Mr Paul Papalia; Mr Max Trenorden; Mr Paul Andrews; Mr Troy Buswell; Mr John Hyde

Division 65: Small Business Development Corporation, \$13 095 000 —

Mr P.B. Watson, Chairman.

Ms M.M. Quirk, Minister for Small Business.

Mr S.W. Moir, Managing Director.

Mr R.H. Buttsworth, Director, Corporate Resources.

The CHAIRMAN: The member for Serpentine-Jarrahdale.

Mr A.J. SIMPSON: The third dot point on page 1046 of the *Budget Statements* under “Significant Issues and Trends” explains how economic growth continues to place increasing demand on skilled and non-skilled labour and the conditions offered by larger businesses. With record low unemployment, competition for staff is intense and small businesses struggle to attract and retain employees. How can the government help small business?

[12 noon]

Ms M.M. QUIRK: A range of issues that come out of the so-called economic boom disproportionately impact on small business. The inability to attract and retain staff is a major issue. The retention of staff depends upon the current competition in the marketplace for salaries. These things are issues. Unfortunately, there is not a magic bullet but there is a range of strategies. The Small Business Development Corporation is very keen to foster good practice for the retention of staff. SBDC sponsors regional awards. At the Albany awards, a couple of businesses were specifically awarded for their employment practices and what they are doing to retain staff. I am keen to have a public promotion campaign for businesses to encourage them to look more broadly at the over-45 age group, which currently is not an employment pool that is fully deployed. We are keen to disseminate to our networks good employment practices that help retain staff. In addition, we have an aggressive campaign to attract skilled workers from interstate and overseas. We need to give small business a range of advice on the options they might take. It certainly is not easy.

Mr P. PAPALIA: I refer to the fifth dot point on page 1050 under “Major Achievements For 2007-08”, which indicates that an inquiry was conducted into the operation of franchise businesses in Western Australia. The minister would be aware that I posed a grievance to the Premier and it was, perhaps, a catalyst for that inquiry. I am interested in the government’s position as it pertains to the findings of that inquiry.

Ms M.M. QUIRK: I thank the member for the question and I am aware that he has a specific interest in franchising. The member correctly pointed out that in October last year the Premier announced an inquiry—a health check—into the Western Australian franchising industry. The inquiry was chaired by Chris Bothams, who is the manager of the Small Business Centre South East Metro, which is situated at Gosnells. I tabled the report in Parliament a few weeks ago and took it to cabinet this week to ascertain the government’s position on the recommendations in that report. I will take the government’s position to the small business ministers conference that will be held in New Zealand later this week. The government’s agreed position was that all the recommendations of the inquiry, with the exception of recommendation 1.2, be accepted. Recommendation 1.2 required funding from the commonwealth for ongoing education. That is a role that can be undertaken at a state level, and that should be the case because it is core business of SBDC. Although it has not been budgeted for, SBDC has a role in education. I have spoken to the Franchise Council of Australia about this issue.

One of the things that came out of the inquiry was that the mums and dads who entered into franchise agreements and took on a business did not have enough training, knowledge or information to know what they were getting into. We are keen to come up with a package that can be used Australia-wide. We are keen to pilot such a package in Western Australia. As I said, I have had preliminary discussions with the Franchise Council of Australia about doing that.

Within the current debate, one of the cabinet’s recommendations was to have a well-defined—some lawyers would say that is not as easy to achieve as it sounds—obligation on parties to bargain and negotiate in good faith. That would most appropriately fit within the code of conduct to the Trade Practices Act. I will be taking that recommendation to the commonwealth and seeking the support of my state counterparts to include such a provision in the franchising code of conduct and the Trade Practices Act.

Mr M.W. TRENORDEN: My question is based on the income statement at page 1052 of the budget papers. Would the minister explain how the \$1.8 million federal program works? It is clear from the budget papers that an injection of money into small business centres would not be through the state budget.

Ms M.M. QUIRK: The commonwealth-funded initiatives are not going through the state budget.

Mr M.W. TRENORDEN: Are they going directly to those agencies?

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Ms M.M. QUIRK: That is my understanding, yes.

[12.10 pm]

Mr P.W. ANDREWS: In the theme of preparing for the post-boom period, I direct the minister's attention to "Major Initiatives For 2008-09" on page 1050 of the *Budget Statements*. The first dot point refers to a research project that is being undertaken to investigate the challenges small business may encounter when the boom ends. Will the minister elaborate on that research project? What form will it take and what are the outcomes likely to be?

Ms M.M. QUIRK: A criticism that is frequently made of governments of whatever complexion is that they do not prepare for the future. Given that the economic boom is linked to China and to emerging economies such as India, forecasts suggest that the boom will not end soon. Nevertheless, we must undertake proper research now. We must be prudent and prepare for the end of the boom. We must consider how small businesses will cope if and when the economic surge plateaus. We will commission Curtin University of Technology and Murdoch University to undertake research to assist us to create a small business strategy that will consider the factors that affect the growth of the small business sector. That will provide a broader framework for how we can ensure that small businesses are sustainable in the long term. When planning for the future we must consider the impact that a plateau in the current boom will have on small business.

Mr T. BUSWELL: I refer to the Go West Now program, which is referred to on page 1047 of the *Budget Statements*. How many people have responded to the Go West Now campaign via the internet, phone or any other contact mechanism? Will the minister detail what mechanism is used to track those who have made contact in order to learn how many people who have made contact have actually moved to Western Australia? How many people have made contact and how many have moved to Western Australia?

Ms M.M. QUIRK: That is a good question. People may make some initial inquiries after the campaign sparks their interest. However, before proceeding further, they have to sell their house and find schools for their children. Usually there is a large lag between the time that people's interest is sparked and the ultimate move takes place. In conjunction with Treasury, we are developing better ways of measuring how people directly respond to the Go West Now campaign and what factors come into play. We are crudely doing it by way of hits on the website. I can advise that there have been 200 000 individual website hits. We also take into account the number of people who visit our stands at expos in Sydney, Melbourne and Brisbane. An aggressive and fantastic campaign was run by the Mid West Chamber Of Commerce at the expo that I attended recently in Sydney. It was directly, then and there, fixing people up with employers. During the hour or so that I was at the stand, a person got a job as a baker in Geraldton. He was interviewed over the phone.

The CHAIRMAN: Did he want to come to Western Australia to make more dough?

Ms M.M. QUIRK: Yes! I am not fudging the question, but there are many other indirect effects. For example, what impact does tourism promotion have on the idea in terms of lifestyle etc? It is inexact; we want it to be more precise. I will ask Mr Moir to talk about the specifics. It is our job to drill down to determine how effective it is. I have to go before the cabinet expenditure review committee this year to ask for our derisory budget for this promotion. We must be capable of a robust evaluation; currently we are not able to do so because of a range of factors. We are working on that. Mr Moir can provide more details, because he has been involved in some recent campaigns.

Mr S.W. Moir: As the minister correctly pointed out, there have been over 200 000 individual website hits. Over 10 000 personal registrations were taken at expos that were held last year in Sydney and Melbourne and in three New Zealand cities, which involve interviews with an employer or a government agency that is on the stand. At an expo in New Zealand this year, approximately 30 employers will be represented, including the Chamber of Commerce and Industry of Western Australia and the Australian Hotels Association. That will allow people who are looking for employment to directly approach employers. Currently, under Australian visa categories we are not able to address the shortage of staff in the hospitality and agriculture sectors. The strength of the Go West Now program is that it is an excellent vehicle to reach people on the east coast who may want to move to Western Australia. At the expo that the minister attended a fortnight ago in Sydney, we handled over 2 300 personal interviews. The level of interest from people on the east coast is good and it is sufficient enough for us to continue the program.

Mr T. BUSWELL: I want to clarify that there is no mechanism in place, other than the anecdotal gathering of data via website hits or the number of people who turn up to an expo, to measure the success of the program.

Mr S.W. Moir: Each person who registers on the website is sent a follow-up email. We are now undertaking research with registrations at expos to determine whether people have moved, and, if not, whether they intend to move. Early indications are that well over 75 per cent of those who have approached us are still interested in

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moving to Western Australia. I ask members to excuse me if I am not exactly right, but approximately 22 per cent have already moved to Western Australia. Recent Australian Bureau of Statistics figures reveal that since 2006 interstate migration has increased by 11 per cent. As the minister has commented, we are instigating a more rigorous approach. It is a difficult area. It is a bit like a tourism campaign in that we might not capture people today, but we might spur their interest to move west in the following year or two.

Mr T. BUSWELL: By way of clarification, have 22 per cent of the 10 000 people who have registered at trade shows moved to Western Australia?

Mr S.W. Moir: No, 22 per cent of respondents to the survey to date have indicated that move. Approximately 1 100 have responded to the survey instrument that we used.

Mr T. BUSWELL: So 1 100 surveys means 200 people.

Mr S.W. Moir: Yes.

Ms M.M. QUIRK: We should expand that and talk about overseas recruitment. Although it is not branded Go West Now, it is also effectively covered.

Mr S.W. Moir: We have primary market delegations around the world. Currently, we have a team in South Africa. The previous delegation that visited South Africa received more than 11 500 inquiries over two days in Johannesburg. A team will be heading to Dubai next month. Over a year about 70 000 people internationally will come across the Western Australian message. It is now branded as “destination Western Australia”, so there is some synergy with tourism in terms of trying to create awareness of the opportunities that are available in Western Australia. It is a strong commitment. In the area of skilled migration, Western Australia is the destination of choice.

Mr T. BUSWELL: Does that result in 457 and permanent migration?

[12.20 pm]

Ms M.M. QUIRK: It is 457 and permanent business investors.

Mr S.W. Moir: The primary purpose is for sponsored visas through the normal skills programs and business migration programs. The 457 visas are obviously a growing demographic that we also look to attract, but we do not actively promote 457 visas, for instance.

Mr P.W. ANDREWS: My question is also in relation to the Go West Now program. What specific groups are being targeted? Agricultural workers and people in the hospitality industry were mentioned. Are those particular groups being targeted and what other groups are being targeted?

Mr S.W. Moir: We are basically advertising or recruiting across sectors. Clearly, the hospitality and tourism sector is in need. It is a sector that we are pursuing, as is the agricultural sector. Clearly, the majority of interest is in the resources sector, because of the media hype, but once we get those people, it gives us a chance to talk to them about other opportunities. As the minister has correctly pointed out, regional chambers of commerce are very strongly represented on these stands. We are looking at getting more and more people to move into regional Western Australia to address the chronic shortages.

Mr P.W. ANDREWS: Are any particular groups showing more interest than others?

Mr S.W. Moir: No, not at this stage. It is pretty broad. We are getting teachers, accountants, information and communications technology people, and people in the resources sector. It is across the board; there is no specific sector.

Ms M.M. QUIRK: Anecdotal evidence suggests that after *60 Minutes* did a program a couple of years ago, people headed west uninformed and uninitiated and without the right sort of licence, and they rolled up in Kalgoorlie and wanted a job. I have certainly had a lot of feedback from employer organisations and chambers of commerce that this is undesirable. For example, when people come to our stand at our interstate exhibitions—a number of mining companies are also represented at those exhibitions—we ask them what their qualifications and expectations are so that anyone who moves to Western Australia does so in an informed and planned way. Again, that is a much more constructive way of managing manpower. Raw numbers are a quantitative way of looking at it, but, qualitatively, we do a lot of filtering at the stands to make sure that people do not just come here on spec and that everyone’s expectations are reasonable. If people’s expectations are reasonable and they have the relevant skills, chances are that they will be happy and will want to stay. Their spouses and partners are another issue. It gives us a chance to work on the spouses or partners, because often one partner is keener on moving than the other. If other employers require the skills that the partner might have, we can move in and talk to the partner as well. The converse of that is doing it through a recruitment agency, which, for small businesses,

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is a very expensive prospect. It costs \$7 000 or \$10 000 each time. A lot of employers who are represented at the stands say that if they fill two or three positions, it is cost-effective because it is a lot cheaper than having to go through a recruitment agency.

Mr P. PAPALIA: I have become familiar with the campaign, particularly the overseas activities of the State Migration Centre, through chairing the defence industry advisory board. It is an excellent campaign. It is very effective. I know that the defence industry sector is very supportive —

Mr T. BUSWELL: Are you answering or asking?

Ms M.M. QUIRK: Which page is the member referring to?

The CHAIRMAN: Is this a follow-up question, member?

Mr P. PAPALIA: It is the last dot point on page 1049.

Mr T. BUSWELL: It is an audition for the new ministerial appointment process.

Mr P. PAPALIA: I did not hear the Leader of the Opposition give a page number or a dot point. I am following on from the lead of my senior colleague. I am aware of that sector's interest, but I am also aware of the costs for individual businesses, particularly for overseas activities, if they want to have part of a stall. Is the corporation going to sector groupings and peak bodies with a view to having those peak bodies represented and advocating with them the services that can be provided by the State Migration Centre?

Ms M.M. QUIRK: The short answer is yes, but I will get Mr Moir to answer that in more detail.

Mr S.W. Moir: Yes, we are going to specific groups. As the member rightly points out, the defence industry group was one of those. We are now working with the Australian Hotels Association, tourism bodies and chambers of commerce. There is also a form of supplementation to assist employers to be represented on the stands. They are responsible for their airfares. Of course, by combining the efforts on the expo stands and making some savings there, we are giving them greater exposure and they get, for instance, the backwash from the advertising that takes place to promote those events. It is a very cost-effective way for employers, including small businesses, to take part in these sorts of international and interstate expos and get the benefit of the activities that are happening.

Ms M.M. QUIRK: The other thing I should add is that we are very keen to promote particular regions so that people do not think it is just for Perth. Let us face it, if people think they are coming to Perth and they end up in Karratha or Albany, they will find themselves in quite a different setting. We are keen to work with chambers, and as I go around the state I talk about them getting up a promotional package. As I have said, the mid-west chamber has a fantastic website, which I think is called golden west opportunities. It has a fantastic book. Unfortunately, it has in it a picture of Peter Bell, who has since defected back to Perth. That is a fantastic idea. Again, when people have seen the promotional information and then go to those regions, they know exactly what they are in for. The chances of them staying, building a life and becoming valued members of our community are much greater.

Mr J.N. HYDE: I refer to page 1047. The Small Business Development Corporation has identified the issue of a gap in services for Indigenous small business operators.

Mr M.W. TRENORDEN: Only those in the city.

Mr J.N. HYDE: Where the majority of Indigenous people are, member. Can the minister advise what actions are being taken to meet this very important need?

Ms M.M. QUIRK: I think there is a lot of rhetoric about how we improve the position of Indigenous members of our community, but we need to drill down and determine which mechanisms can enhance Indigenous economic activity. Frankly, we decided that we needed to look at the drivers for and the impediments to Indigenous small business prospering and more small businesses being developed. We selected the west Kimberley, and in particular Derby, as the site for a pilot program. The reason for that is that there is a diversity of Indigenous businesses there and there are a number of successful Indigenous operators. The pilot program is basically surveying businesses along Gibb River Road. It has been operating for six months. Although it is too early for conclusions, I think that will inform a statewide policy on Indigenous development. To some extent other agencies in government, not particularly SBDC, are probably picking the easy eyes out of Indigenous business activity. Now we need to drill down and see whether there is capacity building. The same applies in other areas of business activity in which people may not have the financial literacy to effectively enter into a business. We want to determine whether there are impediments to setting up a business and whether there are any capacity-building exercises that need to be done and whether they need to be targeted to Indigenous enterprises. Having said that, during my recent visit to the north I found that there were some really inspiring

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businesses running. I think there is great potential there. I do not think we have tapped it yet; we have not drilled down and looked at the specifics and how we need to target promoting those businesses.

Mr M.W. TRENORDEN: On page 1049, under service 1, “Information, Guidance, Referral and Business Development Services”, is the following —

Provision of specialised information, referral, and business facilitation services for the effective development of enterprises in Western Australia.

What funding has been allocated by the state government to small business advisory centres or business enterprise centres statewide? Perhaps the minister could provide the answer by way of supplementary information, unless she wants to give me the figures per centre, particularly for centres outside the metropolitan area, which will take a little while. The minister knows why I am asking this question. We got a significant inflow of funding for Labor Party-held seats from the federal government.

[12.30 pm]

Ms M.M. QUIRK: Alas, Bunbury is not held by the Labor Party!

Mr M.W. TRENORDEN: Yes, but Brand is.

Ms M.M. QUIRK: Yes.

Mr M.W. TRENORDEN: That area services Brand as well.

Ms M.M. QUIRK: Yes.

Mr M.W. TRENORDEN: I have to say that the Bunbury Chamber of Commerce and Industries and the City of Bunbury are outstanding.

Ms M.M. QUIRK: I agree entirely.

Mr M.W. TRENORDEN: I do not want to pick on them at all. They are a very positive pro-active group of people, and I actually think they will use the funding; whereas people who walk into the Belmont business enterprise centre could fire a shotgun and not hit anybody!

Mr T. BUSWELL: They might hit the Treasurer!

Mr M.W. TRENORDEN: However, that centre still gets \$300 000. My real concern is—confirmed by many phone calls I have received now that there is this overarching umbrella of the federal government—what state funds will go out and who will pick up exactly what?

Ms M.M. QUIRK: What state funds will go out of where?

Mr M.W. TRENORDEN: To each individual centre, and what is each of those centres going to get?

Ms M.M. QUIRK: I think that will probably need to be answered by way of supplementary information.

Mr M.W. TRENORDEN: I just suggested we should not argue it, if the minister did not mind. Could I just extend my question to the service and appropriation summary on page 1047? It states that there is an extra \$1.2 million—rounded up or down, whichever way we look at it—in the system as an appropriation provided to deliver services.

Ms M.M. QUIRK: Mr Buttsworth can probably answer the later question and I will go back and sort out the supplementary information.

Mr M.W. TRENORDEN: The minister can deal with them in any way she likes. I just want to know to where that \$1.2 million will be allocated.

Mr R.H. Buttsworth: I am sorry, member, can I have the question again, please? I did not understand it.

Mr M.W. TRENORDEN: I refer to the service and appropriation summary on page 1047. The last item under “Services” is the appropriation provided to deliver services. There is a difference between the 2007-08 and 2008-09 figures of about \$1.2 million extra funding. I want to know where that will go.

Ms M.M. QUIRK: My understanding is that it is Go West Now money.

Mr M.W. TRENORDEN: So that is the Go West money?

The CHAIRMAN: Getting back to the supplementary information, could the member for Avon let Hansard know what that actual supplementary information question is, please?

Mr M.W. TRENORDEN: My question relates to the funds that are going to each centre, regional and city.

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Ms M.M. QUIRK: Yes, that is possible; that is, therefore, state government funding, not commonwealth government funding?

Mr M.W. TRENORDEN: Yes. The minister has told me that the commonwealth funding is direct, and that is another issue. I want to know what is happening to the state funds.

Ms M.M. QUIRK: I am happy to supply that to the member by way of supplementary information; that is, therefore, funding allocated for each small business centre in both metropolitan and regional Western Australia.

Mr M.W. TRENORDEN: I thank the minister.

[Supplementary Information No A7.]

Mr A.J. SIMPSON: My question relates to the capital works program on page 1051. In the table there is a line of figures that states that the government budgeted for \$435 000 in 2007-08. The estimated actual is \$942 000 and it goes down to \$250 000 in 2008-09. Can the minister explain why those numbers jump around a bit?

Ms M.M. QUIRK: I will get Mr Buttsworth to answer that.

Mr R.H. Buttsworth: The figure in 2007-08 of \$942 000 constitutes a significant carryover for major office fit-out works that we have undertaken in the current financial year. Also, some of the carry forwards relate to office equipment. We are replacing our electronic document management system, which is a significant expense as well. Where it drops down to \$250 000 in 2008-09, that is essentially for the replacement of office equipment. It increases again in 2010-11, and that is for the triennial funding for small business centres. We provide \$185 000 in indirect capital support to the centres, and that explains the increase from \$250 000 to \$438 000 in that year.

Mr T. BUSWELL: I refer to page 1049, which deals with migration. I am particularly interested in the Small Business Development Corporation's role in 457 visa applications. Is it true that all 457 visa applications are vetted or endorsed by the SBDC, or is it only those from small businesses or those that come through regional development commissions? Can the minister give me a bit of an overview of that process?

Ms M.M. QUIRK: I do not sight all 457 visa applications, only those that are effectively put through the regional development commissions; and that is when there is a skills-waiver application. I do not know how many applications I would see a year—perhaps in the vicinity of 100 a year; something along those lines.

Mr T. BUSWELL: Can I just check the process?

The CHAIRMAN: A further question.

Mr T. BUSWELL: The process is that if an employer was utilising the services of the development commission in, say, Geraldton—which seems to be popular with the minister today—the application would then go through the SBDC and over the minister's desk to be signed off. Is that how it works?

Ms M.M. QUIRK: Yes. I might add some additional information to that, as I understand the Leader of the Opposition made some comments the other evening about recent events and that I am a captive of the union movement. I think the suggestion was made —

Mr T. BUSWELL: That was a couple of months ago.

Ms M.M. QUIRK: No, I think it was quite recently. However, a suggestion was made that somehow, in exercising my capacity to look at skills waivers, I routinely do not approve them because of some pressure put on me by the union movement. The bottom line of skills migration is that it should not undercut local workers. If 457 visa applications are used as a backdoor way to get workers in to undercut local employers, that is not suitable and, frankly, we are not prepared to shift on the basic conditions of those employees. However, we understand that in some industries there is a shortage of workers and, therefore, it is appropriate in some circumstances to sign skills waivers. I may have refused four in the past year or so, or however long I have done the job. In many cases, when there have been some initial queries, those cases have been resolved favourably for the applicant. Therefore, only a mere handful has been rejected, and that is clearly because the motives of the employers were not good; they wanted to undercut wages in a backdoor way. However, by and large, employers sincerely want to put on some additional staff members.

Mr M.W. TRENORDEN: The vast majority, obviously.

Ms M.M. QUIRK: In particular, member for Avon, I have to say that we get a lot of applications for agricultural workers that I think are legitimate and they are approved.

Mr T. BUSWELL: I have a further question in relation to that initial question. I was not going to ask the minister about that, but it was very nice of her to raise the issue.

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Ms M.M. QUIRK: That is all right; call it a reverse dorothy dixer!

Mr T. BUSWELL: My question at the time was in relation to a case—I cannot recall the name of the contractor—of an employer who was after 20 drivers. The only reason I was interested in the case was that the applicant had been told by the Transport Workers Union of Australia that there was no way the application was going to be approved and, lo and behold, it was not. I understand that that issue was subsequently resolved.

Ms M.M. QUIRK: Yes.

Mr T. BUSWELL: Further to that, are labour hire companies in a position to apply for 457 visas?

Ms M.M. QUIRK: My understanding is no.

[12.40 pm]

Mr P. PAPALIA: On the same subject, it is my understanding that because our labour market is different and the demand for skilled people from Western Australia is so much higher in so many different sectors than that of other states, the federal government's policies on the regulations governing 457 visas and what skills are prioritised may not necessarily reflect what our industry in WA wants. Do we have a feedback mechanism so that we can influence the federal government to change its prioritisation so that we ensure that our demands and requirements are met?

Ms M.M. QUIRK: That is a slightly different issue. I will ask Mr Moir to answer that in detail. However, as a general proposition, we are in close dialogue with Senator Evans, the federal minister. I had good experiences with a previous minister; namely, Amanda Vanstone. I had very bad experiences with Minister Andrews in terms of him being receptive to the specific needs of Western Australia. It gets raised at the Council of Australian Governments and other forums. I certainly made sure that, when federal cabinet came over here, every cabinet member got a copy of the excellent Chamber of Commerce and Industry of Western Australia report on labour shortages in Western Australia. We are very keen to keep the federal government updated on the specific needs and demands of Western Australia because decisions made in Canberra often do not reflect our specific needs. I will refer the question to Mr Moir.

Mr S.W. MOIR: The member is probably referring to the skills and demand list, which is part of the general skilled migration program, which is separate from the 457 program. The 457 program is specifically broader and not based on that list, so we have a bit more flexibility. The time lines involved for recruiting people on skills and demands are quite lengthy compared with those for 457s. The minister is correct in saying that the federal government has indicated that it is looking for a more flexible approach and understands that one size does not fit all. We are awaiting further advice.

Ms M.M. QUIRK: I am particularly heartened that the Minister for Immigration and Citizenship is now encouraging more firms to bring workers in under labour agreements, which means it is not a gradual thing of bringing in one worker at the time, but we have a potential to bring in a greater number of workers. That is very encouraging.

Mr A.J. SIMPSON: My question refers to page 1050 and the major achievements for 2008-09. The fourth dot point refers to the undertaking of a review of the business licence information system to identify and consider future options. During my time in small business I had to pay a small fee to register a business so that it was registered in the system. During my 14 years in business only one person came out to check that I had the sticker on the wall. Being a member of Parliament and dealing with other small businesses, I have found that there are other issues such as travel compensation funds and a lot of red tape that goes with owning small businesses. One of the major initiatives for 2008-09 is to undertake a review of the licensing system. That is an area that needs to be looked at to help small businesses. One of the main concerns relates to red tape. I am interested to hear about the process that is in place to bring that together so that it is a bit more uniform.

Ms M.M. QUIRK: I will get Mr Moir to answer the specific question. As a general proposition, to some extent red tape arises from a range of competing pressures. Red tape is one of the three issues that are consistently raised with me. A lot of that is generated at a local government level. That is not a criticism, but with around 140 local governments, there are inconsistencies in the local laws of one local government authority and another, which sends a lot of people crazy. I am convening a meeting of a number of local government authorities with a view to seeing how we can get some overriding, consistent legislation at a local government level.

Mr M.W. TRENORDEN: It is not just the legislation. Many of my councils are not resourced to handle the stuff that the state government has handed to them over 20 years. My councils are not resourced to reasonably deal with small business.

Ms M.M. QUIRK: We are trying to work with local government to make that a bit more streamlined. I accept that there are some resourcing issues. Hopefully, when this process is concluded, it will have positive resourcing implications. That is at one end of the scale. The other end of the scale is at the COAG level, where one of the

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major commitments state and federal governments have made is to eliminate red tape. Under Treasurer Tim Marney is the deputy chairman of the business regulation committee. At a macro level, the committee is very much looking at the impact of red tape and the extent of it, which is really the problem. There is a new-found enthusiasm for doing something about red tape at a state level.

Additionally, the previous commonwealth government developed a computer program called the business cost calculator. That is a computer program that more accurately assesses the impact of particular legislation on small business. Some of the indirect impacts that are not currently picked up are now being picked up by the business cost calculator. I am actively encouraging the Treasurer to roll that out across government. I will give an example. Legislation about terrorism and banning particular fertilisers has an indirect impact on the agricultural sector. Stuff like that does not ordinarily get picked up because the particular agency charged with counter-terrorism does not have a good agricultural constituency, so it does not understand the impact.

Mr M.W. TRENORDEN: As the minister argued quite correctly, the Mining Act should control detonators not fertilisers.

Ms M.M. QUIRK: I will ask Mr Moir to answer the specific question.

Mr S.W. Moir: The licensing centre process was introduced seven years ago. It impacts on local government authorities and state government authorities inputting information. It is timely that we go right through that to ensure that we have the most current information and that small businesses coming through get that information quickly.

Mr M.W. TRENORDEN: I refer to the first dot point on page 1050 under "Major Initiatives For 2008-09". One of the positives coming out of my region is that people are saying that if there is a downturn in the mining industry, the great thing about that is that there will be a significant boom in agriculture. This government does not have the boom in agriculture on the agenda at all. Today's *The West Australian* has an article on food security and food quality. It is a major driving force in other nations. Is that on the minister's radar?

Ms M.M. QUIRK: Yes.

Mr M.W. TRENORDEN: In what context? What can I look forward to?

Ms M.M. QUIRK: As I said, it will be part of that research project. We have strong linkages with exporters through our business investment programs. I am working with the Minister for Agriculture and Food on a food strategy and the marketing thereof. We are looking at a range of things. One of the great things about my job is that when I go to regional business awards, the agricultural sector and primary industries feature quite strongly. I am keen for that to continue.

Mr M.W. TRENORDEN: Will the minister fund the business enterprise centres instead of slaughtering them, as the government has been doing?

Ms M.M. QUIRK: That is a non sequitur but I hear what the member is saying.

Mr T. BUSWELL: I refer to page 1050 and small business impact statements. Can the minister explain how they are used? Does a small business impact statement accompany every submission to cabinet?

Ms M.M. QUIRK: Which dot point is the member referring to?

Mr T. BUSWELL: The third dot point. How are they used as part of the greater government decision-making process?

[12.50 pm]

Ms M.M. QUIRK: The majority of cabinet submissions have a small business impact statement. We look at the impact on small business of each particular proposal or piece of legislation that is put before cabinet. Some of those small business impact statements are less thorough than others. This reference reflects the fact that we have revisited some of those statements, and we have said that we want to achieve a level of consistency in those statements, and also that they need to provide more detail. Having said that, I would really like to get to the stage at which the business cost calculator is rolled out across the bureaucracy, because that will make the level of inquiry much more thorough. To give an example, the Minister for Health has said that he wants to introduce some regulations to deal with the tanning salon industry. That will clearly have an impact on those small businesses. Such a statement would invariably include a comment like, "Ten per cent of the salon businesses are using tanning machines that are dodgy; therefore, these regulations will have an impact on their viability." That is the sort of thing these statements might include.

Mr T. BUSWELL: When the Premier announced the change in the government's position on seven-day trading and extended weekday trading, was that accompanied by a small business impact statement?

Ms M.M. QUIRK: What item number is the Leader of the Opposition looking at?

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Mr T. BUSWELL: It is the third dot point at page 1050, small business impact statements. I am keen to understand whether, when the Premier announced the government's new position on Sunday trading and extended weekday trading —

Ms M.M. QUIRK: Small business impact statements relate to formal cabinet submissions.

Mr T. BUSWELL: I wanted to clarify that, because I would hate to be confused about that matter. Therefore, no small business impact statement was done on that announcement?

Ms M.M. QUIRK: There was no cabinet submission on that particular announcement.

Mr T. BUSWELL: Just so that I can be 100 per cent sure, in the absence of a small business impact statement, was the minister consulted about the impact that the proposed extension to Sunday trading and weekday trading would have on small business?

Ms M.M. QUIRK: I certainly have made a number of representations, and the Premier is aware of my —

Mr T. BUSWELL: Was that before or after that announcement?

Ms M.M. QUIRK: The Premier is aware of what I perceive the implications to be. One of the things on which I have been lobbying the Premier for some months, both before and after the announcement, is the need to bring in amendments to the commercial tenancy legislation, because I think there is a direct nexus between that legislation and trading hours. The Premier has concurred with that, and the minister responsible for that portfolio, Hon Sheila McHale, hopes to introduce those changes shortly.

Mr T. BUSWELL: Does the responsibility for preparing a small business impact statement rest solely with the department that is presenting that item to cabinet, or is the Small Business Development Corporation, with all its expertise, also asked to provide separate formal advice so that the matter can be looked at through a different pair of eyes, for want of a better term?

Ms M.M. QUIRK: I am happy to answer this question. However, I am conscious that I might be trespassing on what are confidential cabinet processes. I have not had the opportunity to talk to the cabinet secretary about what I can and cannot say. However, if the member is happy for me to talk about this matter in general terms, I can say that a small business impact statement is prepared by the particular agency concerned, under the oversight of the minister who has put up the cabinet decision. The agency and the minister do that in consultation with the SBDC. In addition, each cabinet submission is forwarded to the relevant ministers upon whom that submission may impact, and those ministers are given the opportunity to make specific comments. Therefore, when it comes to small business, two processes take place for each cabinet submission. The first is that a small business impact statement is prepared. The second is that if the matter is particularly germane to the small business portfolio, I will also probably be given the opportunity to comment on the proposal when it is put to cabinet.

Mr M.W. TRENORDEN: I refer to page 1049 and the table "Key Efficiency Indicators". This is a serious question. An amount of about \$1.8 million can be attributed to programs that are run by other agencies. This includes the items that are listed in paragraph (b), which states in part that grants are given either under the innovation to markets approval program, the business migrant incentive program, the export accelerator program or the dry seasons assistance program. We need to add to that Labor Party pork barrelling. The amount that is indicated for "average cost per direct client contact" and "average cost per indirect client contact" will need to change, because the Auditor General has stated clearly that the key efficiency indicators should include not just the moneys that have been allocated by the minister's department, but all moneys. How does the Small Business Development Corporation intend to bring that federal funding into this key indicator process so that we can measure what is happening? I refer also to paragraph (d), which states in part that the corporation provides core grant funding to each centre, along with other administrative support to the network. There is now another plan in there as well.

Ms M.M. QUIRK: Well, at least pork barrelling is a primary industry, so the member for Avon should encourage it!

Mr T. BUSWELL: It is a National Party speciality!

Ms M.M. QUIRK: Yes—that and agrarian socialism!

To get back to the question, there is already some commonwealth funding that is not included in these figures; for example, business incubators. The member is saying that because of some new standards that have been set by the Auditor General, we may need to report this in a different way.

Mr M.W. TRENORDEN: No. I raised this concern in my grievance to the minister the other day. Seven of the small business centres are funded significantly; the remainder are paupers. Therefore, to provide the average cost per direct or indirect client contact will be almost impossible to do.

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Troy Buswell; Mr John Hyde

Ms M.M. QUIRK: I will ask Mr Moir to answer that.

Mr M.W. TRENORDEN: This is a serious question.

Ms M.M. QUIRK: I can understand what the member is getting at. It is a legitimate question. However, rather than leave it to an amateur like me, I will ask the person who is responsible for this area to answer this question.

Mr S.W. Moir: What needs to be noted here is that previously we have had programs such as the national employment incentive program and the small business enterprise culture program, all of which have been accessed by some of the BECs across the state. The requirement of this state is to report accurately on state expenditure. We have never merged the two.

Mr M.W. TRENORDEN: But you will need to do that in the future.

Mr S.W. Moir: I do not think there will be any difference from what has happened in the past. We have never reported on that in the past either.

Mr M.W. TRENORDEN: That is probably because the minister has not had someone like me call her up for that!

Ms M.M. QUIRK: I am happy to seek some advice as to how that might be accommodated, and to see what views the Auditor General might have, and to provide the member with a copy of that advice. Whether that could be done within the relevant time period, I do not know.

Mr M.W. TRENORDEN: Outside of the political argument, I will be interested to see how the minister intends to handle that. I will also be interested to know the advice of the Auditor General on this matter, because I can assure the minister that I will be talking about this matter again next year, but probably from another place.

Ms M.M. QUIRK: Yes.

The appropriation was recommended.

Meeting suspended from 12.59 to 2.00 pm