



13 December 2019

Queensland Small Business Strategy
Department of Employment, Small Business and Training
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To: Queensland Small Business Strategy Team

Re: Queensland Small Business Strategy

1. Introduction

1.1 The Motor Trades Association Queensland (MTA Queensland or the Association) responds to the Government's *Queensland Small Business Strategy* Discussion Paper (the Paper) submitting the following responses and general views.

1.2 The MTA Queensland advocates on behalf of the State's participants of the automotive value chain which includes a significant number of small businesses. The commentaries below reflect the perspectives of those small business members and are intended to present general views that would allow the automotive value chain to continue to make a meaningful and substantive contribution to State's economy.

1.3 It is estimated that there are in excess of 15,500 businesses in the automotive value chain employing approximately 88,500 persons generating more than \$20 billion annually in value added to the Queensland economy.

2. Preamble

2.1 The MTA Queensland advocates for some 15,500 businesses engaged in the automotive value chain many of which are small business enterprises engaged in motor trades' sectors ranging across a broad spectrum of activities including: the sale of new and used vehicle's for private and commercial transportation; new and used farm and industrial machinery; replacement parts and accessories; vehicle repair; component and vehicle manufacturing; design and engineering services; fuel retailers and other services.

Motor Trades Association Queensland

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2.2 The decentralised nature of locations comprising automotive trading units and their diversity requires a small business strategy with the competence to service multi economies in a broad section of geographic environments ranging from urban, regional, rural to remote where each experience unique economic circumstances. Currently, with some exceptions such businesses engaged in dedicated pursuits such as fuel retailing, business conditions are experiencing severe declines in local economic demand due to low consumer confidence. In these situations, the Government must adopt fiscal policy parameters that restrain compliance imposts and limit fees and charges, maintain expenditures on amenities and social services and where necessary provide additional programs to sustain communities.

2.3 The Advancing Small Business Strategy 2016-20 incorporates beneficial programs and initiatives which business can access to stimulate growth and facilitate employment creation. To maintain program effectiveness e.g. it is critical that the application requirements and compliance obligations are minimised. Anecdotally, an ongoing comment is that the initiatives and programs are commendable but the application process is costly and time consuming and the number of successful applicants is limited by the quantum of the available funding.

2.4 The Government's Small Business Procurement Commitment is a worthy initiative but there are indications that it may not be achieving the outcomes envisaged. Anecdotally, there is a view that businesses 'within the establishment circle' are perennially successful tenderers. Applicants with superior or innovative technologies or products capable of significant cost savings and efficiencies appear to be disregarded in a tendering process which favours the 'comfortable existing arrangements' to the disadvantage of effective budgeting.

3. General Comments

3.1 Vision and Objectives

3.1.1 Small business in the automotive value chain is predominantly service oriented. Its objective is to prosper from excellence in service provision or superior product delivery and the investment of proceeds in business growth and equity. Effective government support programs are important; the worthy objectives of increasing employment growth and skills development will not be achievable without the spirit of entrepreneurship. There is a general view that in the first instance, for the 'vision and the objectives' to be achieved, the function and contribution of small business in the economy needs to be recognised and acknowledged.

3.1.2 Each of the focus areas for achieving the vision nominates accessible and constructive programs conducive to small businesses increasing skills and productivity. Small business operates within the overall architecture of Queensland's economy and a strong and resilient state economy is fundamental to small business investment and the precondition to qualify for government small business programs and initiatives.

3.2 Focus Area 1 Giving small business the tools and support to grow

- Providing small businesses with access to the training and development they need to start, run and grow their business.
- Supporting small businesses with tools to increase sustainability and participate in the circular economy.
- Ensuring small businesses can access the skilled workforce they need to grow and respond to change.

3.2.1 As identified in the Paper, there has been growth in small businesses operating in the State. Of concern, is that four in ten do not survive more than four years and fail for diverse reasons. Many small business operators are time-poor. Their focus is on running the business, rather than upskilling to meet changing market conditions, compliance obligations, technological transformations or shifting consumer choices. These small businesses have the potential for success but need focused government assistance.

3.2.2 The identified supporting initiatives for this focus area that have the capability to assist small businesses to succeed and are supported by the Association.

3.3 Focus area 2 – Simple and easy to do business

- Continuing to ensure that regulation does not unnecessarily impact on small businesses.
- Continuing to stream line and improve processes and systems to make it easier to interact with government.

3.3.1 The supportive initiatives for focus area 2 identify small business concerns relating to onerous compliance obligations emanating from regulatory frameworks, procedures and compliance systems.

3.3.2 The redundant nature of compliance obligations across all levels of government, state departments and agencies should be addressed.

3.3.3 A 'one-stop-shop' or a hub for the common regulatory requirements and general notifications for the small business sector could be established to overcome duplication and excessive costs in both time and money terms.

3.4 Focus area 3 – Creating sustainable jobs in regional Queensland

- Ensuring small business initiatives are focused and on creating jobs across Queensland.
- Increasing small business resilience in regional Queensland.
- Building on existing support and services for small business in regional Queensland.

3.4.1 The supporting initiatives for focus area 3 and the attendant programs, packages and grants have the potential to assist regional small businesses. The small businesses providing services and products to diverse industry sectors in the six regions outside of south-east Queensland ideally should have a designated hub that manages the programs, grants, and skilling opportunities available to that specific region.

3.4.2 Small business economic disadvantages impacting resilience in the regions include: inability to attract employees; securing funds for investment purposes from financiers due to location factors, the 'big dry'; relative utility costs; extended approval times for projects, excessive regulatory requirements, social concerns such as higher crime rates in regional cities and rural towns; and lack of knowledge about programs, grants and assistance opportunities.

3.5 Focus area 4 – Supporting a diverse small business sector

- Developing a better-connected sector to encourage sharing and learning through networking and mentoring.
- Supporting and promoting small business diversity.

3.5.1 Enhanced utilisation of social media could promote the attainment of the initiatives under focus area 4.

3.5.2 Regional social media platforms could be mobilised to build networks and communities of small businesses and individual entrepreneurs. A virtual program such as Skype provides access to anyone at any time to mentor small business entrepreneurs who would not otherwise have access to such a support program.

Focus area 5 – Giving small business a voice

- Engaging and partnering with peak bodies and the sector on small business issues.
- Continuing the focus on strong advocacy for small business.
- Providing a clear pathway for dispute resolution for small business, to help resolve disputes quickly and easily, and to reduce costs.

3.6.1 These initiatives are supported. It is of concern that many small businesses are not members of an industry association and are unable to access services and programs, free expert dispute resolution advice and advocacy available to members. They do not receive the information on government grants and programs, and general industry intelligence available to associates. There are several reasons for this which include the cost of membership and in the investment in time to which they may not see as directly relevant to business development and outcomes.

3.6.2 Increased collaboration with industry associations on generic issues important to small business such as workplace health and safety, dispute resolution, digital programs, skills development would enable government to achieve improved benefit and greater uptake of the many initiatives intended to assist and sustain small business. Industry associations could distribute the government branded advices through their membership communique and website access.

4. The MTA Queensland background

4.1 The MTA Queensland is the peak organisation in the State representing the specific interests of businesses in the retail, repair and service sector of Queensland's automotive industry located in the State.

4.2 There are some 15,500 automotive value chain businesses employing approximately 88,500 persons generating in excess of \$20 billion annually. It is an industrial association of employers incorporated pursuant to the *Fair Work Act 2009*. The Association represents and promotes issues of relevance to the automotive industries to all levels of Government and within Queensland's economic structure.

4.3 Australia's first automotive hub, the MTA/Q, has been established in specifically designated accommodation at the corporate office. The hub is an eco-system that supports innovation for the automotive industry.

4.4 The Association is the leading automotive training provider in Queensland offering nationally recognised training, covering technical, retail and the aftermarket phases of the motor trades industry through the MTA Institute - a registered training organisation. It is the largest automotive apprentice trainer in Queensland employing trainers geographically dispersed from Cairns to the Gold Coast and Toowoomba and Emerald.

Thank you for your consideration.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brett Dale', with a small flourish at the end.

Dr Brett Dale DBA
Group Chief Executive
MTA Queensland