



## MOTION

### Small Businesses

**Mr BARNETT** (Lyons - Motion) - Mr Deputy Speaker, I move -

That the House -

(1) Notes that:

- a) small businesses make a vital contribution to the successful Tasmanian economy and community;
- b) in addition to being a major contributor to the economy in terms of output, employment and the overall number of businesses, the small business sector in Tasmania is generally self-reliant, innovative, responsive and entrepreneurial by nature; and
- c) Tasmania has around 37,000 small businesses, employing over 100,000 Tasmanians and that these businesses are the lifeblood of our communities, particularly in rural and regional areas, with two fifths of Tasmania's small businesses located in regional areas.

(2) Recognises that small businesses are typically independently owned and operated, generally with one or two people making critical management decisions around financing, accounting, staffing, processing, purchasing and marketing, and 60 per cent are non-employing.

(3) Further notes the continuation and success of programs delivered by the Hodgman Liberal Government such as the Business Tasmania Service, Winning Government Business, Retailer Development and Digital Ready programs.

(4) Acknowledges that small business is vital to the growth and prosperity of Tasmania and has the full support of the Hodgman Liberal Government.

Mr Deputy Speaker, I am very pleased to support this motion because it is entirely accurate. Small business is the backbone of our community and the lifeblood of Tasmania, particularly in rural and regional areas. They are the job creators and generators, with over 100,000 Tasmanians in those small businesses.

I am delighted to note the report from Michael Pascoe, respected business editor, who wrote in *The Age* on Saturday that Tasmania is enjoying a purple patch with some of the strongest growth indicators in Australia. He went on to say:

Tasmania now has a lower seasonally adjusted unemployment rate than South Australia or Queensland (6.3 per cent compared with 6.8 per cent and 6.5 per cent respectively).

Household consumption, business investment, real state final demand, exports of goods and of services - all are growing faster than the Australian average. Its scores on the NAB business conditions and business confidence surveys are both the highest in the nation.

In the case of business conditions, daylight is second ahead of New South Wales third ... despite the state's electricity supply problem.

This is very encouraging news for Tasmania and Tasmanian businesses, specifically small businesses, which are 97 per cent of the 37,000 businesses in Tasmania. Michael Pascoe goes on to say:

If you wanted a pay rise last quarter, Tasmania is where you should have been. According to the latest ABS figures, Tasmania's hourly wages grew by 0.7 per cent.

He goes on and speaks further about the importance of the Tasmanian economy, how successful it has been, the fact that it has been growing and growing fast.

This is all entirely accurate and very encouraging news for Tasmania and the economy. The small business sector is on the up. There are many places that are still doing it tough, but the fact is we are heading in the right direction. Thanks to the Hodgman Liberal Government we have set the course and have addressed the challenges presented to us over the last couple of years since we took over from the Labor-Greens minority government.

I wanted to make the case and thank the federal government and the federal budget in that from 1 July this year the small company tax rate will be cut to 27.5 per cent and be available to all small companies with an annual turnover of less than \$10 million. This is good news and a real boost for small business in Tasmania. We are a small business state, with nearly half the private sector workforce in small business. It is not just the tax cuts for small business and companies. The Turnbull Government has extended the unincorporated tax discount to unincorporated businesses with an annual turnover of less than \$5 million and increased the discount to 8 per cent from 1 July 2016 up to a maximum value of \$1,000.

What that does is encourage small businesses to invest, grow and create more jobs. I met with Matthew Shepperd of Shepperd Bros Plumbing in Hobart a couple of weeks ago, soon after the federal budget was brought down. He said the tax cuts for small business had come at a very good time and the new tax cuts will allow him to employ two new apprentices. You cannot get a better example of that; of a small family business that has been around over 40 years. His dad started the business, he is in the business with his brother, and he has a number of children of whom one is also a plumber. This will provide an incentive to create more jobs for more Tasmanian families and that is a huge plus.

I note that the tax cut proposal by the federal government has been welcomed by the Tasmanian Chamber of Commerce and Industry. I note the Tasmanian Tourism Industry Council has welcomed it, as has the Hotels Association. The Tasmanian Small Business Council is supportive of these changes and indeed many others, so this initiative will drive investment, jobs and growth and it is not just in that area.

I want to mention changes for distilleries, in particular whiskey distilleries in Tasmania, that are not entitled currently to any excise refund scheme but from 1 July 2017 whiskey, vodka, gin and liquor producers will be eligible to claim part of the excise paid to reinvest in the business to help develop their presence in the world export markets. Bill Lark from Lark Distillery, a highly regarded and well-known leader in the field from Hobart, said it will result in increased production and more employment.

With respect to that and the other initiative, I want to give great credit to the Tasmanian federal members Eric Hutchinson, Andrew Nikolic and Brett Whiteley, who I know have been championing the cause of small business in their particular electorates and across the state. I know the Tasmanian Liberal Senate team has been fighting hard to get a good deal for Tasmania and particularly for small business and having talked and worked with Eric Hutchinson, he has worked hard on getting those reforms for the whiskey distillers because there are so many of them in his electorate. In one way it is self-interest but in another way it is going to be a huge boost for the economy and for jobs across the state, so it is really encouraging.

I also note that in terms of the business confidence, we had the NAB business survey last month putting us at the highest business confidence in the nation. We have the TCCI survey of business expectations from March that showed Tasmanian businesses were more confident in the Tasmanian economy than the Australian economy and that Tasmanian small and medium-sized enterprises are the second most confident in the country according to the Sensis Business Index from March this year. The latest CommSec report last month confirmed that Tasmania's economy is heading in the right direction, stating that we are currently experiencing a 'lift in momentum' and the report notes that Tasmania has moved up the rankings and has caught South Australia.

In terms of our exports, they are up 9.9 per cent in the 12 months to February. We have seen the tourism numbers heading in the right direction and that represents an 8 per cent increase in visitor numbers in 2015 compared to 2014, and there are records in terms of cruise ships and in retail expenditure. We had a record month just a couple of months ago and the turnover for retail has gone up 7.1 per cent since the election. The state Government has a range of programs out there to support small business and we are very keen to continue to support small business through Business Tasmania. I acknowledge Kelly Brown and her team in Launceston who do such a good job supporting small businesses around Tasmania.

We have the enterprise centres around Tasmania, the Tasmania retail development program and a range of other digital-ready programs for winning government business. The Buy Local campaign is delivering for Tasmania, so overall it is very encouraging news for the Tasmanian economy.

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