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Small business plea for less red tape

Mark Fenton-Jones

Unfair dismissal laws, the complexities and red tape associated with employment, rising costs of superannuation, liability for parental leave and availability of genuine advice and help for employers are the key issues for small business in this election.

The pivotal concerns emerged from a survey by SME Boardroom, a membership organisation representing small to medium-size enterprises. Most respondents to the survey employ fewer than 20 staff.

"Dismissal laws need to change for SMEs," one said. "We don't have the money to have a big human resource department to manage staff."

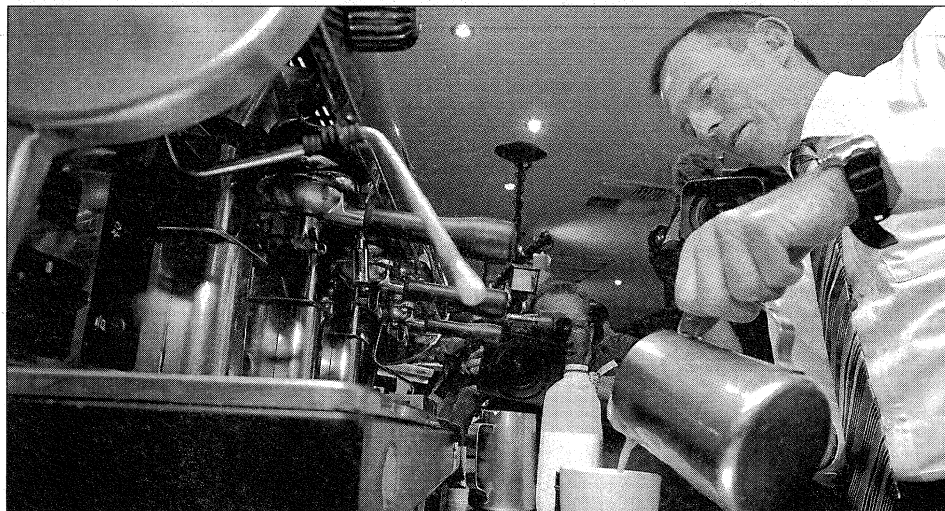
The chairwoman of SME Boardroom, Kim Mei-Li Dennis, criticised Labor and the Coalition for not adequately addressing the employment issue.

"In particular, there is still serious concern regarding the fairness of unfair dismissal laws and availability of genuine advice and assistance for SME employers. The complexity of employment requirements is also a significant red tape and compliance issue which needs to be addressed."

The largest accounting body, CPA Australia, voiced concerns about the lack of support to help SMEs develop financial management skills.

CPA Australia chief executive Alex Malley called on both main parties to include measures in their election commitments that support SMEs' financial skills.

While welcoming the federal government's funding to help SMEs in human resources management and environmental sustainability, and the Coalition's commitment to cut



Tony Abbott behind the counter during a visit to a coffee shop in Glenelg, South Australia.

Photo: GLEN MCCURTAYNE

the compliance burden, Mr Malley said they must be underpinned by strong measures to improve SMEs' financial management and literacy.

Ms Dennis identified the other key issue for SMEs as strong economic management, direction and vision so they could feel confident in investing and expanding their businesses.

Also emerging from the survey was a view that the government should intervene with the different states to remove payroll tax or at least to standardise the tax across all the states to help support growth.

The sector also wants the federal government to create consistent na-

tional policies across the states for occupational health and safety and by workers' compensation, as a way of cutting red tape, compliance costs and complexity.

The only policy released that specifically deals with SME issues was by the Liberal Party on July 28.

Its promise to cut company tax to 28.5 per cent from 30 per cent has influenced small businesses, with 61.2 per cent saying it would influence their vote, while 51 per cent conceded the Liberal policy to reduce the small business compliance burden would also influence them.

One small business owner estimated the cost of being compliant

for the GST, business activity statements, Pay As You Go, the Australian Securities and Investments Commission and so on cost about \$40,000 a year.

"This is outrageous," the businessman said.

Other policies that would influence the vote, in descending order of importance, included putting board members on the Board of Taxation who had practical day-to-day experience of running a small business.

Next in line was establishing a dedicated small business advocate to ensure its concerns were understood across all tiers of government.

Capital raising was an important

KEY POINTS

- The plethora of paperwork, from GST to BAS, and its cost to operations, is a major concern, as are unfair dismissal laws.
- A dedicated advocate is top priority.

issue as the financial crisis made the banks tighten lending criteria.

Small business would appreciate any policy that ensured more affordable and improved access to small business finance if personal guarantees and private asset mortgages were provided.

Only 6.1 per cent of small businesses replied that none of the Liberal policies would influence their vote.

Labor will allow all small businesses to write off assets costing up to \$5000 instantly from July 1, 2012, and will cut the corporate tax rate for small business companies to 29 per cent from the same date.

Last week, Small Business Minister Craig Emerson and Coalition small business spokesman Bruce Bilson debated in front of an audience of 80 at a function organised by Brisbane-based Australian Small Business Group.

Group founder Terri Cooper said "It's my belief that what small and micro-businesses really need is one person who looks after us and nothing else."

The Council of Small Business of Australia said it viewed the Greens' small business policy favourably, "particularly the recommendation to create portable bank accounts which would create much greater competition in the finance sector".