

BPW

Tasmania

Australian Federation of Business and Professional Women Inc
Young-BPW and AWE (Australian Women Entrepreneurs)

VP- External Policy
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**Submission to the Senate Employment, Workplace Relations and Education
References Committee**

Inquiry into Small Business

The Secretary,
Senate Employment, Workplace Relations and Education References Committee
Suite S1.61, Parliament house
CANBERRA, ACT 2600

I make my submission on behalf of Business and Professional Women (BPW) in
Tasmania Inc. (contact details as above)

In refer in relation to your terms of reference;

1. *The effect of government regulation on employment in small business, specifically including the areas of workplace relations, taxation, superannuation, occupational health and safety, local government, planning and tenancy laws.*

- In regards to taxation,

a. The system of PAYG affects the businesses cash flow throughout the quarter; it is hard to plan ahead for your cash flow (especially in retail) as each month is never the same in sales. It is understandable to have GST on some items but it would be easier to have a flat 10% on all items to make the accounting easier. Also, paying for the upcoming quarter ahead of time is hard on cash flow.

b. In retail businesses you can't easily add cost onto items to allow for "shrinkage" of that item over time due to the added GST value as well. The accounting of it makes it harder and more time consuming.

- In regards to Superannuation,

If the government wants small business to employ more people, the business needs to have money to do so. The added levy of 8%, and most likely creeping higher, for employees earning more than \$440 per month this levy eats into profits so more people can't be employed. Perhaps employees could deduct from their salaries as well and have a lower levy rate.

- In regards to tenancy laws,

There is more leniency on the side of the tenant than there is on the landlord. There is more 'red tape' to be able to evict a tenant.

- In regards to dismissal laws,

If an employee is unsuitable for a position it is difficult to dismiss them. There are a lot of "warnings" to get through to dismiss the employee, and in the mean-time they are not always doing the best by your business. It is hard to know a persons' personality at an initial interview as they are more than likely nervous and trying to show their best. That good behaviour will not always continue. Perhaps it would be easier to have a 3 month probationary period.

- In regards to Paid Maternity Leave,

- a. I know that it is not mandatory or part of legislation yet, but small business would have to be exempt. Small business employers could not be asked to foot the bill for this one as well. Larger businesses get more tax breaks so could manage this. Perhaps those involved (parents of the expectant child) should be asked to foot some of the bill. The majority of parents get paid to have children these days and I question myself why they are having children sometimes. It is important to have support in having children but if you can't afford it don't have a whole tribe.
- b. The other issue to be aware of is that there will be a quiet discrimination against young fertile women in favour of young men when looking for employees.

2. *The special needs and circumstances of small business, and the key factors that have an effect on the capacity of small business to employ more people.*

- Childcare Entitlements
 - a) If a person earns "too much" their capacity to be entitled to childcare benefits ends although if a mother/ parent doesn't work at all and doesn't need childcare they get offered free or subsidised childcare. I don't understand the logic in this.
 - b) If a small business owner is to employ people they need to work so if they have children they cannot always come to work.
- Those who are employed by larger business, public service etc. get access to sick leave, rostered days off, days off if their children are sick etc. all with pay. Small business employers are expected to continue to work when they or their children are sick and hope that a long weekend will suffice if they are to have a holiday. Their businesses suffer if they are to take any longer time off work.
- Key factors that effect the capacity of small business to employ more people are
 3. the money to do so
 4. the workload to make an employee needed
 5. the expertise of a new person if that skill is not already available in someone already employed
 6. business is going to expand and current employees can't work the demand

7. *The extent to which the complexity and duplication of regulation by commonwealth, state and territory governments inhibits growth or performance in the small business sector.*
 - More than likely regulation from governmental departments means paperwork. It is so important to make sure that paper work is kept to a minimum in small business. If business is going well the employer is more than likely dealing with people face-to-face and doesn't need the added stress of paper work filling up the desk in the office out he back.
 - Paper work doesn't bring in money so is not important to the business owner.
 - This flows onto the subject of taxation and the BAS and IAS. If a small business employer doesn't want or can't afford to pay an accountant for their services every month or quarter they have to sit and do a chore that takes money from their business. Again another factor taking money from a business so they can't employ more people.
8. *Measures that would enhance the capacity of small business to employ more people.*
 - A more profitable business that has the demand from customers and money available to employ people.
 - Relaxation of dismissal laws.
 - Small business is more likely to employ mature, responsible people because they can be relied upon to look after and help grow your business and not just pass the time waiting for their pay packet.