

NT Women's Advisory Council and BPW Australia (NT division)
response to
Senate Employment, Workplace Relations and Education References Committee
INQUIRY INTO SMALL BUSINESS EMPLOYMENT

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.*

Comments:

Small business owners have reported that they often have the feeling that they are working for the Government and not themselves. It was acknowledged that legislation is required to protect employees but there is NO legislation to protect employers. If a disloyal employee frauds the business (and it happens regularly), it becomes a police matter and must be chased through the court system, however, if an employer defaults on employees rights, it is then a matter for the Federal system.

Some of the requirements of government ie Occupational Superannuation should be met not only by the employer but also by the employee. A lot of employees are really not aware of the amount of super that is deposited in their name by their employer. The same amount out of their pay packets each week would make them appreciate the superannuation as well as cover the horrendous shortfall that will occur when employees eventually retire as the majority of employees do not contribute their own funds to superannuation.

The paperwork involved in conforming to Government regulations is enormous, particularly in relation to Fringe Benefits Tax. It makes it very difficult to offer incentives to staff.

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.*

Comments:

It was reported that the major concern of Territory businesses is the lack of skilled staff. A huge development in the Kununurra area is going to require approx 6,000 skilled workers, which will have a large affect on Territory businesses seeking employees. The number of unemployed skilled people who are prepared to move to isolated locations is very small. The amount of money paid to unemployed people discourages them from leaving their comfort zones. Perhaps unemployment benefits should cease if jobs are refused because of location.

Often in small business, the owner is a jack of all trades. Besides trying to manage the business, look after employees and service the needs of customers, stringent deadlines are required for the lodgement of certain government returns. Lack of staff, or sick staff etc is no excuse for late lodgement of these returns or monies. Fines are charged, however, if the small business owners are owed monies by state/territory or federal governments - the small business cannot charge late fines or interest.

Payroll tax is also prohibitive to employing more staff. It was reported that if a business owner decides to expand their business into another area of the Territory – businesses then become grouped and the Government reaps further income!

3. *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.*

Comments:

It was reported that there is duplication in reporting to State/Territory and Federal Government where there are overlaps, i.e child care and Aged Care facilities, where there is State and Commonwealth licensing.

4. *Measures that would enhance the capacity of small business to employ more people.*

Comments:

Abolition of payroll tax – why should employers be “fined” for encouraging economic development?

Income tax incentives for skilled employees to move to isolated areas.

Employers are used as debt collectors for monies owed by employees to the various departments of the tax office. This often causes conflict between the employer and the employee. Again, if the employer is late with a payment, a fine is imposed.

The cost of training staff is prohibitive and small business is suffering at the hands of big business. Traineeships are hard to get and too expensive. There are few incentives to take on trainees.

There is very little training available for business owners.

On-costs of employing staff are expensive – workers compensations, personal indemnity insurance, tax requirements, cost of maintaining an employee.

Education should be provided on unfair dismissal laws and the relevant Act as small business operators do not always fully understand issues involved in hiring and firing staff.

5. *Other issues:*

One area of conflict and concern is occupational superannuation. Under the Federal Act, payments to occupational superannuation must be paid by the 28 July. Superannuation funds require the payments to be made by the 7th of the month following payment of wages. A small business owner, besides running their business, getting their accounts out for the end of the month so they can receive payments to pay their wages and taxes etc THEN has the impost of superannuation funds declining to cover employees because a payment is late. It would be extremely beneficial if the superannuation funds managers and the Federal Government could come up with a date that is easy to administer instead of confusing employers and employees.

The cost of Public Liability insurance is a real issue. Businesses who can't afford to pay premiums are closing and the premiums are higher for new business operators.