



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**Federation Chamber**

**PRIVATE MEMBERS' BUSINESS**

**Business**

**SPEECH**

**Monday, 27 March 2017**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Mr TED O'BRIEN** (Fairfax) (13:05): Up until the last 30 seconds of the speech by the member for Parramatta just then, I was enjoying it immensely. I actually entirely agree with her about the importance of small business in terms of local identity, relationships and the role played just walking down the street—when one small-business owner might meet another and when people who shop in one shop know those who shop in another. Indeed, it is the social capital that gets created by small businesses that is often overlooked in this debate. I am glad that the member made reference to it, because it is critical. Particularly when you go to regional and rural areas of Australia, you recognise the role played by small businesses in ensuring that the fabric of the community is strong. Nobody invests more in their local communities than small businesses. Therefore, I could not agree more wholeheartedly.

I was disappointed, however, in the member for Lilley's address today that tried to suggest, yet again, that the solution for the woes in Australia, with the current economy—and, indeed, small business—is higher tax and higher spending. Having experienced the Rudd-Gillard-Rudd era firsthand, how much time does he need to understand that you cannot tax your way to prosperity and that you cannot spend your way to fiscal responsibility? Indeed, that is where Labor has gone so wrong over the years. The one thing that the member for Lilley called for was a stronger labour market. Well, there is one thing you can do to ensure a better labour market in this country, and that is to make it a bigger labour market, by ensuring that we are attracting the right investments and encouraging the right growth so that businesses—in particular, small businesses, which represent around 97 per cent of businesses across this country—are able to employ more people. That is why you see the entire economic agenda of this government driven towards attracting more investment, unleashing more growth and improving the participation rate, particularly for women.

The member for Lilley also mentioned the importance of addressing the squeeze on low- and middle-income families. Indeed, this is key, and it is why the government is working so hard to ensure that we can bring some energy security to Australia. The Labor state governments have done a woeful job at that, with their inflated and unrealistic renewable energy targets, which are only forcing up and putting the squeeze on low- and medium-income families in particular. That is also why, last week, we had such a good win around child care, to make sure that child care is more affordable for those families most in need. The last point mentioned by the member for Lilley was the importance of boosting public investment; however, it cannot be done the Labor way. It has to be done where we are investing in productive infrastructure. The \$50 billion plan of the coalition government aims to achieve just that end.

I think we all know that small businesses do face some challenges across supply, demand and finance. On the supply side, unlike big corporations, they are more limited with their economies of scale. They have to deal with far higher fixed costs. Often, you have management who are also owners, which puts restrictive behaviour on supply. Demand is also key. Small businesses are far more susceptible to fluctuations in demand and fluctuations in levels of confidence, and they are less able to diversify their activities. On the finance side, they are more cash constrained. They find it harder to borrow money, and cash flow and capital are far more difficult.

This is the reason why I rise today to support the member for Brisbane in his motion, because it is the coalition government that is looking to reduce the tax rate to 25 per cent for small businesses and is looking for deductions for their asset purchases. It is the coalition government that is simplifying BAS reporting; that has the Innovation and Science Agenda; that has made new free trade agreements with Korea, China and Japan; that has appointed a small business ombudsman; that is introducing an effects test; that is making it easier to access procurement for Commonwealth work; that is changing country-of-origin labelling; and that is introducing a level playing field to ensure multinationals cannot avoid tax and GST on low-value goods. It is the coalition that stands up for small business.