GREINER'S SMALL BUSINESS POLICY

Before every election political parties print Small Business Policies to clutter the boots of the cars of the party faithful. Recently the NSW Opposition's Small Business Policy was shoved into my hand with the comment that I'd like some of it.

All Small Business Policies assure the owners of small businesses that they are indeed the salt of the earth, but salt that has through no fault of its own, lost its savour. Most end up raising the taxes a little by setting up yet another advisory board or subsidising something, but they are relatively innocuous and seldom play any significant part in the election.

If the NSW election had been fought in other, less indecorous circumstances, Greiner's policy might have raised more argument, even though it has all the usual platitudes and undertakings hedged with "where possible" and "when advisable". These qualifications should not be deplored. It would be administratively and financially impossible for governments actually to do all of the things which catch their fancy when in opposition. Unequivocal undertakings are mostly kept, but readers of fine print know that politicians equivocate, and the equivocation is often to be preferred to the policy.

The NSW Opposition undertakes to educate managers of small businesses even by determining the content of university and CAE courses. In one breath they say that they won't prop up businesses, but in the next, they might guarantee loan repayments, "where desirable." They will set up a Small Business Bank; and that unfortunately is an unequivocal undertaking; and so on.

The policy also promises to repeal those regulations which "have no real justification". This will be as good or as ineffectual as the test of real justification. They may apply it rigorously but new regulations are to be assessed by committees of last businessmen. This is naive. Many, perhaps most regulations exist only because established business interests demand them. The right people to review these are consumers and those people who, but for the law, would have provided the established interests with competition.

Like the curate's egg, the policy is bad in patches but I have kept the good bits until last.
One of these good bits commits a Greiner government and NSW local government to either paying their accounts on time or paying interest on the overdue sum. My father was no Calvinist but he taught me that late payment was not honest. Although an allowance for late payment is presumably built into tenders, this University of Newcastle circular is a measure of the extent and cost of the problem.

"The University of Newcastle has now adopted a policy that all publications must be pre-paid. This is an unfortunate step but has been necessitated by the fact that not merely have some organisations (all eminently credit worthy and mostly the public sector) not paid invoices for publications but are not answering correspondence on un-paid invoices.

We trust you will understand the need for us to take this regrettable step."

Another good bit of the egg is a promise that sunset clauses will limit the automatic duration of all future regulations.

However the best bit of the egg is Section 4. It is really employment policy with side benefits for small business. It should be welcomed by the unemployed even more than by the owners of small companies. The central undertaking of this section, which incidentally is unequivocal, is that, to the extent that NSW law is relevant, small businesses and their employees may be relieved of the constraints of industrial awards. When, and only when, both parties wish it, willing people will be permitted to agree about work and wages. (Mr. Hawke would call it consensus).

The basic right is hedged about with seven matters on which individual agreement is expressly forbidden. Unlike the requirements intended to ensure that contracts are indeed voluntary and that parties are fully informed, in a purely economic or social justice sense every one of the seven restrictions is bad. However, we are so unused to freedom when we take or offer employment that Greiner is probably wise to ask us to crawl before we walk.

The seven unfreedoms are: job protection for those who decline to leave the old system; a limit of forty hours per week; preservation of annual leave and holiday entitlements except pay loadings; present minimum work place conditions; present sick leave entitlements; a minimum wage determined from time to time; a maximum contract term of two years.
The policy leaves individuals free to negotiate a base wage above the minimum, a work roster, penalty rates and holiday loadings.

The right to opt out of NSW awards will not have much effect so long as Federal awards are free to cover the people who opt out, but if similar provisions were to be found in Federal law, as John Howard wishes, or if the individual (or shop) contracts were to be recognised in State law to give the parties immunity from Federal awards, then the benefits might be very big.

Unemployed kids will be able to reduce their asking wage down to their productivity and thus gain employment, experience and better money then the dole.

Businesses in difficulty will be able to go to their employees and work out pay and conditions arrangements which avoid closure, as some United States firms have done recently.

Safely employed people and viable firms will be able to trade more sensible work rosters for higher pay.

(NSW industry will gain a competitive edge over other States and against foreign made goods.) The flight of capital from NSW to Queensland will be reversed. NSW relative living standards should rise although out of work job seekers will be attracted from other States spreading some of the benefits.

The employment aspects of Greiner’s policy will also enhance the competitive edge of small business against big. I wait for big business to start lobbying against them.

A sign I once saw on a farm gate provides a model for a small business policy which would actually help small business. It read - "We shoot every third salesman". May I suggest on every Minister’s door, "We shoot every third person who pleads his own special cause, and every second representative of Big Business".