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## ***EDUCATION, EMPLOYMENT AND SMALL BUSINESS COMMITTEE***

### **Members present:**

Ms LM Linard MP (Chair) (via teleconference)  
Mr BM Saunders MP (via teleconference)  
Mrs SM Wilson MP (via teleconference)  
Mr N Dametto MP (via teleconference)  
Ms J Pugh MP (via teleconference)  
Mr JJ McDonald MP (via teleconference)

### **Staff present:**

Ms E Jameson (Acting Committee Secretary)  
Ms A Groth (Assistant Committee Secretary)

## **PRIVATE BRIEFING—DEPARTMENT OF EMPLOYMENT, SMALL BUSINESS AND TRAINING RESPONSE TO COVID-19**

### **TRANSCRIPT OF PROCEEDINGS**

**(Private)**

**THURSDAY, 7 MAY 2020**

**Brisbane**

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**The committee met in private at 2.32 pm.**

**CHAIR:** Good afternoon to representatives from the Department of Employment, Small Business and Training. The purpose of this private briefing is to hear from the department about the impact of COVID-19 and the department's response to the pandemic. My name is Leanne Linard, member for Nudgee and chair of the committee. With me today via teleconference are: Mr Jim McDonald, member for Lockyer and deputy chair; Mrs Simone Wilson, member for Pumicestone; Mr Bruce Saunders, member for Maryborough; Mr Nick Dametto, member for Hinchinbrook; and Ms Jessica Pugh, member for Mount Ommaney, who has kindly joined us as a substitute for Mr Michael Healy, member for Cairns, who sends his apologies.

This private briefing is being recorded by Hansard and a transcript of the briefing will be provided to you for review. The committee does not intend to publish these proceedings. It is just a really good opportunity for us as a portfolio committee to get an update from the department about your response to the COVID-19 pandemic at present. As per normal, witnesses are not required to give evidence under oath.

**KELLY, Ms Maryanne, Deputy Director-General, Engagement, Department of Employment, Small Business and Training (via teleconference)**

**KOCH, Mr Steve, Deputy Director-General, Investment, Department of Employment, Small Business Training (via teleconference)**

**LUCEY, Mr Joshua, Policy Adviser, Minister for Employment and Small Business and Minister for Training and Skills Development (via teleconference)**

**McKAY, Mr Peter, Deputy Director-General, Strategy (via teleconference)**

**ROODENRYS, Ms Georgine, Assistant Director-General, Department of Employment, Small Business and Training (via teleconference)**

**CHAIR:** I now formally welcome Ms Maryanne Kelly, Deputy Director-General, Engagement, to make an opening statement and then members of the committee will ask some questions.

**Ms Kelly:** Along with my colleagues we have a representative from the minister's office in the room with us.

**Mr Lucey:** My name is Joshua Lucey. I am a policy adviser to the minister.

**CHAIR:** As this is a private briefing, we do not normally have others sitting in. I am okay with somebody else being in the room, but committee members will need to convene in private to authorise that.

**Proceedings suspended from 2.35 pm to 2.36 pm.**

**CHAIR:** There is no trouble at all for you to have Joshua in the room. Maryanne, would you like to give your update to the committee on the department's response?

**Ms Kelly:** I would like to start by respectfully acknowledging the traditional owners of the land on which this briefing is taking place. Good afternoon committee members, and thank you for the opportunity to provide a briefing about how DESBT is responding to COVID-19, particularly in relation to small business. Before the COVID-19 pandemic, Queensland's small business community had reported its sixth consecutive year of growth in 2018-19, with more than 445,000 small businesses employing almost a million Queenslanders. That is around 45 per cent of the private sector workforce. While we cannot quantify the full extent of the impacts of COVID-19, we know that thousands of Queensland small businesses have been impacted suddenly and severely by the need to protect the health of Queenslanders. For example, the ABS Weekly Payroll Job and Wages in Australia report states that since 14 March jobs in Queensland have declined by about 6.5 per cent. That is well below the Australian average of 7.5 per cent. Within this data, the biggest fall is in accommodation and food  
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services, with Queensland falling by more than around 30 per cent. It is important to note that this data is from the ABS relating to employee information that goes to the ATO. The data therefore is considered indicative only and should not be confused with ABS labour force releases.

The Queensland government acted quickly in response to COVID-19 and on 2 March announced a \$27 million support package for businesses. On 24 March further measures were announced, taking the state's COVID economic relief package to \$4 billion to support Queenslanders' health, jobs and businesses. The department moved quickly to set up processes not only to gauge the needs of small business but also to provide them the support that they needed. We established the Business Queensland website COVID landing page and created a dedicated small business hotline where staff speak directly to small businesses to provide them personal support on the advice and services they need. To date, the department has interacted with around 6,000 small businesses and, where they have requested and needed it, we have assisted them to access funding, relevant advice and support from state and federal agencies. The department has also consulted with peak industry bodies and key stakeholders to identify ways to assist COVID affected business to continue to operate during this time or, in some cases, to hibernate and to also assist us to understand how we can help small businesses to be ready to come back once the economic conditions improve.

Key initiatives rolled out by the department were the delivery of webinars by TAFE Queensland on cash flow management and business planning, and online mentoring for growth sessions which provide tailored support to businesses. We have also partnered with CCIQ to expand its call centre capacity and reach more regional small businesses. Recently we established the small business task force in response to concerns raised about the high commissions charged by food delivery services. The Deliveroo service, for example, announced this week that it was removing commissions for pick-up orders and lowering commissions for restaurants that have their own delivery driver. Despite this positive move, the task force will proceed with developing a voluntary code of conduct for the food delivery industry that will be reviewed for possible continuation post COVID-19.

Two actions in the department response were launched in April: the Jobs Finder Queensland portal and the establishment of Queensland's first Small Business Commissioner. Jobs Finder is the first project of the worker assistance package and is part of the state government's \$4 billion rescue package referred to earlier. Jobs Finder connects those who have lost their jobs to COVID-19 with new job opportunities and with free online learning opportunities. There is the option to upskill for in-demand jobs in industries such as health, food production, transport, cleaning and mining. Six micro-credential courses are delivered by Queensland TAFE with digital literacy, cybersecurity and communication technologies, and these have attracted more than 8,000 enrolments. We have also had more than 7,000 expressions of interest for the nine skill sets that we are delivering. In terms of the website, we have seen about 36,000 people visit the website and more than 4,500 people being registered to be matched with a job.

The establishment of the Queensland Small Business Commissioner is a significant step forward for the sector, to help small business to navigate COVID-19 challenges, supports and services. The COVID-19 Emergency Response Bill, passed by state parliament on 22 April, introduced the new role. We do know that small businesses are experiencing cash flow difficulties, with rent often as a key expense item. Small businesses have reported mixed experiences in dealing with landlords, with some offering to lower or freeze their rents while others are not being so flexible. Often, small businesses with regard to these disputes have to navigate very complex dispute resolution pathways. One of the key functions of the Small Business Commissioner will be to act as a single point of contact to help resolve leasing disputes. The commissioner will be appointed in a full-time capacity until the end of the year and will provide valuable advice and assistance in relation to resolving disputes as well as a whole other range of support and advice to small businesses which will result in time, money and resource savings for small business owners.

Like all other state government departments, we are also committed to paying our invoices as soon as possible to help small businesses with their cash flow. We are encouraging small businesses to register on the Business Queensland website for faster payments from the state government. From 1 July, we are moving from 30 days down to 20 days for payments. We are encouraging all Queensland government departments to consider awarding a greater share of their contracts for goods and services to a number of small businesses rather than one large supplier. Given the importance of the small business sector to sustaining the economy and helping it to recover, we are investigating ways to use the government spend in the most effective way to ensure the strength and ongoing viability of the sector.

COVID-19 restrictions have resulted in a mass migration to online and remote operations for business, education and training, and events. This month's events, the first small business month, are focusing on resilience and recovery and the need for Queenslanders to support their local small business.

businesses. During the month of May, we are helping our small business community to recover and bounce back stronger after the pandemic. Small businesses have adapted, with some changing the way they do their business and others creating new products and services. We are therefore partnering with CCIQ on a social media campaign called Support Small. Another of the department's major events, the Queensland Training Awards, will be exclusively delivered online for the first time in their 59-year history. Judging will be via Skype and telephone, and the seven regional celebrations and the state gala event will be replaced by social media announcements.

The training sector has also been affected by COVID-19. We are working directly with employers to negotiate alternatives to cancelling a training contract and we are continuing to fund the training of those whose contracts have been cancelled. The department has implemented a mass SMS campaign to every apprentice and trainee in Queensland asking them to ring the DESBT small business contact centre to discuss their options if they have been adversely affected by COVID-19. Several prequalified training suppliers have been impacted by COVID-19 in some way, some with temporary closures and others with reduced delivery. To minimise the impact on the apprenticeship system, the department has brought forward subsidy payments and helped training providers to meet social distancing requirements.

The next step in the department's response to COVID-19 is being planned, with the investigation of a number of proposals to support the small business sector. As restrictions are lifted, it is expected that small business will be looking for ways to restructure and diversify. We will be there to help them with our current services such as Mentoring for Growth, webinars, training, dispute resolution services et cetera, but we will also continue to monitor the long-term effects of COVID-19 on Queensland's small businesses and the training sector and respond to their needs. The department will do this by continuing to consult with industry partners, with other government departments, with Commonwealth agencies and with key stakeholders to identify what more is needed to support the small business sector. Thank you.

**CHAIR:** Thank you for that opening statement and thank you to you and all of your colleagues for the work that you are doing on behalf of Queensland small business. I opened up the questioning last briefing, so I will go straight to the deputy chair and let you open.

**Mr McDONALD:** Thank you, Madam Chair, and thank you again for this briefing. Thank you very much to the department for being here. Is the department looking at implementing any emergency relief grants to support small businesses, given that we are currently the only state that does not provide that assistance? If we are not, why not?

**Mr Koch:** A similar question came up at the Economics and Governance Committee this morning. The Under Treasurer spoke to that. The Queensland government has been leading the way nationally with our response to the small business community. The department has played a strong role in that. Maryanne has outlined a number of the supports and responses that the department has been involved in implementing. I will quickly outline some of the other whole-of-government responses that have been implemented in supporting small businesses. They include—I believe that the Under Treasurer spoke to this this morning as well—payroll tax relief and the need to provide immediate payroll tax relief to businesses. Those payroll tax deferrals can be applied for until the end of 2020. That has been a significant initiative implemented by the government in response to COVID-19. That also means that no Queensland business impacted by COVID-19 will have to make a payroll tax payment in 2020.

As Maryanne mentioned, there is a lot of work going on across the sector in terms of the worker assistance package and support for businesses and workers impacted by the crisis. There has also been a really significant package in the \$500 million Jobs Support Loans scheme, one of the first business support packages to be announced across the country. That was announced by the Premier. That loan facility provided up to \$250,000 interest-free for 12 months so that businesses can retain staff and to support their business survival. That has been a really significant financial backing to ensure that those businesses are well positioned to thrive once the crisis passes.

We have spoken about the significant support that the Small Business Commissioner will provide. There have been other measures such as the \$100 million electricity bill relief package. That is delivering of a \$500 rebate to sole traders and small and medium businesses. There is a \$400 million rent relief package across land tax relief as well as providing rent relief to businesses that rent state government premises. The government has also waived liquor licensing fees for venues that have had to close their doors. Maryanne mentioned the really significant financial resilience workshops that were delivered by TAFE Queensland to support small businesses throughout this period. We have also set up a dedicated small business hotline to direct small businesses to relevant support that is being provided across both state and federal governments.

There has been a significant uptake, with over 6,000 businesses contacting the department. We have also had a strong focus on our Business Queensland website, which has been the go-to portal for all updates and news in relation to support for small businesses.

To your question about small business grants, we have had a really strong focus within our department on the small business grant portfolio. We have continued to deliver the range of small business grants, such as the Small Business Digital Grants program, the Business Growth Fund and the Social Enterprise Grants Program. A number of those were awarded to small businesses on 27 March. Small businesses have been successful in being awarded that funding, which is supporting those businesses to undertake those projects. We have also had a strong focus on providing flexibility to businesses that are undertaking projects that the department has previously funded where projects may be varied. We are continuing support in the current environment, given some of the restrictions that have been put in place.

There has been a really comprehensive package of support from right across the government in terms of supporting the small business community. Our department has been really proud to play a key role in that.

**Ms PUGH:** Thank you for appearing before the committee today. I am a ring-in, but I have a very strong interest in small business because that is my background. I have noticed that the contacts I have been getting from members of my community have very much been moving towards the reopening question. I know that this week there is a lot of consultation being done around hospitality and when they can reopen safely. I have had a lot of inquiries from mainly the beauty industry—nails, hair and so on. I am interested in how we are going to develop a road map for small businesses as we come out of COVID-19. We know that small businesses tend to be innovative. I have to say, I have been really impressed by the businesses that have stayed open with how they have adapted and put in place appropriate social distancing and done it really well. I am keen to see how we emerge from the COVID wilderness, as it were.

**Ms Kelly:** I echo the member's comments that the resilience of the small business sector is quite extraordinary. We see it every day in the work we do with them. In terms of the recovery road map, the plan for recovery will be determined in terms of both the timing and the process ultimately by the Premier, informed by advice from the Chief Health Officer on the best way to roll out that recovery plan. It will also be informed by the work of national cabinet. As the Premier has talked about over the last week or so, that plan and what it looks like will also be heavily informed by engagement with industry, with business and the various subsectors within industry. As you mentioned, there is tourism, restaurants, cafes and so on.

The other aspect I point to is that in early February the Premier established the Economic Functional Recovery Group, which was established to assist in the whole-of-government response to respond to the wideranging economic impacts of COVID-19. The key focus will be across a whole range of industry streams—transport, infrastructure, tourism, mining, environment and so on. That group is seeking first and foremost advice from stakeholders around the impacts of COVID-19 on the various sectors, short, medium and long term, and what the best responses are to that, as well as looking at what we need to do immediately. DESBT is an important part of that work. We will contribute to that economic recovery plan. We also have specific stakeholder groups to assist with that. However, I return to my original point which is that we will be directed in timing and process by the Premier and the Chief Health Officer. We will work as part of that economic recovery plan in key aspects of it. That does not mean we will be sitting around waiting to write up a plan; we will be doing things immediately and also looking to the longer term and how best to roll out that plan across the state.

**Mr DAMETTO:** I thank the department for coming along this afternoon to give us a briefing on what the department has been doing for small business during the COVID-19 crisis. My question is around small businesses that do not qualify for the payroll tax exemption. Those are small businesses that have a staffing of under \$1.5 million a year. Those small businesses right now are saying that the \$500 off their electricity bill is just not enough to keep them tracking along. That is why the Katter's Australian Party has called for a \$20,000 loan to help those small businesses. Can the department clarify whether there is anything else that small businesses are able to access right now if grants are not available?

**Mr McKay:** I note that Steve Koch just went over many of the aspects. One of the elements that Maryanne Kelly mentioned in her opening was the worker assistance package. There is a very strong focus in that package on supporting workers and small businesses, particularly those that are vital to get Queensland through the crisis in areas like health care, agriculture, food production, transport, cleaning and mining. There is a big focus on how we can support those and how we then

move from that response into the recovery period. That package will have a strong focus on online training to help workers and small businesses make those transitions. Helping businesses get access to the skilled labour they need will be supported under that initiative, particularly through the Jobs Finder portal, linking business owners and operators to free, short online training courses. One of the things we hear quite regularly from small business operators is that they are so busy working in the business that they get very little time to do that training and development of themselves and to build up their resilience. That will be a big focus of that package.

**Mr SAUNDERS:** Thanks to everyone for coming in today. Small business is a very important part of regional Queensland and, in fact, the whole of Queensland. Have you seen much coming through about the digital uptake in small businesses through COVID-19? My local small businesses have adapted, particularly the cafes. They have not done it before, but they are moving that way now—you can order your lunch or coffee and pick it up at the door. Has the department seen a lot of requests coming through from small businesses to move to the digital platform?

**Mr Koch:** As you point out, such a critical part of the economic recovery is the transition of small businesses, given the restrictions. We certainly, within the department, have a strong focus on supporting that. One of the key initiatives that I would highlight is that we have recently awarded some funding under the Small Business Digital Grants program. The successful applicants to round 7 of that program were announced on 27 March, with over 207 successful grant applications under that program. That program is really focused on supporting small businesses in the digital environment through enhancing their online business, websites and so on or through other digital equipment. We were really fortunate to be able to support small businesses during that time, towards the end of March, with that funding. I thought I should highlight that recent initiative.

**Mrs WILSON:** Based on your modelling, are you able to advise how many small businesses will be eligible for assistance from the payroll tax relief package?

**Ms Kelly:** The payroll tax relief initiative is administered by Queensland Treasury. They own the policy and the program. You need to direct that question to Queensland Treasury. My apologies, member.

**Mrs WILSON:** You have no idea?

**Ms Kelly:** As I said, we do not have ownership of that program so we do not have access to the data directly.

**CHAIR:** We have run out of time. I thank you very much for coming on the teleconference to brief the committee as to what the department has been doing in support of our local businesses. I have a brief question in respect of the Small Business Commissioner, of which I am a very big public supporter. I appreciate that they will be appointed until the end of 2020. I think it is something that Queensland will benefit from and did previously before the position was cut. Can you advise when the Small Business Commissioner will be appointed?

**Mr McKay:** As you would be aware, the COVID-19 Emergency Response Act provides for that appointment to be made by Governor in Council on recommendation from the minister. The department has commenced the significant appointment process. We hope that that appointment will be made in the very near future.

**CHAIR:** Wonderful. Thank you so much for all the department is doing to support small business. I do not think you will have any issues with your campaign around supporting local. I am sure many other members, like I have, have been doing a Support Local campaign and communities are already doing that. We love our local businesses and we want them to get through this time. They have been extraordinarily innovative. I am sure you have seen even more of that than we have in our local regions. They have been incredibly adaptive. I thank you all for your opening statements. No matters have been taken on notice. That concludes this briefing. Thank you for participating today. Thank you to our Hansard reporter Bonnie, our secretariat, my fellow committee members and particularly the member for Mount Ommaney, who has substituted today for the member for Cairns. Thank you, all.

**The committee adjourned at 3.04 pm.**