The alarming circumstances of small business firms around Australia have begun to find their way into the record as statistics.

The big firms make the big headlines and over the last few days major companies like CRA, Mount Isa Mines, Peko Wallsend and BHP have been reporting their difficulties.

In the first half of this year, CRA's profit fell 65%.

Over the full year to June 30th Mount Isa's profit fell 44%. Peko Wallsend's profit fell 40% while BHP talks gloomily of the outlook during the present year, brought about by the slump in demand for steel products.

But the big companies have got big reserves.

CRA, BHP, Mount Isa and Peko Wallsend will still be around in a year of 18 months.

But what about the small firms.

So far this year it is estimated that at least 3,000 Australian business firms have had to close down.

In Victoria, 1,179 companies have been removed from the Corporate Affairs Register, and in New South Wales 878 companies have been wound up.

In Queensland 719 companies have been forced to close.

They have been caught in a squeeze between rising costs, industrial disputes, shortage of finance and falling revenue that is too much for them to bear.
Clothing manufacturers, real estate firms, builders, retailers, farmers are all suffering. Shopkeepers cannot raise the cash to replace the stock on their shelves.

Farmers cannot sell their cattle for enough money to cover the cost of getting them to market, and land developers and builders can no longer finance their projects.

Yet, small businesses are the backbone of the private sector.

90% of these firms employ fewer than 20 people and 98% employ fewer than 100, yet between them they employ 42% of the workforce.

Thus the jobs of hundreds of thousands of Australians are in jeopardy.

Voluntary bankruptcies amongst small firms have grown at an alarming rate, particularly in the last few weeks.

In New South Wales, the number of companies going into liquidation this year is up 30% on last year, which was up 9% on the year before.

The Associated Chambers of Manufacturers of Australia believes that two thirds of Australia's 250,000 small businesses are in danger of collapse, under the twin pressures of rising wages and an inadequate return on funds.

These firms comprise 97% of manufacturing, 99% of retailing, 97% of wholesaling and 99% of real estate and business services.

And they employ about 4 persons in every 10.

Small businesses are really Australia's biggest business.

They have been battered by centralised government and ignored in the last Budget.
The innovative drive of an important sector of the community is being destroyed.

Competition in primary, secondary and tertiary manufacture is being destroyed.

Prosperity and jobs are being destroyed.

For three years we have had a government which beat the nationalist drum and which condemned foreign investment and the dreaded multi-national corporations.

But the Federal Government's economic mismanagement is playing the major role in clearing the field for these same foreign companies.

They have the financial strength to survive where the small local entrepreneur has not.

The Liberal Party surveyed 250 small firms in the Dandenong district of Victoria. It found they employed almost 40% of the local workforce and that they were responsible for 40% of the total output.

Almost half, some 43%, were contemplating closing down unless the economic climate improves.

Throughout Australia small firms are on trial for their lives.

The 1975 Budget has failed the challenge. The 2½% reduction in company tax is derisory.

It does not tackle the problem of crippling taxation, excessive wage increases and the lack of financial liquidity.

What is needed is drastic reform in taxation systems so that the effect of inflation is taken into account.
What is needed is a sharp direct stimulus to investment to encourage these firms to keep people in work.

That is what we would have done if we had had the opportunity and that is what we are offering the people of Australia.
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