Small Business Growth Strategy Survey

Tasmania

Georgia Holmes

XX March 2026

MASTER ELECTRICIANS AUSTRALIA

Please Rate Each of the Themes in Terms of Their Importance to Tasmanian Businesses Today

	Not important at all	Somewhat unimportant	Neither important nor unimportant	Important	Extremely important
People and connections	☐	☐	☐	☐	✓
Place	☐	☐	☐	✓	☐
Enabling business	☐	☐	☐	☐	✓
Technology	☐	☐	☐	✓	☐

People and Connections - What Should the Tasmanian Government Focus on to Help Business Owners, Employees, Customers and Government Connect Better with Each Other? (rank these objectives from most important (1) to least important (5).)

4	Networking and collaboration – facilitating connections between people, businesses, industries and suppliers
3	Local purchasing – having purchasing and contracting arrangements that prioritise local businesses and suppliers
1	Staff, skills and training – addressing labour challenges so that businesses can get the right people with the right skills
5	Population – fostering targeted population growth to increase participation in the Tasmanian workforce
2	Housing and public transport – supporting appropriate housing and transport solutions so that businesses, particularly regional ones, can attract skilled staff

Place – What Should the Tasmanian Government Prioritise to Help Businesses Get the Most out of Tasmania's Uniqueness? (rank these objectives from most important (1) to least important (3).)

3	Tasmanian brand – supporting businesses to align themselves to the Tasmanian brand
1	Location, size and lifestyle – continuing to build business resilience so Tasmanian businesses are well positioned to address challenges relating to our location and size
2	Environment, climate and renewable energy – encouraging and supporting Tasmanian businesses to adopt more sustainable practices

Enabling Business – Where Should the Tasmanian Government Focus Their Support So That Businesses Start, Operate and Grow Successfully? (rank these objectives from most important (1) to least important (5).)

3	Business advice and support – providing access to reliable, trusted and specialised guidance that supports businesses to get on with doing what they do best
5	New businesses – nurturing Tasmania's entrepreneurial spirit so that new and innovative businesses continue to emerge
2	Operating environment – working across various levels of government to respond to ongoing and emerging operating environment challenges, such as globally rising costs
4	Scaling up – working with businesses and representative organisations to address barriers to scaling-up operations
1	Red tape reduction – continuing to streamline government processes to reduce red tape and minimise unnecessary barriers to growth

Technology – How Should the Tasmanian Government Help Businesses to Use Technology to Address Challenges, Increase Productivity and Open Up New Markets? (rank these objectives from most important (1) to least important (3).)

2	Digital connectivity – continuing to improve and upgrade Tasmania's digital networks and infrastructure
3	Global markets – supporting businesses to access global markets through the use of digital platforms
1	Digital capability – supporting businesses to understand and use technology to enable growth and efficiency

Do You Think the Themes of People and Connections, Place, Enabling Business and Technology Cover What They Need To? If No, What Would You Change About the Themes?

Overall, the four themes broadly capture the key drivers of small business growth in Tasmania and provide a sound strategic structure. However, their effectiveness will depend heavily on how the underlying objectives are prioritised and implemented in practice.

There are three key objectives outlined under two themes which MEA believes are most critical for small business growth and supporting state productivity and economy growth –

- Enabling business: Red tape Reduction + Operating Environment - Small businesses across all industries face ongoing compliance burdens spanning across a multitude of frameworks, including regulatory, legislative, tax, insurance, operational, financial, and work health and safety requirements, all while typically delivering billable work and without dedicated administrative staff to manage these obligations. It is therefore critical that unnecessary red tape is reduced / removed, and that industry challenges are addressed promptly to reduce the burden and cost to business, industry, and overall state productivity and growth.

- People and Connections – Key industries critical to state productivity and economic growth are facing significant skills shortages, including in licensed construction trades. It is essential that Government implement urgent and meaningful measures to support small businesses in attracting and retaining staff, including both apprentices and qualified tradespeople, to ensure sufficient skilled labour is available to meet operational demand and sustain business growth.

Overall, the themes are well structured, but success will depend on prioritising immediate binding constraints (skills, red tape, and industry responsiveness).

This Survey Outlines a Range of Objectives to Support Small Business, Is There Anything Else You Would Change or Add?

The survey captures a broad and relevant range of objectives to support small business. However, a few additional considerations could strengthen its impact:

- Procurement and market access – Expanding objectives around SME participation in government and large project supply chains could help businesses scale and compete.
- Regulatory clarity and compliance support – In addition to red tape reduction, targeted support for navigating complex regulatory, licensing, and compliance requirements would reduce business risk and operational burden.
- Innovation and productivity adoption – While technology is included, broader emphasis on process innovation, digital transformation, and efficiency improvements would help SMEs remain competitive.
- Financial resilience – Consider objectives around access to affordable finance, grants, or co-investment opportunities to support growth, scaling, and business continuity. Also important to consider support for small businesses struggling to secure payment from creditors.

These additions would ensure the strategy not only addresses immediate operational challenges but also strengthens long-term sustainability, competitiveness, and productivity for Tasmanian small businesses.

~~Since the Last Strategy Was Developed in 2022, What New Challenges or Opportunities Have Emerged for Small Businesses?~~

Is There Anything You'd Particularly Like the Minister for Small Business, Trade and Consumer Affairs to Understand About Tasmanian Small Businesses?

While industry specific, MEA takes the opportunity to raise Security of Payment concerns in the construction industry – a particular pain point for small businesses who typically fulfil the role of subcontractors on construction projects.

In Australia, subcontractors complete over 80 per cent of construction work – one of the highest rates in the world to pass financial risk down the construction contracting chain.[1] The flow-on-effects of failures are broad, impacting the completion of projects.

When a head contractor becomes insolvent, subcontractors often go unpaid for completed work, shifting financial risk to those least able to absorb it. Losses, which can include materials, wages, and foregone earnings, quickly escalate into tens of thousands

1

[1] Department of Transport and Planning "Government Response to the Parliamentary Inquiry into employers and contractors who refuse to pay their subcontrators for completed work" *Victorian Government* [October 2024], at 3 <attachment-2---government-response---final-revisions.pdf>

of dollars, threatening cash flow, business viability, and livelihoods. Persistent non-payment also undermines the sector's ability to deliver essential housing, health, and commercial infrastructure, highlighting the need for stronger protections for small-medium businesses.

Outside insolvencies, we continue to hear of trade contractors being unpaid for long periods, and builders refusing to return retention money.

Several reviews have been conducted, including the 2017 national review of Security of Payment Laws by John Murray AM. Since then, laws have been updated across the country, including the introduction of retention trust accounts in some jurisdictions.

Despite reforms, our 2025 joint industry survey shows slow and non-payment remain an issue for construction industry subcontractors (including electricians) with builders or head contractors often withholding retention money. Over 60% of respondents reported being unpaid in the past five years due to contractor insolvency, in both commercial and residential projects.

MEA considers retention money a key initial focus for governments across Australia. The industry survey results shows non-payment of retention money remains a significant issue in the construction industry.

MEA seeks the following measures be implemented to improve protection for small business contractors:

- *Harmonised SOP Frameworks -* For clarity around the country, let's take the aspects that are working well and harmonise SOP frameworks. This should also include improved retention fund protections (see below).

- *Retention Fund -* Retention trust accounts are a good method of 'quarantining' subcontractor retention money in the event of insolvency, but don't address issues around subcontractors needing to be the ones to commence an adjudication for return of retention when a head contractor declines to make the payment. Subcontractors are hesitant to bring such action for fear of not getting future work. Most jurisdictions also do not permit adjudication for non-return of performance bonds such as bank guarantees. These cost subcontractors money when not returned.

We believe a solution is to have a central authority to hold retention money, similar to government rental bond schemes, with simple online processes for lodging payments and reclaiming retention. This would reverse the onus when retention is due to be returned (i.e. the subcontractor requests it and the builder either agrees or disputes the return). It should apply to all cash retentions and non-cash bonds/guarantees held by contracting parties in the construction industry. The earnings on the fund could contribute to funding the administration costs and potentially contribute to the expansion of the FEG to subcontractors (see below).

- *Subcontractor Payment Guarantee (FEG) -* For a small business owner, lack of payment by a head contractor is akin to lost wages. We'd like to see a federal fund, similar to the FEG, to pay subcontractors for work if a head contractor becomes insolvent. Payments should be subject to reasonable limits and measures to avoid unreasonable claims.