



SMALL BUSINESS ASSOCIATION OF AUSTRALIA

White Paper

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Consultation on the Small Business and Family Enterprise Ombudsman
(Small Business Ombudsman)
Teleconference with the Small Business Association of Australia
Wednesday 7 May 2014

Anne Nalder, Founder & CEO and Lionel Barden, Chair Policy
Small Business Association of Australia

KEY POINTS

General:

During a general discussion about the range of Treasury portfolio consultations currently underway -

- Lionel Barden noted the regulatory impost on businesses is the same no matter the size of a business, and that these costs have a greater impact on smaller businesses with fewer staff that are required to manage often complex regulatory compliance burdens. Anne Nalder later noted that when regulations are designed, they tend to be made for larger firms that are better placed to deal with complex and/or time consuming regulatory burdens.
- With reference to the Financial System Inquiry, Lionel Barden noted the impact of director obligations on small businesses and the impact this has on small businesses' access to finance.
- As general points during the discussion, Lionel Barden noted the general situation for small business, referring to statistics demonstrating a smaller number of registered businesses today than in past years, and on the ground experience of shops closing and retailers being required to deal with emerging trends, such as online shopping, in new ways.

Key points on Small Business Ombudsman

- As a general point, Lionel Barden and Anne Nalder indicated that they were comfortable with the concept of the Small Business Ombudsman. Lionel Barden had read the paper in detail and

indicated that he would speak to specific points, rather than work through the paper sequentially. Anne Nalder and Lionel Barden further indicated that they would provide a written submission on the Small Business Ombudsman.

- As a general point, Lionel referenced the Association's White Paper (published late 2013) and indicated that a number of points expressed within that paper would be of relevance to the Ombudsman consultation.
- Anne Nalder noted the funding figure of \$6 million, and indicated that it was important not just for the Small Business Ombudsman to have appropriate powers, but for it also to be appropriately resourced to exercise those powers.
- Lionel Barden noted that in terms of disputes and complaints, small businesses require one entry-point for their disputes – small businesses don't want the run-around, rather they want confidence that their the issue will be dealt with. Lionel reinforced this point by stating that in the event a dispute is referred, it should be actively referred by the entry-point, and not be left to the small business to follow up and refer the matter themselves.
- Anne Nalder queried where the Small Business Ombudsman would be located within Government, including whether it would be separate and independent or if it would be included under an existing agency like the ACCC? Anne Scott indicated that it was likely that the Small Business Ombudsman would be separate and independent. Further to the above, Lionel Barden reinforced Anne Nalder's earlier point regarding sufficient funding, particularly for an independent body.
- Lionel Barden stated that the Small Business Ombudsman should possess a background and expertise in small business issues, and that this requirement should be made explicit in the selection and appointment of any Small Business Ombudsman. Lionel Barden further stated that this understanding of small business issues would also allow the Small Business Ombudsman to display empathy and understanding to small businesses when disputes and complaints are declined.

- Anne Nalder stated that any website for the Small Business Ombudsman and single entry-point needs to be user-friendly. Lionel Barden stated that the website should, where appropriate, also utilise content from associations to provide advice to small businesses. This would help to efficiently develop content and build relationships between the Small Business Ombudsman, associations and small businesses. Lionel Barden later built on this point, suggesting that the Small Business Ombudsman could establish a benchmark for associations to demonstrate the credibility of their advice, at which point the associations could engage small business and provide advice through the Small Business Ombudsman.
- During a general discussion about the regulatory burdens on small businesses, Anne Nalder noted that often the advisory services available to small business (associations, accountants, etc.) don't seem up to scratch. Lionel Barden noted that most accountants tend to adopt a simple, conservative approach. Lionel's accountant expanded on this point, indicating that the incentive structure for accountants encourages accountants to provide greater levels of service to those larger firms with more resources, leaving small businesses with a largely simple, conservative approach to advice.
- During a general discussion about delivering on the ground intelligence to policy makers, Lionel noted that the Association is developing new position papers on a regular basis and would welcome the chance to provide this information directly to government. Lionel Barden further re-emphasised the need for a one-stop shop but from an intelligence point of view, noting that if general intelligence and policy advice is provided to one agency, it is currently unclear if the advice is then passed along to other relevant agencies.

END