



30 October 2012

Committee Secretary
Parliamentary Joint Committee on Corporation and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600 Australia

Dear Chairman and Committee Members

I would like to take this opportunity to offer a brief comment to your inquiry into family business in Australia.

My comments are based on a history of working in a family business and owning my own beverage manufacturing company. Following the sale of my business I spent nine years as the head of a subsidiary of a multi National company and lectured on Business plans for SMEs at TAFE.

Currently I am the non-family director of two successful family owned companies. One is regionally based and employees 150 and 200 across Australia , the other also regionally based employs 30 people

In addition I chair a monthly forum of business owners/directors in Geelong and a monthly forum of business owners on Horsham in regional Victoria. I have facilitated workshops in Victorian regional towns for the Australian Institute of Company Directors on the benefits for family companies having external directors on their boards.

The families I work with are not looking for cash handouts, rather they are looking to a level playing field and for Government to ensure that all business have an equal ability to compete in their chosen business segment. They are in need of financial assistance that is matched by both parties when it comes to innovation , exporting and productivity improvements. They would also like Government to offer practical assistance to compete in a less regulated marketplace particularly when it comes to flexibly in employment law.

Much has been written on the strength of family business in Australia and the contribution to the economy however my concern is the lack of understanding and/or the unwillingness of many family owned enterprises to understand the responsibilities and accountabilities as company directors as required under the Corporation Act 2001.

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Too many family business directors do not make the effort to keep abreast of the ongoing changes that affect them as directors and falsely believe that the issue around directorships are for large corporations or listed entities.

I fully support programs on compliance and governance issues for directors in private enterprises and suggest that the Australian Institute of Company Directors set the standard for this in Australia and directors all over should seriously consider attending some of their programs.

I also see that there is a divide between generations on this issue as often the older founders are less likely to be concerned as to the need for competent governance and risk management and often lack an understanding of the consequences now applicable to directors and senior officers under the Act.

In summary, as ASIC develops more resources to properly monitor and investigate the behaviour of directors in private enterprise in addition to the higher profile cases I suggest that they will find compliance within smaller family companies is a cause for concern.

yours sincerely

Bill Winter

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