



Ms Susan Cardell
Committee Secretary
Standing Committee on Industry, Innovation, Science and Resources
PO Box 6021
Parliament House, Canberra ACT 2600

By email to: iisr.reps@aph.gov.au

INQUIRY INTO THE IMPACTS ON LOCAL BUSINESS IN AUSTRALIA FROM GLOBAL INTERNET-BASED COMPETITION

Dear Ms Cardell

Thank you for giving the NSW Small Business Commissioner the opportunity to comment on the inquiry into the impacts on local business in Australia from global internet-based competition.

The Office of the NSW Small Business Commissioner advocates on behalf of small businesses in NSW, provides mediation and dispute resolution services, and speaks up for small business in government.

We believe the contribution of small businesses is integral to the Australian local economy, community and culture, particularly in NSW. We greatly value this contribution and will endeavour to ensure this continues.

The digital environment affords small businesses a real opportunity to operate beyond their local bricks and mortar presence and access new markets around the country, and indeed, the across the globe. However, with this opportunity there is also the potential for significant risks for small businesses. There are some key issues, such as the impact of increasing global competition and marketplace change on small business that need to be considered in order to take advantage of the opportunities offered, while mitigating the risks. The impact of global online players creates a disruption in the local market place and businesses need to be supported so that they can remain current and relevant in the changing marketplace.

After reviewing the Terms of Reference of the inquiry, we would like to offer the following comments for your consideration.

- In the short term, global internet-based platforms enable small businesses to go online and increase their digital footprint, exposure and scale. However, over the longer term, if this results in a monopoly, small businesses could be disadvantaged.
- These possible monopolies created by online global retailers could result in business closure and job reduction.
- There is a role for the Government to review the current legislation and regulations to ensure there is no gap which can be exploited or which allows anti-competitive behaviour. The emergence of any anti-competitive behaviour could limit innovation, cultural identity and stunt prosperity of small businesses and the local economy.

- Given the increasingly global nature of retail and the move from brick and mortar to online, it would be prudent to revisit anti-competition legislation and regulations as mentioned, but also tax and employment laws to ensure this changing marketplace is accommodated in the relevant legislation.
- The Government should monitor the impact of internet competition and provide support for small businesses including education, tools, grants and subsidies to provide an operating environment that is fair and competitive, and supports them through disruptions to the marketplace.

Given that this inquiry is the Committee's preliminary examination on the topic, the Office of the NSW Small Business Commissioner would welcome the opportunity to be kept abreast of all findings in relation to this inquiry, particularly those findings in the area of change and disruption and to work collaboratively with the Commonwealth to develop strategies that support small businesses in this change.

To discuss any aspect of these comments please contact Harriet Platt-Hepworth (Advisor, Advocacy and Strategic Projects) via email on

Yours sincerely,

Robyn Hobbs OAM
NSW Small Business Commissioner

1 December 2017