



**COSBOA Submission to  
The Senate Inquiry into the  
Small Business Commissioner Bill 2013**

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The Council of Small Business Organisations of Australia (COSBOA) appreciates the opportunity to provide a submission to this inquiry.

Our organisation was founded in 1979 and was incorporated in 1985. COSBOA has a proud history of strong advocacy on small business issues ranging from taxation and workplace relations, through to competition law and retail tenancy. The Council of Small Business Australia is the country's peak body exclusively representing the interests of small businesses. Our goals are to:

Promote and support the development of small businesses in Australia;

Advocate for the interests of small business in Australia, including through policy change and regulatory reform;

Foster an increased awareness and understanding of the role of small business in Australia amongst public servants and elected government officials, larger businesses, the media and the general community.

We engage our members and provide opportunities for them to influence outcomes affecting their business, and their industry. We act as a conduit for information from our members to Government and other organisations, and vice versa. A key activity for us is to facilitate introductions between member organisations and businesses with relevant customers, suppliers, service providers and regulators. Communication is the foundation of any good business and any good relationship, and we endeavour to be an active conduit for information.

We exist because small businesses don't have the time, the resources and often the expertise that is required to be alert to the myriad of legislative and regulatory change that affects them on an ongoing basis. Our efforts are focussed on providing accurate and timely input into decisions which will affect small businesses. Our members provide essential input to ensure the quality of our representation, as well as the substance and the credibility to back it up.

In many ways we do not advocate for small business, we advocate for the people who own and run a small business. There are over 2.5 million of these people who between them employ almost another 5 million other people. If we concentrate on making business and life as easy as possible for these people then the whole of society will benefit.

### **Need for consistency with capacity for Small Business Commissioners**

COSBOA's view is that the power and capacity of the Federal and State Small Business Commissioners has to be enhanced and be more consistent in order to achieve the intended positive outcome that these positions were initially designed for.

For many decades the small business community has been treated as though they are big business with all the experience, skills, resources, expertise and knowledge possessed by big business. Important compliance demands placed onto small business including workplace relations, competition policy, contract law, local regulations, business and tax law and processes and communications have all been

designed for big businesses who have the capacity to deal with complexity. The small business community was placed under stress due to poor policy and process design.

When the first small business commissioner was appointed in Victoria it was an experiment that blossomed into a position where we now have small business commissioners in Victoria, NSW, South Australia and Western Australia.

One result of the existence of commissioners has been a gradual change to the way policy makers and regulators treat small business. There is still much to do but a positive change is apparent..

Another area where small business is disadvantaged is in dealings with large organisations in businesses and within the public service. This comes in many ways from failed competition policy and contract law that protects large organisations from competition and from litigation.

In addressing small business issues the states have taken some different approaches to the power and processes given to the small business commissioners but in the main they have, or will have, the capacity and authority to make decisions and resolve disputes between large and small businesses and with the public sector, including local government. This is impacting on the way large organisations treat small business people. It appears that the commissioners are having an impact and are changing behaviour. This change can only be reflected at the federal level if the Australian small business commissioner is given similar power and capacity.

The current powers do not give the national small business commissioner a capacity to achieve what is needed.

This applies particularly to the interaction between small business and federal government agencies and departments. Currently many agencies use their power and ability to make process difficult and to force their will upon small business people. This is particularly true around payments, tendering processes, contract management and dispute resolution. The entrenched attitude and culture of most agencies is one based on their power and capacity to make business difficult for a small business and to make sure that any complaint or dispute will be time consuming and difficult for the person in their own business. There is also rule or perceived punishment imposed upon a small business person who does complain. They will never get government work again.

This also applies to business to business issues that have federal agencies involved. Issues around contracts and competition policy are federal issues as are, in most jurisdictions, the workplace relations issues. There needs to be a capacity to deal with disputes and unfairness in these areas.

This Bill provides the commissioner with the capacity to develop and maintain fairness and equality for small business in their day to day activities and in their relationships. It is well over due and is the next step needed to achieve that result.

### **Who is against this Bill?**

From what we can see and what we hear is that the groups who are opposed to this bill are the large public service agencies and big business including landlords, large franchisors, banks and large retailers. These groups have also expressed

disappointment with the state small business commissioners due to their ability to bring these organisations to task about their behaviours.

We need the Australian small business commissioner to ensure the powers and behaviours of the state commissioners are enhanced. The change in stress on the small business community would be lifted and the economy and the health of people in workplaces right across Australia would improve and we would be better able to handle the constant changes faced by the business community.

**Submission from the Association of Professional Engineers, Scientists and Managers, Australia (APESMA)**

COSBOA also supports the comments and recommendations from APESMA. This submission provides the sort of detailed information that shows the need to support this Bill.

**Ends**