

# Chapter 6

## Conclusion

6.1 In chapter one, this committee acknowledged the previous efforts of parliamentary committees and governments in examining important issues that concern Australia's SMEs. These efforts are testament to the ongoing commitment of governments and parliaments to this business sector that provides employment for over seven million Australians.

6.2 Australia has in place a strong economy and a robust, highly effective system of financial regulation. These factors have meant that it weathered the global financial crisis relatively well, and is recovering strongly. All Australians, including those in SMEs, have benefitted from these circumstances.

6.3 Nevertheless the GFC has presented great challenges, particularly on the financial front, for all businesses including SMEs. The committee was given evidence that some of the major issues are starting to be resolved, but that there are still measures that can be taken to improve the productivity and resilience of the SME sector.

6.4 The committee believes that better information about SMEs and about business finance could contribute to better policy processes and lending. The committee noted in chapter one that there is no coherent approach across government agencies or major stakeholders in defining different business categories. A lack of standard definitions means a lack of standardised data. It can also lead to misunderstandings when interpreting that data. In listening to stakeholders, there appeared to be at times significantly diverging understandings of what was happening in the lending environment, with some data gaps.

6.5 The dissemination of accurate, timely and relevant information about economic conditions can help governments in policy development and implementation. It can also help ensure lenders adopt lending practices that reflect current economic conditions and issues. Good communication can also help stakeholders understand the issues they each face. The committee formed the impression that this was not always the case following the onset of the GFC.

6.6 The committee hopes that implementation of its recommendations, particularly in relation to information gathering and dissemination, will help improve the financial environment for SMEs in Australia.

**Mr Bernie Ripoll MP**

**Chairman**