Quarterly report

Australian Small Business and Family Enterprise Ombudsman | Quarter 1 – 2016

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# Introduction

## Reporting context

The Australian Small Business and Family Enterprise Ombudsman formally came into being on 11 March 2016 with the commencement of the *Australian Small Business and Family Enterprise Ombudsman Act 2015 (Cth)* (“Act”).

The Act sets out quarterly reporting obligations relating to certain advocacy functions (see section 40). This quarterly report relates to the first quarter of the year and therefore covers the period 11 March 2016 to 31 March 2016.

The Act requires the Ombudsman’s report to outline the following:

* Research and inquiries conducted under Division 2 of the Act;
* Any relevant legislation, policies and practices which the Ombudsman believes are having an adverse impact on small business, and the reasons why the Ombudsman has formed that view.

In addition to the matters noted above, this report outlines ancillary activities which have been conducted by the Ombudsman during the reporting period with the aim of capturing all key activities of the office during the reporting period.

## Summary of key activities during the reporting period

This report covers the following key areas and activities:

* Outreach activities, including
  + preparations for a formal period of consultation with the small business and family enterprise community on what they consider to be advocacy priorities for their sector, and
  + the establishment of communications channels for the Ombudsman’s office, including social media, traditional media and other platforms for reaching our constituency;
* Advocacy activities, including
  + research and inquiries, in particular a research project has commenced looking at small business statistics with a view to collating a publication of statistics about small business;
  + commentary on legislation, policies and practices with an adverse impact on small business, including, business to business payment terms, and owner-drivers in the trucking industry and minimum rates set by the Road Safety Remuneration Tribunal; and
  + other advocacy activities including the preparations for submissions to consultation on Government proposals to increase access to company losses as part of the National Innovation and Science Agenda, and the [wine inquiry].
* Assistance activities, including primarily anonymised data to give an indication of the demand for the Ombudsman’s assistance services.

# Outreach

## Consultation on advocacy agenda

An essential part of being an effective advocate for small business and family enterprise is ensuring that the office of the Ombudsman has an effective means of understanding what issues are most critical for these businesses.

During the reporting period, a significant amount of preparation was undertaken with a view to a formal period of consultation to allow the Ombudsman to hear directly from small business and family enterprise about which issues they would like the Ombudsman to take up as their advocate.

Such preparations included:

* The establishment of a collaborative online platform for sharing ideas, which will be accessible from the Ombudsman’s website and allow members of the public to propose ideas for the Ombudsman to pursue;
* The drafting of a discussion paper;

It is expected that this consultation will lead to the development of an “advocacy agenda”, providing small business and family enterprise with a picture of the Ombudsman’s advocacy priorities and forward work plan.

The Ombudsman is eager to ensure a collaborative and transparent approach to advocating on behalf of small business and family enterprise, and this consultation process is the foundation for such an approach going forwards.

The consultation was formally launched on 15 April 2016, and will close on 30 June 2016. Further details will be provided in the next quarterly report.

## Establishment of communications channels

[Twitter and followers, newsletters and subscription numbers, website up and running + number of visits… anything else. Linked in? Anything else? Fairfax column?]

# Advocacy

## Research and inquiries

### Research

During the report period, work commenced on a research project aimed at providing a statistical overview of small business.

[More info]

Further details on the outcomes of this research will be included in future quarterly reports.

### Inquiries

No formal inquiries have been commenced during the relevant period. However, scoping activity has been done which will assist in the use of these powers going forwards.

In particular, formal consultation on the use of the Ombudsman’s advocacy agenda (discussed above), is expected to be a crucial feed to the future use of the power to conduct inquiries.

## Legislation, policies and practices with an adverse impact on small business

### Road safety and minimum rates for owner-drivers in the trucking industry

During the reporting period the issue of minimum rates for owner‑drivers in the trucking industry has been prominent. This follows the decision by the Road Safety Remuneration Tribunal in December to issue an Order that certain minimum rates be charged by owner drivers, with effect from 4 April 2016.

Owing to the short timeframe with which to comply, and the potentially significant impact of the Order on the restructuring of the trucking industry, a number of owner‑drivers and their representatives sought to delay the introduction of the Order. I also lent my support to a delay until 1 January 2017 on the basis that the impact on owner‑drivers (who are small businesses) warranted a longer period to transition and adapt to a changed regulatory environment.

The Tribunal declined to defer the commencement of the Order. Based on the representations made to my office by a number of owner-drivers, I believe this will have an adverse

A number of small businesses have approached my office concerned about the effect of this Order on their livelihoods and businesses. Given the small nature of many of the operations, and the impact on the families of these small business operators, at minimum it would seem necessary to provide further time to facilitate transition to a new regime.

I understand the Government, through the Department of Employment, is separately consulting on broader issues relating to the future of the Road Safety Remuneration Tribunal. My Office intends to contribute to those consultations going forwards.

Noting media releases etc

### The impact of the Personal Properties Security Regime on the hire and rental industry

Another issue which has been raised with my office during the reporting period is the impact of the Personal Properties Security Regime on the hire and rental industry.

We understand the Attorney-General’s Department is currently preparing legislation with a view to introduction in late 2016 which will respond to the recommendations of the Whittaker review.

My Office intends to engage further with the Attorney-General’s Department on this issue.

### Business to business payment terms

The issue of payment terms has been prominent in recent times. There has been media coverage indicating that many small businesses are suffering due to lengthy times before receiving payment from other businesses.

My Office has also been approached about this issue by small businesses.

I am also interested in the role that women play in small business and family enterprise. My Office has done some preparatory thinking on this subject and how an inquiry might be framed around this issue.

I envisage that this topic will be one which I look to inquire into later this year, subject to consideration of other possible inquiry topics which may emerge from our consultation with the sector.

## Other advocacy functions

### Ministerial referrals and advice

There are no relevant inquiries to report on

### National strategies

Nil to report.

### Contributions to inquiries into relevant legislation, policies and practices

During the reporting period, we also worked on, or finalised, submissions to the following inquiries:

* Wine industry (work in progress – submissions due )
* Access to company losses

### Reviewing proposals relating to relevant legislation, policies and practices

PPSA? Access to company losses

# Assistance