Australian Government

Australian Small Business and Family Enterprise Ombudsman

Quarterly Report

Q2, 2023 (1 April to 30 June 2023)

Australian Small Business and Family Enterprise Ombudsman

Message from the Ombudsman



In this quarter we reached a proud milestone – receiving our 40,000th request for assistance from a small or family business that needs help with a dispute.

Since being established in March 2016, one of the core functions of the Australian Small Business and Family Enterprise Ombudsman is to help navigate disputes small and family businesses have with other businesses or Australian Government agencies.

Pleasingly, nearly two-thirds of these are helped quickly by our call centre or Assistance Team providing useful information that enables small and family businesses to solve their issue and get back to business.

Our Assistance Team have provided more intense one-to-one assistance for 12,656 cases, including referrals to government support, and arranging alternative dispute resolution. This is in line with our legislation that says we are not to duplicate the functions of other government agencies.

Our latest data, published in this Quarterly Report, reveals 26% of cases that come to us relate to digital services. This is double the proportion we received just two years ago.

I have been vocal in our concern about the rising number of problems small and family businesses are encountering digital platform providers, particularly the nightmare in restoring an account that has been shut down after being hacked, which prevents them using the existing complaints mechanism.

We have been active in directly seeking resolutions for small and family businesses. This regularly leads to satisfactory outcomes in just a handful of days – getting small and family business back in business.

For example, a small business owner in the wellness industry contacted us to assist in reinstating her profile on the platform. She was the sole income earner in her household through this business. Our intervention saw the platform reinstate her account. The small business owner said: '…thank you will never feel like enough, but I mean it'.

There has also been a doubling over two years in the proportion of cases relating to the construction industry which now accounts for just over one in 10 of the calls we receive for assistance. This coincides with the rising number of insolvencies in the construction sector. A family enterprise that subcontracts in the construction industry contacted us because they had not been paid and this was affecting their ability to pay their own subcontractors. As a result of these difficulties, a family member working in the business also suffered mental health problems. Again, they were grateful for our guidance to resolve their issues.

The main type of dispute continues to be about payments, which accounts for 38% of our traffic, up from 30% two years ago.

There has also been a rise in the proportion of disputes about contracts but an easing in calls about franchise disputes, which is the third area of most concern for small and family businesses.

> ***Our Assistance Team have provided more intense one-to-one assistance for 12,656 cases...***

It's worth highlighting that we are encountering more instances where we are dealing with the substantive matter as well as providing support and resources regarding mental health. As a result, we have released additional material on our website, including building resources into our application for assistance tool.

During the Quarter we also updated our Guiding Principles and released our Assistance Charter. We recognise that how we pursue our mission is equally as important as our mission and our Guiding Principles

are the overarching values and behaviours that our people bring to their work. They are the foundation of how we deliver our services. Our Assistance Charter sets out our commitment to empowering small and family businesses with information, tools, and assistance to start, grow and transform. The Charter outlines our rights, obligations and explains what we can both expect in our dealings with each other.

Nearly half of all small business owners are aged 50 and over. But only 8% of small business owners are aged under 30.

We celebrated World Micro, Small and Medium-sized Enterprise Day towards the end of the Quarter and were thrilled to lead Australian celebrations through the release of inaugural Small Business Matters report and a social, digital, and traditional media campaign.

It was marvellous so many people showed their support to the small and family businesses who matter in our lives, including Prime Minister Anthony Albanese and Small Business Minister Julie Collins.

The Small Business Matters report showed the value of small and family business to the Australian economy has topped half a trillion dollars, highlighting their important contribution to their community and the wider economy. Almost 98% of businesses in Australia are small businesses and they contribute around one-third of GDP.

The report showed the average small business owner is a self-employed man, aged 50, who works full-time and earns below the average full-time wage. But it also highlighted that female ownership is on the rise, accounting for 35% of all small business owners. This is almost double the rate in the 1970s.

Mature age people are more likely to be a business owner than an employee. Nearly half of all small business owners are aged 50 and over. But only 8% of small business owners are aged under 30. That's half the peak for this age group of 17% achieved in the mid-1970s.

One-third of small business owners were born outside of Australia. This is a greater proportion that the 29% of Australia's general population who were born overseas. Nearly one quarter of small business owners use a language other than English at home.

There's a trove of information about small business which can be found on the Data Portal on our web site.

During the Quarter we continued to work on our inquiry into Commonwealth Procurement Rules. Submissions received so far show a disconnect between the experience of small and family business in navigating commonwealth procurement and what is considered best practice by commonwealth entities. An issues paper will be released soon with the report due to be handed to the Australian Government in December.

I also had the chance to meet many small and family businesses during the Quarter including visiting Bundaberg and Brisbane for Queensland Small Business Month. I attended COSBOA's National Summit and co-hosted the Young Hero Awards celebrating our future entrepreneurs. In addition, we attended expos and events to highlight our assistance services. We also sent information packs to all Federal Electorate Offices about our role and how we can help small and family businesses.



The Hon. Bruce Billson

Australian Small Business and Family Enterprise Ombudsman

Key Activities

Assistance

- Received 1,656 contacts seeking information and or assistance, of which 91% were requests for assistance from small and family businesses.
- Helped small and family businesses across a range of payment, contracts, franchising, and digital platform matters.
- Helped franchise participants directly with a dedicated case manager in 34 franchise related disputes, a rise from 32 in March quarter 2023.

Advocacy

- Made a submission to the Department of Employment and Workplace Relations consultation papers released on 13 April 2023.
- Made a submission to the House of Representatives Standing Committee on Economics: Inquiry into promoting economic dynamism, competition and business formation recommending a regulatory framework to support new business entrants.

Data/Economics

- Published Small Business Matters, bringing together a wide range of information on small and family businesses and their important contribution to their local communities and the wider economy.
- Presented on the small and micro business landscape and evidence on challenges in accessing finance of women owned and led businesses to the Global Sisters Financial Service Provider Forum.
- Provided custom data to support research to develop an informed picture of the culturally and linguistically diverse migrant small business landscape in Queensland.

Outreach

- The Ombudsman delivered seven presentations, participated in 13 webinars, and hosted three roundtables, including the Small Business Commissioner and Federal Regulator Agency Group meetings. This included presentations at the Bundaberg Regional Council Business Breakfast and the Queensland Young Hero Awards.
- Led Australian celebrations for the global UN Micro, Small and Medium Enterprises Day (27 June 2023), including pre-release of the inaugural Small Business Matters report, an animation themed 'If Australia had 100 small businesses', and social, digital, and traditional media campaigns. This included videos from the Ombudsman, Minister for Small Business, and the Prime Minister of Australia.
- Promotion of the Tax Concierge Service and Assistance function at events attended by small and family businesses, including the Franchising and Business Opportunities Expo in Melbourne, and the CommBank Small Biz Week Melbourne.
- Preparation and distribution of ASBFEO information packs to all Electorate Offices (of Australian Government Members of Parliament), including information on the office, our role, and how we can help small and family business constituents in electorates.

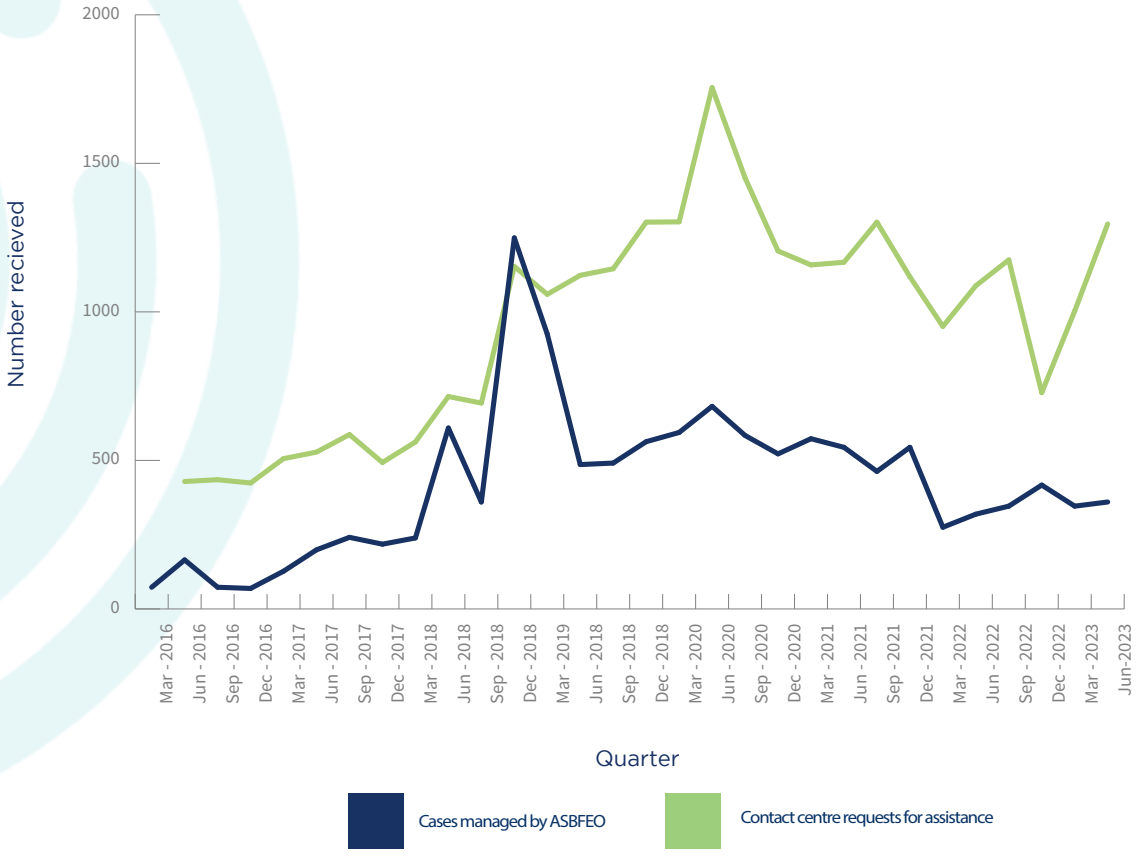
Since 11 March 2016, ASBFEO have received over 40,000 requests for assistance.

Since our establishment on 11 March 2016, we have received 40,510 requests for assistance from small and family businesses that are in dispute with other businesses or Australian Government entities.

Nearly two thirds of these enquiries are resolved at point of contact, for example by providing information. We have provided one-to-one assistance for 12,656 cases involving business disputes, including referrals to government support, and arranging alternative dispute resolution.

As specified in our legislation, we respond to requests from small and family businesses without duplicating the functions of other Commonwealth, State or Territory agencies. The legislation provides that we may work cooperatively with other government agencies if it is more convenient and effective to do so and allows us to assist small and family business owners access alternative dispute resolution processes.

Chart 1: Requests for assistance from small businesses and family enterprises



Note: ASBFEO received 1,100 complaints from small business owners regarding advertising contracts from two providers.

Source: ASBFEO, 2023.

Assistance success to date

Table 1: Assistance provided to small businesses and family enterprises

	2020-21	2021-22	2022-23	11 March 2016 - 30 June 2022
Requests for assistance				
Calls to contact centre	4,981	4,459	4,202	27,854
New cases actively managed by ASBFEO	2,223	1,601	1,469	12,656
Total requests for assistance	7,204	6,060	5,671	40,510
Outcome of cases actively managed by ASBFEO				
Resolved by ASBFEO contact with one or more parties	1,067	898	897	7,316
Referred to another government agency or relevant body	723	461	274	3,053
Referred to Alternative Resolution	94	86	28	556
Other (including ongoing cases)	339	156	270	1,731
Industry of party the small business or family enterprise is in dispute with (% of new cases managed by ASBFEO)[1]				
Digital services including platforms	13%	17%	26%	Not available
Construction	5%	7%	115	Not available
Transport, postal and warehousing	10%	7%	8%	Not available
Retail trade	6%	5%	6%	Not available
Food services	4%	7%	5%	Not available
Type of dispute (% of new cases managed by ASBFEO)				
Payment	30%	32%	38%	27%
Contract	16%	21%	26%	30%
Franchising	13%	16%	11%	12%

[1] Proportions report cases where industry is known. Most industry data commenced in 2020 due to a change in ICT system.

Source: ASBFEO, 2023.

Assistance success to date

We received 1,656 requests for assistance in the June quarter of 2023. This is the highest level for one and half a years since the December quarter of 2021 (1,662). We are observing more instances where we are dealing with the individual matter, as well as providing support and assistance with mental wellbeing support or debts.



Through these insights, we have made additional information and material available on our website so small and family business operators can take steps to resolve disputes themselves, while also accessing information when they need it. For example, we have created webpages on mental wellbeing and financial wellbeing, the building of information and resources into our assistance application forms, as well as publishing Assistance Charter. This Charter makes it clear to people on what they can expect from us when they contact us, and what we expect of them in return.

One example of this mental wellbeing support is a request for assistance from a self-employed personal trainer. Under her rental agreement, a clause was included that should she terminate her contract earlier than the agreed length of term, she would be subject to pay a significant penalty (in addition to paying monthly rent). The small business owner was experiencing mental wellbeing issues with her mental health provider providing written advice that she should terminate the contract as this rental agreement was the main factor causing this ill mental health. We worked with the small business owner and the property owner/manager, and facilitated a mutually agreeable settlement between both parties, with the termination of the contract.

We provided one-to-one assistance to small and family businesses in 1,469 disputes with other businesses or Australian Government agencies in 2022-23. One quarter of these cases were disputes with a digital platform or other digital services providers. In many cases, the small businesses account was disabled, and were unable to use the existing complaints mechanism.

One example of this digital platform request was a small business owner in the wellness industry contacting us to assist in reinstating her business profile as her account had been hacked and disabled. The business owner relied on the platform for her business operations and sales and is the sole income earner in her family through her business. Following our involvement, the platform reinstated her account, and she could continue to operate her business. Upon this resolution, the small business owner noted that '…thank you will never feel like enough, but I mean it'.

11% of cases that we received in 2022-23 involved a dispute with a business in the construction industry. A family enterprise that subcontracts in the construction industry contacted us for assistance as they had not been paid. This non-payment was affecting their ability to pay their own subcontractors. A family member working in the business had suffered mental health problems because of these difficulties. The family enterprise was grateful for the information we provided on how to resolve this non-payment dispute issue.

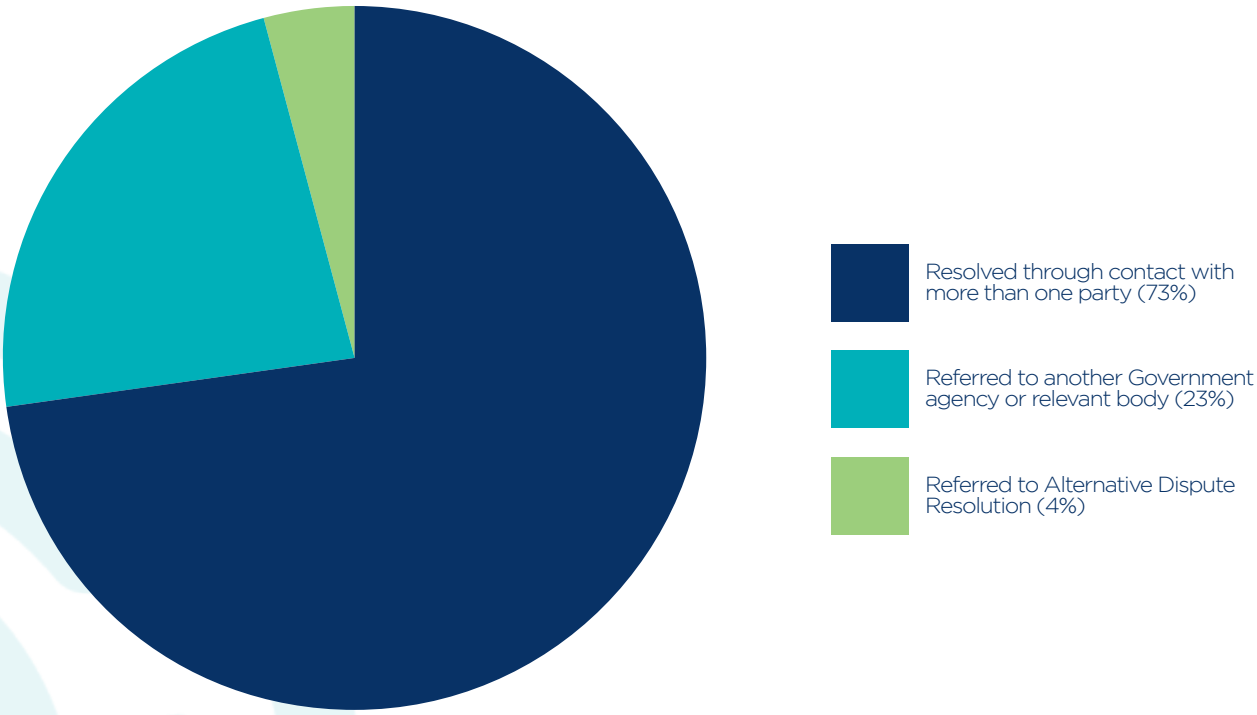


Consistent with previous years, the most common types of disputes in the cases that we managed in 2022-23 were payment disputes (38%), contract disputes (25%) and the franchising code (12%). A small business in the landscaping industry contacted us as they had only been paid part for part of their work and were unable to secure the remaining payment from their client. Following our involvement, they received their full payment.

We finalised 85% of cases received in 2022-23 with the remaining 15% still active matters. Nearly three quarters (73%) of finalised disputes was a result of us contacting one or both parties.

Assistance success to date

Chart 2: Outcome of finalised ASBFEO cases received in 2022-23



Source: ASBFEO, 2023.

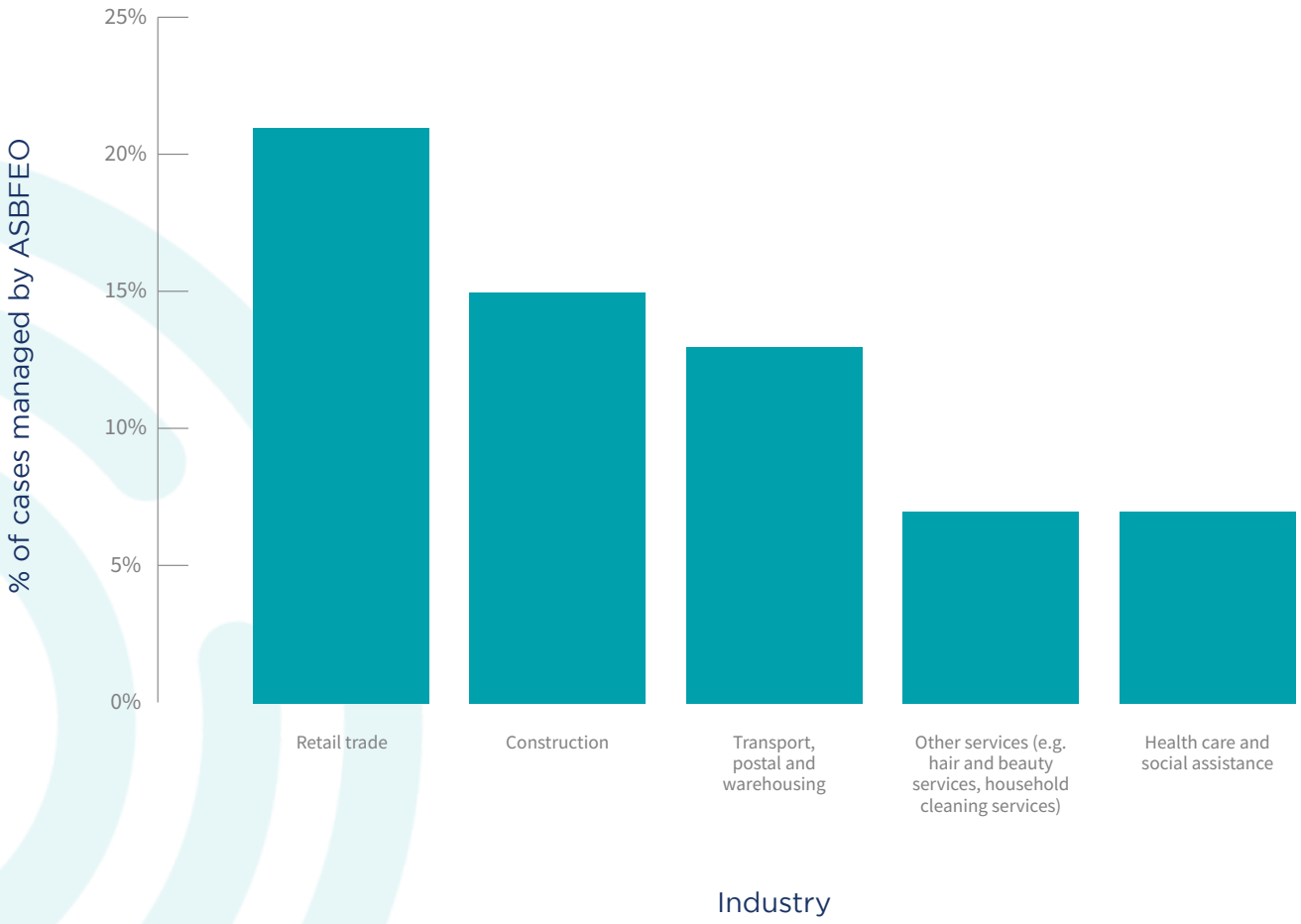
Our contact centre service received 4,202 requests for assistance from small and family businesses in 2022-23. Retail trade was the most common industry, accounting for one in five requests where the industry was known. More than half of the small and family businesses in the Other Services industry were independent contractors involved in disputes about payment for work performed.

For example, a self-employed delivery driver contacted us after working for a company for six weeks but had not been paid. He was consistently told that he would be paid next month but this did not occur. He was concerned about financially supporting his family with such a significant gap in income. Following our involvement, he received full payment. The self-employed delivery driver noted '…just to let you know, you guys are legends.'



The Ombudsman (far right) facilitated a panel discussion at COSBOA's National Small Business Summit. From left to right: Stuart Clues, Tasmanian Small Business Advocate; Dominique Lamb, Queensland Small Business Commissioner; Will Day, Australian Taxation Office; Mick Keogh, Australian Competition and Consumer Commission and; Hon. Dr. Andrew Leigh MP, Assistant Minister for Competition, Charities and Treasury.

Chart 3: Industry of small businesses and family enterprises seeking assistance, 2022-23



Note: this graph shows proportions where industry of the business is known.

Source: ASBFEO, 2023.

A number of these small and family business owners are not comfortable speaking English. For example, we were contacted by the adult child of a couple who were migrants from a non-English speaking country with a small business in the cleaning industry. They were working as subcontractors and found the manager increasingly difficult to deal with. She explained that they were losing confidence to speak up for themselves as English is not their first language and were increasingly becoming depressed. We provided information on understanding contracts and the steps to resolve disputes. She was grateful for this information. Nearly one quarter (23%) of Australian small business owners use a language other than English at home (source: *Australian Bureau of Statistics, TableBuilder, Census 2021*).

Industry Codes | Franchising - Horticulture - Oil - Dairy

We provided information to franchise participants relating to the use of the mandatory dispute resolution process under the Franchising Code of Conduct. We also arranged alternative dispute resolution (ADR) processes and appointed independent ADR practitioners to disputes when requested. This included:

- responding to 75 enquiries from franchising participants
- actively case managing 34 franchise disputes, 16 being initiated by franchisees.

For example, we received a request for assistance from a franchisee in the education and training industry. They were concerned that another outlet had opened near them. We provided information to the franchisee on the process for resolving this dispute.

We continued to provide a list of produce assessors to support the Horticulture Code of Conduct and responded to:

- seven enquiries in relation to the Dairy Code of Conduct
- one request for information in relation to the Oil Code of Conduct.

In 2022-23, 77% of ADR processes were resolved at mediation. All parties acted in good faith. The average cost of mediation was $2,822.

Small Business Tax Concierge Service

Our Tax Concierge Service continued providing information and assistance across a range of taxation matters. We received:

- 11 requests for assistance from small businesses seeking assistance with Australian Taxation Office (ATO) negative decision letters received, an increase from seven requests last quarter
- 10 enquiries about the service which was up from six last quarter.

The Tax Concierge Service worked with the small businesses and the ATO to allow their issue to be readdressed or referred to independent tax lawyers to provide subsidised advice about appealing the decision.



The Ombudsman with Bailey Page, winner of the ASBFEO Entrepreneurship Award at the 7News Young Achiever Awards held in Brisbane in May.

1,656 contacts received via:

Phone	Web	Email
1,298	325	33

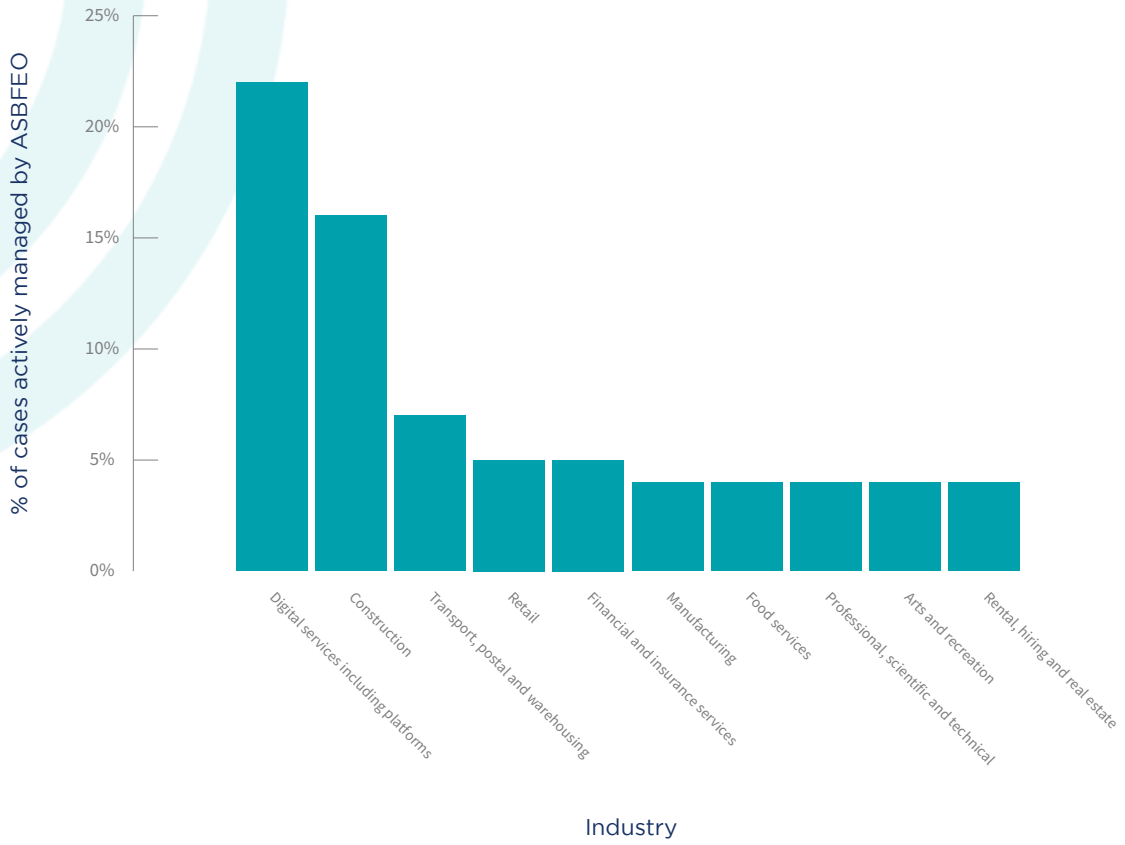
13,814
visits to the ASBFEO assistance website information

360
small and family businesses supported by a case manager

91%
of calls were from small and family business owners*

* where details of caller are confirmed

Chart 4: Industry of party the small business is in dispute with, June quarter 2023



Note: cases where industry are known are not included.

Source: ASBFEO, 2023.

Assistance success to date

Case Management Outcomes

73%
required active case management support, including providing information to progress dispute

26%
referred to more appropriate agency (usually relevant Small Business Commissioner, or alternative government agency)

1%
referred to an Alternative Dispute Resolution practitioner

How we helped callers to our info line

76%
given information and directed to the Dispute Support Tool

9%
referred to ASBFEO case management

15%
referred to more appropriate agency, usually the relevant Small Business Commissioner

94% of calls answered within 10 seconds

Over **98%** customer satisfaction rating



The Ombudsman (right) with Jack Dempsey, Mayor of Bundaberg (left) and Kate Giles, Tourism Sustainability Officer, Bundaberg Regional Council (centre) at the Bundaberg Business Breakfast.

RESTORING BUSINESS AFTER A HACK



A small businesses social media account was compromised by the 'Lilly Collins Hack'. This business account was also linked to a personal account, a primary administrator for the business account, and several linked secondary administrators.

Due to the interconnected complexities of the business account, hackers were able to gain access to the personal account, while also controlling the business account, marketing campaigns, and linked credit card information. The businesses social media account was renamed 'Lilly Collins'.

We provided information to the social media platform who immediately commenced a review. The hackers were removed from the account and unauthorised expenditure from the account (while it was compromised) was returned in full to the small business. The small business was also alerted to fraudulent ads about the business and provided information on how to remove these ads.

The account was fully restored, secured, and returned to the grateful small business.

REDUCING DEBT

A vocational training business had an equipment lease and services contract dispute with a global technology business regarding devices and a debt. The small business contacted us, and we helped to coordinate and manage correspondence between both parties.

By focussing on interest-based outcomes, the debt was significantly reduced, with the small business able to retain the devices and continue their business operations.

LOCATING SOLUTIONS

A franchisee purchased a second franchise, which included an existing lease of premises. However, the lease was terminated by the landlord. Due to a downturn resulting from COVID and no premises available to operate from, the franchisee sought to cancel the franchise agreement.

The franchisor did not want to terminate the agreement and wanted the franchisee to find a new location to operate from. The franchisee maintained they only purchased the franchise due to the location.



We worked with one of the State Small Businesses Commissioners to identify a mediator who could deal with both the franchising and lease issues in accordance with both the State and Federal legislation. The mediation led to an agreement between the parties to resolve their issues.

Workplace relations

- We made a submission on 30 May 2023 to the Department of Employment and Workplace Relations series of consultation papers on 11 proposed measures for further reforms to the Fair Work laws.
- We emphasised right-sized regulations and proportionate compliance is necessary for maintaining the strong contribution of small and family businesses to employment and self-employment.
- We made six recommendations to government:
    - clarify that the criminalisation of wage theft applies only to deliberate or negligent non-payment or underpayment of wages
    - not require small businesses to monitor and analyse post-contractual conduct when employing a casual worker
    - ensure that any measures to extend the Fair Work Commission's power to regulate 'employee-like work', including in the gig economy are precisely defined and avoid undermining legitimate self-employment and entrepreneurship, by:
        - recognise and respect the sound and longstanding legal distinction between 'contracts of service' and 'contracts for services'
        - recognise the difference between self-employed Australians and vulnerable workers
        - employ a framework that is sufficiently precise and circumscribed to avoid inadvertently entangling an ever-growing number of entrepreneurs and small businesses who use digital platforms to their advantage.
    - Establish a Small Business Division or Small Business Commissioner within the Fair Work Commission.
    - Ensure the national regulation of labour hire is right sized by:
        - precisely defining 'labour hire provider' in 'Same Job, Same Pay' legislation to ensure small and family business subcontractors are not incorrectly classified as labour hire
        - working with states and territories to enable businesses who supply labour hire workers across jurisdictions to apply for a single national license, as an alternative to applying for separate parallel licenses in each jurisdiction
    - properly resourcing the Fair Work Ombudsman with a focus on providing education, support, and guidance to small and family business employers.

Procurement inquiry

- On 30 March 2023, we launched an Inquiry to examine the impact of reforms to Commonwealth Procurement Rules on small business. The Inquiry was referred to us by the Minister for Finance, Senator the Hon Katy Gallagher. The Inquiry is seeking to review both the implementation of the 1 July 2022 changes to the Commonwealth Procurement Rules, and the impact of these changes on small businesses that participate in Commonwealth procurement activities.
- We have received 13 submissions and emerging themes are:
    - procurement officers in some agencies appear to have low awareness of the 1 July 2022 change
    - lower-value contracts are awarded to SME subsidiaries of large organisations
    - a disconnect between the experience of small business in navigating commonwealth procurement and what is considered best practice by commonwealth entities

  - how SME's experience the relationship between entities and third-party organisations
  - project disaggregation and unnecessary specifications in contract terms
  - gender equality procurement policy initiative
  - limited incentive for entities to engage a SME.

- We continue to engage with the Future Made in Australia Office on the implementation of the Buy Australian Plan.
- The Inquiry's issue paper is expected to be released in July 2023, which we are seeking submissions from interested parties.

Economic dynamism and energising enterprise

- Business creation and entrepreneurship are essential to driving economic growth, generating jobs, increasing economic efficiency, and boosting innovation. We are currently investigating mechanisms that will support and nurture the next generation of entrepreneurs.
- The Productivity Commission's 2023 report, Advancing Prosperity, highlighted the increasingly important role that innovation and new technology will have in addressing lagging productivity.
- The CPA Asia-Pacific Small Business Survey 2022-23 found that younger businesses, younger respondents, and larger small businesses are more likely to innovate.
- 2021 Census data indicated that only 8% of Australian small business owners were aged under 30 while almost half (47%) were aged 50 or over.
- We made a submission on Monday 8 May 2023 to the House of Representatives Standing Committee on Economics' inquiry into economic dynamism. We made eight recommendations to the Australian Government:
  - develop a 'Small Business Health Index'
  - ensure that any new regulatory requirements are right sized
  - investigate ways to improve access to finance
  - ensure grants and support programs are working efficiently
  - address unfair business practices by introducing a Federal Small Business and Codes List into the Federal Circuit Court of Australia
  - institute mechanisms to efficiently resolve disputes involving digital platforms

Major input into policy, inquries and legislation

Postal services modernisation

- We made a submission on 27 April 2023 to the Department of Infrastructure, Transport, Regional Development, Communications, and the Arts regarding options to modernise postal services.
- The Australian Post Office relies upon small business licensed post offices and community postal agents to operate 81% of the post office network. Small and family businesses and independent subcontractor delivery drivers provide Australia Post with the capability and capacity to provide postal (and associated) services around the country.
- Postal services are critical to many small and family businesses not only for e-commerce, but where local bank branches have been closed in regional, rural, and remote areas the local post office provides everyday financial services transactions for business owners.

- We recommended:
    - the Australian Government undertake thorough consultation with industry on any revision to the Australian Postal Corporation Act 1989 (the Act)
    - Australia Post provide adequate remuneration of licensed post offices (LPOs) and community postal agents (CPAs) to deliver the expected level of ancillary AusPost services, including as Bank@Post services that are tailored to the needs of the local community
    - contract terms and conditions for independent delivery services should reflect the appropriate operating costs and changing consumer trends.

Modernising Australia's anti-money laundering and counter-terrorism financing (AML/CTF) regime

- We made a submission to the Attorney General's consultation on Modernising Australia's anti-money laundering and counter-terrorism financing (AML/CTF) regime recommending:
    - simplifying the Act to be 'right sized' and risk based for small and family businesses, making sure efforts to streamline the regime do not result in an unintended compliance burden for the sector
    - make sure the regime does not inadvertently encourage the de-servicing of legally operating businesses
    - implement compliance measures that are proportionate to the size and resources of small and family businesses
    - promote and resource tailored and practical information to support small and family businesses
    - undertake a post-implementation review of the reforms no later than two calendar years after the date of implementation.
- On 28 June 2023 the Treasury published the Australian Government's response to de-banking in Australia. Importantly, the government has:
    - agreed to voluntary data collection on de-banking be undertaken by the four major banks, following which, consideration will be given to a formal phase of data collection, subject to appropriate resourcing for relevant agencies
    - supports that all banks implement five related measures to improve transparency and fairness in relation to de-banking. These measures would apply to all instances of de-banking.
- The five measures proposed are:
    - Measure 1: That banks document reasons for de-banking a customer
    - Measure 2: That banks provide a customer with reasons for being de-banked
    - Measure 3: That banks ensure a de-banked customer who is an individual or small business has access to their Internal Dispute Resolution procedures
    - Measure 4: That banks provide a minimum of 30 days' notice before closing existing core banking services of a customer. This account closure notice should also inform the customer that they may access the bank's Internal Dispute Resolution procedures
    - Measure 5: That banks self-certify adherence to measures 1–4.

Modernising Business Registers Program

- We made a submission to the Independent Review of the Modernising Business Registers Program on 5 June 2023, highlighting why the program provides an opportunity to accurately reflect the individual characteristics of small and family businesses, including business type, operational locations, and often multiple and diverse fields of activity within a single business registration.
- We recommended due consideration and weight be given to ensuring the program improves data sharing across government will reduce unnecessary reporting obligations on small businesses who do not have the resources of their larger counterparts.

Privacy Act Review and Cyber Security strategy

- On 16 February 2023, the Australian Government published the Privacy Act Review – Report. We provided significant feedback to the Attorney-General's Department, drawing on wide consultation with the small and family business sector, to inform the government's response to the report.
- The report makes 116 proposals, with an estimated 95 of these having a direct or indirect effect on small businesses' privacy obligations.
- We have provided an initial submission advising the government to:
    - proceed cautiously to avoid adverse unintended consequences
    - develop requirements that are right-sized, proportionate to risk, harmonised across jurisdictions, and consistent with cyber-security best practice and consumer data right rules
    - continue to consult with small and family businesses and ensure regulators are sufficiently focused and resourced to help small businesses understand and comply with their new obligations.
- We continue to engage with the Attorney-General's Department, to make sure the implementation of any changes consider the unique circumstances and limited resources of small and family businesses.
- We also provided a submission to the Department of Home Affairs to inform the 2023-2030 Cyber Security Strategy. The submission recommended the strategy's Expert Advisory Board include a representative with small and family business experience and reiterated the need for education including clear actionable steps the sector can take to protect themselves against cyber-attacks.
- Additionally, we recommended the strategy consider the benefits of investing to ensure small businesses have access to trusted cyber security expert advice and establishing a 'cyber concierge service' to support sole-traders and small businesses in the event of a cyber-attack.

Submissions

Recipient	Number	Recipient	Number
Parliamentary Committees	3	Department of Home Affairs	1
The Treasury	2	Attorney-General's Department	1
Department of Infrastructure, Transport, Regional Development, Communications, and the Arts	1	Australian Banking Association	1
Australian Financial Complaints Authority	1	Department of Employment and Workplace Relations	1

Small Business Matters

We released the *Small Business Matters* report to coincide with the World Micro, Small and Medium-sized Enterprise Day on 27 June 2023. The nominal value of small business to the economy increased by 15% in 2021-22 to $506 billion and accounts for around one third of Australia's GDP. Almost 98% of businesses in Australia are small businesses.

The average small business owner is a self-employed man, aged 50, who works full-time and earns below the average full-time wage. But the report shows that female ownership continues to rise, accounting for 35% of all small business owners. This is almost double the rate in the 1970s.

Mature age people are more likely to be a business owner than an employee. Nearly half (47%) of all small business owners are aged 50 and over. Only 8% of small business owners are aged under 30. That's half the peak for this age group of 17% achieved in the mid-1970s.

One out of three small business owners (34%) were born outside of Australia. This is a greater proportion that the 29% of Australia's general population who were born overseas. Nearly one quarter of small business owners (23%) use a language other than English at home. Small business owners who were born overseas are more likely than those born in Australia to work in:

- transport, postal and warehousing
- cafes, restaurants, and accommodation.

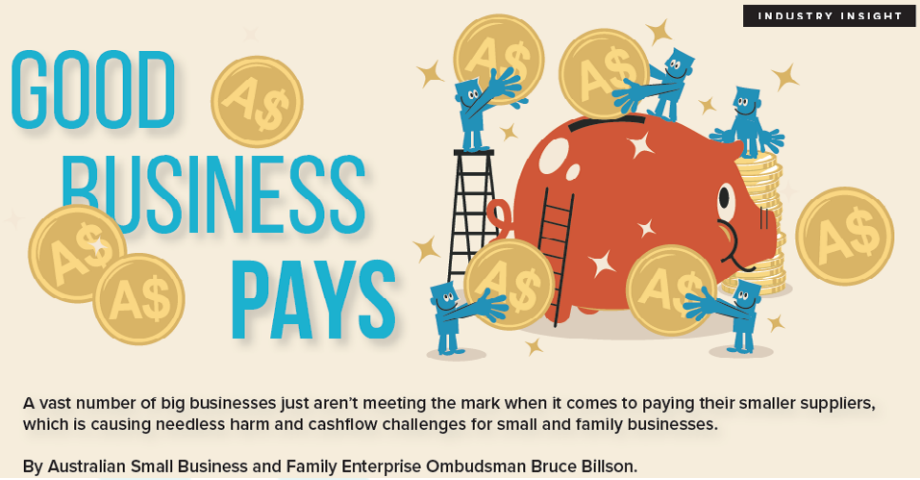
For further information on the full *Small Business Matters* report and other data, please visit www.asbfeo.gov.au/small-business-data-portal



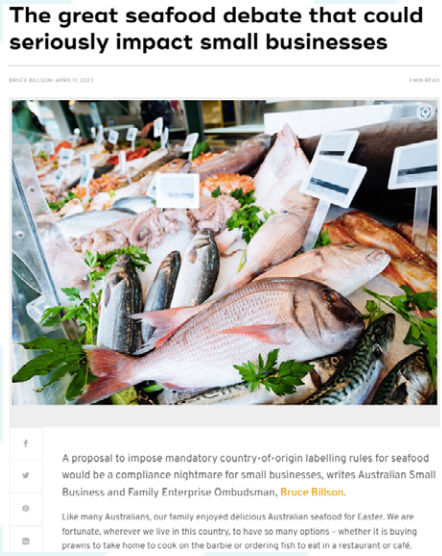
The Ombudsman co-hosted the CommBank Young Hero Awards Dinner in Melbourne with Vivienne Ryan, Co-Founder and Director at Gravia Media.

‘Vital’ employers in severe financial stress
By GREG BROWN

Article published in The Australian, Monday, 26 June 2023.



Op-ed by Bruce Billson, published in Convenience World’s March 2023 edition



Op-ed by Bruce Billson, published on Kochie’s Business Builders, 11 April 2023



ASBFEO at COSBOA’s National Small Business Summit.

Young Aussies are not minding their own business
By Matthew Killoran

Article published in The Daily Telegraph, Monday, 26 June 2023

Small business boom during the pandemic

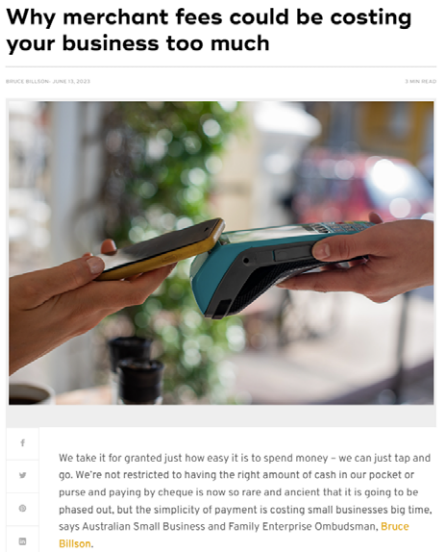
Article published in The Canberra Times, Monday, 26 June 2023



Op-ed by Bruce Billson, published in Convenience World’s June 2023 edition



Interview with Neil Mitchell on 3AW Melbourne, Monday, 19 June 2023



Op-ed by Bruce Billson, published on Kochie’s Business Builders, 13 June 2023

Traditional and Social Media Statistics

7,108 followers
68 posts

Ombudsman
7,1723 followers
26 tweets

ASBFEO
2,151 followers
40 tweets

3,053
newsletter subscribers

498 followers
76 posts

506 subscribers
4 videos published

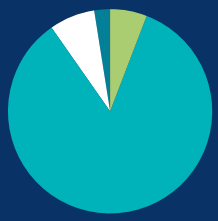
Ombudsman
4,075 followers
31 posts

ASBFEO
4,880 followers
66 posts

26,528
visits to the website

4
media releases

441
media mentions





From left to right: ASBFEO staff, Stephen Grant, David Meakin and Melinda Jones at the CommBank SmallBiz Week Small Business Expo in Melbourne.

Assistance

- During the quarter our Assistance Charter went live on our website that aligns with our Guiding Principles and sets out our commitment to empowering small and family businesses with information, tools, and assistance to start, grow and transform. The charter outlines our rights, obligations and explains what we can both expect in our dealings with each other.
- Continuing to provide assist to small and family businesses with dispute resolution options under the Franchising Code of Conduct; while encouraging disputing parties to consider arbitration to resolve issues where appropriate.
- Continue to help small and family businesses that operate within the Dairy, Horticulture and Oil Codes of Conduct, and encouraging small and family businesses who are in a dispute, to contact us for early for assistance.

Advocacy

- Release issues paper for ASBFEO Procurement Inquiry, invite further submissions and undertake additional consultations.
- Continue to advise and work with other agencies to advance a right-sized regulatory approach to digital platforms, privacy, and cyber-security.
- Consider and respond to the final report of the Parliamentary Joint Committee on Corporations and Financial Services inquiry into corporate insolvency in Australia.

Data/Economics

- Release best practice guides for small businesses working with digital services providers, based on the research we commissioned from the University of Sunshine Coast. This research identified predictors of the strength and longevity of this business relationship.
- Collaborate with relevant government departments to access integrated data to analyse the longitudinal performance of small businesses.
- Release new analysis on the important contributions of family members in family businesses.

Outreach

- Areas of focus for the next quarter is on assistance self-help functions, including development of alternative dispute resolution guides, and continued promotional and outreach efforts of this function.
- Implementation of our outreach program and attending key small and family business focussed events, including AgQuip Field Days, SXSW Sydney, Tax Institute Summit, Jobs and Business Expos in Queensland, Franchising and Business Expos, B2B Enterprise Week, NT October Small Business Month, IPA National Congress.
- Further promotion and engagement activities for the Tax Concierge Service in collaboration with the ATO have been identified for the next quarter. Culturally and linguistically diverse audiences will remain a focus for this service.
- Communications and media associated with the Procurement Inquiry, including translations and engagement with culturally and linguistically diverse audiences.

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Written enquiries may be sent to:

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or email media@asbfeo.gov.au

Australian Government

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