



Australian Government



Australian
Small Business and
Family Enterprise
Ombudsman

Quarterly Report

Q1, 2024 (1 January to 31 March 2024)

Australian Small Business and
Family Enterprise Ombudsman

Message from the Ombudsman



The greatest renewable resource in our country is the perpetual optimism of enterprising men and women.

It is quite uplifting and remarkable how optimistic small business owners are, even when they're facing confronting and challenging business conditions.

We've seen a 20% increase in queries from small businesses struggling to manage their debts. Requests for help from small businesses worried that they are owed money by businesses who are insolvent have doubled compared to last quarter. Three-quarters of these were from small businesses in the construction industry.

Corporate insolvencies are at their highest level in nearly a decade and reached record highs throughout the past year in the construction sector as we've seen some well-known construction firms call in the liquidators.

Everyone asks, what can we do to make things easier? Well, we could stop making them harder.

There's a lot of things coming 'at' the small business community. We seem to be perpetually involved in consultation about a new imposition, a new measure, a new burden, a new complication that's on top of the challenges and those late-night compliance activities that those of us that have run a business know we are contending with right now.

It seems so often that we are there to mitigate the worst of new headwinds. That we're trying to make something that's not that great, a little less bad.

It is often said that small business is the engine room of the economy. We must ensure that small and family business can fire on all cylinders – not have a cylinder taken out.

We need to shift the mindset and stop adding to the wind in their face and focus on putting wind in the sails of small and family businesses to enable them to be all they can be and to contribute all that they are able to our economy and our communities.

We need to get the risk and reward balance right, make small business and entrepreneurship a really attractive option for people, then create a supportive ecosystem to give enterprising people the best chance to be successful.

The narrative in the community about how buoyant profitability is in the business economy is not the profit trajectory of the 70% of small businesses who are unincorporated. If there is profit, it is 3% a year, whereas for the larger corporates annual profit growth is at 13%.

As we have said before, 43% of small businesses were not profitable in the last full tax year. Three-quarters of self-employed people, for whom their business is their full-time livelihood endeavour, take home less than average total weekly earnings. There's no rivers of gold for those people. They're working their tails off every day.

We cheer many of the economic indicators for small business, but the trajectory is worrying.

Small businesses contribute one-third of Gross Domestic Product, 32.4%, yet that is actually the lowest proportion since that data series began in 2006 when small businesses were contributing 41% of the economy.

It is often said that small business is the engine room of the economy. We must ensure that small and family business can fire on all cylinders – not have a cylinder taken out.

Equally, we honour and celebrate the 42% of private sector jobs that are made possible by the small and family business community. That is fantastic and small business continues to be the largest employer compared to large and medium sized enterprises. But in 2006 it was 53% of private sector jobs coming from small business.

Message from the Ombudsman

Small businesses are working extremely hard, but the subterranean shift is that Australia is becoming a big corporate economy. This transformation is happening before our eyes. And I would suggest we need to do more to try and bring about a change if we believe, as I do, that small and family businesses will be the drivers of innovation and our best prospects for improving incomes and living standards.

We need to energise enterprise and really have that as a front of mind policy objective and then celebrate the success and let people know that these enterprising men and women are vital to our communities and the quality of life that we enjoy.

One of the many challenges facing small business is grappling with Environmental, Social and Governance (ESG) considerations. Customers are more attentive to these issues, while governments, investors and regulators are raising expectations of ESG performance and rigour in reporting.

I was pleased during the quarter to host Australia's first 'ESG for SMEs Symposium' over two days in Canberra and bring together leading thinkers, policy professionals, regulators, practitioners, academics and smaller enterprises with practical experiences to share.

Like with so many areas of compliance, small businesses are looking for right sized and relevant guidance on how best to credibly identify, fulfil and report their ESG performance. Yet most of the guidance currently available is designed for larger corporates and sophisticated entities.

We were also proud to launch a best practice guide for small business to provide simple steps they can take to better match their needs and expectations when dealing with digital marketing service providers.

Digital marketing can be vital to the success of a small business yet one-in-three end up in a dispute with their provider and almost 70% of small businesses change their provider in their first year working together.

We commissioned a study by researchers at the University of the Sunshine Coast, which was among the first in the world to investigate the specific relationship challenges between small businesses and digital marketing service providers. This collaboration has produced the information checklists in the best practice guides.

The guide, available for free on our website, gives small business actionable tips on receiving great service and building a real partnership with a digital marketing service provider.

There is also a guide for digital marketing providers to better understand the needs of small businesses.

Our advocacy work during the March quarter included submissions about supermarkets and the Food and Grocery Code, the Banking Code of Practice and the Modern Awards review.

As part of our mission to celebrate small business and explain assistance available, I also commenced a fortnightly column published in the newspapers and websites of Australian Community Media. This adds to other regular columns for Kochie's Business Builders, Convenience World Magazine, The Daily Telegraph and other publications as well as regular radio and TV interviews, newsletters, social media and our attendance at expos and agricultural field days as we try to reach as many small and family businesses as possible, wherever they are across the nation.



The Hon. Bruce Billson

Australian Small Business and Family Enterprise Ombudsman

Key Activities

Assistance

- Contacted for information and/or advice 1,510 times.
- Helped small businesses and family enterprises with a range of payment, contracts, digital platforms and franchising issues.
- Employed a dedicated case manager to help small business in 75 digital platform disputes, an increase from 66 in Quarter 4, 2023.

Advocacy

- Identified and provided relevant material for participants attending ASBFEO's 'ESG for SMEs Symposium' in Canberra, March 2024. Continued to gather resources and incorporate Symposium insights to inform the development of a decision-support tool to help small businesses and family enterprises comply with obligations related to environmental, social and governance (ESG) performance.
- Commenced work to provide advice to government on the implications of ESG for small businesses.
- Completed submissions to:
 - the Australian Securities and Investment Commission's consultation on the Australian Banking Association's proposed changes to the Banking Code of Practice
 - Senate Select Committee on Supermarket Prices Inquiry on the price setting practices and market power of major supermarkets
 - Treasury's consultation on Scams – mandatory industry codes
 - consultation by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts on the SMS Sender ID Registry - Fighting SMS Impersonation Scams
 - Treasury's consultation on Designated complaints determination
 - Fair Work Commission's Modern Awards Review 2023-24
 - Independent Review of the Food and Grocery Code of Conduct 2023–24.

Outreach

- The Ombudsman delivered two presentations and participated in 15 webinars, forums, meetings and roundtables, including the Federal Regulatory Agencies Group and the Small Business Commissioners meetings. These outreach activities covered a range of topic areas including the franchising code, the food and grocery code, insurance, privacy for small business with audiences including the National Farmers Federation, Industry Groups, State Chambers of Commerce and Industry, and Federal Government Departments.
- Promoted the Tax Concierge Service and Assistance function at small and family business focused events, including the Accounting Business Expo in Melbourne.
- Coordinated sponsorship arrangements for further small and family business focused events including the 2024 COSBOA National Small Business Summit in Sydney, Family Business Australia national conference in Cairns, Total Field Days, Franchising and Business Opportunities Expo in Sydney, CBR Small Business Expo, CommBank Small Biz Week in Melbourne, and FarmFest in Toowoomba. These events include several collaborations with other departments and agencies, ensuring a combined government presence and full-service experience for the small and family business sector.

Key Activities

- Released two newsletters and a variety of communications materials in an integrated communications approach to ensure engagement of the small and family business community on key advocacy issues including digital marketing, the insurance sector, natural disaster preparation and recovery, ESG, franchising code review, and updates to the Small Business Data Portal.
- Used the integrated communications approach to call for more support for small and family businesses due to the insurance sector crisis, mandating least-cost routing, advocating for stopping the closure of regional bank branches, support for the designated-complaints legislation, welcoming of the Franchising Code of Conduct Review, urging small and family businesses to be prepared for natural disasters, and promoting digital marketing provider resources and how to avoid disputes with their providers.
- Chaired the first National Small Business Communications and Media Network meeting for 2024 and assisted in the delivery of the Federal Regulator Agency Group Outreach Group meetings with further planned collaborations identified for 2024.



The Ombudsman addresses the audience at the ESG for SMEs Symposium.



The Ombudsman addresses the audience at the ESG for SMEs Symposium with co-facilitator Bea Boccalandro.

ESG for SMEs Symposium

One of the many challenges facing small business is grappling with Environmental, Social and Governance (ESG) considerations.

We hosted Australia's first 'ESG for SMEs Symposium' over two days in Canberra, bringing together over 115 attendees including small business representatives and advocates who mixed with leading thinkers, policy professionals, regulators, practitioners and academics from Australia and overseas.

The symposium was co-hosted by the Ombudsman and Bea Boccalandro, a California-based expert who has worked with businesses such as Disney, IBM and Toyota on these issues and now focusses on helping small businesses.

We heard from smaller enterprises who shared their practical experiences and the regulators who set the rules.

Speakers included Mathias Cormann, the OECD Secretary-General, and John Elkington, one of the founders of the global sustainability movement who coined the phrase the 'triple bottom line' in the 1990s.

We were pleased to be joined by colleagues from Treasury, led by Deputy Secretary Victoria Anderson, and from other departments and from a range of regulators including ASIC, the ACCC, ATO and the Fair Work Ombudsman.

Small businesses are looking for right sized and relevant guidance on how best to credibly identify, fulfil and report their ESG performance. Customers are more attentive to these issues, while governments, investors and regulators are raising expectations of ESG performance and rigour in reporting, yet most of the guidance currently available is designed for larger corporates and sophisticated entities.



Aunty Jude welcomed attendees onto Ngunnawal Country.



Mathias Cormann, Secretary-General of the OECD gave the opening address.



Dr Matt Steen, Executive Director - Policy and Advocacy, ASBFEO and Christian Nielsen, Adjunct Professor, University of Bologna and Sustainable Business Solutions.



Sarah Court, Deputy Secretary, Australian Securities & Investments Commission.



Bea Bocalandro co-facilitated the Symposium.



From left to right: Antoinette Truda, Nick Clare and Nicole McLean from the Victorian Chamber of Commerce and Industry.





From left to right: Simeon Duncan, Senior Manager, International Corporate Affairs, Intuit; Tamara Somers, Director of Sustainability & ESG, Xero and; Josh Geelan, Partner, KPMG.



Victoria Anderson, Deputy Secretary, Small Business, Housing, Corporate and Law Group, Department of the Treasury.



Mick Keogh, Deputy Chair, Australian Competition & Consumer Commission.



Matthew Addison, Executive Director, Institute of Certified Bookkeepers.



Cara Westerman, General Manager - Business Sustainability, Business Chamber Queensland.



Scott Leggo, Small Business Owner, Scott Leggo Gallery, Kingston, ACT.



From left to right: Tom Ferrier, Founder, Greener for Business; Julia Tink, Company Director, One Collective Group and; Nicole McLean, Principle Advisor, Policy & Advocacy, Victorian Chamber of Commerce and Industry..



Jessica Richmond, Co-Founder and Chief Executive Officer, Sumday and Lindsay Ellis, Co-Founder and Chief Operating Officer, Sumday.



Co-facilitators, the Ombudsman and Bea Bocalandro.

Small business conditions

The combination of sluggish growth, persistently poor productivity, tight labour markets, supply chain challenges, 13 interest rate rises, and above-target inflation impacting on higher input costs and customer demand taking their toll on small and family businesses. Business owners with employees are working longer hours, with the proportion working 50 or more hours per week increasing by two percentage points to 37% in February 2024¹.

The complex environment for employers continues to disproportionately affect small and family businesses, who don't have in-house departments such as HR to assist. The ASBFEO received requests for information on a range of staffing matters in Q1, 2024. These included a request for information on calculating staff entitlements from someone who had recently taken over their family business and how to terminate a working relationship. We provided information including referrals to other agencies.

Small businesses took out new loans for over \$150 million as working capital to finance their everyday operations in February 2024². Timely payments to ensure cash flow are vital for small and family business operations.

Payment disputes accounted for 40% of disputes assisted by an ASBFEO case manager in Q1, 2024. These disputes where a small or family business is simply trying to recover the money they are owed frequently reflect the power imbalance involved in dealing with large businesses. For example, a small business contacted the ASBFEO for assistance to obtain payment from a large business. The small business owner had been concerned about pushing too hard and risking the loss of business throughout their business relationship. Their invoice was more than 180 days overdue. This example illustrates the limited utility of tools such as the Payment Times Reports Register for small businesses. This large business reported that their standard payment terms was seven days on the Register. Yet they frequently failed to meet this standard, reporting that they took 21 days or more to pay over 10% of their invoices. They paid less than one per cent of their invoices in over 120 days but for the small businesses involved, the consequences are immense³.

Corporate insolvencies have returned to pre-covid levels, although the cumulative total has not yet returned to pre-covid trends. They remain elevated in construction and industries that rely on discretionary spending such as accommodation and food services. Small businesses account for 98% of the professional, scientific and technical services industry⁴. Corporate insolvencies reached a record high in this industry in February 2024⁵. Business-related personal insolvencies remain well below trend. However, they increased 35% in January and February 2024 compared to the same period in 2023⁶. The heightened trading uncertainty is reflected in a continued rise in requests for help to the ASBFEO from small and family businesses concerned about the viability of their own business or the businesses that owe them money, particularly in construction and retail trade. These financial difficulties often have a spill-over effect on other small and family businesses. For example, a small business in the construction industry contacted the ASBFEO for assistance as they were owed more than half a million dollars. This was impacting on their ability to pay and retain their own staff. We provided information on the dispute resolution process and security of payment laws.

¹ Based on ABS, *Labour Force, Australia, Detailed*, Table 13, Quarterly (February 2024).

² Fixed term loans. Source: ABS, *Lending Indicators*, February 2024.

³ Based on the most recent Payment Times Reports Register reporting cycle. The Payment Times Reports Register is point-in-time data. Accessed 9 April 2024.

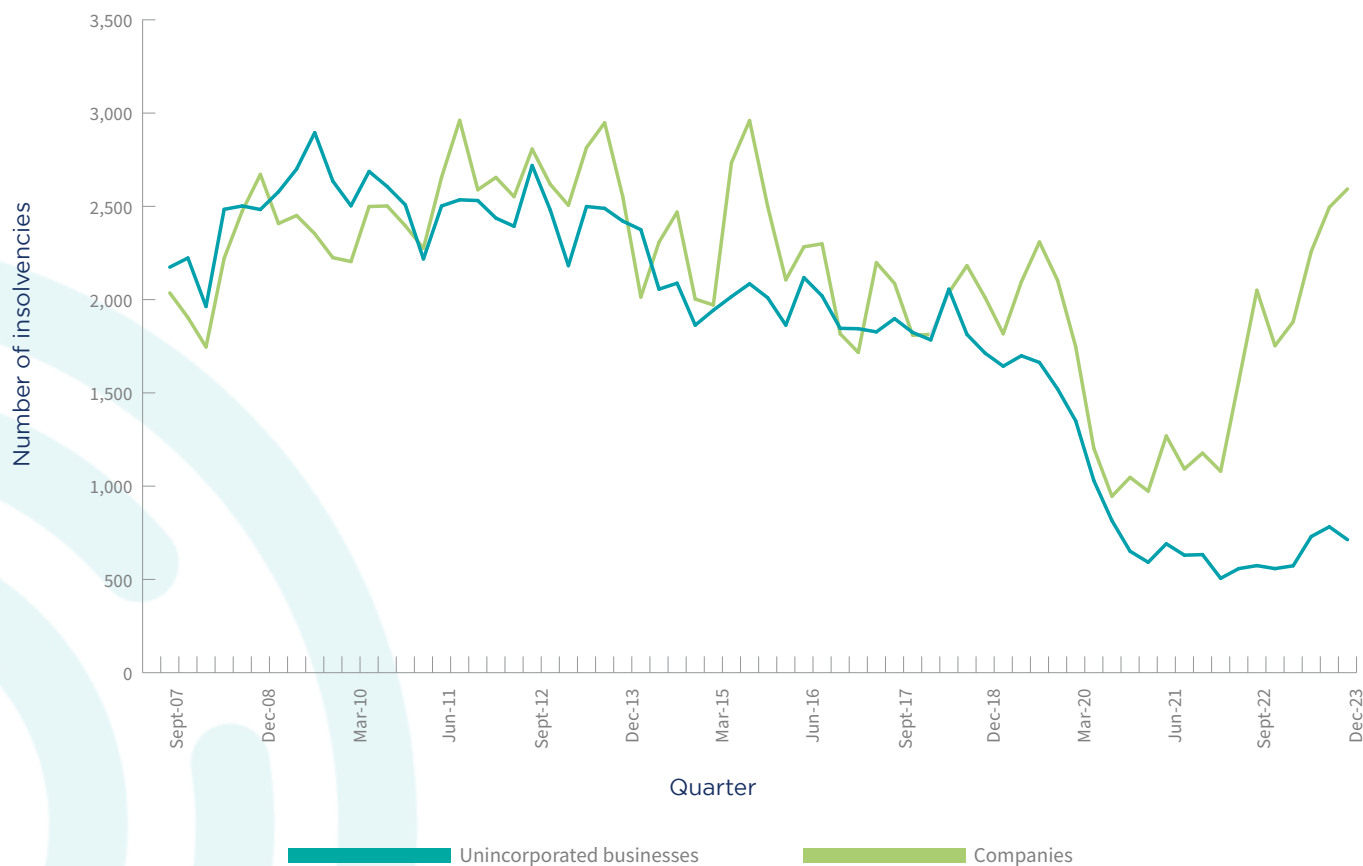
⁴ Based on ABS, *Counts of Australian Businesses, including Entries and Exits, 2022-23*.

⁵ ASIC, Series 1, *Insolvency Statistics*. The industry time series commences in 2013.

⁶ Provisional figures. Based on AFSA, Business-related personal insolvencies, *Monthly personal insolvency statistics*.

Small business conditions

Chart 1: Business insolvencies



Source: ASIC, Series 1, *Insolvency Statistics*, and AFSA, *Business-related Personal Insolvencies, Quarterly Personal Insolvency Statistics*.

The recent household spending figures highlight the shift in consumer behaviour due to cost-of-living pressures. Non-discretionary spending increased 6.9% over the year to February 2024. This compared to a fall of 0.2% on discretionary goods and services⁷. Any disruption to trade has a disproportionate impact in this challenging environment. A small business owner contacted the ASBFEO for help as faulty equipment had impacted on their trade for one and a half months. The supplier had agreed to remove the equipment but not compensate for the lost trade, which the small business owner disputed. The small business owner said *‘hospitality is not a profit-making business, we know that, but love this job so profit is not the issue. But the loss of ability to trade to our fullest extent is causing financial as well as emotional stress’*.

Despite the challenging business environment, signs of optimism emerged in the latter part of Q1, 2024. Queries from people considering starting a business increased, particularly in New South Wales. This suggests that the small business entry rate will remain relatively strong. The small business entry rate was 5.1% in Q4, 2023⁸.

⁷ ABS, *Monthly Household Spending Indicator*, February 2024.

⁸ ABS experimental estimates for quarterly data aligns with the mid-point of each calendar quarter. Based on ABS, *Counts of Australian Businesses, including Entries and Exits*, Datacube 12 Experimental Estimates, June 2020 – December 2023.

Assistance: Supporting Small and Family Businesses

Industry Codes: Franchising, Horticulture, Oil, Dairy

We provided franchise participants with information 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 80 enquiries from franchising participants
- actively case managing 27 franchise disputes, 24 being initiated by franchisees.

We provide dairy participants with information relating to the use of the mandatory dispute resolution process under the Dairy Code of Conduct. We also arrange ADR processes and appointed independent ADR practitioners to disputes when requested.

We continued providing a list of produce assessors to support the Horticulture Code of Conduct and responded to one request for information and managed one case about the Oil Code of Conduct

Small Business Tax Concierge Service

Our Tax Concierge Service (TCS) continued providing small businesses with information and assistance relating to 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
- seven additional enquiries about the TCS, an increase from four last quarter.

The TCS worked with the small businesses and the ATO, allowing their issue to be readdressed or referred to independent tax lawyers for subsidised advice about appealing the decision.



John Elkington, Founder and Chief Pollinator, Voltans, gave a presentation at the ESG for SMEs Symposium.

Assistance: Supporting Small and Family Businesses

Infoline statistics and contacts broken down from across Australia

1,161
calls to our contact centre

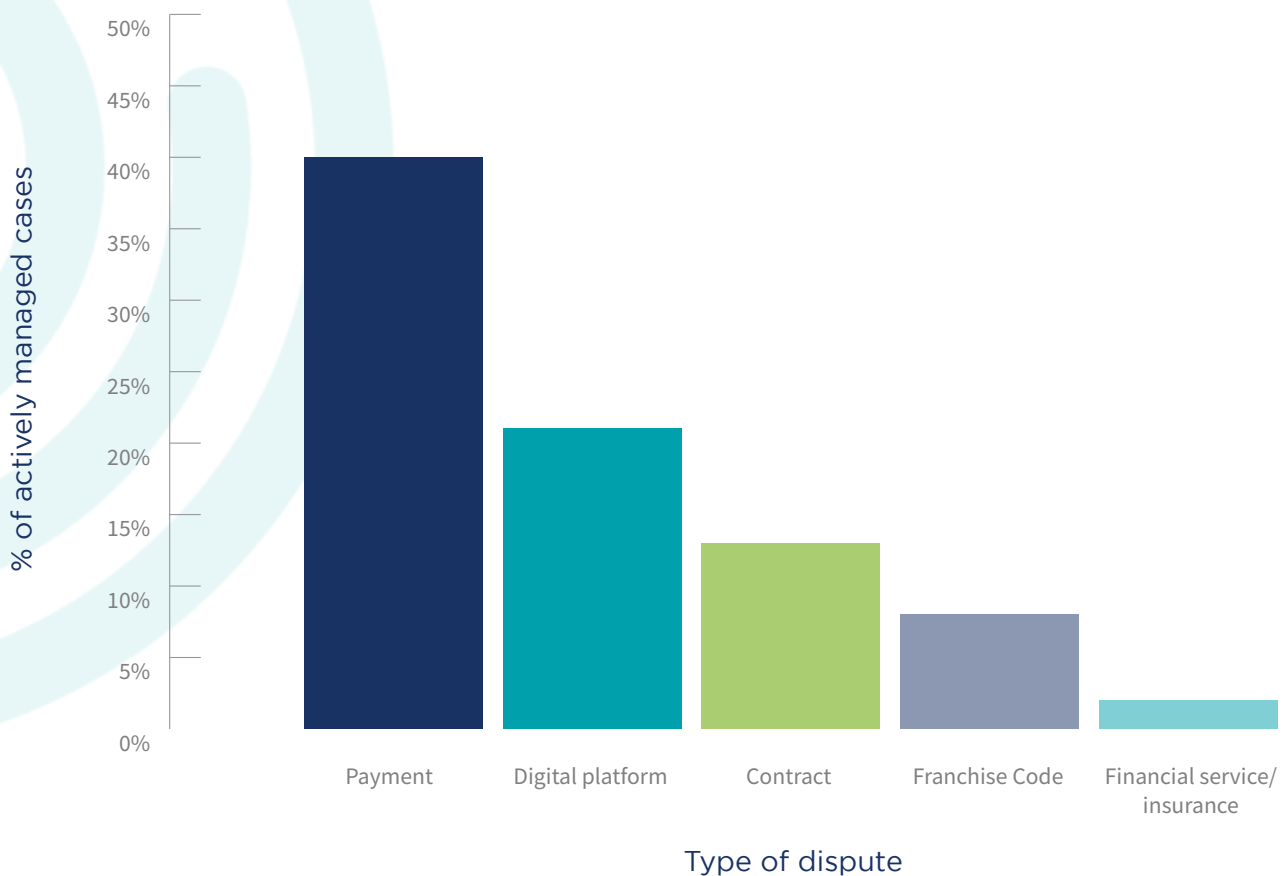
349
cases that we actively managed

1,510
total requests for assistance

23,773
visits to the ASBFEO assistance website information

Payment disputes remain our most requested dispute requiring active case management. They accounted for 138 (40%) disputes where a case manager assisted the small or family business in Quarter 1, 2024. Other frequent disputes requiring case management include digital platforms (21%), contracts (13%) and franchising (8%).

Chart 2: Type of dispute in cases managed by ASBFEO, Quarter 1, 2024



Source: ASBFEO, 2024.

Assistance: Supporting Small and Family Businesses

Case management outcomes*

75%

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

21%

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

4%

referred to an Alternative Dispute Resolution practitioner

How we helped callers to our infoline

83.5%

given information and directed to ASBFEO's Dispute Support Tool and web form (for relevant steps to resolve their dispute) or another website

4.0%

referred to ASBFEO case management

12.5%

referred to another party such as a State Small Business Commissioner

* Totals may not add up due to rounding.



Patrick Viljoen, Sustainability Leader, Chartered Professional Accountants Australia, addressing the ESG for SMEs Symposium.

How we've helped - case studies

INTERNATIONAL YOUTUBER IN DISGUISE...

Many small businesses use digital platforms as a marketing tool to drive and increase their business viability. However, it can cause complications when small business owners have their personal digital applications linked with their personal accounts. We assisted a small business whose account was hacked, and the account name changed to Zach King, a famous YouTuber. We allocated a dedicated case manager who worked with META to get the account access resolved and explain what the small business can do to prevent this reoccurring, and what to do if this situation happens again.



LILLY COLLINS IS STILL HAVING AN IMPACT

Our office continues to see issues arise for small business that are related to the Lilly Collins Facebook data breach hack. In one instance, while the hacker had access to the small business' account, the hacker spent thousands of dollars in advertising not relevant to the business. Once the small business was able to regain access to the account, they were unable to advertise while the hack was being investigated to remedy the previous advertising charges. A dedicated case manager worked with META to regain timely access, allowing the small business to advertise again.

UNAPPROVED ADDITIONAL CHARGES

A small business contacted our office that was in dispute with another company that had applied additional charges to its service. The small business advised the company that it had contacted our office for assistance, which was enough for the company to completely waive the charge and refund the money. The small business was grateful for our support stating 'this is a huge win for a small family business'.

BUSINESS RELATIONSHIP REMAINS INTACT

Our office assisted an overseas company with an outstanding balance owed to them after they had provided services to an Australia business. Because the pandemic was a challenging period for small businesses and both parties valued their relationship, they had previously agreed to a payment plan. However, the overseas company had tried contacting the Australian business about the money owed on multiple occasions without success. We assisted by providing information on the five steps of dispute resolution, the Australian Business used this information to reestablish contact with the foreign company. They received the outstanding payment and both parties retained their valuable relationship.



How we've helped - case studies

THE IMPORTANCE OF DUE DILLIGENCE

A franchisee approached our office for assistance under the Franchising Code of Conduct (the Code), following the dispute resolution process. The dispute started when a franchisee was looking to purchase a multi-location franchise and to work with another party to purchase the franchise. The franchisor advised the franchisee that they knew of another person who was interested in doing the same thing, and provided details so the two could get in touch. The franchisee thought the franchisor had vetted the other party and partnered with them. Unfortunately, this was not the case and resulted in a dispute over subsequent losses. A dedicated case manager assisted the franchisee and franchisor through the Alternative Dispute Resolution process that was resolved via mediation.



MULTI-PARTY DISPUTE

We assisted in a dispute in which a franchisee took over a local post office. Contractors had previously been required to work significant additional hours and when the franchisee took over the franchise, the contractors sought back payments. The franchisee claimed they had not received enough payment from the franchisor, as the payments did not cover the amounts, they were required to pay the contractors. They claimed that the amounts they received were based on a timetable that failed to account for the actual hours that trucks arrived (including after-hours work). A dedicated case manager assisted the franchisee and franchisor through an Alternative Dispute Resolution process that was resolved via mediation.



Dominique Lamb, Queensland Small Business Commissioner was a key contributor at the ESG for SMEs Symposium.

Major input into policy, inquiries and legislation

Proposed changes to the Banking Code of Practice

The ASBFEO provided feedback on a consultation paper to the Australian Securities and Investments Commission (ASIC) on the proposed changes to the Australian Banking Association's Banking Code of Practice (the Code) on 19 January 2024. ASIC was seeking the views of interested parties' on the proposed changes in response to an independent review of the Code in 2021.

This submission affirmed the need for policy incentives to strike the right balance between managing risk and supporting entrepreneurship, including ensuring that small businesses have reasonable and reliable access to banking services. The ASBFEO made various recommendations, including that the Code:

- be introduced with guiding principles with industry guidelines and protocols that are enforceable under the Code
- should retain existing provisions protections regarding complaints handling rather than referring customers to ASIC Regulatory Guide RG 271
- should be provided to each customer in conjunction with any product disclosure documents when offering a banking service
- should be promoted to professional service providers which act as small businesses' trusted advisers
- includes obligations that apply to all customer dealings from the date the Code takes effect, and improvements to provisions relevant to small business customers should be applied to existing arrangements to the fullest possible extent.

Senate inquiry into the price setting practices and market power of major supermarkets

The ASBFEO made a submission to the Senate Select Committee on Supermarket Prices about the price setting practices and market power of major supermarkets on 19 February 2024.

We highlighted that the highly concentrated nature of supermarket and grocery store markets makes it difficult for small supermarkets to compete with their larger counterparts, and for small and family business suppliers of the large supermarkets to negotiate pricing and contract terms.

The ASBFEO made several recommendations, including that:

- the ACCC should investigate the effects of the Australian grocery market concentration on small and family businesses as part of its Supermarkets Inquiry 2024-25
- the alternative-dispute-resolution provisions in the Food and Grocery Code of Conduct should be improved
- a Small Business and Codes List should be introduced in the Federal Circuit Court and Family Court of Australia.

The Scams Code Framework

The ASBFEO provided a submission to the Treasury regarding the proposed Scams Code Framework on 15 February 2024. The objective of this framework is to set clear roles and responsibilities for government, regulators and the private sector to prevent, detect, disrupt and respond to scams.

The ASBFEO maintained that this reform will not only help reduce the opportunity for scammers to exploit small and family businesses, but also provide a mechanism to require relevant key sector businesses to take timely steps to recover payments made to scammers where possible.

Advocating on Policy and Legislation

We recommended that:

- Treasury should consider expanding the framework to include online marketplaces in a future review
- digital platforms should improve and clearly outline their internal dispute-resolution processes for small business
- the Australian Government should implement the ACCC's recommendation of a mandatory 'notice-and-action' mechanism for digital platforms to protect against scams, harmful applications and fake reviews
- government should refresh an e-invoicing education and awareness campaign for small businesses.

Modern Awards Review 2023-24

The Fair Work Commission's review of Modern Awards is focused on four priorities: awards that cover the arts and culture sector, whether modern awards promote job security and access to secure work, the effect of awards on workers with caring responsibilities, and making awards easier to use.

The ASBFEO made a submission emphasising the importance that policy settings encourage workplace productivity and entrepreneurship on 28 February 2024. It recommended that:

- a small business expert panel be established to advise the Commission on reforms to better support smaller employers
- the implementation of the Small Business Wage Compliance Code is supportive, proportional and encourages self-reporting
- the Fair Work Commission and the Fair Work Ombudsman work together (and with other government entities) to enhance self-auditing tools and guidance to give small businesses real-time assurance.

Food and Grocery Code of Conduct Review 2023-24

The Food and Grocery Code of Conduct is a voluntary code that was introduced to improve standards of business behaviour in the food and grocery sector. The Australian Government announced that it had appointed the Hon Dr Craig Emerson to lead the 2023–24 Review on 10 January 2024.

The ASBFEO made a submission to this review with the following feedback and recommendations:

- whether the Food and Grocery Code of Conduct is voluntary or mandatory is less important than it incorporating key attributes, including:
 - maintaining a prior commitment by major supermarkets to arbitration and process responsiveness
 - supporting informal problem-solving (separate to dispute resolution) by commercial parties and reporting on this
 - implementing safeguards to address small-supplier concerns about retribution and preserve the Code's ability to give small businesses access to an affordable, fast and fair remedy
- improve the alternative dispute resolution provisions in the Food and Grocery Code of Conduct
- establish an independent arbiter, or else extend the functions of the Independent Reviewer for the Food and Grocery Code of Conduct
- introduce a Small Business and Codes List into the Federal Circuit Court and Family Court of Australia
- direct the ACCC to investigate the effects of the Australian grocery market concentration on small and family businesses as part of its Supermarkets Inquiry 2024-25
- establish a more comprehensive and transparent reporting regime
- calibrate the Food and Grocery Code of Conduct to recognise small suppliers.

Advocating on Policy and Legislation

Submissions

Recipient	Number	Recipient	Number
Australian Securities and Investment Commission	1	Fair Work Commission	1
Senate Select Committee on Supermarket Prices	1	Department of the Treasury	2



Attendees engaged in discussion at the ESG for SMEs Symposium.



ESG for SMEs Symposium co-facilitators, Bea Boccalandro (right) and the Ombudsman (left).

COMPETITION

Small suppliers face “diabolical choices” when dealing with supermarket giants: Ombudsman

DAVID ADAMS FEBRUARY 20, 2024



Article published on Smart Company's website, by David Adams, 20 February 2024.



Op-ed by Bruce Billson, published in Convenience World's February 2024 edition.

SMALL BUSINESS NATURAL DISASTER PREPAREDNESS AND RESILIENCE

The terrible floods, storms and bushfires causing great trauma for parts of the country should be a red alert for small business to be prepared for natural disasters. Unfortunately, only one in four small businesses have a current business continuity plan.



Op-ed by Bruce Billson, published in Business Franchise Australia New Zealand, Vol 18, Issue 03, March/April 2024.

The extra support small businesses need

Op-ed by Bruce Billson, published in ACM Media news outlets, 5 February 2024.

HELPING SMALL BUSINESSES COPE IN TOUGH TIMES

A small business can find itself in a dispute or struggling with trouble it can't resolve, which is where this office is often able to help in navigating a pathway to a solution.

By Australian Small Business and Family Enterprise Ombudsman Bruce Billson.

It's a difficult time right now for small and family businesses coping with the challenges of rising costs, interest rates and inflation pressures, just like those confronting their customers.

Despite a seemingly never-ending series of challenges over recent years, small business continues to make a massive contribution to our nation and our communities. These are great people in plain sight, and we see them everywhere, every day.

Almost 98 per cent of businesses are small businesses – some 2.5 million that provide jobs for more than 5.1 million people and employ 42 per cent of all apprentices and trainees

in training, which is nearly double the proportion employed by big business.

Small business owners come with varied ambitions and experiences. What they have in common is an entrepreneurial flare and the desire to have a go.

The mission of the Australian Small Business and Family Enterprise Ombudsman is to help to ensure Australia is the best place to start, grow and transform a small business.

Disputes about being paid, trouble with a digital service provider, contract battles and franchise disagreements are the top four issues where small businesses have sought our help over the past six months.

Since being established in 2016, we've helped more than 40,000 small and family businesses with no-cost or low-cost solutions to disputes. Court-based remedies are rarely suitable for these kinds of disputes due to the significant costs, delays, risks and difficulties of accessing affordable justice.

It's not our gift to guarantee any business will be a success but we hope to make sure no one fails because they haven't known about something that would help.

Two out of every five requests for help from a small business relate to a payment dispute. Cashflow is the oxygen of enterprise, but difficult

16 CONVENIENCE WORLD MAR, 2024

Op-ed by Bruce Billson, published in Convenience World's March 2024 edition.

Time to reel in tap and go fee rort

BRUCE BILLSON



It is way past time to mandate least-cost routing, to benefit small businesses and consumers.

Op-ed by Bruce Billson, published in ACM Media news outlets, 18 March 2024.



Outreach: Communications and Stakeholder Engagement



ASBFEO staff attending the ESG for SMEs Symposium (from left to right): Lyndall Moore, Dr Matt Steen, Emily Carter, Juliana Salvi, Amelia Watman, Jeff Morello, Julia Zlabur, Melinda Jones, Olivia Pearce, Phillip Hudson, Donna Boulton, Dr Craig Latham, the Hon Bruce Billson, and Renee Churches.

Next Steps

Assistance

- Continue our community engagement by participating in a number of small and family business events and expos as part of our outreach program.
- Enhance program guidance and tailor small and family business support.

Advocacy

- Finalise the advice requested by government on the implications of ESG for small business.
- Make a submission to the Productivity Commission National Competition Policy analysis: *The impacts of National Competition Policy reforms*.
- Make a submission to Treasury's *Independent review of the Food and Grocery Code of Conduct Interim Report*.
- Make a submission to the Senate Select Committee on adopting Artificial Intelligence inquiry into the opportunities and impacts for Australia arising out of the uptake of AI technologies in Australia.

Outreach

- Progress 2024 Outreach and Sponsorship program, with collaboration from other government departments and agencies and state-based Small Business Commissioners. This includes coordination of the ASBFEO's attendance, presence and participation at the COSBOA National Summit, Family Business Australia Conference, Total Field Days, Franchising and Business Opportunities Expo, CBR Small Business Expo, CommBank Smallbiz Week and FarmFest.
- Update the ASBFEO Data Portal with new GDP contribution, number of small businesses in Australia, contribution to employment and apprentices and trainees statistics, and develop the data portal to be interactive in nature.
- Commence preparation for the 2024 UN MSME Day.



Wilhelmina Duyvestyn, Industry Program Manager - National Artificial Intelligence Centre, CSIRO, addresses the attendees at the ESG for SMEs Symposium.

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