



Australian Government



Australian
Small Business and
Family Enterprise
Ombudsman

QUARTERLY REPORT

Quarter 3

1 July to 30 September 2024



TIME TO ENERGISE ENTERPRISE

I fear we are sleepwalking into a ‘big corporate’ economy.

Small business is rightly celebrated for generating 33% of our nation’s Gross Domestic Product and providing jobs for 5.36 million people – 42% of the private workforce.

But in 2006, small business contributed 40% of GDP and employed 53% of those with a private sector job.

This is a worrying trajectory.

The latest data reveals 46% of small businesses did not make a profit in the most recent year of accounts available and three-quarters of self-employed business owners, for whom their business is their full-time livelihood endeavour, are earning less than the average total weekly, full-time wage.

Having such rich data that informs and explains the circumstances of small and family businesses is one of the key roles performed by our agency and we see that data repeatedly cited and used throughout the community, showing just how valued it is.

We reached a proud moment during the September Quarter with the release of the ASBFEO Small Business Pulse, a world-leading health check of objective vital signs for small business that also takes into account business conditions and the ‘animal spirits’ that drive ‘real time’ decision making by the enterprising Australians who look for delicious opportunities as they navigate challenges they may face.

The Pulse provides an overall perspective of the challenges and opportunities for small businesses, drawing in sentiment, operating conditions, how business owners are responding to these conditions and the ability to transform or grow a business.

Importantly, the Pulse is forward looking and able to capture what small business people are thinking of doing and decisions being taken.

There is significant detail about the Pulse in the following pages but the bottom-line is the post-COVID business environment for small business is 25% below the long-term average.

If you believe, like I do, that small and family businesses are the ‘engine room of the economy’, we have lost a cylinder in a 4-cylinder engine in the aftermath of COVID.

We can and must do more to make the risk and reward balance more attractive and give enterprising people the best chance to be successful.

We need to create and nurture the spark that will inspire someone to turn an idea into investment, to build a business, to take on the risk and big responsibility of creating an opportunity-generating new enterprise, and to employ that extra person.

Economic growth remains weak but small and family businesses still face rising input costs - notably wages, energy, insurance and rent.

Higher interest rates have not only hit the cost of financing but hit customers in terms of their spending, preferences and confidence. Surveys show cash reserves for many small businesses are low or non-existent.

MESSAGE FROM THE OMBUDSMAN

The Tax Office has resumed its 'lodge and pay' enforcement approach and those who had rent relief have found the landlord now wants to be paid.

It's no surprise that corporate insolvencies have reached a record high, and we've seen a 50% increase in calls from small businesses worried a supplier might be insolvent or their own business might be heading that way.

After widespread consultation and investigation, we have identified 14 Steps designed to "Energise Enterprise". This includes more incentives for those starting out, better access to justice when wronged and more emphasis on encouraging younger Australians to consider business ownership.

We reached a proud moment during the September Quarter with the release of the ASBFEO Small Business Pulse, a world-leading health check of objective vital signs for small business...

Small firms doing their businesses on the internet are too often left stranded by their digital provider, such as Facebook or Instagram. Big Tech needs to provide a real dispute resolution process (and a real person) to deal with disputes to avoid the absurd runaround of being told to log into your account to say you can't log on to your account after being hacked! In the September quarter the number of digital platform disputes was 86% higher than the same time last year.

Red tape grows in number and complexity. The fear of getting something wrong is having a chilling effect on people wanting to start a small business. We need right-sized regulation and support that tells a time-poor and resource-constrained small business exactly what is expected.

Nine out of 10 businesses who employ someone are small, yet the workplace rules are so complex and onerous that even big business can struggle to comply. A dedicated Small Business Fair Work Commissioner and rules could address this.

Small business needs unfair business practices protections, solutions for the wicked challenge of insurance, a real opportunity to compete for government contracts and greater digital support and ease of access to get help.

Cabinet submissions should include a small business impact statement so every time a decision is made, small business would be front of mind.

And we need to do more to showcase success by creating the Prime Minister's Small Business Awards to celebrate excellence and achievement. That would be a mighty positive step to inspire the aspirational and next generation.

The 14 Steps are listed in full in this Quarterly Report with the full document available on our website at www.asbfeo.gov.au/14-steps

During the quarter we hosted the Small Business Minister, Julie Collins, for an insightful Policy Forum discussion with many of the 49 small and family business-facing industry and professional associations that we collaborate with.

The Policy Forum routinely hosts ministers and senior officials to provide the opportunity for deeper engagement with government about a range of policy issues. Our work to facilitate discussion and advocate in policy development and regulatory design is one of the three key planks of ASBFEO's work in addition to providing assistance to small and family businesses to help resolve disputes and providing information about 'better practice' guidance, support tools and helpful resources.

Finally, September also marked National Family Business Day, which was a terrific opportunity to celebrate the crucial role family-owned businesses play in the economy and throughout our communities.

When the dining table becomes the board table that can create a unique set of challenges. Seven out of 10 businesses are family-owned and 40 per cent are run by a couple team, typically a husband and wife.

Typically, they have put their home on the line to build up their business, which amplifies the emotional and financial pressures.

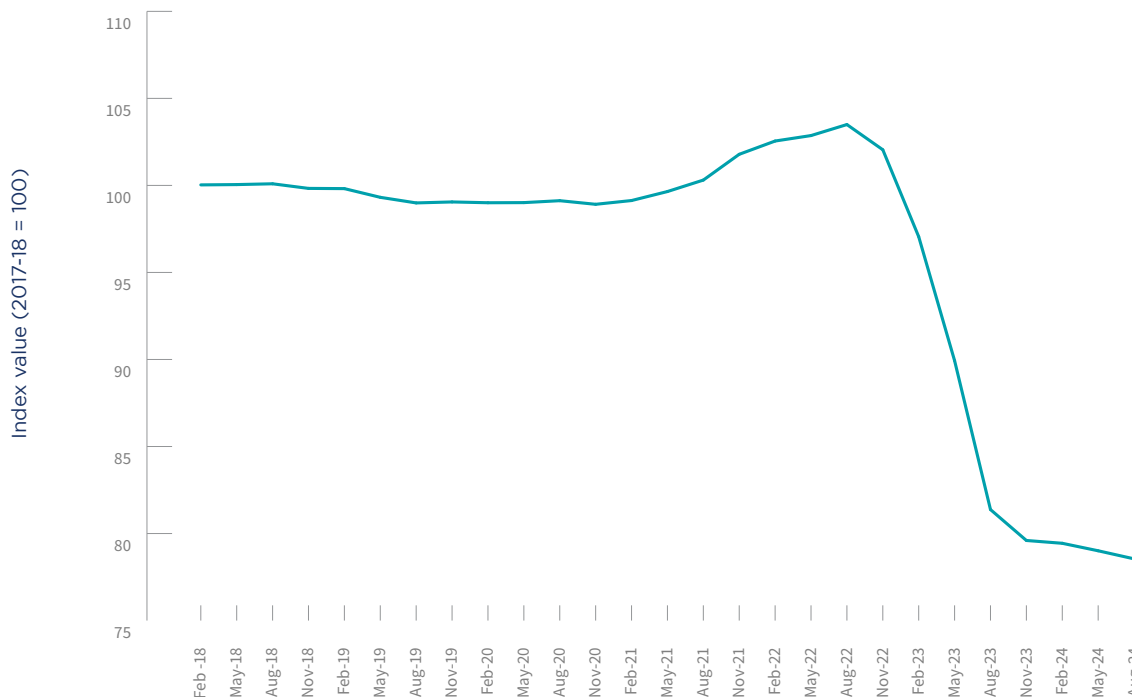
We celebrate their deeply personal commitment to making our economy and our communities vibrant.



The Hon. Bruce Billson

Australian Small Business and Family Enterprise Ombudsman

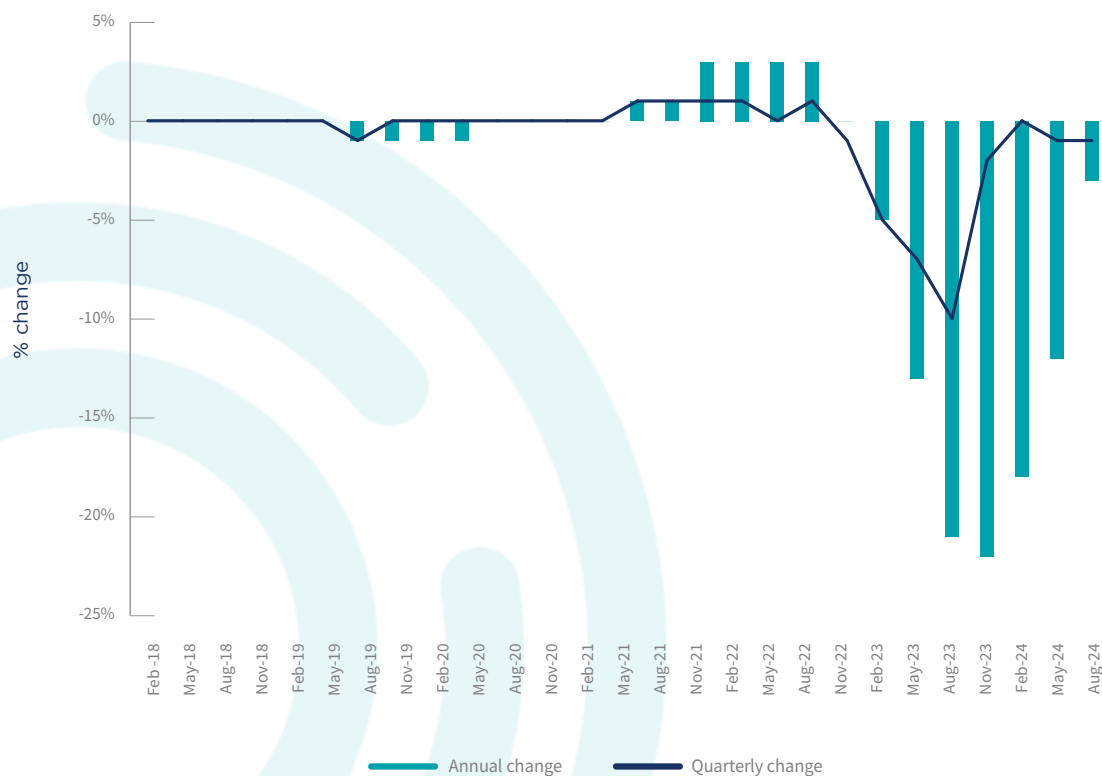
INTRODUCING THE ASBFEO SMALL BUSINESS PULSE



Note: Scale starts at 75.0.

Source: ASBFEO, 2024

ASBFEO Small Business Pulse changes



Note: The ASBFEO Small Business Pulse did not reflect a fall in 2020 as government support measures outweighed other economic impacts. As economic activity, including insolvencies, have returned to trend levels, the Pulse has reflected these shifts.

Source: ASBFEO, 2024

ASBFEO SMALL BUSINESS PULSE

The ASBFEO Small Business Pulse is an innovative combination of non-traditional and traditional data to produce an indicator of small business health.

We launched it in August and is a health check of objective vital signs for small business while also taking into account the 'animal spirits' that drive decision-making by the enterprising Australians who look for delicious opportunities as they navigate challenges they may face.

Small business is the beating heart of our communities and our economy. The Pulse is a world-leading index that provides an overall perspective of the challenges and opportunities for small businesses, drawing in sentiment, operating conditions, how business owners are responding to these conditions and the ability to transform or grow a business.

The Pulse was created in line with OECD best practice and brings together a range of data sources that can provide early indicators of changes in the lived experience of small business and the motivations that drive them. This is particularly important when conditions are changing rapidly, which traditional sources of information and point-in-time surveys often miss.

Our approach is different to other interesting and informative small business surveys that provide useful snapshots, since we use measurements beyond customer data, sample populations and specific questions. This means we can capture the views and experiences of the business life-cycle, and in near real time.

The ASBFEO Pulse considers factors which range from people considering starting a business, responses to changing conditions, those who are transforming or growing their business, through to those who are considering closing their business and those who finally do so. We developed the ASBFEO Small Business Pulse to address this gap.

The Pulse captures 3 broad areas that reflect the eco-system for small business owners.

- **Sentiment:** the human emotions and instincts that drive behaviour. This includes people considering starting a business, existing business owners considering closing their business and existing sentiment survey measures.
- **Business transformation:** measuring variables such as queries about engaging staff, innovation, coaching and mentoring, marketing, advertising, capital investment and funding.
- **Business operation:** The business of running a business such as complying with regulations, business entries and exits (including insolvencies), demand, economic performance, levels of debt and general economic conditions including disputes.

The time-series for the Pulse covers the past 8 years and we developed it over the past two years. It will be released 4 times a year.

The first release of the ASBFEO Pulse, below, shows the post-COVID business environment for small business is 25% below the long-term average.

If small and family businesses are the 'engine room of the economy', we have lost a cylinder in a 4-cylinder engine in the aftermath of COVID.

August 2024 Pulse

The ASBFEO Small Business Pulse shows that the business environment in August 2024 remains well below the long-term average. The ASBFEO Pulse fell 0.6% in August 2024 – the eighth consecutive fall. Over the past 12 months it has fallen 3.5%.

This represents a modest decline over recent quarters after the stark deterioration caused by an end of COVID support and COVID-amplified changes in the structure of the economy including inflationary pressures, skills shortages, supply chain challenges and pronounced margin squeeze, and the series of interest rate increases.

For small and family businesses, higher interest rates not only impact their costs of financing but have profound implications for customers in terms of their spending, preferences and confidence. All small businesses know there is no substitute for customers in determining business success.

The decline in the operating environment for small business reflects a rise in queries from small business owners about compliance with their regulatory obligations. These were mainly about responsibilities as an employer, tax and business registrations.

ASBFEO SMALL BUSINESS PULSE

The other key driver was rising queries from exhausted small business owners looking at their options. These include those who are in financial distress and those who are looking for a dignified dismount while they still have choices.

Small business owners are concerned about the viability of their business and whether they can ride the tough economic climate out.

It's a real gamble, with the value of debts owed by small businesses increasing over the last year and around half of small business loans secured by the family home. Higher interest rates have increased the cost of this finance. Credit checks for approving credit (either finance or trade credit) had their largest fall in over a year.

Business insolvencies are rising, and small businesses are increasingly concerned that other businesses that owe them money are insolvent.

There is good reason for them to be worried, with corporate insolvencies at a record high. Unincorporated business failures have also increased, although they remain below pre-pandemic levels.

Payment disputes are often an early warning sign of cash flow issues. These now account for 42% of disputes where ASBFEO provides one-to-one assistance to small businesses. This has risen from 36% last financial year.

The labour market remains tight but has eased slightly over the year. While this is positive for small businesses looking to hire staff, there are fewer smaller employers than there were last year.

Queries about recruiting new staff have reached their lowest levels in 9 months. The proportion of self-employed businesses hiring additional employees decreased last year. This early indicator suggests that this will continue to fall.

Fewer small business owners are enquiring about expanding their business as they struggle to stay viable and open.

As well as fewer inquiries about hiring staff, queries about advertising, expanding offerings and other forms of innovation were also relatively low in the August Pulse. A rise in small business queries about capital expenditure and associated tax deductions partly offset these falls.

These difficult conditions have affected optimism, with enquiries about starting a new business at their lowest levels in 6 months. However, there are signs of a pickup, particularly in the Northern Territory, Queensland and Western Australia.

Early indicators suggest that the next Pulse, due in November, may improve. Queries from people considering taking the leap into business have remained relatively high since February. Similarly, there has been a rise in small business owners interested in growth ambitions and seeking business coaching and mentoring.

However, the operating environment remains challenging. Concerns about regulation continue to remain high, particularly tax and work health and safety. There are also increasing queries about small business' privacy obligations.

Requests for help from small businesses in financial distress have remained stubbornly high, as have insolvencies. These challenges in the operating environment are likely to offset the positive effects of the rising optimism for starting and growing businesses.

14 STEPS TO ENERGISE ENTERPRISE

After widespread consultation and investigation, we have identified 14 steps designed to ‘Energise Enterprise’ and boost Australia’s small and family businesses.

We need to do more to create and nurture the spark that will inspire someone to turn an idea into investment, to build a business, to take on the risk and big responsibility of creating an opportunity-generating new enterprise, and to employ that extra person.

We need more incentives for those starting out, better access to justice when wronged and more emphasis on encouraging younger Australians to consider business ownership.

We can and must do more to make the risk and reward balance more attractive. We need to create a more supportive ecosystem to give enterprising people the best chance to be successful.

The full report is available on our website at www.asbfeo.gov.au/14-steps



1. Explore the potential benefits of a tax discount/offset scheme for new small business owners to allow them to keep more of their income to re-invest in their business during the critical first three years.

2. Focus on right-sized regulation, including how regulators and government formulate and administer laws, to help, support and enable small business owners, who do not have the resources of big business, meet their obligations.



3. Require every Cabinet submission, preliminary and formal regulatory impact statement and new policy proposal to include a small business impact statement.

4. Establish the Prime Minister’s Small Business Awards to recognise and celebrate excellence and inspire the next generation.



5. Give small businesses an affordable, effective and timely alternative to defend their own economic interest where fair trading protections and reasonable commercial conduct safeguards are infringed upon, by creating a Federal Small Business and Codes List in the Federal Circuit and Family Court of Australia.

6. Give small business a greater chance to compete for government contracts by decoding the rules and practices that favour the ‘in-crowd’ of familiar, established and larger suppliers.



14 STEPS TO ENERGISE ENTERPRISE



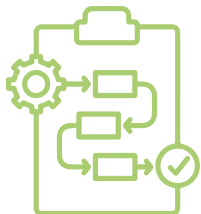
7. Make it mandatory for banks and other providers to charge the lowest fee for tap-and-go, dual-network debit card transactions as the default, saving small business around \$1 billion a year.

8. Undertake urgent and decisive action to ensure that essential insurances for small businesses are understandable, accessible and affordable.



9. Ban unfair trading/business practices that distort competition and harm small business.

10. Create a dedicated Small Business Commissioner and Division within the Fair Work Commission to honour the 'special circumstances' of smaller employers which existing workplace law is required to reflect and to oversee the implementation of proportionate instruments, procedures, practices and protections.



11. Require digital platform providers to implement clear, appropriate and standardised procedures for timely small business dispute resolution.

12. Honour businesses, big and small, who fulfil their workplace obligations to employees, meet tax reporting and payment obligations in a timely way and pay small business suppliers in under 21 days, with a 'Good Business Pays' recognition and accreditation.



13. Expand digital learning and practical support via enterprise-specific capacity building and technology deployment and focusing on business system and reg-tech solutions, information management (including cyber resilience, e-invoicing, data management, privacy duties and Consumer Data Right awareness) and practical generative Artificial Intelligence uses.

14. Develop a readily accessible and easily navigable central resource hub of 'best of breed' actionable information, supports, 'how to' guidance, programs and assistance developed by government and private sector specifically prepared for small and family business use.



KEY ACTIVITIES



Assistance

- We were contacted for information and/or assistance 1,925 times during the quarter.
- We helped small businesses and family enterprises with a range of payments, digital platforms, franchising and contract issues.
- We employed a dedicated case manager to help small business in 95 digital platform disputes, an increase from 69 in Quarter 2, 2024.

Advocacy

- We held 3 meetings of the ASBFEO Policy Forum that featured:
 - the Hon Julie Collins MP, Minister for Agriculture, Fisheries and Forestry, Minister for Small Business
 - the Hon Dr Andrew Leigh MP, Assistant Minister for Competition, Charities, and Treasury, Assistant Minister for Employment
 - officials from the Regulatory Reform Division of the Department of Finance.
- We completed 15 submissions, including consultations on:
 - Consideration of Broader Economic Benefits in Procurement
 - Regulation of Accounting, Auditing and Consulting Firms in Australia
 - Social Media and Australian Society
 - Impact of Climate Risk on Insurance Premiums and Availability
 - Digital Platform Services Inquiry 2020-2025
 - Reforming Australia's Anti-Money Laundering and Counter-Terrorism Financing Regime.

Engagement

The Ombudsman:

- delivered 7 presentations and podcasts
- hosted 3 policy forums
- participated in over 45 webinars, forums, meetings and roundtables, including the Federal Regulatory Agencies Group and the Small Business Commissioners meetings.

These activities covered a range of topic areas such as the closure of the 3G network, privacy reforms, National Competition Policy, payment times, Franchising Code of Conduct reforms, scams and cyber security. We reached a wide range of audiences including federal and state MPs, state chambers of commerce, industry groups, small business owners, tax agents and financial advisers.

Communications and networking



We updated the ASBFEO website to enhance the data portal, allowing customisation with interactive tables, graphs and maps. It also allows the data to be downloadable and transferred directly to a device. We also added the Google Translate functionality to our website. Over 100 languages are now available to make it easier for migrant-led small and family business owners and managers to access and use the resources and tools on our website.

During this quarter, we also released a variety of communications materials including tips for starting a small business, and 4 newsletters.

KEY ACTIVITIES

Through a range of channels and communications products we:

- warned small and family businesses about the possible implications of the 3G switch off
- outlined 14 steps to energise enterprise and boost Australia's small and family businesses
- celebrated National Family Business Day
- called for proportionate privacy rules
- notified small businesses about workplace law changes and end of financial year information
- promoted R U Ok Day.

We also launched the ASBFEO's first Small Business Pulse through media, social media and a range of other channels. This is a world leading index providing an overall perspective of the challenges and opportunities for small businesses, drawing on sentiment, operating conditions and the ability to transform or grow a business innovative.

Finally, we convened and chaired the fourth National Small Business Communications and Media Network meeting for 2024 with further collaborations planned for 2024.

Sponsorships and events

We coordinated sponsorship arrangements and planned events for small and family businesses. This includes judging of the Small Business Community Ally Award at the 2024 Community Achiever Awards, and planning for a joint panel discussion with several organisations who provide free support for small businesses during October Business Month.

We also promoted the Tax Concierge Service and Assistance function at:

- the Franchising and Business Opportunities expo in Melbourne
- Connect, the Supply Nation Trade Show in Brisbane
- the Tax Summit in Sydney
- Henty Machinery Field Day in Henty.



The Ombudsman (left) with the Hon Julie Collins MP, Minister for Small Business at the ASBFEO Policy Forum. The Policy Forum routinely hosts ministers and senior officials to provide opportunity for deeper engagement with government about a range of policy issues.

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 as requested. For the quarter, this included:

- responding to 77 enquiries from franchising participants
- actively case-managing 35 franchise disputes, 33 being initiated by the franchisees.

Disputes over the early termination of franchise agreements remain the top requested dispute type requiring active case management under the Franchise Code of Conduct. We assisted with a number of disputes where terminations have been initiated by franchisees as a result of not being able to make a profit. We also assisted with disputes where franchise systems have gone into administration. In these cases, financial pressures within the franchising sector have been clear – franchisees often struggle with crippling fees and debt collection that they can't address.

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

For this quarter, we received 1 request for information about the Dairy Code of Conduct and actively managed 1 case regarding the Horticulture Code of Conduct.

Small Business Tax Concierge Service

Our Tax Concierge Service (TCS) continued providing small businesses with information and assistance about a range of taxation matters. For the quarter, we received:

- 15 requests for assistance from small businesses seeking assistance with Australian Taxation Office (ATO) negative decision letters received, an increase from 9 requests last quarter.
- 12 additional enquiries about the TCS, an increase from 9 last quarter.

The TCS worked with the small businesses and the ATO to help issues to be readdressed and/or referred matters to independent tax lawyers for subsidised advice about appealing negative decisions.

When small business owners seek our help they are often overwhelmed and stressed. We have seen a shift in the cases we are receiving about compounding pressures on paying back tax debt. This is further impacted by the ATO's recent focus on reclaiming small business tax debts, resulting in some requests for assistance with disputes that are not typical for the TCS.



CASE STUDY: FINDING SOLUTIONS

We support small businesses to work through their stress and explore solutions.

For example, during this quarter a small business owner took out a large personal loan to cover their tax debt. The small business owner had received a garnishee notice that was higher than expected and the loan was unable to cover it.

When the small business owner approached our office, they were feeling stressed and distraught. A dedicated case manager provided support on the phone and assistance through the Tax Concierge Service. This allowed the small business owner to consider their options, including accessing subsidised legal advice to help decide whether to lodge an Application for Review to the Australian Administrative Tribunal.

ASSISTANCE: SUPPORTING SMALL AND FAMILY BUSINESSES

Infoline statistics and contacts broken down from across Australia

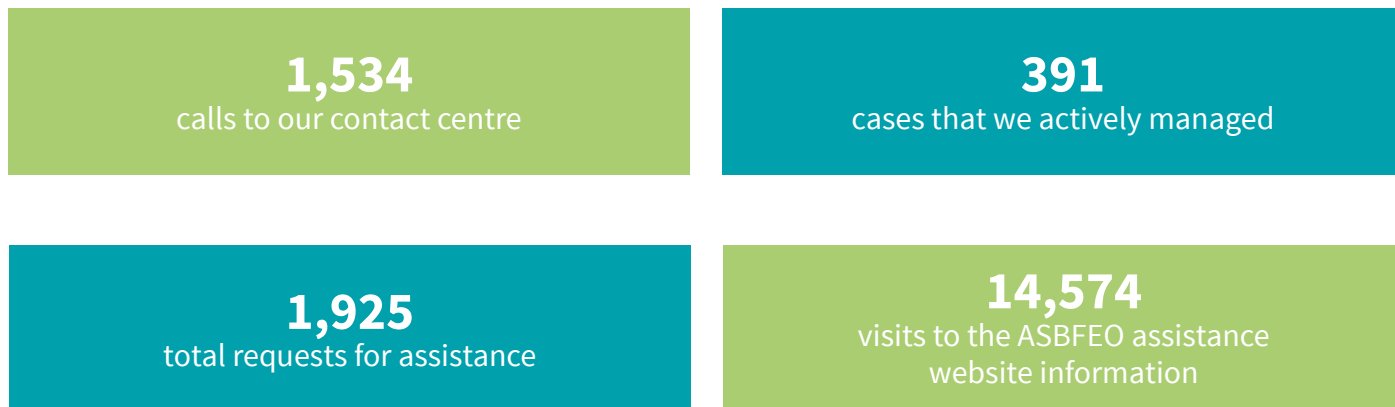
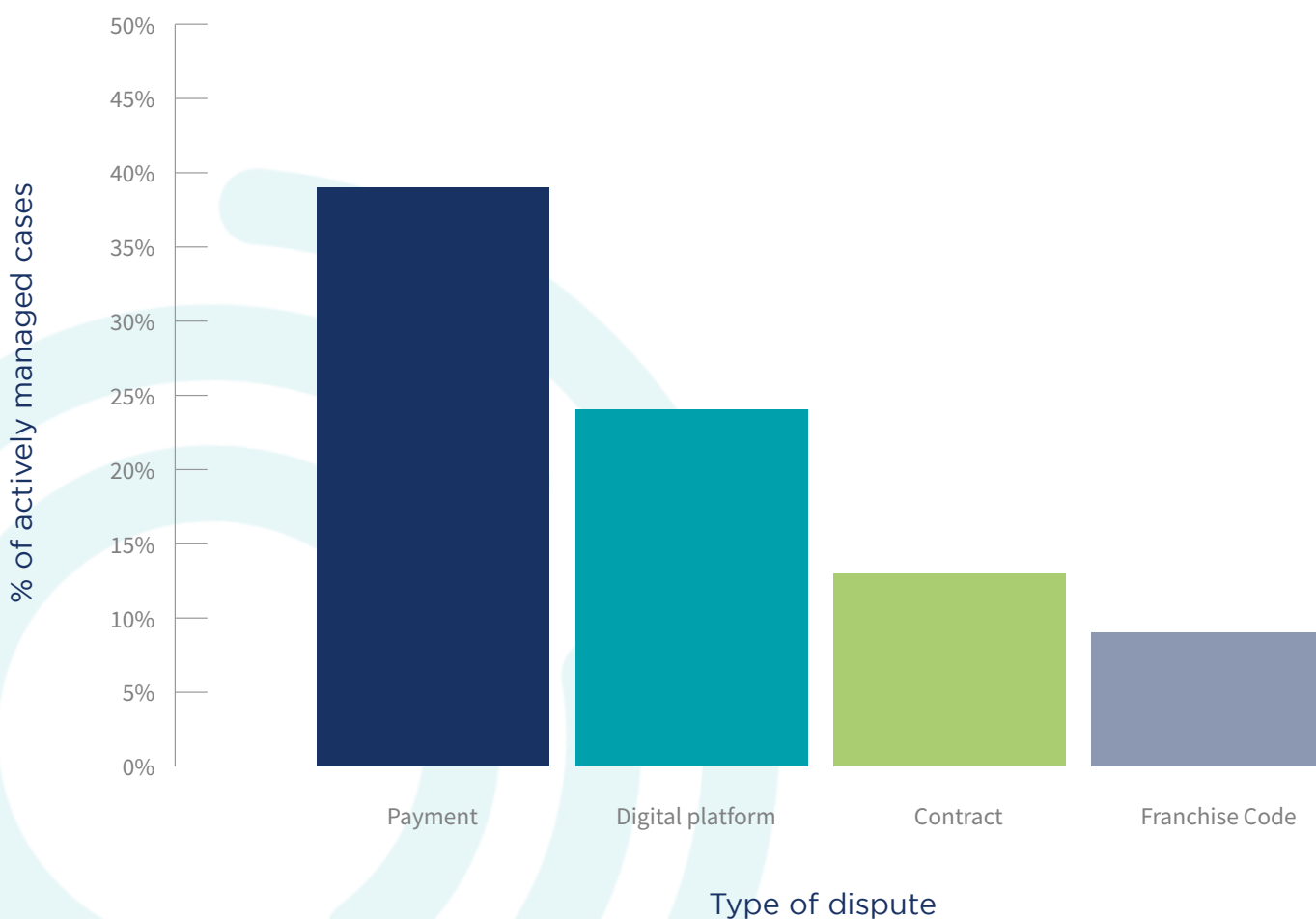


Chart 1: Types of dispute in cases managed by ASBFEO, Quarter 3, 2024



Source: ASBFEO, 2024

ASSISTANCE: SUPPORTING SMALL AND FAMILY BUSINESSES

Case management outcomes



76.3%

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



19.2%

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



4.5%

referred to an ADR practitioner.

How we helped callers to our infoline



81.9%

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



4.7%

referred to ASBFEO case management



13.4%

referred to another party such as a State Small Business Commissioner.



CASE STUDY: MEDIATING TO RESOLVE DISPUTES

We help small businesses to resolve disputes and to access mediation when required.

For example, we received multiple requests for help from franchisees of larger franchising system who employed various departments to service their franchisees. A particular dispute occurred when client leads were not being forwarded to franchisees with the requisite skills. Instead, the leads were being referred to other areas of the franchise network without the required qualifications to undertake the work.

One of our dedicated case managers assisted with resolving the dispute through mediation with one of our independent Alternative Dispute Resolution (ADR) practitioners.

Contributing to policy, inquiries, and legislation for small business

Commonwealth procurement

The ASBFEO's inquiry report on 1 July 2022 changes to Commonwealth Procurement Rules made 11 specific, constructive and practical recommendations to:

- remove complications in procurement
- maximise opportunities for small businesses to compete
- enable impartial, timely and consequential reviews of decisions
- build the confidence of officials through increasing competence and improved support
- consistently measure outcomes to achieve policy objectives.

The ASBFEO is encouraged by improvements to Commonwealth procurement that the Australian Government has made since we completed our inquiry, addressing some of the key issues we raised. These changes include:

- requiring that 25% of procurements below \$1 billion, and 40% of procurements below \$20 million, must be sourced from SMEs
- raising the SME exemption threshold from \$200,000 to \$500,000
- requiring that at least one SME must be approached for every request for quote from the mandated Management Advisory Services Panel and the People Panel
- allowing 5% of agencies' spending on services through the Management Advisory Services Panel and the People Panel to be sourced directly from First Nations businesses who are not on those panels
- clarifying that benefits for SMEs will only apply to independent entities, rather than SMEs that are supported by the resources of a larger entity
- launching the Procurement and Contract Management Profession through the Australian Public Service Commission.

Reforming mergers and acquisitions

Several recommendations we made in our April 2024 submission to Treasury's Competition Review Taskforce on merger reform options have been largely addressed in the consultation paper released in August. Notably:

- implementing a mandatory merger notification regime
- taking account of effects that might be considered 'minor' for an individual small business, but that are nonetheless felt across a large number of small businesses
- conducting detailed investigations of impacts that are likely to extend or replicate a dominant player's power into adjacent markets
- appreciating how minimising routes to market (even minor encroachments) can adversely affect specific small businesses in already-concentrated markets – like in available customers and scaling opportunities.

In our submission to this consultation, we reiterated that for some small businesses, being bought by a dominant player is a preferred exit strategy. This needs to be balanced with ensuring that potentially problematic acquisitions are scrutinised.

ADVOCATING ON POLICY AND LEGISLATION

Privacy Act reform

While we have consistently supported the Australian Government's decision to remove the blanket privacy exemption for small businesses, we also welcome the staged approach to implementation that was clarified on 12 September by the Attorney-General The Hon Mark Dreyfus KC MP.

This phasing will give the government more time to ensure that new regulations will be materially focused and right-sized for small businesses, while providing confidence to customers.

We consider that there is an opportunity to develop an interactive decision-support tool that goes beyond compliance and assurance and encourages more positive engagement. This can be done by incorporating cyber-security guidance and Consumer Data Right rules into the actionable privacy steps for small businesses.

Small businesses can be engaged more successfully if privacy obligations are incorporated into a broader information management approach that includes advice and support.

We continue to emphasise:

- the importance and utility (to small businesses and regulators alike) of providing a comprehensive decision-support tool for small businesses
- privacy principles can be translated into clear, sequential actions, calibrated to the degree of privacy risk prevalent in the business that clearly responds to the question 'What is it that I need to do?'
- embedding privacy requirements in a consolidated information management approach which offers business benefits by bringing together regulatory requirements relating to privacy, data management, cyber and related initiatives – including Consumer Data Right rules and DigitalID
- exploring what requirements of the consolidated information management approach can be systematised and routinely actioned by small business in existing natural business systems or familiar digital platforms used for accounting and single-touch-payroll reporting
- taking international examples into account, such as the interactive tools and accessible guidance of the British Information Commissioner's Office.

We are working the Office of the Australian Information Commissioner to help develop and promote guidance for small businesses.



CASE STUDY: REBUILDING AFTER HACKERS

We help small businesses reinstate their digital accounts after being hacked.

We continued to observe the impact of issues with digital platforms where small businesses rely on social media to grow their businesses. One of our dedicated case managers assisted a small business that had their email and social media accounts hacked. The hacker posted misleading posts and privately messaged the small business owner's social media followers.

Our case manager worked with the relevant digital platforms resulting in accounts being reinstated. The small business owner said they were grateful for our help and thanked us for our great service.

ADVOCATING ON POLICY AND LEGISLATION

Digital platforms

The increasing reliance on digital platforms by small businesses means that the timely resolution of access problems or security breaches is imperative. We have advocated that there would be merit in us working with other agencies to develop and agree on a complementary model that would:

- deliver best practice digital engagement and complaints handling where there are efficient and effective resolutions.
- empower internal dispute resolution at the platform level, including a 'notice-and-action' mechanism to:
 - o allow any individual or entity to notify digital platforms of potential illegal content on their service.
 - o require the digital platforms to act on this notification.

On 13 September 2024, the Australian Government proposed that the Australian Financial Complaints Authority will be the external dispute resolution escalation point for the scams prevention framework for the telecommunications, banking and digital platform sectors.

We continue to emphasise the need for effective and timely dispute resolution processes by responding to the scams prevention framework. Small and family businesses impacted by scams are concerned about minimizing financial consequences and getting back 'online' to restart their enterprise activities quickly, not simply whether the platform/service provider has taken adequate scam prevention measures.

3G mobile network

We repeatedly highlighted the need to improve awareness of the shutdown of the 3G mobile network. We did this through media releases and interviews, a submission to the Senate Rural and Regional Affairs and Transport References Committee, and an appearance before the committee.

We warned that small and farming business might not realise that the 3G switch-off could affect:

- EFTPOS terminals
- security systems and cameras
- tablets
- smart watches
- vending machines
- swipe pads at car parking stations
- asset-tracking tools
- water and environmental monitoring technology.

On 14 August 2024, Optus and Telstra announced that they would delay the shutdown of their 3G mobile networks from 31 August 2024 to 28 October 2024.

SMALL BUSINESS ADVOCACY



We continue to advocate for small businesses and family enterprises on a range of issues like:

- competition policy and enforcement
- industry codes of conduct
- the Australian Government's scams prevention framework
- the availability and affordability of insurance

Submissions

Recipient	Number
The Treasury	5
Department of Finance	2
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	2
Parliamentary Committees	2
Attorney-General's Department	1
Australian Competition & Consumer Commission	1
Fair Work Commission	1
Fair Work Ombudsman	1

NATIONAL FAMILY BUSINESS DAY: 19 SEPTEMBER 2024

On 19 September we celebrated National Family Business Day, which was a great moment to reflect on the crucial role family-owned businesses play in the economy and throughout our communities.

Some of our most enduring businesses are family business where leaders take an intergenerational view to their decisions and plans, are always thinking about their contribution to the local community and are often deeply values driven.

Seven out of 10 businesses are family-owned and 40% are run by a couple team, typically a husband and wife.

It's a big responsibility owning and running a small business and that is magnified when it is a family endeavour.

When the dining table becomes the board table that can create a unique set of challenges.

The families who have the passion and drive to run their own business invest their whole life. For many, there's no clocking off at the end of the day or on weekends. They are always going because they know the stakes are high.

Typically, they have put their home on the line to build up their business, which amplifies the emotional and financial pressures.

"It is often the case when a family business faces difficult circumstances, other family members pitch in – all hands on deck.

Family businesses come in all shapes and sizes and are spread among many industries.

Around 170,000 people are counted as contributing family members working in a family business.

About 25% of contributing family workers are in agriculture, forestry and fishing. Family farms running sheep, beef cattle or grain account for two out of three contributing family members across the entire agricultural sector.

One in 10 people working in a family business are in construction with similarly high numbers in accommodation, food services and retail trade.

Australia is one of the few major economies that records and recognises the immense contribution of family members to a business, even when they might not receive a separate income for their endeavours.

About 13% of all workers aged over 70 are working in a family business. Among those over 80, it rises to 24% of all workers being a contributing family worker.

One of the biggest challenges for family businesses is the tricky path of succession planning.

INFORM: COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

A pulse check on small businesses

It is not enough to rely on the abundant optimism and drive of small and family business owners alone.

BRUCE
BILLSON



Op-ed by Bruce Billson, published in the Warrnambool Standard, 5 April 2024.

Govt can stop small business slide

The hits keep on coming for small business. Here's what I want government to do to help the sector to fight back.

Op-ed by Bruce Billson, published in The Border Mail, 8 August 2024.

CASHFLOW

Payment pain on display as more businesses ask ASBFEO for insolvency help

DAVID ADAMS SEPTEMBER 2, 2024



Article written by David Adams. Published on SmartCompany, 2 September 2024.

FCA backs ASBFEO's 14 step-plan to boost small business

Article published on Franchise Executives, 9 August 2024.

ASBFEO explains the Small Business Pulse

Op-ed by Bruce Billson. Published on Kochie's Business Builders, 13 August 2024.



The Ombudsman spoke to Lisa Millar on ABC TV News Breakfast about ASBFEO's Small Business Pulse and the 14 Steps to Energise Enterprise. The interview aired on 8 August 2024.

Small businesses fighting for survival 'Small business owners are concerned about the viability of their business and whether they can ride the tough economic climate out.'

— Ombudsman Bruce Billson

The Ombudsman was quoted in an article titled 'Small business fighting for survival'. The article was published in Sunraysia Daily, 2 August 2024.

How SMEs can be supported: ASBFEO recommendations



Inside Small Business
August 8, 2024 | 3 mins read



The ASBFEO today released 14 steps to support small businesses across Australia. Earlier this week, the Ombudsman launched a new "pulse check" for small businesses, which painted a worrying picture of SME health. The business environment for small business is 25 per cent below the long-term average, while 46 per cent of small businesses did not make a profit in the most recent year of accounts available.

Article published on Inside Small Business, 8 August 2024.

'Re-energise' SMEs with 14 steps: ASBFEO

BUSINESS

The small business advocate has identified top reform priorities to reinvigorate small businesses currently struggling in the current economic climate.

By Imogen Wilson • 09 August 2024 • 13 minute read

SHARE

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) Bruce Billson has outlined 14 steps to provide more support to the nation's small businesses.

Article written by Imogen Wilson. Published on Accountants Daily, 9 August 2024.



The Ombudsman spoke to 10 News about ASBFEO's annual assistance case figures. The interview aired on 3 September 2024.



ASBFEO assistance case data was quoted on Channel 9 news. The feature aired on 2 September 2024.

Traditional and social media statistics



Facebook

8,233 followers
52 posts



Instagram

1,204 followers
69 posts



LinkedIn

ASBFEO:
5,703 followers
46 posts



X

ASBFEO:
2,148 followers
31 posts



YouTube

546 subscribers
2 videos published



Newsletter

3,780 subscribers

Ombudsman:

4,785 followers
21 posts

Ombudsman:

6,930 followers
11 tweets



Website

60,925 visits to the website



Media releases

7 media releases published



Media mentions

1,447 media mentions



Interviews

38 radio, TV and media interviews



Opinion pieces

12 (across 25 newspapers and over 100 websites)



CASE STUDY: GETTING PEOPLE ON THE SAME PAGE

We support small businesses to work through payment disputes that can have a ripple effect and threaten the viability of other businesses.

For example, a contractor was hired as part of a telecommunications decommissioning of the 3G network. To complete this work the contractor hired subcontractors who then hired other subcontractors. After a period of non-communication from the initial contractor, one of our dedicated case managers reached out to the telecommunication company. Our case manager helped clarify the parameters of the dispute, which led to the small business being paid.

Assistance

- Continue implementing the recommendations from the Government's response to the Independent Review of the Franchise Code.
- Continue to enhance program guidance and tailor small and family business support.
- Continue our community engagement by participating in a number of small and family business events and expos as part of our outreach program.

Advocacy

- Explore policy options to deliver affordable, timely and restorative outcomes when alternative dispute resolution does not resolve disputes.
- Investigate drivers and obstacles to entrepreneurship and consult on proposals to energise enterprise.
- Continue to advocate for right-sized regulatory reform; that is proportionate, risk-based regulation, informed by deliberative consultation with small businesses.
- Make submissions to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, regarding:
 - *Transport and Infrastructure Net Zero Consultation Roadmap*
 - *2024 Regional Telecommunications Review*.
- Make a submission to the Select Committee on the Impact of Climate Risk on Insurance Premiums and Availability.

Inform

- Progress 2024 sponsorship program with collaboration from other agencies and state-based Small Business Commissioners. This includes coordinating the Startup to Scaleup Summit and judging for and presenting the Rising Star award at the Smart50 Awards and the Small Business Community Ally Award at the 2024 Community Achiever Awards.
- Enhance our website by incorporating search engine optimisation, updating the data portal, improving the Dispute Support Tool and refining the functionality of the ASBFEO homepage.
- Keep progressing work, including implementing a communication strategy on expansion of the Tax Concierge Service and Franchising responsibilities as outlined in the 2024–25 Australian Government Budget.
- Deepen strategic stakeholder engagement activities with key stakeholders to advance energising enterprise, improve access to justice for the small and family business sector and ensure right-sized regulation is at the forefront of key decision-makers' minds.

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