



Combined Small Business Alliance of WA (Inc)

Date: 29 August 2015



Hon Bruce Billson
Minister for Small Business
Parliament House
CANBERRA ACT 2600

Dear Minister

Re: Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Bill 2015 & Australian Small Business and Family Enterprise Ombudsman

Firstly, we wish to convey to you and your Government our abject disappointment with the passing of the *Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Bill 2015*, in the form in which it was passed, by lower house of Parliament in the past fortnight, as reported on in today's edition of the *Weekend Australian* newspaper, in an article by Grace Collier under the heading 'Shazam me some faith because i'm losing it with the Liberals' (an edited copy of that report is attached below).

In our judgment, the Collier article accurately portrays the unfortunate outcome of what "*was supposed to extend some basic rules about commercial contracts, rules that protect consumers, to the small-business sector, including the self-employed*", but conversely will be of no assistance to small business whatsoever.

The betrayal of small business by the Government by this act, which is so succinctly put by Collier as "*the only winners will be big business, unions and government*", is difficult to comprehend in light of the support afforded to small business by the Government in this years Budget.

One might be forgiven for suspecting that the lobbying power of the big end of town and others that have no empathy for small business had much to do with this betrayal. As a small businessperson may well observe: "This is a kick in the guts for small business."

Secondly, further to our letter of 20 March 2015 we again wish to express our profound disappointment with the Government's proposed legislation as set out in the *Australian Small Business and Family Enterprise Ombudsman Bill 2015*, in particular with the 'Dispute resolution function' as described in the Explanatory Materials document.

This is a totally unsatisfactory arrangement that in our judgment presents the role and function of the Ombudsman as a façade and a toothless tiger.

Re: Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Bill 2015 & Australian Small Business and Family Enterprise Ombudsman

2

In our judgment, in both these issues we raise with you represents a lost opportunity for Government to provide tangible and positive outcomes for small business, the fact that the Government has not chosen to do so, possibly under the weight of pressure of the big end of town and others, is of a profound disappointment to our organization and no doubt to small business at large.

Yours faithfully

**Combined Small Business Alliance
of Western Australia Inc. (CoSBA)**

**OLIVER MOON
Chief Executive Officer**

cc: Tony Abbott, Prime Minister; Josh Frydenberg, Assistant Treasurer.

Shazam me some faith because i'm losing it with the Liberals

It is amazing how some adults have blind faith. In the face of loss, blind faith allows worry to be avoided. Instead, emotional comfort arrives.

Whatever the topic, some of us can shut off logic, suspend reasoning and simply believe.

Some believe coffee enemas will cure cancer. Others believe there is a man in the sky who really loves them. Some even believe that in the next 12 months our federal government will somehow lift its popularity, all those the government has slighted will, in the privacy of the polling booth, suddenly forgive, and even if they don't, they won't be silly/angry/spiteful enough to vote Labor into power.

At this point, if you have a man in the sky who really loves you, can I trouble you please to organise for some blind faith to be shazammed into me? In the meantime, in case the lightning bolt doesn't arrive, here are some perspectives on how important people sitting in positions of power (on earth, that is) may change their ways.

The other thing the government needs to do is always present as the advocate for the ordinary person, to take the side of the individual over the side of the institution or organisation. This means shedding the image that the party represents employers and big business. This does not mean aligning with unions or becoming socialists. It simply means sticking up for the individual, for ordinary workers, citizens, consumers and the self-employed. The Coalition must become the party that stands for the little guy and gal.

This brings me to my final point. A new bill passed the lower house in the past fortnight, called the Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Bill 2015.

This bill was supposed to extend some basic rules about commercial contracts, rules that protect consumers, to the small-business sector, including the self-employed.

After lobbying by big business and despite the pleas of small-business advocates, the government put an exemption in, which pretty much exempts everyone and makes the bill meaningless.

Re: Treasury Legislation Amendment (Small Business and Unfair Contract Terms) Bill 2015 & Australian Small Business and Family Enterprise Ombudsman

3

Think of the ASX 200 as a forest. In each sector, a small number of huge trees dominate. They are mostly groaningly inefficient and lack the strength to stand in the global marketplace; however, in protected Australia, they are well represented and dominate.

Just underneath their canopy is a bursting, ambitious layer of growth. This layer is efficient, lean, adaptable, hungry, keen and skilled enough to rise above. This layer is 5.3 million people in the small-business sector.

This layer is going to provide the growth that our economy needs. This layer does not need handouts or a nanny state, but the bill could have made the pathway upwards a tiny bit safer. The bill could have built on the goodwill from the latest budget. It could have been trumpeted from the rooftops, but the government fluffed it.

Now, the only winners will be big business, unions and government. The exemption will make it that bit easier for the old trees to continue to smother the new. The arrival of competition will be delayed. Growth will be tamped down. The bill represents a fantastic opportunity for our economy, missed.

It is staggering that consumers and 5.3 million people in the small-business sector would be slighted in this way because when it comes to an election the new growth has the numbers over the old. On this bill, logic suggested the government would stand on the right side of history. But the government's blind faith in its own prospects wasn't underwritten by common sense.
(SOURCE/EXTRACT: *The Weekend Australian*, Grace Collier, 29.8.15)
