



Council of Small Business
of Australia

**TrueLocal.com.au and the Council of Small
Business Organisations of Australia Submission
to the Senate Standing Committee**

**Inquiry into the Do Not Call Register Legislation
Amendment Bill 2009**

January 2010

Introduction

TrueLocal and the Council of Small Business Organisations of Australia (COSBOA) welcomes the opportunity to make a submission to the Senate Committee inquiry into the Do Not Call Register Legislation Amendment Bill 2009 and both organisations are available for follow-up consultation should the Senate consider this necessary.

TrueLocal is News Limited's online business search directory and sits within its digital business, News Digital Media. Many of TrueLocal's clients are small to medium sized businesses. COSBOA is Australia's peak body exclusively representing the interests of small businesses.

The objective of TrueLocal and COSBOA making a joint submission to the Senate inquiry is to oppose the proposed amendment and highlight its negative impact on small to medium sized businesses.

It is our view that the Do Not Call Register Legislation Amendment Bill 2009 will have detrimental effects on these businesses and further burden them in a difficult economic environment.

Reasons for opposing the amendment:

TrueLocal.com.au and COSBOA is opposed to the Do Not Call Register Legislation Amendment Bill 2009 as it is concerned it will:

1. Reduce Competition

Some small businesses will inevitably become unsustainable as a result of the amendment and being unable to contact 30% to 50% of prospective market by telephone. An example of this is a specialist office equipment SME servicing a niche market with only a limited prospective number of clients who competes against larger corporate businesses like Officeworks.

2. Disadvantage new entrants

For example Yellow Pages (Sensis/Telstra) as incumbent has a greater number of existing relationships (1.5 million businesses) compared to new entrants.

3. Substantially increase compliance costs

Additional administrative burden and costs for changes to systems, licences etc in an industry still feeling the impacts of the recent economic downturn.

4. Reduce innovation for small business

Major implications on generating new revenue. A small business will be prevented from making legitimate business calls to a business on the DNCR to promote new and innovative products.

5. Have significant implementation impacts on small business

Lack of consideration for the compliance costs and implementation of how the policy will work E.g. If the marketing manager at Qantas puts themselves on the list using the Qantas switchboard number will this request apply to just them, the entire Qantas marketing department or all personnel at Qantas?

It also assumes that small businesses have the infrastructure and technology to be able to comply with the legislation.

Views of small businesses across Australia

As TrueLocal.com.au has many clients who are small businesses, it partnered with the Council of Small Business Organisations Australia (COSBOA) and engaged research company CoreData to seek the views and sentiment of more than 781 small business businesses on the legislation.

Conducted from November 17-24 2009, the research found that the Do Not Call Register would place a significant financial strain on most small businesses with 78% of respondents saying they did not have the resources to easily check their contact information against the Government's Do Not Call list.

The survey of small businesses also revealed:

- Many small businesses were unaware of the legislation with under half of respondents (42%) saying they were aware of the Government's proposed extension to the Do Not Call Register
- 45% of small businesses believe the overall cost of operating their business would increase
- 22% of small businesses said they gained new business through phone calls – meaning an estimated 286,000 small businesses would be adversely affected by the legislation (estimated to be 1.3 million active businesses in Australia)
- Phone calls are the most popular as a source of new business in the property and business services and communication, media and marketing services industries
- 32% use the phone to contact other businesses to make a sale or gain new business always, sometimes or most of the time
- Opinion is divided amongst Australian small businesses about registering with the Do Not Call Register.

Given the above concerns outlined and views of small business, TrueLocal together with the Council of Small Business of Australia requests that the Committee consider options for mitigating the negative and adverse impacts of this bill on a crucial part of Australia's economy.

22 January 2010