

# **SMALL BUSINESS IS A BIG DEAL**

*98% of Businesses in Australia are Small  
Businesses.<sup>[19]</sup>*

*Those Small Businesses employ 5 million  
Australians.<sup>[20]</sup>*

*Small Business employs a third of young working  
Australians and 40% of apprentices.<sup>[21]</sup>*

## Small Businesses deserve policies that encourage them to invest and create jobs. Small Business is a Big Deal.

We have been listening to the small business community. They have told us what they want from the next Federal Government.

### 1. HELP EMPLOYERS AND EMPLOYEES WORK BETTER TOGETHER

Small business, with the right support, could employ more Australians including more of our young people.

We need to base our workplace laws on facts, and not scare campaigns.

Australia has the second highest minimum wage in the world.<sup>[22]</sup> More than 98% of employees are paid more than that.<sup>[23]</sup>

Despite what some claim, the rate of casual employment has remained steady at 25% for the last two decades.<sup>[24]</sup> Small business employs half of Australia's casual workers.<sup>[25]</sup>

Small business and their employees need to be able to agree on work arrangements that meet both of their needs.

**The next Federal Government must ensure our workplace laws work for small businesses and their employees. Simpler rules are needed to make it easier to create jobs and run businesses well.**

### 2. DELIVER AFFORDABLE, RELIABLE ENERGY WITH LOWER EMISSIONS

Small businesses are paying far too much for power.

There has been no policy certainty in the energy sector for decades - which has distorted and discouraged investment. The National Energy Guarantee (NEG) plus key recommendations from the Australian Competition and Consumer Commission (ACCC) will encourage more competition, address reliability, reduce prices and lower emissions.

**The next Federal Government must encourage more investment and more competition so the price of power comes down and stays down, while ensuring the lights stay on and emissions come down.**

### 3. STOP THE COLLAPSE IN SKILLS

Small businesses need skilled workers and more Australians need jobs.

There aren't enough people being trained for the jobs on offer. 300,000 less students are funded to do vocational education and training (VET) than five years ago, including 140,000 less apprentices.<sup>[26]</sup> Young people are missing out when youth unemployment is still unacceptably high.

This is not good enough. We are failing the next generation of young Australians and selling small business short on the skills they need.

**The next Federal Government needs to invest more in vocational education and training so in three years time there are 350,000 more students being funded.**

Many of the policies in Getting On With Business, including those that address workplace relations, energy and skills will benefit small business. Government should act on a range of policies more specific to small business that will support their growth and job creation.

One of the biggest barriers for small business is the difficulty in accessing affordable finance. Most small business lending is secured against personal assets, often the family home. For those small business owners who do not own a home, or for others that need additional finance for their businesses to grow, accessing finance can be difficult.

Late payment for goods and services supplied to Government and large businesses have a major impact on cash flow for a small business and can put undue stress on both the business and individual. Payment codes for big business, changes to government procurement policy and monitoring by the small business and Family Enterprise Ombudsman have all been catalysts for action. A Regulated Payment framework may also assist but only if a workable approach can be identified which does not overburden business with red tape.

There have been changes in recent years to address the power imbalance in contracting between big business and small business by enabling courts to strike out unfair contract terms. We encourage regulators to pursue these cases to build a body of precedent that small businesses can rely on. Steps to make unfair contract terms illegal should be taken more cautiously, recognising that action to strengthen regulatory intervention in business relationships should never be taken lightly.

The complexity of our workplace relations system is harming small business. It is too difficult for small businesses to create jobs and organise work efficiently and competitively. This hurts not only small business people but also their communities, and job seekers including young people, many of whom get their first job in a small business.

Our workplace relations laws need to give small businesses more confidence to hire and more scope to agree with their employees on how to organise their work.

The diverse nature of small business and the fundamental differences in structure and operations between small, medium or large organisations requires specialised WHS and workers' compensation assistance for small business with specific material, education and regulatory approaches. The Australian Chamber launched 'Part and Parcel – Working with Small Biz: It's in the delivery' to draw attention to the fact that WHS outputs from government agencies are not fit for purpose for small business.

Australia has over 50,000 exporters – most of them small and medium sized businesses. The high cost of doing business in Australia is preventing many of them, and potential exporters, from realising their full potential in international markets. Many more small businesses rely on imported products and services. They need to be able to access them easily in order to succeed, grow and encourage competition in the Australian market.

The Government has negotiated many new trade agreements. However, many businesses, particularly small businesses, do not know how to access the benefits. Government should work with business to provide training and support for them to take full advantage of our trade agreements with other countries.

## RECOMMENDATIONS:

- 13.1 Create more government procurement opportunities for small business while supporting the principles of value for money for the Government, maintaining a competitive market and promoting efficiencies within local businesses.
- 13.2 Improve payment times to small business in government procurement and encourage Industry

Codes for big business to improve payment times to their smaller suppliers. Continue to explore a payment times reporting framework, and implement a workable approach provided the red tape burden is minimised.

13.3 Change the definition of small business in the Australian Banking Code of Practice to include lending up to \$5 million to assist smaller capital-intensive businesses. Closely monitor the effect on bank lending competition and review 18 months post implementation.

13.4 Encourage regulators to pursue cases involving unfair contracts terms between large and small business in order to build a body of law that can help protect small business.

13.5 Set up a dedicated small business division in the Fair Work Commission with specialist case managers:

- ensure the Fair Work Commission removes unfounded, out of time, incomplete, under-evidenced claims before proceeding further. Small businesses should not have to spend time and money defending claims that are frivolous or speculative;
- schedule out of hours hearings so small business people do not have to take time out of their business to attend;
- use plain language not legalese;
- give small businesses a checklist, to assist them in managing performance and conduct, which if followed will make them immune from unfair dismissal claims; and
- if small business gets advice from a regulator and it turns out to be wrong, they should be immune from penalty or prosecution.

13.6 Design, package and deliver WHS and workers' compensation regulation in a way that's easy to find, easy to understand and relevant for small business across industries, and work specifically to:

- encourage regulators to engage wherever possible with business associations as trusted intermediaries and experts in relation to workplace practices, particularly small medium enterprise (SME) practices;
- enable further research into the management of WHS and return to work within SMEs;
- provide greater assistance for small business to better support injured workers through the workers' compensation process and return to work; and
- target assistance and strategies aimed at reducing workers' compensation premiums for small business.

13.7 Support energy management programs, including efficiency audits, delivered through business networks such as Chambers of Commerce and Industry Associations, which include efficiency audits.

13.8 Improve access to reliable, affordable and high-speed broadband. Provide support and education to improve digital capability.

13.9 Maximise the potential of small business exporters:

- make trade finance more accessible; and
- deliver training on our trade agreements.

**Download the Australian Chamber's business policy priorities for the next Federal government - 'Getting on with Business' [here](#)**