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22 June 2011

General Manager
Small Business and Deregulation Branch
Department of Innovation, Industry, Science and Research
GPO Box 9839
Canberra ACT 2601

Dear Sir/Madam,



I write to you in relation to the Options Paper: *Resolution of Small Business Disputes*.

Business SA is South Australia's leading business membership organisation, representing thousands of businesses through direct membership and affiliated industry associations. We represent businesses across all industry sectors, ranging in size from micro-business to multi-national companies.

South Australia is a small business State, with about 96 per cent of businesses employing less than 20 people and almost 64 per cent employing no people (or being sole proprietors).

Access to an affordable and independent dispute resolution process is vital for these small businesses. Many of them do not have the human resources to resolve disputes and legal costs can result in them not pursuing issues that they may have with other businesses or Government.

Business SA is supportive of processes that will assist small businesses to resolve disputes in a cost-effective way and the South Australian Government recently drafted legislation to establish a Small Business Commissioner (SBC). The SBC is expected to have a number of roles, including facilitating dispute resolution for small businesses, providing information, monitoring unfair market practices and non-compliance with industry codes and investigating broader systemic issues.

Many of these roles are supported and Business SA believes that investigations of broader issues should involve consultation with the business community.

However, an important concern with both the SBC and a number of the options outlined in the Options Paper is the provision of information by Governments. Many businesses contact Business SA for information on a very wide range of issues and we believe that membership organisations should not have this role potentially limited by the provision of information by Government.

In addition, Business SA has concerns about duplication and the potential for confusion if there are both Commonwealth and State processes that overlap and compete with each other. As such, we recommend that any Commonwealth involvement is primarily one of facilitation of State-based mechanisms, where they exist.

Business SA is therefore largely supportive of Option Two – National Dispute Resolution Service.

Business SA does not support Option Three – National Small Business Tribunal, which would most likely result in the duplication of the SBC in South Australia.

Business SA strongly objects to Option Four – Small Business Advocate, given that a Small Business Advocate as proposed would compete with and possibly “crowd-out” important roles of business membership organisations such as Business SA.

Should you require any further information or have any questions, please contact Antony Clarke, Senior Policy Adviser, Business SA on (08) 8300 0009 or antonyc@business-sa.com.

Yours sincerely

A handwritten signature in black ink that reads "Peter Vaughan". The signature is written in a cursive style with a large initial 'P'.

Peter Vaughan

Chief Executive Officer