



Restaurant
& Catering

SAVOUR
AUSTRALIA



23 May 2014

Manager
Small Business Ombudsman and Procurement Unit
Small Business, Competition and Consumer Policy Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir/Madam

RE: Small Business and Family Enterprise Ombudsman discussion paper

Restaurant & Catering Australia (R&CA) welcomes the opportunity to provide comment on the proposed structure of the Small Business and Family Enterprise Ombudsman (SBFEO).

R&CA is the peak national industry association representing the interests of 35,000 restaurant, café, and catering businesses across Australia. R&CA represents small business; with over 76% of all food and beverage businesses across Australia having 19 employees or less.

Further to discussions with the Small Business Ombudsman and Procurement Unit on 22 May 2014, R&CA has summarised key considerations in the establishment of the Small Business and Family Enterprise Ombudsman below:

Distinction of role from state-based ombudsman

As a service provided to its members, R&CA directs restaurateurs to government agencies to resolve disputes and concerns, as well as to provide additional information on specific issues. A majority of these queries relate to disputes over leasing arrangements or the provision of goods and services, and are therefore directed to state-based ombudsman.

However, navigating the myriad of government organisations to find the most appropriate agency to refer member queries is a frustrating and time-consuming task for the association. There is also inconsistency across different states in terms of the structure and responsibility of entities for specific issues. Consideration needs to be given to how the SBFEO will be different from its state counterparts, and the interaction it will have with these ombudsman. It is not clear from the discussion paper exactly what disputes and issues will be handled by the SBFEO in relation to business-to-business disputes, and how these will differ from tasks currently conducted by state-based ombudsman. This needs to be better articulated to ensure there is no duplication of effort or resources in resolving small business issues.

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R&CA does, however, see a role for the SBFEO in providing industry associations with guidance and education on the most appropriate agencies for specific issues, including the identification of key contacts within these organisations to direct calls. While R&CA is able to direct member queries to specific agencies, general experience indicates members often spend additional time navigating agencies internally to find an appropriate person to speak to with regards to their issue.

Role and focus of SBFEO

R&CA sees a significant role for the SBFEO in providing advocacy support for small business within government, which has worked well as an independent role rather than being a function of the department. R&CA believes the SBFEO must be a statutory authority in order to retain a level of independence from government.

R&CA also believes one of the key KPIs of the SBFEO should be the reduction of regulatory burden on small business, utilising industry associations as a mechanism to identify key issues affecting the sector. Another important element of the agency is in relation to regulator behavior, including educating these organisations on the specific needs and issues affecting small business.

Distinction between advisory services of SBFEO and industry associations

R&CA is seeking clarity around the specific advisory services to be provided by the SBFEO to ensure these services do not duplicate activities currently undertaken by industry associations. By way of example, R&CA has a dedicated team of workplace relations advisers as well as an Immigration Outreach Officer who provide tailored, sector-specific advice to members. The areas of workplace relations and immigration are highly complex, requiring technical knowledge and understanding of the hospitality sector. R&CA does not wish to see advisory services of the SBFEO duplicate the effort of industry associations, nor result in inappropriate advice due to a lack of understanding of sector-specific Awards or schedules.

Title of the organisation

R&CA believes the title of the 'Small Business and Family Enterprise Ombudsman' should be revised to make the agency more approachable, as well as to help small business better understand its role. 'Ombudsman' alone can generate negative connotations in parts of the business community. In addition, the case for including 'family enterprise' in the title is not clear, given 'small business' is more representative of a broader cross section of industries.

If you require further information, please contact me on (02) 9966 0055 or jhart@restaurantcater.asn.au.

Yours faithfully



John Hart
Chief Executive Officer