

7 April 2017

Ombudsman Review  
Small Business Policy Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

E-mail: [sbombusmanreview@treasury.gov.au](mailto:sbombusmanreview@treasury.gov.au)

Dear Ms McCluskey

## Review of the Australian Small Business and Family Enterprise Ombudsman

Chartered Accountants Australia and New Zealand (**Chartered Accountants ANZ**) welcomes the opportunity to provide a brief submission regarding the review of the Australian Small Business and Family Enterprise Ombudsman (**ASBFEO**).

The terms of reference for this review encompass both the advocacy and assistance functions of the ASBFEO and other matters.

### An effective advocate

The terms of reference to this review clearly recognise two different aspects of advocacy work. Firstly, the selection of issues for which to advocate and secondly the effectiveness with which those issues are pursued. Our experience of ASBFEO are that both aspects of the advocacy work are being achieved.

Ms Carnell has built on her high profile to effectively engage in many forums and in the media. She is a very effective communicator who can see both sides of an argument or policy position.

### Choice of Issues

Both member feedback and our independent research indicates that cash flow management is the most significant issue confronting small business. It is pleasing therefore that the first (and at this stage only) self-initiated ASBFEO inquiry is into payment times and practices<sup>1</sup>.

Our involvement with this inquiry to date indicates that a thoughtful and thorough analysis and consultation process is being undertaken. The ASBFEO staff that we have met with have consistently shown themselves to be approachable, highly capable and engaged people.

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<sup>1</sup> The first two inquiries were initiated by the Small Business Ministers – “Impact of the Road Safety Remuneration Tribunal Payments Order” was requested by the former Small Business Minister Kelly O’Dwyer, and “Small business Loans” was requested by the current Small Business Minister, Michael McCormack  
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## **Advocating positions**

Chartered Accountants ANZ deals with a wide range of business issues across a significant number of government entities and participates in numerous inquiries, consultations, committees and reference groups.

Since the establishment of the ASBFEO and the appointment of Kate Carnell, we have found that we are increasingly sharing the table with the ASBFEO. Ms Carnell's contributions at these forums are timely, relevant and appropriate.

In particular, the ASBFEO is to be complimented on co-ordinating the payment time and practices inquiry<sup>2</sup> so that a more co-ordinated national analysis is developed. This is a vitally important project for the Australian community, given the "ripple" effects that late payments have on other transactions (e.g. on time payment of tax) and the overall viability of the small business sector.

Although we have not been asked to appear before the ASBFEO in a formal sense, we can vouch for the fact that Ms Carnell has both the ability and confidence to utilise her statutory powers and call major institutions and community groups to appear before her.

Ms Carnell also appears to work well with her Deputy, \_\_\_\_\_, who is also out and about in various consultation forums and, in our view, demonstrates very good knowledge of small business issues and is performing well.

Finally, the ASBFEO appears to have attracted some excellent staff. We have been particularly impressed by \_\_\_\_\_ in our recent dealings with him on the payments inquiry.

## **Areas for further collaboration**

We think there is substantial scope for Ms Carnell to engage more with the accounting community, not only in identifying and analysing issues confronting their small business clients, but also as an ally in reporting to her issues which individual small businesses may be too reluctant to raise directly.

For example, if the ASBFEO were to recommend a national code of conduct for prompt payments as one outcome from her current inquiry into payment times, we think accountants could be asked to play an important role in confidentially reporting breaches of the code on behalf of their clients (i.e. in a manner which does not jeopardise the commercial relationship which the small business client has with the big business payer).

## **Who we are**

Chartered Accountants Australia and New Zealand is a professional body comprised of over 120,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations.

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<sup>2</sup> ASBFEO is conducting this inquiry in partnership with the Small Business Commissioners in New South Wales, Victoria, South Australia and Western Australia, and in association with the Council of Small Business Australia (COSBOA) and the Australian Institute of Credit Management (AICM).

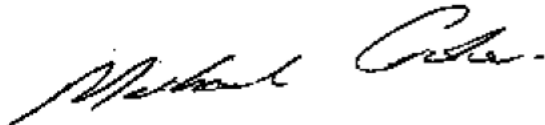
We focus on the education and lifelong learning of our members, and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets.

We are a member of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents 788,000 current and next generation accounting professionals across 181 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications to students and business.

I would be happy to discuss any aspect of our submission with you. I can be contacted on (02) 9290 5609 or by e-mail at [michael.croker@charteredaccountantsanz.com](mailto:michael.croker@charteredaccountantsanz.com) .

Yours faithfully



**Michael Croker**  
**Tax Leader Australia**  
**Chartered Accountants Australia and New Zealand**