



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

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Submission – Review of the Australian Small Business and Family Enterprise Ombudsman

Dear Sir/Madam

Please find attached a submission to the review of the Australian Small Business and Family Enterprise Ombudsman. I can be contacted on (03) 9651 7636 or at judy.oconnell@vsbc.vic.gov.au if further information is required.

Yours sincerely

JUDY O'CONNELL
Victorian Small Business Commissioner

SUBMISSION – REVIEW OF THE AUSTRALIAN SMALL BUSINESS AND FAMILY ENTERPRISE OMBUDSMAN

SUMMARY

I welcome the opportunity to make a submission to the Review of the Australian Small Business and Family Enterprise Ombudsman (the Ombudsman). My Office supports the work of the Ombudsman and has developed an effective working relationship with it across the key areas of advocating for small business and providing dispute resolution services for small business.

BACKGROUND

The Victorian Small Business Commissioner (VSBC) was established by the *Small Business Commissioner Act 2003* to enhance a competitive and fair operating environment for small business in Victoria. It represents small business views on issues affecting the sector, and assists in preventing and resolving disputes by promoting informed decision making and through its resolution service.

The VSBC provide a quick, low cost and effective dispute resolution service for business-to-business disputes. The VSBC also deals with disputes between business and local or state government, or with not-for-profit entities.

Legislation (*Small Business Commissioner Bill 2016*) is currently before the Victorian Parliament to establish the Small Business Commission, constituted by the Small Business Commissioner, as head of the Commission. The Bill is currently awaiting passage through the Legislative Council.

The Bill proposes to introduce additional functions and powers to enable the Commission to:

- resolve disputes between businesses and a broader range of organisations, including professional associations, educational institutions, industry bodies and certain special bodies within government
- review proposed legislation in terms of its potential to adversely affect small business
- work with similar small business commissioners in other States, Territories, or similar Commonwealth Agencies, to enhance conditions for small businesses
- advise or comment on the development of legislation and regulatory policy relating to small business and related matters.

These functions will further complement the Ombudsman's advocacy role to work cooperatively with State Small Business Commissioner to enhance the small business environment.

AUSTRALIAN SMALL BUSINESS AND FAMILY ENTERPRISE OMBUDSMAN

I wish to provide some general comments regarding the Ombudsman's assistance and advocacy functions and my Office's experience in working with it.

Advocacy Function

The VSBC participates in regular forums and meetings with other State Small Business Commissioners, and the Ombudsman to identify emerging trends and issues nationally and contribute to joint initiatives.

Most notably, this Office has worked closely with the Ombudsman on its Payment Times and Practices Inquiry, an issue of top priority for all small businesses in Australia, particularly in Victoria.

The Ombudsman effectively coordinated the input of all State Small Business Commissioners to the Inquiry through the establishment of an officials' working group. The Ombudsman facilitated regular teleconferences and email updates to ensure that information was shared regarding the progress of the Inquiry, and the views of all small businesses and stakeholders were considered.

The Ombudsman's Payment Times and Practices Inquiry provides an excellent example of the Ombudsman working cooperatively with State Small Business Commissioners to enhance the environment for small business.

Officers from the VSBC were members of the working group and reported a positive experience from their interactions with the Ombudsman's office.

I also note the other inquiries undertaken into national area of interest for small business such as the Small Business Loans Inquiry.

I look forward to continuing to work jointly with the Ombudsman on national issues of priority for small business.

Assistance Function

The Ombudsman plays an important role in providing assistance to small businesses in relation to dispute resolution. In particular, it provides an initial assessment for inquiries so that small businesses are referred to the most appropriate external alternative dispute resolution services including the VSBC.

The Ombudsman has referred a number of matters to my Office for dispute resolution, where it identified VSBC as the most appropriate agency to deal with the matter. The referrals have been made quickly and efficiently, and information shared to avoid the cost to business of having to

provide two sets of information. The businesses involved have been kept informed of the reason for the referral and have been happy with the process and outcomes achieved.

The VSBC has also been consulted on the development of the Ombudsman's online referral tool that makes it easy for small businesses to identify the most appropriate service to resolve their business disputes.

I commend the Ombudsman on its assistance function and will continue to work with it to ensure small businesses are able to seamlessly access the most appropriate form of assistance.

OTHER MATTERS

For consistency with the establishment of other Small Business Commissioner offices, I would support a reconsideration of the name Ombudsman to Commissioner.

The VSBC endorses the role and functions of the Ombudsman.

JUDY O'CONNELL

VICTORIAN SMALL BUSINESS COMMISSIONER