

**In the world of politics and influence there is a basic fact, change will not occur unless there is a willingness in parliament for change and that willingness for change will always be driven not by political parties but by an individual or individuals within a party.**

**These politicians cannot achieve change unless there is vocal and obvious support for that change from the community. This especially applies when well-funded and resourced big businesses and vested interests can take the limelight and dominate a policy debate. The people who run small businesses need a voice not compromised by funding or political ideology.**

## COSBOA

### What have we achieved? Has there been change?

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## Forward

COSBOA was formed in 1977 to be an unambiguous voice for small business people. It was formed by associations who were tired of other organisations who claimed to represent small business but due to their membership which included big business they always gave in to the big end of town.

Many of our members have big and small businesses within their membership and they know COSBOA only represents small business people which is why they join, so we can be that voice.

We in small business, for the first time, had a great champion in parliament in Bruce Billson; he was supported by many others in his party, but not all. COSBOA and our members backed Bruce and supported his vision and his actions. Our members have made this possible by in some cases just being members and in many cases by adding informed comment to our policies and our actions. COSBOA is the unambiguous voice for small business that will keep the faith for the people who in the end we represent.

We have reached an important point in the economic history of Australia. Is productivity or dominance the most important issue for the Australian business community? Do we run the economy based on the needs of a few dominant big businesses, big unions and ideologues or on the needs of the majority and the community? We need an emphasis on small business drivers not on personal ideology or dominant big businesses – and have no doubt a big union is just a big business.

COSBOA for the last 39 years has fought hard. We have had ups and downs. We have run a “lean mean fighting machine” being the voice for small business and championed their survival. We have survived due to the CEOs and the Directors that have been involved throughout all those years supporting the aims and issues of our members. They have achieved results because of our members.

Over the decades we have survived take-over attempts from want-to-be politicians who see COSBOA as a vehicle for advancing their political and/or personal agendas. The main political parties have sometimes decided we needed to be threatened or sent to Coventry for comments we have made or policies we support. We have always refused to sell out to the politics or to their political ideologies. In the end it is our members who have made sure we stay apolitical. Thank you.

We are still here and have a current board of highly professional and supportive directors. We also have members who know the value of small business and the value of fighting for what is right for their members.

So it is obvious that we wouldn't be here without our members. We would not have the spectacular list of achievements highlighted below without our members.

So what has actually been achieved over the last few years? Our strategy has always been to embed the needs of small business in the psyche of politicians and the public sector and create awareness of the difference between big and small business. We have also focused strongly on the major difference being that a small business is in reality a person who often employs others; we are not a thing. While in a big business everyone is an employee.

We have achieved profound changes in attitude and as always we need to keep the momentum going and ensure we get further change. We do not want governments and policy makers to go back to the old ways of demanding too much, blaming those who work the hardest and take the most risk and then supporting only big business or a few unions.

## Outcomes achieved

### **Setting an Agenda about the Economy, Community, Innovation and Culture**

COSBOA has confronted the prevailing dominance by laissez-faire economists, by economic ideologues and by their big union and dominant business apologists. We have focused the productivity debate onto innovation and small business as the birthplace of real innovation. We have also highlighted that we are not just the engine room of the economy but we are also what makes our communities different from each other and what helps make our culture interesting and diverse.

When it comes to change management in a world of constant change we have shown that small and medium businesses are best placed to embrace and manage, and indeed cause, change.

By confronting the vested interests that come from these dominant influences we have been able to get a real focus on important issues and changes.

### **Changes to Contract Law**

The new changes, that take effect in November this year, are profound. We now have the same protections that any other individual has when it comes to contracts. This has a threshold limit which originally was too low to be effective but with the actions of COSBOA and in particular the people from the Australian Newsagents Federation we were able to have the threshold increased to a workable level. We will work with the ACCC as this is introduced to manage the, as always, unforeseen problems and consequences.

### **Competition Policy and the Effects Test**

The changes in Section 46 of competition policy have not yet been enacted but will be. This was achieved through a root and branch review of competition policy conducted in 2015. COSBOA can take much of the credit for this outcome (and also much thanks to Bruce Billson) and we worked hard on making sure the review was not hijacked by vested interests.

With the drive from the Master Grocers' Association a group of key associations was put together that showed the government that we meant business. In the face of a concerted and secret attack on government by the BCA we managed to keep focus and get the start of the changes needed for fairness in the marketplace.

### **A National Small Business Ombudsman**

COSBOA has been seeking the appointment of a small business commissioner or ombudsman since our inception in 1977. The appointment of Mark Brennan in January 2013 was a milestone for small business. Bruce Billson then gave that position more power and upgraded the role to one of Ombudsman and appointed Kate Carnell. This has happened only because of COSBOA, no other industry organisation cared and indeed some fought against the position.

### **Productivity, Workforce Planning, Development and Training**

The area of skills development is currently a basket case. We know that an economy cannot manage or create change without the workforce having the right skills. Our training sector must change and COSBOA and its members have been influential in this area for decades and have managed to get a focus on this issue.

We have also created a focus on the failed employment service providers who seem to make profit without providing any real service to the small business sector.

We have a focus on productivity and continue to highlight what is holding back productivity development: high cost and low speed telecommunications; a two speed workplace relation system where big business gets a leg up in deals with unions; poor training options; domination by a few oligopolies that inhibit innovation and the like.

## **Local Business, Local Economic Development and Local initiatives**

We know that Australia is not just one big stand-alone economy. It is actually hundreds of smaller complex economies that joined up create a national economy. At the local level we, the small business people, can influence training and skills, innovation, unemployment, social welfare, infrastructure and many other issues. Currently centralised decision makers seem to think they know better than all of the rest of us, they believe they can create change in communities throughout Australia from their ivory towers in Canberra and state capitals. We are pushing hard for local economic development activities where local business people are given the resources to better influence their small economy where they are best placed to understand and take action.

## **The Digital Business Council**

Our CEO is the founding President of this new council. It aims to ensure that competition can create better processes for small businesses when it comes to invoicing and other administrative activities. The council is supported by many key groups who see the benefits of better use of technology. For example, it is expected that some \$7 billion a year will be saved by businesses and \$4 billion by government by the use of eInvoicing. COSBOA has lead this group and is at the forefront of change that benefits small business not just big business or vested interests.

## **A Minister in Cabinet?**

Up until the appointment of Brendan O'Connor in March 2012, the last time there was a small business minister in Cabinet was well over a decade before. We next had Bruce Billson as our Minister and he was extraordinary. Kelly O'Dwyer carried on the fight. Recently Malcolm Turnbull removed that position from Cabinet so once again we have a harder battle.

The position now rests with the Nationals who demanded they have our portfolio, it's nice to be wanted but we should also be in Cabinet. The good news is that currently the members of Cabinet include great supporters of small business from the Nationals and some from the Liberals. We will have a minister in Cabinet again.

## **At the Top Table**

Over the last few years COSBOA has been represented at the top level of influence. This includes COAG Business Advisory Committee, the National Panel for Economic Reform, Tax Summits, the special industry Leaders Dialogues, the Jobs Summit focusing on Manufacturing, and also at Economic Forums. We are also key members of many agency advisory committees and groups focused on taxation, competition policy, mental health, workplace relations and compliance issues.

COSBOA and our members are seen as policy rich, as politically independent and constructive. We know what the issues and problems are and we also have solutions, suggestions and processes to fix the problems.

## **Focus on removal of unnecessary compliance and streamlining of the essential compliance**

The comprehensive drive by many governments to put sense into compliance is appreciated and to be congratulated. The focus on getting the policy development process right so that Business Impact Statements truly reflect the impact on a small business and the person running the business is an essential outcome. This has been a prime policy of COSBOA.

## **Productivity Commission report on regulators**

In 2013 the Productivity Commission completed a landmark report, requested by COSBOA, on regulator engagement with small business. The report has led to the development of a performance framework for all regulators. An outcome only achieved by COSBOA's actions. This report had an immediate impact with the Fair Work Ombudsman appointing a senior officer to focus on working with the small business community to develop better communications and processes. Other regulators are following suit.

## Structural changes in the Public Service

Due to the advocacy of COSBOA we have had some increased focus on our needs. Some time ago the federal Treasury created a division solely focused on small business and the then Department of Innovation also restructured to create a small business division. Now with the placing of the Small Business Ministry in the Treasury group of portfolios we have a further increase in the focus that we receive from policy makers.

## Small Business Financing Round Table and Report

The development of a [report](#) with the ABA, with the support of NAB, was another first achieved by COSBOA. This is the first time a coherent report on small business financing has been available and this will impact on the way financial institutions and policy makers consider our needs and what processes and communications work best.

This report came from a meeting with the CEO of the Australian Bankers Association where we agreed that better information was needed on issues around small business financing. We needed better statistics, we needed to define the number of people who couldn't get a loan and also determine why. The report showed that 10% to 15% of small business people wanted but could not get a loan. This might seem a low figure but it is actually between 200k and 300k businesses. The report also showed that most of these businesses wanted to grow, to employ more people, to convert innovation into a profitable business.

## National Focus on the Duopoly (Duopsony)

The dominance of Wesfarmers and Woolworths continues to impact negatively on the small business community and on productivity. COSBOA is leading the way in keeping this issue in focus. Recently the ACCC limited shopper docket petrol discounts to 4 cents. Coles was also fined some \$15m for unconscionable conduct and the ACCC is currently in court with Woolworths on the same issue. There have been many organisations and people fighting the dominance of the duopoly and COSBOA has been at the forefront of this group. The fight is nowhere near over and the recent highlighting of the duopoly as also a [duopsony](#) is the next step in getting policy makers and ideologues to understand the negative state of productivity is in many ways a problem created by the dominance by these two firms.

## Workplace Relations

This is always a difficult policy area as it has a history of ideology rather than practical outcomes especially for the small workplaces in Australia of which there are more than 750,000 employing between 4.5m and 5m other people. We have worked closely with the Fair Work Ombudsman and the Fair Work Commission to improve communications and process and believe we are closer to an understanding that small business workplaces are very different from large workplaces and need a different approach.

We have led the debate on whether or not we need a small business industrial award which has placed a focus on our needs. We and the Pharmacy Guild have also lead the way, with the President of the FWC Justice Iain Ross, in having awards written in plain English. This is being resisted by big business associations and the unions who prefer complexity.

We have also brought to the public eye the scam that is being run by the Retail Union (the SDA) that provides lower than award penalty rates on weekends for big business while small business have to pay high rates.

## Mental Health

COSBOA through the activity of our small business champion Leanne Faulkner have finally placed mental health for small business people as an issue. Up until recent times we were expected to provide support for our employees but no one, not even the Human Rights Commission, gave credence to our call for 'health for all'. With the Australian Tax Office leading the way we finally have commenced getting a better deal for small business people. This has been resisted as big business

people and ideologues know if a small business person receives the same treatment as any other person when it come to health that policies and behaviours will have to change.

### **Late Payments by Big Business**

COSBOA has been pushing for a focus on the disgraceful approach to paying small business people that is adopted by far too many big businesses. Australia ranks last globally for paying on time and this has to change. The fact that a big business that has plenty of cash reserves will use a small business as a bank that basically provides an interest free loan shows how poorly small business people are treated. We are working with our Ombudsman to fix this problem.

### **Affect on Membership**

As a result of our advocacy we have had record membership and a greater diversity of industries represented at the council. There is no doubt that strength comes from members and increased membership is an unambiguous sign of relevance for COSBOA. In more recent days the Australian Chamber of Commerce and Industry (ACCI) has aggressively targeted our members to join. ACCI and the BCA have also spent much time with media and policy makers attempting to undermine COSBOA. We'll keep up the good fight and hopefully they will back off. ACCI in particular is disappointed that they are not seen as the only voice for small business. These are fine organisations but they should focus on their job not on undermining others.

### **Divested Interest**

Often COSBOA's so called vested interests are seen to be about 2.5m people who employ another 4.5m people and are the backbone of the economy – that isn't vested that is divested interest.