

Small Business

AUSTRALIAN DEMOCRATS ACTION PLAN
SMALL BUSINESS
TAXATION, FINANCE & CORPORATE AFFAIRS

The Australian Democrats have long recognised that small business is crucial to Australia's social cohesion and economic prosperity, providing strong competition and employment growth. A recent study estimated that the total value of family-owned businesses in Australia in 2006 was a very large \$4.3 trillion. For many years we have successfully pushed in the Senate for reform of trade practices law, taxation, industrial relations and competition policy to benefit small business.

"The Democrats have an instinctive bias for the smaller underdog, and we have always recognised the important social and economic role small business has in Australian society."

Senator Andrew Murray
Spokesperson
on Corporate Affairs

Unfair competition and predatory business practices by some big business sectors still stack the odds against many small businesses, resulting in a less competitive market, reduced employment and poorer and more limited choice for consumers. The Federal Court decisions in Boral, Rural Press and Safeway have further highlighted problems with the court's interpretation of key sections of the Trade Practices Act.

The Australian Democrats support all the recommendations of the 2004 Senate Committee Report on *"The effectiveness of the Trade Practices Act 1974 in protecting small business"* and we call on the Government to implement those recommendations which remain outstanding.

Our Action Plan

- Push for Trade Practices Act reform to give it real teeth and give small business enforceable protection from anti-competitive abuse of market power;
- Lobby for the inclusion of divestiture provisions in the Trade Practices Act;
- Lobby for proper recognition of small business' contribution to the economy and society;
- Pressure the Government to implement the outstanding recommendations from the 2004 Senate Committee report on The effectiveness of the TPA 1974 in protecting small business;
- Oppose further deregulation of trading hours because of its negative impact on family life, particularly for small business owners;
- Support ongoing changes to taxation legislation to streamline paperwork for small business;
- Support changes to deal with red tape required to comply with federal, state and local laws;
- Support legislative change to give small business the right to charge Commonwealth government offices interest on accounts which go unpaid for more than 30 days;



Other ACTION PLANS are available online at
www.democrats.org.au

Last updated 25/09/2007

Small Business

- Support the establishment of an entity for small business to assist with form filling, checking and distribution of contributions to superannuation funds;
- Introduce a simple, standard disclosure form for financial service advisers to reduce paperwork;
- Support open and transparent market principles being applied to the retail property sector and in particular tenancies in large suburban shopping malls; and
- Lobby for section 46 of the TPA to be supplemented to provide for a reverse onus of proof test where, once the ACCC has established that the firm with a substantial share of a market has used that power, on the motion of the ACCC the onus of proof shifts to that firm to prove it did not use that power for a prohibited purpose.

The Issues

The Trade Practices Act was designed to protect consumers and maintain competition by not favouring vested interests of a particular business sector. However, the court's interpretation of sections 46 and section 51 favours big business over small and medium business. The TPA should protect all business from anti-competitive conduct. The Democrats have never sought to protect competitors from competitive conduct, but to properly implement the stated purpose of the Trade Practices Act as originally passed.

Retail tenancy and franchising remain areas in which significant reform for small business is still required. The Democrats have long lobbied for open and transparent market principles to be applied to the retail property sector especially for small business tenants in large shopping malls.

The Democrats have long lobbied for a more streamlined taxation and regulatory system for small business and support further Government amendments here.

The Democrats recognise that access to finance on fair terms for small business is crucial to its success and we support the restoration of full funding to the Export Markets Development Grants scheme.

The Democrats are concerned about the impact of interaction with government departments on small business and are committed to implementing change in this area, through technology.

A crucial role that the Democrats are committed to playing in the Senate is to ensure that all laws which may impact on small business are subject to public scrutiny through the Senate Committee process, so that the voice of small business is heard and taken into account.



CONTACT US

(03) 9416 1880

Lv 1, 62 Wellington Parade, East Melbourne VIC 3002
inquiries@democrats.org.au

Authorised by Jack Evans, 5 Poinciana Place, Wanneroo WA 6065
Printed by Senator Lyn Allison, Parliament House, Canberra ACT 2600