

Beware unnecessary additional burdens on small business, survey says

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Governments ought to be wary of adding to red tape and regulatory burdens when business confidence is so low – that is a key message of the most recent independent small business survey, published yesterday by Deloitte's.

The Black Ink[®] survey reports a stagnation of business growth amongst accounting and legal SMEs, with only 3.8% of respondents saying clients had experienced business growth in the previous quarter, down from 45.1% in June 2010. It identified regulation as an area of concern.

The survey follows recent official statistics showing South Australia lagging behind the rest of the country in terms of business/consumer confidence.

FCA Executive Director Steve Wright says the report is disconcerting news for the \$9 billion South Australian franchise sector and the thousands of franchisees and employees who work in it.

“The strong message to the South Australian Government should be that at this time the small business sector needs proactive support, not extra taxpayer funded bureaucracy which will serve only to put a brake on business investment,” Mr Wright says.

A case in point is the *Small Business Commissioner Bill 2011* tabled in the SA Parliament on 28 July by Small Business Commissioner Minister Tom Koutsantonis.

“Mr Koutsantonis told the Parliament this bill mirrors the Victorian SBC model. But the truth is it goes much further -- to the point it is actually a defacto franchising bill, with heavy new penalties and the potential for different rules to those which exist in the rest of the nation,” Mr Wright says

“If Mr Koutsantonis thinks this will inspire business growth in SA, he is wrong. He needs to pull back from this aggressive approach and return to what the Victorian and other State Governments have recognised is the sensible approach – a Small Business Commissioner office which focuses on quick affordable dispute resolution, not one which sets up an expensive quasi tribunal.

“Small business needs reduced red tape, not a new big-stick bureaucracy which would cost taxpayers millions of dollars a year to run.”

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