

New small business Ombudsman

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7 September 2015

Following a period of consultation on a discussion paper, the Australian Government has recently decided to change the Australian Small Business Commissioner into the Small Business and Family Enterprise Ombudsman (Ombudsman). The change is designed to deliver greater benefits for small businesses.

Background

The Government first announced details of the new Ombudsman in 2013, intending that it would be:

- a Commonwealth-wide advocate for smaller enterprises;
- a single entry point agency for small business to access Federal Government small business programs and support;
- a contributor to making Federal laws and regulations more small business friendly; and
- a concierge for dispute resolution.

On 18 August 2015, the Senate passed legislation to establish the Ombudsman to replace the existing Australian Small Business Commissioner. The title of the Ombudsman reflects the expanded functions and powers of the new department.

Role of new Ombudsman

Under the *Australian Small Business and Family Enterprise Ombudsman Act 2015* (Cth), the functions of the Ombudsman will be to:

- undertake research and inquiries into legislation, policies and practices affecting small businesses and family enterprises;
- report and give advice to the Minister on those matters;
- contribute to inquiries by others into those matters;
- contribute to developing national strategies on issues affecting small business;
- review proposals relating to those matters and advising the Minister on them;
- and
- promote best practice in dealing with small businesses and family enterprises.

Advocating for small businesses & family enterprises

The Ombudsman will be a Commonwealth-wide advocate for small businesses and family enterprises. The Ombudsman will have the power to conduct inquiries into the effect of relevant laws, policies and practices on small businesses and family enterprises, and consider how they can be improved.

The Ombudsman will also conduct research or make inquiries into the effects of relevant legislation, policies and practices on small businesses or family enterprises, or a class of small businesses or family enterprises for the purposes of providing advice that may help such businesses.

Acting as a concierge for dispute resolution

If a person asks the Ombudsman to provide them with assistance for a dispute in relation to a relevant action, the Ombudsman can make recommendations on how the dispute may be managed. This will involve helping smaller businesses by connecting them with the organisation that would be best suited for resolving their complaints and disputes. The Ombudsman will also offer its own alternative dispute resolution services. What this means for smaller businesses is that they will receive the assistance they need to focus on operating their businesses instead of being caught up in dispute resolution.

Conclusion

The establishment of the new Ombudsman should hopefully assist small businesses to grow, rather than being caught up in unnecessary Government red tape and bureaucracy. The Ombudsman's role of acting as an independent advocate as well as being a concierge for dispute resolution should help small business to receive straightforward and honest advice.