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Ms Carmel McGregor PSM
Head Reviewer
ASBFEO Review
Department of Industry, Science and Resources
CANBERRA ACT 2600

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Dear Ms McGregor

CPA Australia submission in response to the ASBFEO Review (“the Review”)

CPA Australia represents the diverse interests of more than 168,000 members working in 100 countries and regions supported by 19 offices around the world. We make this submission on behalf of our members and in the broader public interest.

We support the continuation of the Australian Small Business and Family Enterprise Ombudsman (ASBFEO), although we believe there needs to be clarity around its role.

The ASBFEO has become an increasingly effective independent advocate for small business, especially during the COVID-19 pandemic. It also plays a role in supporting small business navigate the Federal Government’s bureaucracy, however, it appears that this aspect of its role is receiving less attention.

Interaction with ASBFEO

The ASBFEO has in most circumstances been easy to engage with. We generally find it to be open and consultative, not only on issues subject to formal reviews, but on a wide range of issues impacting small business. We have also generally found it to be proactive in engaging with us and open to feedback. This has especially been the case during the pandemic.

We suggest that the Review emphasises the importance of the ASBFEO remaining neutral in the conduct of its inquiries and research, and for it to engage with all relevant stakeholders when undertaking such work.

Improvements to the ASBFEO

The ASBFEO seems to have increased its focus on its advocacy role in recent years. While it is very important to the small business sector to have a vocal advocate within government, the small business assistance part of its role is also significant to the sector and is important with respect to the effectiveness of the advocacy role. That is, the assistance role can help to identify systemic issues and gives it deeper insights into the challenges that small businesses face, which in turn can inform its advocacy activity.

The role of ASBFEO in leading inquiries into small business issues can present challenges. Issues such as insolvency require policy experience and expertise that sit with other government agencies and industry. Due to the broad subject matter and diverse policy areas that small business encounters, it may be better for ASBFEO to advocate for, rather than lead or initiate some inquiries. For example, on a complex and multi-faceted issue like business taxes, the ASBFEO could advocate for a review by the Treasury or the Productivity Commission, or for an expert independent review.

The Review should consider whether the ASBFEO ought to focus on shorter inquiries into smaller, systemic policy and administrative issues, such as the administration or effectiveness of specific government small

business support programs. One approach to support that change in focus for the ASBFEO would be for it to increase its attention on assistance or for it to establish a complaints handling process.

An expansion of its role into complaints-handling would:

- give it greater access to information and trends, which is important to it becoming a more effective advocate; and
- be more consistent with the traditional role of an ombudsman.

An example of such a role is the Inspector General of Taxation and Taxation Ombudsman (IGTO). The IGTO uses the intelligence it gathers from its complaints-handling role, plus its engagement with industry, to identify tax administration issues it can investigate and on which it can make recommendations.

The Review may therefore wish to consider what powers and responsibilities of the Commonwealth Ombudsman could be transferred to the ASBFEO. An alternative could be expanding the sharing of anonymised aggregated data on small business complaints between the Commonwealth Ombudsman and the ASBFEO.

If the Government decides that the role of the ASBFEO is to focus on advocacy, then the Review should consider how best to transfer the ASBFEO's current assistance functions to other government agencies. The Review should also consider recommending a name change to more accurately reflect this role, such as to the Small Business Advocate.

The Review may also wish to consider how the ASBFEO can improve its engagement with its state-based counterparts to better coordinate advocacy activities on small business issues of national importance. For example, issues that arise in multiple states.

Overall, the ASBFEO makes a positive contribution to small business policy development. However its roles need more clarity, as well as the resources to match that clearer role.

If you have any questions, please do not hesitate to contact Gavan Ord on 0419 547 782 or gavan.ord@cpaaustralia.com.au.

Kind regards

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