



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

11 August 2020

The Hon Michael Sukkar MP
Minister for Housing and Assistant Treasurer
PO Box 6022
Parliament House
Canberra ACT 2600

By Email: prebudgetsubs@treasury.gov.au

Michael

Dear Assistant Treasurer

This office strongly supports the Government's focus on growing the economy and creating jobs for Australians in a post-COVID-19 environment. Small and family businesses are critical to this mission, with SMEs accounting for 76% of all new jobs created in 2018.¹ My office has very recently produced two reports that will assist the Government in prioritising programmes and policies to further support and revive small business.

Our COVID-19 Recovery Plan presents a package of reforms which are essential to improve the economic and regulatory environment for small and family businesses. Two initiatives alone that would improve cash flow and stimulate investment would be making the instant asset write-off capital allowance permanent and mandating 30-day payment terms to small business suppliers across the economy. A copy of the Recovery Plan is attached for your information.

The final report of our inquiry into insolvency practices could not be timelier. We strongly urge the Government to immediately establish a Small Business Viability Review program to subsidise appropriate professional advice to small business owners who are facing tough decisions around continued trading, employing and closing down. This should be accompanied by an extended moratorium on insolvent trading, to provide time to implement the advice. Small business owners, unlike large companies, more often than not have their family home as security and do not need the added stress and uncertainty of possible foreclosure and homelessness.

If you would like to discuss this submission or our reports, please contact Miss Alexandra Hordern on 02 6121 5404 or by email to Alexandra.Hordern@asbfeo.gov.au

Kind regards

Kate Carnell

Kate Carnell AO
Australian Small Business and Family Enterprise Ombudsman

¹ <https://business.nab.com.au/wp-content/uploads/2020/07/Supporting-Economic-Recovery-What-we-can-do-for-Small-Business-2.pdf>