



OFFICE OF THE PRIME MINISTER  
CANBERRA

The Prime Minister has sent the following letter, dated 7 July 1995, to Mr Christopher Edwards, Chairman of the National Small Business Forum.

Over recent months issues affecting small business have become a particular focus for community and media attention.

Small business operates within an especially competitive and dynamic environment and from time to time decisions of various Governments can have a significant impact on operations. Interest rates and inflationary pressures are probably the most important macroeconomic matters for small business and in that area I am proud of my Government's achievements. But, at any point, there will always be a range of more specific concerns facing small business and, accordingly, Senator Schacht, the Minister for Small Business, keeps me well informed on the issues raised at the Small Business Forum.

One of those issues recently has been the legislation relating to unfair dismissals. I was pleased that the Government was able to announce the proposed changes to the unfair dismissals provisions of the Industrial Relations Act in the lead-up to the Forum held in June. I have been told that the proposals were well received by the members of the Forum and I am glad that we have been able to respond to the concerns of the sector.

A cooperative approach has been pursued by the Minister for Industrial Relations, Laurie Brereton, in consultation with his State counterparts, the ACTU and members of various employer groups. This demonstrates that the Government is committed to ensuring that not only do we have a system which provides workers with fair protection, but also an environment which is conducive to private sector activity and employment growth. We are confident that the new unfair dismissal arrangements will mean that the system is reasonable and balanced for both employees and employers.

It was also with the interests of small business in mind that the Government introduced the Corporate Law Simplification Bill. Its essential motivation is to reduce both the paperwork burden for small companies and the cost of compliance with Government regulation.

I was disappointed, therefore, that the Senate failed to pass the Corporate Law Simplification Bill during the final week of the Budget session. The Government is committed to providing easier and cheaper access to the legal system for small business, and the provisions contained within the Bill would have done just that.

It is difficult to understand why the Opposition prevented the passing of the legislation, especially when it knew that failure to pass the Bill in time for commencement at the start of the 1995/96 financial year would delay implementation of the legislation for a significant time. If I was in small business I would be wondering why Mr Howard and the Coalition have chosen to deny small business access to a simpler and cheaper legal system until at least 1 July 1996. This action punishes around 850,000 small businesses in Australia and contradicts starkly the Opposition's claims to be red-tape cutters and to have a special concern for your sector.

I welcome the role the Small Business Forum's continues to play in raising matters of concern and exploring avenues to address them. Your discussions with Senator Schacht form a valuable input into the Government's current consideration of our response to the Gardini Review of the Franchising Code of Practice as well as options for addressing small business concerns with 'unconscionable conduct' as it relates to the Trade Practices Act.

I understand that the Small Business Forum now has an agreed position concerning the effectiveness of the 'unconscionable conduct' provisions of the Act, and has called upon the Government to consider strengthening the provisions. Given that this has been a particularly difficult issue for the Forum to deal with, this should be seen as an important achievement.

The Government will seek to ensure that a cooperative and responsive approach is adopted in addressing both the Franchising Code of Practice and the issue of unconscionable conduct. We seek solutions which will enhance the business environment for small and medium enterprises. That is, after all, our common objective.

ENDS