



JOINT PRESS RELEASE

**THE HON. TONY ABBOTT MHR, LEADER OF THE OPPOSITION,
THE HON. BRUCE BILLSON MP, SHADOW MINISTER FOR SMALL BUSINESS,
DEREGULATION, COMPETITION POLICY AND SUSTAINABLE CITIES**

OPPOSITION TO PURSUE SENATE INQUIRY ON ACCESS TO SMALL BUSINESS FINANCE

Despite an improving economy, small businesses continue to face difficulties in getting access to adequate and affordable finance.

The Opposition has listened carefully to the widespread concern in the small business community and recognises that available and affordable finance is the oxygen needed to support small business as the engine-room of the Australian economy.

Federal Opposition Leader, Tony Abbott and Shadow Small Business Minister, Bruce Billson, today announced that the Coalition will pursue the establishment of a Senate inquiry to highlight the financing challenges faced by small businesses and to examine possible ways of addressing this obstacle to economic recovery and jobs growth.

“If small business is to play its part in driving economic recovery and jobs growth, timely access to finance on reasonable terms is an important pre-condition”, Mr Abbott said.

“Restricted access to finance risks impeding growth, investment and expansion plans and undermining the employment-generating potential of the small business sector.

“The impact of the Government’s bungled handling of the bank deposit guarantee on second-tier lenders is still being felt and has limited competition and choice for small business finance.

“The Rudd Labor Government is indifferent to small business. In contrast, the Coalition recognises that small business survival and success is crucial to the economic security of millions of Australians and the sustainable recovery of Australia’s economic and employment prospects”, Mr Abbott added.

Mr Billson said that real ongoing difficulties accessing finance are a key concern for small businesses.

“Almost without exception, small business operators and their peak advocacy bodies are sharing stories of small businesses facing higher costs and charges and sudden re-risk rating requiring them to provide greater security for their loans.

“In some cases, small business owners are being forced into putting up their family homes as security for the first time despite years of profitable trading and little change in the trading environment in which they are operating.

“The once wry line that *‘a bank will only lend small business money if you offer your house and first born as security’* is now all too real for too many that have been loyal and dependable customers with years of business success, strong trading performance and a positive future”, Mr Billson said.

Specific aspects of the Senate inquiry that will be proposed by the Opposition include:

- (i) the costs, terms and conditions of finance and changes to lending policies and practices affecting small businesses;
- (ii) the importance of reasonable access to funding to support small business expansion and the sector's contribution to employment growth and economic recovery;
- (iii) the state of competition in small business lending and the impact of the Government's banking guarantees;
- (iv) opportunities and obstacles to other forms of financing e.g. equity to support small business 'start ups', liquidity, growth and expansion;
- (v) policies, practices and strategies to enhance access to small business finance that exist in other countries; and
- (vi) any other related matters.

Mr Abbott and Mr Billson indicated that they will be working with Coalition Senate Leader, Nick Minchin, and cross-bench senators to secure Senate support for the inquiry.

The announcement of the Opposition's commitment to pursue a Senate Inquiry on access to small business finance was made in the Melbourne suburban electorate of Deakin. The former sitting member and Liberal candidate for Deakin, Phil Barresi continues his ongoing strong advocacy in support of small business.

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