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Treasurer 'Captain Feather Sword' Swan Failing Small Business

The latest in a string of Reserve Bank increases in the cash rate and flow-on interest rate rises shows how Treasurer Wayne 'Captain Feather Sword' Swan and the Gillard Labor Government are failing small business people.

By boasting about the buoyant 'big end of town' economy and mining sector momentum, Treasurer Swan has encouraged the Reserve Bank to conclude that "*the Australian economy indicates growth around trend over the past year*".

The Reserve Bank must look beyond Treasurer Swan's self-serving boasts about the economy's general strength and have a closer look at small business and family enterprise trading conditions to properly gauge how rate rises are making hard going even worse for the 'engine room' of the Australian economy.

Smaller enterprises, particularly in retail, hospitality and discretionary expenditure sectors, continue to struggle with challenging trading conditions, ever increasing costs and price-sensitive consumers.

While the Reserve Bank needs to have a good hard look at small business conditions, the Commonwealth Bank needs to have a good hard look at itself.

Claims by the Commonwealth Bank that increased funding costs, despite Reserve Bank and Treasury assessments to the contrary, justify exploitative interest rate rises at near double the Reserve Bank cash rate adjustment deserve to be greeted with cynicism and condemnation.

The Government's acquiescence and the Treasurer's pathetic angry waving of his 'feather sword' at the big banks' excessive rate rises adds insult to injury for small businesses facing reduced access to more expensive finance in a difficult economy.

The ability of hugely profitable big banks to exploit reduced competition to gouge even larger margins justifies a proper examination of the Coalition's banking reform proposals that will help the economy, consumers and small businesses.

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