



United Retail Federation

Serving Members Australia Wide™

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Retailers Applaud Proposed Government-Owned Small Business Bank

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Peak national industry body, the **United Retail Federation**, has applauded the proposal by the Tony Abbot Coalition to investigate the merits of a government-backed Small Business Bank saying that, "it is probably the single most effective solution to the current Armageddon financial situation facing the small business sector".

Scott Driscoll, National President of the **United Retail Federation**, has been calling for a return to a government-owned banking institution that looks specifically at solving the myriad of financial hurdles currently crippling the small business and retail sectors which are locking off required capital.

"The small business and retail sectors, in particular, have been crippled by an unsustainable barrier to access finance so the idea of looking at a government owned financial institution is certainly one we would welcome and an idea I have been calling on Government to consider for some time now," Mr Driscoll said.

"We are currently faced with a situation where banks are literally changing the rules overnight. The major banks are insisting on burdensome refinancing terms for small business or just simply refusing to consider new lending. Certainly their reluctance to reduce interest rates on business loans in line with residential mortgages is yet another indicator for the need for a purpose built Government Small to Medium Enterprise (SME) Bank.

"There are small businesses that are actually folding due to this situation where the terms they are facing and the incredible delays imposed are costing them major business contracts and growth opportunities as a result.

Mr Driscoll said a "Crown-owned" small business bank was of "immediate importance" due to the resistance of the banks to reform their lending practices in regards to SME's

"Any banking system that continually pumps capital out into housing at the expense of the entrepreneurial, productive and job creation rich SME areas of our economy is a disaster for Australia.

Mr Driscoll said the Rudd Government's Small Business Minister was "small-minded and without connection to the SME sector" for immediately opposing the proposal and labelled his performance in the portfolio as "the most pathetic I have seen of any Rudd Government Minister".

"Acquisitions that have directly lessened the ability for small business to acquire funding via swallowing up of banks, such as Bank West and St George by the Commonwealth and Westpac banks, have been waved through by the Rudd Government at the expense of small business operators across Australia.

"The Small Business Minister is highlighting yet again, his ineffective approach to dealing with issues of critical importance to small business by his negativity towards real solutions for small business and should be removed from this Ministry by the Prime Minister in the national interest. I simply have no confidence in this Minister to understand what really matters to small business when he prefers to perform stunts for the media instead of securing positive policy outcomes," Mr Driscoll said.

For further comment call Scott Driscoll on 0413 831 045.