

Minutes – Small Business Council meeting

Date and location	8 May 2019 G.17, Ground Floor, MBIE, 15 Stout Street, Wellington
Attendees:	Tenby Powell (Chair), Terry Baucher, Alison Brewer, Rachel Brown, Anthony Buick-Constable, Nicole Buisson, Paul Dansted, Karen English, Jim Gordon, Andy Hamilton, Matt Ritchie, Tania Siladi, Keith Taylor, Leeann Watson, Jerry He, Patti Poole (Secretariat), Kathy Brightwell (Secretariat), Ed Tregidga (Secretariat), Sassi Berger (Secretariat)
Guests:	Hon Stuart Nash (Minister for Small Business), Jade Gribben (Small Business Private Secretary), Jon Cable (Principal Policy Advisor, MBIE)
Apologies:	Deb Shepherd (Deputy Chair), Allison Lawton
Conflicts of Interest:	Compiled on a conflicts register

Item	Topic	Discussion	Action
1	General business	<p>Opening from the Chair</p> <ul style="list-style-type: none"> Chair opened the meeting at 10.00am. Council discussed representation at the Just Transitions Summit and asked the attendee to gauge interest of small business in the recommendations at the Summit. <p>Previous minutes and actions</p> <ul style="list-style-type: none"> The minutes for the previous meeting were confirmed. <p>Discussion and updates</p> <ul style="list-style-type: none"> The Prime Minister’s Business Advisory Council’s (BAC) compliance group would like to 	

		<p>meet with Council's compliance group. A meeting will be organised for the end of May.</p> <ul style="list-style-type: none"> • Chair noted that the Council and BAC have not yet met officially and a meeting may not happen until after the strategy comes out. • Council discussed how the 3 Horizons can be reflected in the small business strategy. 	
Item	Topic	Discussion	Action
2	Minister's address	<ul style="list-style-type: none"> • Minister thanked Council for their work. • Minister advised Council to not be afraid of being ambitious and innovative in their recommendations. • Minister mentioned there has been a lot of talk about small business in other policy areas recently (e.g. future of work) and he emphasised that other Ministers are primed and ready to hear about small business initiatives. • Minister emphasised he wants a strategy for small businesses because they are an important part of the economy. Minister noted that, while there are limited resources for implementation, he is keen to see a strategy for taking small business forward. • Minister also advised Council that it is all right to say that they need to do more work on certain areas. The Council does not have to have all the answers. • Chair explained how the Council used time horizons and asked Council members to tell the Minister about their key recommendations. • Minister emphasised that if there are things that are easy to implement he wants to hear them too – nothing is too small or too big. • Council subgroups outlined their thinking and main recommendations. • Minister emphasised he is happy to see Living Standards Framework being used to underpin the strategy and it is a core part of this government's brand. • Council and Minister discussed that many SMEs struggle to understand how and why to adapt for the future but for the ones that understand it, it can be a game changer. Those SMEs need support. Small businesses are time poor and face a challenge in attracting good people. • Minister asked about costs for small businesses getting government procurement contracts. Council advised SMEs often don't know the full cost of procurement, which can 	

		<p>be significant. They are likely to give up on the procurement process as the costs mount.</p> <ul style="list-style-type: none"> Minister noted that SMEs don't necessarily want to make more money or employ people, they just want more time. He suggested giving them a value proposition around change that will give them more time. Minister advised he is looking forward to the strategy <p style="text-align: center;">Redacted consistent with s9(2)(g)(i) of the OIA</p>	
Item	Topic	Discussion	Action
3	Developing recommendations for ongoing support structures	<ul style="list-style-type: none"> Council discussed the difficulty in deciding on structures for implementing the strategy when the strategy is not complete yet. Chair emphasised the need to decide on how to improve the environment for small businesses and what vehicle is best placed for this. Secretariat pointed out that Council does not have to decide on one option today. They can decide what they think will not work and what they want to know more about. Council asked for information on what structures are used in other countries. <p>Presentation on possible support structures</p> <ul style="list-style-type: none"> Secretariat explained advice on how the ongoing support structures will be separate from the strategy document. Secretariat asked Council to consider the problem definition first and then what functions will address the problem definition. Council discussed the current support system is not SME centric and small businesses are very different to large businesses. Council discussed that SMEs are not always represented and their voice is not heard in the development of policy and legislation. Individual small businesses don't have the time to input into policy processes. Council questioned whether government have the channels to hear what small business has to say. Chair noted there is not a collective voice for small business. Council discussed the need for a small business voice, but also a regional and sector focus. Council noted that it is difficult to engage with small business, because they often don't react to writing (emails etc.) and don't have time to go to meetings. Therefore policy makers have to go and talk to them. 	

		<ul style="list-style-type: none">• Council noted the need for early engagement with small businesses before decisions are made and using trusted intermediaries to communicate.• The language used to communicate with small businesses is antiquated. The way people listen and hear things is different to 10 years ago. This can create a barrier (with government seen as a barrier rather than helper). Language needs to be simple, user-friendly and recognisable.• Government needs to provide incentives for small businesses to do things rather than requiring them do things.• Council discussed how to make government attractive for small businesses to approach for help rather than being forced to engage by rules.• Council discussed that no matter the functions, a support structure must have focus, connection and relatedness with small business.• Council discussed that more data is needed to understand small businesses. The current data are incomplete and may miss insights so there is a need to talk to small businesses directly to understand them.• There are already existing models that are connected to up-to-date data like Xero, banks, and accountants. Data needs to be real time to be useful, not delayed like most government data.• The government's role should be as enabler to create an environment of certainty for small business and then get out of the way. Council discussed that government needs to be careful not to compete with the private sector in delivering programmes and support.• Council explained the role of government is to identify market failures, enable changed outcomes for a better small business economy and monitor whether problems have been solved. <p>Redacted consistent with s9(2)(f)(iv) of the OIA</p>	
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4	Refining support options criteria	Redacted consistent with s9(2)(f)(iv) of the OIA	
Item	Topic	Discussion	Action
5	Refining the rationale for	<ul style="list-style-type: none"> Groups worked together to provide more detail on the rationale for their recommendations to explain why each is proposed. 	

	strategy recommendations		
Item	Topic	Discussion	Action
6	Next steps and close	<ul style="list-style-type: none"> • Council discussed the focus of the next meeting, which will be the first draft of the strategy and further analysis of support structures. • Chair closed the meeting at 3.00pm. 	