

## Minutes – Small Business Council meeting

|                               |   |
|-------------------------------|---|
| <b>Date and location</b>      | 10 April 2019<br>Xero, Level 3, 96 St Georges Bay Road, Parnell, Auckland   |
| <b>Attendees:</b>             | Tenby Powell (Chair), Deb Shepherd (Deputy Chair), Terry Baucher, Alison Brewer, Rachel Brown, Anthony Buick-Constable, Nicole Buisson, Paul Dansted, Karen English, Jim Gordon, Andy Hamilton, Allison Lawton, Matt Ritchie, Tania Siladi, Keith Taylor, Leeann Watson, Jerry He, Patti Poole (Secretariat), Kathy Brightwell (Secretariat), Ed Tregidga (Secretariat), Sassi Berger (Secretariat) |
| <b>Guests:</b>                | Nil   |
| <b>Apologies:</b>             | Nil   |
| <b>Conflicts of Interest:</b> | Compiled on a conflicts register  |

| Item | Topic            | Discussion   | Action |
|------|------------------|--|--------|
| 1    | General business | <p><b>Opening from the Chair</b></p> <ul style="list-style-type: none"> <li>Chair opened the meeting at 10.00am and thanked Xero for hosting.</li> <li>Chair reminded Council that small businesses will be coming after the meeting to network with Council members.</li> <li>Chair talked about the history of the Council' formation being the SME LEAP Summit held in January 2017 and reminded Council of its tasks.</li> </ul> <p>Redacted consistent with s9(2)(f)(iv) of the OIA</p> |        |

|  |  |  |  |
|--|--|--|--|
|  |  | <p>Redacted consistent with s9(2)(f)(iv) of the OIA</p>  |  |
|  |  | <ul style="list-style-type: none"> <li>• Council talked about the need to focus on the strategy recommendations before deciding on roles, functions and structures for implementing the recommendations.</li> </ul> <p>Redacted consistent with s9(2)(f)(iv) of the OIA</p> <ul style="list-style-type: none"> <li>• Chair highlighted the Sector Workforce Engagement Programme (SWEP) programme, its governance and collaboration model as an example of improving coordination.</li> <li>• Council noted that SWEP is largely driven by large employers and the model may not benefit small business to the same extent.</li> <li>• Deputy Chair emphasised that the conversation needs to include insights from the SME sector on what SMEs need.</li> </ul> <p><b>Previous minutes and actions</b></p> <ul style="list-style-type: none"> <li>• Government advisor addressed procurement issues raised by small business owners in last meeting noting government's policy is that intellectual property (IP) should belong to whoever is best able to commercialise it.</li> <li>• Government agencies are not supposed to retain IP, however there is currently no independent review process of practice.</li> </ul> |  |

|      |                              | <b>Communications</b> <ul style="list-style-type: none"> <li>• Council discussed work of the Prime Minister’s Business Advisory Council (BAC). The BAC has expressed an intention to work with the Council on compliance issues with the potential for a joint recommendation.</li> <li>• BAC is working on a skills pledge programme (having businesses sign up to training staff) and have expressed interest in involving Council in the launch to coordinate what it would look like for SMEs.</li> <li>• BAC is hosting an event on 4 May and has communicated an open invitation to the Council.</li> </ul>   |        |
|------|------------------------------|---|--------|
| Item | Topic                        | Discussion  | Action |
| 2    | Survey results (Secretariat) | <ul style="list-style-type: none"> <li>• Secretariat presented the main survey results, noting that the high response rate from the agricultural sector required weightings to be applied to the results.</li> <li>• The main results of the survey were: <ul style="list-style-type: none"> <li>○ Most respondents were strongly positive about their business and being a small business owner.</li> <li>○ Two thirds of respondents had ambitions to grow or expand somehow. Half of these businesses have a growth plan.</li> <li>○ One third of respondents intended to seek finance in the next five years, with half of these intending to seek a bank loan. Most businesses wanted finance for growth.</li> <li>○ About half of respondents reported issues with staff, with problems mainly relating to job applicants rather than staff shortages.</li> <li>○ Most respondents were confident in their business management skills and were least confident and most interested in learning about digital skills.</li> <li>○ Most respondents are confident in their knowledge of compliance obligations and were most likely to turn to local and central government and trusted advisors for information and assistance.</li> <li>○ Almost all respondents use some form of technology.</li> <li>○ Most respondents haven’t given thought about the low emissions target.</li> </ul> </li> <li>• Council discussed the high number of businesses that had ambitions to grow, as this finding is at odds with other surveys. Council noted that many respondents had ambitions to grow in terms of increasing their customer base but this is often at the expense of other firms.</li> </ul> |        |

|      |   | <ul style="list-style-type: none"> <li>• Council discussed the finding that half of respondents struggle to find staff, reinforcing the general perception that small businesses struggle to find employees.</li> <li>• Secretariat advised the analysis of the qualitative data will be sent out when available.</li> </ul>   |  |
|------|---|--|--|
| Item | Topic   | Discussion   | Action   |
| 3    | Confirmation of defining small business paper | <ul style="list-style-type: none"> <li>• Secretariat advised it incorporated all the Council's comments into the definitions paper and asked for any further feedback.</li> <li>• Council provided further comment on the paper. Council asked Secretariat to put implications of the strategy into the document and asked that the paper be held until the strategy is finalised so that they are aligned.</li> </ul>   |  |
| Item | Topic   | Discussion   | Action   |
| 4    | Strategy development                          | <ul style="list-style-type: none"> <li>• Deputy Chair thanked Council for their work on the strategy to date.</li> <li>• Council discussed the meta themes underpinning the strategy - productivity, diversity, innovation, mindset, regional, sustainability, innovation. Council noted that the main thing small businesses want is their time back and this is a good lens to put over recommendations.</li> <li>• Council was concerned about replicating/recommending work that already exists and noted that the Secretariat will be able to advise if something exists. Deputy Chair reminded Council of incorporating the Living Standards Framework and how the strategy contributes to a sustainable, productive and inclusive economy.</li> <li>• Council asked if Secretariat can collate all the recommendations so that the Council can look at them all together and see any overlaps or gaps.</li> <li>• Council workshoped recommendations by theme.</li> </ul> | Secretariat to compile a spreadsheet of recommendations and circulate to the Council |
| Item | Topic   | Discussion   | Action   |
| 5    | Report back and wrap up                       | <ul style="list-style-type: none"> <li>• Groups reported back and discussed the results of the workshop.</li> <li>• Council discussed at what stages businesses are open to suggestions, such as after they've struggled and when they hear from businesses like them.</li> <li>• Deputy Chair asked the subgroups to integrate the workshop material into their existing</li> </ul>   |  |

|      |                      | <p>write ups and encouraged them to integrate the three time horizons into their thinking.</p> <ul style="list-style-type: none"> <li>• Council discussed encouraging prompt payments and helping SMEs in that way. Council discussed that Xero will be doing research on payment times later this year and noted that MBIE is working on improving payment times by government.</li> <li>• Council agreed that a joint initiative with the BAC on prompt payment times by large businesses to small businesses would be very useful. Faster payment times by large businesses would be an important area for the BAC to champion.</li> </ul> |        |
|------|----------------------|---|--------|
| Item | Topic                | Discussion  | Action |
| 6    | Next steps and close | <ul style="list-style-type: none"> <li>• Chair thanked Council and closed the meeting at 3.00pm.</li> <li>• The meeting was followed by a networking session for the Council with Auckland and Hamilton-based SME owners, and economic development agencies' and Chamber representatives.</li> </ul>  |        |