

Scott Morrison faces small-business policy smackdown



Scott Morrison faces internal spotfires as rebel Nationals MPs threaten to support Labor's small-business overhaul. Picture: Kym Smith

Joe Kelly, Political Reporter, 12:00AM February 16, 2019

62 Comments

Scott Morrison is on track for an unprecedented second defeat on a key piece of legislation within two weeks, with Labor "confident" of passing a small-business policy in an alliance with Greens and independents.

The government was considering last night how to deal with another potential loss on the floor of the House of Representatives after it suffered the first defeat on legislation in nearly 80 years with the passage of Labor's refugee medivac bill on Tuesday.

The Prime Minister faces internal spotfires as rebel Nationals MPs threaten to support Labor's small-business overhaul in a damaging move that could split the Coalition, test the leadership of Deputy Prime Minister Michael McCormack and undermine Mr Morrison's authority.

The push to embarrass Mr Morrison on small business comes after the Prime Minister was forced to clarify on Thursday that he would consider a royal commission into the abuse of people with disabilities after Labor and the Greens unsuccessfully tried to defeat the government on a motion demanding the inquiry.

Labor's small-business policy, previously opposed by the government, is aimed at boosting competition by allowing a business owner claiming anti-competitive conduct against a larger rival to request a "no adverse costs order" early in a court case.

Mr McCormack's predecessor as deputy prime minister, Barnaby Joyce, said it was possible he could vote for Labor's small-business amendments, which were stapled on to a non-controversial Treasury bill and passed by the Senate on Thursday evening. "If something gives people a better prospect of equivalence before the law then I would, of course, support it," Mr Joyce said. "And I would be really interested to see the reason why others wouldn't."

The Small Business and Family Enterprise Ombudsman and former Liberal chief minister of the ACT, Kate Carnell, told The Weekend Australian that Mr - Morrison should reverse his opposition to the shake-up and back the Labor plan. "Access to justice is a real problem for small business. The government should support this amendment," Ms Carnell said. "It's a step in the right direction to addressing the power imbalance that small businesses often suffer from."

Labor noted yesterday that the Coalition had voted against its proposed "access to justice" shake-up in a 2017 private senator's bill, with government Senate leader Mathias Cormann conceding on Thursday that the government did not have the numbers to negate the amendment. The bill passed without a division.

The opposition's competition spokesman Andrew Leigh warned that the biggest embarrassment for government MPs would be the appearance of not backing small business, seen as an area of strength for the Coalition.

A government spokesman said last night that the Coalition was considering the implications of the Senate amendments but did not rule out the prospect of a position change in coming days.

The possibility of a damaging defeat on small-business policy comes as some Nationals MPs vented their disappointment at the decision to delay a vote on the government's "big stick" laws allowing energy companies to be broken up for abuse of market power.

Mr McCormack — the Nationals' leader — said the party would discuss Labor's small-business amendments next week but also indicated the government could change its position. "Like all Nationals, I will always fight to ... protect small businesses in regional Australia, especially against unfair market competition. As small business minister, I saw firsthand the benefit of cutting small-business taxes and making competition laws fairer."

Dr Leigh argued that unless the government changed its position it would be very likely to lose any vote on Labor's small-business amendments.

"I am quietly confident that the house crossbench recognises the value of this change for small business," Dr Leigh said. "The old Liberal Party of small business under Menzies has now become a party for monopolists, multi-nationals and millionaires."

"Our policy allows businesses to go to the (small business) ombudsman at the start of the case and say the case is in the public interest and get an order insulating them against having to pay costs if they lose. "We'd expect this would mean a handful of cases a year."

Ms Carnell clarified that the ombudsman would not give legal advice to small businesses but instead help them understand how they could apply to have costs waived under the Labor policy.

Joe Kelly