

FCA supports Small Business Minister's stance on lending

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The FCA has applauded Small Business Minister, Bruce Billson's stance on 'ultra conservative' lenders and regulators during a speech at a G20 Conference in Sydney yesterday.

Despite the recovery from the global financial crisis, the availability of finance for small business has not improved, and in the Minister's view, is hindering Australians going into business.

"This inability to obtain start-up finance is a strong disincentive to those looking to start a business," he said.

Minister Billson went on to question the practice of lenders often requiring the family home as collateral for business loans.

"The Government wants this to change. A lending environment where families do not have to put their home on the line to obtain finance would lead to more entrepreneurship in Australia," Billson said.

Franchise Council of Australia General Manager, Kym De Britt has welcomed the stance, saying availability of finance is a challenge for FCA members.

"Availability of finance is major issue for franchisors and franchisees alike. It goes hand in hand with the other major challenge, which is finding suitable franchisees.

Once a franchisor has found someone with brand passion, experience and drive, someone they feel confident about making a part of their business, to then be hit with the hurdle of finance struggles is incredibly frustrating for both parties. Unfortunately, it's also very common," Mr De Britt said.

"We recently surveyed our membership and can say without a doubt that our members agree with Minister Billson's stance and we look forward to supporting his plans to even the playing field for people in small business in any way we can," Mr De Britt said.

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