

Small Business, Local Enterprise, and Cooperative Development

Our Vision

The Alliance believes that small businesses, family enterprises, farmers, self-employed people, cooperatives, and locally owned enterprises are an essential part of a strong and democratic economy. They provide employment, sustain communities, and keep economic wealth circulating locally.

Small operators should not be expected to compete on unequal terms with large corporations, banks, and financial institutions. Government has a responsibility to protect smaller enterprises from excessive market power while providing them with the finance, skills, technology, and infrastructure needed to succeed.

1. Protecting Small and Family Businesses

The Alliance will ensure that taxation and economic policy do not place unnecessary burdens on small businesses, family enterprises, small farmers, and other small-scale operators.

Where taxes on land, commercial property, or other assets are introduced to address excessive concentration of wealth and ownership, appropriate thresholds and exemptions will ensure that genuinely small businesses, owner-operators, and family farms are not unfairly penalised.

The objective will be to ensure that taxation falls principally on accumulated wealth and large-scale ownership, rather than on the productive activity of small enterprises.

2. Challenging Corporate Concentration and Monopoly Power

The Alliance recognises that small businesses and self-employed people can be exploited by large corporations, banks, and financial institutions through excessive

prices, restrictive contracts, access to finance, supply-chain control, and unequal bargaining power.

The Commerce Commission has estimated that the supermarket duopoly takes around \$430 million a year in excess profits. A supplier dealing with two buyers has no meaningful ability to negotiate, and neither does a small retailer competing against them.

The Alliance will strengthen competition law and act against concentration and monopoly power so that smaller operators have genuine access to markets and are not forced into unfair relationships with dominant firms.

Small business owners, farmers, contractors, and wage earners share an interest in an economy that prevents the concentration of economic power in the hands of a small number of corporations and financial institutions.

3. A Public Development Finance System

The Alliance will establish and strengthen public development finance to provide affordable capital to small businesses, farmers, cooperatives, community enterprises, and new ventures that are unable to obtain appropriate finance from commercial institutions.

A publicly owned Development Bank will provide **concessional, low-interest finance** for productive investment, including for young farmers, agricultural cooperatives, small businesses, and locally owned enterprises.

Access to public finance will be directed towards productive economic activity, employment, innovation, and regional development rather than speculative investment.

Government-backed venture capital will be available for small-scale individual and group enterprise, particularly where it creates lasting employment or meets local economic and community needs.

4. Supporting Self-Employment and New Enterprises

The Alliance will actively support people seeking to establish viable small businesses, cooperatives, and self-employment initiatives.

Employment and enterprise resource centres will provide practical assistance, including business planning, financial management, training, employment advice, and access to government development programmes.

The purpose will be to give people the practical means to establish and sustain enterprises, rather than simply expecting individuals to succeed without access to capital, knowledge, or support.

5. Building Locally Owned Technology and Innovation

The Alliance will support the development and adoption of appropriate technology by locally owned businesses.

An **Applied Technology Programme** will provide advice, technical assistance, and venture capital for technology-based projects, with particular emphasis on small-scale and appropriate technology that contributes to the wider national development strategy.

A publicly supported technology advisory service will be available to locally owned companies, ensuring that small and medium-sized enterprises can access technological expertise that would otherwise be beyond their means.

6. Supporting Cooperatives and Local Ownership

Cooperatives provide an alternative to concentrated corporate ownership by allowing producers, workers, consumers, and communities to share ownership and decision-making.

Public development finance will give particular weight to cooperative ventures, including agricultural cooperatives and enterprises that retain economic value within local communities, with particular guidance for businesses that would otherwise shut down being bought out and turned into a cooperative by their employees.

Government procurement and development programmes should, wherever practical, support locally owned and locally based enterprises.

7. Linking Small Business Policy to Regional Development

Small business policy will form part of a wider **national and regional development strategy**.

Government will work with local communities, councils, workers, farmers, businesses, and cooperatives to identify opportunities for sustainable regional economic development.

Investment will support local employment, value-added production, innovation, infrastructure, and training. Particular attention will be given to regions where economic restructuring or the decline of major employers has weakened local economies.

The Alliance's objective is not simply to create more small businesses, but to build **strong local economies in which locally owned enterprises can thrive**.

8. Training and Skills for Enterprise

Access to appropriate skills and training is essential to the success of small enterprises.

The Alliance will expand access to business, technical, and vocational training, including through Employment Resource Centres and other publicly supported programmes.

Training will be linked to regional development strategies and emerging industries so that workers and small businesses have the skills required to take advantage of new economic opportunities.

9. A Fairer Relationship Between Small Business and the State

Government regulation should protect workers, consumers, and the environment while avoiding unnecessary administrative burdens on genuinely small enterprises.

The Alliance will work with small businesses and their representative organisations to ensure that regulatory systems are proportionate and practical.

Small-business status must not be used as a means of avoiding employment rights, health and safety obligations, environmental standards, or taxation. Where a person is a worker in substance, they should be a worker in law, whatever the contract says. Alliance workers' rights policy extends minimum employment protections to contractors for that reason, and genuine small enterprise has nothing to fear from it.

The businesses undercut by misclassification are overwhelmingly other small businesses, competing against operators who are not paying holiday pay.

10. Getting Paid on Time

Late payments are one of the most common causes of small business failure. A firm can be profitable on paper and still go under waiting for money it has already earned.

The Alliance will:

- legislate maximum payment terms for large firms and public agencies contracting with small businesses;
- require interest to accrue automatically on overdue commercial invoices, without the smaller party having to ask;
- require large firms to publish their average payment times;
- ensure public agencies meet their own payment terms and report against them.

A small business should not be providing an interest-free loan to a company many times its size.

11. Small Enterprise as Part of a Democratic Economy

We do not believe that economic policy should simply maximise the number or size of private businesses. Nor do we believe that small businesses should be left to compete against increasingly concentrated corporate and financial power without assistance.

The Alliance will build an economic system in which **small businesses, workers, farmers, cooperatives, communities, and publicly owned enterprises can operate alongside one another**, with the government providing the finance, infrastructure, skills, and regulatory framework necessary to ensure that economic power is widely distributed.

The objective is an economy in which enterprise serves people and communities, wealth is retained within Aotearoa New Zealand, productive investment is encouraged, and economic development contributes to decent employment, regional prosperity, and social wellbeing.