

Making it Easier to do Business in NSW

Annual Report 2017



Small
Business
Commissioner



Sasha Kumaravel
and Kumaravel
Balkarishan of Velsha's
Indian Takeaway, the first
successful applicants under
the NSW Outdoor Dining trial.

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Message from the Deputy Premier and Minister for Small Business

Small businesses play a key role in driving economic and jobs growth, innovation, education and regional development in New South Wales (NSW).

We interact with small businesses every day. They are an integral part of our community, providing goods, services, training and employment opportunities.

Having owned a small business for almost 20 years, I understand the challenges that come with managing a diverse workforce to navigating through a constantly evolving marketplace. With this change also comes reward. Being a small business owner is also an incredibly rewarding career, with ongoing benefits to local communities.

Right now, the small business economy in NSW is making strides. In NSW, the confidence of small to medium-sized businesses remains above the national average. As part of the NSW Government's Small Business Strategy, we are creating opportunities through investment and reform to support businesses so they are ready for now and for the future.

The NSW Government is committed to ensuring a strong, innovative and dynamic small business sector that is ready for the future and responsive to change. We have been proactive in supporting businesses affected by disasters and committed to action during times of disruption. We will continue to deliver initiatives that ensure a sustainable and supported business environment, in both metropolitan and regional NSW.

The focus of the NSW Government's strategy to support small business has been to create opportunities for businesses by reducing and removing barriers, costs and complexity and making existing regulation easier to navigate. We have had some major achievements including the Easy to do Business (EtdB) program, WeAgree platform, and retail leases reform, which make it easier to do business in NSW. The EtdB initiative won the 2017 Premier's Award for creating new jobs in NSW and in 2018 will be expanded to include the full business cycle, as well as new sectors and local government areas.

I commend the Small Business Commissioner (SBC) on the work being done in this space. The SBC continues to deliver quality business advice, mediation and dispute resolution services, speaking up for small businesses. The NSW Government continues to explore and create opportunities for reform to make NSW the easiest state to do business. I encourage small business owners to connect with and seek advice from the SBC to help them strengthen and grow their enterprises.

As NSW Deputy Premier and Minister for Small Business, I will continue to work hard for small business and ensure they have new opportunities, a good economy to work within and make NSW the easiest and number one place to do business.

A handwritten signature in blue ink, appearing to read 'John Barilaro'. The signature is fluid and cursive, written on a white background.

The Hon. John Barilaro MP



Message from the NSW Small Business Commissioner

Small business is a landscape of innovation and entrepreneurial spirit. Fostering that energy and enthusiasm is such an important part of supporting today's small businesses.

This is a time of rapid transition and change created by digital technology, which provides both a challenge and an enormous opportunity for small businesses. Running a successful small business takes time and dedication. The Small Business Commissioner (SBC) is an independent advocate for small businesses in NSW, working to ensure their interests are represented within government. The SBC is here to help small businesses operate as professionally, efficiently and as successfully as they can. We are committed to ensuring a strong, innovative and dynamic small business sector that is ready to work for the future.

It has been a terrific year. NSW is leading the other states in innovative services and the SBC continues to deliver excellent tools and services to support small businesses.

Our Mediation and Dispute Resolution Unit continues to offer information, strategic and procedural advice, and mediation services to prevent and help resolve disputes quickly and inexpensively. In 2017, we also ensured a more equal and transparent relationship between small business tenants and landlords in the retail sector through the introduction of the Retail Leases Amendment (Review) Bill 2017.

In 2018, we are committed to fulfilling the NSW Government's strategy to make NSW the easiest place to start, or grow, a business. We won the 2017 NSW Premier's Award and were named as a finalist in the 2017 Prime Minister's Awards for the Easy to do Business (EtdB) initiative, which will be expanded to offer support at every stage of the business cycle, from startup to succession planning and every step in between.

Through the Small Business Friendly Councils initiative, we have worked hard to provide fast and streamlined approval processes for small businesses, resource and efficiency savings for Councils, and consistent

statewide policies to make it easier for small businesses operating across different local government areas.

New initiatives, such as the the NSW Outdoor Dining trial and WeAgree, a free service that lets you manage your bond in one digital place, will continue to simplify the way businesses navigate government requirements, cutting time and red tape, and saving money.

The SBC has remained committed to supporting small businesses during periods of disruption. We have worked with small businesses that have been disrupted by regulatory reform, infrastructure rollouts, industry downscaling, emergencies and natural disasters to help them find effective solutions for getting their businesses back on track as quickly as possible.

We will continue to support business resilience through improved connectivity, and by building business capability and preparedness to adapt in a changing environment.

Small business owners and employees share a passion and dedication that is truly inspiring. As someone who has not only been heavily involved in the small business sector, but has also run several of my own small businesses, I know firsthand the hard work and dedication that goes into a small business and the toll it takes. I am passionate about empowering small businesses with the information, support and assistance they require to not only succeed, but to thrive and continue to inspire others.

A handwritten signature in blue ink that reads "Robyn A Hobbs".

Robyn Hobbs OAM

2017 Highlights

Key achievements



900

matters filed
800 in 2016



14,800

enquiries received
9,600 in 2016



5,500

bond matters
handled
4,000 in 2016



120

APPLICATIONS
processed for the
Newsagents
Assistance Fund

\$1.2 MILLION
funding delivered



MORE THAN
23,200

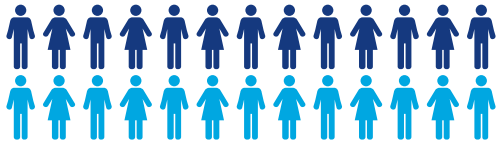
small businesses
assisted
20,000 in 2016



AROUND
150

policy and regulatory
proposals analysed
70 in 2016

The NSW small business landscape at a glance



Small businesses employ around

1.57 MILLION PEOPLE

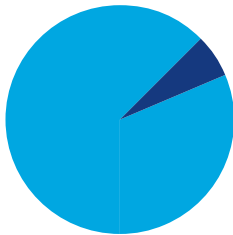
which represents 44% of the NSW workforce.¹



AROUND

736,000

small businesses in NSW²



Representing around

98%

of all NSW businesses.²

NSW SME business confidence increased 4 points to

+50

which is above the national average.⁴



The NSW small business sector pays more than



\$49.4 billion

in annual wages and salaries to employees every year¹

MORE THAN

1/3

of all NSW small business operators are born overseas³



¹ Australian Bureau of Statistics (ABS), 2017, 8150 Australian Industry, 2015–16.

² ABS, 2018, 8165.0 Counts of Australian Businesses, including entries and exits, June 2013 to June 2017.

³ ABS, 2016, 2016 census—Employment, Income and Education.

⁴ Sensis Business Index September 2017

Major achievements

Creating jobs in NSW

2017 NSW Premier's and Prime Minister's Awards

We won the 2017 NSW Premier's Award for Public Service in the 'Creating Jobs' category, and were named as a finalist in the 2017 Prime Minister's Awards for the Easy to do Business (EtdB) initiative.

The Premier's Award recognises those who have worked on programs, initiatives, innovations or improvements that have significantly contributed to the creation of new jobs in NSW, supporting the Premier's Priority to create 150,000 new jobs by 2019.

We partnered with Service NSW, the Better Regulation Division of the Department of Finance, Services and Innovation (DFSI), and the NSW Department of Premier and Cabinet to develop and implement EtdB, an initiative aimed at addressing the time, cost and complexity of doing business in NSW. Its objective is to create a customer focused, streamlined process for the approvals required by small business, through all tiers of Government. Policy harmonisation and regulatory reform is also undertaken as part of the streamlining process. EtdB provides a digital platform together with assistance from Service NSW's Business Concierge if required.

Since its introduction in 2015, EtdB has streamlined and reduced the time and administrative burden of opening a cafe, restaurant and small bar. The average saving per business as a result of this initiative is 55 hours. Work is now commencing to extend EtdB to the full life cycle of a café, restaurant and small bar, and to the housing and construction sector.

The EtdB platform is being provided free to local councils across NSW.



NSW Small Business Commissioner and the Deputy Premier with the 2017 NSW Premier's Award for Public Service in the 'Creating Jobs' category.

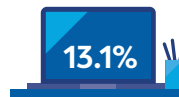
'The Easy to do Business initiative is transforming the experience for small businesses starting up and growing their businesses in NSW.'

Robyn Hobbs OAM

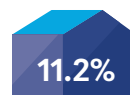
The top NSW small business industries:⁵



Construction



Professional, scientific and technical services



Rental, hiring and real estate services

⁵ ABS, 2018, 8165.0 Counts of Australian Businesses, including entries and exits, June 2013 to June 2017.

NSW Outdoor Dining trial

Outdoor dining makes local commercial centres more vibrant, boosts local economies and small businesses, and provides additional jobs. In 2017, we launched the NSW Outdoor Dining trial as part of the EtdB initiative, in partnership with Service NSW and six participating Councils across NSW.

In order to get approval for outdoor dining, food service providers in NSW have had to comply with more than nine pieces of legislation, and a number of different Council policies. This requires them to complete multiple applications and sometimes wait months just to receive approval to put a few chairs and tables outside.

The NSW Outdoor Dining trial aims to reduce this burden by requiring only one application, with eligible businesses receiving approval within two business days. It provides a fast, streamlined, self-assessment approval process to enable eligible restaurants, cafés and other food-based businesses to establish outdoor dining areas with minimal delay and hassle.

We have also worked with Liquor and Gaming NSW to make applying for permission to serve alcohol in outdoor dining areas simple and easy for businesses with an existing on-premises liquor licence.



Key benefits of the Outdoor Dining trial

- 

A streamlined, simplified self-assessment process for outdoor dining approvals
- 

The development of an online application and approval process
- 

Two business day approval
- 

Streamlined approval for boundary changes to on-premises (restaurant) liquor licenses
- 

Fee-free for the period of the trial
- 

Cutting red tape for small businesses and local Councils
- 

Reform of complex legislation, regulations and codes

'I'm sure it will help cafés and restaurants all over NSW because it saves business time and makes it easier for them to take the first step.'

Sashikala (Sasha) Kumaravel, Velsha's Indian Takeaway



Case Study

Revitalising Harris Park through outdoor dining

Harris Park business owner Sashikala (Sasha) Kumaravel expanded her restaurant outdoors as the first participant in the NSW Outdoor Dining trial.

Sasha left her job at Sydney Trains to start Velsha's Indian Takeaway in July 2017. She was excited to be the first business to take part in the trial and felt that it would bring more customers and revitalise the Harris Park dining strip.

'I spoke to Council about opening an outdoor dining area earlier this year and they gave me the forms, but I just didn't have time to do it. This new trial will make it much easier for businesses like mine in the area and I'm sure it will encourage more businesses to move outside, which will bring more customers for all of us,' said Sasha.

Sasha's regular customers had encouraged her to offer outdoor dining to improve the vibrancy of the area ahead of Spring and Summer. The Outdoor Dining trial was a perfect opportunity for her business and she hopes it will help others as well.

'I think it will be great for the area because when people see other people sitting outside it attracts more customers and keeps the area busy. I'm sure it will help cafés and restaurants all over NSW because it saves business time and makes it easier for them to take the first step.'

Sasha Kumaravel of Velsha's Indian Takeaway, with her mother, Pushpa. Velsha's Indian Takeaway were the first successful applicants under the NSW Outdoor Dining trial.



WeAgree

In July 2017, we launched the WeAgree service, which will enable self-regulation across the whole of the retail leasing life cycle.

WeAgree enables the digital collection, custody and disbursement of retail lease bonds. It creates a digital experience that will provide self-help and a bond claims and lodgment service. This allows small businesses to work in secure collaboration with other parties, building productive relationships with other businesses, providers and customers.

WeAgree will remove the costly outsourcing of trust services and reduces administrative effort. It will also provide a welcome digital self-service experience for small business operators in the retail sector, landlords and property agents.

The WeAgree service can be extended to other public or private sector fund retention and disbursement schemes to help them avoid significant IT development costs.



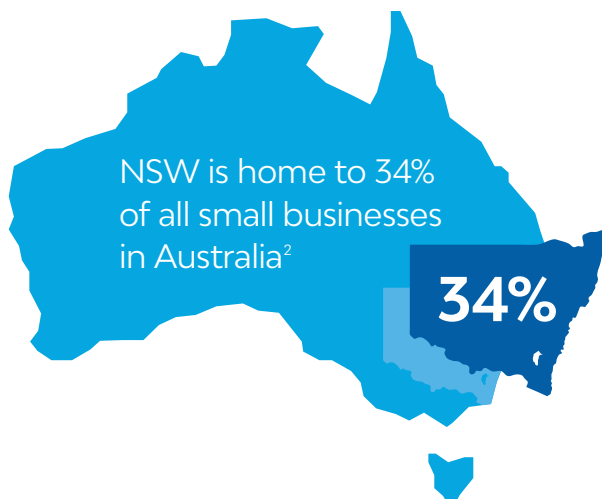
Retail Leases Amendment (Review) Bill 2017

The Retail Leases Amendment (Review) Bill 2017 came into effect on 1 July 2017 and will contribute to the continuing growth of the retail leasing market in NSW by:

- ✓ increasing transparency and certainty of the deal during the negotiation stage to ensure landlords disclose all costs in detail before the tenant is bound by the lease
- ✓ introducing or improving protections including returning bank guarantees, registration of leases and returning executed copies of the lease
- ✓ increasing operational efficiency by simplifying processes for transferring a retail lease and clarifying existing provisions.

In 2017 we undertook a regional outreach program, speaking with landlords, tenants, agents, solicitors and accountants in regional NSW. Engagement with these stakeholders helped industry to prepare for the changes and ensure compliance.

We are also developing an online education program to ensure the same information available in the outreach program is accessible to every small business operator and their advisers across NSW.



² ABS, 2018, 8165.0 Counts of Australian Businesses, including entries and exits, June 2013 to June 2017.

Motor Vehicle Insurance and Repair Industry Code of Conduct

In 2017, we helped implement the most substantive amendment to the Motor Vehicle Insurance and Repair Industry Code of Conduct since its commencement in 2006. We coordinated the industry consultation and negotiations with the insurance and repair industry stakeholders represented on the national Code Administration Committee.

The Code regulates the relationship between repairers and insurers taking part in estimation and assessment processes for the repair of motor vehicles. From 1 September 2017, compliance with the amended Code, prescribed by the *Fair Trading Act 1987*, was mandatory in NSW.

The amendments increase our responsibilities for providing mediation and expert determination, and introduce a mandatory reporting obligation for unsafe repairs.



Improving the relationship between repairers and insurers

Project Hive: Ensuring consistency for NSW beekeepers

Beekeeping small businesses depend on access to floral reserves, including those on public lands, for honey production. In NSW, the permits for sites on public lands were issued and managed by a variety of government agencies. Beekeepers were frustrated with the lack of consistency between the agencies' policies and procedures. The different systems of permit allocation, pricing, tenure and conditions created administrative burdens and uncertainty for their businesses.

In order to combat these issues, we partnered with the NSW Department of Primary Industries and applied a 'design thinking' approach to 'Hive', a project aimed at developing a consistent and transparent policy framework for managing apiary sites on public lands.

Design thinking involves directly engaging with individuals to empathise with their real-world experiences, uncover their problems and develop solutions that meet their needs. It is a multi-staged process that ensures stakeholder engagement through the entire process, from defining industry problems, to solution development and testing.

We interviewed around 30 beekeepers from all over NSW at their home or place of business to understand their experiences. This customer-centric approach enabled us to understand the needs and 'pain points' of individual beekeepers. We then tested our understanding with more beekeepers to get fit-for-purpose solutions.

To solve this problem, the the NSW Government will introduce a new Apiary Site Support Desk and online portal to provide a central point of liaison for beekeepers' dealings with government, as well as an integrated customer database to enable beekeepers to manage their businesses in one place.



Project Hive in collaboration with NSW DPI applies 'design thinking' principles to policy design and service delivery.



Design Thinking steps:

1 Empathise	Face-to-face research with target stakeholders
2 Define	Identification of problem areas and opportunities for change
3 Ideate	Brainstorming of potential solutions
4 Prototype	Development of core ideas into simple models
5 Test	Testing and refining of models with target stakeholders
6 Recommendations	Presentation of findings and recommendations

Project Thrive: Ensuring farmers are financially resilient

We partnered with the NSW Department of Primary Industries (NSW DPI) on ‘Thrive’, to improve farmers’ financial resilience by identifying programs and opportunities to improve their business skills. The project was initiated after the NSW Primary Industries Advisory Council identified a need for an improved understanding of farmers’ attitudes and behaviours in managing risk to business operations on the farm. Project Thrive follows closely on the heels of the success of Project Hive (see page 14), making it the second collaboration with NSW DPI that we have worked on that applies ‘design thinking’ principles to policy design and service delivery.

The project assessed the strength of current risk management measures and scoped areas for improvement, with a particular focus on:

- ✓ understanding how farmers assess risk management options
- ✓ identifying and addressing information gaps and/or failures in current business support programs
- ✓ opportunities for formal and informal farm business skills activities to increase capability.

Consultation with farmers to understand their experiences, motivations, challenges, and attitudes around business and financial planning was insightful, as was the feedback they provided on preferred communication channels and existing and new business planning initiatives. The insights gathered in the field were also informed by cross-disciplinary groups of stakeholders within and outside of government, to generate ideas to improve farm business planning.

Outcomes from the investigation will be used to ensure existing programs, including the Farm Business Skills Program, are well-targeted and meet farmers’ needs. Learnings will also feed into the broader review of the Rural Assistance Authority (RAA). The implementation plan is currently under development in consultation with the RAA and industry.





Supporting disrupted business

We are committed to building resilient businesses by providing tools and growing business capability to adapt to a changing environment.

We help small businesses respond to disruptive events and changes, including natural disasters, infrastructure development, special events and regulatory changes. When major changes are afoot, we work with the relevant government agencies to advocate for small businesses, and connect impacted businesses to available support.

We also visit communities, small businesses and industry sectors impacted by the changes to ensure their ongoing sustainability. In 2017 we:

- ✓ visited and assisted small businesses impacted by Cyclone Debbie, particularly in areas affected by extensive flooding, such as Lismore and Murwillumbah
- ✓ supported small businesses in the commercial fishing industry reform
- ✓ supported small businesses impacted by the Container Deposit Scheme
- ✓ supported small businesses affected by major infrastructure projects such as the construction of the Sydney Light Rail, Newcastle Light Rail, WestConnex and Sydney Metro
- ✓ ensured lessons learnt from the construction of major infrastructure projects are fed into future projects such as the Parramatta Light Rail to minimise the impact on small businesses.

Disaster response

We have continued to support businesses and communities affected by natural disasters, including businesses impacted by the flooding from Cyclone Debbie in March 2017 and previous bushfires, storm and flood events.

We provided practical and ongoing support to small business owners at every step along the road to recovery, including hands-on practical assistance to communities to help them obtain funding. We advocated on their behalf and worked closely with all levels of government to help small businesses in need of support.

Flood assistance

Cyclone Debbie hit the North Coast of NSW on 30 March 2017, leaving many small businesses with significant damage to their property, equipment and stock.

Immediate response

We responded immediately to provide support to the flood-affected businesses.

We visited businesses and stakeholders in Lismore and Murwillumbah to help impacted business operators and also attended recovery meetings and forums. Predominantly, concerns centred on cash flow, financial assistance and insurance issues.

We worked with a range of government agencies, Business Connect, Councils and Chambers of Commerce to assist businesses get back on their feet. This included coordinating a survey to understand the impact on local businesses and assisting the Office of Emergency Management to activate the Natural Disaster Relief and Recovery Arrangements and Grants.

Recovery

Throughout April and May, we visited small business operators and continued to provide them with on-the-ground support.

Our team was able to address business owners' concerns directly, and helped businesses complete their applications for loans, Category C relief funding, and insurance claims, as well as linking them up with Business Connect advisers and other services.

Dispute resolution consultations were also available for a range of business leasing and contract issues that emerged.

Insurance support

In partnership with the Insurance Council of Australia, we conducted insurance forums in Lismore and Murwillumbah to assist small businesses with their insurance issues.

We advocated on behalf of 131 businesses, helping them with their denied insurance claims. We met with the Financial Ombudsman Service (FOS) to initiate a review of the declined insurance claims and helped small business operators in Lismore and Murwillumbah complete the significant number



Chantal Waters and her team at Tweed Creative

of FOS applications. While the review is ongoing, a significant number of the claims have been upheld in favour of the business owner.

Improving the process

We helped develop emergency response plans to better equip small businesses with the tools to continue working.

The Commissioner also chaired the Lismore Business Flood Recovery Taskforce, which was set up to assist business recovery in the Lismore area and develop business preparedness for future flood events.

We are committed to proactively monitoring areas affected by natural disasters and providing assistance to support small businesses in these areas. In 2018, we plan to work with insurers to improve the General Insurance Code of Practice in the case of emergency, and to engage key stakeholders in developing initiatives that empower small businesses to build their resilience.

Through the SBFC initiative, we are working with Councils and businesses in high-risk areas across NSW to prepare for and respond to natural disasters in their communities.

Case Study

Helping small businesses recover

A winner of the Tweed Shire Business Excellence Award 2015, Chantal Waters has owned and operated Tweed Creative Studios in Murwillumbah for three years. It is an entertainment, art and creative hub for artists. The business offers music lessons, tutorials, and instrument repair services, and is filled with music collectables, equipment and local art.

Chantal's business was devastated by the North Coast floods on 30 March. The flood water caused significant damage to her property, equipment and stock. Following the flood, Chantal struggled to get the business back up and running.

Chantal firmly believes that the SBC's visit to Murwillumbah to help out after the floods made all the difference in having her Category C disaster funding application approved. SBC staff helped her to quantify her losses and complete her application. The SBC also made sure Chantal could maintain cash flow for her business during the recovery process.

'The response from the SBC was amazing and my business would not be trading if not for the help provided by the SBC with filling out the application forms for Category C funding,' said Chantal.

Chantal's application for Category C disaster grant funding was successful and helped get the business back on its feet. On 1 July, Tweed Creative Studios officially re-opened its doors.

Sydney Light Rail

We have worked to minimise the impact of the construction of the CBD and South East Light Rail project on small businesses.

The Commissioner conducted a number of street walks, spoke at several light rail workshops to support small businesses and has assisted small business to help manage any issues they were experiencing as a consequence of the construction. This included organising advice on a case-by-case basis, and participating in business forums and business reference groups that brought together key stakeholders.

We worked with the City of Sydney, Randwick City Council, Sydney Business Chamber and other key stakeholders and agencies to implement business support initiatives for businesses who were impacted throughout the construction period. This included working closely with Transport for NSW and working on their Place Activation activities to maintain foot traffic and access to businesses along the construction route.

We will continue to look for support initiatives during the Sydney Light Rail project, to ensure small businesses are supported.

Commercial fisheries reform

The NSW Government's Commercial Fisheries Business Adjustment Program introduced linkages between shares and catch or effort, and changed the way that many established commercial fishers operate. A Subsidised Share Trading Market (SSTM) was subsequently created to help active fishers acquire and trade holdings.

We provided ongoing support to fishers as they adjusted to the share linkage arrangements. We helped fishers complete their SSTM registration forms and access support for their businesses and families.

We contacted over 700 fishers and held 15 workshops along the NSW coast in the lead up to the SSTM. We provided practical assistance to over 700 fishers, such as helping them to complete their SSTM registration forms and giving them information and support to prepare for the trading market.

After the workshops, some commercial fishers expressed concerns about their catch records, catch allocations and the availability and price of shares. In conjunction with NSW DPI, we personally contacted all these fishers, reviewed 153 appeals made by small businesses in relation to their catch records, and helped 78 fishers improve their outcomes.



Small businesses are the engine room for the thriving NSW economy



NSW Container Deposit Scheme Transitional Assistance Program



To reduce litter and encourage people to collect and return containers for recycling, the NSW Government introduced a 10 cent refund on eligible beverage containers returned under the NSW Container Deposit Scheme (CDS) from 1 December 2017. To fund the scheme, companies that supply eligible beverage containers in NSW are charged fees of around 12–14 cents per container.

Several small and medium-sized businesses raised concerns that they may face short-term cash flow issues when they received their first invoices to fund the CDS, which required payment within seven days.

To assist businesses we worked with the NSW Environment Protection Authority and the Rural Assistance Authority (RAA) to develop a short-term, zero-interest loan program for eligible beverage suppliers. The CDS Transitional Assistance Program was administered by the SBC and provided NSW beverage suppliers that met the program's criteria interest-free loans of up to \$200,000 to help cover costs of the first three months of the CDS scheme.

Cyber security

Advances in technology have challenged the way many small businesses in NSW operate, and the threat of cybercrime to small businesses in NSW is no different.

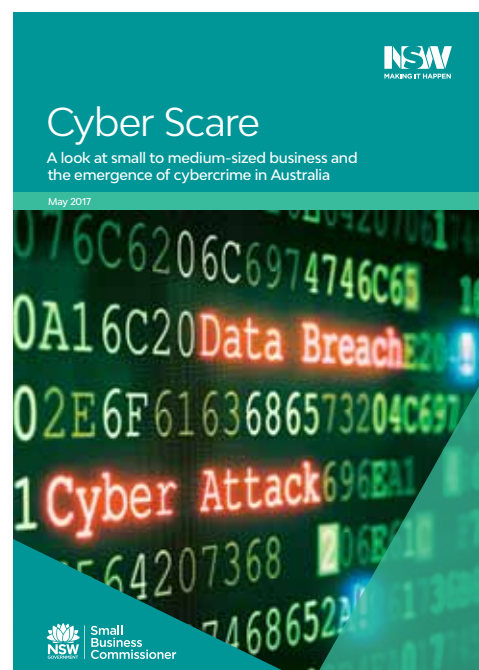
To help small businesses understand and prepare for cyber security risks, we undertook research to better understand the perceptions, attitudes and preparedness of small businesses towards cyber security risks.

During Stay Smart Online Week in May 2017, we delivered the Cyber Scare report.

The report found that small and medium-sized enterprises (SMEs) believed their limited online presence protected them from cybercrime. However, SMEs are most exposed to cybercrime through common activities such as using social media, and sending and receiving emails.

The national report on cyber security, Cyber Aware, was released November 2017, and has helped industry, government and small business owners engage in a national conversation on cybercrime.

Over 90% of businesses wanted a tool to help them manage their cyber security. Our research will inform the development of tools to improve small business education in cyber security and reduce opportunities for those who seek to compromise online systems and data.





About us

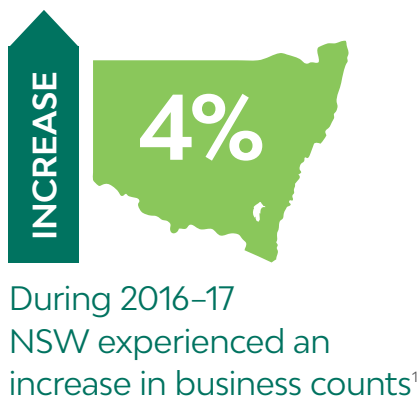
Small business in NSW

Small businesses are the engine room and driving force for the thriving NSW economy, in both metropolitan and regional areas.

- ✓ There are around 736,000 small businesses in NSW, comprising almost 98% of all NSW businesses and 34% of all small businesses in Australia.²
- ✓ Of all NSW small businesses, around 1/3 are located in regional NSW.²
- ✓ Small businesses in NSW employ approximately 1.57 million people (around 44% of the total NSW workforce).¹
- ✓ The NSW small business sector pays more than \$49 billion in annual wages and salaries to employees every year.¹
- ✓ The NSW small business sector contributes more than \$323 billion to the total of annual sales and service income (34% of the national total).¹

About the NSW Small Business Commissioner

The NSW Small Business Commissioner is an independent advocate for small businesses in NSW to ensure their interests are well represented. We are committed to supporting and encouraging small business. We provide both advocacy and dispute resolution services to businesses across the state. We work with a wide range of stakeholders—including small business owners, Councils, state and federal government agencies and industry associations—to make NSW the easiest place to start and grow a business.



¹ Australian Bureau of Statistics (ABS), 2017, 8150 Australian Industry, 2015–16.

² ABS, 2018, 8165.0 Counts of Australian Businesses, including entries and exits, June 2013 to June 2017.

STREET FOOD



BA NUESTROS
E QUESO 3,5€
craft!!



What we do

We solve problems

Our Dispute Resolution Unit (DRU) delivers frontline services to small businesses seeking information and assistance or businesses that are dealing with issues threatening their business relationships. The DRU offers a range of information, strategic and procedural advice, and mediation services to prevent and help resolve disputes quickly and inexpensively.

WeAssist

The WeAssist advice and consultation service is the first point of contact for small businesses. It provides support to businesses involved in dealings and disputes, as well as those seeking to better understand what is involved in entering into a commercial agreement or lease.

WeAssist helps landlords, tenants and their representatives understand their rights and obligations under the *Retail Leases Act 1994*. It offers information, strategic and procedural advice, and mediation services to support small business owners to negotiate successful outcomes to disputes. WeAssist also provides general advice on a range of other business-to-business contracts.

Business operators are encouraged to take a strategic and commercial approach when dealing with difficult situations.

Retail lease security bonds

We manage the NSW Retail Lease Security Bond Scheme. Security bonds for retail and commercial properties are held until both parties agree on how the bond is to be paid out, or a court directs the payment. All parties have the benefit of access to our mediation services to quickly and cost-effectively resolve disputes that can arise at the end of leases.

Dispute resolution

We provide mediation services to small businesses to help them work through commercial disputes. Our mediation officers can assist at any stage of a dispute, helping those involved to address key issues and come to solution. The disputes may be between businesses or between business and government.

Our mediation service is cost effective and is closely managed in a neutral and confidential way providing procedural and strategic advice that often helps the parties to find their own resolution. If the dispute has not been resolved through our early discussions, then we arrange a formal mediation with an external mediator. The mediation process is essential in minimising the costs of retail tenancy or business-to-business disputes.

In 2017 the DRU provided strategic advice to 14,800 small businesses and received approximately 900 written applications for mediation from small businesses.

A photograph of a man and a woman in a meeting. The man, on the left, has a beard and is wearing a grey suit jacket. The woman, on the right, has long blonde hair and is wearing a plaid shirt. They are both smiling and looking at documents on a table. The woman is holding a pen and appears to be writing. The background is a bright, modern office setting.

Case Study

Helping both sides of business

The debt recovery protocols of small business finance providers can sometimes lead to disputes and result in lengthy and costly court cases. With the uncertainties and costs that litigation entails, the ability to resolve a dispute quickly and efficiently makes a huge difference to small businesses owners.

In 2017, a number of small businesses entered financial arrangements that were not what they expected, later finding themselves unable to meet all the required repayments. The finance providers sought their repayments and the small business operators, who were guarantors of the loans, incurred losses that also affected their personal lives.

We were able to facilitate negotiations in each of these cases, ensuring faster and better outcomes for all parties. The financiers were able to mitigate their losses more effectively, and the small businesses were able to find certainty and finality.

We speak up for small business

We play an important role in representing the interests of small business owners in NSW.

We act as a representative for NSW small businesses on government agency consultations, reviews and reforms, and work closely with small businesses and industry to identify and deal with regulatory requirements that place an unnecessary burden or cost on small businesses.

We advocate to ensure small business interests are well-represented within government, making sure their concerns are effectively communicated. This year, we reviewed or commented on over 150 government policy or legislative proposals affecting small businesses.

Case Study

Supporting small business with electricity pricing



Jodie Dunnage, Jodie's Takeaway.

When Jodie Dunnage, Merimbula fish and chip shop owner, was hit with a 40% increase in her electricity bill, she was outraged at the thought of paying an extra \$12,000 a year on energy costs.

'My electricity is more than my rent and no-one should be paying more in electricity than rent. An important part of my business is employing local people and this limits my ability to do that', Jodie said.

Mrs Dunnage contacted us for help.

We compared energy supply charges for retailers in Jodie's area and contacted her energy supplier to discuss its electricity price increases. We found that the supplier would waive termination fees, or seek to be lenient on a case-by-case basis, if a customer, subject to a termination-fee, wished to change suppliers. We also confirmed that the supplier may negotiate on price where a competitor's prices are better.

Jodie, who will now pay a smaller increase after switching suppliers, said she was trying to raise awareness about the impact of rising electricity prices on small business and was thankful for our support.

'The SBC has been extremely helpful,' she said. 'They have given me a voice and I was pleased that I'd had a response and that someone was listening. It's definitely an excellent tool for small business and I encourage others to use the service.'

Case Study

Assisting businesses navigate liquor licence requirements



Redfern legend has it that a well-known tomcat, Bart, is the forefather of many of the neighbourhood's ginger felines. Bart Jr., a new bar named after the local hero, needed all his staying power just to open its doors.

Founders of Bart Jr., long-time Redfern residents Georgia Woodyard and Amanda Baxter, decided that the bar would offer 'good booze, good food and good times'. Having gained community support, the pair began the licensing process in December 2016 and the bar fit-out two months later.



After hitting some unexpected obstacles, the duo's costs quickly blew out to \$150,000 above what they'd initially budgeted. Rent payments quickly followed in March.

With their financial position looking challenging, Georgia tried to get the liquor licence approval fast-tracked. Told this was possible, she submitted the application in late March. However, the process dragged on and it looked like their application would not be heard until mid-June.

With bills rolling in, rent due and no income, Georgia and Amanda could see financial ruin looming.

Looking for advice, they turned to the NSW Small Business Commissioner in mid-May. As a result of our intervention and assistance, Georgia and Amanda received their liquor licence two weeks later.

With the new licence in their hands, Georgia and Amanda could buy all the necessary stock, and Bart Jr. was ready to create a new legend.



Case Study

Reviewing procurement processes

We have worked closely with the Department of Finance, Services and Innovation (DFS) to conduct a whole-of-government strategic procurement review to assess the effectiveness of the 2012 procurement reforms and identify opportunities for further improvement. The review included an evaluation of the Small and Medium-sized Enterprise (SME) Policy Framework.

We partnered with DFS to facilitate consultation with small businesses as part of the review of the SME Policy Framework and the wider procurement system. This included developing and distributing an SME evaluation survey to identify improvement options to better meet the business needs of SMEs. Workshops were also conducted to seek new approaches of engaging with SMEs through procurement.

We will continue to work with DFS in a collaborative partnership approach to drive reform to the SME Policy Framework within the Sustainable Procurement Framework.

Case Study

Helping small businesses get paid sooner

Late payments and extended payment times are long-standing problems for businesses in Australia and can have a devastating impact on the viability of small businesses. Data from the Australian Securities and Investment Commission shows that inadequate cash flow is the leading reason for business failure.⁶ Collectively, Australian small businesses are owed around \$26 billion in unpaid debts at any one time.⁷

We partnered with the Australian Small Business and Family Enterprise Ombudsman and other state Small Business Commissioners to support the Payment Terms and Practices Inquiry.

We are now working with the NSW Department of Premier and Cabinet, Treasury, and other government agencies to implement some of the key recommendations of the inquiry.

We are also working to ensure the NSW Government has a leading role in addressing cash flow issues for small businesses by moving to e-payments through the use of purchase cards and e-invoicing across government to allow for more immediate payments.

⁶ <http://asic.gov.au/regulatory-resources/corporate-governance/corporate-governance-articles/lack-of-financial-records-linked-to-company-failure/>

⁷ Research from Intuit Australia and PayPal Australia





Robyn Hobbs , Wendy Harmer and Deputy Premier, John Barilaro

ABC Radio

On 20 September 2017, NSW Small Business Commissioner Robyn Hobbs appeared on the Wendy Harmer program on ABC Radio to discuss some of the key issues about running a small business. Following the success of the segment, Robyn began a fortnightly appearance on the show where she spoke about all things small business. Topics discussed so far have centered on:

- ✓ resolving disputes, (including our team's available dispute resolution services, possible strategies to assist in negotiating your own deal, what happens should the matter end up in court, and the benefits of using a neutral third-party mediator)
- ✓ cyber security for small businesses (including information on the risks of cyber crime and strategies to protect yourself and your business, and our report, 'Cyber Aware')
- ✓ starting and growing your business (including the importance of having a business plan and risk planning)
- ✓ finding joy in your business (including aligning your passions in life with your work, tips for enjoying your business, offering great customer service, and mental health challenges facing the small business sector)
- ✓ preparing for the Christmas season (including marketing plans, finding and managing staff during the holiday season, planning cash flow, giftcards, and Boxing Day trading)
- ✓ the Business Connect Program, which provides trusted advice to help you start or grow your small business, including advice on how to tackle business disruptions such as the Sydney Light Rail construction.

We work with stakeholders

We strive to foster a positive and productive business environment for small businesses by working closely with small business owners, government agencies, local councils and industry associations.

We engage with government agencies to stay abreast of potential changes to NSW and federal legislation, policy and administrative processes that could impact on small businesses in NSW.

Each year, we reach out to professional networks, service providers and small businesses to promote initiatives that support small businesses.

In 2017, we collaborated with federal, state and local government departments and industry associations to develop policies and advocate on behalf of small businesses. Here are a few examples:

- ✓ We engaged with the Energy and Water Ombudsman NSW, Energy Consumers Australia and small business operators to work on ways in which small businesses can tackle rising energy costs.
 - ✓ We worked with various government departments and agencies, beverage manufacturers and retailers including several hundred first suppliers under the Container Deposit Scheme to set up a Transitional Assistance Program zero-interest loan facility.
 - ✓ In a national cyber security study, we partnered with the Small Business Commissioners from Victoria, South Australia and Western Australia, the Queensland Small Business Champion, the Australian Small Business and Family Enterprise Ombudsman and over 1400 SMEs to investigate cyber security awareness.
 - ✓ In partnership with NSW Government departments and agencies, apiarist associations, apiarists, farmers and industry associations, we helped to develop the Hive and Thrive design thinking policy projects.
 - ✓ We worked with NSW Government departments to identify ways to make the government procurement process less complex for SMEs.
- ✓ We supported disrupted businesses through reform and disaster relief initiatives by engaging with industry groups and associations, councils and business chambers.
 - ✓ Through our dispute resolution unit, we engaged with local courts and legal practitioners to improve access to civil justice for litigants involved in business disputes.
 - ✓ We delivered content to the Real Estate Institute of NSW's statewide professional development training roadshow.
 - ✓ We contributed to NSW Fair Trading's Building and Construction Industry Expo and to the My Place program, which promoted professional development for builders and real estate agents respectively.
 - ✓ Through our presentation of WeAssist and dispute resolution services to CPA Australia members, we opened a new channel for reaching small business operators who use accounting professionals for taxation, restructuring or other business services.
 - ✓ We re-engaged with the Institute of Mechanical and Automotive Engineers.

Your future, our focus

Small business is a diverse sector that is constantly evolving. It spans different industries and contributes to local markets and the broader economy.

Looking ahead, we will continue to address some of the biggest barriers to small business success and to develop policies and programs that support businesses to start up, expand and innovate.

We will continue to roll out the Easy to do Business (EtdB) program to additional locations across NSW. In 2018, the EtdB program will be expanded to include the full business cycle for cafés, restaurants and small bars, as well as new local government areas and sectors, beginning with housing and construction.

The Small Business Friendly Council (SBFC) initiative will be expanded with a focus on providing all NSW Councils with information, initiatives and resources that build capabilities and assist them to support local businesses. The SBFC initiative will help drive the EtdB regulatory and policy-harmonisation agenda by identifying key regulation reform priorities for the next initiatives to be supported by the EtdB platform.

We will build tools to help small businesses understand and prepare for cyber security risks, as

well as build business capability and preparedness to allow small businesses to start up, grow and adapt in a constantly changing environment underpinned by innovation and digital technology.

Another key part of building resilient businesses will see us collaborate with mental health partners to advocate for strong mental health outcomes for small businesses.

We will continue to help small businesses respond to disruptive events and changes, including natural disasters, infrastructure development, special events and regulatory changes. We will ensure that the learnings from the construction of past major infrastructure projects are incorporated into future projects to reduce the impact of disruption on affected small businesses.

We will focus on fulfilling the NSW Small Business Strategy by building on the initiatives we have already pursued and provided, as well as exploring more opportunities to support small business, including those in regional NSW. We will explore ways to simplify the procurement process to improve opportunities for small businesses to win government contracts. We will also look at how we can reduce the time it takes for small businesses to be paid to enable better cash flow.

We are mindful of the opportunity we have to contribute to the growth of small businesses in NSW.

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