

Creating change for small business in NSW

Annual Report 2016



Over 20,000 new small businesses were created in NSW in 2016, a yearly increase of 3%, the largest increase of any state



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Message from the Deputy Premier and Minister for Small Business



Small business is the backbone of the NSW economy and is part of the fabric of our regional communities.

As a former small business owner myself I understand the challenges faced when managing and growing a small business.

I also know how important and rewarding it is to turn a great business idea into reality, creating employment in local areas and delivering the services and solutions our local communities need.

Small businesses exist and operate in a constantly changing environment, navigating through periods of disruption, red tape, regulation and technological changes.

As the Minister for Small Business, it is my job to make NSW the easiest state to start up and grow a business, making sure small businesses across NSW are supported, and have the tools they need to adapt to change and take advantage of new opportunities.

We have already delivered key initiatives and investments including the Business Connect program, Easy to do Business program and payroll tax relief incentives to help alleviate pressures and reduce red tape for small businesses.

The NSW Government will continue to build on these foundations by providing the tools they need to improve their business skills and financial literacy, adopt new technologies, navigate red tape, access fair opportunities to win government contracts, and be resilient for the future.

With 710,000 small businesses in NSW, this Government recognises the critical role of the sector in the strength of the NSW economy. We remain committed to making NSW the easiest place to start a business and to maintaining a strong record when it comes to business confidence.

The Office of the NSW Small Business Commissioner plays a key role in delivering support and advice for NSW small businesses. Its hard work in advocacy and dispute resolution has helped many businesses across all industries to start up, grow and innovate.

It takes a lot of hard work, determination and sacrifice to build a small business and make it a success. It is this dedication and drive for success that will continue to make NSW the number one state for entrepreneurs, startups and small businesses in Australia.

For this, I thank you and wish you every success for your small business in 2017.

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

The Hon. John Barilaro MP

Message from the NSW Small Business Commissioner



Advances in technology and changes to the way we work are creating endless opportunities for small businesses to develop and grow.

However, the task of starting and managing a small business is full of ups and downs, and at the Office of the NSW Small Business Commissioner (OSBC) we want to make the process as simple and easy as possible.

Creating an environment for strong, dynamic and thriving small businesses in NSW is a priority for the OSBC. Through a range of specialised initiatives and services we are helping to ensure NSW

small businesses prepare for the future, while being aware of new opportunities in the digital age.

Our Mediation and Dispute Resolution Unit continues to provide mediation services together with strategic and procedural assistance to small businesses in relation to leasing and commercial issues. In 2016 we finalised the review of the *Retail Leases Act 1994* and the Deputy Premier and Minister for Small Business introduced an amendment Bill into the Parliament to ensure that the Act remains consistent with the changing needs of the retail leasing industry.

We have advocated across government on issues impacting on small businesses, and stimulated regulatory reform and policy harmonisation to reduce the burdens on small business. We have continued to expand the Easy to do Business program in partnership with Service NSW, highlighted the importance of mental health for small business owners, and worked to reduce late payments to small businesses.

The Small Business Friendly Councils initiative has continued to be a success, helping local councils and small businesses across NSW to work together and improve the business landscape for everyone.

Our focus for 2017 is to streamline sector-specific regulations, cut through unnecessary red tape, develop a digital platform to manage the secure collection, custody and disbursement of security bonds and deposits, help small businesses understand and deal with cybersecurity risks, and continue to support small businesses during rapid changes to their industries. This will ensure we play our part in developing strong communities, supported by vibrant small businesses that have the room to grow, develop and remain profitable.

It has been a privilege to work with so many wonderful and diverse small businesses across NSW during 2016 and I would like to thank everyone who has worked with us to ensure NSW remains a great place to do business.

A handwritten signature in blue ink that reads "Robyn A Hobbs". The signature is stylized and fluid.

Robyn Hobbs OAM

2016 Highlights

Key achievements



271

formal mediations conducted



775

informal mediations conducted



4,023

bond matters handled



9,618

enquiries received



AROUND
20,000

small businesses assisted through the OSBC's dispute resolution services



OVER
70

policy and regulatory proposals analysed

CLOSE TO

500

workshops delivered across the state through [Small Biz Connect](#)

AROUND
10,500

small businesses supported through [Small Biz Connect](#)

OVER
45,000

hours of practical business support delivered through [Small Biz Connect](#)

- Retail
- Professional, scientific and technical services
- Accommodation and food services

top 3 industries supported through Small Biz Connect

\$2.4

MILLION

invested

in 101 regional development projects in the Murray-Darling region through The Energise Enterprise Fund

**OVER
200**
locations

across NSW visited by the Small Biz Bus

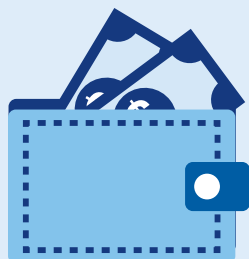
71%

of which were in regional locations

The NSW small business sector pays more than

\$47 billion

in annual wages and salaries to employees every year



About us

Small business in NSW

Small businesses make a valuable contribution to the NSW economy and are a key driver of economic growth, innovation and regional development across NSW.

- There are more than 710,000 small businesses in NSW, representing around 98 per cent of all NSW businesses.¹
- Small businesses employ around 1.57 million people, which is around half of the NSW workforce.²
- The NSW small business sector pays more than \$47 billion in annual wages and salaries to employees every year.³
- NSW small businesses contribute more than \$326 billion to annual sales and service income.⁴
- Over 20,000 new small businesses were created in 2016, an increase of 3% and Australia's largest increase.⁵

About the Office of the NSW Small Business Commissioner

The Office of the NSW Small Business Commissioner (OSBC) is in the business of creating positive and sustainable change for small businesses in NSW. The OSBC works closely with a wide range of stakeholders—including small business owners, councils, state and federal government agencies and industry associations—to resolve disputes and identify and address the key issues facing small businesses in NSW.



Small businesses employ around

1.57 MILLION PEOPLE

which is around half of the NSW workforce.

¹Australian Bureau of Statistics (ABS), Counts of Australian Businesses, including Entries and Exits (cat. no. 8165.0).

²Estimated from ABS, 8155.0, 2014-15.

³ABS, Cat. No., 8155.0, 2014-15.

⁴ABS, Cat. No., 8155.0, 2014-15.

⁵ABS, Counts of Australian Businesses, including Entries and Exits (cat. no. 8165.0).



What the OSBC does

Speaking up for small business

The OSBC plays an important role in representing the interests of small business owners in NSW.

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

The OSBC advocates to ensure small business interests are well represented within government, making sure their concerns are effectively communicated. This year, the OSBC reviewed and/or commented on over 70 government policy or legislative proposals affecting small businesses.

There are more than **710,000** small businesses in NSW



Making it easier to do business

Working closely with small business owners, NSW government agencies, local councils and industry associations, the OSBC strives to foster a business-enabling environment for small businesses.

The OSBC advocates for policy reform to the regulatory environment to make it easier for small businesses. With small business needs at the centre of its work, the OSBC seeks to simplify the operating environment for small businesses in NSW by identifying key issues and areas for government intervention that assist in reducing the cost, complexity and administrative burden of running a small business.

The OSBC Advocacy Unit has driven initiatives, such as Easy to do Business (see page 15) and fair payment terms (see page 15), to tackle systemic issues impacting small businesses.

Helping disrupted industries and regions

The OSBC assists small businesses to respond to disruptive events and changes, including natural disasters, infrastructure development, special events and regulatory changes. The OSBC visits businesses and communities impacted by these events to provide support, information about assistance available, and advocates on businesses' behalf on issues that impact on their ongoing sustainability.

Case study:

NSW Small Business Commissioner gets regional project off the ground

The OSBC worked closely with Edward River Council and other key stakeholders to assist in the approvals process for a State Significant Project for an ethanol plant in Deniliquin that had stalled.

This project is viewed as bringing significant investment and new jobs to Deniliquin. Benefits to the community include approximately 500 jobs during construction and 55 permanent, ongoing jobs. The project will inject \$90 million into the regional economy during construction and contribute \$5 million annually to the local community.

The NSW Small Business Commissioner offered to assist and has since coordinated multiple meetings with key stakeholders including numerous ministerial offices, departments and representatives of the Office of Regional Development. This helped everyone to understand the impediments to the project progressing through the planning process, and to identify the next steps.

The project has since received conditional approval from the NSW Department of Planning and Environment.

Case study:

Improving procurement processes

A frustrated small business owner contacted the OSBC for help in understanding and responding to a NSW Government tender.

The small business owner explained that when reviewing tender opportunities through the NSW eTendering website, she came across an opportunity that was potentially relevant to her business. However, there was not enough information posted on the eTendering site by the relevant government department to allow her to understand what the job actually involved, and whether she should even respond to the tender.

To find this out, the small business owner was required to register with the department's online procurement system to access more detailed tender documents. It took the small businesses owner two days to complete the registration process after numerous conversations with the department involved, having to read a 32-page instruction manual and calling two different hotlines. Fortunately, she persisted, because the tender opportunity was perfect for her business.

The OSBC provided feedback to the relevant government department which has subsequently made changes to ensure more information is provided upfront on eTendering and its supplier guide is easier to navigate and use. This will make the tendering process easier for other small businesses in future tenders.

Working collaboratively across government to help small business

The OSBC regularly engages with government agencies to stay abreast of any potential changes to legislation, policy or administrative processes that could impact small businesses in NSW. The OSBC has formed strong relationships with NSW and Commonwealth agencies and is actively involved in preliminary consultations as policy directions are developed.

Strong engagement nationally has been achieved through the Small Business Commissioners' forums, which are attended by the Australian Small Business and Family Enterprise Ombudsman, the Australian Competition and Consumer Commission, and Small Business Commissioners from Queensland, Victoria, South Australia and Western Australia. At these forums, the NSW Small Business Commissioner discusses issues affecting small businesses across all levels of government, collaborates on common approaches to tackle issues, and explores options for reform.

At the local government level, and leveraging its Small Business Friendly Councils initiative (see page 23), the Advocacy Unit encourages and assists councils to consider the impact of their policies on small businesses. Work has been done to rationalise and streamline council policies across NSW to ensure best regulatory practice and help small businesses that operate across numerous local government areas.



OVER

200

local initiatives

were implemented by councils across NSW through the Small Business Friendly Councils initiative

What the OSBC does

Business advice

Small businesses have access to high-quality, personalised, face-to-face business advice services, across all of NSW.

This is delivered through a network of over 60 local business advisors located across NSW, complemented by specialist digital and creative industries support. The program delivers to small business owners the advice, skills, information and operational support they need at any stage of their small business cycle.

In July 2016, the Small Business Operations Unit was transferred to the Department of Industry and the Small Biz Connect program was re-launched as the Business Connect program on 1 January 2017.



What the OSBC does

Dispute resolution

Assisting NSW small businesses in their commercial dealings with other parties, the Dispute Resolution Unit (DRU) offers a range of information, strategic and procedural advice, and mediation services to prevent and help resolve disputes quickly and inexpensively.

Commercial agreements and leasing advice

The OSBC is the first point of contact for small businesses seeking to better understand what is involved in entering into a commercial agreement or lease. The OSBC offers information, strategic and procedural advice, and mediation services to support small business owners to negotiate successful outcomes to disputes.

Information is provided to retail tenants and landlords about their rights and responsibilities under the *Retail Leases Act 1994*.

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

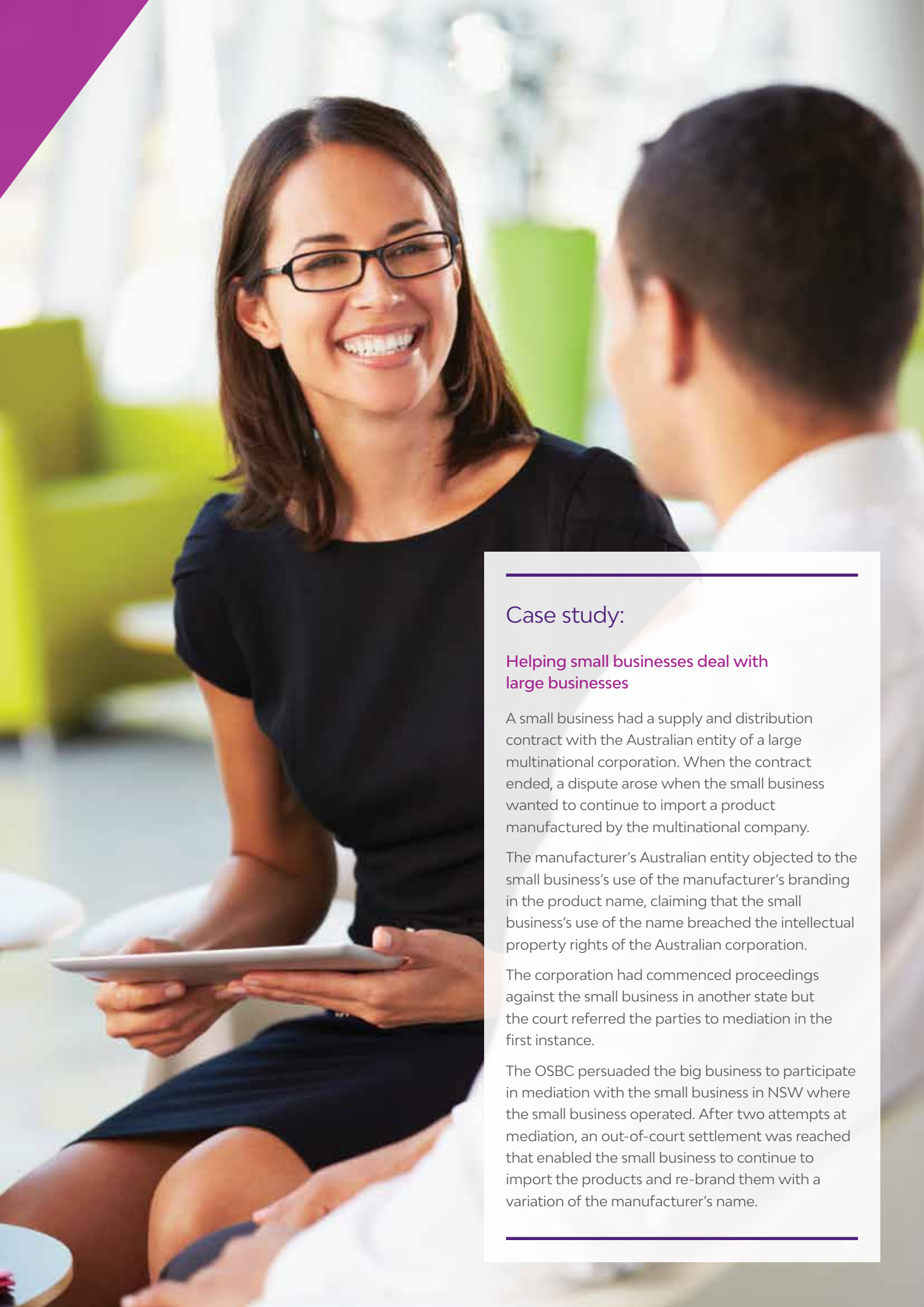
Retail lease security bonds

The OSBC manages 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. Parties have the benefit of access to the OSBC's mediation services to quickly and cost-effectively resolve disputes that can arise at the end of leases.

Mediation services

The OSBC provides mediation services to small businesses to assist them to work through the options of resolving a dispute. OSBC mediation officers can assist at any stage of a dispute—helping to address key issues and come to a solution without having to go to court. The disputes can be between businesses or business-to-government.

Mediation delivered through the OSBC provides small business owners with greater control over the outcome of their dispute with the added benefit of ensuring government knows the general issues impacting small businesses. Mediation negotiations are confidential and cannot be disclosed if the matter goes to court at a later stage. However after mediation if a party is unable to resolve their dispute they can appeal to the Commissioner for assistance if they are being treated unfairly.



Case study:

Helping small businesses deal with large businesses

A small business had a supply and distribution contract with the Australian entity of a large multinational corporation. When the contract ended, a dispute arose when the small business wanted to continue to import a product manufactured by the multinational company.

The manufacturer's Australian entity objected to the small business's use of the manufacturer's branding in the product name, claiming that the small business's use of the name breached the intellectual property rights of the Australian corporation.

The corporation had commenced proceedings against the small business in another state but the court referred the parties to mediation in the first instance.

The OSBC persuaded the big business to participate in mediation with the small business in NSW where the small business operated. After two attempts at mediation, an out-of-court settlement was reached that enabled the small business to continue to import the products and re-brand them with a variation of the manufacturer's name.



2016 Key initiatives

Our key programs and projects

Easy to do Business

During 2016 the OSBC progressed the Easy to do Business initiative in partnership with Service NSW and the NSW Department of Premier and Cabinet.

The initiative helps both startup and existing small businesses by providing a clear and accurate outline of the steps involved and associated time and cost required for each step in obtaining government licences and other approvals.

Comprehensive online 'how-to' guides are available on the Service NSW website for small businesses in the following industry sectors: cafés, restaurants and small bars, housing construction, road freight, clothing retail and printing.

In 2016, a 'digital by design' trial was implemented in the City of Parramatta. Under the trial, current and potential small business owners wanting to start or expand a café, restaurant or small bar can access a single online portal instead of having to navigate up to 75 government regulations, 13 different government agencies, 48 forms and 30 phone numbers.

Dubbo Regional Council, Georges River Council and Northern Beaches Council have all joined the Easy to do Business initiative and will also implement 'digital by design' trials.

The success of these trials will see the project implemented across new sectors and more local government areas in 2017.

Fair payment terms

Cash flow is the lifeblood of any business but particularly for small businesses, which rely on invoices being paid promptly.

The OSBC implemented a new initiative to help small businesses reduce late payments. As part of this initiative, the OSBC produced a range of resources including top tips on how to engage a new customer, render an effective invoice and recover unpaid debts.

The OSBC partnered with the Australian Small Business and Family Enterprise Ombudsman in its inquiry examining payment times and practices of businesses in Australia. The inquiry was undertaken in partnership with the Small Business Commissioners in Victoria, South Australia and Western Australia, and in association with the Council of Small Business Australia (COSBOA) and the Australian Institute of Credit Management (AICM).



As part of a trial, business owners can access a single online portal instead of having to navigate up to 75 government regulations, 13 different government agencies, 48 forms and 30 phone numbers

Energise Enterprise Fund

Implemented as part of the Murray-Darling Basin Regional Economic Diversification Program, the Energise Enterprise Fund (EEF) was designed for regional development projects to support new job creation and economic diversification in Murray-Darling communities.

In 2016, \$2.4 million was allocated to councils and not-for-profit organisations to fund 101 projects across the regional communities in the Murray-Darling Basin. These projects encouraged small businesses to develop skills, or supported sustainable community and economic development projects.

Providing NSW local councils and not-for-profit organisations with the opportunity to drive significant growth in their region, the EEF funded projects included:

- Coonamble Digital Capability Building Program
- Local Business Skills Development Project
- Labour Market Study
- Improving Selling Skills across the Murray region
- Agriculture Innovation Skills and Capability Analysis
- 90 Day Business Capability and Skills Development Acceleration Program.

In 2016

\$2.4 million

was allocated to councils and not-for-profit organisations to fund 101 projects

Small Biz Connect

The Small Biz Connect (SBC) Program provided quality, personalised small business advice through an extensive network of mobile Small Biz Connect advisors.

TOP THREE ISSUES

for small businesses

- 1 Business planning
- 2 How to start up
- 3 Marketing

The highly subsidised SBC Program delivered over 45,000 hours of practical face-to-face business support, ran close to 500 workshops and assisted around 10,500 small businesses in NSW across a range of industries (predominantly retail trade, professional and scientific and technical services, and accommodation and food services). SBC programs addressed the top three issues for small businesses: business planning, how to start up and marketing.

Through the Multicultural Program SBC also provided information, resources and support in Arabic, Cantonese, Mandarin, Korean and Vietnamese.

Feedback collected from SBC clients across 2016 suggested that the SBC program accounted for improved productivity, accelerated growth and measurable outcomes for small businesses across NSW, especially those in regional areas, with independent research reporting a positive client experience score of 82 per cent.

In July 2016, the SBC Program was transferred to the Department of Industry and was re-launched as the Business Connect program on 1 January 2017.

Case study:

Outback Astronomy given helping hand to reach the stars



Linda Nadge, founder of Outback Astronomy

The stars are aligning for Broken Hill business Outback Astronomy. Outback Astronomy is an innovative small business that's taking advantage of Broken Hill's stunning starscapes by offering personalised tours of the night sky, providing intriguing facts and showcasing dazzling sky objects.

Linda Nadge, business owner, wanted to create a small business that allowed her to continue to live in Broken Hill and that was different so she could attract tourists to this incredible part of NSW.

"I always enjoyed astronomy as a hobby and then I started to think about the possibility of that becoming my business," Linda reflected.

"To start out, I did a lot of research and went on field trips to help me refine my ideas," she said "I had a mountain of work ahead of me so I joined the Broken Hill Chamber of Commerce, which is where I first found out about the Small Biz Connect program."

"My first year was a little daunting," she said. "My Small Biz Connect advisor helped me to develop my business plan and also guided me through options." Linda also adds that, "My advisor helped me to get underway and to start building my business without needing large

infrastructure in the very beginning."

In just 12 months of operation, Outback Astronomy has become one of regional NSW's most captivating tourism experiences. It featured as one of the world's 'hottest new experiences of 2015' by Lonely Planet.

Linda continues to create new and interesting tours that also feature the town's Aboriginal and mining history.

In 2016, the SBC program achieved a positive client experience score of

82%



Small Biz Bus

Through the SBC Program the Small Biz Bus provided high-quality small business advice to more than 200 locations across NSW.



The Small Biz Bus

With 71 per cent of visits to regional communities, the Small Biz Bus returned to a number of previously visited locations as well as new destinations including Adamstown, Batemans Bay, Bega, Cobar, Cessnock, Dubbo, Forster, Griffith, Gulgong, Kandos, Leura, Mudgee, Qurindi, Tamworth and West Wyalong, to name a few.

The Small Biz Bus also connects small businesses to other government agencies and service providers—such as NSW Fair Trading, SafeWork NSW, the Australian Taxation Office, Office of State Revenue, and Destination NSW—to deliver new information, workshops, seminars and advice to the small business community across NSW.

In June 2016, the Small Biz Bus provided support to flood-affected small businesses in Picton, and visited a number of special events in both regional and metropolitan areas across NSW including Agquip, Australian National Field Days, Henty Field Days, Light Rail Days, Liverpool Business Month, Mudgee Small Farm Field Days, Multicultural Days, Murrumbateman Field Days and Reinvent Your Career Expo.

Regional Activation Program

The Regional Activation Program (RAP) engaged and supported small businesses in regional NSW to foster productivity, drive competitiveness and sustainability, and encourage economic growth.

Between January and June 2016, the RAP provided region-specific support to the communities of Batemans Bay, Gilgandra, Griffith, Mullumbimby and Taree. RAP workshops, enabling small business operators to develop skills to improve the sustainability of their businesses, covered topics such as getting your business online, social media marketing, visual merchandising and women in business. Workshop attendees had the opportunity for a one-on-one consultation, networking or mentoring session, providing a valuable opportunity for small businesses to receive personalised advice from an expert or experienced business professional.

Place activation workshops were also held to assist small businesses identify and create ways to increase productivity in their business environment and to grow the local economy by encouraging their customers to spend locally.



85%

of workshop participants surveyed stated that they had benefitted from the RAP

Following is some of the feedback received.

“We appreciate the way these courses are implemented at a time that make them easy to attend and with high-quality speakers and business advisors.”

“Through the one-on-one sessions I was able to discuss the specifics of my business issues with the specialist who was able to refer me to a person to address these issues. It was also a great opportunity to meet other business women in the region.”



Multicultural initiatives

With more than one-third of all NSW small business operators born overseas, the OSBC continued to deliver a number of key initiatives to support multicultural small businesses, including:

- appointment of Arabic, Cantonese, Mandarin, Korean and Vietnamese speaking Small Biz Connect business advisors to support multicultural small businesses in and around Greater Western Sydney, through face-to-face advice and delivering a program of workshops for individual cultural groups
- multicultural advisors on Small Biz Bus visits to Auburn, Bankstown, Cabramatta, Castle Hill, Granville and Parramatta
- OSBC website with a multicultural portal providing resources and information in Arabic, Cantonese, Mandarin, Korean and Vietnamese about retail and commercial leasing, dispute resolution, key small business resources, compliance information and other small business issues
- fact sheets tailored to meet the needs of multicultural small businesses in Arabic, Cantonese, Mandarin, Korean and Vietnamese.

Case study:

Second Chances

Michael and Desiree Meoushy made the bold decision to come out of retirement and put their previous business experience to good use, by purchasing a coffee shop in need of much love and turning it into a success.



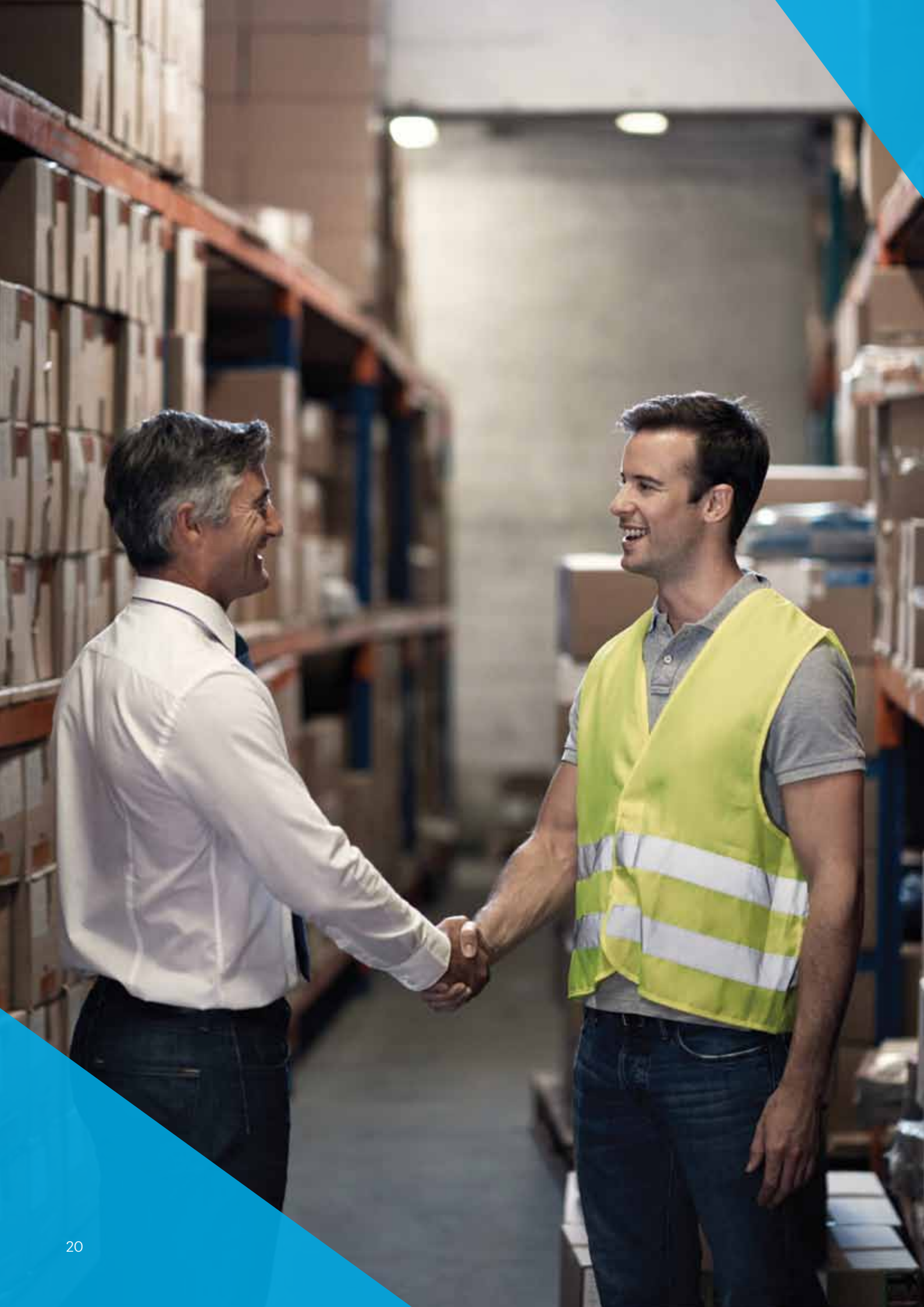
Michael and Desiree Meoushy

Staying true to their hearts, Michael and Desiree renovated their shop both inside and out to transform their space into an authentic Italian café, serving woodfired pizza and other delicious Italian dishes, plus adding a few Mediterranean dishes reflecting their Arabic background.

Before opening their business, they reached out to a specialist Small Biz Connect Arabic advisor, Gus, to ensure they had all the ingredients for success. Gus created an action plan and assisted with their marketing strategy as well as staff requirements. Michael said, "Having Gus there with us, when we needed help, was a tremendous support".

Michael believes that being able to connect from a cultural perspective made it easier to understand the requirements of opening and running a food business, including the regulatory requirements.

The Small Biz Connect program was invaluable to their success and Michael said, "It gave us the opportunity to be where we are today."



Dispute resolution initiatives

The OSBC undertook the following initiatives to complement its range of information, strategic and procedural advice, and mediation services.

Retail leasing

The OSBC continued working with the NSW Civil and Administrative Tribunal, Commercial Division (Retail Tenancy), supporting the mediation requirement under the *Retail Leases Act 1994*. The OSBC also completed a statutory review of the *Retail Leases Act 1994* and a Bill to amend the Act was introduced into Parliament by the Deputy Premier and Minister for Small Business 8 November 2016.

Working to support specific industries

The OSBC:

- partnered with NSW Fair Trading to deliver targeted dispute resolution and prevention advice to the building and construction industry through annual professional development seminars
- provided ongoing assistance to NSW Fair Trading to implement the recommendations of the NSW Parliament Select Committee 2014 on the Motor Vehicle Repair Industry
- engaged with the funeral, crematorium, and cemetery services sector and local councils in relation to policy changes affecting the industry, and provided support to small businesses to help adapt to these changes.

Collaborating with the formal justice system

The OSBC engaged with the local courts and Sydney civil registries to establish information and referral protocols, promoting settlement conferences (mediations) for small business matters in the General Division for claims ranging from \$10,000 to \$100,000.

The OSBC also contributed to the Civil Justice Collaboration Group regarding business-to-business and business-to-consumer contracts, and the Debt Recovery Working Group on bankruptcy and insolvency, including enforcing court judgments.



AROUND
20,000
 small businesses assisted
 through the OSBC's
 dispute resolution services

Supporting disrupted regions and industries

The OSBC regularly assists small businesses to respond to disruptive events, including natural disasters, infrastructure development and special events.

The OSBC visits communities and/or industry sectors to provide support and information about assistance available to these small businesses, and make connections to relevant government and community organisations.

- Over the past year, the OSBC visited and assisted small businesses affected by storms and floods in Picton, and areas affected by extensive flooding, including the Hunter, Coonabarabran, Forbes and Parkes.
- When major changes are afoot, the OSBC works with relevant government agencies undertaking reforms to advocate for small businesses, and connects impacted small businesses to available support. In the past year the OSBC supported small businesses in the taxi and hire car industry, and small businesses affected by the construction of the Sydney Light Rail.

- Support was provided to communities in the Northern Rivers region following concerns that the increase in shark attacks was impacting small businesses. Businesses were assisted to take proactive steps to manage their business during a downturn and gain practical guidance to investigate alternative revenue streams such as exporting opportunities.
- Following the NSW Government's commitment to extend the breakwater wharf in the township of Eden to allow cruise ships to berth, the OSBC helped and encouraged local businesses to collaborate on innovative ways to improve business in their local area.
- The OSBC continued to assist newsagencies as they transition to new fit-out and signage requirements. The OSBC manages the Newsagents Assistance Fund, and processed 92 applications and made payments to newsagents totalling \$920,000.



Small Business Friendly Councils initiative

Through its grass-roots engagement with small businesses, the OSBC has found that working relationships between local government and small businesses can be strengthened and the interactions between them simplified to create a more economically sustainable and prosperous small business environment.

The OSBC's Small Business Friendly Councils (SBFC) initiative works with councils to share insights on small business support measures and initiatives introduced across the SBFC network and provide practical tools and resources to improve their services and support for small businesses.

To date, over half of NSW councils have committed to improving local council services to make NSW a 'friendlier' place to do business through active participation in the SBFC initiative. As a result, around 60 per cent of NSW small businesses now benefit from operating in a small business friendly local government area.

Over 200 SBFC initiatives were voluntarily implemented by Councils across NSW, including:

- Edward River Council committing to paying small businesses within 14 days
- Port Macquarie-Hastings Council waiving outdoor dining fees
- Parkes Shire Council helping small businesses access procurement opportunities
- the former Bankstown City Council developing and providing information on food safety regulatory requirements in multilingual formats
- Coffs Harbour City Council setting up the Six Degrees Co-Working Hub encouraging local entrepreneurs, freelancers and collaborators to work in a shared space, collaborate and share information.

OVER **200**
SBFC initiatives
were voluntarily
implemented by
Councils across NSW

In 2016
60% 
of NSW small businesses
benefited from operating
in a small business friendly
local government area



SBFC Success Story

Parkes Shire Council helps small businesses get a piece of the procurement pie

The SBFC initiative inspired Parkes Shire Council to transform the way it works with small businesses, giving them greater access to procurement opportunities in the local area.

The Small Business Friendly Councils initiative expanded into Western Australia, raising the interest of other states that are keen to implement the program.

After joining SBFC, Parkes Shire Council proceeded with the construction of new water and sewage treatment plants. It was the first opportunity to get small businesses involved in a large project using the new procurement process.

Given the size of the project, the Council split up the project and appointed a contractor to manage this process. As part of the tender process, contractors were asked to demonstrate how they would use local businesses to deliver the project.

John Holland Group Pty Ltd was appointed as the contractor for both treatment plants with a commitment to use small businesses in Parkes Shire Council for 36 per cent of the project.

More than 100 local small businesses attended a workshop to learn more about the project, how they could get involved, and to network with John Holland and each other.

Following the workshop, Parkes Shire Council worked with interested small businesses to enhance their business processes and maximise their chance of success.

Anna Wyllie, Economic and Business Development Manager at Parkes Shire Council said, "We were quite honest with them and explained that they would need to comply with very high standards of work, health and safety to be considered for the project. However, by improving their standards and business processes, it meant they were more likely to secure work like this in the future."

The treatment plants are now 50 per cent complete and expected to start operating in early 2017. The Council continues to monitor the project and work closely with John Holland and local small businesses in the delivery of the project.

"They've used a huge range of small businesses to date, from earth movers and agricultural businesses to hydraulics suppliers and Mitre 10 stores," Anna said. "They've also proactively hired regional businesses from Orange, Molong and other surrounding areas. It's great to see that SBFC has not only got them thinking locally, but regionally too."

Anna believes that the tools, resources and support offered to local councils has been vital to the successful development of the treatment plants and other projects currently underway.

SBFC Success Story

Edward River Council keeps small businesses cashed up

Inspired by Edward River Council's involvement in the SBFC initiative, small businesses across the Edward River region will now benefit from a 14-day payment cycle for local creditors.

Before joining the SBFC initiative, small businesses in Edward River often waited up to 60 days for payment, leading to significantly reduced cash flow.

Economic and Business Development Manager at Edward River Council, John Harvie, said, "The Council's participation in SBFC was the catalyst for this change. We would never have thought to introduce fortnightly payment cycles if we hadn't participated."

Within 18 months of the new payment cycle being in place, Council achieved a 95 per cent success rate in paying small businesses within 14 days. Council is continuing to work with local businesses to assist them to ensure all relevant information is provided clearly and their invoices are sent immediately after the service or goods have been provided. Council's aim is to achieve a 100 per cent success rate in paying small businesses within 14 days.

Owner of local signage company, VisAttak, Anthony Smith, says the policy has significantly improved his business's cash flow and operations.

"Since Edward River Council has adopted a payment policy of 14 days, we can confidently supply them with any volume of our range of signage products and services. We are also now inclined to fast-track their jobs as they are now considered a 'premium' client on our payments scale," Anthony said.





Future focus

Looking ahead

Looking to the future, in 2017 the OSBC will focus its efforts on stimulating regulatory reform and policy harmonisation.

We will focus on developing a digital service for the collection, custody and disbursement of retail bonds, help small businesses understand and prepare for cybersecurity risks, and continue to support small businesses during times of natural disaster and rapid changes to their industries.

This will ensure we play our part in developing strong communities, supported by vibrant small businesses that have the room to grow, develop and remain profitable.

We are committed to making it 'easy to do business' and for making NSW the best state for a small business to start up, scale up and innovate.



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