# Supporting small businesses in NSW

Annual Report 2018



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### Acknowledging the Governor of New South Wales



Our team wishes to thank
His Excellency General The
Honourable David Hurley AC
DSC (Ret'd) and Mrs Hurley,
who are passionate about small
businesses in New South Wales.

His Excellency and Mrs Hurley have travelled extensively throughout NSW to visit small businesses, hearing owners' stories and providing support.

One such business is Bus Stop Films, a not-for-profit creative company that combines workshops and practical film-making opportunities for people who have disabilities or are from marginalised groups.

Genevieve Clay-Smith, Co-Founder and CEO of Bus Stop Films, has nothing but praise for His Excellency. "The support I have received from our Vice Regal Patron, His Excellency General The Honourable David Hurley AC DSC (Ret'd), and Mrs Hurley, has been beyond amazing. Both the Governor and Mrs Hurley have shown me and the students genuine support and encouragement to continue to create content and seek pathways for people living with disabilities in the screen industry and beyond. The Governor's support has opened amazing doors of opportunity for Bus Stop and his advocacy has helped us build and strengthen our network of supporters.

Genevieve Clay-Smith, Co-Founder and CEO of Bus Stop Films



His Excellency with two budding film makers from Bus Stop Films



His Excellency and Mrs Hurley

Your Excellency and Mrs Hurley, our team thanks you and wishes you well in the role of Governor-General of Australia.



Message from the

# Deputy Premier and Minister for Small Business

We cross paths with small businesses every day in NSW. Whether you own, work for or shop at one, small businesses are an integral part of life and a core contributor to our state's economic success.

Starting and running a small business is no mean feat. Having owned my own business for nearly two decades, I know it can be extremely rewarding to be your own boss, employ people and deliver tailored customer service to your local community. I also understand the challenges business owners can sometimes face. From managing cash flow, people and business plans to adapting to change and disruption, small business owners must wear many hats. Here in NSW, regional small business owners have also been up against drought, which presents unique challenges.

I work as part of a government that is committed to making NSW the easiest and best place to do business. We have delivered a number of policies, guided by our Small Business Strategy, to reduce barriers, costs and complexity, and make it easier to navigate regulation.

In 2018 we achieved great things for small businesses. We were awarded a Commonwealth Government grant of close to \$96 million to expand the award-winning Easy to do Business program statewide, which has already helped over 1,000 small businesses start or grow.

We also introduced the Faster Payment Terms Policy to pay small businesses that supply goods and services to the NSW Government faster than any other state or territory government, and positioning NSW as a global leader.

The increase to the payroll tax threshold from \$750,000 to \$1 million over the next four years will also make it easier for small business owners to employ more workers. Nearly 40,000 businesses will save up to \$5,450 each in 2018-2019 and up to \$13,625 per business in 2021-22.

Adjustments to the SME Procurement Framework will reduce red tape when working with government by allowing more direct purchases, ensuring SMEs are considered first and providing a weighting towards SMEs on tenders.

We provided on-the-ground support and advice to businesses disrupted by natural disasters such as bushfire and drought, and major construction like light rail. We also extended for two more years an assistance package for businesses affected by the Container Deposit Scheme, as well as arranging payment to 23 subcontractors on the North Coast for work completed, following the collapse of a primary subcontractor.

In addition, we reappointed Robyn Hobbs as the NSW Small Business Commissioner. Robyn and her team have achieved great things for small businesses in NSW, and they continue to be dedicated advocates within government.

This annual report is a clear demonstration of the success we have had supporting small business in NSW and we will continue to push for change that makes it easier to do business in our great state.

Small businesses in NSW can have confidence that they have a government that is dedicated to delivering on their behalf.

The Hon. John Barilaro MP



# Message from the

### NSW Small Business Commissioner

Small businesses are the engine room of the NSW economy. They employ nearly half the NSW workforce and represent around 98% of the state's businesses. Without small business, our communities would be diminished beyond recognition.

My role, and that of my dedicated team, is to act as an independent advocate for small businesses to promote real and lasting change. We speak up for small business, and help the sector operate smoothly by providing resources, advice, and free to low-cost mediation to tens of thousands of businesses every year.

In 2018, we helped deliver on the NSW Government's mandate to make ours the easiest state to start and grow a business.

We secured \$96 million in funding to expand the award-winning Easy to do Business program to support home businesses, reduce the complexity of starting up construction and farm tourism businesses, and also make it easier for small operators to supply government. With more than 100 now signed up, Easy to do Business is set to deliver for small businesses across the state.

We helped businesses improve their cash flow by increasing the payroll tax threshold and introducing the Faster Payment Terms Policy.

This means small businesses that provide goods and services to the NSW Government are now paid within 20 days, which will drop to five by the end of 2019.

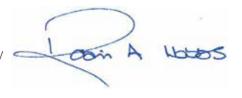
We secured payment for subcontractors left millions of dollars out of pocket by the collapse of a business contracted to deliver infrastructure works to the NSW Government. To ensure this never happens again, we made recommendations to change how the government manages future contracts.

We also supported communities devastated by floods, bushfires and drought. We are humbled to lend a hand in the aftermath of disaster, providing advice and support to help small businesses get back on their feet.

These achievements are just the tip of the iceberg. I'd like to thank those who supported us throughout the year. In particular, I appreciate the commitment of The Hon. John Barilaro MP, NSW Deputy Premier and Minister for Small Business. The Minister's passion for making life easy for small business is second to none.

His Excellency General the Honourable David Hurley AC DSC (Ret'd) Governor of NSW, and Mrs Hurley are also great advocates for small business. Collaboration with my fellow small business commissioners and the Australian Small Business and Family Enterprise Ombudsman remains invaluable.

Lastly, I am thrilled to have been reappointed as the NSW Small Business Commissioner for another term. It is my great honour to serve the sector and I look forward to working for all small businesses—and the communities that depend on them—well into the future.



Robyn Hobbs OAM

# 2018 highlights



matters filed

10% increase from 2017



**APPLICATIONS** 

processed for the Newsagents Assistance Fund

\$980,000

funding delivered





17,900

enquiries received

17% increase from 2017



**MORE THAN** 

small businesses assisted

9% increase from 2017



bond matters handled

6% increase from 2017



**AROUND** 

policy and regulatory proposals analysed

28% increase from 2017

# The NSW small business landscape at a glance



Small businesses employ around

1.59 MILLION PEOPLE

which represents 44% of the NSW workforce<sup>1</sup>





Small businesses represent around

98%

of all NSW businesses<sup>2</sup>

NSW small businesses contributed nearly

\$340
billion

to annual sales and service income¹

The NSW small business sector pays more than



**\$51.4** billion

in annual wages and salaries to employees every year<sup>1</sup>



<sup>&</sup>lt;sup>1</sup> Australian Bureau of Statistics (ABS), 2017, 8150 Australian Industry, 2016–17.

 $<sup>^{2}\ \</sup>mathsf{ABS}, 2019, 8165.0\,\mathsf{Counts}\,\mathsf{of}\,\mathsf{Australian}\,\mathsf{Businesses}, \mathsf{including}\,\mathsf{entries}\,\mathsf{and}\,\mathsf{exits}, \mathsf{June}\,\mathsf{2014}\,\mathsf{to}\,\mathsf{June}\,\mathsf{2018}.$ 

<sup>&</sup>lt;sup>3</sup> ABS, 2016, 2016 Census—Employment, Income and Education.

### Real benefits for small businesses

The NSW Small Business Commissioner advocates on behalf of small business, provides mediation and dispute resolution services, speaks up for small businesses in government and makes it easier to do business through policy harmonisation and regulatory reform.

Here's how we helped NSW small businesses in 2018.

#### Easy to do Business

Starting or growing a business is exciting but can also be daunting. Depending on the industry or type of business, you may need numerous application forms, licences and approvals from multiple government agencies. Not knowing where to start can cause frustration and cost time and money.

The award-winning Easy to do Business (EtdB) program slashes the time and effort it takes to set up and expand a business by providing a single 'front door' to government. The first phase of the program focused on the café, restaurant and small bar industry.

Delivered with our partners Service NSW and the NSW Department of Finance, Services and Innovation, the program offers:

- a Business Concierge service that provides small business owners with free personalised support
- an online range of how-to guides to help current and prospective business owners understand government licences, approvals and regulations
- an online dashboard that guides customers through the process of establishing and managing their business.

#### **Expanding Easy to do Business**

At the beginning of 2018 the Commonwealth Government granted the NSW Government \$96 million to roll out the program across the state and expand to other industries.

The second phase of EtdB now helps café, restaurant and small bar owners with the whole business lifecycle (from starting to exiting) as well as small business owners in the housing construction industry by:

- implementing streamlined and simplified application processes
- outlining which government permits, licences and insurances are needed
- ✓ offering guidance on government regulations for business setup
- connecting customers to specialist support and advisory networks
- reviewing licence applications and supporting documents.



The NSW Small Business Commissioner with Easy to do Business customer Campbell MacLeod, owner of The Stage Door Espresso Bar, Bella Vista



#### Making it easier to start and grow a home business

In 2018 we asked local Councils, industry associations and small business owners how we could help make business easier. One of the top answers was more information and resources for home business owners. In December 2018 we launched an online information kit and checklist to make it easier to set up and grow a home business.

### Celebrating 100 Councils joining Easy to do Business

At the end of 2018 we visited the NSW Riverina town of Temora to celebrate 100 Councils joining the Easy to do Business program. We celebrated with the Mayor of Temora, Councillor Rick Firman OAM, Steph Cooke MP, Member for Cootamundra, and Kylie De Courteney, Chief Customer Officer at Service NSW.

It was a great day marking the meteoric rise of the program—from five Councils piloting the program at the end of 2017 to 100 of the 128 NSW Councils in 12 months.

As part of the celebration we visited several small businesses and the Temora Aviation Museum, which is a phenomenal tourist attraction for this wonderful town in regional NSW.



The Commissioner speaking with a local small business owner



Cake cutting with the Mayor of Temora and Member for Cootamundra



Visiting the fantastic Temora Aviation Museum

# Small Business Friendly Councils initiative

Councils are an essential ingredient in the small business ecosystem, offering a supportive environment for their local entrepreneurs to start and grow a business. We recognise the important role local government plays and work hard to support them through initiatives like Small Business Friendly Councils. In 2018 we provided:

- workshops around NSW for Economic Development Managers, General Managers and Mayors
- ✓ practical resources such as the Get Ready Business toolkit that helps small business owners prepare in case of disaster
- networking and masterclass opportunities
- shareable resources including statewide case studies to help inspire Council initiatives.





# Bringing the indoor out

From fusion dining to eating a pie on the footpath, enjoying a meal al fresco is a great Australian pastime. Outdoor dining adds an element of community and energy to our cities and towns, and perfectly complements the beautiful food and beverages we produce in our state.

To help encourage more café, restaurant and other food-based business owners to offer outdoor dining, we partnered with Service NSW and seven Councils to trial a faster and easier way to apply for a permit.

#### What was involved?

The NSW Government and participating Councils waived fees such as administration costs and footpath rental charges to help attract applicants. Interested applicants filled in a new digitised self-assessment form on the Easy to do Business digital platform, which Councils received as a 'decision ready' application. This dramatically reduced Councils' administrative burden, resulting in applications being approved in two business days instead of up to six months.

#### Outcome

We evaluated the trial and found that 22 applicants took advantage of the streamlined process. All stakeholder groups believed the trial was a success, rating the experience an average of 4 out of 5 stars.

"Maitland managed to approve outdoor dining for a business that had previously found the process difficult to understand and consequently hadn't applied until the trial commenced. The business was very impressed when they secured their licence within two days."

**Maitland City Council** 









#### Get your outdoor dining approval

If you want outdoor dining for your business you need to gain approval through your local council. We can make this quicker and easier when you apply through us. From now until 31 December 2018 we are partnering with the Office of the NSW Small Business Commissioner to provide you with a free and streamlined application experience.

Get started

## Advocating for change

#### **Faster Payment Terms Policy**

Cash flow has always been a major issue for small businesses, especially as they don't have the same access to capital as big business. A third of small and medium-sized businesses say late payments have affected their personal finances and their ability to cover basic expenses like rent, wages and utilities.

To take pressure off small businesses, our team worked with NSW Treasury and the NSW Department of Premier and Cabinet to develop the Faster Payment Terms Policy. Introduced in December 2018, the policy ensures small businesses that supply up to \$1 million worth of goods or services to the NSW Government are paid within 20 calendar days. This will be reduced to just five business days by the end of 2019.

At the December 2018 Council of Australian Governments meeting, the Prime Minister Scott Morrison praised the new policy and congratulated the NSW Government for leading the way to pay small businesses faster.

"I operate a small business providing services to NSW Roads & Maritime Services (RMS). RMS pays by credit card (for amounts under \$10,000), allowing me to have cash in the bank within 24 to 48 hours of submitting an invoice. RMS in my view is second to none and the leading example in supporting small business."

**Trevor Richards**Energy and Safety Audit Australia

### Motor Vehicle Insurance and Repair Industry Code of Conduct

To help improve the relationship between motor vehicle repairers and insurers, we helped negotiate and implement substantial amendments to the Motor Vehicle Insurance and Repair Industry Code of Conduct, which is now mandatory across the state.

In 2018 our Dispute Resolution Unit (DRU) played an important role by:

- ✓ sitting on the national committee (with representatives from both the motor repairers and insurance industry) that manages the administration of the code of conduct
- offering mediation services for motor vehicle repairers and insurers, including settlement agreements and the first expert determination.



Improving the relationship

between repairers and insurers



#### Improvements to payroll tax

Payroll tax is a vital source of revenue that pays for roads, schools and hospitals. For some small business owners, however, payroll tax can restrict them from hiring more staff.

To help alleviate this pressure and encourage small businesses to grow, we investigated how to improve payroll tax effectiveness, as well as reduce administration costs.

We successfully advocated raising the payroll tax threshold from \$750,000 to \$1 million by 2021.

We also helped the NSW Productivity Commissioner develop recommendations to modernise and streamline the payroll tax system. From 2019, payroll tax administration will introduce equal automated payments, making payroll tax a set-and-forget affair instead of a monthly hassle.

These improvements are on top of existing initiatives including the Jobs Action Plan, which offers a \$6,000 rebate, and the \$2,000 Small Business Employment Incentive.



Fish River Roasters in Robin Hill, NSW

### Helping disrupted businesses

In the business world there will always be change and disruption, from innovators upending traditional platforms and changes to government policy to natural disasters and infrastructure development. We support disrupted businesses by providing tools, hands-on support and a voice within government.

Here's how we helped in 2018.

#### **Light rail**

Running a business disrupted by major infrastructure construction such as light rail can be extremely challenging. Common impacts include reduced patronage, rent strain or lease conflicts.

#### **Sydney**

In 2018 we partnered with Transport for NSW to support small businesses along the route. We:

- ✓ negotiated rental relief
- ✓ supported the distribution of \$10.3 million worth of funding
- walked the length of the light rail route and talked with more than 600 small business owners about how to access financial support and free business advice through Business Connect, as well as our own free to low-cost dispute resolution services
- referred customers to other NSW Government agencies where necessary.

#### Newcastle

In 2018, in collaboration with Transport for NSW and Newcastle City Council, we helped develop local initiatives to support businesses impacted by the construction. We hosted a forum to let those small business owners know about available short- and long-term support. We also organised advertising to let shoppers know businesses on the strip were open.

#### **Parramatta**

Using lessons learned from both the Newcastle and Sydney light rail projects, in 2018 we proactively visited small business owners along Parramatta's 'eat street' to let them know how to best start preparing in the lead up to, and during, construction. We will continue to take an active role in working with small businesses to support them through every step of the journey.



### Construction disruption in the Hunter Connection

In mid-2018, the pedestrian link to Wynyard Station was closed as part of the redevelopment of Wynyard Place, dramatically impacting the trade of many businesses located in the adjacent Hunter Connection. These business owners wanted compensation however the developer maintained they were under no legal obligation to provide financial assistance.

#### How we helped

To help break the gridlock, our Dispute Resolution Unit met with both the developer and more than 40 small business owners to find a solution. These negotiations resulted in successfully reaching multiple settlement agreements. On top of this, the developer installed new directional signage to shops and engaged concierge staff to hand out information booklets and directional flyers to commuters to let them know the businesses were open.

We recognise and appreciate the support from the developer.

#### **Newsagents' Assistance Fund**

In 2015, supermarket chains were slated to be allowed to begin selling lottery tickets, in direct competition with newsagents. To assist newsagents around NSW, we worked with the NSW Government to delay the implementation date until April 2018. This was extended again until 31 March 2021.

Our team also assesses applications and processes payment of the NSW Government's \$15 million Newsagents' Assistance Fund to help agents remain competitive by upgrading their branding. In 2018 we provided \$980,000 to 98 newsagents across NSW, from Glebe and Salamander Bay to Bourke and Wee Waa.





#### **Container Deposit Scheme**

The NSW Container Deposit Scheme (CDS) is the largest litter reduction scheme ever introduced in NSW, designed to help dramatically reduce the volume of litter by 2020.

While this is fantastic for the environment, beverage retailers on our southern border were unintentionally affected because Victoria doesn't have a CDS scheme, enticing customers to cross the border to purchase beverages.

To help these retailers remain competitive and viable, we worked with key NSW Government agencies to design and deliver transitional assistance for eligible retailers. Initially a 12-month financial and advisory package, we successfully advocated for the NSW Government to extend the support for two more years.

"The package extension shows that the little bloke can be heard and the NSW Small Business Commissioner has listened and her team has done a fantastic job. Last year we didn't have a Christmas because the container deposit scheme started, but this will enable us to have a Christmas."

#### **Bob Matthews**

Owner, IGA supermarkets at East Albury and Springdale Heights



The NSW Small Business Commissioner and Bob Matthews in Albury



#### Rent relief for fishing cooperatives

When the NSW Government introduced the Commercial Fisheries Business Adjustment Program in 2017, it significantly changed the way many established commercial fishers operated.

Multiple commercial fishing cooperatives asked us for help while they adjusted to the program. We worked with the NSW Government and recommended altering and extending rent relief on Crown land leases until June 2020. This enabled cooperatives to reinvest savings and work with Business Connect advisors to innovate and remain competitive and sustainable.

"Our association and members appreciate the NSW Small Business Commissioner's work in assessing current rent relief and making recommendations for the next two years about fishing co-operatives' leases on Crown land. This is an important initiative helping support our industry in a time of adjustment."

#### **Danielle Adams**

Chairperson, NSW Fishermen's Co-operatives' Association

### On-the-ground support



NSW Small Business Commissioner helping out a Tathra local

#### Tathra fires

In March 2018, the South Coast town of Tathra experienced a devastating bushfire. Luckily no lives were lost, but multiple small businesses and nearly 70 houses were destroyed.

Our team visited the town along with the Business Bus and Business Connect advisors to lend a hand and provide free advice to business owners.

We worked with the local business chamber, Council and community groups to offer business owners advice on disaster assistance, insurance and grant applications, managing cash flow, dispute resolution and recovery planning.

We also helped business owners with the difficult task of cleaning up and repairs.

#### **Ongoing support for Northern Rivers**

When Cyclone Debbie hit the Northern Rivers in March 2017, the Lismore and Tweed business communities were seriously impacted. As part of the emergency response, our team travelled up the coast and provided on-the-ground support for the business community.

In Lismore we helped set up the Business Flood Recovery Taskforce, which the Small Business Commissioner chaired for 15 months.

We also worked with Tweed Shire Council to change the classification for developing land next to the flood-prone river. We advocated on their behalf for the NSW Government to buy the land for \$3 million, allowing the Council to buy another parcel of land in a higher position so businesses could relocate. We also successfully advocated changing the zoning to ensure no more development next to the river.

"I write on behalf of the Tweed community to thank you for your invaluable support and to inform you that Tweed Shire Council has recently taken ownership of industrial land which will be used for the land swap. The completion of this purchase is a significant milestone and has been made possible by the considerable support given by your office."

#### **Troy Green**

General Manager, Tweed Shire Council



#### **Drought relief**

The drought has impacted small businesses and communities across NSW, with farming and non-farming businesses feeling the strain of the long period of drought conditions. In 2018 we gave direct support to a number of small businesses in regional and rural communities, providing advice, dispute resolution services and referrals to Business Connect advisors.

We're also working with local Councils and NSW Government agencies to stimulate economic growth by:

- hosting a series of roundtables and meetings for Mayors and General Managers across NSW to identify drought-related business impacts and potential solutions
- visiting drought-affected regions and offering strategic advice and information

- providing toolkits to help businesses recover from an emergency or natural disaster, as well as visual merchandising kits and workshops for local retailers
- promoting local procurement opportunities and making it simpler for small business owners to supply goods and services to both local Councils and major infrastructure developments
- helping individual businesses with potential payroll tax deferrals through Revenue NSW, other tax support through the Australian Tax Office and referrals to Business Connect.

## Creating change

In 2018 we made multiple key submissions and representations to benefit small businesses in NSW, including to the:

- ✓ Board of Taxation review of small business tax concessions
- Australian Parliament inquiry into the Franchising Code of Conduct
- ✓ NSW Parliament inquiry into the construction of the Sydney Light Rail
- Australian Parliament inquiry into credit and financial services targeted at those at risk of hardship
- Commonwealth Treasury review of unfair contract term protections for small businesses
- ✓ Independent review of the Food and Grocery Code of Conduct
- ACCC consultation concerning small business' collective bargaining rights.

#### Mental health initiatives

Starting and running a small business can be stressful and challenging, especially in times of economic flux or disruption. We're committed to supporting the mental health of small business owners to help them remain resilient. In 2018 we:

- worked with Everymind to develop its 'Ahead for Business' app
- contributed towards SafeWork NSW's NSW
   Mentally Healthy Workplaces Strategy 2018–22
- developed tools and resources to help NSW small business owners plan for their mental wellbeing
- participated in the Commonwealth Small Business Mental Health Roundtable in Parliament House (pictured).





#### **Case Study**

# Fighting for change in the construction industry

The NSW Government has committed almost \$90 billion over the next four years for infrastructure such as hospitals, schools, roads and public transport. While this boom is fantastic for small business owners in the construction industry, a handful of small businesses have faced adversity on some projects in the past.

#### **Background**

In July 2016 Roads and Maritime Services (RMS) engaged Pacific Complete, their project delivery partner, to contract Seymour Whyte Group to perform early works to upgrade a section of the Pacific Highway on the North Coast. Seymour Whyte Group then subcontracted Ostwald Bros, which subsequently engaged its own subcontractors.

A year later, Ostwald Bros went into voluntary administration followed by liquidation, leaving 23 of their subcontractors millions of dollars out of pocket.

#### Our role

In December 2017, The Hon. Melinda Pavey MP, NSW Minister for Roads, Maritime and Freight requested the NSW Small Business Commissioner review the circumstances that led to Ostwald Bros going into voluntary administration. Minister Pavey also asked the Commissioner to make recommendations to the NSW Government to prevent any similar occurrences.

Following the Commissioner's review, the NSW Government is now implementing many of these recommendations to improve the procurement design, governance and legislative framework for the building and construction sector.

We also successfully advocated for the 23 affected sub-subcontractors to be paid for completed works.

"In an industry where speaking out is most often frowned upon, I felt supported by the NSW Small Business Commissioner because my concerns were being heard and valued. I felt respected, not condemned for highlighting the maladministration I found within the sector, practises that were inflicting devastating hardship on small regional businesses and families, and in the long term, would affect a valuable industry we are proud to be part of. The NSW Small Business Commissioner treated us with respect and honoured what we were fighting for: protection and integrity. For once we weren't alone in our battle to survive."

#### Jo Franklin

Owner, Franklin Plant Hire

## Helping solve problems

Answered 17,900 direct enquiries

Average of



2,600 ONLINE
self-help sessions accessed per month

Our team not only advocates for impactful change for small businesses, we also help resolve disputes quickly and inexpensively. Whether a small business owner unexpectedly finds themselves in a tricky situation with a client or service provider, or even trapped in a commercial dispute, our Dispute Resolution Unit (DRU) can help.

#### Answering your questions

We have highly trained mediators that provide information, strategic and procedural advice to small business owners experiencing disputes, as well as information about commercial agreements or leases, all for free.

They help landlords, tenants and their representatives understand their rights and obligations under the *Retail Leases Act 1994.* They also offer mediation to help small businesses negotiate successful outcomes to disputes.

The team provides general advice on a range of business-to-business contracts as well as referrals to other NSW Government support services.

#### Resolving disputes

We provide mediation services to small businesses experiencing commercial disputes. Our mediation officers can assist at any stage of a dispute, helping those involved to address key issues and find solutions. Whether the dispute is between businesses or business and government, we can help.

#### Mediations

Our mediation service is cost effective and is closely managed in a neutral and confidential manner, often empowering parties to find their own resolution. If the dispute has not been resolved through early discussions, we can arrange a formal mediation where both parties can explore their concerns. The mediation process has been shown to minimise the costs of retail tenancy and business disputes.

948
mediations



#### Holding retail bonds

As a neutral third party, the Dispute Resolution Unit manages retail and commercial property cash bonds under the NSW Retail Lease Security Bond Scheme. This means we hold the funds until an agreement is reached between tenant and landlord on how the bond is paid out, or as a court directs the payment. If there is a dispute, our team can work with both parties to find a timely and cost-effective resolution.

28,000 bonds and helped 12,000 businesses transition through a lease

#### **Case Study**

### Helping a lessee in distress

Each year the Dispute Resolution Unit (DRU) helps tens of thousands of small business owners through delicate and often very distressing circumstances. Here is an example from 2018.

#### **Background**

A woman called Anne\* contacted the DRU in great distress because her son, who owned a small business on an industrial site, had been locked out due to unpaid rent. Her son had been admitted to hospital and would most likely be receiving treatment for some time.

To add to her stress, Anne had used her superannuation to set up her son in business and they could only afford to live in a caravan on site. If locked out, she would lose not only her investment but also her home.

#### Our role

The DRU gave Anne strategic advice and offered to call the landlord to explain the situation and request permission to access the property.

Because the rent hadn't been paid, the landlord was uncomfortable to let the mother or son onto the property. When the request was narrowed to just the caravan, Anne was able to remove it that same afternoon.

Over the next week, negotiations between Anne, the DRU and the landlord's agent resulted in Anne's son, who had been discharged from hospital, being allowed to remove his property.

In addition, all parties agreed that the landlord should receive the full bond as part of the final tenancy settlement.

\*Name has been changed

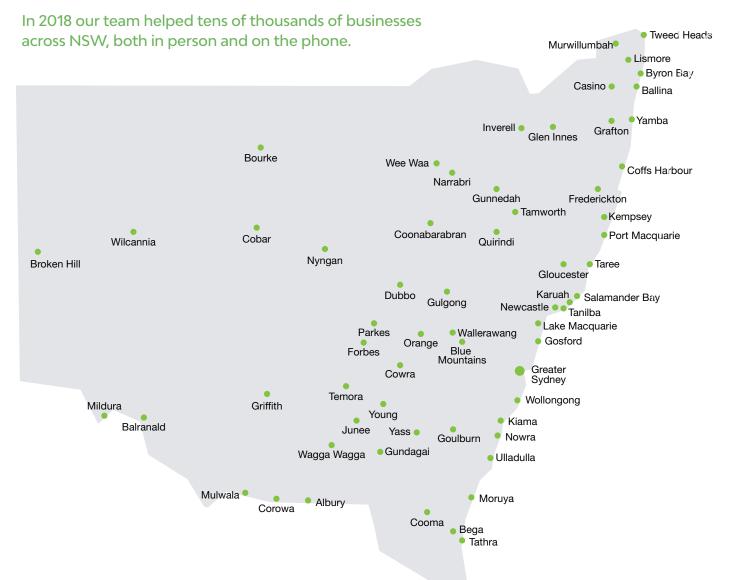
### Common questions the Dispute Resolution Unit answers:

- ✓ I did a job for another business but they are refusing to pay. What can I do?
- The landlord wants to claim my bond but I don't owe any money. How can I get it back?
- My shop has a problem and the landlord refuses to fix it. Can you help?
- ✓ The landlord wants to increase my rent. How much
- ✓ My lease has ended and the landlord is asking me to paint the property. Do I have to?
- I've paid another business for a service that I haven't received. What are my rights?



You can find out the answers to these questions and more information at smallbusiness.nsw.gov.au

# Providing advice and services



Thank you to everyone we collaborated with in 2018 to make NSW the easiest and best place to do business.



Some of the team volunteering at Ronald McDonald House in October 2018



### Ode to Small Business

Small business is the thing, it makes the world go round, Boosting the local economy, keeping dollars in your town.

And don't forget connection with people so invested, Perhaps battling multinationals, every day being tested.

The cafés and the paper shops, the local butcher too,
The quirky and the character-filled, these traits are best for you.

Mums and dads, families, friends, people working hard, Making something of their vision, right there in your back yard.

Yes your local folk who're out there, bringing life and lots of verve.

A smile, "G'day how are ya?" and joy to those they serve.

So when next you're choosing where to shop, shun the big boys, have no fear.

It's the little guy with character who'll bring you much more cheer.

#### **By Neil Smith** Mayor of Junee Shire Council

30 November 2018 On the occasion of the visit to Junee by Robyn Hobbs, NSW Small Business Commissioner



