



Victorian  
**Small Business  
Commissioner**

ENGAGE  
ADVOCATE  
RESOLVE  
MONITOR



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ANNUAL REPORT 2016-17



VICTORIAN SMALL BUSINESS COMMISSION

September 2017

Annual Report 2016-17

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AUTHORISED BY THE VICTORIAN SMALL BUSINESS  
COMMISSION

Level 2

121 Exhibition Street

Melbourne Victoria 3000

Telephone: 13 87 22

Toll Free: 1800 136 034

Facsimile: 03 9651 9943

Email: [enquiries@vsbc.vic.gov.au](mailto:enquiries@vsbc.vic.gov.au)

Website: [www.vsbic.vic.gov.au](http://www.vsbic.vic.gov.au)

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# Victorian Small Business Commissioner

The Hon Philip Dalidakis  
Minister for Small Business, Innovation and Trade  
Level 16  
121 Exhibition Street  
Melbourne Victoria 3000

Dear Minister

## **Annual Report 2016-17**

I am pleased to present to you the Annual Report on the operations of the Victorian Small Business Commissioner, covering the period 1 July 2016 to 30 June 2017.

The Report is provided to you under section 14(1) of the *Small Business Commissioner Act 2003* (the Act), in order for you to cause the Report to be laid before each House of Parliament as required under section 14(2) of the Act.

Yours sincerely

## **Judy O'Connell**

Victorian Small Business Commissioner

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# CHAPTER 1

## COMMISSIONER'S MESSAGE

The time since my appointment in November 2016 has passed quickly as we moved in an exciting new direction, while continuing to provide a valuable service for Victorian small businesses.

The financial year ended on a high note with a function to celebrate United Nations' World Small Business Day where we launched the Victorian Small Business Commission's new three-year business strategy outlining our plans to enhance a fairer and more competitive environment for Victoria's small businesses.

The launch of the strategy comes as we prepare for the commencement of the new Victorian Small Business Commission from 1 July 2017.

The new Commission will provide the office with broader and stronger functions, and the three-year strategy outlines goals and proposed actions, focusing on advocacy, small business community engagement, providing dispute resolution and monitoring the small business environment.

Late payments remain a significant issue for small businesses, as evidenced through our regular consultation with businesses and responses to the Australian Small Business and Family Enterprise Ombudsman's Payment Times and Practices Inquiry. We continued to advocate strongly on this issue and welcome the introduction of the Australian Supplier Payment Code from 1 July 2017, to be administered by the Business Council of Australia.

We worked closely with Melbourne Water on the development of its *Guidelines for Engaging Small Business on Infrastructure Projects*. We hope that this will serve as a model for other agencies in considering and addressing the impact of major projects on small business.

We also developed a series of important initiatives during the year, a highlight being the launch of an information guide, *Creating a Mentally Healthy Small Business*, to help address potential mental health issues for small business operators and their employees.

Communicating with businesses and their advisors was again a strong focus during the year with 93 face to face presentations, 30 webinars and attendance at 14 business expos or conferences during the year.

The mediation success rate over the year was 80 per cent for the 614 completed mediations, with a customer satisfaction rating sitting at 95 per cent. Further, 31 per cent of the 1,700 dispute applications referred to the Office were resolved before going to mediation, a testament to my qualified and extremely dedicated staff.

I would like to acknowledge the work of the previous Commissioner, Geoff Browne, for his efforts over the last five years in building the profile of the Office and developing its operational efficiency and effectiveness.

Finally, I would like to thank the Minister for Small Business, Innovation and Trade, the Hon Philip Dalidakis for his support during my first seven months as Commissioner. I also appreciate the ongoing support for this Office provided by the Department of Economic Development, Jobs, Transport and Resources.





# CHAPTER 2

## ABOUT US

### PURPOSE

The Victorian Small Business Commissioner (VSBC) was established by the *Small Business Commissioner Act 2003* to enhance a competitive and fair operating environment for small business in Victoria. The VSBC has a range of functions under that Act, including dispute prevention and dispute resolution.

The VSBC also has statutory dispute resolution and prevention functions under the *Retail Leases Act 2003* (RL Act), the *Owner Drivers and Forestry Contractors Act 2005* (ODFC Act), the *Farm Debt Mediation Act 2011* (FDM Act) and the *Transport (Compliance and Miscellaneous) Act 1983* (Transport Act).

There is no statutory definition of 'small business' in any legislation administered by the VSBC.

### NEW VICTORIAN SMALL BUSINESS COMMISSION

From 1 July 2017, the VSBC becomes the Victorian Small Business Commission following the commencement of the *Small Business Commission Act 2017*.

The Commission will be constituted by the Small Business Commissioner, as head of the Commission. The Act also repeals and re-enacts with amendments the *Small Business Commissioner Act 2003*.

The VSBC will continue to provide its existing range of functions, including effective and low cost mediation services, and education and information to assist small business to minimise disputes. However, the new Act will provide the VSBC with broader and stronger functions to better help small businesses. Specifically, the VSBC will be able to:

- > resolve disputes between businesses and a broader range of organisations, including professional associations, educational institutions, industry bodies and certain special bodies within government

- > review proposed legislation in terms of its potential to adversely affect small business
- > work with similar small business commissioners in other States, Territories, or similar Commonwealth Agencies, to enhance conditions for small businesses
- > advise or comment on the development of legislation and regulatory policy relating to small business and related matters.

### THREE YEAR STRATEGIC PLAN

In late June 2017, and in preparation for the introduction of the new Commission, the Commissioner launched a new three year business strategy at a breakfast to celebrate the United Nations' Inaugural World Micro, Small and Medium Enterprises Day.

Aiming to create a fair and competitive environment for Victorian small business to operate, grow and prosper, the document summarises the goals and actions against the VSBC's four focus areas of:

**Advocacy** – advocating on issues affecting small businesses and their operating environment

**Engagement** – connecting with the small business community to promote VSBC services and encourage informed decision making

**Monitoring** – monitoring the impact of market trends, legislation and government policies on small business

**Dispute resolution** – continuing to provide an efficient and low cost small business dispute resolution service

The following page provides a summary of the goals against each of these areas.

## STRATEGY AT A GLANCE

Creating a fair and competitive environment for Victorian small business to operate, grow and prosper

### ENGAGE

**Connect with the small business community to promote VSBC services and encourage informed decision making**

#### GOALS

- > Connect with the small business community and key stakeholders by delivering a marketing program to raise awareness of the VSBC and its services
- > Educate small business on business practices and behaviours to promote informed decision making

### ADVOCATE

**Advocate on issues affecting small businesses and their operating environment**

#### GOALS

- > Advocate for Victorian small business
- > Establish and raise awareness of the advocacy function
- > Provide advocacy leadership at a national level on key issues

### RESOLVE

**Provide an efficient and low cost small business dispute resolution service**

#### GOALS

- > Improve outcomes at the first point of contact in the dispute resolution process
- > Increase the number of disputes resolved by Dispute Management Officers
- > Improve the timeliness and efficiency of the dispute resolution process
- > Continually improve the quality of mediation services
- > Explore new forms of dispute resolution

### MONITOR

**Monitor the impact of market trends, legislation and government policies on small business**

#### GOALS

- > Review the potential impact of legislation and policy
- > Improve data analysis to report on market practices and emerging issues
- > Contribute to business reviews



# CHAPTER 3

## ENGAGEMENT

During the year, the VSBC again undertook a range of engagements with the small business community in order to raise awareness of the VSBC and its services.

These engagements seek to raise the VSBC's profile and play an important role in providing information to small and medium business on ways to avoid commercial disputes arising, and promoting the alternative dispute resolution services available through the VSBC if disputes do arise.

The VSBC reaches small businesses in a number of ways, including:

- > conducting workshops and events
- > presenting to businesses and other stakeholder groups, both in person and via webinars
- > representation at festivals, industry events and expos
- > through newsletters and social media.

### UNITED NATIONS' WORLD SMALL BUSINESS DAY

On 27 June 2017, the VSBC held a 'World Small Business Day' breakfast in support of the United Nations' inaugural 'World Micro, Small and Medium Enterprises day'. Over 100 small business owners, associations, advisors and supporters came together to celebrate the enormous economic contributions small businesses make to the state.

The new three year strategy for the Victorian Small Business Commission, which commences on 1 July 2017, was also launched at the breakfast.

"It was a terrific gathering and I could really feel the sincerity from you and the minister and the community that you're both trying to create." EVENT FEEDBACK

## PRESENTATIONS AND WORKSHOPS

The VSBC delivered 93 presentations during 2016-17. Many were held in regional areas, including Bendigo, Stawell, Ballarat, Geelong, Mildura and Wodonga.

Many of these are delivered in partnership with industry associations, councils and local business networks such as:

- > CPA Australia
- > Law Institute of Victoria
- > Melbourne Business Network
- > Victorian Authorised Newsagents Association
- > Victorian Transport Association
- > Wodonga Traders Association
- > Geelong Chamber of Commerce
- > Daylesford and Hepburn Springs Business and Tourism Association

## WEBINARS

The VSBC's popular webinar series continued in 2016-17. A total of 30 webinar sessions were held over the year with 719 participants registering.

Topics covered retail leasing, general information about commercial disputes and the VSBC's services, franchising, unfair contract terms and working from home.

"Thank you for taking the time to create and deliver these informative webinars. They have given me some great ideas and also kept me on track with certain aspects of my business." WEBINAR FEEDBACK



## ENEWSLETTER

Our eNewsletter series continued in 2016-17, with three issues during the year. The VSBC is continuing to build its database with 1,395 subscribers at the end of June 2017.

The eNewsletter is an excellent way of providing a snapshot of current issues, surveys, legislative changes and events.

## REGIONAL ROUND TABLES

The VSBC participated in a number of regional round tables focussed on helping small business to address specific local issues.

### Wodonga Traders

In April 2017, the VSBC organised a round table conference with Regional Development Victoria, City of Wodonga and Wodonga Traders Association.

The round table was primarily to discuss the upcoming roadworks planned for High Street that would take approximately six months. The VSBC worked with the City of Wodonga and the traders to come to amicable and mutually beneficial arrangements to keep the traders open and viable during the works.

### Mildura storm damage assistance

On 11 November 2017, damaging storms devastated the Mildura region, affecting business owners, farmers and home owners. Following the storms' devastation, many in the community battled insurance, repair and assessment issues and became increasingly frustrated with the length of time it was taking to settle their claims.

The Mildura Rural City Council identified the need for further assistance and support around financial, legal and mediation matters, so in May the VSBC attended two forums (in Merbein and Red Cliffs) organised by the Council aimed at delivering advice to those affected by the storms.

Together with insurance and legal experts and the Financial Ombudsman Service, the VSBC provided information to those affected, particularly in regard to dispute resolution.

## LATROBE VALLEY SMALL BUSINESS ROUND TABLE

With the potential impact on small business as a result of the closure of a number of large local employers, the Small Business Commissioner saw the need to apply a whole of government approach to support the affected communities.

The VSBC worked closely with a number of Federal, State and local government agencies to facilitate a Latrobe Valley small business round table meeting, held in Traralgon on 24 May 2017.

The meeting reviewed the support available to Latrobe Valley small businesses and identified gaps in the support. The group identified a range of support measures to help resolve some of the issues faced by local small businesses.

The proposed measures included:

- > Development of an online portal to bring together links to all relevant small business support services
- > Assistance for small business to attend training or mentoring sessions
- > Delivery of three workshops to help small business to compete for jobs in development projects
- > Support for local business networks.

## SOCIAL MEDIA

The VSBC continued to develop its digital strategy, adding more social media platforms. The VSBC now has an official Twitter account for the Commissioner as well as an Instagram account and Facebook page.



## MINISTERIAL COUNCILS

The Small Business Commissioner presented to both the Small Business Ministerial Council and the Multicultural Business Ministerial Council during the year. The Commissioner will continue to attend the Councils' meetings as a standing member.

## SMALL BUSINESS FESTIVAL

The VSBC continued its commitment to assist small business owners in developing good business practices by participating in the Victorian Small Business Festival during August 2016.

Throughout the festival, the VSBC conducted a series of workshops and webinars. Two workshops were held in the Melbourne CBD Festival Hub and others across Victoria in Frankston, Bendigo, Stawell, Ballarat, Geelong, Cheltenham and South Morang. Eight webinars on various topics were held during the month.

## LAW WEEK

Seven webinars were held as part of the annual Law Week program in May 2017 with 123 registrations to those sessions. The VSBC also held an 'in person' session at the VSBC mediation rooms with 14 people attending to learn more about preparing for a successful mediation.

## FUTURE BUSINESS ADVISERS PROGRAM

This program targeted the tertiary education sector, particular law and business faculties, with the objective of introducing students – future lawyers, accountants, advisers, and businesses – to mediation broadly, and the role and functions of the VSBC specifically.

The program commenced with three guest lectures conducted by the VSBC with the University of Melbourne, Monash University and Federation University, and will be further developed over the next 12 months as the VSBC continues to work with leading educational institutions.

As part of the program, a number of law students from the universities have undertaken work experience with the VSBC.



# CHAPTER 4

## ADVOCACY

An increased emphasis on advocating for small business is one of the key pillars of the VSBC's new three-year strategy.

The VSBC will continue to develop this function with the assistance of key stakeholders in order to identify and address issues affecting small businesses and their operating environment at the local, state and national level.

During the year, the VSBC progressed its advocacy agenda through various channels including:

- > working with key business groups, e.g. the Business Council of Australia regarding the Australian Supplier Payment Code
- > partnerships with community organisations, e.g. Beyond Blue on the Mental Health Initiative for small business
- > working with government agencies, e.g. development of Melbourne Water *Small Business Engagement Guidelines*.

### AUSTRALIAN SUPPLIER PAYMENT CODE

Late payments remain a significant issue for small business, as evidenced through our regular consultation with businesses, and responses to the Australian Small Business and Family Enterprise Ombudsman's Payment Times and Practices Inquiry.

Accordingly, the Victorian Government has given its support to the Australian Supplier Payment Code (the Code), a voluntary national code of fair payment from businesses to their small business suppliers.

The Code will be administered by the Business Council of Australia and will come into effect on 1 July 2017.

The VSBC encourages businesses of all sizes to become signatories to show their leadership on this important issue.

Signatories to the Code will commit to the following payment practices and policies:

- 1 Pay eligible Australian small business suppliers within 30 days of receipt of a correct invoice or receipt of correct product from the suppliers (whichever is the latter), or on mutually agreed terms, or on terms that are consistent with a standard industry practices. (Signatories can choose to pay within shorter timeframes.)
- 2 Pay correct invoices from suppliers on time.
- 3 Provide clear guidance to suppliers about the company's payment procedures.
- 4 Work with supplier businesses, where practicable, to apply technologies and practices that will speed up invoice reconciliation, approval and payment processes (e.g. online portals, electronic invoicing, Electronic Funds Transfer, payment cards etc.).

Importantly, signatories will be required to put in place clear, fair and efficient processes for dealing with complaints and disputes about payment times and practices (e.g. create a point of contact, issue clear procedural guidelines, set timeframes for the investigation and response, report on actions taken).

The Australian Supplier Payment Code and a list of signatories to the Code will be published online.

### MENTAL HEALTH INITIATIVE

In April 2017, the Small Business Commissioner launched a new initiative to help small business operators protect their mental health while navigating the ups and downs that come with establishing and growing a business.

The initiative recognises that small business owners are often under enormous pressure and mental strain and that this pressure can be exacerbated by the feeling of responsibility towards their staff, coupled with a sense of isolation.

The VSBC's practical information guide, entitled *Creating a Mentally Healthy Small Business*, highlights common mental health red flags and includes tips to navigate difficult times, as well as a list of contacts that can assist small business owners if they find themselves struggling.

The VSBC is also developing a template for mental health strategies to help small business owners start thinking about their mental and physical health. This template can be incorporated into business development plans.

## MELBOURNE WATER SMALL BUSINESS ENGAGEMENT GUIDELINES

Following an investigation last year into the Melbourne Water Carlton Sewer Upgrade, the VSBC worked with Melbourne Water to develop its *Guidelines for Engaging Small Business on Infrastructure Projects* (Guidelines). The Guidelines reflect the outcome of collaboration between Melbourne Water and the VSBC, for the benefit of Victorian small businesses.

The Guidelines, which were launched by Melbourne Water and the VSBC at a water industry forum in June 2017, help to identify small businesses affected by infrastructure works and give them a greater say in the planning of these projects. They provide some best practice guidance about how Melbourne Water will deal with and support small businesses during such works.

The Guidelines also provide a dispute resolution role for the VSBC and a role for the Small Business Mentoring Service (SBMS).

The VSBC will actively promote the Guidelines in 2017-18 to all Victorian water authorities, and other authorities responsible for delivering major infrastructure works. This is because such works can have a serious adverse effect on the viability of small businesses. The Guidelines provide clearer ways of ameliorating and managing this impact.

Melbourne Water itself has successfully used the Guidelines in other infrastructure projects, such as the Williamstown Sewer Upgrade.

## HeraldSun

### YOU'RE TALKING: SMALL FRY TO BE KEPT IN LOOP

CLAIRE HEANEY – SMALL BUSINESS

Small businesses caught in the middle of infrastructure projects that could affect their trade will be consulted under guidelines introduced by the Victorian Small Business Commissioner.

Commissioner Judy O'Connell said while some disturbances were unavoidable, the commission would try to minimise concerns.

Ms O'Connell said that in a pilot program with Melbourne Water in Williamstown, businesses had received better information and support.

There was a separate case where 100-year-old water pipes were being replaced and one affected business owner knew nothing about it until workers with jackhammers arrived, she said.

Ms O'Connell said that in another case, there was a retailer who would have been affected by a project due to start in November – the busiest time for that trader.

Following a consultation process, the project was pushed back to a quieter time.

The commissioner has collaborated with Melbourne Water to identify impact on small businesses from the earliest planning stages.

It includes a budget allocation within a project to provide for face-to-face meetings with businesses before, during and after the project. In addition to negotiating changes to factors such as project times and signage, businesses might also be eligible for help from the Small Business Mentoring Service.

"I guess it is fair to say that previous to me taking this role the main focus was small business dispute resolution," Ms O'Connell said, speaking before today's inaugural World Micro, Small and Medium Enterprises Day.

She said there were also projects underway looking into the mental health of small business operators, who were often isolated, and disputes around website development.

Ms O'Connell's office is also reviewing legislation that has unintended consequences for small business. The office also has low-cost mediation and dispute services.

## CASE STUDY

### MELBOURNE WATER – WILLIAMSTOWN SEWER UPGRADE

This Melbourne Water Upgrade involved a 4 km sewer relining project from Williamstown to the Spotswood oil refineries.

The works location included yacht clubs, cafes, motels and a busy shopping district.

Melbourne Water engaged with businesses nine months prior to the works starting and also developed a strong relationship with the local council and chamber of commerce.

Works were scheduled to avoid busy trade periods, particularly holidays.

A co-designed pop-up park was developed to attract patrons to the area whilst works were occurring.

- > partnerships with key stakeholders such as local councils, tourism organisations and business associations
- > upskilling opportunities, including access to the SBMS
- > developing business plans.

The Business Support Guidelines also provide a dispute resolution role for the VSBC.

The MMRA Business Support Guidelines, and Melbourne Water Engagement Guidelines, specify proactive measures and support services to assist small businesses that will experience disruption during infrastructure works.

## UNFAIR CONTRACT TERMS

On 12 November 2016, the Commonwealth extended certain unfair contract term protections from consumers to small businesses. The VSBC relied on these new protections to advocate on behalf of small businesses adversely affected by unfair contract terms. The VSBC made representations to larger businesses, reminding them about their new obligations, and to ensure they do not include such terms in their contracts with small business.

The new law applies to small businesses entering into standard form contracts. These are contracts offered on a 'take it or leave it' basis, where there is no negotiation about the terms, or fine print. To be covered, either party to the contract must have less than 20 employees. The new protection also only applies if the upfront price payable under the contract is below \$300,000 for contracts of less than 12 months duration, or under \$1 million otherwise.

Some examples of unfair contract terms are:

- > terms that enable only one party to avoid or limit their obligations under the contract
- > terms that enable only one party to terminate the contract

## MELBOURNE METRO RAIL AUTHORITY BUSINESS SUPPORT GUIDELINES

The VSBC worked with the Melbourne Metro Rail Authority (MMRA) to develop *Business Support Guidelines for Construction* (Business Support Guidelines), consistent with those developed by Melbourne Water.

The MMRA is responsible for delivering an improved Victorian rail system. The Business Support Guidelines aim to help businesses continue to operate throughout the construction program so they can take advantage of the long term benefits and opportunities the new Metro Tunnel will bring to the business community. The Guidelines identify how the MMRA and its contractors will engage with and support small businesses during the construction phase.

The types of business support include:

- > promoting individual businesses and precincts
- > activation opportunities, such as tailored events, leveraging existing events and pop-ups

- > terms that only penalise one party for breaching or terminating the contract
- > terms that enable only one party to vary the terms of the contract.

An automatic rollover clause is another example of a clause that may raise concerns. The VSBC has previously commented on such terms being common in various industries.

After these reforms commenced, the VSBC made a representation to a waste management business about its standard form contract. The VSBC was concerned about its rollover and liquidated damages clauses. The business responded positively to the VSBC and indicated it had implemented a revised contract in order to be compliant with the new legislative reforms.

The VSBC produced an Information Sheet on *'Unfair contract terms in business contracts – New protections for small business'*, which is available on the VSBC website.

## LOCAL BLUE PAGES PTY LTD AND BLUEY'S PAGES \*

In response to complaints referred by the VSBC and the Victorian Civil and Administrative Tribunal, Consumer Affairs Victoria (CAV) began investigating Local Blue Pages.

On 30 May 2017, CAV issued a Media Release entitled 'Consumer Affairs calls out phone book publisher'. The Media Release refers to Local Blue Pages, stating *"A Melbourne phone book publisher that created a fake debt collection company to coerce payments from its advertising clients has been fined \$40,000 by the Heidelberg Magistrates Court."* CAV and the VSBC said the outcome should serve as a warning to those looking to exploit small businesses for a profit.

In the Media Release, the VSBC urged business owners to thoroughly research advertising opportunities before spending their hard earned dollars. The VSBC stated:

*"Always ensure you check the legitimacy and track record of a publication before paying any money or agreeing to anything."*

*A quick internet search for reviews could save you a lot of time, stress and money in the long run.*

*You should also make sure you keep written records of authorisations for advertising or directory entries so that if you receive an invoice, debt collection notice or a telephone call, you can go back to your records to check it."*

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### FOOTNOTE (\*)

Section 14 (6) of the SBC Act states:

*"If the Commissioner intends to include in a report submitted to the Minister a comment or opinion that is adverse to any person ... the Commissioner must first give the person a reasonable opportunity to respond to the adverse material and fairly set out the response in the report."*

Pursuant to s 14 (6), the VSBC wrote to Local Blue Pages Pty Ltd and Bluey's Pages with its intention to include details of the above Media Release in the Annual Report. Local Blue Pages Pty Ltd and Bluey's Pages did not respond to the VSBC.



# CHAPTER 5

## DISPUTE RESOLUTION

### DISPUTE RESOLUTION SERVICES

The VSBC provides dispute resolution services for general commercial small business disputes under the *Small Business Commissioner Act 2003*, as well as disputes under the *Retail Leases Act 2003* (RL Act), the *Owner Drivers and Forestry Contractors Act 2005* (ODFC Act), the *Farm Debt Mediation Act 2011* (FDM Act) and the *Transport (Compliance and Miscellaneous) Act 1983* (Transport Act).

While the VSBC's timely, low cost mediation service is the principal method of dispute resolution, there is a greater focus on increasing the number of disputes resolved by staff prior to mediation.

There are three main elements to the VSBC's dispute resolution service:

**Information and Education:** the VSBC provides information to businesses on their rights and obligations under relevant legislation to assist them to prevent and resolve disputes. Information is provided by telephone, email and online.

**Preliminary Assistance and Resolution:** when an application for assistance with a dispute is received by the VSBC, staff will initially engage with both parties to see if the dispute can be resolved before proceeding to mediation. Staff expertise in legislative provisions and dispute resolution can often assist in bringing the parties to a pragmatic resolution. If the dispute cannot be resolved at this stage, staff will explain the benefits of mediation to the parties and encourage them to participate, avoiding the emotion, delay, cost and distraction of litigation.

The same process does not apply for disputes under the FDM Act or the Transport Act, where the VSBC role is limited to arranging and conducting mediation.

**Mediation:** the timely, low cost resolution of a dispute through mediation can maintain a business relationship and let the parties quickly get back to business. A binding Terms of Settlement between the parties brings clarity and control to resolution of the dispute. Each party to mediation contributes \$195 (\$95 for mediations under the ODFC Act and the Transport Act) toward the cost of the mediation, which is otherwise subsidised by the VSBC. Mediations are held in locations to meet the needs of the parties.

The VSBC also continues to explore new forms of dispute resolution, including facilitated meetings and determinations.

### NEW FORMS OF ALTERNATIVE DISPUTE RESOLUTION

#### Facilitated Meetings

The SBC Act enables the VSBC to determine what form of ADR is most appropriate to use in dealing with a dispute. A 'facilitated meeting' is a form of dispute resolution which can be used by the VSBC where a formal mediation cannot be arranged. An example of an appropriate use of the facilitated meeting form of ADR is where a dispute involves many parties and common issues.

#### Determinations

A new voluntary Smash Repairer Code of Practice commenced operation on 1 May 2017. The Code provides for the mediation of smash repairer disputes by the VSBC. It also enables the VSBC to determine smash repairer disputes, where mediation has failed. This is a new function for the VSBC under the SBC Act. The VSBC has agreed to run a pilot project to determine these disputes and is in the process of putting this in place, including the appointment of appropriate determiners.

## PHONE ENQUIRIES

The VSBC handled nearly 12,000 phone enquiries during the year. The majority of queries relate to rights and obligations under retail leases, with a further significant proportion involving disputes which arise between businesses more generally.

## DISPUTES REFERRED TO THE VSBC

The total number of disputes applications in 2016-17 increased by 4.6 per cent compared to the previous financial year to 1,703.

TABLE 5.1  
APPLICATIONS RECEIVED 2016-17

	2015-16	2016-17	% + / (-)
Retail Leases Act 2003	970	904	(6.8)
Small Business Commissioner Act 2003	564	700	24.1
Owner Drivers and Forestry Contractors Act 2005	38	44	15.8
Farm Debt Mediation Act 2011	56	54	(3.6)
Transport (Compliance and Miscellaneous) Act 1983	0	1	n.a.
<b>Total Disputes</b>	<b>1,628</b>	<b>1,703</b>	<b>4.6</b>
Specialist Retail Valuer	225	133	(40.9)
Farm Debt Mediation Act 2011 – Certificates	59	42	(28.8)
Investigations	0	1	n.a.
<b>Total Applications</b>	<b>1,912</b>	<b>1,879</b>	<b>(1.7)</b>

## DISPUTE RESOLUTION SUCCESS RATES

During the year, 1,478 matters were completed through the VSBC's dispute resolution process. A number of matters still in process were incomplete as at 30 June 2017.

Pre-mediation dispute resolution remains a focus, with 31 per cent of matters resolved in this way.

## MEDIATION OUTCOMES

Of the disputes which were referred to mediation, 80 per cent were successfully resolved. The settlement rate varies from 74.6 per cent to 95.7 per cent across jurisdictions. Of the total number of conducted mediations, 12.7 per cent were held in regional Victoria.



TABLE 5.2  
MEDIATION OUTCOMES BY VENUE AND LEGISLATION

		Venue				Completed Mediations				ADJOURNED
		HELD	SX	OTHER METRO	REGIONAL	TOTAL	SUCCESSFUL	UNSUCCESSFUL	SUCCESS RATE	
RLA	68.1%	465	416	11	38	414	309	105	74.6%	51
SBCA	20.8%	142	130	1	11	131	118	13	90.1%	11
FDMA	7.5%	51	14		37	47	45	2	95.7%	4
ODFCA	3.5%	24	23		1	22	19	3	86.4%	2
TAXI	0.1%	1	1			0			0.0%	1
<b>TOTAL</b>	<b>100.0%</b>	<b>683</b>	<b>584</b>	<b>12</b>	<b>87</b>	<b>614</b>	<b>491</b>	<b>123</b>	<b>80.0%</b>	<b>69</b>

RLA RETAIL LEASES ACT 2003  
SBCA SMALL BUSINESS COMMISSIONER ACT 2003  
FDMA FARM DEBT MEDIATION ACT 2011  
ODFCA OWNER DRIVERS AND FORESTRY CONTRACTORS ACT 2005

## RETAIL LEASING

The number of retail leasing dispute applications fell 4.6 per cent in the year to 904, comprising 53.1 per cent of dispute applications received.

The VSBC has a role under the RL Act to appoint a Specialist Retail Valuer (SRV) where the tenant and landlord are unable to agree on a market review of the rent and the appointment of their own SRV.

A total of 133 applications requesting the appointment of an SRV were received in 2016-17.

Section 21 of the RL Act provides that a tenant may waive its right to a five year term by applying to the VSBC for a certificate and giving a copy of that certificate to the landlord. During 2016-17, the total number of requests received decreased 5.7 per cent to 1,183, with 1,075 certificates issued. The remaining requests did not require certificates to be issued or were withdrawn.

“The whole process was excellent and has given the business the chance to move forward while producing an appropriate outcome.” MEDIATION FEEDBACK

## GENERAL COMMERCIAL BUSINESS DISPUTES

The number of general commercial disputes lodged under the SBC Act increased by more than 24 per cent. The total number of these applications was 700, the highest annual volume on record, comprising 41.1 per cent of total dispute applications received over the year.

The application numbers suggest an increased awareness of the VSBC’s dispute resolution function for these matters which, unlike matters under the RL Act and ODFC Act, are not required to be referred to the VSBC before litigation is commenced.

## FARM DEBT MEDIATION

The FDM Act requires creditors to offer mediation to farmers before commencing debt recovery proceedings under a farm mortgage.

The FDM Act is jointly administered by the Department of Economic Development, Jobs Transport and Resources (the Department) and the VSBC. The Department provides initial information and assistance to farmers and creditors and refers farm debt disputes to the VSBC to arrange mediation. The VSBC also has a responsibility to issue certificates under the FDM Act.

During 2016-17, a total of 96 applications were received (54 requests for mediation and 42 requests for certificates), a 16.5 per cent decline in the number of applications received in 2015-16.

Farm debt mediations are held in both the VSBC’s Melbourne office and across regional Victoria, having regard to the needs of farmers and creditors. During 2016-17, 73 per cent of farm debt mediations were held in regional Victoria.

The other main function for the VSBC under the FDM Act concerns the issuing of exemption and prohibition certificates. Before a creditor may take enforcement action against a farmer, it requires an exemption certificate from the VSBC. Conversely, a farmer may seek a prohibition certificate from the VSBC, which prevents a creditor taking enforcement action until satisfactory mediation has occurred.

“A very good program to help farmers to resolve issues and be able to move forward. Probably saved lives (i.e. may help to avoid a suicide).”  
 MEDIATION FEEDBACK

**Owner Driver and Forestry Contractors**

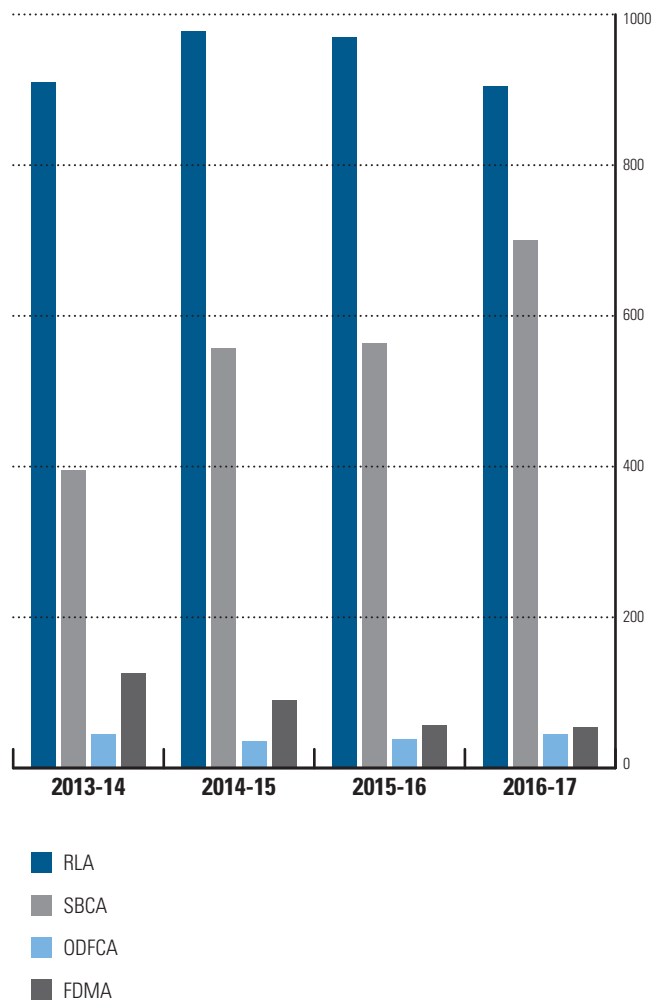
The number of owner driver and forestry contractors disputes increased by 15.8 per cent from the previous year, with 44 applications received.

The VSBC can issue a certificate under section 21 of the ODFC Act on application by a contractor seeking to waive the contractor’s obligation to provide a minimum period of notice of termination to the hirer. During the year, one certificate was issued.

**Taxi industry disputes**

The VSBC received one taxi dispute application under the *Transport (Compliance and Miscellaneous) Act 1983* during the year, after receiving none in the previous year.

FIGURE 5.1  
 DISPUTE APPLICATIONS BY LEGISLATION 2013-14 TO 2016-17



## TOP DISPUTE CATEGORIES

The top categories of SBC Act disputes lodged with the VSBC in 2016-17 related to:

- 1 contractual disputes (30 per cent)
- 2 unpaid monies (21 per cent)
- 3 quality of goods or services (13 per cent)
- 4 unfair trading (9 per cent)
- 5 undelivered goods or services (5 per cent).

For example, general business disputes referred to the VSBC often relate to the terms of a contract which has been signed by the parties. In particular, disputes often arise where one party has not properly read or understood the contract.

### CASE STUDY

#### NOT READING AND UNDERSTANDING A CONTRACT

A retail food business signed a five year contract for the lease of some kitchen equipment. Each month, for 60 months, the business had automatic payments deducted from its bank account. The business thought – without reading the contract – that at the end of the five years the equipment would become its property. As a consequence, it had some of the equipment installed at its premises.

At the end of the contract's five year term, the business ceased making automatic payments. When these deductions stopped, the leasing company demanded ongoing monthly payments, until the contract was properly terminated. The leasing company relied on the terms of the contract. In the fine print, the contract stated that at the end of the five year term, the business could return the goods or negotiate an extension to the initial term. There was no obligation on the leasing company to notify the business about the end of the contract.

When the leasing company threatened debt collection, the business approached the VSBC for assistance.

At mediation, the parties reached a commercial agreement whereby the business took ownership of the kitchen equipment.

Other common areas of dispute relate to the failure to supply goods or services as agreed, or the non-payment for good or services which have been provided.

### CASE STUDY NON-DELIVERY OF GOODS

A small business had engaged the services of a large freight transporting company to collect goods from their manufacturer and deliver them to their warehouse.

On arrival to pick up the goods the driver scanned the pallet and realised he could not proceed as his small van did not have the capacity to carry the goods. Another driver from the same freight company with a larger van was called.

After a day the freight company was notified that the goods had not arrived. A search was undertaken but they have been unable to locate the lost goods. The original driver did not void his initial scan and as such the second driver with the goods on board was untraceable.

The freight company then advised the small business that because they had no insurance there would be no compensation paid.

The small business lodged an application with the VSBC and after receiving it the freight company reviewed their original decision of no compensation. The cost of the goods was reimbursed to the applicant and they accepted that as a good outcome.

Similar to general business matters, retail leasing disputes between a landlord and tenant often arise where one party does not understand their rights and obligations under the retail lease or under the RL Act.

The top categories of RLA Act disputes lodged with the VSBC in 2016-17 included:

- > money owed by tenants (20 per cent)
- > responsibility for repairing and maintaining premises (14 per cent)
- > disputes about value of expenses (9 per cent)
- > refund of security deposits (8 per cent)

### CASE STUDY REPAIRS AND MAINTENANCE

A tenant had been renting retail premises for use as a café. The landlord was a local authority and the premises were managed by an agent. During summer, the air conditioner broke down and the tenant contacted the agent. Four weeks passed without the tenant being able to use the air conditioner. The tenant constantly emailed the agent to fix the problem. Eventually, the tradesperson who attended the premises said the unit would have to be replaced. To add to the problem, a crane had to be used to lower the new air conditioner into place. During all this, the business suffered as customers sought relief from the heat elsewhere.

The tenant filed an application with the VSBC seeking immediate resolution to have the air conditioning unit replaced and fully functioning as per the lease agreement. The tenant was also seeking rental compensation for the loss of revenue, and for excessive time spent trying to resolve the matter.

The air conditioner was replaced by the landlord. After discussions between the parties and VSBC prior to mediation, the landlord offered a settlement amount of \$4,000 to be credited against the next month's rent. The tenant was happy with this resolution.

### UNREASONABLE REFUSAL

The rate at which respondents refused to engage with the VSBC was 4.4 per cent, compared with 3.7 per cent last year. This rate has declined significantly since amendments to the SBC Act in May 2014 introduced a certificate function, and the ability to name a party in the Annual Report if the refusal is determined to be 'unreasonable'.

Section 14(3) of the SBC Act provides the power to provide details in the Annual Report of certificates issued, certifying that a party to a dispute has unreasonably refused to participate in alternative dispute resolution with the VSBC, provided that statutory procedural fairness steps have been followed.

Not all refusals are determined to be 'unreasonable'. Each case is considered on its merits. To assist parties, the VSBC has developed *Unreasonable Refusal Guidelines*, which are available at [www.vsbv.vic.gov.au](http://www.vsbv.vic.gov.au), and are included with letters sent to respondent parties to disputes.

## UNREASONABLE REFUSAL CERTIFICATES ISSUED

The VSBC makes every effort to engage with respondent parties, explaining the benefits of resolving disputes through alternative dispute resolution, and explaining the consequences if their refusal is determined to be unreasonable.

During 2016-17, the VSBC issued ten 'unreasonable refusal' certificates to eight businesses. Following responses received from some of these businesses on the intent to publish details of the certificates in the Annual Report and a review of the circumstances of each respondent, details of the ten certificates are listed in Table 5.3.

**TABLE 5.3**  
**CERTIFICATES ISSUED TO A PARTY TO A DISPUTE UNREASONABLY REFUSING TO PARTICIPATE IN ALTERNATIVE DISPUTE RESOLUTION.**

Certificate Date	Party
28 June 2016	Gryphon Global Aust Pty Ltd
22 July 2016	Australian International Medical Supplies Pty Ltd
1 August 2016	Campbellfield Market Pty Ltd
1 August 2016	Campbellfield Market Pty Ltd
1 August 2016	Campbellfield Market Pty Ltd
11 August 2016	The party with the registered business name Alfa Logistics Services
3 October 2016	The Trustee for Etax Global Pty Ltd
3 November 2016	Whatever Assets Pty Ltd
11 April 2017	Unidel Constructions Pty Ltd
19 April 2017	Cleanshare Pty Ltd

## MEDIATION FEEDBACK

### Client Satisfaction

The VSBC seeks feedback from parties and their representatives attending mediations. In 2016-17, 810 feedback forms were received. A customer satisfaction index is calculated based on answers to seven questions, each rated on a 1-5 scale.

The overall satisfaction rate with the mediation services provided by the VSBC was 94.9 per cent, compared with 95.4 per cent in 2015-16.

Feedback is also sought on the overall performance of the mediator, against a number of criteria.

Client satisfaction of the service and the mediator was consistently high across:

- > different parties
- > parties' representatives
- > whether the mediation outcome was full agreement, partial agreement or no agreement
- > alternative locations of the mediation.

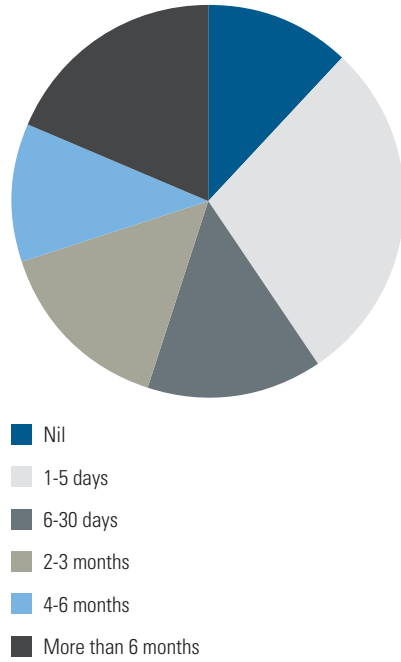
"Very helpful and professional conduct of mediation. Brought parties together. Instrumental in resolving dispute." MEDIATION FEEDBACK

**Benefits of mediation**

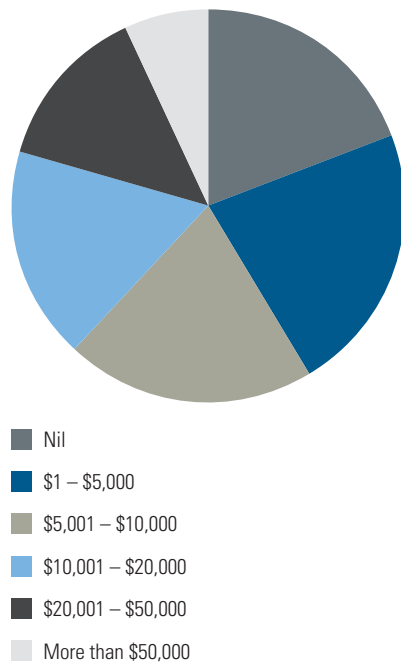
All parties were asked whether the mediation service had saved them time or money compared with the alternative of litigation. Of those who answered this question, 88 per cent indicated it had saved time and 80.8 per cent saved money.

“While I had to compromise, I am delighted by the outcome. Despite not having fully recouped my losses, the amount that I have agreed to forego will save me extensive legal fees and time. And peace of mind. Worth it! Thank you.” MEDIATION FEEDBACK

**FIGURE 5.2  
TIME SAVED BY MEDIATION**



**FIGURE 5.3  
MONEY SAVED BY MEDIATION**





# CHAPTER 6

## MONITORING

An important and emerging role for the VSBC is to monitor the impact of market trends, legislation and government policies on small business.

The commencement of the new Victorian Small Business Commission from 1 July 2017 introduces further monitoring functions for the VSBC to:

- > review proposed legislation in terms of its potential to adversely affect small business
- > advise or comment on the development of legislation and regulatory policy relating to small business and related matters.

During the year, the VSBC continued to monitor issues of importance to the small business sector, contributed to the national agenda through regular Commissioner meetings and participated in relevant sector reviews.

### STATE GOVERNMENT FAIR PAYMENTS POLICY

The VSBC has again undertaken a review of compliance with the State Government's Fair Payments Policy (FPP) in consultation with Small Business Victoria. The objective is to examine the extent to which government agencies are paying small and medium sized businesses within a 30 day period.

The FPP, introduced in 2004, requires certain State Government departments and agencies to pay invoices of up to \$3 million within 30 days of receipt of invoice, where there are no disputes relating to the goods or services provided. Penalty interest rates can be claimed by businesses for late payment.

The VSBC wrote to all seven departmental secretaries, requesting key data on invoice payments in 2016-17 from each department, and from the five largest agencies (by expenditure) within each portfolio area.

Respondents reported that 1,310,061 invoices relating to contracts under \$3 million were paid. Table 6.1 shows the average number of days reported to take to pay an invoice, and the proportion of these invoices reported as paid within 30 days.

TABLE 6.1  
**REPORTED PAYMENT OF INVOICES FOR CONTRACTS LESS  
 THAN \$3 MILLION, 2016-17**

	Number of invoices (<\$3M)	Average number of days taken to pay invoice	Number of invoices paid after 30 days	Payment within 30 days % compliance rate
<b>Departmental Core</b>	515,068	20.83	64,049	<b>88%</b>
<b>Agencies</b>	794,993	23.14	122,027	<b>85%</b>
<b>Aggregate</b>	1,310,061	22.23	186,076	<b>86%</b>

Overall, a compliance rate of 86 per cent was reported, compared to 87 per cent in the previous year. The VSBC will continue to work with State Government Departments and key agencies to encourage reduced payments time for small businesses.

Reasons provided for non-payment within 30 days included disputation over goods/services provided; administrative error; invoice payments only occurring on one day of the week; and late provision of the invoice to the finance area.

Penalty interest was not paid on any late payments by any department or agency. Creditors are required to issue an invoice for late payment penalty interest.

## NATIONAL COMMISSIONERS' PRIORITIES

The state small business commissioners, the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) and the Australian Competition and Consumer Commission (ACCC) meet every two months to discuss matters of mutual interest affecting small business.

The introduction of the new Victorian Small Business Commission from 1 July 2017 will further strengthen this role by providing a specific function for the VSBC to work with similar small business commissioners in other States, Territories, or similar Commonwealth Agencies, to enhance conditions for small businesses.

The VSBC continued to work closely with ASBFEO, including on its Payment Times and Practices Inquiry, an issue of top priority for all small businesses in Australia. The VSBC participated in a working group and assisted in promoting the input of Victorian small businesses through submissions and survey responses.

The VSBC also received a number of referrals for dispute resolution from the ASBFEO over the year. One significant matter successfully resolved at VSBC mediation involved a multi-million dollar claim against a major retail chain.

## SUBMISSIONS AND REVIEWS

### Small Business Regulation (Retail Sector) Review

The Small Business Regulation Review was announced in 2016 by the Victorian Government to examine how regulation is impacting the State's small businesses across a number of sectors of the Victorian economy.

In July 2016, a review of the Retail Sector commenced with four reform areas being identified for further examination. The VSBC provided resources to a cross-department team focussing on making retail leases fairer and easier to understand.

In May 2017, following initial co-design work, the Government released the Retail Sector Draft Action Statement for further consultation.



The VSBC contributed to the development of the three proposed reform areas identified in the Draft Action Statement, being:

- > Timely information for tenants
- > Introduction of a time limit for returning bonds and bank guarantees
- > Development and distribution of a free standard retail lease.

The VSBC also contributed to a rapid policy design workshop on seeking to improve access to information for small businesses.

#### **Review of the Australian Small Business and Family Enterprise Ombudsman**

The VSBC prepared a submission for the review of the Australian Small Business and Family Enterprise Ombudsman (ASBFEO). The submission supported the role of the ASBFEO and pointed out examples of the VSBC working cooperatively with it to assist small business through its advocacy and assistance functions. The recommendations of the review are expected to be released in 2017-18.

#### **Review of the *Farm Debt Mediation Act 1994* (NSW)**

In March 2017, the Rural Assistance Authority (RAA) in New South Wales released a Consultation Paper concerning a review of the *Farm Debt Mediation Act 1994* (NSW). According to the paper, the purpose of the review is to ensure the NSW legislation "... continues to deliver on its original intent and contributes to the development of a nationally consistent approach to (farm debt mediation)."

The review is of relevance to the VSBC as the Victorian *Farm Debt Mediation Act 2011* is based on the NSW legislation. Under the Victorian legislation, the VSBC has a mediation and certificate function.

The RAA liaised with the VSBC, and Agriculture Victoria, as part of its review of the NSW legislation. The VSBC provided its input and will continue to monitor the NSW review.

#### **Review of the *Owner Drivers and Forestry Contractors Act 2005* (Vic)**

In November 2016, the Victorian Minister for Industrial Relations announced a review of the *Owner Drivers and Forestry Contractors Act 2005* (ODFC Act). Under the ODFC Act and Regulations, the VSBC has an alternative dispute resolution (ADR) function.

Formal Terms of Reference were announced for the review, which was managed by Industrial Relations Victoria. The purpose of the review is to consider changes that have occurred within the Victorian transport and forestry industries and at the national level since the introduction of the ODFC Act and Regulations in 2005. The Review was to explore whether any changes could be made to the ODFC Act and Regulations to improve the position of owner drivers and forestry contractors, while ensuring a competitive and fair operating environment for small businesses in Victoria.

The VSBC provided input into the review. The VSBC will continue to monitor the review, as it has an ADR role under the legislation.

#### **Tip Truck Industry**

The review of the ODFC Act announced by the Minister for Industrial Relations referred to the *Victorian Inquiry into Labour Hire Industry and Insecure Work*. This Inquiry heard evidence on a range of issues regarding rates of pay, certainty of working hours, and occupational health and safety for tip truck owner drivers. The review of the ODFC Act was to look at the Inquiry's recommendations, including a code of practice for the tip truck industry and the requirement on hirers to provide an applicable rates and costs schedule for the industry.

Consistent with the review, the Transport Industry Council (TIC) under the ODFC Act requested the assistance of the VSBC to develop a code of practice and model rate and cost schedule for the tip truck industry. For this purpose, the TIC requested the VSBC appoint a mediator to assist in the development of these respective instruments. This role will continue in 2017-18.

### ESSENTIAL SAFETY MEASURES

On 1 May 2015, the Victorian Civil and Administrative Tribunal handed down an advisory opinion in the matter of *Small Business Commissioner: reference for advisory opinion (Building and Property) [2015] VCAT 478*.

The advisory opinion found that:

- > A landlord must bear the cost of compliance with essential safety measure obligations, and cannot pass these costs on to the tenant.
- > For some obligations, the landlord may agree with the tenant for the tenant to meet the requirements, but at the landlord's expense.
- > More generally, the landlord cannot pass on to the tenant as outgoings the cost of complying with certain repair and maintenance obligations under the *Retail Leases Act 2003*.

During the reporting period, the VSBC commenced monitoring the number of enquiries relating to the effect and applicability of the advisory opinion, and received sixteen enquiries. Most of these were handled at the preliminary assistance stage by referring parties to the advisory opinion and information on the VSBC website. Only four dispute applications were received which related to Essential Safety Measures.

# CHAPTER 7

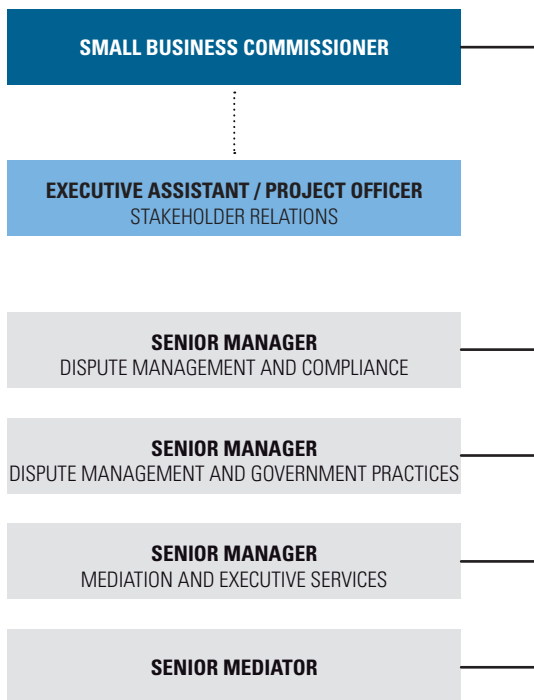
## ORGANISATIONAL ARRANGEMENTS

### OVERVIEW

The position of Small Business Commissioner is established under the *Small Business Commissioner Act 2003* and is a statutory appointment by the Governor in Council.

VSBC staff are employed by the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) under Part 3 of the *Public Administration Act 2004*. They participate in the DEDJTR training, performance management and HR activities and conform to the Department's financial and other policies and codes of conduct.

### ORGANISATIONAL STRUCTURE



The newly appointed Commissioner commenced in late November 2016. This was followed by a new Statement of Expectations (SoE) issued by the DEDJTR Secretary, outlining the Victorian Government's expectations in order for the VSBC to align its business plans and strategies to the objectives of the Government.

In response to the new SoE, the VSBC prepared its Three Year Strategic Plan 2017-20. To align the available resources and deliver on the priorities for the next three years, the VSBC undertook a review of the current processes and capabilities to develop a fit for purpose model on the key functions.

### GOVERNANCE FRAMEWORK FOR PORTFOLIO PERFORMANCE

An essential element of good public administration is the existence of a governance framework, which clearly sets out the expectations of the ministers and their departments when agencies exercise their functions and powers. DEDJTR's Governance Framework aims to encourage better alignment of the portfolio's strategic priorities, improve coordination and collaboration to increase performance across the portfolio and effectively identify and resolve risks and issues together.

According to the Health Assessment conducted towards the end of the financial year as part of DEDJTR's Governance Framework, the VSBC has performed very well against the performance metrics. It has undertaken notable efforts in response to the previous Statement of Expectations and has fully responded to the SoE requirements.

### OCCUPATIONAL HEALTH AND SAFETY

The VSBC is committed to providing a work environment that is, as far as it is reasonably practical, free from risks to the safety, health and well-being of staff (including VPS employees, agency on hire staff, contractors, trainees) and visitors.

In 2016-17, no issues arose in relation to occupational health and safety.

## ENVIRONMENT

The VSBC is committed to sustainable practices through waste minimisation, energy efficiency, paper reduction, recycling and integrating environmental sustainability within the Department's corporate governance, planning and procedures.

## SYSTEMS

Corporate support services (financial, information technology and records management) are provided by the Department.

Specific database applications have been developed for:

- > dispute management and reporting
- > preliminary enquiries
- > survey reporting – client satisfaction with mediation services and preliminary assistance.

## MAJOR CONTRACTS

The VSBC did not enter into any contracts over \$10 million in the period 1 July 2016 to 30 June 2017.

## CONSULTANCIES

In 2016-17, the VSBC entered into two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure for these consultancies was \$41,100 (excl. GST).

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2016-17 (excluding GST)	Future expenditure (excluding GST)
Donic Australia Pty Ltd T/As Strategy Co	VSBC Strategic Plan 2017-20	9/2/17	20/6/17	\$26,100	<b>\$26,100</b>	\$0
Victorian Government Solicitor's Office	Legal advice (ODFCA related)	1/7/16	25/7/16	\$15,000	<b>\$15,000</b>	\$0

In 2016-17, the VSBC engaged in six consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$12,263.35 (excl. GST).

## FREEDOM OF INFORMATION

There were no Freedom of Information requests directed to the activities of the VSBC during 2016-17.

## PROTECTED DISCLOSURE PROCEDURES

The VSBC operates in accordance with the Department's Whistleblowers Protection Procedures.

As at 30 June 2017, the VSBC had not received any disclosures made under the *Protected Disclosure Act 2012*, nor had the Ombudsman referred any such disclosures to the VSBC for investigation.



# CHAPTER 8

## FINANCIAL STATEMENT

### FINANCIAL STATEMENT 1 JULY 2016– 30 JUNE 2017

1 July 2016 – 30 June 2017	
\$	
<b>Funding</b>	
Small Business Commissioner	2,585,000
Farm Debt Mediation	600,000
<b>Total Funding</b>	<b>3,185,000</b>
<b>Expenditure</b>	
Employee Related Expenses	2,484,132
Supplies and Consumables	691,890
Depreciation and Amortisation	3,769
<b>Total Expenditure</b>	<b>3,179,791</b>