



The Hon Adem Somyurek MP

Minister for Local Government
Minister for Small Business

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Ms Judy O'Connell
Small Business Commissioner
Victorian Small Business Commission
Level 2, 121 Exhibition Street
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Dear Commissioner

**VICTORIAN SMALL BUSINESS COMMISSION — STATEMENT OF EXPECTATIONS
2019-21**

I am pleased to provide the Victorian Small Business Commission with this Statement of Expectations (SOE) for the period 1 July 2019 to 30 June 2021, or until otherwise amended.

The statement outlines my expectations for the VSBC to align its strategies and business plans to the Government's objectives of growing a strong economy that benefits all Victorians by creating more jobs, building thriving places and regions, and supporting inclusive communities. The Government recognises the importance of supporting a competitive and fair business environment that contributes to the creation of meaningful jobs, robust industries and cohesive communities.

As Minister for Small Business I am supported by the Department of Jobs, Precincts and Regions through Small Business Victoria to develop policy and administer legislation that impacts businesses in Victoria, including the *Small Business Commission Act 2017*. This SOE should be read within the context of the Government's priorities and the objectives, obligations and functions of the Government's departments and agencies as outlined in legislation.

It is my expectation the VSBC aligns with the department's values and commitment to excellence in service delivery to perform the functions outlined in the *Small Business Commission Act*. Specifically, the VSBC is to focus on the principal function of dispute resolution, supported by promotion of informed decision-making by small businesses to minimise disputes. The VSBC's dispute resolution focus is also to be supported by other prescribed functions, including engagement, advocacy, and monitoring the small business environment.

During 2019-21, the VSBC will continue other activities to support its dispute resolution services:

1. Promote awareness and use of the *Victorian Small Business Engagement Guidelines: working with small businesses during disruptive infrastructure projects*.
2. Advance the Small Business Friendly Councils project.
3. Promote the importance of good mental health practices for small business operators.

It is my expectation the VSBC will coordinate through the department and my office to develop submissions, contribute to legislation and regulatory reviews, and contribute to program offerings.

Appropriate to the Government's current budget considerations and the department's budget capacity, the VSBC will receive funding from the department's service delivery budget in 2019-20. This comprises a base funding component and funding for Farm Debt Mediation services. The VSBC will submit an annual business plan for this budget to the Secretary of the Department of Jobs, Precincts and Regions for approval. The Secretary will advise of base funding allocation in due course.

As it has been four years since the last evaluation of the effectiveness of the VSBC and its support services, I will direct the department to undertake an evaluation in the second half of 2019-20. It is my expectation the VSBC staff will be comprehensively consulted during the evaluation.

This SOE also outlines the following governance and performance objectives aimed at improving the delivery of the VSBC's regulatory role.

Improvements and targets

Based on consultation between the department and the VSBC, I have identified some areas of governance and operational performance where there are opportunities for the VSBC to enhance service delivery. The VSBC is expected to identify activities it will undertake to achieve the following performance improvements and targets:

Timeliness

- In consultation with the department, prioritise resources to implement efficiencies in the time taken to resolve disputes through reduced manual handling and duplication of records.
- The VSBC will provide customers with estimated timeframes for their cases.

Compliance-related assistance and advice

- Monitor the quality of preliminary assistance and dispute resolution services and identify opportunities for improvement (if necessary).

- In consultation with the department, develop a process to assess awareness of VSBC dispute resolution services in the small business sector, and identify opportunities for improvement (if necessary).

Risk-based strategies

- In consultation with the department, prepare a risk management plan that identifies foreseeable risks and appropriate mitigation strategies.

Stakeholder consultation and engagement

- In consultation with the department, prepare a social media and communications strategy to raise awareness of the Government's dispute resolution service, as well as extend outreach.

I understand the VSBC and the department will develop a Good Regulatory Practice Plan in support of implementing the above improvements.

Relationship with the department and governance arrangements

The VSBC is staffed by department employees and utilises departmental resources and assets. As such, the Commissioner is responsible to the Secretary of the Department of Jobs, Precincts and Regions for the general conduct and management of functions and activities of the VSBC.

The department has responsibility as the primary source of advice to me as Minister for Small Business on policy development and the performance of the portfolio's regulatory systems.

I expect the VSBC and the department to maintain a collaborative working relationship to inform the policy objectives of the Small Business portfolio. The VSBC should work closely with the department on matters relating to the portfolio so the department may consider the knowledge and expertise of the VSBC when assessing policy and legislation impacts upon small business.

In addition, I expect the VSBC to work in collaboration with the department to continue to raise awareness of support services available to small businesses in Victoria. This includes working with the department on communications, marketing and promotional activities, and advocating for small businesses.

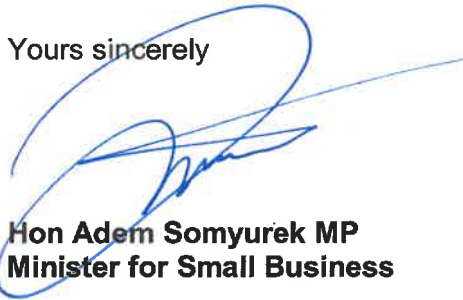
Under the *Small Business Commission Act* the VSBC must, within three months after the end of the financial year, submit an Annual Report to me for tabling in Parliament. I expect the VSBC's Annual Report will include:

- Current baseline levels for performance targets set in this SOE.
- Activities to be undertaken to reach the performance targets and improvements set out in this SOE.

I expect that within two weeks of this letter, the VSBC will respond to this SOE, outlining how it intends to achieve the performance improvements and targets set in this SOE. The VSBC response should be published on the VSBC website by 1 July 2019.

I look forward to working with you to support a competitive and fair operating environment for Victoria's small businesses.

Yours sincerely



Hon Adem Somyurek MP
Minister for Small Business

17 / 5 / 19