



Victorian  
Small Business  
Commission



# Annual Report 2021



**Victorian Small Business Commission**

October 2021

Annual Report 2021

Ordered to be published

Victorian Government Printer PP 255, Session 2018–2021

This report is available at [www.vsbcb.vic.gov.au](http://www.vsbcb.vic.gov.au)

© State of Victoria 2021. This publication is copyright.  
No part may be reproduced by any process except in  
accordance with the provisions of the *Copyright Act 1968*.

Authorised by the Victorian Small Business Commission  
Level 2, 121 Exhibition Street Melbourne Victoria 3000

Telephone: 13 8722 Fax: 03 9651 9943

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

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

ISSN: 1832-2018



**Victorian  
Small Business  
Commission**

The Hon Jaala Pulford MP  
Minister for Small Business  
Level 16, 121 Exhibition Street  
MELBOURNE VIC 3000

Dear Minister

**Annual Report 2021**

I am pleased to present to you the Annual Report 2021 on the operations of the Victorian Small Business Commission, covering the period 1 July 2020 to 30 June 2021.

The report is provided to you under section 16(2) of the *Small Business Commission Act 2017* (the Act), in order for you to cause the report to be laid before each House of Parliament as required under section 16(3) of the Act.

Yours sincerely

**Lynda McAlary-Smith**

Victorian Small Business Commissioner





# Contents

---

**01**

Commissioner's message—p2  
Year at a glance—p4  
Our role—p5

---

**02**

Engaging Victoria's small  
business community—p6

---

**03**

Advocating and monitoring—p12

---

**04**

Resolving small business disputes—p19

---

**05**

Responding to the Minister's  
Statement of Expectations—p26

---

**06**

Appendices  
A—Compliance and accountability—p28  
B—Operations—p29

# 01

## Commissioner's Message

**In 2020–21, as people in small business continued to feel the impacts of the coronavirus (COVID-19) pandemic, we remained focused on providing them with timely and accurate information on their rights and responsibilities and access to our free or low-cost dispute resolution services.**

Last year we reported on our initial response to the emerging pandemic, including the significant changes we made to our services to meet the increased demand for support from the small business sector. This year we built on these efforts to provide timely and effective supports to assist businesses in need to continue trading.

Our main priority again this year was to assist commercial landlords and tenants who needed our help to negotiate rent relief fairly in situations where the business experienced a fall in turnover because of coronavirus. This support, which included assistance early on and free mediation, was initially provided under the Victorian Government's Commercial Tenancy Relief Scheme (the Scheme), which was introduced to help relieve financial hardship experienced by landlords and tenants at this time. After that Scheme ended on 28 March 2021<sup>1</sup>, we continued to offer assistance and mediation at no cost to help resolve rent relief disputes.

In 2020–21 demand for our services nearly doubled from the previous year, with over 5,100 Victorians seeking our help to resolve disputes. Over 4,000 of these matters were over commercial rent relief. We also continued to

provide support for a broader range of disputes — from small business matters to retail leasing disputes — by providing information and guidance and arranging mediation sessions where required.

We were again able to resolve 38 per cent of matters early through preliminary assistance — without the need for mediation. Where matters did require mediation, 77 per cent were successfully resolved. I would like to recognise the efforts of our skilled and dedicated staff and mediators who achieved these outstanding results.

With many small business owners facing exceptionally stressful business circumstances, we strengthened our efforts in promoting just how important it is for them to think about their own mental wellbeing and seek help if needed. Our small business owner's guide to creating a mental health plan in response to coronavirus, provided business owners with a valuable resource to help them prioritise their own wellbeing, recognise when they might need extra support and plan practical steps for them to take in response. We also regularly promoted other available supports tailored for businesses, including the Partners in Wellbeing helpline where small business operators can access free and confidential mental health and financial counselling.

Our communications and engagement with small businesses, landlords and other key stakeholders was critical in delivering vital information about available Victorian Government support and how we can help. Our delivery of consistent, targeted and clear messaging to our stakeholders, complemented by our active presence on social media, maintenance of an up-to-date website and issuing of newsletters, allowed us to provide timely and accurate information to small business tenants, landlords and their intermediaries on changes to the help that was available and how to access it. We were most appreciative of the support we received from our valued stakeholders, including peak industry bodies and local councils, to promote this information among their networks.

<sup>1</sup> The Commercial Tenancy Relief Scheme was reintroduced from 28 July 2021.



**Lynda McAlary-Smith**  
**Victorian Small Business**  
**Commissioner**

I was pleased to see that an increasing number of councils are recognising the benefit of working in partnership with us to support their local small business community, with an impressive 60 councils having signed up to our Small Business Friendly Council initiative by the year's end. These councils have made important commitments, including to streamline approval processes for people looking to start a business locally, make faster payments to small business owners, back their local business networks and better manage impacts to trade caused by disruptive infrastructure projects.

I thank the Minister for Small Business Jaala Pulford for her support of our office throughout the year and acknowledge the ongoing assistance provided by the Department of Jobs, Precincts and Regions.

Finally, I would like to acknowledge the outstanding leadership and contribution of the outgoing commissioner Judy O'Connell on her retirement. Judy actively raised the VSBC's profile throughout her four and a half years as commissioner, passionately advocating for small business and most recently providing exceptional leadership to the office through what has been a most challenging and uncertain period. I wish Judy the very best in her retirement and thank her for her unwavering efforts. I also wish to acknowledge and thank Mark Schramm for his leadership as Acting Commissioner in the latter part of the year.



## Year at a glance

5,175

applications for help to  
resolve a dispute

77

% success rate for  
completed mediations

81

% client satisfaction rate for  
our mediation services

354K+

354,237 visits to  
our website





## Our role

# 19,421

phone and email enquiries

# 2,298

completed mediations  
conducted

# 38

% of matters resolved before  
reaching mediation

### Our purpose and functions

The Victorian Small Business Commission (VSBC) came into effect on 1 July 2017, with the commencement of the *Small Business Commission Act 2017* (the Act). The Act repealed and re-enacted, with amendments, the *Small Business Commissioner Act 2003*, which our office had operated under since its commencement in 2003.

The Act establishes the VSBC with the purpose of enhancing a competitive and fair operating environment for small business in Victoria. We have a range of functions under the Act, including dispute prevention and dispute resolution. We also have statutory dispute resolution functions under the *Retail Leases Act 2003*, the *Owner Drivers and Forestry Contractors Act 2005*, the *Farm Debt Mediation Act 2011* and the *Commercial Passenger Vehicle Industry Act 2017*.

In 2020–21 the VSBC also continued its additional dispute resolution function under the *COVID-19 Omnibus (Emergency Measures) Act 2020*, which commenced in March 2020 and enacted the Victorian Government's Commercial Tenancy Relief Scheme (the Scheme) to alleviate financial hardship faced by commercial tenants and landlords as a result of the impact of coronavirus. Although the Scheme ended on 28 March 2021<sup>2</sup>, we continued to provide free and impartial mediation to help resolve commercial rent relief disputes in response to the pandemic under our other relevant jurisdictions.

### Our three-year strategic plan

In line with our strategic plan, we continued to focus our efforts on four priority areas:

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

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

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

**Dispute resolution** — providing an efficient and low-cost small business dispute resolution service

<sup>2</sup> The Commercial Tenancy Relief Scheme was reintroduced from 28 July 2021.

# Engaging Victoria's small business community

In 2020–21 the unprecedented circumstances facing many small businesses meant that effective engagement with the sector was critical to inform small business owners about how to access available information and support. To achieve this, we continued to maximise our strategic use of targeted communications via our various platforms to reach as many Victorians in small business as possible, as well as their intermediaries and other key stakeholders.

Our year of efforts in raising awareness of our services contributed to record numbers of enquiries and applications for our assistance, greater social media engagement, a significant increase in website visits and solid media coverage.

## Our key achievements

Our key achievements include:

**furthering implementation of our communications and marketing campaign** to raise awareness of the VSBC's free and impartial mediation service for resolving rent relief disputes in response to coronavirus

**enhancing our website** to improve accessibility of information and the user experience of our online application form for rent relief disputes

**strengthening our relationships with key stakeholders** to create tailored content and disseminate information to small businesses

**achieving 173 media mentions** in niche and mainstream media outlets

**building our direct engagement with small businesses** through our 3,553 social media followers and 2,355 VSBC News subscribers

**promoting informed decision making by small business** through developing new resources in response to identified needs and providing thought leadership via the Commissioner's blog

**raising awareness of key legislative changes** impacting small business such as important amendments to the *Retail Leases Act 2003*

**developing new translated materials** to ensure our communications about the ways we can help are accessible to business owners of culturally and linguistically diverse backgrounds.

## Our website

In 2020–21 we recorded 354,237 visits to our website, which is a 51 per cent increase on last financial year. The rise was largely driven by the need for information on available supports for small business due to the pandemic.

There was strong demand for information about the Commercial Tenancy Relief Scheme protections including our suite of easy-to-understand FAQs, clear information on how to request rent relief and negotiate an agreement in good faith and access to our user-friendly online form for applying for free mediation to help resolve a commercial rent relief dispute.

We continued to invest in enhancements to our website to improve navigation and functionality. These efforts included:

- developing a new and highly effective FAQ search capability
- creating a new ‘choose your language’ homepage menu with native script to improve visibility and access to our translations
- making changes to our online form for requesting help to resolve a rent relief dispute to ensure the application process was user-friendly, accessible and intuitive.

## Working with the media

We achieved 173 VSBC media mentions in niche and mainstream media outlets across metropolitan and rural and regional Victoria as well as nationally. A significant amount of coverage was on our rent relief supports under the Commercial Tenancy Relief Scheme (the Scheme) and councils making important commitments to their local small businesses through our Small Business Friendly Council initiative. Highlights include:

- WIN Ballarat TV package on Central Goldfields Shire Council making the small business friendly council pledge, featuring Minister for Small Business the Hon Jaala Pulford MP, a local businessowner and the council’s Chief Administrator Noel Harvey OAM
- the *Mirror* reporting on South Gippsland Shire being ‘an on-going friend to small business’ following the council’s signing of our Small Business Friendly Charter
- *The Age* reporting on the continuation of the VSBC’s mediation service to resolve disputes under the extended Scheme
- Gippsland FM’s Tony Flynn interviewing the Commissioner on the impact of the pandemic on small business and how the VSBC can help, including through dispute resolution and through supporting small business owners’ mental wellness
- *SmartCompany* promoting the VSBC’s letter template for tenants to make a rent relief request and our support for small business owners who cannot reach a fair agreement with their landlord in a story on Victoria’s extended Scheme
- the *Warracknabeal Herald* reporting on new leasing conditions for small business following changes to the *Retail Leases Act 2003* and our free mediation service under the Scheme
- ABC Ballarat Statewide Drive discussion on how mediation often gets to the heart of the issue and that the VSBC works very effectively on focusing parties’ minds on what the issues are and the consequences of not reaching a resolution
- the *Herald Sun* reporting on the mental health impacts of the pandemic on small business owners and the VSBC’s available supports in response
- *The Australian* reporting our dispute resolution data in a story on commercial rent disputes falling nationally to pre-pandemic levels as eviction moratoriums lift.

## 02 Engaging Victoria's small business community

continued

### Communicating legislative changes

An important part of the VSBC's communications strategy is to ensure small businesses have accessible and up-to-date information about rights and responsibilities regarding legislation under the VSBC's jurisdictions.

In 2020–21 our major focus in this area was communicating information on the Commercial Tenancy Relief Scheme (the Scheme), which was introduced in March 2020. With changes and the extension of the Scheme during the year, the VSBC developed further communications materials including:

- targeted emails to commercial tenants who had previously applied to us for dispute resolution support under the Scheme, informing them of the need to write to their landlord to request further rent relief
- an updated step-by-step process on how tenants and landlords can negotiate a fair rent relief agreement and access free mediation to resolve a rent relief dispute
- an enhanced online dispute application form with additional guidance for parties on the information they needed to provide
- additional and updated responses to our FAQs
- an updated letter template for tenants to make a request for rent relief from their landlord
- updated leasing guidance on rent relief in Simplified Chinese, Arabic and Vietnamese
- an updated fact sheet for industry associations members
- functional marketing activities including targeted boosting of Facebook and Instagram posts and a Google search campaign to promote our free supports.

With the Scheme coming to an end on 28 March 2021<sup>3</sup>, the VSBC undertook a communications campaign to raise awareness of our ongoing support including guidance in steps for tenants to take before 28 March 2021 if they were having difficulty paying rent, how to negotiate rent relief after 28 March 2021 and how to access free mediation to help resolve a rent relief dispute.

A range of important amendments to the *Retail Leases Act 2003* also came into effect on 1 October 2020 that affected essential safety measures, security deposits, disclosure statements as well as the option to renew a lease and the availability of an early rent review and

cooling off period. In response, we implemented a communications plan to inform small business tenants and landlords of these changes including stakeholder emails, a social media micro-campaign and new website information in the form of a news item, FAQs and web page content.

We increased our news reach by 18 per cent on 2019–20, with 2,355 subscriptions to VSBC News. Our newsletter served as an important tool for sharing key changes to requirements and supports under the Scheme and our continued role in providing guidance and free mediation.

We also maximised on opportunities to raise awareness of other legislative change affecting small business via social media, including:

- the minimum wage increase
- increased protections for small businesses signing insurance contracts
- new environmental and workplace safety laws
- Fair Payment Policy reforms
- laws to allow tradespeople to work across jurisdictions.

### Engaging with our stakeholders

In 2020–21 we continued to strengthen our relationships with our key stakeholders as we sought to work with them to ensure small businesses were aware of how to access support to deal with impacts arising from the coronavirus pandemic.

We maintained regular communication with stakeholders to inform them of any changes to our supports through targeted emails, editions of VSBC News and virtual presentations and meetings.

At the request of industry associations, we developed further information including a fact sheet with information about our role under the Scheme, leasing guidance and practical rent relief scenarios for distributing among their members.

Our communications also promoted available mental health and wellbeing supports such as our guide for small business owners to create a mental health plan specifically in response to coronavirus, as well as:

- the Partners in Wellbeing helpline
- Beyond Blue's NewAccess for Small Business Owners program
- new National Mental Health Commission guides for employers and sole traders
- the My Business Health website.

<sup>3</sup> The Commercial Tenancy Relief Scheme was reintroduced from 28 July 2021.

We continued to directly engage landlords, tenants and other small business owners through delivering presentations and participating in webinars, roundtables and meetings. In 2020–21 VSBC staff delivered 50 presentations, 42 of which were from the Commissioner. With public health restrictions preventing in-person events, we embraced a range of alternative ways to present, including via webinars and podcasts that were pre-recorded and broadcast live. Most presentations were focused on supporting small business through the pandemic, which included help in taking a proactive approach to looking after their mental wellbeing.

During the year we coordinated over 50 stakeholder meetings, where we met with a range of business networks, local councils, chambers of commerce and industry associations.

We valued the support of all stakeholders in 2020–21 as we worked together to support small business through a difficult and uncertain period for the sector.

A small business owner's guide to creating a mental health plan in response to coronavirus (COVID-19)



## Our key stakeholders

The VSBC engages with a wide range of business networks, industry networks and business advisors who support people in small business. The VSBC works with industry associations and peak bodies across a wide range of industries including:

- Australian Competition and Consumer Commission
- Australian Cyber Security Centre
- Australian Financial Complaints Authority
- Australian Financial Security Authority
- Australian Hairdressing Council
- Australian Hotels Association Victoria
- Australian Retailers Association
- Australian Securities and Investments Commission
- Australian Taxation Office
- Beyond Blue
- Consumer Affairs Victoria
- Council of Small Business Organisations Australia
- CPA Australia
- Fair Work Ombudsman
- Franchise Council of Australia
- Hair and Beauty Industry Association
- Industrial Relations Victoria
- Institute of Public Accountants
- Kinaway Chamber of Commerce Victoria
- Law Institute of Victoria
- Master Grocers Association
- Municipal Association of Victoria
- National Retail Association
- Pharmacy Guild of Australia – Victoria branch
- Property Council of Australia
- Real Estate Institute of Victoria
- Shopping Centre Council of Australia
- Small business commissioners across Australia and the Australian Small Business and Family Enterprise Ombudsman
- Small Business Mentoring Service
- Victorian Association for Newsagents
- Victorian Automobile Chamber of Commerce
- Victorian Chamber of Commerce and Industry
- Victorian Civil and Administrative Tribunal
- Victoria Law Foundation
- Victorian Multicultural Commission
- Victorian Ombudsman
- Victorian Transport Association
- WorkSafe Victoria.

For farmers and farm creditors, the VSBC has established relationships with:

- Agriculture Victoria
- Australian Banking Association
- banks and other farm creditors
- Rural Financial Counselling Service
- Victorian Farmers Federation.

The Commissioner also attended regular meetings with the:

- Small Business Ministerial Council
- Multicultural Business Ministerial Council
- national small business commissioners and Australian Small Business and Family Enterprise Ombudsman.

The VSBC works collaboratively with a range of local councils, business networks and chambers of commerce, and state and federal government agencies including Small Business Victoria. This also includes the Inspector-General for Emergency Management regarding Victoria's response to and recovery from the 2020 bushfires.



## 02 Engaging Victoria's small business community

continued

### Engaging multicultural businesses

Our engagement with culturally and linguistically diverse communities grew in 2020–21 as we increased the availability and accessibility of our translated materials.

We provided updated translations of our rent relief guidance and scenarios in Arabic, Simplified Chinese and Vietnamese, and promoted these much-needed resources via multicultural business and community leaders.

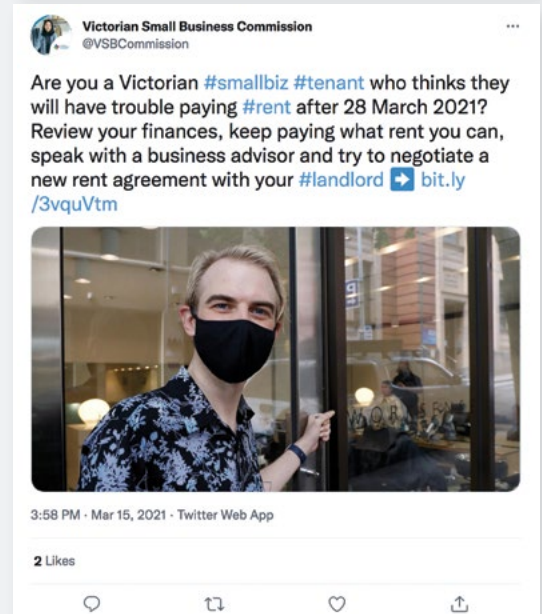
To help strengthen our inclusive approach, we enhanced our website navigation through a new, dedicated translations homepage menu. In doing so, we improved visibility and accessibility to our translated information. For 2020–21 there were over 6,300 visits to VSBC language pages, the most visited being the Simplified Chinese rent relief guidance page (over 1,190 visits). We endeavour to continue seeing growth in visits to our translated pages with further efforts to engage with culturally and linguistically diverse small business owners.



We also participated in ongoing discussions with the multicultural community by attending meetings of the Multicultural Business Ministerial Council and delivering presentations to culturally and linguistically diverse communities through the Victorian Multicultural Commission.

### Engaging via social media

We ended the 2019–20 financial year with a following of 2,558 across the VSBC's Twitter, Facebook, LinkedIn and Instagram accounts. As at 30 June 2021, our following had grown by 39 per cent to 3,553, furthering our efforts to increase awareness of our services.

Our social media platforms provided a valuable channel to promote our services as well as broader Victorian Government messages about small business initiatives, programs, grants and COVIDSafe requirements.




Disputes


[Home](#)

## Taking care of your #1 business asset – yourself

29 January, 2021






Image: Mark Farrelly Photography, Melbourne

### Small business and mental wellbeing

It's been a really challenging time for all Victorians, but if you own a small business, you've probably been impacted more than most.

Many of you have carried the responsibility of looking after your family and employees' wellbeing, all while keeping your business going and adapting to the changing circumstances.


It's 100% normal for business owners to be going through periods of feeling stressed or overwhelmed and if you are feeling this way, I can promise you're not alone.


Disputes


[Home](#)

## Insolvency changes to support people in small business

15 January, 2021



### Changes to Australia's insolvency system

The Australian Government has changed our insolvency system to give more support to people in small business. New processes came into effect on 1 January 2021, replacing the temporary debt relief measures introduced in March 2020.

The aim? To make insolvency processes simpler, less time consuming and less costly, and to allow more people to restructure their small businesses quickly at this time.

## Promoting informed decision making

One of our key areas of focus under our engagement strategy is encouraging small businesses to make informed decisions to avoid disputes. In 2020–21 we developed a range of resources to educate and inform small businesses on issues relevant to their operations.

This included a series of thought leadership blogs from the Commissioner and Acting Commissioner on topics such as:

- how to negotiate rent relief in good faith
- signs your business might be in trouble and what you can do to get back on track
- the Full Federal Court decision on unconscionable conduct and what this means for small business
- taking care of your #1 business asset – yourself
- insolvency changes to support people in small business
- help in managing the impacts of disruptive infrastructure works
- how councils are putting small business friendly commitments into practice.

We also continued to update our website with resources including new pages on whether to consider closing your small business at this time and how to identify unfair contract terms.

# 03

## Advocating and monitoring

**In 2020–21 the VSBC continued to monitor the small business environment in order to inform our work in advocacy. Supporting people in small business to respond to coronavirus was central to this work.**

Progressing with our Small Business Friendly Council initiative by building on existing and creating new partnerships with councils was a main priority. These partnerships enabled us to work together to inform local small businesses about available supports, including the Commercial Tenancy Relief Scheme. We also continued to promote ways in which the VSBC supports small business owners in looking after their mental health and wellbeing and continuing to trade through disruptive infrastructure projects.

### Promoting guidelines for small business disruption

#### Managing disruption

During the year major infrastructure projects continued to be carried out across Victoria including the building of major roads, the removal of level crossings and the expansion of public transport infrastructure to support our growing state.

Many small business owners faced considerable disruption to their business operations as a result of these projects. This is why we continued to advocate on their behalf with major development agencies, councils and other bodies.

We worked to strengthen our relationships with key stakeholders, including Victorian Government agencies and councils, to address small business impacts arising from infrastructure projects. This included promoting the use of our *Victorian small business engagement guidelines*, which assists project managers in working with small businesses to develop strategies to mitigate the negative impacts that construction works can have on trade. It is encouraging that a number of agencies, such as Major Road Projects Victoria, have incorporated our guidelines in their business engagement strategies.

We also continued to promote our complementary *Guide to managing disruption* for business to support small business owners in planning practical and effective ways to manage the impacts of these projects. We appreciated the efforts of our stakeholders in distributing this guide to businesses that were impacted, in particular local councils that distributed the guide to businesses before undertaking works, including one council that provided translated copies for their local businesses.

Supporting people in small businesses through these projects will remain a focus for the VSBC, with more activity planned to start in the coming year through the North East Link project and proposed Suburban Rail Loop. We have already formed key relationships with these bodies to begin planning how best to support affected small businesses.





Download your copies of the *Victorian small business engagement guidelines* and *Guide to managing disruption* at [www.vsbcb.vic.gov.au](http://www.vsbcb.vic.gov.au)

## Applying the VSBC guidelines for managing disruption

In keeping with the Victorian Government's *Outdoor Eating and Entertainment Package*, Gannawarra Shire Council committed to creating outdoor dining spaces for several local hospitality businesses. This enabled them to increase their outdoor dining capacity in response to coronavirus.

The implementation process saw the council undertake works that had the potential to significantly disrupt local hospitality businesses, such as installing café barriers and outdoor umbrellas. Staff at the council used our *Victorian small business engagement guidelines* when creating the communications strategy for the project, placing the needs of small businesses at the centre of their approach. This meant the businesses that were impacted were able to determine how they received project updates, ensuring the method of communication best suited their needs over the life of the project.

By working together with small businesses, Gannawarra Shire Council was able to provide updates in a timely manner and give confidence and certainty to business owners, many of whom were under considerable pressure due to the pandemic.

## 03

Advocating and  
monitoring

continued

Small Business Friendly  
Council initiative

The Small Business Friendly Council initiative was formally launched in May 2019. The initiative is a commitment between the VSBC and local councils to work together to support local small businesses.

Councils that sign our Small Business Friendly Charter are committing to partner with us to:

- help small business manage disruptions to trade caused by infrastructure projects
- support the growth of local business networks
- work towards faster permit approvals for people looking to start a small business in the area
- promote prompt payment of small business supplier invoices
- develop clear and accessible information for people in small business
- open and maintain lines of communication between councils and the VSBC.



**Small  
Business  
Friendly  
Council**

---

**As at 30 June 2021, sixty councils had signed up to our initiative:**

---

City of Yarra	Manningham City Council
Glen Eira City Council	City of Greater Geelong
Northern Grampians Shire Council	Colac Otway Shire
Corangamite Shire	Nillumbik Shire Council
Baw Baw Shire Council	Loddon Shire Council
Latrobe City Council	Mitchell Shire Council
City of Wodonga	Maribyrnong City Council
Gannawarra Shire Council	City of Melbourne
Mount Alexander Shire Council	Knox City Council
City of Kingston	City of Ballarat
Yarra Ranges Council	Central Goldfields Shire
Wyndham City	Bayside City Council
City of Casey	Moorabool Shire Council
Frankston City Council	Glenelg Shire Council
South Gippsland Shire	Moirra Shire Council
Moreland City Council	Banyule City Council
Hepburn Shire Council	Horsham Rural City Council
Ararat Rural City Council	Yarriambiack Shire Council
City of Greater Bendigo	Hindmarsh Shire Council
Greater Shepparton City Council	Borough of Queenscliffe
Cardinia Shire Council	Golden Plains Shire Council
Moonee Valley City Council	West Wimmera Shire Council
Mornington Peninsula Shire	Maroondah City Council
Swan Hill Rural City Council	Monash City Council
City of Greater Dandenong	Darebin City Council
Pyrenees Shire Council	Southern Grampians Shire Council
City of Whittlesea	Macedon Ranges Shire Council
Buloke Shire Council	Strathbogie Shire Council
Bass Coast Shire Council	Indigo Shire Council
Hume City Council	
Melton City Council	

## Working with small businesses to minimise disruption from infrastructure projects

Councils signing up to the initiative pledge to support small businesses in managing the impacts of disruptive infrastructure projects. This includes referring to our *Victorian small business engagement guidelines* when planning new works and promoting them to other agencies undertaking projects in their area.

The commitment also involves providing affected businesses with our small business owner's *Guide to managing disruption*. Feedback from councils that have distributed our guide indicate that it has been well received by businesses and helped them to better prepare for and manage any impacts on their operations.

### Translating materials to support small businesses in managing disruption

**With a series of level crossings to be removed in Preston under the Level Crossing Removal Project, the VSBC worked with Darebin City Council to make the VSBC's *Guide to managing disruption* booklet available to businesses in Arabic, Greek, Simplified Chinese and Vietnamese.**

**In partnership with the council, translated booklets were delivered by multi-lingual staff as part of a support measure in the lead up to the level crossing works happening in Preston. References to the guide were included in additional information that the council provided to local businesses in Italian, Macedonian, Nepali, Punjabi, Spanish, Somali and Hindi.**

## Working with local trader networks

Local traders' associations are great resources that provide small businesses with support and networking opportunities. While many traditional activities of these groups have been put on hold during the pandemic, such as business awards and networking events, they remain an important, trusted and valued conduit for distributing information to their members.

Many councils provided positive feedback on the effectiveness and relevance of regular VSBC correspondence, in particular the guidance we shared for landlords and tenants about the Commercial Tenancy Relief Scheme. We appreciated their support in distributing our updates among their local business networks.

## Faster permit approvals processes for small businesses

The majority of councils that signed up to the initiative had completed Small Business Victoria's Better Approvals Project and are implementing reforms from the project to streamline and create faster approvals for new businesses. This often involves creating a single point of contact within councils to assist new businesses in progressing through the required approval processes.

In response to the coronavirus pandemic, many councils amended permit requirements to reduce the burden on local small businesses. Amendments included fast-tracking permits for outdoor dining spaces and waiving of some council fees such as food premises registrations.

## Prompt payments

We recognise the efforts of several councils that implemented reduced payment times to small business suppliers in response to coronavirus. From 1 July 2020 councils signing up to our initiative commit to work towards implementing payment terms of 14 calendar days for small business suppliers within 12 months.

## Working together to support small businesses

As part of each agreed Charter, we committed to providing clear and accessible information to Victorians in small business and maintaining open lines of communication with them.

This commitment was particularly important in 2020-21, as small businesses required clear and concise information in a rapidly changing, challenging and uncertain environment. Through our partnerships with councils, we were able to provide regular communications about the Commercial Tenancy Relief Scheme and mental health supports for small business.

We appreciated the support from councils in sharing our resources and information among their local business communities, enabling us to reach thousands more small businesses.

During the year the Commissioner presented at 14 webinars organised by councils for their local businesses on the VSBC's rent relief and mental health supports.



Golden Plains Shire Mayor Cr Helena Kirby and previous Victorian Small Business Commissioner Judy O'Connell making the small business friendly pledge

## 03

## Advocating and monitoring

continued

### Supporting the mental health and wellbeing of people in small business

With many small business owners experiencing significant impacts to their business operations as a result of the coronavirus pandemic, we increased our efforts to raise awareness of available resources to support their mental health and wellbeing.

Through our social media channels and stakeholder engagements, we continued to promote our small business owner's guide to creating a mental health plan in response to coronavirus. The guide was developed in early 2020 in consultation with Beyond Blue and other key stakeholders. The aim was to help small business owner to prioritise their own wellbeing by recognising when they might need extra support and planning practical steps they are willing and able to take in response.

We also regularly promoted other available supports tailored for businesses, including the Partners in Wellbeing helpline where small business owners can access free and confidential mental health and financial counselling.

### National commissioners' meetings

The Commissioner and Acting Commissioner continued to meet bi-monthly with state small business commissioners and the Australian Small Business and Family Enterprise Ombudsman. These meetings are a unique opportunity to discuss national issues and share information on priority activities, initiatives and learnings for the benefit of small business. These meetings have continued, mostly via videoconference, during the pandemic, providing a valued forum for discussing the impacts of coronavirus on small business and government supports in response.

### Promoting faster payments times for small business

Payment times and associated cashflow issues remain a major issue for many small businesses. During the year, impacts of the pandemic further affected payment times to small business suppliers, placing many under considerable pressure.

We adopted the Victorian Government's commitment to pay all outstanding supplier invoices within ten business days and encouraged larger businesses to do the same with their small business suppliers.



## Monitoring government fair payments

The VSBC has again undertaken a review of compliance with the Victorian Government's Fair Payment Policy in consultation with Small Business Victoria.

The policy, introduced in 2004, required Victorian Government departments and certain agencies to pay invoices of up to \$3 million within 30 days of receiving the invoice.

From 1 January 2021, the policy was amended to require all Victorian Government departments and applicable agencies to pay invoices with a contract value of less than \$3 million in ten business days and insert fair payments clauses into new contracts of this value.

Departments and applicable agencies must pay penalty interest on payments that are not made within ten business days, at the initiation of the supplier. Penalty interest only applies to late payments from 1 April 2021.

In 2020–21 we wrote to all nine departmental secretaries to request key data on invoice payments from each department and their applicable agencies within each portfolio area.

While reporting for 2020–21 includes the reforms to the policy to introduce payment terms of ten business days from 1 January 2021, for consistency and clarity we have kept the 30 calendar day payment terms as the compliance measure.

Figure 1 summarises the payment performance of departments and their applicable agencies.

In 2020–21 payment times improved for both departments and agencies. Compared to 2019–20, the average number of calendar days to pay invoices decreased from 16 days to 11 days for departments, and 21 days to 16 days for agencies. The average payment time across the whole of government was 13 days.

The overall compliance rate for invoices paid within 30 calendar days increased from 72 per cent in 2019–20 to 84 per cent in 2020–21.

**FIGURE 1** Payment of invoices for contracts less than \$3 million 2020–21

	Invoices (<\$3 million)	Average days taken to pay invoice	Invoices paid within 30 days (%)
Departmental core	775,145	11	87
Agencies	464,129	16	77
<b>Total</b>	<b>1,239,274</b>	<b>13</b>	<b>84</b>

## Contributing to consultations and reviews

Our monitoring function involves reviewing relevant new legislation and policies that may impact on small business. In line with this function, we contributed to several state and national consultations and reviews. Importantly, we also promoted opportunities for small businesses to speak up and have their say on issues affecting them.

Our regular meetings with bodies such as Small Business Victoria, other state Commissioners and the Federal Regulatory Agencies forum provide an opportunity to exchange information and contribute on policy and advocacy issues. For example, we were able to share issues raised by regional councils in Victoria regarding the accessibility and affordability of public liability insurance with other Commissioners at the national level. With other states reporting similar issues, this resulted in an inquiry into small business insurance issues by the Australian Small Business and Family Enterprise Ombudsman.

In November 2020 the Commissioner appeared at the Inquiry into the Victorian Government's COVID-19 Contact Tracing System and Testing Regime. The Commissioner's presentation and evidence to the Inquiry reflected consultation with a number of major industry associations and local business networks to gather relevant findings.

## Raising awareness of opportunities for small business owners to contribute to consultations

In 2020–21, we continued our efforts to promote consultation opportunities to small businesses so they could contribute to government policy and legislation that had the potential to impact their business. We used our social media platforms to raise awareness of a broad range of consultation opportunities, which included:

- making a submission on small business relief and recovery experiences to the Inspector General for Emergency Management or taking part in a business and community consultation to inform the Fire Season Inquiry
- taking part in small business consultations for the Franchising Code of Conduct, Victoria's creative industries strategy, changes to the *Designs Act 2003* and reforms to support small business owners in paying their bills through the pandemic
- contributing to the Australian Small Business and Family Enterprise Ombudsman's Insurance Inquiry.



## 04

### An event catering business in Melbourne's north

Basimah had rented a storage facility from landlord Jin to house stock for her event catering business but had been shut down completely due to public health restrictions in response to the pandemic.

With no income, Basimah was struggling to meet her financial commitments. She was receiving JobSeeker payments but wasn't eligible for JobKeeper, so wasn't eligible for rent relief that matched her fall in turnover under the Commercial Tenancy Relief Scheme (the Scheme). She had continued to make some rent payments to her landlord Jin and contacted her real estate agent Joel about rent relief but they couldn't come to an agreement.

Basimah applied online to the VSBC for help to resolve the dispute and the matter was referred to one of the VSBC's independent mediators to provide preliminary assistance and mediation if needed.

As the application didn't include evidence of Basimah's drop in turnover or a copy of her lease, the mediator contacted her to request this information. Basimah provided the relevant BAS documentation and advised that she could only afford to keep paying 50 per cent of her current rent and wouldn't be able to pay deferred rent, regardless of the amount.

The mediator spoke with Joel for more insight into the situation. Joel explained that Jin wanted to do everything he could to help Basimah but because she wasn't receiving JobKeeper payments, he wasn't bound by the Scheme. Despite attempts to encourage negotiations between the parties to continue, the matter couldn't be resolved this way so was promptly progressed to mediation. At mediation, Jin was able to gain a better understanding of Basimah's position and the extent to which the pandemic had impacted her business. Acting in good faith, Jin was prepared to treat Basimah's request as if she was eligible under the Scheme. After further negotiations the matter was settled and Terms of Settlement were signed.

*Please note: names and some details have been omitted or changed to protect the identity of those involved. Photo posed by model.*

# Resolving small business disputes

The VSBC provides dispute resolution services for a broad range of commercial small business disputes under the *Small Business Commission Act 2017*, as well as disputes under the *Retail Leases Act 2003*, the *Owner Drivers and Forestry Contractors Act 2005*, the *Farm Debt Mediation Act 2011* and the *Commercial Passenger Vehicle Industry Act 2017*.

In 2020–21 the VSBC continued its additional dispute resolution function under the *COVID-19 Omnibus (Emergency Measures) Act 2020* (the Act), which commenced in March 2020. The Act enacted the Victorian Government's Commercial Tenancy Relief Scheme (the Scheme) to alleviate financial hardship faced by commercial tenants and landlords as a result of coronavirus. Although the Scheme ended on 28 March 2021, we continued to provide free and impartial mediation under our other relevant jurisdictions to help resolve commercial rent relief disputes in response to the pandemic.

Our alternative dispute resolution services include preliminary assistance to try to resolve issues early on and where this is not possible, a quick, effective, impartial and low-cost mediation service. At mediation, an experienced independent mediator guides parties in good faith negotiations with the aim of reaching a resolution they can both accept.

While our mediation service is the principal method we call on to resolve disputes, we continued our efforts to increase the number of disputes resolved by our dispute resolution officers early on, without needing to progress the matter to mediation.

## Developments in alternative dispute resolution

### Changing our mediation arrangements

Last year we reported on how we adapted our mediation arrangements in response to restrictions to slow the spread of coronavirus. In 2020–21 we continued with these arrangements, with all VSBC mediations conducted using videoconferencing or teleconferencing in place of in-person sessions.

This shift in how we work allowed us to hold a far greater number of mediations. Parties to mediation also responded well to the changed arrangements, with 58 per cent indicating that if they had to attend a mediation session in the future, they would prefer it to be conducted online. Twenty per cent indicated they would prefer face to face and 21 per cent were neutral. We are planning to embed a hybrid delivery model going forward, combining in-person and online mediations, increasing the reach and accessibility of our services particularly in regional areas.

### The VSBC mediator panels

To help in meeting increased demand, we recruited an additional 13 mediators who commenced from February 2021, bringing our total number of mediators to 50. We temporarily outsourced preliminary support in resolving disputes – work normally carried out by VSBC dispute resolution officers – to our panels of independent mediators. This meant that our mediators were assisting early on where possible in addition to conducting mediations, helping the VSBC to resolve more disputes while also providing them with greater insight into our broader dispute resolution process.

“The mediation process was professional and clear, and the mediator managed all parties very well to achieve a positive outcome.”



## 04 Resolving small business disputes

continued

### Mediator meetings and training opportunities

Our Mediator Reference Group, consisting of VSBC staff and mediators and chaired by the Commissioner, met twice during the year. These meetings provide a forum for openly discussing ways to improve our mediation services and encourage a closer working relationship between our staff and mediators. This was particularly important with the high volume of mediations and the need for all mediations to be conducted remotely.

With the extension and changes to the Commercial Tenancy Relief Scheme (the Scheme), frequent training opportunities were provided to our mediators who were conducting mediations under the Scheme. These events also enabled mediators to share learnings and discuss ways to address issues that had arisen.

### Our dispute resolution services

We work with parties to resolve disputes at each stage of the process, from providing information and education right through to mediation.

#### Information and education

The VSBC provides people in small business with the tools they need to avoid disputes. We do this by providing information via our website, news and social media content, undertaking engagement activities and making direct contact with businesses via email and phone.

In 2020–21 our team handled 19,421 phone and email enquiries, a significant increase from 13,206 in the previous year. The majority of enquiries related to tenant and landlord rights and obligations under the Commercial Tenancy Relief Scheme.

### Applications we received

In 2020–21 we received 5,175 dispute applications, which is a 97.6 per cent increase on 2019–20. This increase was largely due to the 3,704 applications we received for help in resolving disputes over rent relief, of which 2,407 were eligible under the Commercial Tenancy Relief Scheme (the Scheme).

We also received 1,297 applications to resolve coronavirus-related disputes over rent that were not eligible under the Scheme, for example, where the tenant was not participating in the JobKeeper scheme. We helped to resolve these matters under our retail leasing ( $n = 1,268$ ) and general business-to-business ( $n = 29$ ) dispute resolution functions.

As a result of the large number of rent relief disputes which were not eligible under the Scheme, applications under the *Retail Leases Act 2003* increased by 132.1 per cent while those under the *Small Business Commission Act 2017* fell by 14.9 per cent. We saw a 41.9 per cent drop in applications under the *Farm Debt Mediation Act 2011* and a 53.8 per cent decrease in applications for disputes under the *Owner Drivers and Forestry Contractors Act 2005* (see Figure 2).

**FIGURE 2 Applications received in 2020–21**

	2019–20	2020–21	% + / (–)
<i>COVID-19 Omnibus (Emergency Measures) Act 2020</i>	877	2,407	174.5
<i>Retail Leases Act 2003</i>	886	2,056	132.1
<i>Small Business Commission Act 2017</i>	799	680	(14.9)
<i>Owner Drivers and Forestry Contractors Act 2005</i>	26	12	(53.8)
<i>Farm Debt Mediation Act 2011</i>	31	18	(41.9)
<i>Commercial Passenger Vehicle Industry Act 2017</i>	0	2	N/A
<b>Total disputes</b>	<b>2,619</b>	<b>5,175</b>	<b>97.6</b>
Advocacy matters	16	9	(43.8)
Specialist Retail Valuers	121	189	56.2
<i>Farm Debt Mediation Act 2011</i> certificates	34	20	(41.2)
<i>COVID-19 Omnibus (Emergency Measures) Act 2020</i> binding orders	0	2	N/A
<b>Total applications</b>	<b>2,790</b>	<b>5,395</b>	<b>93.4</b>





### A hairdressing salon in Melbourne's east

Small business tenant Kai leases premises to run a hairdressing salon that was heavily impacted by the coronavirus (COVID-19) pandemic resulting in a 90 per cent drop in turnover from May to July 2020. Kai became increasingly stressed and anxious about his situation and didn't know how he would be able to keep paying rent.

Kai made a written request to his landlords, retired couple Carlo and Paola, for rent relief. They couldn't, however, reach an agreement as the landlords believed that Kai was still trading reasonably well with online sales of hair products. Carlo and Paola advised Kai that they could not afford to offer such significant relief as they were living on the rent from the premises.

Carlo and Paola offered rent relief in the form of a 20 per cent rent deferral for the period of June to September 2020. Shortly after receiving the offer, Kai started paying only 30 per cent of his rent. Communication between the parties broke down, prompting Paola to apply to the VSBC for a free mediation session to try to resolve the matter.

The dispute resolution officer who was allocated the matter contacted Kai and his landlords, re-starting communication and negotiations. Having been provided with a clear explanation of the Commercial Tenancy Relief Scheme – including protections and supports for eligible tenants – both parties engaged in genuine, good faith negotiations and reached a fair agreement between themselves without needing to take their dispute to mediation.

Paola, Carlo and Kai agreed on 50 per cent rent relief in the form of a rent waiver for the period from 29 May 2020 to 29 Sept 2020. Kai agreed to keep paying outgoings during this time.

*Please note: names and some details have been omitted or changed to protect the identity of those involved. Photo posed by model.*



## 04 Resolving small business disputes

continued

### Commercial builder in the Loddon Mallee region

Archie, a builder based in regional Victoria, had purchased two custom vertical gardens to install on the rooftop of his recently completed local bar. Within weeks of having installed the vertical gardens, Archie found that the coating of the wall mount strips that hold the individual pots was peeling away, significantly compromising the appearance of the feature walls. He reported the problem to his Melbourne-based supplier Arun from an established business that specialises in providing custom wall and vertical gardens and related products to the construction industry. Neither party thought a replacement was warranted and agreed that the issue could be addressed by re-coating the strips. However, three months passed and the work hadn't taken place and Arun had stopped communicating with Archie. Archie applied to the VSBC for help, claiming that the problem was unresolved due to communication issues.

The dispute resolution officer assisting Archie identified this to be a business-to-business dispute that the VSBC could help resolve under the *Small Business Commission Act 2017*. The VSBC made contact with Arun to discuss Archie's claim and Arun promptly agreed to proceed with the re-coating. Archie said he was relieved and didn't ask for compensation for the delay. However, Archie asked for more certainty – exactly what process would be carried out and when? Arun provided a description of the process, which gave Archie confidence that the appearance of the feature walls would be consistent, the repair insured for two years and that the work would be done in stages and completed by the end of the month. Archie emailed the VSBC to confirm that the work had been completed to his satisfaction, resolving the dispute without the need for mediation and allowing the dispute resolution officer to close the file.

*Please note: names and some details have been omitted or changed to protect the identity of those involved. Photo posed by model.*

“My matter got resolved with minimal stress during a stressful time in Melbourne during COVID-19. Thank you for your help.”

Preliminary assistance feedback

“We would never have achieved an outcome without the VSBC – everything from the people answering the phone to the formal process made such a massive difference. The value of the work of the VSBC cannot be underestimated. We shall be forever grateful.”

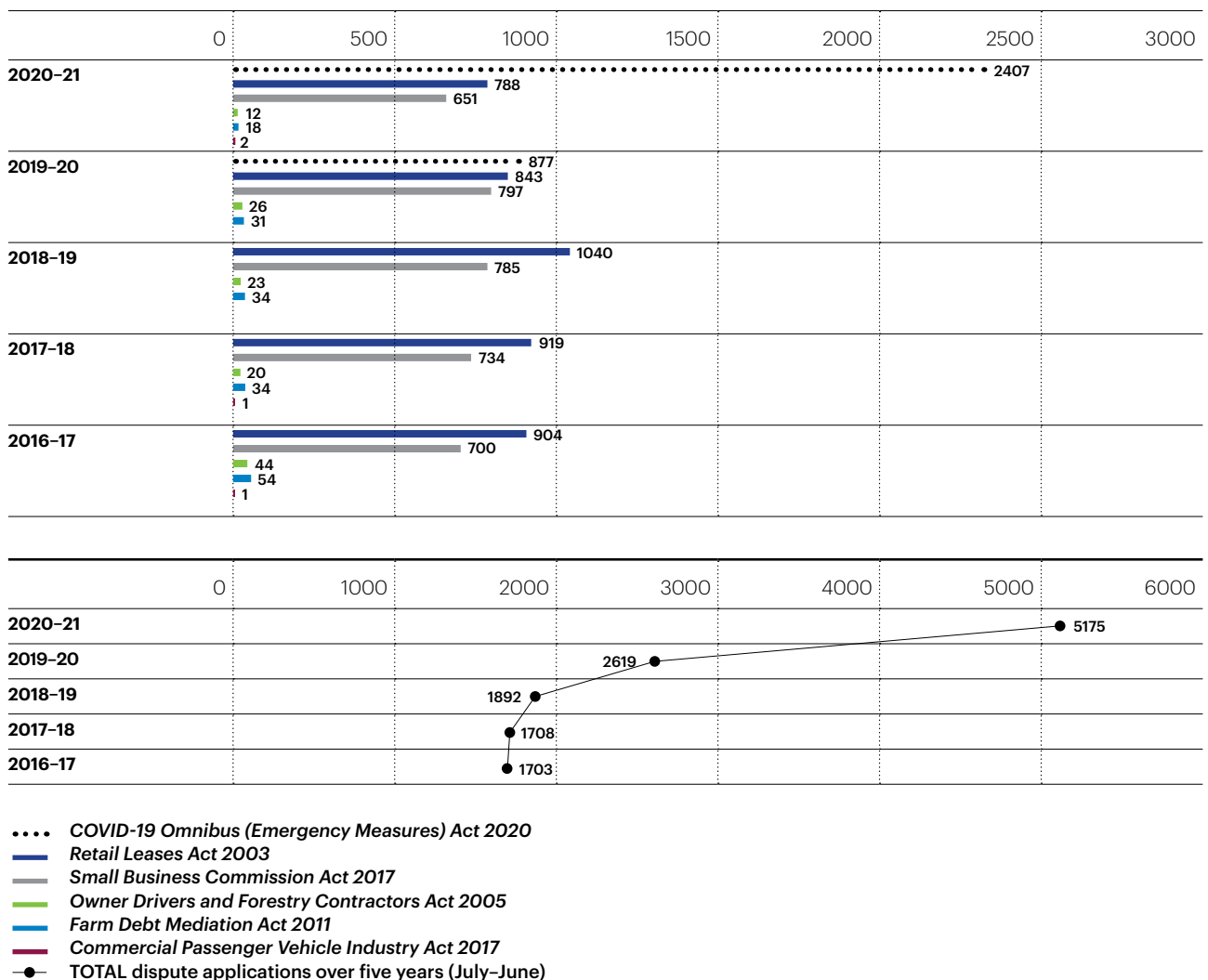
Preliminary assistance feedback

When we receive an application for help in resolving a dispute, the first step we take is to engage with both parties to see if the matter can be resolved early on without needing mediation. Staff experienced in providing guidance on our legislation and alternative dispute resolution can often help in bringing the parties to a pragmatic resolution. If the dispute cannot be resolved in this way, we explain the benefits of mediation to the parties, for example, to avoid the emotional strain, delay, cost and distraction of litigation, and encourage them to take part.

The same process does not apply for disputes under the *Farm Debt Mediation Act 2011* and the *Commercial Passenger Vehicle Industry Act 2017*, where our role is limited to arranging and conducting mediation.

In 2020–21 our team successfully resolved 38 per cent of matters early on, the same figure as reported for the previous year.

FIGURE 3 Dispute applications by legislation from 2016–17 to 2020–21



## 04 Resolving small business disputes

continued

“The process was smooth and I think fair. I was a representative (accountant) for my client. The process was almost enjoyable it was conducted so well and smoothly by the mediator.”

### Mediation

Bringing parties together to confidentially discuss their dispute with an experienced, independent mediator enables businesses to resolve the issue on their own terms and can help to preserve the commercial relationship. As mediations held by our office are subsidised by the Victorian Government, the cost to the parties is significantly less than litigation – \$195 per party or \$95 if the dispute falls under the *Owner Drivers and Forestry Contractors Act 2005* or *Commercial Passenger Vehicle Industry Act 2017*.

In 2020–21 there was no cost to parties for mediations involving rent relief disputes conducted under the *COVID-19 Omnibus (Emergency Measures) Act 2020* or for rent relief matters conducted under our other jurisdictions.

This year we saw a significant increase in demand for interpreter services at mediation, with 177 mediations requiring these services compared to 54 in the previous year. This reflects the increased volume of mediations and our efforts to make our dispute resolution services more inclusive and accessible for business owners of culturally and linguistically diverse backgrounds.

In 2020–21 all mediations were conducted via teleconference or videoconference due to public health restrictions on delivering in-person sessions.

Of the 2,298 matters that were concluded at mediation in 2020–21, 77 per cent were resolved successfully. The settlement rate at mediation varied from 72 per cent to 91 per cent across jurisdictions (see Figure 4).

In 2020–21 the overall satisfaction rating with our mediation services was 81.2 per cent, down from 90.2 per cent in the previous year. This may be partly attributable to the heightened pressure, stress and emotion that we identified among parties where the dispute related to the pandemic, particularly disputes over rent relief.

**FIGURE 4** Mediation outcomes by legislation

Legislation	Completed mediations	Successful	Unsuccessful	Success rate (%)
<i>COVID-19 Omnibus (Emergency Measures) Act 2020</i>	1,529	1,202	327	78.6
<i>Retail Leases Act 2003</i>	665	490	175	73.7
<i>Small Business Commission Act 2017</i>	86	62	24	72.1
<i>Owner Drivers and Forestry Contractors Act 2005</i>	7	6	1	85.7
<i>Farm Debt Mediation Act 2011</i>	11	10	1	90.9
<b>Total</b>	<b>2,298</b>	<b>1,770</b>	<b>528</b>	<b>77</b>

“ [The mediator] was excellent, very concise, made the parties feel comfortable with the proceedings and provided clear guidelines for how the process should work and as a result parties were able to work conciliatorily towards a productive outcome. He just made the process work smoothly.”

“ [The mediator] was very calm and considerate and professional throughout the process, as well as being very adept at using the technology, which helped the process tremendously.”

“ [The mediator] was fantastic. I am incredibly happy with the service and his way of explaining was thorough and not provoking but calm and informative.”

“ [The mediator] was very clear, friendly but firm, and I was very impressed by her ability to help everyone feel heard and everything ended very amicably.”

#### Five-year waiver certificates

Section 21 of the *Retail Leases Act 2003* provides that a tenant can waive their right to a minimum five-year lease term by applying to the VSBC for a certificate and giving a copy of that certificate to their landlord.

Tenants can apply through our fully automated process that enables them to receive an explanation of section 21 of the Act, apply and automatically receive a waiver certificate online. In 2020-21 we issued 2,180 certificates, which is a 25 per cent decrease on 2019-20.

#### Unreasonable refusal

Section 16(4) of the *Small Business Commission Act 2017* provides that the VSBC has the power to publish details in its annual report of certificates issued certifying that a party to a dispute has unreasonably refused to take part in alternative dispute resolution with the VSBC, provided that statutory procedural fairness steps have been followed.

We make every effort to engage with respondent parties, explaining the benefits of resolving disputes through alternative dispute resolution and the consequences if we find their refusal to be unreasonable.

In 2020-21 the VSBC issued one unreasonable refusal certificate but has chosen not to publish the details.



# Responding to the Minister's Statement of Expectations

**In 2019 the then Minister for Small Business issued a Statement of Expectations for the VSBC, for the period 1 July 2019 to 30 June 2021. The statement included a requirement for the VSBC to contribute to the Victorian Government's program to reduce red tape affecting businesses, by promoting greater efficiency and effectiveness in the administration and enforcement of regulation.**

**We are required to report on activities undertaken to reach the performance targets and improvements set out in this statement, as detailed in this chapter.**

## Timeliness

**Prioritise resources to implement efficiencies in the time taken to resolve disputes through reduced manual handling and duplication of records**

Following our 2018–19 review of the VSBC's dispute resolution methodology, we have continued to implement recommended efficiencies to reduce the time taken to resolve disputes. In response to our proposal, the VSBC received funding in the Victorian Budget 21/22 to develop and implement a new fit for purpose case management system that will further reduce manual handling and duplication of records, streamlining our dispute resolution processes.

**The VSBC will provide customers with estimated timeframes for their cases**

In 2019–20 processes were amended so that initial correspondence to all parties provided guidance on the average timeframes for resolving disputes.

In 2020–21 the average time taken to complete a dispute was 13.1 weeks. The average time taken to complete a dispute finalised prior to mediation was 11.5 weeks and 13.2 weeks for disputes resolved through mediation.



## Compliance-related assistance and advice

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

The VSBC monitors client satisfaction with its dispute resolution services for matters completed prior to mediation and for matters that proceed to mediation. This is achieved via a survey sent to parties after a matter has concluded.

For matters that were concluded through preliminary assistance without needing to progress to mediation, the client satisfaction rate was 89.4 per cent for disputes that were successfully resolved and 83.2 per cent for matters that were unresolved.

Our preliminary assistance function resolved 38 per cent of all applications successfully without needing to progress to mediation, which is the same rate recorded for the previous year.

In 2020–21 for those matters that progressed to mediation the overall satisfaction rating was 81.2 per cent.

The success rate for matters that progressed to mediation was 77 per cent.

### Develop a process to assess awareness of VSBC dispute resolution services in the small business sector and identify opportunities for improvement (if necessary)

We developed a survey in 2020–21 to assess understanding of the VSBC's services and identify opportunities to increase awareness. Survey results will be available in late 2021.

## Risk-based strategies

### Prepare a risk management plan that identifies foreseeable risks and appropriate mitigation strategies

The VSBC documented a risk management plan in 2019–20 that is subject to quarterly review. At each review the plan is updated and actions implemented, where appropriate.

## Stakeholder consultation and engagement

### Prepare a social media and communications strategy to raise awareness of the Government's dispute resolution service, as well as extended outreach

A social media and communications strategy was developed in 2019–20 to raise awareness of the VSBC's dispute resolution services. We continued to implement this strategy in 2020–21, with key outcomes including:

- gaining 3,553 followers across our social media sites (a 39 per cent increase on the previous year)
- recording 173 VSBC media mentions across niche and mainstream outlets
- delivering a targeted and effective communications and marketing campaign to raise awareness of our free and impartial mediation service for resolving rent relief disputes under the Commercial Tenancy Relief Scheme.

# Appendix A: Compliance and accountability

## Our team

The VSBC is made up of the Victorian Small Business Commissioner and other Victorian Public Sector (VPS) staff, including senior managers in the areas of corporate and engagement, advocacy and monitoring, and dispute resolution services.

VSBC staff are employed by the Department of Jobs, Precincts and Regions (the department) under Part 3 of the *Public Administration Act 2004*. Our staff take part in the department's training, performance management and HR activities and comply with the department's financial and other policies and codes of conduct.

## Assessing our performance

The department's governance framework aims to encourage alignment of the strategic priorities of its portfolio and improve coordination and collaboration, with the aim of increasing performance and effectively identifying and resolving risks and issues.

The VSBC has performed very well against its set performance metrics. We have also undertaken notable efforts in response to the Minister's Statement of Expectations and have fully responded to the statement's requirements.

## Occupational health and safety

We endeavour to provide a work environment that is free from risks to the safety, health and wellbeing of staff, including VPS employees, agency on hire staff, contractors and visitors. To support staff working remotely, the VSBC prioritised staff wellbeing by providing regular updates at all staff meeting on opportunities to improve mental wellbeing through the department's Mental Health and Wellbeing Program.

In 2020–21 no issues arose in relation to occupational health and safety.

## Environmentally sustainable practices

The VSBC is committed to sustainable practices through waste minimisation, energy efficiency, paper reduction, recycling and the integration of environmental sustainability within our governance, planning and procedures.

## Systems

Corporate support services, including financial, information technology and records management support, are provided by the department.

We have a specialised database that we use for:

- dispute management and reporting
- preliminary enquiries
- survey reporting – client satisfaction with our mediation service and preliminary assistance.

## Complaints

We have a complaints process, an overview of which we provide on our website. We received 11 complaints in 2020–21 relating to our dispute resolution services, which were investigated internally and resolved with each complainant.

## Freedom of Information

In 2020–21 no Freedom of Information requests relating to the activities of the VSBC were received.

## Protected disclosure procedures

The VSBC operates in accordance with the department's protected disclosure procedures. As at 30 June 2021 we had not received any disclosures made under the *Protected Disclosure Act 2012*, nor had the Victorian Ombudsman referred any such disclosures to us for investigation.

## Major contracts

From 1 July 2020 to 30 June 2021 the VSBC did not enter into any contracts over \$10 million or engage consultants.



# Appendix B: Operations

Funding		\$
<b>Appropriation</b>		
	Victorian Small Business Commission	2,585,000
	Commercial Tenancy Relief Scheme	5,050,000
	Case management system	200,000
	Capital asset charge and depreciation	164,363
<b>Total 2020–21 funding</b>		<b>7,999,363</b>
<b>Expenditure</b>		
	Employee related expenses	3,866,188
	Consultants and professional services	3,395,922
	IT and telecommunications	240,184
	Other expenses	267,999
	Capital asset charge and depreciation	164,363
<b>Total 2020–21 expenditure</b>		<b>7,934,656</b>

# Annual Report 2021

**Victorian Small  
Business Commission**

Level 2, 121 Exhibition Street  
Melbourne Victoria 3000  
GPO Box 4509  
Melbourne Victoria 3001  
Telephone 13 VSBC (13 8722)  
[enquiries@vsbc.vic.gov.au](mailto:enquiries@vsbc.vic.gov.au)  
[www.vsbv.vic.gov.au](http://www.vsbv.vic.gov.au)

