



Victorian
Small Business
Commission

Creating a level playing field for small business

Judy O'Connell

Victorian Small Business Commissioner



Small businesses in Victoria

- Over 600,000
- Over 27,000 net new small businesses in the last year
- 26% regional
- 4.8% growth rate – the highest of any state or territory



Top 8 small business sectors

1. Construction **103,135**
2. Professional, scientific and technical services **75,282**
3. Rental, hiring and real estate services **64,932**
4. Financial and insurance services **57,109**
5. Transport, postal and warehousing **49,723**
6. Agriculture, forestry and fishing **39,031**
7. Health care and social assistance **33,881**
8. Retail trade **33,821**

City of Melbourne

How many businesses are there that employ staff?
Approximately 18,700

Top 3 industries:

- Professional, Scientific and Technical Services (4,960)
- Accommodation and Food Services (2,340)
- Retail Trade (2,090)

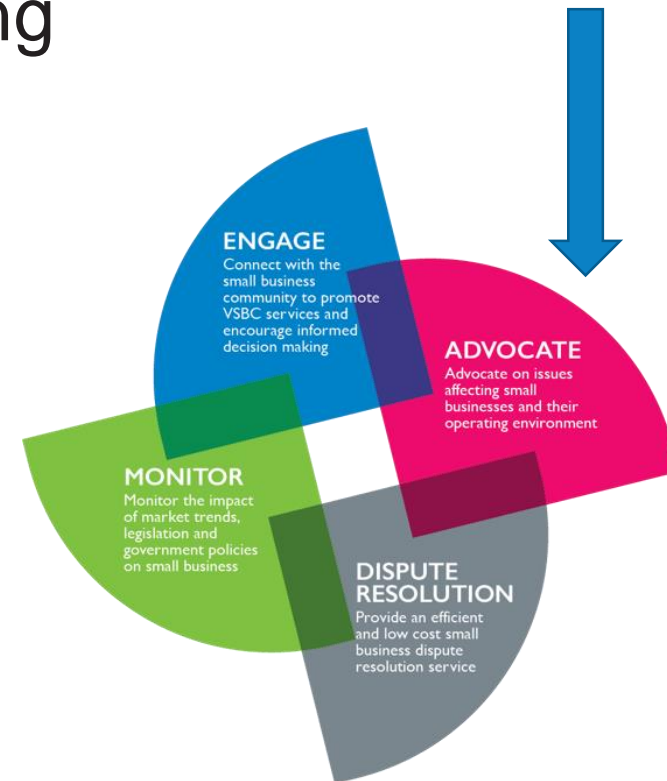
www.myvictoria.vic.gov.au



Source: State Government of Victoria

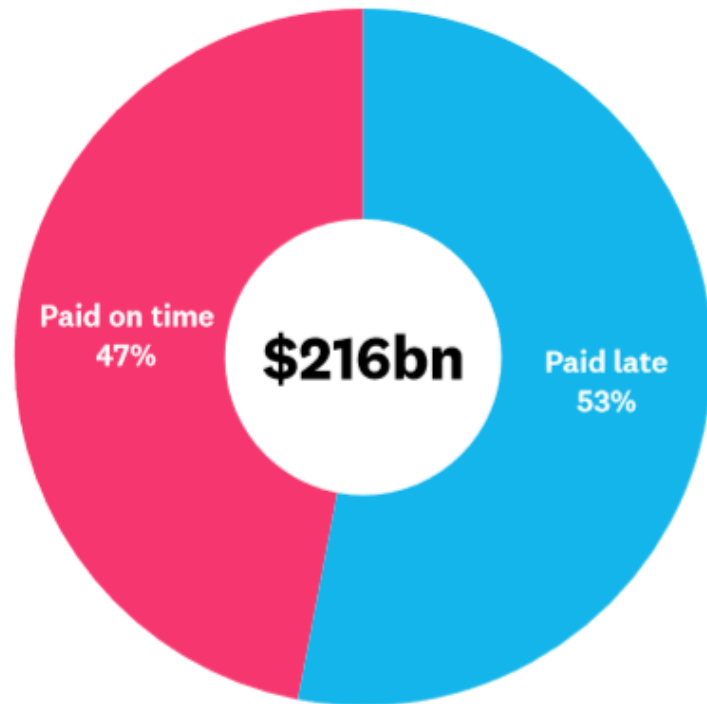
What are the biggest challenges?

1. Managing overheads and operating expenses
2. Cash flow
3. Managing work/life balance
4. Managing internet
5. Managing employees



Getting paid on time

Estimated trade credit paid late by big business
July 2017 - June 2018



Of the \$216bn in trade credit issued from small to large businesses yearly, an estimated 53% of payments arrive late

Estimated value of late payments from large to small businesses
Annual, July 2017 - June 2018



\$115bn

Average number of days late

23 days

Method: Days calculated from date of invoice issue to date of invoice paid. | Source: Xero SBI data, ABS data, AlphaBeta estimate and analysis.

Australian Supplier Payment Code

What does it mean for small business?

- Pay small business suppliers within 30 days
- Pay all suppliers on time

The VSBC monitors the code

www.vsbc.vic.gov.au/small-business-support/getting-paid-within-30-days



Mental health and wellbeing

- Around **2 million** people in Australia live with **anxiety**
- Around **1 million** people in Australia live with **depression**
- Nearly **8** Australians take their own lives everyday **6 of whom are men**
- **1 in 3** women and **1 in 5** men are likely to experience **anxiety** in their lifetime
- **1 in 6** women and **1 in 8** men are likely to experience **depression** in their lifetime

Source: Beyond Blue Annual Highlights 2017-18, pg 4

Mental health and wellbeing

Key steps to achieving and maintaining good mental health and wellbeing as a small business owner:

- Make time to exercise each day
- Connect with others
- Access online resources
- Seek support when needed

www.vsbc.vic.gov.au/small-business-support/creating-a-mentally-healthy-small-business

Reducing energy costs

- Small business electricity and gas costs are rising - we have developed a fact sheet on ways to reduce the impact
- We are working with Sustainability Victoria and Victorian Energy Compare to highlight ways to reduce costs
- Loans are available through the Sustainable Australia Fund

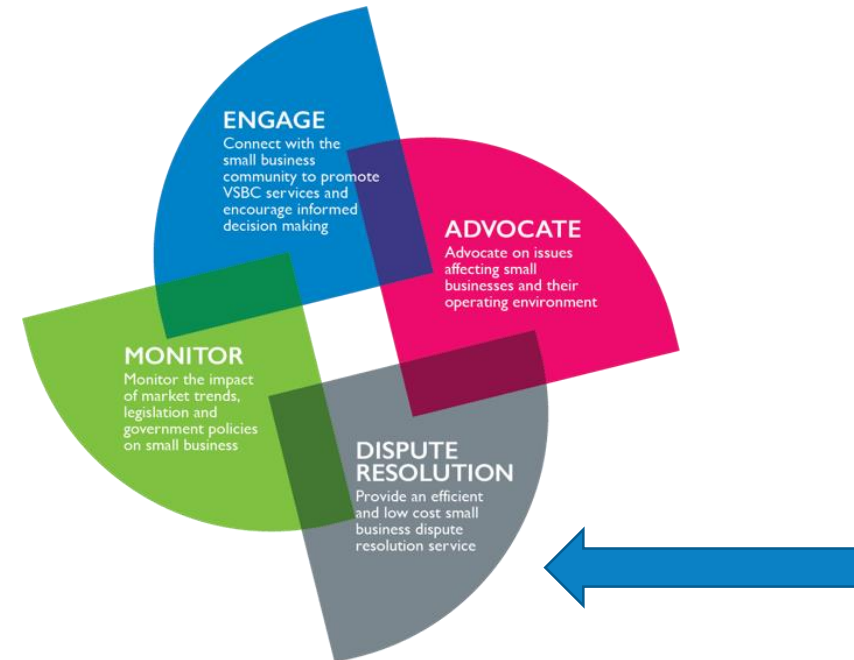
www.vsbc.vic.gov.au/fact-sheets-and-resources/fact-sheets-and-brochures/

Resolving disputes

Any commercial agreement between business-to-business/government or not-for-profit

- Licensing
- Franchises and buying a business
- Leases and service contracts
- Supply chain
- Distribution

No definition of ‘small business’



Our approach

Information and assistance: no cost

Pre-mediation dispute resolution: no cost

Mediation: \$195 per party

- Half day session
- CBD, metro and regional locations
- Scheduled within 6-8 weeks

Top 5 disputes: 2018–19

- Unpaid monies –36.65% of SBC Act disputes
- Payment of outstanding monies by tenant –20.79% of RLA disputes
- Repairs & Maintenance –17.2% of RLA disputes
- Security Deposits – 12.38% of RLA disputes
- Disputes over contractual rights and responsibilities – 16.26% of SBC Act disputes

Support available for registered solar retail businesses

- Small Business Victoria is working with Solar Victoria to provide mentoring support for registered solar retail businesses.
- Businesses should call 13 22 15 to access the mentoring support (three hours or six hours of free mentoring).



www.business.vic.gov.au/support-for-your-business/grants-and-assistance/solar-homes-program-mentoring-packages



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We're here to help



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