



## **Small business to get bigger share of government procurement contracts**

There is no substitute for customers and it's great to see the Commonwealth's commitment to be a bigger customer for small businesses.

Changes to Commonwealth procurement rules that take effect from July 1 will create more opportunities for small business to win government contracts.

The changes announced by Federal Small Business Minister Julie Collins and the Finance Minister Katy Gallagher will mean that 20 per cent of Commonwealth procurements by value must be sourced from small and medium enterprises.

This doubles the existing target of 10 per cent.

The Government spends about \$70 billion a year on contracts, meaning at least \$14 billion of this work will go to small and medium businesses.

An important element to ensuring these changes make a real difference will be to provide capacity-building contracts that will enable smaller businesses to really benefit from the contracts to grow their business.

Procuring agencies will also be encouraged to approach multiple suppliers when they are sourcing from panels which will improve competition and provide more opportunities for smaller businesses to apply for government work.

### **Don't overlook July 1 changes**

Small and family businesses should make themselves aware of a raft of changes starting on July 1.

This includes a 5.2% increase in the national minimum wage and a 4.6% rise in award minimum wages. The superannuation guarantee rises from 10% to 10.5% and for the first time employers will also be required to make super contributions for eligible staff earning less than \$450 a month.

There's also changes to e-invoicing, single-touch payroll, tax-deferred employee share schemes and research and development tax breaks as well as updated tax thresholds for cars and deductions for work-related COVID-19 test expenses.

With so many pressures on small business owners and managers, it can be easy to overlook the new rules. But it is essential that small business owners and managers understand what they are required to do. They should check their payroll and accounting systems have been updated and they should talk to trusted advisers. I issued a [press release](#) which outlines many of the changes.

To assist small business to prepare their tax returns, the ATO have released the [2022 Tax Time Toolkit for small business \(ato.gov.au\)](#) which includes a directory of links to find information, tools, calculators and other support and resources. Fact sheets include new information on claiming deductions for digital expenses

### **MSME Day**

June 27 was World Micro, Small and Medium Enterprises Day and the perfect chance to applaud the contribution small businesses make to our country. It was great that so many, including the new minister, Julie Collins, and others across the country including Richmond AFL star Trent Cotchin and Lynda McAlary-Smith, the Victorian Small Business Commissioner (pictured above), were able to join me in giving a big thank you to the women and men running our small and family businesses. You can watch a [video of community leaders](#) paying their tribute.

Globally, the United Nations has marked June 27 as MSME Day to raise awareness of the contribution of small businesses to sustainable development and the global economy. In Australia, small businesses provide employment for more than five million Australians. Two out of every five people with a private sector job work in a small business. And small business contributes \$483 billion to the economy each year.

We depend so heavily on the small and family-run businesses in our lives - whether it is the local café, pharmacy, accountant, builder, mechanic or grocer who are conveniently there when you need them. These are great people in plain sight, and we see them everywhere, every day. The best way to support small businesses is to be a kindly customer – patient and understanding, with good and generous intent. Small businesses are run by real people who deserve our respect and empathy every day.

There's more detail about MSME Day in the newsletter below.

### **Challenging business conditions**

The difficult trading environment for business was laid bare in the latest snapshot of Business Conditions and Sentiments issued by the Bureau of Statistics, which confirms what many small and family business owners and managers know – that it is tough out there for many.

The ABS said small businesses are more likely to expect a fall in revenue over the next month than larger businesses. In June 2022, some 13% of small businesses expected their revenue to fall over the next month. Operating expenses have risen for nearly half (45%) of small businesses over the past month and almost the same number (44%) expect operating expenses to rise over the next month. The ABS was told nearly one in five small businesses (18%) will find it difficult or very difficult to repay their debts in the next three months.

Two in every five small businesses are experiencing supply chain disruptions. These are having a bigger impact on small businesses than larger businesses.

And nearly one-third (29%) of small businesses have difficulty finding suitable staff. Nearly half (46%) of this group said labour shortages were affecting them to a great extent.

The figures can vary from state to state and within regions with surveys for some areas reporting skills shortages as high as 90%, many increasing wages or paying bonuses to attract staff and significant numbers saying that a shortage of staff had resulted in a loss of customers and missed opportunities.

The past two years have been particularly hard for small businesses who faced not just shutdowns from the COVID-19 pandemic, but a series of rolling disasters such as devastating bushfires, ongoing drought conditions and record-breaking flooding in various parts of the country. Now small businesses have to navigate crushing supply chain disruptions and leaping input costs, soaring energy bills, higher wage costs and a chronic labour shortage just to keep their doors open and serve their communities.

It is vital that small business owners and managers do not overlook their own mental health during such difficult times. This can feel unrelenting and it is important those running a small business look after their emotional well-being and mental health. Sometimes it can be as simple as making time to pause, reflect and reconnect. Talking to trusted advisers and networks is a great way to find solutions. Our [website](#) and the [My Business Health portal](#) have useful tools and resources.



## Two exciting wins from our office

A social media manager's personal Facebook account was hacked, compromising all 4 business accounts they manage. The hacker launched advertising on all four accounts, costing the social media manager several hundred dollars. Our office contacted Facebook who were able to restore the access of each account to the small business owner. They also refunded the advertising fees that were accrued by the hacker.

A Franchisee of a mortgage brokerage approached our office. They wanted to sell their franchise and had concerns about the terms of settlement in the exit deed. After multiple rounds of negotiations, the relationship between the franchise and franchisee had deteriorated. Both parties were hostile and antagonistic in their correspondence with each other. Our office recommended the parties complete the Alternative Dispute Resolution (ADR) process. Following ADR, the parties continued debating for some time.

Despite difficulties and differences, the parties were finally able to reach agreement and move on. Our office has received correspondence from the Franchisor that the

Franchisee has exited the Franchise and the sale has been completed.

Involved in a business dispute?

One thing the ASBFEO can do for me ...

We're inviting small businesses and family enterprises, as well as stakeholders, to let us know how the ASBFEO can help to work for the community to improve the business operating environment.

Tell us what this is so we can help.



## Thanking our small business entrepreneurs on MSME Day

With videos, boomerangs, statistics, posters and more - Micro, Small and Medium Enterprise Day (June 27) provided the perfect opportunity to applaud the contribution of small businesses to our country.

For MSME Day this year, the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) asked the community to join us in saying thank you to the enterprising women and men running our small and family businesses.

Our calls were enthusiastically met, with community leaders, industry associations and commissioners recognising and praising small and family businesses in the [MSME videos](#)

ASBFEO also encouraged stakeholders around the country to learn more about small business through [MSME small business facts](#) - a range of infographics, highlighting their critical role in our economy.

A range of organisations also joined us in saying thanks by using our [MSME stakeholder pack](#) with posters, content and images for their newsletters, websites and intranets.

As a dynamic and fast-growing sector that allows people with an entrepreneurial spirit to pursue their dreams, ASBFEO understands that small business also play a vital role in energising enterprise and would like more focus on this in 2023.

**If you have an idea for MSME Day 2023, please complete the form at the bottom of our MSME Day webpage**

---



## Tax time for small business: how to get your tax return right

The Australian Taxation Office (ATO) has released a tax time toolkit to help small businesses and their tax professionals with their income tax returns.

The ATO has also flagged that their focus for 2021-22 small business tax returns will be on:

- Deductions that are private in nature and not related to business income, as well as overclaiming of business expenses (especially for taxpayers running a home-based business)
- Omission of business income, for example income from the sharing economy or new business ventures
- Record keeping – including insufficient or non-existent records that are needed to substantiate claims.

The ATO's small business tax time toolkit includes guides on:

- Home-based business expenses
- Motor vehicle expenses
- Travel expenses
- Claiming deductions for the cost of digital expenses
- Using business money and assets for personal use

- Pausing or permanently closing your business.

Check out the Tax Time toolkit



## Email security

If you're a small business that uses email to manage invoices and payments, you should make sure you know about Business Email Compromise (BEC) threat.

BEC occurs when a cybercriminal accesses an email account to steal data, personal and financial information, or commits fraud by impersonating employee or company email accounts for malicious gain. Cybercriminals take advantage of tax time, trying to scam people into paying money or giving away their private details. So remain vigilant and exercise caution.

In response to the BEC threat, the Australian Cyber Security Centre has updated its easy-to-follow email security guides, which contain detailed steps to help Australians keep their email secure.

The ACSC is contactable 24/7 by calling the Australian Cyber Security Hotline on 1300 CYBER1 (1300 292 371). Australian businesses and organisations are encouraged to join the ACSC Partnership Program to receive timely cyber alerts, advice, and engagement opportunities to help boost their cyber resilience.



Check out the email security guides



Webinar

## Financial Distress and Mental Wellbeing

### Support for Small Business Owners

13th July @ 11am to 12noon

**Amanda Linton** | CEO, Institute of Certified Bookkeepers  
**David Galloway** | Executive Officer, Rural Financial Counselling Service NSW  
**David Gregory** | CEO / Director, Small Business Mentoring Service  
**Nicole Hoffman** | Assistant Director, Australian Small Business and Family Enterprise Ombudsman  
**Nick Georgiou** | Financial Counsellor, Small Business Debt Helpline  
**Lisa Inger** | Senior Manager New Access, RFQ

## Financial Distress and Mental Health – Support for Small Business Owners

For many small business owners, financial pressure is one of the biggest sources of stress. COVID-19 in addition to the financial strain of reduced income, staff shortages and other restrictions, has placed even more pressure on small business owner's mental health and wellbeing. Financial distress and mental health challenges can both lead to serious consequences if help is not sought.

Help is available but it is often difficult to know how to access support or even where to start.

Join us for an online panel discussion dedicated to the subject of financial distress and mental health within the small business community. This webinar is designed to offer information, education, and most of all guidance for small business owners (and those that assist them) on what support is available for those who need help, and how that help can be accessed.

If you are a small business owner yourself or work with small business clients and would like to know more, this is a webinar not to be missed.

[Register your details here](#)

We're here  
for small  
business



## New help portal for resolving commercial disputes

The Victorian Small Business Commission (VSBC) has launched a new online portal to make it easier to apply for their help.

The new portal does this by:

- using a new smart form that guides you to the most appropriate service and provides the VSBC with information to allow them to better assist you
- enabling the VSBC to resolve commercial disputes more quickly and efficiently using a new, modernised, fit for purpose case management system in a secure environment.

[Learn more](#)



## NSW Small Business Month

The NSW Government will celebrate small businesses in November 2022 with grants of up to \$5,000 available to eligible organisations to host targeted events and activities as part of NSW Small Business Month.

The theme for this Small Business Month is “Connect for Success”, as it offers small businesses the opportunity to connect with experts and their peers to learn new skills, discover new opportunities and grow their businesses.

Australia’s larger corporations are invited to become Small Business Month Collaboration Partners and offer activities, events and resources to support small businesses as they emerge from the extraordinary challenges of the past two years.

NSW Small Business month will be held closer to its original programming after the 2021 program was rescheduled to March 2022 on account of the pandemic.

Applications for grants will open on 4 July and close on 5 August 2022.

[Learn more](#)

---

---



## How to get ready for an external investor

When it comes to growing your business, an external investor can be just the accelerant you need to scale with purpose. The right investor can not only provide much-needed funding, they can also open doors to new talent and customers, offer strategic guidance, and support you through operational challenges.

For entrepreneurs who are already putting everything they've got into their business, raising investment capital can be a daunting and time-consuming process – fraught with missteps and hurdles that can slow your business down.

The best way to avoid these missteps is to know what to expect well before you begin to reach out to potential investors. The Australian Business Growth Fund has developed some guidance on how you can start your capital raising journey on the right foot.

[Learn more](#)

---

Subscribe to our media release list

To be among the first to receive media releases and alerts from the ASBFE0, simply email [media@asbfeo.gov.au](mailto:media@asbfeo.gov.au) and request to be included



Australian Government



Australian  
**Small Business** and  
**Family Enterprise**  
Ombudsman

Copyright © 2022 Australian Small Business and Family Enterprise Ombudsman  
All rights reserved.

Our mailing address is:

[media@asbfeo.gov.au](mailto:media@asbfeo.gov.au)