Alternative Dispute Resolution

Small Business Commissioner Act 2011

- Business to Business, Local and/or State Government
- Low Cost or No Cost
- 3129 Enquiries 15/16 up 15%

Specific Industry Focus

Fair Trading Act 1987

- Special powers for inquiry in Farming, Motor Vehicle, Newsagency and Franchising sectors

Approach to Dispute Resolution

- Enquiry is made to the office
- Complaint lodged
- Further information usually required from complainant
- Contact other party/ies and seek response
- Review
- Consider whether formal demand for information required.
- Consider whether an Industry Code applies

Approach to Dispute Resolution

- Further discussions with both sides on possible resolution options
- Review
- Informal mediation in Office of Small Business Commissioner
- If unable to resolve – formal mediation with qualified mediator

Property Leasing

Retail and Commercial Leases Act 1995

- Be part of the ‘Main Street Revitalisation’
Paying Business on time

Late Payment of Government Debts (Interest) Act 2013

- Allows for adjudication of dispute between builders/sub-contractors
- 15/16 - 38 claims totalling $105,863,253.29 lodged. $29,639,299.50 awarded
- Act has been reviewed. Second round of consultation completed.
- Recommendations to Government by end 2016.

Building Industry

Building and Construction Security of Payment Act 2009

- Specific Events
  - Return to Work
  - Safework SA
  - Trainees and Apprentices
  - NBN - Digital Future
  - BizLinks

State Budget 2016/17

- Job Accelerator Grants
  - $109m = 14,000 jobs
  - Up to $10,000 per new employee (if paying payroll tax)
  - Up to $4,000 per new employee for other small businesses and start ups

Inform

- Payroll Tax Rebate extended for 4 years
  - Covers around 2300 businesses with payrolls of under $1.2m.
  - Max rebate $8,800
  - Effective tax rate for most is 2.5%
State Budget 2016/17

Continued Small Business Focus

- $12.1 billion infrastructure investment over the next 4 years.
- $500 million to develop and upgrade schools
- Includes $250m for new science, technology, engineering and math facilities at 139 schools statewide

Simpler Contracting

Cutting Red Tape for Small Business

- Better standardisation of procurement practices
- Follows SA Government’s Better Customer Charter for Business
- Simple, plain English contracts
- Reducing the costs to suppliers by simplifying liability and insurance requirements.

Unfair Contract Term Laws

- Protect both consumers and small businesses from unfair terms where they have little or no opportunity to negotiate
- Unfair contract terms laws have applied to standard form consumer contracts since July 2010
- In November 2015, Parliament extended protections to cover small businesses contracts from 12 November 2016

Why Do Small Businesses Need Protection?

On average small businesses were offered about 8 standard form contracts in the past 12 months
Small businesses less likely to thoroughly review the contract…too complicated and they lack legal expertise
30% of small businesses spend less than 9 minutes reviewing standard form contracts
60% of small businesses claimed to have experienced unfairness in terms and conditions
44% of small businesses reported experiencing some harm as a result of the unfair terms

What’s An Unfair Contract Term?

Standard form contracts cannot contain terms that:
- cause a significant imbalance in rights
- are not reasonably necessary to protect the business’s interests, and
- cause any detriment to the consumer or small business

Unfair term is void (treated as though it never existed), however the rest of contract will continue to bind.

How Do The Small Business Laws Apply?

Applies to standard form contracts
One of the parties to contract has less than 20 employees
Upfront price is less than $300,000 ($1 million for multi-year contracts)

Laws enforced by ASIC (financial products and services) and ACCC and state/territory ACL regulators (every-day goods and services)
Small Business Scenarios

Contract for internet services

Under a term of the contract, the internet service provider has the right to change its prices or services at any time without prior notice to the small business.

The small business does not have the right to end the contract, even if the internet service provider increases the price significantly.

Contract with an advertising company

In the event of non-performance or a breach of contract, the small business must pay a large fee if it wishes to terminate the contract early.

Other terms that may raise concern

- Rights to unilaterally vary the contract
- Automatic rollover
- Limited liability
- Terminate franchise agreement with notice
- Liquidated damages
- Waiver of indemnity

Time To Get Ready...

New law applies to standard form small business contracts entered into or renewed from 12 November 2016.

Some industries of focus: advertising, telcos, franchising, retail leases.

Compliance focus also covers independent contracting, IT consultants, engineers, architects.

Advocate

Other Assistance

- New Access – A Beyond Blue Program, delivered by Uniting Care Wesley Port Adelaide
- Coaching to assist with dealing with pressures
- Free
- Call 1800 010 630 or www.beyondblue.org.au/NewAccess

THANK YOU

• New Shopfront at 99 Gawler Place
• Improved visibility and accessibility

Telephone: 1800 072 722 or 08 8303 2026
Email: tasbc@sa.gov.au
Website: www.sasbc.sa.gov.au
Facebook: Like us @ sasmallbusinesscommissioner
The role is to

- Provide independent advice on how State Government expenditure can be used to maximise the economic benefit to the State by increasing the number and diversity of local businesses winning Government work.
- Drive local investment, create strong value chains from the State’s portfolio of major projects, support the development of the advanced services sector and leverage opportunities for innovation.

Advocacy Priorities

- Promote competitive, capable local businesses to government purchasers and private sector companies delivering contracts on behalf of government
- Recommend reforms to procurement and contracting practices to ensure local businesses are not disadvantaged.
- Ensure local businesses given full, fair and reasonable opportunities to win work on major projects under the Industry Participation Policy

Advocating for the Steel Industry

- The steel industry participation initiative is designed to give the local steel industry a competitive advantage against low quality imports.
- The steel certification initiative leverages from the South Australian Industry Participation Policy
Advocating for Aboriginal Businesses

• The role of the Industry Participation Advocate has been expanded to advocate for Aboriginal businesses.
• The Office of the Industry Advocate will be working with Aboriginal businesses capable of supplying goods or services to government so they have every chance for success.

Advocating for Design to Support Economic Participation

• Design input at the commencement of a project can promote the increased use of South Australian inputs.
• Significant potential to provide breakthrough opportunities for innovative local design, products, systems and techniques.

Advocating for Growth & Innovation from State Procurement

• As part of Economic Priority 6 there is an objective to ensure that all major public and private projects support innovation and local businesses through their procurement decisions.
• Government procurement can drive innovation and growth by supporting businesses to develop an “ideas flow”.
• This can be achieved by encouraging and incentivising the private sector to collaborate and co-invest with Government.

Category Management

• The greatest potential for positive influence occurs at the beginning of the procurement process, particularly during the acquisition planning process, when the market analysis and the type of market approach is being considered.
• There is an obvious need to better understand the capabilities of businesses in South Australia and assist local business build their tendering skills.
Category Management

- The State Budget provided funding to appoint two new category managers.
- The category managers will support the role of the Industry Advocate with additional knowledge of local industry and prevailing business conditions.
- Provide input so government agencies are aware of new, innovative, value for money solutions proposed by South Australian businesses.
- Ensure Industry Participation Plan benefits are being realised & to capture further economic value and benefits throughout the life of the contract.

Office of the Industry Advocate

Level 13, Stillwell House
99 Gawler Place
Adelaide 5000

Key Drivers of Economic Benefit

- Procuring from locally-based suppliers and suppliers who source inputs locally maximises the amount of local labour and capital used, and therefore the amount of economic contribution being retained in South Australia.
- The South Australian Industry Participation weighting system balances the economic benefit to the State as part of a holistic value-for-money assessment.

Contact

Office of the Industry Advocate
Level 13, 99 Gawler Place
ADELAIDE SA 5001
T: +61 8 8226 8956
E: oia@sa.gov.au
www.industryadvocate.sa.gov.au

The scope of the Industry Participation Policy

- Industry Participation Policy comes into effect from $22,000 with an emphasis on local jobs and importantly this extends to subcontractor and supplier activity.
- There must be at least one quote from a South Australian business and the South Australian labour hours for the delivery of the product or service must be provided.
- For procurements between $220,000 and up to $4 million ($1 million in Regional South Australia), a minimum weighting of 15% is applied to measure South Australian labour/jobs as part of the tender evaluation.
- For procurement above $4 million ($1 million in Regional South Australia) there is a minimum weighting of 15% to measure South Australian labour/jobs, investment and supply chain input as part of the tender assessment.
SA Industry Participation – a successful model

• Three years on and the Office of the Industry Advocate continues to provide economic benefit to the State and local businesses.

• Recent State Procurement Board report shows 90.2% of the value of goods and services contracts were let with suppliers located in South Australia in 2014-15.

• This compares with just 51% in 2012-13, clearly showing how successful Industry Participation Advocate role has been since it was established in February 2013.

SA Industry Participation – a successful model

• Major projects awarded under the revised Industry Participation Policy have shown extremely strong results, with over 90 per cent of the sub-contracts awarded to contractors where the majority of the dollar spend is in the State.

• For example in just six months the economic benefit to State from T2T project is $13 million or almost 90% of the labour spend going to South Australians.

• In addition an extra $39 million has gone to local subcontractors and suppliers which is spent on local jobs, manufactured product sourced from within SA and raw material supply sourced from with SA. This is in excess of 93% of the total spend in work packages to the end of the year providing direct benefit to the South Australian economy.

Tender Evaluation

• At tender evaluation a score is given which measures the economic benefit from the use of labour, supply inputs and capital associated with the contract.

• These are the main drivers used SAIPP to measure economic benefit to the State or a region.

• It is not about the physical location of the business or the registered office.

How the Industry Participation Policy takes effect

STEP 1
At tender the Industry Participation Plans are scored to measure the economic contribution to the State or region.

STEP 2
Once the successful tenderer is identified the OIA reviews all work packages to ensure commitments to economic contribution can be met.

STEP 3
The successful IP Plan and the associated work packages are finalised and become part of the contract and the project implementation obligations.

Northern Economic Plan

• All State Government contracts above $220,000 will have a 20% Industry Participation weighting.

• Encourage local government to adopt SA Industry Participation Policy objectives.

• Establish a series of Meet the Buyer and Supplying to Government workshops in conjunction with local government

• Identify ways to connect young people with the world of work
Overview

- Most programs targeted at SMEs (up to 200 employees)
- Support for business is not just grants
  - Connecting businesses to advice, expertise, information, resources, other businesses, new opportunities/markets
  - Workshops, info sessions, training for business owners
- Job Accelerator Grant Scheme (employer grants)
- Unlocking Capital for Jobs
- Small Business Workshops
- Business Transformation Voucher
- Industry Capability Network (ICN)

Job Accelerator Grant Scheme

- Grant for new employees maintained for at least 1 year
- 2 stages — full amount after 2 years
- Register new employees within 90 days
- Not liable for payroll tax?
  - $4,000 per new FTE
- Payroll less than $5m per year?
  - $10,000 per new FTE
- New employees must reside and work in SA
- Administered by Revenue SA
- Register online

What is Unlocking Capital for Jobs?

- Helps you get bank funding for your business to expand and create jobs
- How?
  - State Government provides 20% guarantee to your bank to support your business loan
  - Eligible loan applications between $500K and $10M
  - Loan funds needed to create new jobs
  - Normal bank credit criteria met except sufficient security
Are you eligible?

- Actively trading SMEs
- less than 200 employees
- established in South Australia
- 12 months trading
- A company / incorporated (Pty Ltd or Ltd)
- Loan needed to create new ongoing jobs in your business within 12 months
- for an eligible purpose

Small Business Workshop Program

Improving your business profitability

- Half day workshops $55
  - Business planning
  - Cash-flow, profitability and budgeting
  - Marketing
  - Staffing - recruitment and retention

Accessing business growth opportunities

- Advanced single day workshops $99
  - Tender Ready
  - Export Ready

- Dates, locations and register online

Business Transformation Voucher Program

- Funding to help you make transformational changes to the way you do business to increase your competitiveness and profitability
- SA manufacturing businesses operating for longer than 12 months
- Up to $50,000 Matched $ for $ for
  - an expert, independent review of your business
  - implementing the review’s recommendations

ICN – Industry Capability Network (SA)

- Works with local SMEs to win work/contracts
- New supply chains, major projects large companies – ‘primes’
- ICN database – showcase your business capabilities
- Register your business - online or speak to us
- Express interest in work
- Receive notifications
- Be recommended to project owners

Other small business support services

Small Business Contact Service - 1300 142 820
Speak to someone about your business and where to access further help and support

ABLIS - Australian Business Licensing Information Service
www.ablis.business.gov.au
Find which government licences and registrations apply to your business

Business SA’s Business Coaching Program - 8300 0270
Ten-month program to help you grow your business and increase profitability

Links

Job Accelerator Grant Scheme – register online

Small Business Workshops – see dates and register online

Other DSD programs

Grant Assist
The Role of Local Government in Economic Development

- Local Government Act
- Community Plan 2022
- Community Expectation

Local Business Engagement

City of Victor Harbor

Engineering Councils Response

- Business Training Framework
- Economic Development Projects
Collaborative Partners

- Victor Harbor Business Association
- Department of State Development
- Small Business Commissioner’s Office
- TAFE SA
- Regional Development Australia
- National Broadband Network (NBN)
- Neighbouring Council’s

What’s Happening?

- Digital Economy Action Plan
- Business Week (12-16 September)
- VHBA Business Awards (Gala Dinner 14th October)
- C-PREP 3
- Mainstreet Masterplan (Stage 1)

Get your business off to a great start...

Occupational and liquor licensing with CBS

Mr Nick Gormley
President, Victor Harbor Business Association

Types of licences

- Occupational
  - Builders
  - Plumbers, gas fitters and electricians
  - Real estate agents and sales representatives
  - Security and investigation agents
  - Conveyancers
  - Second-hand vehicle dealers
- Liquor and Gambling
  - Hotels, restaurants, cafes, small venues, clubs etc.

Why a licence is required

Occupational licensing:

- To provide consumer protection through licensing entry standards
- To help maintain industry standards
- To help licensed tradespersons distinguish themselves from unlicensed competition
Why a licence is required

Liquor licensing:

• Regulate and control the sale, supply and consumption of liquor for the benefit of the community as a whole
• Minimise the harmful and hazardous use of liquor
• Promote responsible attitudes in relation to the promotion, sale, supply and consumption of liquor

Legislation

Specific requirements under different legislation for each type of licence, such as:

• Building work to be properly supervised
• An approved responsible person to serve alcohol
• Disclosing certain information and written contracts
• Managing trust accounts
• Penalties for non-compliance
• CBS to maintain a licence public register

Before you apply

• Understand what type of licence you need, and the specific category (or categories) relevant for you
• Your licence may be limited with conditions or endorsements

Examples:
− A builder’s licence may be limited to bricklaying & masonry, or may be for any building work
− A liquor licence will apply to certain hours of trade, and to certain areas of the business premises

How to apply

• Complete the online application form (lodge electronically or print and post/deliver)
• Provide the required information as outlined on the form (e.g. evidence of qualifications, Police clearance certificate)
• Pay the fee
• Information guidelines specific to the type of licence available at cbs.sa.gov.au
• Renew each year or 3 years depending on the licence (Liquor licensees are required to pay an annual licence fee)

Unlicensed activity

If you operate without a licence, or outside the scope of your licence, CBS may take the following action:

• Warning letter
• Public warning (depending on consumer detriment)
• Seek a written assurance
• Expiration notice
• Suspend, cancel or impose a condition on the licence
• Court or disciplinary action

Compliance

CBS detect unlicensed activity and breaches of legislation through:

• Desktop monitoring (e.g. checking advertisements placed by tradies)
• Visiting businesses/licensed premises
• Reports/complaints from consumers or the general public

Be clear about your responsibilities under licensing laws
What I’m going to cover

- Creating public value – our focus and strategic directions
- EPA Regulatory Approach
- Working with business and industry
  - Promoting innovation
  - Removing unnecessary burdens

Creating public value

- Support wellbeing and prosperity
  - Creating a place where current and future generations can thrive
  - Value proposition; contribution to and role in building our State’s future
- Keep people informed and engaged
  - Providing opportunities for early and meaningful engagement
  - Building partnerships
- Be an effective and trusted regulator
  - Safe place to work
  - Recognition as leaders in our craft
  - Building trust and confidence and maximising the potential of our people

What is regulation?

“the range of instruments which are implemented to address a problem or risk and which either impose mandatory requirements upon business and the community, or seek to change behaviour”
Full implementation of EU environmental legislation will bring an annual benefit of €50 billion at EU level. Direct benefits in terms of growth, jobs and wellbeing across the continent.

EPA’s peer reviewed study found the benefits from the 1990 Clean Air Act Amendments will exceed costs by a factor of more than 30 to one by 2020.

“EPA’s role as a regulator puts us in a unique position to give companies such as Wirra Wirra the confidence to invest in their environmental performance; regulation, done well, is good for business.”

EPA Executive Director Operations, Andrew Wood

Case Study – Gabrielle Ivanyi

- Gabrielle Paul Ivanyi, Owner/Operator Adelaide Earth Removal Pty Ltd
- Suspected of illegal dumping
- Enquiries showed he had stopped using waste depots due to debts
- Home address located
- Surveillance located dumping spot
- Convicted of 11 Counts – 1st Custodial Sentence in SA 4 months 2 weeks (Suspended)
The traineeship and apprenticeship system in South Australia

TRAINEESHIPS AND APPRENTICESHIPS

Apprenticeships and traineeships are a key labour market program which aim to:

- Develop skills to industry standard
- Increase workforce participation
- Meet skills shortages and industry priorities

Regulated by the:
- Training and Skills Development Act 2008

Apprenticeships and traineeships combine paid employment with a nationally recognised AQF qualification.

- Apprenticeships are generally 3 or 4 years in duration and include a Certificate III qualification.
- Traineeships are usually 1 or 2 years in duration and include a qualification (ranging from Certificate II to Certificate VI).

A Training Contract is a legally binding contract which stipulates:

- Hours of employment and training
- Occupation
- Qualification
- Industrial Agreement
- Duration of the apprenticeship / traineeship

A Training Plan agreed by the employer, apprentice/trainee and registered training provider:

- AQF qualification
- Core and Elective Units of competency
- Mode of delivery to be undertaken

EMPLOYER OBLIGATIONS

- Employer is required to be registered
- Meet training contract obligations
- Employ and provide on-job training to apprentice / trainee as agreed in the Training Plan
- Provide appropriate facilities and experienced people to train and supervise the apprentice / trainee
- Provide work that is relevant and appropriate to the trade or vocation

EMPLOYER REGISTRATION

- place of employment
- equipment & methods
- supervisors – qualified or experienced
- ratio of supervisors to apprentices/trainees
- any other matter – scope of work - industry advice sought

www.statedevelopment.sa.gov.au
The Traineeship and Apprenticeship Services directorate in the Department of State Development (DSD) is responsible for:

- Registering employers
- Compliance and enforcement
- Assessing training contract applications
- Assessing variation and completion applications
- Issuing Trade Certificates
- Managing grievances and disputes
- Policy advice across government

The Industrial Relations Commission of South Australia assists apprentices/trainees and their employer with:

- Disputes between parties to a training contract
- Grievances by one party to the training contract about the conduct of the other party to the training contract
- The suspension of an apprentice or trainee on the grounds of serious and wilful misconduct

Under WorkReady training subsidies are provided to a range of industry entry level courses designed for direct entry into a job, traineeship or an apprenticeship.

- Travel and Accommodation Allowances
- Critical Skills Completion Bonus
- Aboriginal Apprenticeship Program Incentives

The Industry Skills Fund

Funding to ensure that industry has the skilled workforce it needs to boost the nation’s productivity

- Commenced in January 2015
- Training grants and/or support services tailored to the needs of individual businesses

For more information:

dsd.tas@sa.gov.au

Traineeship and Apprenticeship Information Service
1800 673 097
www.skills.sa.gov.au/apprentices

The Industry Skills Fund at a glance

Skills Advice service
Eligibility

- Eligible to solvent Australian enterprises:
  - Non-tax exempt
  - ABN
  - GST registered
  - Trading history
  - Not named by the Workplace Gender Equality Agency

Who Can Apply for ISF Funding?

- Any eligible business with an identified growth opportunity is encouraged to apply
- Priority may be given to:
  - Food and Agribusiness
  - Advanced manufacturing
  - Medical technologies & Pharmaceuticals
  - Mining equipment/technology/services
  - Oil, gas & energy resources
  - Enabling technology or service industries that support the above

It’s About Business Growth…

- Diversifying into new or emerging markets…
- Adopting new or emerging technologies…
- Entering export markets…
- Responding to significant new domestic market opportunities
- Repositioning because of market driven structural adjustment.

Growth can be measured in terms of increased jobs, profits, margins, market share, etc.

Co-Contribution Model

- Employer co-contribution
  - Micro business (0 to 4 FTE employees) – 25%
  - Small business (5 to 19 FTE employees) – 34%
  - Medium business (20 to 199 FTE employees) – 50%
  - Large business (200+ FTE employees) – 75%
- Businesses operating/expanding into Northern Australia may be eligible for a reduced contribution
- Businesses of any size may participate, however, the fund targets SME employers

Components of the ISF

Two Elements

- Free independent Skills Advice (subject to assessment)
- Training grant (subject to application):
  - Accredited qualifications
  - Skill sets or individual competencies
  - Customised mix of competencies
  - Non-accredited courses
  - Language, literacy & numeracy skills
  - Innovative training solutions tailored to meet specific business needs
  - Training required to access foreign markets

Access to Key Documents

- Programme Guidelines
- Customer Information Guide
- Merit Assessment Guide
- Sample enquiry forms
- Sample application forms
- Sample funding agreements
- Fact sheets

Contact for further information:

Further Information

David Furniss
Industry Skills Advisor

Mobile: 0439 188 148

Work injury insurance cover

- ReturnToWorkSA provides insurance that protects SA businesses from the costs of a work injury.
- If you need to register for cover or have any questions, please visit www.rtwsa.com or call 13 18 55.

Insurance – Premium

- Your insurance premium is based on the
  - Remuneration paid to your workers
  - Industry risk rating (South Australian Industry Classification)
  - Income support costs in the previous financial year.
- Minimum premium for 2015-16 is $200 (plus GST and WHS fee).
- The Workplace Health and Safety fee (WHS) is collected on behalf of SafeWork SA and is currently 2.3%.
Insurance – What is remuneration?
Any payment made to or for the benefit of a worker.

- Gross wages
- Superannuation
- Allowances or benefits
- Annual, long service, sick leave
- Leave loading
- Back pay
- Bonuses
- Commission
- Paid parental leave

Insurance – What is not remuneration?

- Commonwealth paid parental leave scheme
- Termination payments
- Reimbursements
- Income support to workers on a claim.

A comprehensive list is available at www.rtwsa.com.

What does your insurance cover?
For non serious injuries 29% (or less) whole person impairment

- Income support
- Lump sum payment
- Medical treatment and care
- Return to work services

For serious injuries 30% (or greater) whole person impairment

- Income support until retirement age
- Lifetime treatment, care and support
- No obligation to return to work – but we will support if desired

Our claims agents

Businesses using labour supply/labour hire

- The labour hire business is ultimately the employer and responsible for work injury insurance.
- Host employers have a responsibility to confirm that labour hire businesses are registered with ReturnToWorkSA.
- An online employer lookup feature is available at www.rtwsa.com to ensure you are engaging a registered labour hire business.
- If the labour hire business is not registered with ReturnToWorkSA, the host employer may be liable for payment of premium.
Primary role is to promote and encourage safe, fair, productive working lives in South Australia.
1. Know where to get help

- Your employer association
- The Fair Work Ombudsman
  - Small Business Best Practice Guide
  - Small Business Best Practice Guide
  - Small Business Helpline 13 13 94
    - Monday to Friday 8am – 5:30pm
    - Translating service 13 14 50

1. Know where to get help
2. Get the basics right
3. Establish good employment practices
4. Resolve issues early

Gene Bourke, Fair Work Inspector
Campaign Contact and Assessment
www.fairwork.gov.au/smallbusiness

Contact us

1300 365 255

Supporting Small Business

2. Get the basics right

- Pay and Conditions Tool
  - Pay, Shift, Leave, Notice and Redundancy calculators
  - Mobile device friendly
- Workplace Basics quiz
- My account portal
  - Register for tailored information and priority support

3. Establish good employment practices

- Online learning centre
  - Difficult conversations in the workplace
  - Hiring employees
  - Starting a new job and
  - Managing Performance
- Downloadable guides and templates

4. Resolve issues early

- Keep up to date and informed
  - Email updates
  - Employer newsletter
- Resolve issues early
  - Online learning centre
  - Difficult conversations in the workplace - manager and employee courses

How to find FWO tools & resources

- Navigation (drop down) menus
  - www.fairwork.gov.au
- Small business landing page
- Language help
  - www.fairwork.gov.au/languages

www.fairwork.gov.au/smallbusiness

- Dedicated small business page
- You will find links to FWO’s:
  - Fair Work Handbook
  - Hiring Guide
  - Pay Calculator (PACT)
  - Online learning centre
  - My Account
  - Templates and Guides

Annual Wage Review 2016

- Annual Wage Review
  - 2.4% increase to National Minimum Wage
  - The new national minimum wage is $672.70 per week or $17.70 per hour
  - Took affect on the first pay period after 1 July 2016
- Use our pay tools to for the latest rates
  - Pay & Conditions Tool
  - Pay Guides
What is AusIndustry?

• AusIndustry is a division of the Department of Industry, Innovation and Science.

• Our role is to design, develop and deliver programs aimed at assisting Australians to:
  – Get their businesses up and running;
  – Develop and commercialise ideas and products;
  – Improve, innovate and grow their businesses; and
  – Reach new markets.

How Does AusIndustry Assist Businesses?

• AusIndustry manages a number of programs and provides a range of services designed to assist businesses.

• Types of assistance available include direct grants, tax offsets and business advisory services.

• Access to specific programs is usually dependant on the applicant meeting defined eligibility criteria.

• Some programs are aimed at businesses at a specific stage of development while others target specific sectors.

The R&D Tax Incentive

• The aim of the R&D Tax Incentive is to assist Australian companies to develop new knowledge which will allow them to create new or improved products, services or processes.

What Do We Mean By R&D?

• The aim of the R&D Tax Incentive is to develop genuinely new knowledge to create new products and services or to improve existing processes.

• The new knowledge must be created via a process of experimentation that follows a systematic scientific method.

• It must be demonstrated that the experimental outcomes aimed at creating new knowledge could not be known in advance by referring to existing knowledge or to experts in the field.

• Refer to the R&D “Tax Incentive: Guide to Interpretation” for further details.
R&D Tax Incentive Assistance

- Turnover of less than $20 million
  - 45% refundable tax offset (equivalent to a 150% deduction)*
- All other eligible entities
  - 40% non-refundable tax offset*

- Minimum R&D spend per year must be at least $20,000
- For any R&D expenditure amounts above $100 million, companies are still able to claim a tax offset at the company tax rate.

*Govt has announced its intention to change the rates to 43.5% and 38.5% respectively

Key Features of the R&D Tax Incentive

- An entitlement programme
- Company’s self-assesses
- Accessible to all industry sectors
- Jointly administered by AusIndustry and the ATO
- AusIndustry assess the eligibility of R&D, activities the ATO rule on the eligibility of items and amounts claimed.

Who Can Apply?

Eligible to Register
- A corporation that is incorporated in Australia
- A foreign corporation resident in Australia
- A foreign corporation resident of double tax treaty country carrying on business through a permanent establishment in Australia
- The trustees of public trading trust

Ineligible to Register
- Any other trusts or trustees, corporate limited partnerships, tax exempt entities, sole traders

Eligible Expenditure

- Expenditure incurred on R&D activities
- Decline in value of depreciating assets used in R&D activities
- Balancing adjustments for depreciating assets used only in R&D activities
- Minimum expenditure of $20,000 per year is waived when expenditure is incurred to a Research Service Provider (RSP) or as a monetary contribution under the Cooperative Research Centres (CRC) programme

Research Service Providers (RSPs)

- Entities with scientific or technical expertise and resources to perform R&D on behalf of eligible companies
- Companies can conduct R&D without investing in specialist staff or infrastructure
- $20,000 expenditure threshold waived
- RSPs have met criteria to register with AusIndustry

South Australian-based RSPs
- Adelaide Research & Innovation Pty Ltd
- Australian Water Quality Centre (SA Water)
- Australian Wine Research Institute
- Defence Science and Technology Organisation
- Flinders Partners Pty Ltd
- Itek Ventures Pty Ltd
- SARDI
- The Queen Elizabeth Hospital
- Women’s & Children’s Health Research Institute
Record Keeping

- Good record-keeping is a must
- Keep records that sufficiently demonstrate to both AusIndustry and the ATO that:
  - You carried out eligible R&D activities
  - You incurred eligible expenditure in relation to those activities
  - Your R&D activities and expenditure met all legislative requirements for eligibility under the program (e.g. hypotheses, conclusions, experiments)
- Records must be contemporaneous (i.e. documents generated while the R&D activity is being undertaken)

Guidance And Compliance

- AusIndustry’s focus is on providing appropriate guidance and education to enable companies to correctly self-assess at the time of registration.
- Some companies, however, are systematically selected for compliance review following registration.
- This is managed through an escalating process of compliance assurance activities called the ‘compliance continuum’.
- This process also facilitates continued education and guidance for future registrations.
- The ATO may undertake its own compliance activities in relation to assistance claimed under the R&D Tax Incentive.

Registration

- Companies must register R&D activities annually
- Within 10 months of end of financial year and before claiming the benefit from ATO
- Online form available at www.business.gov.au
- Company will receive a receipt shortly after registration, but this does not render the activities eligible

Entrepreneurs’ Programme

- The Entrepreneurs’ Programme is the Australian Government’s flagship initiative for business competitiveness and productivity. It forms part of the Australian Government’s new industry policy outlined in the National Innovation and Science Agenda.
- The programme offers support to businesses through three elements:
  - Accelerating Commercialisation - helps small and medium businesses, entrepreneurs and researchers to commercialise novel products, services and processes
  - Business Management - experienced Business Advisers and Facilitators review business operations, including business direction, strategy, growth opportunities and supply chain. They provide a report with strategies for business improvement and work with you to make them happen
  - Innovation Connections - experienced Innovation Facilitators work with your business to identify knowledge gaps that are preventing your business growth. The outcome is an Innovation Facilitation Report

National Innovation & Science Agenda (NISA)

Extraordinary technological change is transforming how we live, work, communicate and pursue good ideas. We need to embrace new ideas in innovation and science, and harness new sources of growth to deliver the next age of economic prosperity in Australia.

Find out more: www.innovation.gov.au

NISA News

Sep 01
New Digital Marketplace has launched to make it easier for businesses and the Government to work together

Aug 26
Global Innovation Linkages programme information sessions

Aug 26
Expressions of interests for $50,000 Bridging Grants are now open for Australian researchers and SMEs

Aug 19
$8 million to support women in STEM and Entrepreneurship
Further Information Online

AusIndustry’s website:  www.business.gov.au
R&D Tax Incentive:  Guides, fact sheets, videos, podcasts and more

Useful AusIndustry Publications
The R&D Tax Incentive: Guide to Interpretation
The R&D Tax Incentive: Guide to Findings
Identification of Core Activities
Identification of Supporting Activities

Contacts

For information on eligible entities and amounts you can claim:
• Contact the ATO
• Visit | www.ato.gov.au
• Call | 13 28 66

For information on registration and eligibility of R&D activities:
• Contact the AusIndustry
• Visit | www.business.gov.au
• Call | 13 28 46
• Email | R&DTaxIncentive@industry.gov.au

Thank You

BizLinks

Geeta Bansal
Analyst
Small Business

Australian Securities and Investments Commission

Who is ASIC?
• Independent Commonwealth government agency
• ASIC regulates corporations, financial markets, financial services and credit industry
• Main function to protect the Australian economy

Business structures

Four types of business structures:
• Companies
• Sole traders
• Partnerships
• Trusts
Do I need a business name?

- You are required to have a business name if you are ‘carrying on a business’ in Australia, unless an exception applies.
- Common exceptions are:
  - Trading as an individual and the business name is your name
  - A registered company and your business name is the company’s name
- Example: If your name is John Smith, John Smith & Co would require a business name.

Compliance obligations

- Laws imposed on businesses to ensure they are being managed and operated fairly and transparently.
- Promotes integrity in the business environment.
- Failure to comply may result in contravention of the law and ASIC taking action.

www.asic.gov.au

Small Business Hub

Small Business Resources

New app – ASIC Business Checks

- General steps to reduce the risk of losing money.
- The app provides 5 steps to help you protect your interests when dealing with other businesses.
- Answering the 13 questions in the app will produce a report providing further information to assist you.
- Available for download for Apple and Android smartphones.
Small business support

For more information please access the ASIC website:

www.asic.gov.au