

BUSINESS ILLAWARRA

4 May 2021

Mr Chris Lamont
NSW Small Business Commissioner
PO Box W275
Parramatta NSW 2150
Via email: commission@smallbusiness.nsw.gov.au

Dear Commissioner,

Submission on issues being faced by small businesses in the Wingecarribee Shire

Business Illawarra welcomes the opportunity to provide a submission to your consultation process on the challenges being faced by small businesses in the Wingecarribee Shire Council (WSC) area.

Formerly the Illawarra Business Chamber, Business Illawarra is the region's peak business advocacy organisation and the umbrella group representing businesses across the broader region that includes the Southern Highlands.

We have worked closely with our affiliated local chambers (Southern Highlands Chamber of Commerce and Industry, Moss Vale and Rural Chamber of Commerce and Robertson Business Chamber) in the Highlands over many years to address the concerns of their members, to grow local jobs and build business confidence.

Upon the suspension of WSC in March, it was without hesitation that – with the support of the three affiliated chambers of commerce – we wrote to the Minister for Small Business to request your intervention on behalf of small business owners across the Shire.

It is instructive that in July 2018, we held a business forum in Bowral and from the feedback we received there compiled an Issues Statement (at Attachment 1.), which identified the number one issue facing business was “*uncertainty caused by the approval processes of Wingecarribee Shire Council and the conflicting views of individuals on Council.*”

This was supported by a survey of 109 local businesses undertaken by Business Illawarra in October 2018 (at Attachment 2.), which found that while business sentiment was varied (38% of respondents reported feeling positive, 39% negative and 24% remaining neutral), of those who believed sentiment was negative, 92% attributed this to Council.

Despite our ongoing advocacy efforts, backed by evidence produced at our expense, the issues outlined below were not substantially addressed by Council, and the conduct of elected officials continued to hamper sound decision-making in the Shire until their suspension last month.

Your recent consultation forums were well received by the business community, and I believe the range of views presented by attendees is indicative of the cross section of issues faced, which I will summarise below. The involvement of interim administrator Mr

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Viv May was welcome, and his comments and recent actions have been productive and further cause for optimism that positive change is occurring.

Ultimately we hope that an outcome of your work, including your final Report to the NSW Government will establish a path forward and a clear set of expectations for future Councils, whose adherence to which could be inquired into by your Office at a later date if need be.

Summary of issues

Business Illawarra took the opportunity afforded by Council's welcome decision to consult on a draft Destination Plan (in lieu of an Economic Development Plan) in July 2020 to make a broad [submission](#) containing a complete set of recommendations to guide growth of the local economy and job creation in the Shire.

The submission (Attachment 3.) partially relied on evidence produced in the April 2020 '[Economic Opportunities and Infrastructure Review](#)' by Cardno (the 'Cardno Report'), which was commissioned by Illawarra First, the business leadership group of Business Illawarra.

The following issues have been identified and are more extensively detailed in the submission.

1. **Processing of development applications for small business** have been harming their establishment and growth, being characterised by:
 - a. unacceptable delays,
 - b. a lack of transparency, including on status in the approval process, as well as perceived or actual 'political interference'; and
 - c. poor consideration of small business imperatives, particularly the cost incurred in such processes.
2. **Uncompetitively high developer fees and Council charges**; in particular the cross-subsidisation of major, 'business-as-usual' Council investment through extraordinary one-off fees levied upon business (eg. sewerage fees).
3. **Lack of customer service approach** to new business inquiries. While we note that the draft Destination Plan contained a commitment for Council to deliver "...a high level of concierge and visitor servicing", the experience of many small businesses seeking to establish themselves or expand in the Shire has been that while staff of the Visitor Centre are very helpful at the 'front end', their proposals have stalled elsewhere.
4. **Poor internal connectivity**, exacerbated by lack of delivery of key infrastructure projects, is causing significant delays to road transport and thereby affecting small businesses across a range of sectors:
 - a. Berrima Road Deviation - will provide a direct link between Moss Vale and the Hume Motorway, connecting the Moss Vale Enterprise Corridor and eliminating the rail level crossing at the Boral Cement Works and replacing it with a rail overbridge. The project has been subject to 'unresolvable issues' (detailed in the Cardno Report),
 - b. Moss Vale Bypass - would create a second major crossing of the Main Southern Rail Line to remove industrial traffic from Argyle Street and

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hence the CBD of Moss Vale. This would act as a distributor road for the Moss Vale Enterprise Corridor once Stage 2 of the project is delivered; delivering the dual benefit of better traffic management for the businesses in the heart of Moss Vale and providing connectivity to the industrial zone.

5. **Procurement** – Underlying the issues with infrastructure delivery in the Shire have been significant escalations in the cost of both projects referenced above, as well as the Station Street redevelopment – together with a lack of public reporting on same. Small businesses have reported concerns about the transparency with which tenders are awarded, the use of closed tenders and the extent to which local suppliers are provided opportunities to supply to council.
6. **Skills and workforce shortages** exist in the key sectors of construction, hospitality, transport and logistics and manufacturing within the Shire. Council should partner with industry to undertake a comprehensive Skills and Workforce Needs Audit across the Shire to ensure rigour and thoroughness. This should then inform clear, evidence-based advocacy to TAFE NSW, Training Services NSW and the University of Wollongong for delivery of appropriate courses and training. The business chamber movement stands prepared to assist with this advocacy.
7. **Consultation practices of Council** have been problematic with little feedback provided to stakeholders. Two examples:
 - a. Stakeholder workshops held by Council in formulating the draft Destination Plan (the Draft Plan) afforded limited opportunity for input from participants. Further, since submissions were made in July 2020, no further update has been provided on progress of the Draft Plan.
 - b. Council's development of a Draft Housing Strategy, which has subject to a convoluted process (causing inconvenience to the local chambers and the wider community), and has ultimately stalled with no feedback provided to stakeholders.

Recommendations

Thirteen recommendations were made in our submission to the draft Destination Plan, of which the following are applicable to the consultation process you lead. These were that Council should:

1. Implement a process for fast-tracking of business development applications according to clear and published timeframes, including the development of generic event development applications to support community organisations to hold events at key public and private sites.
2. Commission an independent review into developer fees and other Council charges to ensure the Shire is competitive with like regions that have ambitions for economic growth and competitiveness.
3. Deliver an accompanying Implementation Plan (to the draft Destination Plan) that contains clear deliverables and timeframes against economic development measures, informed by an independent advisory group of business leaders.
4. Commission a quantitative Skills and Workforce Needs Audit in the Highlands and drive advocacy to ensure training gaps are met.

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5. Establish an investment attraction function at a Council level to actively pursue and manage the relocation of employers to the region.
6. Deliver key connections (internet, water, wastewater, power and transport infrastructure) to facilitate the activation of the Southern Highlands Innovation Park.

Conclusion

Thank you for the opportunity to provide this submission, and for your careful consideration of the matters raised by our members and other businesspeople in the Highlands.

Please do not hesitate to contact us via info@illawarrabusiness.com.au or on (02) 9466 4620 for any clarification, follow up or further discussions as required.

Kind regards,



Adam Zarth
Executive Director
Business Illawarra