

5.10 SMALL BUSINESS DEVELOPMENT CORPORATION - SMALL BUSINESS FRIENDLY APPROVALS PROGRAM

Attachments: 1. **Small Business Friendly Approvals Program Round Two - FAQs**

RECOMMENDATION:

That Council ENDORSES the City's participation in the Small Business Development Corporation Small Business Friendly Approvals Program.

PURPOSE OF REPORT:

To consider supporting the City's participation in Round Two of the Small Business Development Corporation (SBDC) *Small Business Friendly Approvals Program* (Approvals Program).

BACKGROUND:

On 11 December 2018 at its Ordinary Meeting, Council agreed to the terms outlined in the SBDC's Small Business Friendly Charter and to implement the [Small Business Friendly Local Government initiative](#).

The Small Business Friendly Local Governments initiative recognises and promotes local government authorities in Western Australia that are committed to actively support small businesses in their local area.

On 15 September 2020 at its Ordinary Meeting, Council endorsed the [City of Vincent Rebound Plan](#) (Rebound Plan) which outlines the activities the City is currently undertaking to actively support local and small business.

DETAILS:

In 2019, the SBDC piloted the Approvals Program in partnership with the City of Canning and City of Stirling. Through the pilot, the SBDC sought to work with each local government to map the approvals pathway for small business customers and co-design reforms to enhance the customer experience and achieve more streamlined approvals processes.

Since the conclusion of the pilot, the City of Canning and City of Stirling have reported excellent results, including internal efficiency and time savings for their business customers. The City of Stirling has also reported a 25% reduction in approval timeframes for development applications.

Due to the success of the pilot, the SBDC has been funded by the State Government to partner with an additional 20 local governments across 2020/21 and 2021/22.

In 2020, as a member of the Small Business Friendly Local Governments initiative, the City was invited to submit an Expression of Interest (EOI) to participate in Round One of the Approvals Program but was unsuccessful due to the competitive nature of the EOI process and the unprecedented number of quality submissions.

Administration has been in contact with participants of both the pilot and Round One of the Approvals Program, including the City of Canning, City of Stirling, and Town of Cambridge. Administration has received positive feedback from all three local governments and would like to participate in the program as part of our service delivery improvement process.

In July 2022, the City was provided the Approvals Program Frequently Asked Questions document included as **Attachment 1** and invited to submit an EOI to participate in Round Two of the Approvals Program.

Administration is seeking Council's endorsement to participate in the Approvals Program.

CONSULTATION/ADVERTISING:

The opportunity to participate in the Approvals Program was discussed and supported at the 25 August 2021 Rebound Roundtable.

The outcome of the EOI submission process will be confirmed at the November Rebound Roundtable and reported to Council as part of the quarterly Rebound Plan update in December 2021.

LEGAL/POLICY:

Nil.

RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to endorse the City's participation in the Approvals Program.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Thriving Places

We are recognised as a City that supports local and small business.

Innovative and Accountable

Our community is satisfied with the service we provide.

SUSTAINABILITY IMPLICATIONS:

On 18 August 2020, Council supported the 'Statement of Principles' announced by the Mayors of the C40 Climate Leadership Group with the goal to build a better, more sustainable, more resilient and fairer society out of the recovery from the COVID-19. The Rebound Plan, including *Action 2.6 Improve the customer experience for businesses*, has been considered against the Statement of Principles and has been found to be in alignment.

PUBLIC HEALTH IMPLICATIONS:

This is in keeping with the following priority health outcomes of the City's *Public Health Plan 2020-2025*:

Increased mental health and wellbeing

The economic hardship experience by small businesses in response to the COVID-19 pandemic has impacted the mental health and wellbeing of the local business community. The Approvals Program presents an opportunity to improve the small business customer experience when engaging with the City. By improving the experience when applying for permits and approvals, the City could mitigate poor and stressful customer experiences, and positively contribute to the wellbeing of the small business community.

FINANCIAL/BUDGET IMPLICATIONS:

The Approvals Program is fully funded by the State Government. It is valued at \$100,000 per local government which covers the cost of the SBDC's dedicated project management resources.

The resources the City must commit to meet program requirements will be met through the existing 2021/22 operational budget. The implementation of the identified reforms developed during the program will be met through the existing operation budget or considered as part of the City's annual budget process.

COMMENTS:

The Approvals Program aligns with the City's Strategic Community Plan and Rebound Plan. Participation in the Approvals Program would assist the City to meet the following key objective of the Rebound Plan: *Provide a business enabling environment that supports local and small business to innovate and rebound to sustainable economic performance.*

The City is committed to supporting local and small business and has made several improvements to progress Rebound Plan *Action 2.6 Improve the customer experience for businesses*. Although improvements have been made, there are still many opportunities to further streamline the City's approvals processes.

The Approvals Program presents an invaluable opportunity for the City's service units to work cross-collaboratively with the guidance from a human centred design facilitator and the SBDC's dedicated project team.



Small Business Friendly
Approvals Program
Round Two

Frequently Asked Questions

July 2021



Small Business
Development Corporation

The Small Business Development Corporation (SBDC) has compiled a series of Frequently Asked Questions about the *Small Business Friendly Approvals Program (Approvals Program)* to help inform local governments interested in participating in the initiative.

These questions include:

- **Q1.** What is the Approvals Program?
- **Q2.** What responsibilities do the SBDC and the local government commit to?
- **Q3.** What steps are involved in the Approvals Program?
- **Q4.** Which local governments have participated in the program to date?
- **Q5.** What were the outcomes from the pilot projects and Round One?
- **Q6.** What are the benefits of participating in the Approvals Program?
- **Q7.** How much does it cost to participate in the Approvals Program?
- **Q8.** What commitment is required from the local government?
- **Q9.** Why do local governments need to provide baseline data?
- **Q10.** How does my local government sign up to the Approvals Program?
- **Q11.** Who can I contact for further information about the Small Business Friendly Local Governments initiative or the Approvals Program?

Q1. What is the Approvals Program?

The Approvals Program is an initiative of the SBDC that seeks to transform the small business customer experience when applying for permits and approvals from local government authorities.

Importantly, the program represents a partnership between the state and local government sectors which is formalised through a memorandum of understanding between the SBDC and participating local governments.

With a budget of \$2.2 million over its life, the program represents a significant investment by the State Government towards driving local government efficiencies and building local economies.

The program is uniquely different from more traditional government projects in the fact that it adheres to human centred design principles. It brings together representatives from across the local government administration who, via a series of workshops, will be expertly guided through activities designed to build empathy for the customer, understand the problems and opportunities facing the local government and customers, and creatively design and prototype solutions. Local government officers are encouraged to adopt an agile approach to solution design and to explore various iterations of each reform – that is: what can be done now, soon and later? What can be done using existing or additional resources?

At the completion of the workshops, local governments will receive the following deliverables:

1. An Executive Report outlining the process, findings and reform themes.
2. An Implementation Plan outlining the detail of each reform, with associated resource implications, responsibilities and key performance indicators.

The SBDC will offer guidance and support as the local government commences the implementation of its reform schedule.

Q2. What responsibilities do the SBDC and the local government commit to?

The SBDC is the program owner and is responsible for:

- engaging and funding the workshop facilitators
- assisting with logistics and administration
- participating in workshops
- presenting to the local government executive team and Council (as needed)
- co-drafting the implementation plan
- preparing the Executive Report
- overseeing biannual progress updates
- reporting to the Department of Treasury on program outcomes
- provision of support to local governments following the completion of the workshops
- sharing success stories and reform case studies.

Local governments are responsible for:

- provision of approvals baseline data
- identifying small business operators that could be interviewed during the program
- appointment of a project lead
- establishing a working group of officers with appropriate seniority from across key service areas that may include planning, building, health, economic development, customer service, communications and IT; and permitting them to participate in all workshops
- accepting the evidence-based findings of the working group
- implementing the reforms in a timely manner, where possible
- reporting to the SBDC on its reform implementation status.

Q3. What steps are involved in the Approvals Program?

Participation in the Approvals Program comprises the following stages:

Stage 1	Expression of Interest process <ul style="list-style-type: none"> Managed by the SBDC, the expression of interest process will open on 1 August 2021 and will close on 30 September 2021. A pre-requisite for participation in the Approvals Program is being a member of the SBDC's Small Business Friendly Local Governments initiative. A selection panel will be established to review all applications. Successful local governments will be notified by 31 October 2021.
Stage 2	Pre-workshop administration <ul style="list-style-type: none"> The local government project lead will be required to schedule pre-commencement meetings with the local government CEO and Executive team, identify and contact small businesses that could contribute their experiences with the working group, and provide approvals data to the SBDC and book appropriate meeting rooms and resources.
Stage 3	Workshops <ul style="list-style-type: none"> The core program is typically delivered over 12 days, with working group members required to attend all workshops. In some instances where the local government is located regionally, or resource constraints prevent the local government from committing to this full program, a reduced workshop schedule may be negotiated.
Stage 4	Executive endorsement of reforms and the implementation plan.
Stage 5	Implementation of reforms and reporting to the SBDC.

Q4. Which local governments have participated in the program to date?

The SBDC piloted the Approvals Program in 2019 with the Cities of Canning and Stirling.

Following a similar Expression of Interest process undertaken last year, the SBDC selected the following local governments to partner with in Round One of the program (January 2021 to December 2021):

- City of Armadale
- City of Busselton
- City of Bunbury
- Town of Cambridge
- City of Cockburn
- Shire of Esperance
- City of Joondalup
- City of Karratha
- City of Kwinana
- City of Melville
- City of Rockingham
- City of Subiaco
- City of Wanneroo

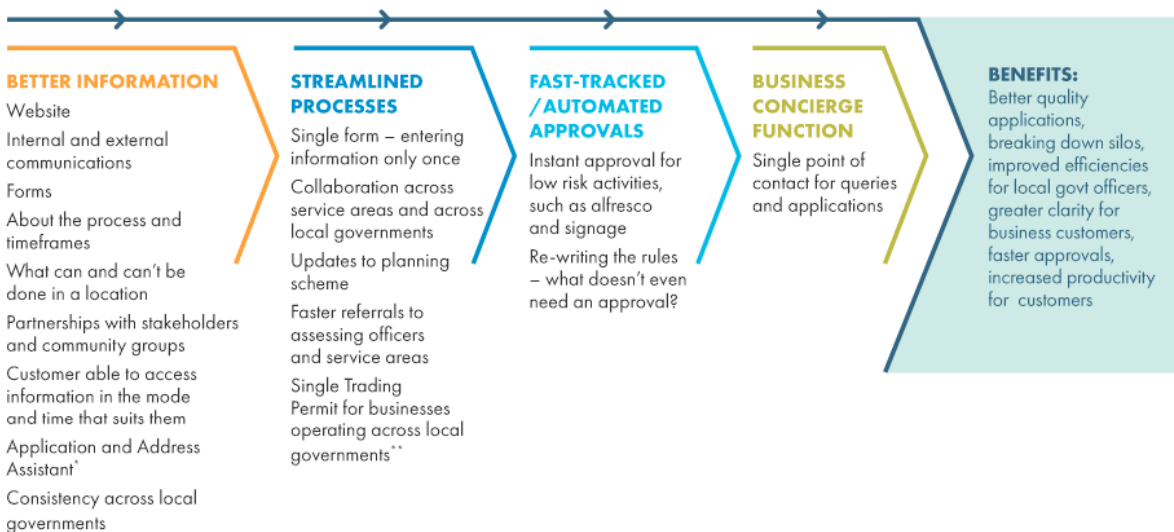
Q5. What were the outcomes from the pilot projects and Round One?

Throughout the pilot projects and Round One of the program, the following common reform themes have emerged:

- better information
- business concierge function ('one stop shop')
- fast-tracked/automated approvals
- streamlined processes

An overview of these reform themes and reform focus areas is outlined in Figure One.

Figure One: Reform themes and focus areas



*An initiative developed by the City of Stirling

**An initiative developed by the City of Canning, City of Gosnells and Town of Victoria Park

Q6. What are the benefits of participating in the Approvals Program?

The importance of small business to Western Australia's economy is significant. In 2019, small businesses contributed over \$50 billion to the State's economy. Small businesses also create more jobs than their medium-sized or large competitors, employing 41 percent of the total private sector workforce, which was just under 500,000 people in 2019.

The COVID-19 pandemic has illustrated how agile and resilient small businesses can be, but has also highlighted the need for governments at all levels to engage with and support the business community as it strives for long-term sustainability and resilience.

By reviewing and reforming processes through a small business customer lens, local governments can demonstrate their commitment to growing and diversifying their economies, creating local jobs and enabling a more productive business environment.

The benefits of the Approvals Program are far reaching, with benefits to the broader business community and within the local government itself. Through improved clarity of information, a central point of contact, simplified and streamlined processes, a re-writing of the rules, and reduction in approval timeframes, businesses will be more productive, experience less frustration, submit higher quality applications, and will be able to get on with running their business and employing workers much sooner.

The SBDC recognises that every dollar a small business can save on approval-related costs and delays is an extra dollar it can put to a productive use, generating income and jobs for the local community and for all Western Australians.

Based on preliminary data, the SBDC estimates that if a local government was to reduce development application timeframes by 30 days¹, it would result in a total estimated saving of \$1.37 million for local businesses per year. Through

the local multiplier effect, this would increase Western Australia's economy by \$1.72 million: the equivalent of creating a further 15 Full Time (Equivalent FTE) jobs.

Local government officers participating in the program will also have a professional development opportunity; have the opportunity to work across service areas to solve complex, multi-faceted problems; contribute to the strategic direction of the organisation; and redesign how things are done internally.

The local government will experience efficiency gains, which means that resources can be reallocated to customer-facing services or other more productive tasks.

Feedback from local government officers that have participated in the Approvals Program, and feedback from small business operators that were interviewed as part of the program is outlined below.

Feedback from local government officers

Question: what are some of the positive outcomes of being selected to participate in the Approvals Program?

"Working with a great team of people who were also very passionate about this project."

"The feeling of working hard to come up with ideas to makes changes that will directly impact the customer's experience with the City."

"The chance to collaborate across service units and gain a better understanding of other's roles in the small business approvals process."

"New tools, resources and ideas to use for future projects..."

Question: What additional skills and insight have you gained through the program that will help you when working with small business in the future?

"One additional insight this workshop provided was humanising small businesses. By actually hearing the Voice of the Customer in person, it allowed me to think through the black and white of the approval process and relate to the humans on the other side. It allowed me to fully appreciate that we're helping people in their lives. These small businesses are their hopes, their dreams, and their livelihoods. They need us to do our absolute best in order for them to provide for their families and the community."

Question: Are there any other comments you would like to share about the program?

"This was a fantastic program that I feel very honoured to have participated in. The project style was unlike anything I have done before and I loved every minute of it."

"It's a great initiative and an eye opener for the challenges faced by City residents who want to open a business. The workshops were very well structured and ensured maximum participation over the 12 days. There was a lot of research done prior to the workshops which contributed well to the six weeks."

Feedback from small business operators interviewed as part of the program

"Thank you for having me there. I felt very supported and listened to, and felt very safe to be honest. I think it is a very positive thing that the city... is doing, and I believe they will be leading the way for other government organisations." [Small business owner, hospitality business]

"Please pass on my congratulations to the group. I was blown away by not only the amount of work that had been done, but by the empathy and understanding of small business issues that shone through. Thank you again for giving me the opportunity to be a part of this awesome project." (Small business owner, hospitality business)

"Courageous is when the city... asks you for honest feedback about their small business approvals process, then has the openness and transparency to invite you back to present on their outcomes and plans for the future and ask for feedback. Impressed duly, and glad to be able to contribute to this great community." (Small business owner, technology business)

¹Based on 100 applications across the retail and hospitality sectors

Q7. How much does it cost to participate in the Approvals Program?

The State Government is fully funding the cost of the program's delivery, which is valued at \$100,000 per local government. This covers the cost of the human centred design facilitator and the SBDC's dedicated project management resources.

While local governments are not required to provide any financial contribution up front, they are required to commit resource capacity to meet program requirements, and cover any costs associated with implementing the reforms developed during the program.

Q8. What commitment is required from the local government?

While no upfront financial commitment is required by local governments, there is a requirement to commit to the following:

- Establishing a cross-functional working group of officers to participate in the workshops and be involved in leading the implementation of reforms within the organisation.
- The working group is to be comprised of a project lead (nominated by the local government CEO) and representatives from key service areas across the organisation – such as planning, building, health, customer service, economic development, communications and marketing, and IT.
- These officers will have appropriate seniority (senior officer or team coordinator position), subject matter expertise and an ability to share the approval pathway or customer interaction points for their service area with the broader working group.
- Those nominated for the project lead and working group membership must have the confidence to identify improvements to current processes, and be given permission to freely contribute to developing reforms that will result in transformational change.

At the completion of the workshop phase, local governments will then be required to commence implementation of the identified reforms. The SBDC has observed that local governments tend to have the most success when the implementation team is comprised of the working group members.

Local governments are also required to report to the SBDC on the status of their reform implementation at six monthly intervals, until all reforms have been implemented

Q9. Why do local governments need to provide baseline data?

As part of the Expression of Interest process, local governments are asked to provide baseline data related to planning, building and health applications for business customers. This data is used by the SBDC and the local government for the following:

- To baseline current performance.
- To identify areas for improvement prior to commencing the workshop process (for example: there has been a trend identified whereby incomplete applications have longer average approval times. This highlights that a focus area for the local government could be improving the quality of applications to immediately reduce approval timeframes).
- To measure the success of the Approvals Program over time as reforms are implemented. The main quantifiable measure for the program is a reduction in approval timeframes.
- To assist local governments quantify the benefits to the local economy through participation in the program, which can then be used in marketing and promotional material.

Q10. How does my local government sign up to the Approvals Program?

Local governments are selected to participate in the Approvals Program through a competitive Expression of Interest process. One of the prerequisites is that local governments are already participating in the SBDC's *Small Business Friendly Local Governments initiative*.

Expressions of interest for Round Two open on 1 August 2021 and close on 30 September 2021.

Q11. Who can I contact for further information about the Small Business Friendly Local Governments initiative or the Approvals Program?

If you would like further information about the *Small Business Friendly Local Governments initiative*, or would like to discuss the Approvals Program, please visit smallbusiness.wa.gov.au/about/projects-and-initiatives or contact Lauren Westcott, Approvals Program Manager, on 6552 3307 or at lauren.westcott@smallbusiness.wa.gov.au.