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31 March 2025

Our reference: C/2024/17563

Contact: Hannah

Telephone: (02) 9160 4863

Email: PAT@ombo.nsw.gov.au

Steven Ridd

By email: steve@naturetrail.com.au

Dear Mr Ridd,

Complaint about Service NSW

I acknowledge your complaint about Service NSW received on 4 September 2024. You complained that you were subject to a debt for the COVID-19 Micro-Business Grant (MBG) by Service NSW, even though you alleged that you met the eligibility criteria. Whilst the debt was eventually waived by Service NSW, you reported the following issues relating to your experience with Service NSW:

- The unprofessionalism of Service NSW throughout the investigation.
- The use of unqualified staff, as the staff who handled your case did not have sufficient knowledge of tax, tax law or accounting.
- That it was not an audit as Service NSW claimed.
- That Service NSW were not providing adequate opportunity for review, as they were issuing repayment through Revenue NSW and directing people to contact Revenue NSW.
- In Service NSW's outcome letter, they advised you that you did not provide sufficient evidence to support eligibility of your application, however, Service NSW did not respond to you when you asked what further documentation they required.

Information from Service NSW

Service NSW provided our office with the following information in response to our inquiries about your complaint:

- Your application was digitally processed and paid based on declarations you made within the application. This means that your application was not manually approved by a member of Service NSW staff. Following a decision of Government, digital processing and payments based on declarations made within the application was implemented from 6 August 2021 to resolve the significant backlog of approximately 19,000 2021 COVID-19 MBG applications and to ensure businesses in distress had timely access to funds.
- The application made by you was included in this backlog on 10 August 2021 and was paid because the application contained declarations that the business met the terms and conditions of the grant. The application questions aligned to the terms and conditions for the grant and

during the digital processing, Service NSW relied on customer declaration to make payments to customers prioritizing speed during this difficult time.

- In your application, you indicated ‘yes’ to the question ‘*was your business’ national aggregated annual turnover between \$30,000 and \$75,000 for the year ended 30 June 2020*’. However, sufficient evidence was not provided to demonstrate that your business Nature Trail had an Aggregated Annual Turnover of more than \$30,000 and less than \$75,000 for the year ended 30 June 2020, under clause 3.3 of the 2021 COVID-19 MBG – Terms and Conditions.
- At the time of application, you supplied Proof of Income as a supporting document in the form of a handwritten Trust Tax Return for the 2020 FY indicating that your business earned \$6,841.
- Upon initiation of the compliance audit process, you were then given an opportunity to provide missing evidence to support your declarations. Other documents supplied at the time of the compliance audit did not comply with evidence criteria under sections 3.8 to 3.17.
- It was noted that your business had not been operating for the full year to 30 June 2020. The 2021 COVID-19 micro-business grant – Guidelines include Alternative Circumstances (6.8) ‘*businesses not operating for the full year to 30 June 2020 (e.g. new businesses)*’ and state that ‘*Businesses in these circumstances should contact Service NSW to determine if an alternate comparison period, or alternative supporting evidence, can be applied*’ and Attachment C states ‘*Businesses applying for the Micro-business Grant must show the equivalent of more than \$30,000 and less than \$75,000 in annual turnover.*’ ‘*If a business is unable to demonstrate turnover for a full year, a shorter period can be accepted provided that shorter period is representative of the “normal operating environment” of the business. The turnover for this shorter period will be annualised to get an equivalent annual turnover figure for the business.*’
- Service NSW did not finalise your compliance audit and waived the debt on Hardship grounds.
- Service NSW has acknowledged that the initial communications sent to you emphasised the outcomes of non-compliance to providing evidence as a focus and therefore are able to issue an apology letter to you. Service NSW have also acknowledged that this audit was a fast-paced program development, and they had opportunities for learning along the way, and they are happy to offer you an apology letter to explain these changes.
- On 28 February 2025, Service NSW provided confirmation to our office that they have issued you an apology letter for your experiences with Service NSW.

We will not take further action on your complaint

We have considered the information provided by you, as well as the information provided by Service NSW in response to our inquiries (as outlined above).

The available information indicates that you did not provide sufficient evidence to support your eligibility for the COVID-19 MBG in accordance with the 2021 COVID-19 MBG – Guidelines and Terms and Conditions. Despite this, our office acknowledges that Service NSW’s practices throughout their compliance review could be considered unreasonable. However, we have assessed that Service NSW have since taken the necessary corrective action in relation to your particular matter.

As Service NSW have waived your debt on Hardship grounds, actioned changes to their processes, and issued you an apology for your experiences, our office considers your matter resolved.

Thank you for bringing your concerns to our attention. The information from your concerns and our inquiries has added to our understanding of Service NSW's operations.

Please contact me on (02) 9160 4863 if you have any questions about this letter.

Yours sincerely,



Hannah
Investigation & Resolution Officer
NSW Ombudsman