

Small Business Retail Regulation Review

Is your business affected by regulations?

We want to hear about which regulations or requirements are impacting your business.

Over the next two years, the Victorian Government will examine how regulation is impacting the state's small business community, first focusing on Victoria's retail sector.

To set up a new retail business, owners need to apply for and be granted numerous licences and permits. This can be very time consuming and is a significant cost for a new business.

Regulatory processes such as these are preventing new retail businesses from being started or existing businesses from expanding their operations.

We want to hear more about the challenges businesses are facing that we can do something about, including:

- Lack of clarity around regulatory obligations. Small businesses have indicated they are often unsure of what regulations apply to them, where to find this information and who to seek assistance from. For example, the Australian Business Licence and Information Service estimates that there could be more than 60 permits, licences, registrations and codes that must be applied for or complied with, to open a new clothing retail business in Melbourne's CBD.¹
- Time spent on compliance and how much this is exacerbated by needing to understand multiple regulations that apply to each business. On average, small businesses spend up to five hours per week complying with government regulatory requirements in taking the time to understand the requirements that apply to their business, filling in and lodging forms, establishing and maintaining reporting systems and preparing for inspections.²

¹ Source: www.ablis.business.gov.au

² Productivity Commission 2013, Regulator Engagement with Small Business, Research Report, Canberra.

³ NB: The retail sector as defined includes the ANZSIC division 'G' (Retail Trade) and the Food and Beverage Services contribution to the ANZSIC Division 'H' (Accommodation and Food Services).

⁴ Australian Bureau of Statistics, 8501.0 – Retail Trade- May 2016, summary publication. July 2016

Victoria's small business retail sector³

- Small businesses in Victoria generate over 35 per cent of the value of Victoria's economy and employ up to 50 per cent of Victoria's private sector workforce.
- In the financial year 2014-15 the Retail Sector contributed over \$25 billion to the Victorian Economy.
- The Retail Sector Employs over 500,000 Victorians (1 in 6 jobs), making it the largest employing industry in Victoria.
- 137,000 new jobs have been created in the retail sector over the past 15 years.
- 95 per cent of businesses in the retail sector employ less than 20 people.
- More than 30 per cent of small businesses in the retail sector are cafés, restaurants or takeaway food services. The number of these small businesses increased by more than 1,200 in the two year period from June 2013 to June 2015.
- The sector is evolving rapidly. The Australian Bureau of Statistics estimates that over the twelve months to May 2016 nationally over 60 per cent of online sales were driven by 'multi-channel retailers; businesses that combine an online presence in tandem with a more traditional bricks-and-mortar one.'⁴
- The National Australia Bank estimated Australians spent \$19.3 billion on online retail from March 2015 to March 2016 with Victorians contributing 23.2 per cent of the national spend.

Small Business Retail Regulation Review

- High cost of compliance. For example, the average cost for a small business to comply with manual requirements under OH&S regulations is estimated at \$21,447 per year.⁵
- Cumbersome processes involved in making minor alterations to existing permits and licenses. This can discourage people from making minor adjustments to their businesses as the time cost is too high.

Have your say

The Victorian Government is looking at what we can do to cut regulatory burdens for retail small businesses. We want to know what specific challenges - or good experiences - you have had when you have tried to set up or expand your business. To tell us about your experiences visit www.vic.gov.au/smallbizreview

⁵ Regulatory Impact Statement for proposed Occupational Health and Safety Regulations 2017 and Equipment (Public Safety) Regulations 2017, June 2016.