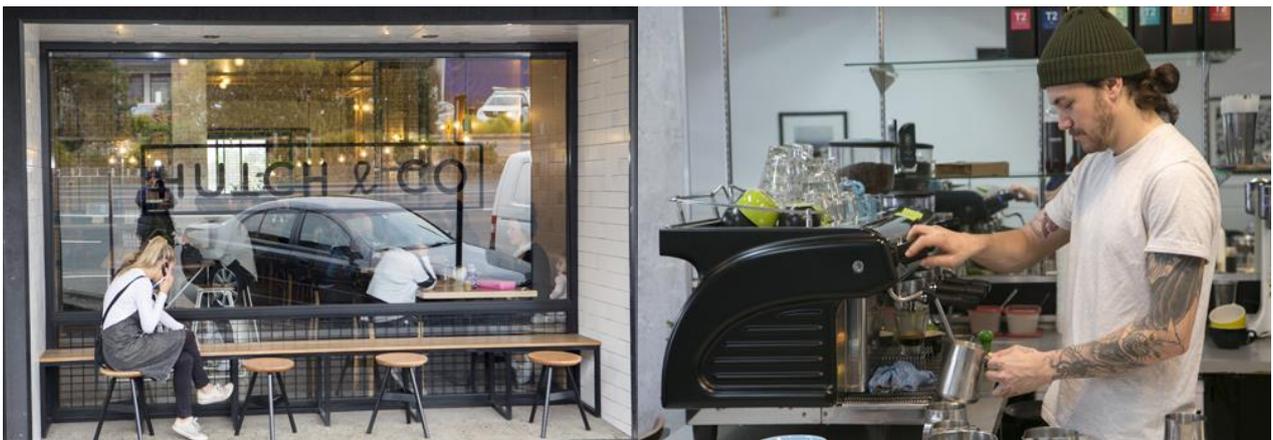




Small Business Regulation Review – Retail Sector

Submission by Yarra Ranges Council

June 2017



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Submission Summary

Retail in Yarra Ranges is a key sector with margins for growth

Generating over \$520M of revenue, the retail sector is the fourth largest sector in terms of output and the largest in terms of employment, with over 4,800 retail jobs in the region.

With more than 55 suburbs, townships, small communities and rural areas in the Yarra Ranges retail is a core part of the human activity that has shaped the region and which has contributed to our region's built form and local economy.

Strong growth in tourism visits is driving retail activity in Yarra Ranges. With the region receiving nearly 4.5 million domestic daytrip visitors in 2016 up by 18% since 2015, visits to destination towns like Healesville, Olinda, Sassafras and Belgrave is growing, which is boosting local retail.

Leveraging tourism, hospitality and supporting townships renewal will bolster retail

With no substantial population growth to drive major new investment in retail, the renewal of built form and existing retail assets in numerous townships is occurring to cater for visitors and to meet growing local demand for services, more affordable liveable spaces and better transport, community and recreation spaces. Approval times for these differing uses vary quite substantially. Better support to projects that facilitate tourism and township regeneration will greatly improve the compliance processes needed to start a new business, especially in hospitality and in commercial centres like Lilydale where township renewal will bring positive benefits.

Reduction in red tape and reform of administrative processes will underpin retail growth

Retail businesses already face high costs for hiring and maintaining staff, especially given an extended calendar of public holidays, obligations to meet OHS and other regulations.

The review's proposal to encourage concurrent rather than sequential approval processes is supported by Yarra Ranges Council.

Food safety compliance and meeting requirements such as car parking dispensation, can cause delay for new retail businesses, especially those launching hospitality businesses, to start trading. Reform to car parking can also promote better public transport usage and health and wellbeing outcomes.

Yarra Ranges Council Health and Local Laws team has initiated reform that can facilitate the time needed to commence trading. To do this they are scoping combining food registration and local laws footpath trading permits. Other low-cost like reform such as moving the annual registration for date for food businesses so that registration is not due over the holiday season has also been enacted.

Introduction

This submission has been prepared in response to the Small Business Regulation Review: Retail Sector (the Review), which was announced by the State Government in July 2016.

It has been prepared by Yarra Ranges Council and responds to three of the four topics covered in the Draft Action Statement:

1. *Access to Information - Making it easier to discover what is needed to start and grow a business*
2. *Approval Processes - Reducing the time taken for approvals*
3. *Food Safety - Making it easier to understand and comply with food safety regulation*

Council officers participated in consultation sessions with consultants The Nous Group across topics on Food Safety and Access to Information.

The Review accurately reflects feedback provided in those sessions and Council is supportive of the draft actions that the Review is tabling as part of its reform agenda.

1. Retail in Yarra Ranges is a key sector with margins for growth

Generating over \$520M of revenue, the retail sector is the fourth largest sector in terms of output and the largest in terms of employment, with over 4,800 retail jobs in the region.

With more than 55 suburbs, townships, small communities and rural areas in the Yarra Ranges, retail is a core part of the local economy and the built form of the region and is pivotal to its sense of place. A local population of approximately 150,000 residents together with over 4 million tourists who visit the wineries, hospitality venues, gardens and town centres of the Yarra Valley and the Dandenong Ranges provide a strong catchment for retail. In the case of tourism this strong daily visitation growth has been growing at approximately 20% making the region the second most visited regional destination in Victoria.

With no substantial population growth to drive major new investment in retail, the renewal of existing retail assets in numerous townships is occurring to cater for visitors and to meet growing local demand for services like medical, health and professional services from residents.

2. Leveraging tourism, hospitality and supporting township renewal will bolster retail

Yarra Ranges has some unique retail assets compared to many other Interface Councils. As a region with significant tracts of commercial agriculture protected under Green Wedge land, on-farm retail of products associated with agriculture is one area where Yarra Ranges Council has successfully advocated for reform. Sale of value-added products in a rural store made from produce from their own farm is now an as of right use for primary producers operating in Green Wedge.

Restaurants and function centres on Green Wedge land are important drivers of retail and investment in Yarra Ranges. These uses, which are allowed subject to a permit, have stringent

requirements around patron numbers present at any time on their premises.¹ Restricting patron numbers (to 150 patrons) is an unnecessary impediment and hinders retail and tourism locally. Event organisers currently refuse large weddings and corporate events, which impacts them and the small businesses they rely on locally.

Considering reform around patron numbers for venues on Green Wedge land and investigating legislation for sensible increases in numbers (e.g. maximum 500 patrons) should be prioritised as part of the Review.

Yarra Ranges has urban regeneration in townships such as Lilydale, that if effectively overseen will boost retail and liveability and convert dated retail stock, older style housing and poorly used land into employment and new housing supply opportunities. The establishment of commercial development zones (CDZ) offers enough flexibility to facilitate positive township renewal outcomes, but there is a need for reform around car parking ratios to support this zoning.

Yarra Ranges Council would welcome a statewide review of car-parking requirements for commercial uses, especially in light of public policies relating to sustainable transport, health and wellbeing and urban renewal projects. In large fringe-urban/interface town centres where parking is abundant, reducing ratios for car-parking per patron for retail and office developments reduces compliance requirements and is likely to have the positive effect of changing reliance on motor vehicles in town centres. A reduction in the required number of carparking spaces within Major Activity Centres for retail and commercial development should be considered given the availability and access to public transport.

3. Reduction in red tape and reform of administrative processes will underpin retail growth

Approval times for a retail premises on commercially zoned land varies greatly across different uses such as an office, hospitality/tourism venue or medical facility. Business issues like food safety compliance and applying for car parking dispensation will cause delays for new retail businesses, especially those launching hospitality businesses, to start trading.

Innovation and red-tape reform a priority at Yarra Ranges

Innovation and process improvement to reduce compliance red tape is a key priority at Yarra Ranges Council and substantial resources are being invested in measures that will facilitate outcomes for customers and residents, especially for business start-up and statutory planning.

The Review's proposal to encourage concurrent rather than sequential approval processes is supported by Yarra Ranges Council.

Council would welcome the opportunity to work the State Government on a new integrated system. It looks forward to seeing results of the pilot and assessing how the system will work with local planning and to ascertain the resources required to move to concurrent approvals. Its successful implementation will improve approval times for new small business investors.

¹ Clause 35.04 Yarra Ranges Planning Scheme - The number of patrons present at any time must not exceed the number specified in a schedule to the zone or 150 patrons, whichever is the lesser. Restaurants and function centres must be used in conjunction with Agriculture, Natural systems, Outdoor recreation facility, Rural industry or Winery

In terms of expediting statutory planning, Council's ePlanning online service is being deployed and allows the community to view, track and comment on planning applications anytime. By the end of 2017, when detailed enquiry and lodging tools are added to the service, the community will be able to find out what development can and cannot go ahead on any specific property. The final phase of ePlanning will allow for all applications to be lodged online which will coincide with all town planners managing application documentation electronically, further reducing times for approval.

Yarra Ranges receives more than 1000 planning applications each year. A Fast Track team has been established to ensure that more simple applications don't get caught up and are processed quickly and easily.

Positive relationships with businesses is key to getting good food safety outcomes

Yarra Ranges Council is supportive of the reforms measures captured in section 3 of the Review and consider this an accurate summary of feedback Council officers have provided.

Yarra Ranges Council has been at forefront in working with State Health to develop consistency across Councils. Our Council's Health and Local Laws team adopts a consultative approach with businesses and has been working with planning to streamline the application process for properties affected by health conditions. This approach has underpinned reform that can facilitate the time needed to commence trading as food business. This includes combining food registration and local laws footpath trading permits and undertaking steps like moving the annual registration date for food businesses so that registration is not due over the holiday season.

Ongoing dialogue with end users is important to reform compliance and Council's Health team have been working with local food businesses to establish how customers would like Council to best communicate with them. This has included assessing whether the information on our website served their needs and to receiving feedback on how payment and application terms can be reformed to improve the approvals processes.

With regard to food safety regulation, Council has received feedback from businesses (butchers looking to diversify product range and a meat wholesaler looking to increase product range) regarding PrimeSafe's regulation of production and the retail sale of artisan smallgoods and aged-beef. This feedback includes:

- Difficulty to comply with the regulatory regime for small start-ups
- PrimeSafe's poor customer service skills and an inability to offer information, education and guidance on compliance with the regulations

This local experience with the regulatory body aligns with responses offered by the Victorian Chamber of Commerce and Industry to the Review as well as aligns with advocacy from the Australian Food Sovereignty Alliance on this matter. ²

Difficulty has also been documented by local artisan cheese producers in our municipality to meet audit requirements. Producers are happy to work with Dairy Food Safety Victoria and have found them supportive, but are burdened by the significant costs and delays to repeat similar audits when wholesaling to Coles, Woolworths and other supermarket chains. Scoping making Dairy Food

² Details of the advocacy work this group undertakes on behalf of craft food producers can be viewed at the following website <http://www.australianfoodsovereigntyalliance.org/>

Safety Victoria the one-stop shop for all dairy auditing for all producers, thereby removing the need for three or more audits should be considered as part of the Review.

4. Conclusion

Successful implementation of actions addressed in the Review and further considered in our submission will greatly benefit growth of the retail sector in our municipality. The Yarra Ranges Council looks forward to continuing to engage with Small Business Victoria and Government on the Review and the delivery of its findings. For further information regarding this submission, please contact Luigi Zarro, Economic Development, Yarra Ranges Council on 03 9294 6271.