



Public Accounts & Estimates Committee

Minister for Small Business

19 June 2006

Small Business and the Economy

- ❖ Over 300,000 small businesses in Victoria
 - 96% of all business
 - 43% of private sector employment
- ❖ Proportion of home-based businesses continues to rise
 - Approximately two-thirds or 198,700 small businesses are operated at or from home
- ❖ Great diversity in the sector
 - Operate across all industry sectors but particularly concentrated in property and business services, retailing, construction and manufacturing sectors
 - Nearly one-third of small business operators are female
 - Nearly 29% of small business operators were born overseas

Small Business and the Economy

Changing Nature of Small Business

- ❖ Increasingly innovative
- ❖ More connected to the international marketplace
- ❖ Nature of employment is changing
 - Young people are increasingly entrepreneurial
 - Increasing numbers of independent contractors
 - Home based businesses growing faster than small business as a whole
 - Franchising becoming increasingly popular
- ❖ Need for government to change to support small business more effectively

Major Achievements 05-06

A Fairer Deal for Small Business

- ❖ Small Business Commissioner's retail tenancy and business dispute resolution functions
 - 2,100 matters have been referred to the VSBC with around 75% of disputes successfully resolved
 - Disputes valued at over \$100 million have been referred to the VSBC
- ❖ Fair Payments Policy
 - Review of the first year of operation
- ❖ Retail Leases Act amendments
 - Providing greater certainty for retail tenants and enabling them to negotiate on a fair basis with landlords

Major Achievements 2005-2006

More Time for Business

- ❖ Victorian Business Master Key
 - First phase released in December 2005
 - Ask a question
 - Step-By-Step guides
 - Search across Government
- ❖ Framework for cooperation
 - Better cooperation across tiers of government
- ❖ Reducing the regulatory burden on small business
 - Developing guidelines to better assess the impact of regulation on small business

Major Achievements 2005-2006

Skilling Small Business for Growth

- ❖ Celebrating small business success and sharing world's best practice
 - Energise Enterprise 06
- ❖ Business skills development programs
 - Under New Management
 - Women's Access to Finance
 - StreetLife
 - Counselling and Mentoring
- ❖ High growth business programs
 - Grow Your Business
 - VicStart
 - Opening Doors to Export

Major Achievements 2005-2006

Encouraging Sustainable Indigenous Businesses

- ❖ Release of the Indigenous economic strategy 2005-07, *Building the Economic Base*
 - Blueprint for improved delivery of business development and support services for Indigenous Victorians
 - Creation of new industry specialist positions in aquaculture, arts, tourism and land-based industry
- ❖ Initiatives delivered in conjunction with the Commonwealth Games
 - Indigenous Business Training Program
 - Indigenous Showcase

New Initiatives for Small Business

Budget 2006-2007 Initiatives for Small Business

- ❖ Cutting the cost of business
 - \$1.4 billion in tax cuts over four years
 - a third consecutive reduction of 10% in WorkCover premiums saving \$680 over four years
 - A further \$167 million in land tax relief
 - Payroll tax cut from 5.25% to 5% over two years
- ❖ Reducing the regulatory burden
 - \$42 million to cut red tape for business and the not-for-profit sector

New Initiatives for Small Business

Forthcoming Small Business Statement

- ❖ To be released in July
- ❖ Major themes:
 - More Time for Business
 - Skilling Small Business for Growth
 - A Fairer Deal for Small Business
 - Cutting the Cost of Doing Business

Conclusion

Making Victoria the Best Place to Start and
Grow a Small Business