

MAKING IT EASIER TO DO BUSINESS IN VICTORIA

SMALL BUSINESS REGULATION
REVIEW (VISITOR ECONOMY)
ACTION STATEMENT

**SMALL
BUSINESS VICTORIA**





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MINISTERIAL FOREWORD

Small businesses are the engine room of the visitor economy, with tourism contributing nearly \$20 billion to Victoria's economy each year and employing more than 200,000 people.

Running a small business is a big job. Having a great idea or product is one thing; but the weight of responsibility when you have to be the master of every part of the business is an ongoing challenge.

Keeping up with regulation takes up a business owner's precious time. Waiting for regulatory decisions holds back opportunities to trade, expand and create jobs.

This second Small Business Regulation Review focuses on cutting red tape for small tourism and visitor businesses.

It focuses on understanding the impact of regulation on day-to-day business operations and finds ways to reduce the burden for business owners to save time, reduce stress and cut costs. It aims to make it make it easier to do business in Victoria and create jobs.

Small tourism and visitor businesses and operators, industry associations, councils, and Victorian Government regulators were invited to have their say, identify problems most impacting on Victoria's small businesses and work with government to design reforms that will make a tangible difference.

The reforms introduced here will:

- > make it easier to get permits when organising an event or festival
- > improve the application process for tourist road signs
- > reward tour operators with a good compliance history
- > reduce regulation for small visitor accommodation owners

In addition, we are introducing a new initiative to help entrepreneurs with innovative new tourism ideas to start trading as soon as possible and avoid regulatory road-blocks.

These reforms will build on the reforms identified in the Retail Action Statement – the first review under the Small Business Regulation Review program.

I look forward to working with small tourism and visitor businesses in Victoria to help them thrive.



The Hon Philip Dalidakis MP
Minister for Small Business

MINISTERIAL FOREWORD

This government has big plans for Victoria's visitor economy. It is critical for economic development that we increase the number of visitors, and get them to stay longer and spend more.

Government can help businesses to support the growing visitor numbers in many ways, such as investments in infrastructure and marketing – and that's happening. Reducing regulatory burden is another effective way to create conditions for the sector to flourish.

The pool of talent and passion that we already have in this sector is an asset. When we think of investing in assets, we think of roads and buildings, but helping out grass roots businesses is another way to build what Victoria needs to meet our visitors' needs.

The reforms in this statement give small businesses more time and freedom to expand and improve. The commitment to make things easier for organisers of events and festivals is a great way to build up home-grown attractions, especially in regional areas.

So often it is small businesses that provide the colour and authenticity that makes Victoria such a great place to visit. Local tour guides, retailers, cafes, restaurants and accommodation providers have something special to offer.

In combination with the benefits that will flow from the retail sector reforms this package of reforms will mean that our visitors and tourists can expect an even bigger and more vibrant array of food, shopping and experiences from small businesses when they come to Victoria.



Hon. John Eren MP
Minister for Tourism
and Major Events

1. THE VISITOR ECONOMY

The visitor economy is more than just tourism.

It comprises all goods and services purchased by visitors. As well as recreational holiday makers, it includes business travellers, international students and people visiting friends and relatives. Visitor activity contributes to investment and jobs across a range of industry sectors.

The visitor economy is worth more than \$20 billion to Victoria's economy each year and provides more than 200,000 jobs. In regional Victoria, the impact of tourism is even greater and accounts for 55 per cent of jobs. This review focuses on reforms that will have an impact across all Victorian visitor economy small businesses, particularly in regional Victoria.

The visitor economy is heavily represented by small businesses. More than 37,000 small businesses comprise 96 per cent of tourism businesses in Victoria.

For small businesses, the burden of regulation falls heavily on owners, increasing their work load. The time taken to understand and comply with regulations is time they would prefer to spend growing their business. Larger businesses, meanwhile, often have dedicated staff to manage compliance issues.

We have heard from businesses in all parts of the visitor economy about the fast pace of change in the sector, and the need to adapt as consumer needs and wants change. Rapidly growing tourist numbers from countries such as China, India and Malaysia are impacting the overall demand for visitor experiences and preferences. In addition, social media and online services keep visitors aware of the latest global trends and shapes their expectations.

A changing market.

Digital disruption is changing the accommodation market through platforms like Airbnb which offers visitors new options for short stays outside traditional offerings.

Online review sites have created a whole new way for visitors to decide what they want to do in an unfamiliar location. Growth in the demand for unique experiences and individualised offerings has bred business ideas faster than the regulations can adapt. Businesses in the visitor economy need to be able to adjust their range of offerings and amend their business models to anticipate the needs of visitors, and regulation can be a barrier to this.

Many businesses in the visitor economy have diversified offerings to broaden their appeal and to help manage seasonality. These multi-faceted business are likely to encounter multiple regulators and navigate different regulatory pathways. Small businesses in particular are affected by a high level of regulation or multiple regulators. These businesses have limited time, resources and expertise to understand and comply with complex regulation, as well as run and grow their business.

In recent years there have been numerous reviews and strategies relating to the visitor economy. Most recently, the Government released the *Victorian Visitor Economy Strategy*. The strategy identifies nine priorities with the aim of increasing visitor expenditure to \$36.5 billion and creating 100,000 jobs by 2024-25.

The strategic priorities around infrastructure, major events, branding and increasing visitation from Asia will bring benefits to small operators, but there are day-to-day issues affecting small business owners which need specific attention.

This review has looked at improving current regulatory settings and processes to enable establishment of new enterprises and allow existing small businesses to get on with what they do best.

The first Small Business Regulation Review looked into the regulatory barriers faced by the retail sector. A draft action statement was released for consultation in April 2017 with a suite of reforms covering planning approvals, food safety, retail leases, and access to information about starting a business.

It is expected that the implementation of the retail sector reforms will have significant impact on the visitor economy as the two sectors overlap substantially; retail traders, cafes, restaurants and takeaway food services make up 70 per cent of tourism connected businesses

The targeted reforms from this review and the comprehensive reform package in the Retail Action Statement will work together to boost small businesses in the visitor economy sector.



2. A REVIEW BASED AROUND SMALL BUSINESS NEEDS

Small business owners are often doing more than one job at a time.

Small business owners are often time poor and it can be difficult to engage with government on regulatory burden issues.

As a six-month review project, the Small Business Regulation Review of the visitor economy was designed to get the maximum input from small businesses within a limited time-frame and turn that into a package of practical reforms to benefit small businesses.

The review started with a set of focus areas drawn from known regulatory issues in the sector. These acted as 'conversation starters' in a program of continual consultation over a two-month period. The consultation aimed to get as much first hand evidence as possible of the day-to-day impact of regulations on small businesses.

Businesses could attend a focus group, provide informal online feedback or complete a survey if they didn't have time to make a formal submission.

A survey of small businesses identified regulatory pain points and asked respondents to provide the time and money spent on dealing with different regulations.

A forum of industry representatives, local council representatives and Victorian Government officials came together to gain expert input into issues facing small business and to test and refine avenues for reform.

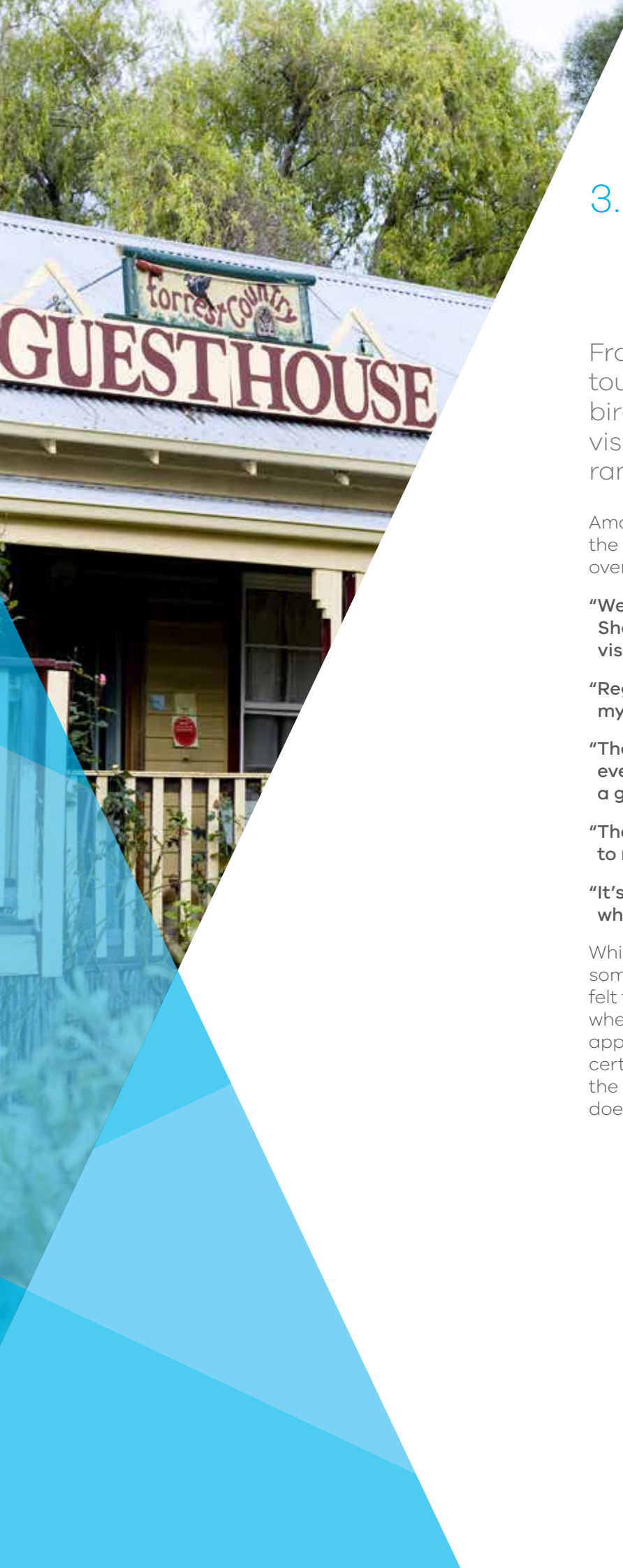
The Small Business Regulation Review website also provided a forum for businesses to share experiences and keep up with the progress of the review.

Focus Areas

- > Visitor service providers (including tour operators)
- > Wine and agritourism
- > Small events and festivals
- > Small accommodation providers
- > Barriers to establishing innovative new ventures

The review team held small regional round table meetings with businesses and their representatives, and also held one-on-one meetings and site visits to businesses for an in-depth understanding of issues.

Specific issues from businesses were fed directly into the opportunities for reform. The reform solutions are designed to target the parts of the regulatory process that are most taxing on small businesses.



3. WHAT WE HEARD FROM BUSINESSES

From organisers of mountain bike tours to artisanal chocolatiers and bird watching tour guides, the visitor economy attracts a wide range of businesses activities.

Among the diverse groups we talked to, the same sentiments came up, over and over, from small businesses.

"We don't feel supported by government. Shouldn't we be working together to boost visitation to our region?"

"Regulators don't have a clue how my business operates."

"They regulate for the worst case scenario, even when you've proven yourself to be a good operator."

"They are looking for ways to say 'no' to new ideas."

"It's so stressful and frustrating to get what you need."

While there was recognition of good practice in some areas, most small businesses consulted felt they were immediately on the defensive when dealing with regulation. Small businesses appreciate flexibility, clear information and certainty. This reform package aims to bridge the gap, where current regulatory practice doesn't support the needs of small businesses.

4. REFORMS THAT SAVE TIME AND REDUCE FRUSTRATION

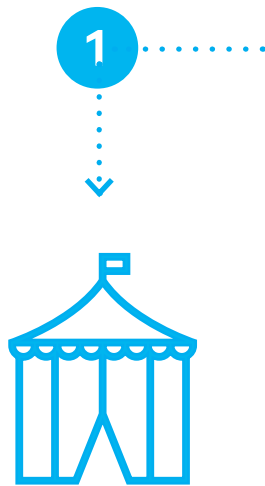
The relationship between regulators and small businesses can easily become strained.

Throughout consultation, small business owners expressed their frustration with regulatory processes that demand the same information over and over and took longer than expected. For business owners operating in the visitor economy, efficient service, clear information and a seamless customer experience is critical to their success. Negotiation can become tense when the experience of dealing with a regulator does not meet their expectations of an efficient process. Regulators are dealing with many issues, and continuously prioritise their workload. Local councils are charged with enforcing a number of Victorian regulations, and can face their own resource constraints.

Many of the problems looked at in this review are quite specific, and while the issues affect hundreds of businesses, the size of the problem is often not seen as a priority by regulators or councils. This review set itself the task of taking known problems and finding practical, implementable solutions that will make life easier for businesses.



REFORMS – Making it easier to do business in the visitor economy



SMALL EVENTS AND FESTIVALS

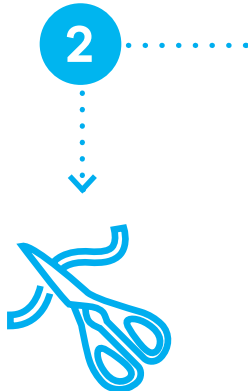
Making it easier for event and festival organisers

Extending the scope of event permits

A new inclusive event permit application will include permissions for things every event needs, such as temporary signage, photography, promotional flyer distribution, and avoids organisers having to complete and pay for similar separate applications.

A centralised information portal for small event and festival organisers

Event organisers will have access to a new online hub to find comprehensive information on how to organise, set up and run events, tools to navigate through the entire event permit process and a platform to share suggestions and experiences.

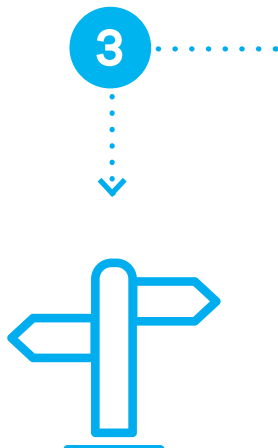


INNOVATIVE NEW VENTURES

Guiding innovative visitor business ideas through the regulatory journey

A helping hand for innovative new tourism ventures

New innovative tourism ventures that may require non-standard approvals and potentially have a difficult passage through regulation will be identified and offered practical assistance to speed up their progress towards opening.



TOURIST ROAD SIGNAGE

Simplifying tourist road signage applications

An interactive online application form

A new dynamic online form for tourism businesses to apply for road signs will provide clear guidelines, rule out ineligible businesses, adapt to applicant's responses and help manage expectations regarding acceptable text and approval times.

Show businesses why road sign content is restricted

A series of short videos will aid the application process by illustrating acceptable text and signing standards.

4



TOUR OPERATOR LICENSING

Streamlining processes and recognising good performance

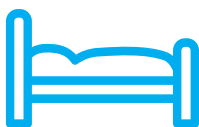
Reward good compliance history

Tour operators that demonstrate a good compliance history for three years will be able to apply for a three year licence, with lower annual fees and a simpler annual renewal process.

Simple, standard rules and limits for an expression of interest process

Businesses competing for limited licences through an expression of interest process, will be given important information about the application process, timing, fees and the size of the application will be capped.

5



SMALL VISITOR ACCOMMODATION

Reducing regulation of small visitor accommodation providers

Facilitating one-off public health registration for small visitor accommodation

Small accommodation providers will only need to register as Prescribed Accommodation on establishment and will no longer need to pay annual renewal fees.

Align public health registration thresholds with local planning thresholds

Small visitor accommodation providers will only be required to register as Prescribed Accommodation if their service offering meets local government planning requirements for hosted accommodation.

REFORM AREA 1

Small events and festivals

Making it easier for event and festival organisers

Government recognises the value of events as a driver of visitation and a catalyst for economic activity. A suite of actions under the *Victorian Visitor Economy Strategy* is aimed at promoting and growing large and major events. But beyond the big draw cards, Victoria also hosts a significant number of events and festivals organised by small businesses. Each year, 500 to 1000 locally organised small events and festivals are staged across the State. This number is growing, despite organisers having to navigate a complex and fragmented regulatory environment.

Councils and emergency management authorities need to be confident that an event does not pose a danger to the public. The permit system is their tool to ensure that risks and hazards have been properly addressed by the organisers. Every event is a bit different, and there is no single template for organisers to understand what they need to do to show compliance with all the different regulations.

Typical events may require up to ten permits from multiple regulators before they can proceed. This is in addition to showing evidence of compliance with regulations as part of the event permit application. A small operator must work out their requirements and determine what they might need. The permits are administered separately, and some are dependent on others. Even experienced operators can be taken by surprise by a change in regulation and different local interpretations. Guidance provided by councils is useful, but a small business still has to interpret how it applies to them. Organisers are balancing these tasks with the work of promoting and designing their event and engaging vendors and entertainment. Unexpected costs to show compliance, and the risk of cancellation if the event permit is not issued are a significant source of stress for businesses running events.

Event organisers reported that the permit process can be smooth and manageable, with positive engagement and support from council. This feedback showed that opportunities exist to further reduce regulatory burden for small business by encouraging this good practice in other areas.

Stakeholders suggested a number of ways to reduce the burden of regulation on organisers of small events and festivals. These reforms will tackle the foundation problems that affect the most small event organisers – duplication of permit applications and lack of clear, joined-up information.

The reforms rely on adoption by councils. The development and rollout of the reforms will be linked to the Better Approvals project which is a key initiative from the Retail Action Statement led by Small Business Victoria to achieve streamlined approval processes for small businesses in the retail sector. Both projects need active engagement with councils to ensure the adoption of best practice.

Typical event requirements

Activity/Permit	Responsible regulator
Use of public land permit	Department of Environment, Land, Water and Planning (DELWP), Parks Victoria, Council, Water Authorities
Place of public entertainment permit (POPE), for occupying a temporary or permanent structure such as staging	Victorian Building Authority
Filming or Recording permit	Local councils, VicRoads, Parks Victoria, DELWP
Promotional permit, for merchandise or other promotional material	Local council
Occupational Health & Safety (pyrotechnics, jumping castles, rides)	WorkSafe
Food Safety certification	Department of Health and Human Services, local council
Liquor sale and service	Victorian Commission for Gambling and Liquor Regulation
Roads and Transport, eg. reserved parking, signage and highway event permits	Local council, VicRoads, Victoria Police
Overall Event Permit	Local council

1.1 Extend the scope of event permits

A new inclusive event permit application will include permissions for things that most events need, such as temporary signage, photography, promotional flyer distribution, and avoids organisers having to complete and pay for similar separate applications.

1.2 A centralised information portal for small events organisers

Small businesses will be able to access a central information hub that covers the end-to-end process for event permit requirements. Providing comprehensive information, contacts within regulators, useful templates and checklists, and the opportunity for event organisers to share suggestions, feedback, advice and experiences.

These reforms are estimated to save event organisers around 60 hours in search time and administration. With the growing program of events and festivals in Victoria, this could provide direct savings of between \$2.1 million and \$4.2 million per year.

REFORM AREA 2

Innovative new ventures

Guiding innovative business ideas through the regulatory journey

Starting a new business is a difficult task. In the 2016 survey undertaken as part of the retail review, 38 per cent of respondents said initial establishment posed the greatest regulatory burden. The task is even greater when a business owner is trying to get a new idea up and running. Entrepreneurs launching projects that have no precedent face a difficult journey through initial regulation.

Without prior examples to draw on, there is no clarity for the business about the process to follow or the information that will be required to support their applications. Businesses with complex models that span multiple regulators do not always know where to start. Even the regulators aren't always sure which agency should make the first move.

For a small business, this all leads to delays. And delays cost money in both financing costs and foregone revenue.

Without a formal way to predict the path to approval, a business does not know if the timing is reasonable, and there are few avenues for a business to escalate their concerns if they are unsatisfied with progress.

This reform aims to select these businesses early, and save them from spending time in the regulatory 'too hard basket'. Complex decisions will still take time, but the program will provide eligible new businesses with a preliminary roadmap of their regulatory obligations and a formal escalation mechanism when it feels like they have hit a roadblock.

Bringing forward the opening of a new business saves the owner time and money, and brings forward economic activity and the creation of jobs, plus new and exciting offerings for visitors.

Costs of delay

To the business owner, delays have direct costs related to finance – start-up costs are financed on the assumption that revenue will be earned from an assumed opening date. When that date passes, and there is no revenue, finance options have to be renegotiated. Serial delays, along with a lack of certainty about start dates, can result in increased costs for the business owner, and more time spent negotiating with regulators.

Broader costs to the economy are the lost visitation that a signature attraction attracts, and the second wave investments that can come when a new venture opens and creates demand for associated services.

"Finance is more expensive when there's uncertainty"

CASE STUDY – HANDLEBAR

HandleBar is a 16 person 'pedal pub' offering tours on a passenger powered bar on wheels. In 2014 the business attempted to launch in Melbourne. After seeking approval from VicRoads that the vehicle would be subject to bicycle laws and obtaining advice from Victorian Commission for Gaming and Liquor Regulation regarding liquor licensing requirements, HandleBar applied to the relevant council to operate. After 9 months the council ultimately declined the proposal. The business took its model to Adelaide where the City of Adelaide helped facilitate a meeting to bring all stakeholders together in one place to decide their conditions of operation. After launching in Adelaide with one bike they have since expanded to a fleet of six bikes to keep up with demand.

2.1 Support innovative new ventures on their way through regulation

New enterprises in the visitor economy whose nature means they are likely to have a difficult passage through regulation will be identified for assistance, with the aim of speeding up their progress toward opening.

Small Business Victoria will provide guidance on available support. A Government team will monitor their progress and can escalate where intervention could break a deadlock. The businesses will complete a short quarterly regulator satisfaction survey.

The program will be aimed at business owners who have already reached the approval stage, and aims to cut 6 to 12 months from the process, saving time and bringing forward the opening of innovative new attractions.



REFORM AREA 3

Tourist road signage

Simplifying tourist road signage applications

Brown tourist road signs help visitors find their way to attractions, especially in regional areas where the roads are more difficult to navigate.

Despite advances in vehicle navigation, tourism businesses rely on tourist signs to:

- > provide reassurance to visitors that they are on the right road
- > indicate the existence of a tourism 'cluster'
- > signal the legitimacy of their operation
- > provide potential for spontaneous visits.

Tourist road signs are not designed as a marketing tool, although businesses know that a well-placed sign can have significant impact on visitor numbers.

"Council approvals for signage took way too long for what should be very straightforward."

VicRoads guidelines governs the acceptable content and position of tourist signs. Councils and VicRoads manage the process for applying for a road sign¹, assessing applications, and issuing a permit. Businesses make about 450 applications a year.

The time it takes to negotiate a sign with the council or VicRoads was raised by businesses in consultation, especially by wineries with cellar door operations. Businesses are not interested in the technicalities of the VicRoads guidelines, and are looking for the quickest path to getting a sign, preferably stating the full name of their business.

Frustrations arise in the application process when a business's request does not meet the guidelines and they have to negotiate with the traffic engineer responsible for issuing the permit.

Our reforms aim to provide the right tools for a small business to get through this process without having to master technical information. An intuitive online application form will provide the background information a business needs to complete the form. The business will learn what they need to do as they go through the process. Videos will be used to illustrate the reason for safety limits in the guidelines.

¹ The responsible road manager depends on the type of road – Arterial roads are managed by VicRoads, local roads are managed by Councils.

3.1 Show businesses why road sign content is restricted

DEDJTR will create a video series viewed from the perspective of a driver, to be used as an educational tool to illustrate the purpose of the restrictions in the VicRoads guidelines.

The videos will be hosted online, and linked to the application form.

The videos will lead businesses toward making an application with acceptable text.

3.2 An Interactive online application form for tourist road signage

DEDJTR will create an online application form with the key questions to determine eligibility. Businesses will be directed to other council services for business development if they are ineligible.

Eligible businesses will proceed through a dynamic, interactive process that adapts to the applicant's responses and presents options based on the guidelines.

The form will guarantee that sufficient information is supplied for traffic engineers to make their decision and issue a permit in a reasonable amount of time.

These reforms will save time and stress for tourist businesses, who expect applying for road signing to be a simple, straightforward process.



REFORM AREA 4

Tour Operator Licensing

Streamlining processes and recognising good performance

Victoria contains more than four million hectares of national and state parks² that showcase the State's spectacular and diverse natural landscapes and waterways. Many small businesses offer visitors tours and activities in these parks and reserves, and are often launched by people who want to share their passion for the outdoors, not their love of paperwork.

As a business, it is necessary to have a tour operator licence to offer recreational activities for profit on public land. The purpose of the licence is so the land manager can ensure the activity is being conducted in a responsible manner. The licence is issued by the land manager and limits the business to certain activities and agreed sites.

Who is the land manager?

Technically, all public land in Victoria is the responsibility of the Minister for Energy, Environment and Climate Change. Under legislation³ this responsibility is assigned to the Secretary of the Department of Environment Land Water and Planning and appointed land managers. Parks Victoria is the main public land manager – with responsibility for more than 90 per cent of the land by area – but there are also parcels of public land that are managed by councils and Committees of Management. These parcels vary in size, from a small foreshore reserve managed by a local volunteer committee to the holdings administered by Alpine Resort Management Boards. It is estimated that there are around 1200 land managers other than Parks Victoria under DELWP's delegation.

The rules for tour operator licensing are designed to be consistent across all public land. A set of regulations describes the applicable fees and the format for reporting the number of participants in each tour. The fees are kept relatively low to make the licence accessible to small operators, but there are other aspects of the regime that present problems for small business owners.

Standard licences are issued for a 12-month period and businesses have to renew each year. To get a longer licence, businesses have to show that they have accreditation through selected programs⁴. For some operators the accreditation is not directly relevant to their business, and there is no other way to gain the security of a longer licence. The reforms recognise that a good business history is a worthwhile criteria for reward. Under these reforms any business with a clean three year compliance record will be eligible to apply for a three year licence. The maximum licence length for businesses with recognised accreditation will be raised from three to five years.

Land managers sometimes restrict the number of tour businesses that can use a certain site by offering a limited number of competitively allocated licences. This process is inherently stressful for businesses applying, as failure to obtain a licence denies them their livelihood. Land managers run competitive allocation by asking interested parties to submit an expression of interest. The reforms recommend a number of ways to ensure that the expression of interest process is transparent for small businesses. Getting the right information about the expression of interest process helps small business understand what they are competing for. Setting a maximum size for applications levels the playing field, and can avoid small businesses spending too much time and money on overly long submissions.

² www.parks.vic.gov.au

³ National Parks Act 1975, Crown Land (Reserves) Act 1978, Land Act 1958, Wildlife Act 1975, Forests Act 1958

⁴ EcoTourism, Australian Tourism Accreditation Program (ATAP)

4.1 Reward good compliance history

DELWP will revise its guidelines so land managers can provide longer licences to applicants who have made all their returns and paid invoices on time, and have a record of meeting all their compliance obligations under the licence.

Operators with three years of full compliance will be able to apply for a three year licence with lower annual fees and a simpler annual renewal process.

4.2 Simple standard rules and limits for an expression of interest process.

DELWP will revise its guidance for land managers who competitively allocate tour operator licences. As a minimum land managers will be required to:

- > Inform incumbent licensees of the upcoming process
- > state the licence fee that will apply for successful applicants
- > state how many licences will be issued
- > state the timing for applications, consideration and decision making
- > include the process for appeals
- > set a maximum page count for applications

These reforms will save time and money for small businesses, but they also provide greater future certainty and recognise the non-financial costs of competing for licences.

The highly dispersed administration of tour operator licensing has created a number of inefficiencies, many of which are absorbed by small businesses. These reforms fix two common issues reported by businesses, but there are structural issues embedded in the regulations that cannot be fixed without legislative change.

The patchwork of land management boundaries means that some businesses need to hold more than one licence when their tour passes through territories with multiple land managers. On the Great Ocean Road, some bus tours have three licences and have to report and pay variable charges for their passengers to all three land managers. Surf schools and other on-beach activities with multiple sites are another group that frequently have to deal with more than one land manager.

The full extent of this duplication problem is unknown, as there is no central record of which land managers are issuing tour operator licences and how many are currently in circulation. There are about 600 active licences, distributed between some 500 tour operators. Even the larger, more sophisticated land managers note that the fees fixed in legislation do not allow them to invest in system improvements that would save businesses time in reporting.

"We spent about \$25,000 getting in our application"

REFORM AREA 5

Small Visitor Accommodation

Reducing regulation of small visitor accommodation

Bed and breakfasts, boutique guesthouses and farm-stays are a vital part of Victoria's visitor economy, offering guests the chance to enjoy a unique hospitality experience in the home of local residents. These small businesses also provide local accommodation options in regional and rural areas where hotels might be in limited supply, with local economies benefiting from the income that the additional overnight visitors bring to the community.

Businesses in this space are acutely aware of the rise of new online share-economy short-stay accommodation models, which are perceived to face a limited level of regulatory scrutiny despite undertaking similar business activities. They also expressed frustration at having to meet the same regulatory standards of a café if they wanted to differentiate their service by offering their guests a cooked breakfast. While these broader issues are outside the scope of this review, they will be fed into other Government reviews and processes such as the proposed review of the regulatory imbalance between the short-stay and traditional accommodation sectors.

Converting residential accommodation into a hosted accommodation business is an attractive option for a home business, including those who work part time, and for older Victorians who would like to supplement their retirement income. However, despite their small size, these businesses are subject to many of the same regulations as larger hotels and guesthouses. While business owners understand the need to ensure public health standards, they raised some requirements that are unnecessarily onerous. In particular, they expressed frustration at having to resubmit the same information each year; and noted that the maximum guest threshold doesn't align with councils' planning requirements for hosted accommodation.

Currently, annual public health registration is required if a small visitor accommodation provider wishes to host more than 5 guests. The requirement for annual registration costs these businesses between \$430 and \$640 each year, in addition to the time and expense taken to draft plans, submit paperwork and attend annual inspections.

5.1 Facilitating one-off public health registration for small visitor accommodation

Small visitor accommodation operators will only be required to register their premises and be inspected by council once, upon establishment, and will pay a single registration fee. Annual renewal and inspection will not be required, resulting in:

- > time saved through not needing to submit annual applications
- > time saved due to the removal of requirement for an annual inspection
- > cost savings due to removal of requirement for annual registration and
- > cost savings due to removal of requirement for plan approval

5.2 Align public health registration thresholds with local planning thresholds

This reform seeks to align registration requirements for small visitor accommodation providers under the *Public Health and Wellbeing Act 2009* with local government planning requirements.

This means that small visitor accommodation operators will no longer be required to register under the prescribed accommodation regulations, if they can operate without planning permission according to their local council's planning laws.



5. BENEFITS OF THE REFORMS

Savings for business

The Small Business Regulation Review looks for practical, tangible reforms that make it easier for small businesses to operate in Victoria. The benefits of these reforms include direct savings for business, but there are also broader benefits to the economy and the community.

The cost of regulation comes in many forms. There is the money spent by businesses on fees and consultants, time spent keeping up with obligations and filling out paperwork, and the time lost waiting for the outcomes of decisions.

The savings to business in the table opposite are calculated based on time and money that will be saved directly. Broader benefits to businesses, the community and economy from these initiatives include:

- > a more efficient process for getting approval to run events, which will give keen organisers scope to put on more events per year
- > bringing forward the opening date of a new attraction, which will bring visitors earlier, creating demand for other nearby businesses
- > councils and VicRoads will save time processing road sign applications with the new forms, which will free up resources for other related tasks, such as removing out of date and obsolete signs that contribute to clutter
- > reducing regulation costs for small visitor accommodation can bring more people into the sector and broaden the offerings for visitors
- > with more certainty about their future, tour operators can invest in their business and come up with new and attractive offerings for customers.

Direct savings to small businesses

REFORM AREA	Annual savings for small businesses \$ millions
Small events and festivals	\$2.143-\$4.286
Innovative new ventures	\$0.54-\$2.16
Tourist road signage	\$0.447
Tour operator licensing	\$0.077
Small visitor accommodation	\$0.266
TOTAL PER YEAR	\$3.5-\$7.2M

The reforms aim to address the immediate problems identified by small business through the review. However, there are more fundamental issues that contribute to small businesses' frustrations with the regulatory system, many of which relate to how thoroughly the regulatory system understands and accounts for the needs and objectives of small businesses. To really spread benefits across the economy, it is important that Government maintains programs that test how well existing regulations reflect what businesses need to do to thrive in the current economy, and whether the restrictions on activity are justified by the risk of harm to the public.

Building up confidence in the regulatory system makes businesses more confident to invest. In the visitor economy strong private sector investment drives visitation and creates jobs and opportunities.

The learnings from this Visitor Economy review and the Retail Review will be used to inform future directions for regulatory improvements in Victoria to continue to support a thriving small business sector in Victoria.

6. DELIVERING THE REFORMS

The Small Business Regulation Review (Visitor Economy) aims to fix the areas of regulation that unnecessarily hold small businesses back. We are grateful to the many small business owners and members of the public who shared their views on what matters most to help establish or grow a small business.

Progress achieved in implementing reforms will be assessed through a systematic monitoring and reporting progress that is linked to the Victorian Government's broader regulatory burden reduction program.

These reforms will build on the success of the review of the retail sector, and will continue with the future work of the Small Business Regulation Review program. Further information about the program can be found at <https://engage.vic.gov.au/smallbizreview>







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