

# **Queensland Government Submission**

Relative Costs of Doing Business in  
Australia – Retail Trade Industry:  
interim report

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# Overview

The following submission outlines current Queensland Government policies, programs and activities aimed at reducing business costs for all businesses including the retail trade industry. Also outlined are specific initiatives that will benefit the small business sector of the retail trade industry.

The following Queensland Government agencies have been consulted in the preparation of this submission to the Productivity Commission:

- Department of State Development, Infrastructure and Planning (DSDIP)
- Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB)
- Department of Transport and Main Roads (DTMR)
- Department of Justice and Attorney-General (DJAG)
- Department of Energy and Water Supply.

## Reducing Red Tape

To implement the target of a 20 per cent reduction in the burden of regulation, the government has established the independent Office of Best Practice Regulation (OBPR) within the Queensland Competition Authority. The OBPR has developed a framework for reducing the burden of regulation, which determines how the regulatory burden is to be measured, sets regulatory reduction targets for government agencies, establishes a process for reviewing the existing stock of Queensland legislation, and identifies priority areas for targeted regulatory review.

- The government has increased the rigour with which new regulation is made by enshrining the Regulatory Impact Statement (RIS) system in legislation and making a range of significant improvements. A RIS is required for all regulatory proposals that are deemed to have a significant impact on business, the community or government. The independent OBPR now has responsibility for determining if a RIS is required in relation to regulatory proposals, and government departments are required to submit a RIS to the OBPR for assessment of their adequacy before releasing them for consultation.
- Queensland Government Ministers are now required to provide up to three options to reduce or 'offset' regulatory burden for any proposal that will impose a new regulation or procedure on small businesses.

## **Queensland Small Business Strategy and Action Plan 2013 - 2015**

On 16 May 2013, the Queensland Government launched the Queensland Small Business Strategy and Action Plan 2013–2015. This whole-of-government plan articulates the policy directions and actions the government is putting in place to get small business back on track. The plan promotes the growth of profitable, innovative and resilient small business enterprises and provides a considered and coordinated approach for:

- setting the economic conditions for business success
- small business service delivery across government agencies
- working collaboratively with businesses and other stakeholders.

Under the plan, the government's five priority areas for getting small business back on track are:

- lowering unemployment
- making it easier to do business
- increasing opportunities for small businesses to access supply chains and new markets
- strengthening business-government engagement
- maximising small business potential.

All of the Plan's 32 actions have been or will be implemented by the end of 2015. These actions will benefit the small business component of the retail trade sector. Some relevant areas from the Action Plan include:

- In July 2012, the government increased the payroll tax exemption threshold from \$1 million to \$1.1 million—as a result, 90 per cent of Queensland employers were exempt from payroll tax.
- The government is reforming fair trading policy and regulation to reduce red tape and provide a more streamlined and simplified environment in which small businesses can operate. The government will also work with industry and the community to identify and eliminate unnecessary or out-dated obligations, paperwork and other requirements that add time and cost to a small business.
- The government will continue to work with federal and state governments to implement the Australian Business Licence and Information Service (ABLIS) and Australian Business Account (ABA). These two services are available through the Queensland Government's online business and industry portal ([www.business.qld.gov.au](http://www.business.qld.gov.au)). ABLIS provides a unified online entry point for Queensland small businesses to make it simpler and quicker to search for,

apply and comply with regulatory requirements across all three tiers of government. The ABA will become the single location for business to transact with government and manage their ongoing regulatory requirements. This will save businesses time and money when complying with regulations—keeping up to date with regulatory changes and pre-filling application forms with their core details from the ABA.

- All bills from suppliers to government involving contracts of up to \$1 million will be paid within 30 days. All departments' performance in meeting this commitment will be monitored and, where obligations are not met, a penalty system may be imposed.
- The government will continue to support small business access to government procurement opportunities through the requirement for agencies to ensure that competitive local suppliers are given a full, fair and reasonable opportunity to supply government. This is reflected in the state procurement policy and local industry policy. The government will identify opportunities to further enhance small business access to, and use of, the eTender website.
- The government will work with local government authorities and project proponents to provide opportunities for small businesses to tap into major projects (such as the Commonwealth Games), supported by the Industry Capability Network (ICN). The ICN is helping identify and inform small businesses of procurement opportunities—profiling and promoting Queensland industry capability, and matching businesses to specific opportunities.
- An information and education program is being delivered to inform and prepare businesses to develop tenders for government-funded procurement opportunities, build their capacity and collaborate to access new markets. The program will include online webinars and information for businesses to understand their capability, building on the government's ongoing 'Tendering for government business' workshops.
- A 'Think Queensland, Buy Locally' campaign has been established to encourage communities to buy locally, stimulating business activity. The campaign supports the government's recovery plans following the 2013 natural disasters, and encourages consumers to help rebuild local economies by purchasing goods and services from local businesses.
- To promote the importance of small business to the Queensland economy, the government holds a Queensland Small Business Week. During the week, small business owners and operators will have the opportunity to hear new ideas, connect with other businesses and access information to help them grow and become more resilient. Events, workshops and seminars are held across Queensland in cooperation with industry partners. The year, the week will run from 1 – 6 September 2014.

## Planning and Development Reform

The Queensland Government is currently undertaking widespread planning reform with the aim to create the best planning and development assessment system in Australia. The proposed Planning and Development Act, which is to replace the *Sustainable Planning Act 2009*, will empower local governments, reform the planning and development assessment system and reduce red tape for business and industry.

The Queensland Government is actively working with local governments to encourage them to introduce reduced level of assessment for the majority of retail and commercial and industrial developments within established areas through the preparation of their new planning schemes.

Through the state interest review process of local government planning schemes, the Queensland Government has actively encouraged lower levels of assessment for retail, commercial and industrial developments within established centres and appropriate zones, especially encouraging change in tenancy situations to be as efficient as possible.

The Queensland Government has established standard definitions and zones throughout Queensland under the Queensland Planning Provisions (QPP). As local governments prepare new planning schemes in accordance with the QPP there will be an increased level of consistency across local government boundaries.

Significant changes to date have included:

- establishment of the State Assessment and Referral Agency which provides a coordinated whole-of-government approach to state assessment by creating a central point for development applications, resulting in one application and response which has saved industry time and money
- introduction of a 'capped' or maximum charge for infrastructure for all new developments, which provides certainty for developers as well as local governments. The majority of local governments have adopted a charge below the maximum or established moratoriums to facilitate development in particular areas. The most recent maximum charges have reduced charges by 15 – 20 per cent for retail and commercial developments
- introduction of the ability to attribute costs in the Planning and Environment Court to reduce number of appeals brought by commercial competitors
- development of a Single State Planning Policy to reduce the state's interest in planning and development, replacing the previous 36 State Planning Policies, and rationalising the interests around broader themes
- introduction of State Development Assessment Provisions which clearly outline the requirements for Queensland Government assessment triggers.

## **Transport Planning**

While transport planning requirements have been raised as an impediment for the retail trade sector, it is important to recognise that mitigating safety risks is the key priority when assessing the impacts of development projects on the transport system. Managing safety risks may impose costs on the retail sector (both through planning and development and regulations affecting transport costs), however this is consistent with community expectations.

A number of submissions to the review have raised the issue of the need for further investment in transport infrastructure, for both freight and customer trips. All levels of government are currently experiencing significant fiscal constraints, which impacts investment in transport infrastructure.

Transport infrastructure is generally costly and 'lumpy', meaning it is difficult to add capacity incrementally. Despite the development industry contributing towards the cost of infrastructure, it remains the case that government carries responsibility for a significant proportion of infrastructure costs. Resolving this issue is a critical challenge for all levels of government across Australia.

## **Transport Operations**

Regulations which may impact transport costs (e.g. licencing, fatigue management, vehicle standards) are generally safety focussed and any proposals to reduce costs by changing such regulations need to be carefully assessed to ensure they do not result in adverse safety outcomes for all road users and the broader community. As is noted in the report, transport costs are also influenced by a range of other factors (e.g. pay rates, insurance costs, location, fuel costs) outside the control of transport regulators.

The National Heavy Vehicle Regulator (NHVR) commenced operations on 10 February 2014. The regulator now administers one set of national heavy vehicle laws under the Heavy Vehicle National Law. This provides a simpler more coherent operating environment for all heavy vehicle transport.

## **Trading Hours**

The trading hours of shops in Queensland are currently regulated by the *Trading (Allowable Hours) Act 1990* (the Act) and by orders made by the Queensland Industrial Relations Commission (QIRC). The Act provides for three classes of shops.

Exempt shops are listed in the Act (e.g. chemists, newsagents, bakeries, take-away food shops, restaurants, fish shops, fruit and vegetable shops and service stations). Exempt shops have no restrictions on trading hours and have no limitations on the number of staff they employ.

Independent retail shops may sell any type of goods but must engage no more than 20 persons at any one time or, where a number of shops are operated, a maximum

of 60 persons at any one time throughout the state. They must be closed only on 25 December and Good Friday and until 1.00 pm on 25 April for ANZAC Day. Independent retail shops that are predominantly food and/or grocery shops have no restrictions on trading hours.

Non-exempt shops (e.g. large retailers operating supermarkets and department stores) are permitted by the Act to trade 8.00 am to 9.00 pm on Monday to Friday and 8.00 am to 5.00 pm on Saturday (Sundays and public holidays are closed days). The QIRC has the jurisdiction to decide allowable trading hours beyond those hours. QIRC Orders have created 'seven day trade areas', in which non-exempt shops are allowed to also trade on Sundays and most public holidays from 9.00 am to 6.00 pm or similar hours. Seven day trade areas cover South East Queensland and most of the other major population centres/tourist areas of the state. The QIRC also makes other orders that specify allowable trading hours for non-exempt shops selling particular types of goods (e.g. motor vehicles and caravans) and allow trading outside the allowable hours to conduct special exhibitions.

Therefore, trading hours for non-exempt shops are decided by the QIRC as an independent tribunal which makes orders in accordance with criteria specified in the Act and which takes into account submissions from industry organisations, unions, local governments and community groups.

In February 2013, the Queensland Competition Authority, Office of Best Practise Regulation (OBPR) released its report '*Measuring and Reducing the Burden of Regulation*', which recommended review of trading hours restrictions. The report estimated that the potential for large net benefits from reform of trading hours' restrictions is approximately \$200 million per year.

The Queensland Government response to the OBPR report stated that the prioritisation of reform would be a decision of the Queensland Government. The Queensland Government is generally satisfied with the current arrangements for trading hours regulation in Queensland and has consistently expressed the concern that small business is not adversely affected by any reform.

### **Child Employment**

An area in which Queensland maintains state specific regulation affecting the retail trade sector is in relation to child employment. The purpose of the *Child Employment Act 2006* and the *Child Employment Regulation 2006* is to protect all children (persons under the age of 18 years) working in Queensland.

These laws aim to protect children from being required to perform work that may be harmful to their health and safety, or physical, mental, moral and social welfare. The laws also ensure that work does not interfere with a child's education, particularly for the period when the child is required to be at school.

To support those objectives the laws place a number of restrictions on the hours of work of school aged children. A school-aged child is a child who is under 16 years and required to be enrolled at a school (i.e. up to completion of year 10). The laws

set the minimum age at which children can work at 13 years, although children aged between 11 and 13 years can perform supervised delivery work.

Specific restrictions include prohibiting school-aged children from being required to work longer than:

- 12 hours during a school week
- 38 hours during a week that is not a school week
- four hours on a school day
- eight hours on a day that is not a school day.

School-aged children are not allowed to work between 10.00 pm and 6.00 am. Children between 11 and 13 years are not allowed to work between 6.00 pm and 6.00 am.

The laws also prohibit the employment of children in certain types of work such as in the social escort industry, where the child is required to be nude or dressed in sexually provocative clothing or in premises when adult entertainment is being provided.

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