



BE.BENDIGO



Victorian Regional Chamber Alliance

BUSINESS HEALTH REPORT





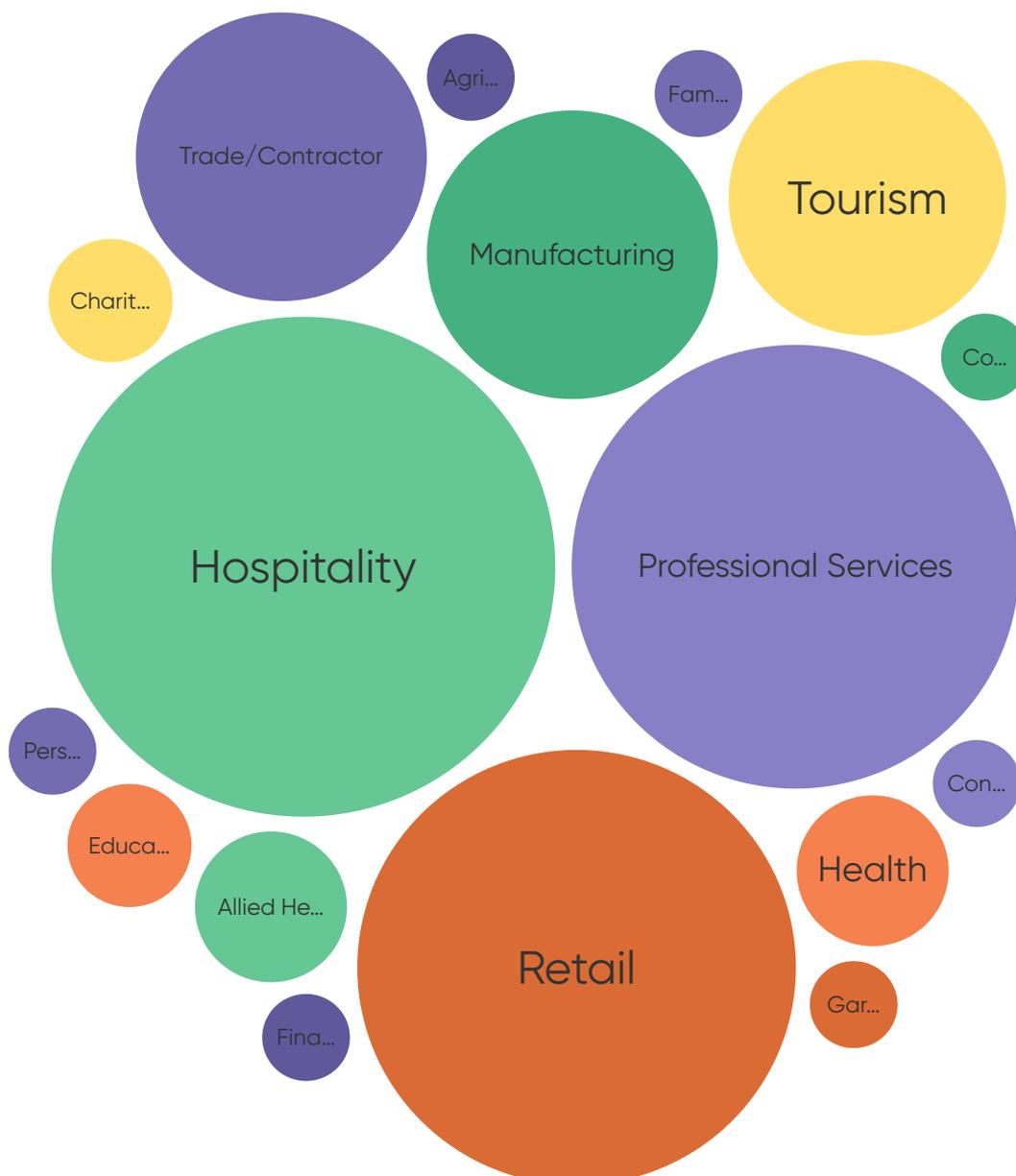
WHO WE ARE

Business associations and chambers of commerce from across regional and rural Victoria have come together to establish the Victorian Regional Chamber Alliance – the voice for business across the state.



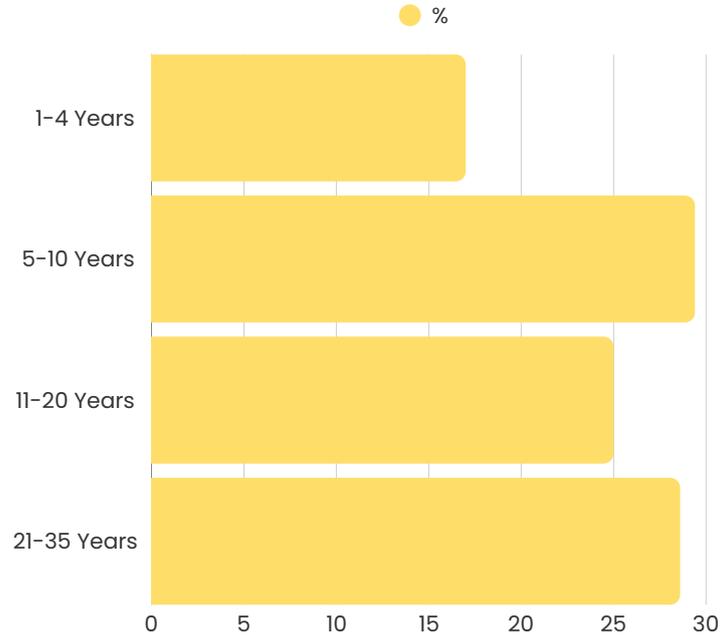
BUSINESS HEALTH SURVEY

The VRCA Business Health Survey collects data from the members of chambers across rural and regional Victoria. Submissions were received from a variety of businesses across all sectors.

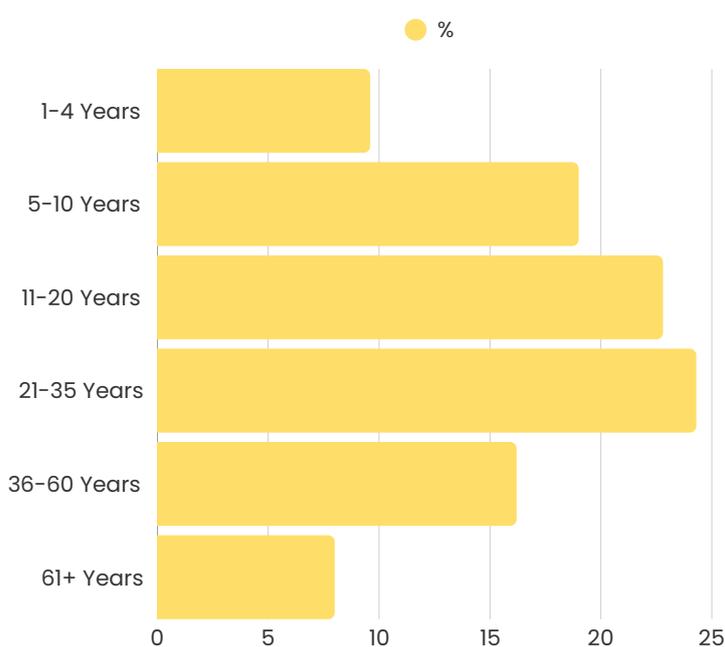


RESPONDENT DEMOGRAPHICS

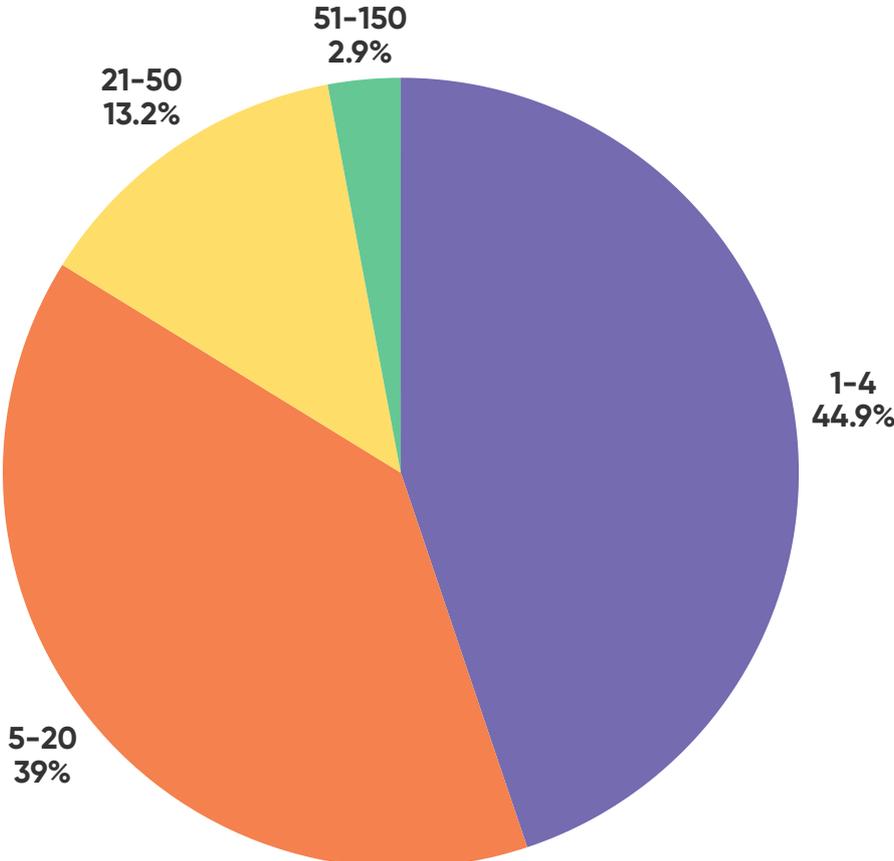
Years operating, under current owner



Years operating, across all owners

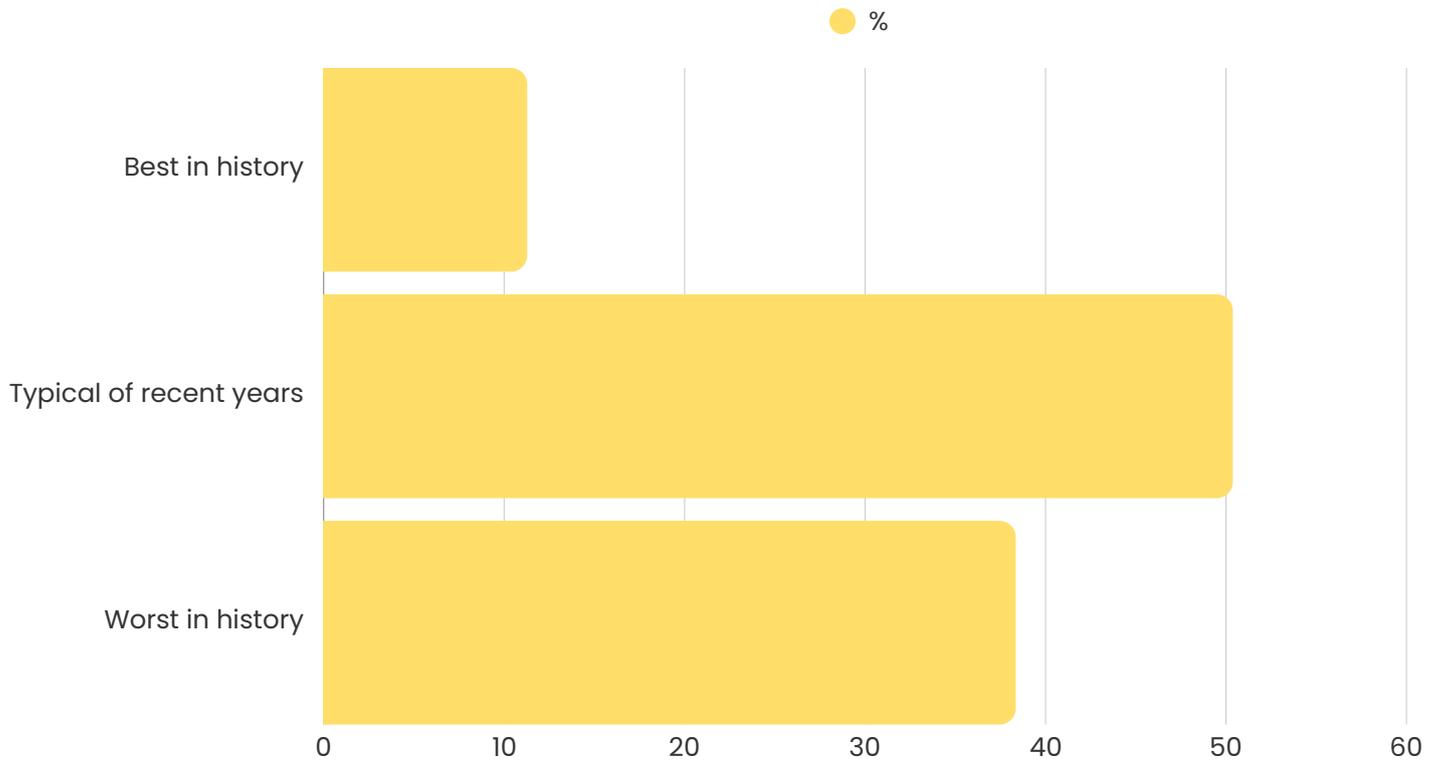


Employees (FTE)

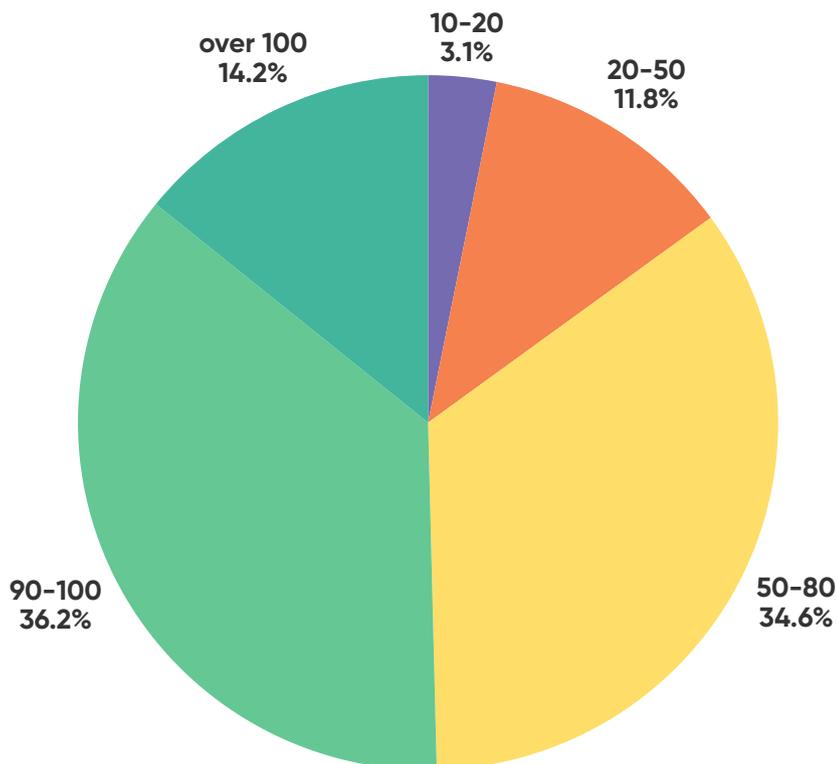


BUSINESS ENVIRONMENT

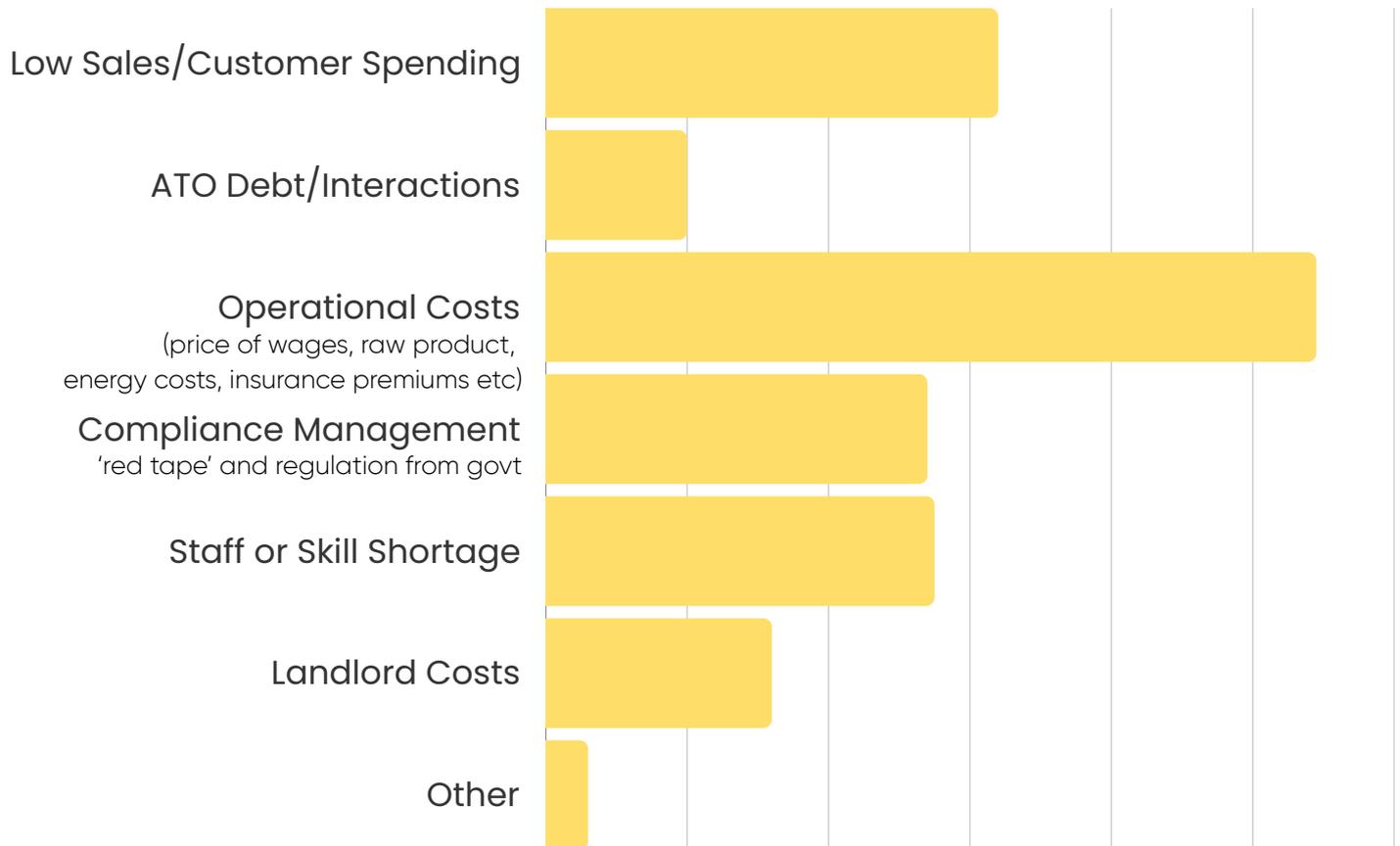
PERFORMANCE OF LAST SIX MONTHS, COMPARED TO TYPICAL TRADING



OVERALL, WHAT PROPORTION OF YOUR TYPICAL SALES ARE YOU NOW ACHIEVING?

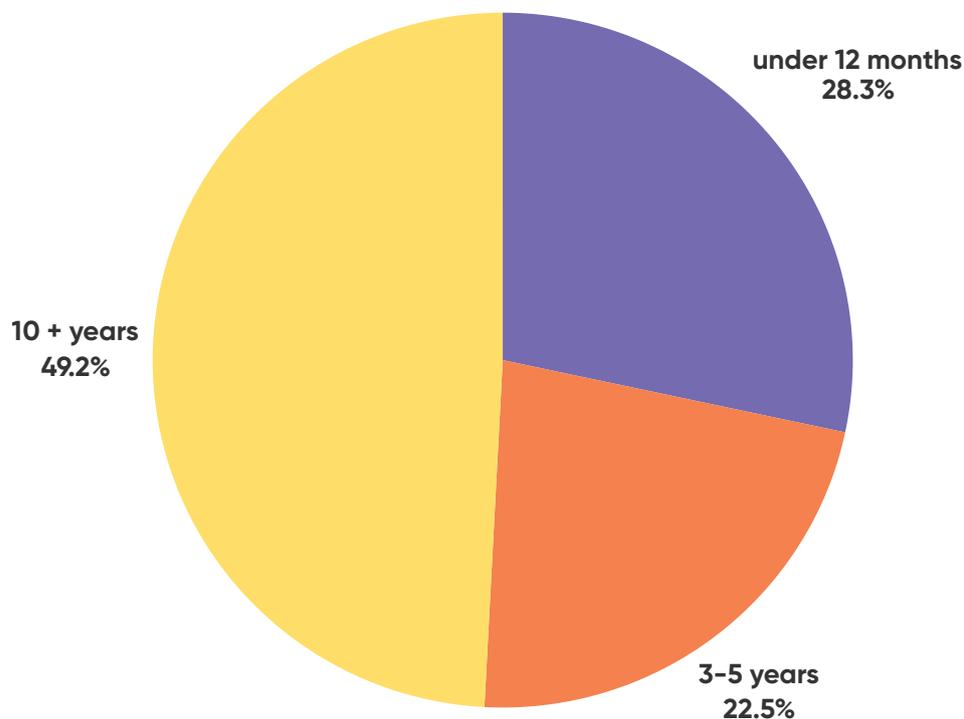


MAIN CHALLENGES FACING BUSINESSES

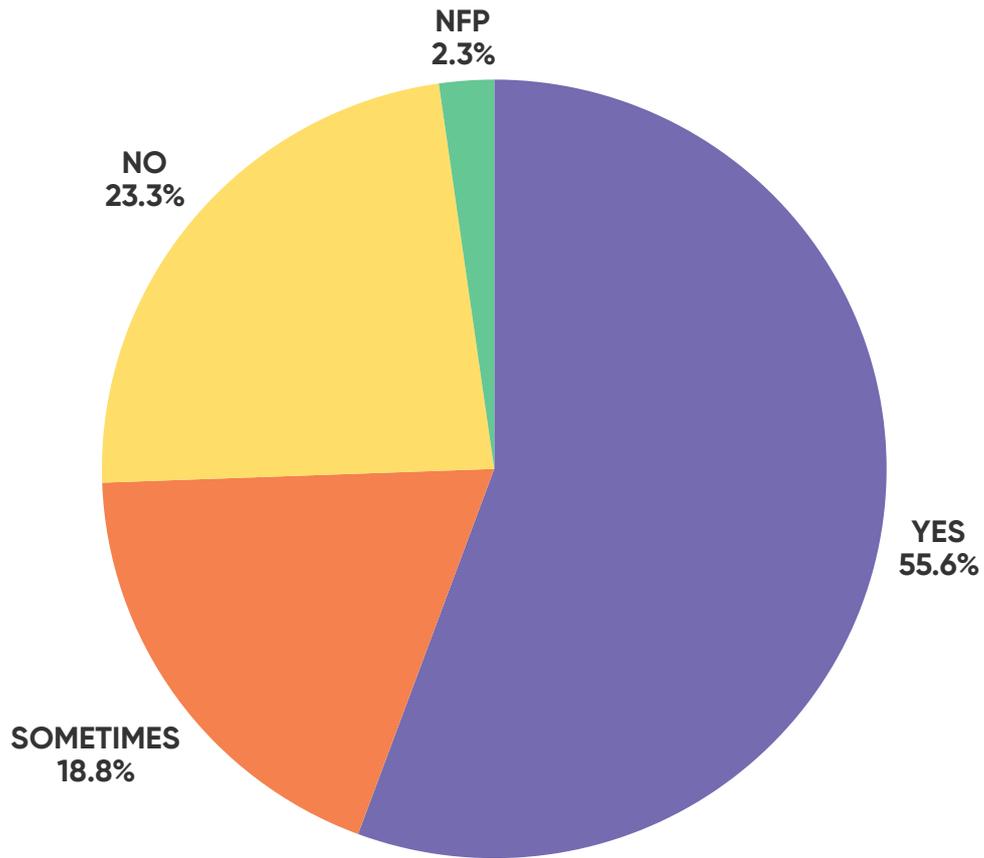


94% of respondents said that they believed these challenges are mirrored across their sector.

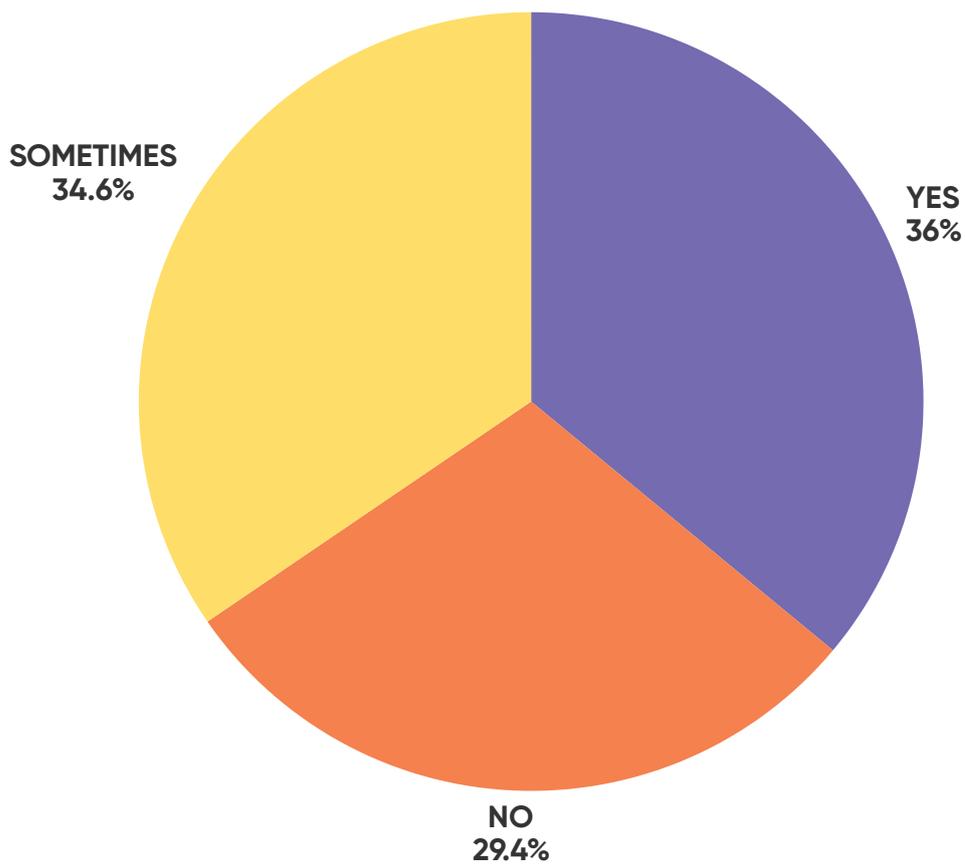
LONGEVITY OF BUSINESS, IN CURRENT BUSINESS ENVIRONMENT



BUSINESS DRAWING A LIVING WAGE



BUSINESS SUPPORTING WORK LIFE BALANCE





We are planning to close and sell the land within 12 months and leave Victoria."

"We take home \$100 each plus covering our personal rent per week. Not sustainable."

"Some weeks a wage is taken, other weeks a wage simply can't be taken. The wage is minimal."

"Drawing on savings to make it through."

"The increase in taxes in all areas has just destroyed all profits."

"Having to deal with owing money and stress is at an all time high."

"It is no longer viable to do business in Victoria."

"We have grown as a business for fifteen years, and I've got thirty years experience in our industry and this is the toughest it's ever been and unfortunately only looks to be getting worse. Only overseas investors or investors that have other incomes are able to sustain this. As a family business I feel more and more will be closing down in the near future."

"It has been more difficult for the last two years due to drought and increased feeding and lower productivity."

"Trying to keep up with taxes, we pay each quarter so we can try to stay on top of that as well as all the other bills. The recent increases in staff wages and super as well as work cover are huge amounts, struggling to keep head above water."



TAXATION

COMMENTS DESCRIBING RECENT ATO INTERACTIONS AND TAX PRESSURES



Debt based on forecast earnings has put extreme pressure."

"It has been very difficult keeping up with BAS payments and superannuation payments. We are continually behind and continually being harassed."

"ATO is out of touch with how small business operates and the substantial overheads we now have, especially staffing costs. We are solely living to pay tax debts."

"We were in huge debt at one point, we were on a payment plan and at one point had defaulted. We have since recovered from that, but only one quiet week away from that point again."

"All BAS and PayG payments have been covered personally as the business has not been in a position to pay."

"ATO SBR and Voluntary Administration. Unrelenting, exhausting and still burnt out one year on."

"High level of debt that they are no longer letting us pay back in instalments."

"Having to pay GST when a business turnover hits 75k is so low. That is such a business blow."

"Difficult to get consistent answers to queries, depending on which ATO rep you speak to on the day. Have experienced the most impersonal service delivery, with representatives not able to vary from their cookie cutter script."

"Small business is given no wriggle room re compliance to ATO demands compared to larger corporates who would typically have an internal tax compliance team working 24/7 to minimise tax. The number of local, state and federal taxes we have to comply with is suffocating. The ATO's demands are relentless and time consuming. It takes honest business operators away from their core work. The ATO definitely don't understand the pressures on small business."

"The new SRO STR tax is a nightmare and so hard to manage that we have lost around \$5000 already in 2 submissions. We were audited in the SERR roll-out and spent huge amount of time arranging the management to be told we didn't need to be eligible after legal advice. The poor management of new policies & system roll-outs costs us in time & \$."

"The ATO disputed our Tax R&D claim for 2 years leaving us in a cashflow poor state. We made huge changes to our operations in order to survive. We believe most other business would have closed under the pressure. We were pleased to resolve the matter and the refund was granted in full. The way the government has hammered small business is unforgivable."

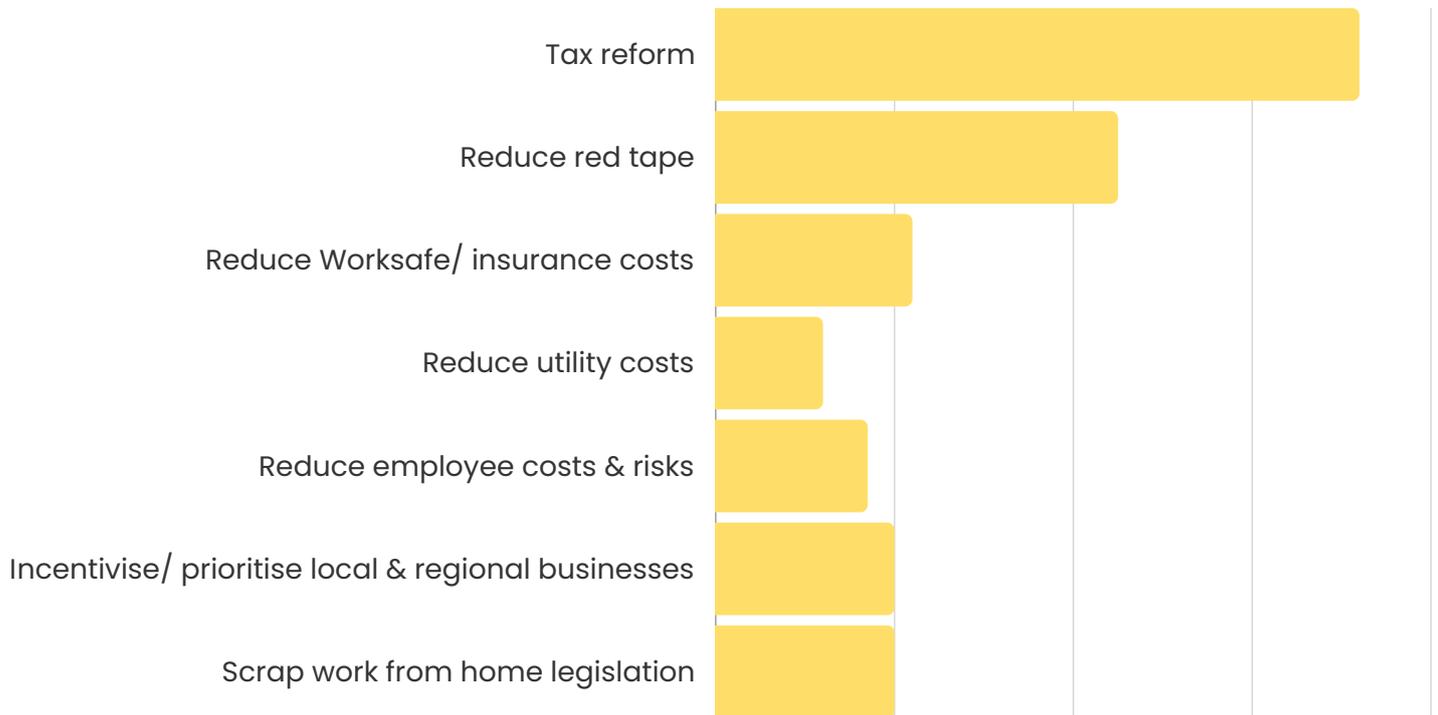
"Meeting our ATO BAS and Tax requirements has been quite stressful considering the challenging hospitality environment."

"Increased taxation commitments - the highest its been since commencing the business."



JUST ONE THING...

IF GOVT COULD CHANGE ONE THING TO MAKE BUSINESS EASIER IT WOULD BE:



COMMENTS INCLUDED REPEATED MENTIONS OF:

Tax reform: Liquor tax, ESVF Levy, land tax, fuel excise, payroll tax, BAS payments. Reduce interest rates to lower cost of living.

Red tape: Compliance is overwhelming, especially for small businesses; permits and licensing wait time is too long.

Insurance and WorkCover: Premiums are going up fast, without any claims being made.

Reduce utility costs: Power, fuel and gas prices have doubled in the last 3 years. Rent increased due to land tax.

Reduce employee costs & risks: Too risky and expensive to employ, reduce payroll tax for small businesses.

Incentivise/prioritise local & regional businesses: Crippling competition from large corporation and international companies. Government is Melbourne-centric and does not consider the regions when legislating.

