

ARA/NRA SUBMISSION

ECONOMIC REFORM ROUNDTABLE

JULY 2025

The Australian Retailers Association (ARA) and the National Retail Association (NRA) welcome the opportunity to contribute to the Economic Reform Roundtable consultation.

The ARA and NRA, which propose to amalgamate into the Australian Retail Council (ARC), represent a **\$430 billion sector**, and employs **1.4 million Australians** – making retail the largest private sector employer in the country and a significant contributor to the Australian economy.

Our membership spans the full spectrum of Australian retail, from family-owned small and independent retailers that make up 95% of our membership, through to our largest national and international retailers that employ thousands of Australians and support both metropolitan and regional communities every day. Our industry operates more than **155,000 retail outlets nationwide**, with the majority of those also represented by an online or e-commerce presence. As a result of operating multi-state outlets, our sector is exposed to jurisdictional inefficiency more so than any other industry.

With a significant portion of every dollar spent in retail flowing back to employees, suppliers, super funds, and local communities, a thriving retail sector benefits all Australians. After a uniquely challenging five-year period, which has had significant impacts on the sector, we are united in advocating for policies, reform and collaboration that will drive growth, resilience, and prosperity for the retail sector and all Australians.

EXECUTIVE SUMMARY

The ARA and NRA support the Government's ambition to unlock new ideas and build national consensus on reforms that improve productivity, strengthen economic resilience, and support sustainable budget outcomes.

As the engine room of household spending, jobs growth, and community wellbeing, the retail sector is uniquely placed to drive Australia's next wave of economic reform. However, systemic challenges such as regulatory inconsistency, rising business costs, labour market constraints, and policy fragmentation across jurisdictions continue to constrain productivity and reduce competitiveness.

This submission sets out a series of practical, data-informed reforms across the Government's three priority themes, drawing on extensive member feedback and the ARA and NRA's prior submissions to the **Productivity Commission's Five Pillar Productivity Inquiry** and **National Competition Policy Review**. These reforms are grounded in real-world experience and reflect the day-to-day challenges of retail businesses, particularly small and medium enterprises, operating across the country.

The ARA and NRA have outlined a detailed set of actionable, budget-conscious reforms across the Government's three focus areas: productivity, economic resilience, and budget sustainability. While grounded in the experience of the retail sector, these proposals are relevant across the broader economy, particularly for industries with national operations, complex compliance burdens, or high levels of customer engagement.

RECOMMENDATIONS

The ARA and NRA propose the following practical reforms to support productivity, economic resilience, and budget sustainability, while unlocking long-term growth and competitiveness in Australia's retail sector.

Improving Productivity

- Establish a national harmonisation taskforce with retail as a priority sector, focusing on inconsistencies in trading hours, payroll tax, environmental regulation (including packaging and plastics), freight and transport rules, WHS obligations, retail crime legislation, tenancy law, and product labelling and compliance.
- Co-ordinate a national response to combat retail crime, including harmonised legislation across jurisdictions and a support program to SMEs to better manage impacts on their employees and operations, with the goal to reduce by 50% by 2030 (1) the number and severity of incidents and (2) the current estimated \$9 billion annual cost.
- Encourage policies that ensure stable, affordable, and reliable energy supply to unlock capital investment and support business growth. Retailers are facing delays in grid connections and inconsistent energy access, particularly in growth corridors and regional areas, limiting trading hours and forcing reliance on costly, inefficient generators. Policy certainty on the energy transition, alongside streamlined planning and approval processes for large-scale renewable energy projects, is essential to reduce “green tape” and accelerate investment in new supply.
- Ensure regulatory quality by introducing mandatory regulatory impact assessments for new rules that impose compliance costs, and by applying the Australian Government's RIA principles to align new regulations with existing frameworks and reduce duplication.
- Expand digital capability grants and provide sector-specific guidance on responsible AI adoption, digital tools, and automation in retail.
- Modernise workplace laws by:
 - Simplifying modern awards and rostering requirements;
 - Creating clearer enterprise bargaining pathways;
 - Preserving the flexible nature of part-time and casual work arrangements;
 - Streamlining Long Service Leave laws (which vary by state);
 - Recognising the increasing role technology has in retail - including its potential to support safer, more productive workplaces.

Building Economic Resilience

- Develop national principles for sustainability and health-related regulation to prevent fragmented implementation across states.
- Establish a single nationally consistent framework to harmonise vehicle-weight limits, and other transport rules, while protecting industrial land and prioritising freight corridors to preserve and enhance long-term logistics capacity.
- Introduce rolling, multi-year investment streams for freight infrastructure to ensure strategic, depoliticised planning, and build greater resilience into national road and rail corridors, particularly those servicing regional and remote communities. Retailers invest billions annually in their supply chain and logistics networks, but their ability to serve every corner of Australia is increasingly affected by the vulnerability of public freight infrastructure during severe weather events.
- Invest in retail-relevant logistics infrastructure, including intermodal hubs and urban last-mile freight capacity.
- Map critical retail supply chains and coordinate domestic capability strategies across packaging, warehousing, and food systems.

- Streamline planning and environmental approval processes across state and federal jurisdictions to reduce delays in retail infrastructure investment and improve supply chain responsiveness.
- Expand access to short-form, retail-aligned micro-credentials and VET funding.
- Support co-investment in industry-led digital and workforce transition programs.

Strengthening Budget Sustainability

- As part of a comprehensive tax reform agenda reduce the company tax rate to 25% to enhance the competitiveness of Australian business
- Index small business eligibility thresholds to inflation and economic conditions.
- Maintain and expand access to the instant asset write-off by:
 - Making the scheme permanent to support long-term investment;
 - Increasing the threshold to \$50,000 per asset for businesses with turnover up to \$50 million; and
 - Allowing full expensing for large productivity-enhancing capital investments (e.g. AI, automation, logistics).
- Streamline overlapping compliance regimes (e.g. ESG, tenancy, labelling) to reduce cost duplication and business confusion, with a focus on aligning reporting requirements and removing duplication across jurisdictions.
- Prioritise co-designed training investments that reflect employer needs, retail industry trends, and the realities of casualised workforces.

Further detail on each of these proposed reforms is provided in the following sections of this submission.

RETAIL'S ROLE IN AUSTRALIA'S ECONOMIC PRODUCTIVITY

Retail is more than a point of sale. It is a foundational enabler of household wellbeing, regional employment, skills development, supply chain connectivity, and Australia's broader economic dynamism.

As the country's largest private sector employer, the retail industry contributes approximately \$430 billion annually to the economy and directly supports 1.4 million Australian jobs. It reaches every postcode, offering an accessible pathway into the workforce particularly for women, young people, and culturally diverse communities.

Over 95% of ARA and NRA members are small and independent retailers. Yet many of these businesses fall outside the scope of current Commonwealth definitions of 'small business', which use thresholds that no longer reflect the realities of contemporary retail (e.g. outdated turnover caps or employee headcounts). This disconnect limits access to support programs and results in disproportionate compliance costs for businesses that are otherwise small in scale and capacity.

The ARA and NRA continue to advocate for modernising small business definitions, including aligning turnover thresholds and regulatory access criteria, to ensure more accurate targeting of policy and support measures.

Retail also plays a pivotal role in economic resilience and budget sustainability. The sector is a first mover in technological adoption, a driver of competition and choice, and a critical touchpoint for implementing government policy, from pricing transparency and payment systems to sustainability practices and product labelling.

Yet persistent regulatory complexity, high input costs, and inconsistent cross-jurisdictional settings are constraining retail's capacity to innovate, grow, and reinvest. According to Deloitte Access Economics, the average retail EBITDA margin is just 5.5%, compared to 12.4% across the wider economy. More than 1,100

retailers entered insolvency last year, underscoring the sector's vulnerability in the face of ongoing cost and compliance pressures.

The opportunity is clear: by removing duplication, simplifying compliance, supporting digital transition, and enabling business-led innovation, Government can unlock significant productivity gains across the economy, starting with the sector that touches the lives of every Australian, every day.

1. IMPROVING PRODUCTIVITY

Lifting national productivity requires coordinated reform that reduces friction, supports innovation, and enables more efficient use of resources across the economy. The following priorities reflect key opportunities to improve system-wide productivity, informed by the experience of retailers and other service-based sectors operating across multiple jurisdictions.

1.1 Harmonise and modernise regulation

Australia's fragmented regulatory environment is a persistent drag on business efficiency. For multi-jurisdictional retailers, variation in trading hours, payroll tax, environmental regulation (including container deposit schemes), freight and transport rules, WHS obligations, retail crime legislation, and leasing laws imposes a disproportionate burden, particularly for SMEs with limited compliance resources.

Members have informed us that state-based variation in labelling, packaging and compliance rules can require retailers to maintain multiple reporting systems for identical products sold nationally, increasing complexity and cost. Similarly, inconsistent trading hour restrictions limit retailers' ability to meet modern consumer expectations and create an uneven playing field for Australian businesses competing with ultra-low-cost international operators that can trade around the clock with fewer regulatory barriers. A nationally consistent approach would significantly reduce duplication and streamline compliance.

The ARA and NRA support the establishment of a national harmonisation agenda, coordinated through National Cabinet and resourced via the National Competition Reform Fund, with retail identified as a priority sector for streamlined reform.

We also support embedding the principles of good regulatory design when new regulations are introduced. This includes ensuring alignment with existing state, federal, and international frameworks; assessing unintended economic consequences; and incorporating clear mechanisms for post-implementation review. Adopting the Australian Government's Regulatory Impact Analysis (RIA) principles would help ensure new rules are efficient, coherent, and responsive to changing conditions. Additionally, wherever possible, new regulations should align with international standards to avoid duplication and improve global competitiveness, consistent with the Productivity Commission's current review.

A more consistent, predictable, and streamlined regulatory environment would lift productivity by reducing compliance costs, removing duplication, and freeing up resources for innovation, workforce development, and customer experience. While the retail sector experiences these pressures acutely, the benefits of harmonisation and better regulatory design would flow across all sectors that operate nationally, especially SMEs with limited capacity to navigate multiple frameworks.

Retail crime is a growing national challenge, with rising incidents of theft, aggression, and organised crime affecting the safety and viability of retail workplaces. In addition to the human and social toll, retail crime imposes significant operational and compliance costs, particularly on SMEs that lack the scale to absorb these impacts.

Addressing retail crime through a nationally coordinated approach, including harmonised laws and targeted support programs, would materially improve workforce confidence, reduce unproductive compliance effort, and enhance the sector's overall productivity. A 50% reduction in the cost and severity of retail crime would deliver major dividends to the economy and the retail workforce alike.

1.2 Drive uptake of digital tools and AI to increase productivity

Realising the productivity benefits of new technologies requires a regulatory framework that enables innovation while ensuring appropriate consumer and data protections. The ARA and NRA support the development of AI regulation that strikes the right balance, avoiding overly prescriptive rules that stifle innovation, while providing clear guardrails around liability, data use, and transparency.

Small retailers face barriers to adopting digital solutions, including cost, capability, and regulatory uncertainty. According to Deloitte, only 30% of Australian retailers are actively using generative AI, highlighting the gap between interest and adoption. Among those using AI, most are applying it to customer service, marketing content, or inventory planning, yet the broader sector remains constrained by capability and regulatory clarity.

The ARA and NRA recommend targeted support for businesses to adopt new technologies, including:

- Expanded digital capability grants for small businesses,
- Industry-specific AI guidelines co-designed with retail,
- Regulatory clarity around data, liability, and consumer protection.

The rapid rise of ultra-low-cost international platforms illustrates how advanced AI and digital capabilities can disrupt markets and create an uneven playing field, particularly for local small businesses with limited digital capacity. These developments reinforce the need not only for targeted support to uplift domestic adoption, but also for stronger enforcement of existing regulatory settings to ensure fair competition.

1.3 Reform workplace settings for a modern retail environment

Labour is one of the highest operating costs for retailers, particularly in customer-facing roles. As such, any serious conversation about lifting productivity must also consider how effectively the industrial relations (IR) system enables flexibility, responsiveness, and efficiency. This isn't about reducing wages or replacing jobs, but about creating a workplace relations framework that supports modern, sustainable retail operations, balancing the needs of both employers and employees.

Retailers face increasing difficulty navigating a highly prescriptive industrial relations framework. Award complexity, fragmented bargaining processes, and rigid rostering rules are limiting workforce adaptability, especially for small and mid-sized businesses operating across extended trading hours.

The current workplace relations framework places too much emphasis on enterprise bargaining as the primary pathway to achieving workplace flexibility. This is increasingly out of step with the needs of modern retail operations, particularly for small and mid-sized businesses. The General Retail Industry Award should provide flexible, fit-for-purpose conditions that meet the needs of both employers and employees, without forcing businesses into complex and resource-intensive bargaining processes. Relying on enterprise agreements as the main mechanism for flexibility risks entrenching inequity and undermining productivity, particularly for businesses that lack the scale to negotiate effectively.

Modernising these settings to reflect the diverse needs of today's workforce, including women and young people, is critical to lifting productivity. The ARA and NRA support:

- A review of modern awards to reduce complexity,
- Simplified pathways to enterprise bargaining,
- Recognition of part-time and casual flexibility as a productivity strength.

While these reforms are grounded in the retail sector's experience, the underlying issues, award complexity, limited bargaining access, and rigid rostering rules, affect a wide range of industries with non-standard hours, diverse workforces, and high customer interaction. Addressing these systemic barriers would improve national productivity by supporting more adaptive and inclusive workforce models across the economy, particularly for small and mid-sized employers.

2. BUILDING ECONOMIC RESILIENCE

Resilience is not only about absorbing shocks; it's about ensuring systems, businesses, and communities can adapt and grow in the face of change. Retail is uniquely positioned at the intersection of supply chains, consumer behaviour, employment, and economic confidence, making it a frontline sector in Australia's resilience agenda.

The sector's recent experience, navigating pandemic disruptions, inflationary pressures, and structural shifts in consumer behaviour, highlights both its adaptability and its exposure to volatility. To improve economic resilience, governments must support long-term investment certainty, supply chain efficiency, and workforce adaptability.

Key opportunities include:

2.1 National Consistency in Environmental Regulation

Divergent regulatory approaches across jurisdictions, particularly in areas such as sustainability labelling, single-use plastics, and environmental compliance, are creating significant costs for retailers and undermining investment certainty.

Across Australia, retailers and manufacturers are required to comply with varying State and Territory Sustainability legislation. Consequently, businesses must adapt operations to meet varying standards, increasing administrative burdens, requiring additional resourcing, and disrupting supply chains, especially as businesses respond to packaging bans and product restrictions.

Each state and territory have their own environmental regulations, including application fees, environmental levies, and investments requirements in new technologies. These variations create a complex compliance landscape, particularly for national businesses, with disproportionate impacts on SMEs.

Australia's retail and manufacturing sectors face significant financial burdens from stealth taxes and levies embedded in state and territory environmental legislation, which increase operational costs without being explicitly labelled as taxes. State Environmental laws impose load-based licensing fees tied to pollutant emissions or waste, costing manufacturers hundreds to thousands annually depending on output. Waste levies and landfill charges vary between States, and single-use plastic bans, require costly supply chain adjustments and compliance audits. Additionally, heightened enforcement against greenwashing under the Australian Consumer Law in states forces businesses to fund third-party certifications to substantiate environmental claims, with non-compliance fines reaching \$50 million.

To support a consistent and investable national sustainability framework, the ARA and NRA recommend the Federal Government deliver the following:

1. **Long-term policy certainty** to enable businesses to undertake sound investment in significant waste diversion initiatives without risk of fragmented or ever-evolving policy.
2. **National leadership through alignment** by working to harmonise policy across states and territories to reduce unnecessary fragmentation cost.
3. **National alignment on kerbside standards and well-established national programs**, such as the Australasian Recycling Label, so businesses can invest in designing for recovery and have confidence it will be recovered.
4. **National harmonisation for existing and future product stewardship schemes** to enable broader business participation and reduce operational complexity, particularly for businesses operating across multiple product categories and jurisdictions.
5. **Drive domestic supply and demand for recycled content** so businesses can access and afford more circular materials collected and remanufactured in Australia.
6. **Encourage State and Territory Governments to reinvest waste levy proceeds** solely into proven, accountable initiatives that will drive down the cost of waste diversion, which is currently comparable to landfill for many businesses, especially small retailers.
7. **Fast-track investment in recycling and composting infrastructure and encourage States and Territories to commit to investment**, so businesses and citizens have reasonable access across Australia.
8. **Attract public-private sector innovation through clear policy and partnerships, across States and Territories**, which will unlock sound, long-term investment.
9. **Increase accountability and transparency across the whole value chain**, including holding waste and resource recovery to best practice, not bare minimum, standards.
10. **Harmonise successful programs which have proven to reduce litter and generate economic opportunity**, such as Container Deposit Schemes (CDS).
11. **Focus initiatives on high volume priority materials, such as soft plastics, recyclable plastic, recyclable fibre, and organic waste**, while progressing urgent work on emerging issues such as batteries and textiles.

2.2 Retail's Role in Public Health and Nutrition Policy

The retail sector plays a vital role in shaping the nutritional habits of Australians. Retailers are uniquely positioned to promote healthier food choices and support government efforts to reduce food insecurity and waste, particularly important during periods of economic uncertainty, when household budgets are tight, and food access is more vulnerable. By working in partnership with government, retailers can support better public health outcomes while strengthening national food system resilience and reducing long-term pressure on health budgets.

To enhance access to nutritious foods while supporting businesses, we propose the following key initiatives:

2.2.1 Focus on Collaborative Solutions Over a Sugar Tax: The industry does not support the introduction of a sugar tax, due to its regressive impact on low-income households and the lack of strong evidence linking it to sustained behavioural change. Instead, collaborative efforts between government, industry, and community can drive healthier consumer choices. These efforts include supporting reformulation initiatives, increasing access to affordable fresh food, and promoting education campaigns that empower consumers to make informed dietary decisions.

2.2.2 Support self-regulation in advertising: Blanket advertising bans can lead to unintended consequences, including reduced consumer choice and disproportionate impacts on small businesses. Industry has proactively led and implemented the Australian Association of National Advertisers (AANA) Code of Practice,

AANA Food and Beverages Advertising Code, AANA Children's Advertising Code, Broadcasting services Standards 202, Outdoor Media Association National Health and Wellbeing Policy 2020 and the ABCL Sugar Reduction Pledge, the guidelines have established and agreed parameters that the food and beverage industry must adhere to.

Currently, businesses are navigating two different State and Territory advertising bans in South Australia, and the Australian Capital Territory, and using outdated, *2013 COAG Guidelines*. The most suitable government-led nutrient profiling model for assessing food and beverage healthfulness in Australia is FSANZ's Nutrient Profile Scoring Criterion (NPSC). Based on the UK Food Standards Agency's model for regulating advertising to children, the NPSC relies on objective data from mandatory nutrition labels and ingredient lists. It is enforceable, with food authorities having over a decade of experience using it to regulate nutrition, health, and related claims. To enhance outcomes without imposing undue burdens on the retail sector, we recommend maintaining the AANA Code as the industry standard.

Advertising restrictions also increase compliance costs for retailers, particularly where state-specific product bans or food marketing rules require signage redesign, legal review, and adjustments to promotional content, ultimately reducing revenue opportunities and adding to administrative burden.

2.2.3 National Consistency in Food Labelling: Harmonise food labelling requirements across states and territories, focusing on systems like the Health Star Rating (HSR) and Nutrition Information Panel (NIP) to provide clarity for consumers while reducing compliance burdens. Retailers oppose unnecessary additions, such as kilojoules per 100g on menu boards, which create confusion and operational challenges.

2.2.4 Educate Consumers on Nutrition and Food Waste: Launch national campaigns to educate Australians on nutrition, meal planning, and food waste reduction. Collaborate with retailers to address barriers to fresh produce consumption, such as cost and shelf life, empowering consumers to make healthier and more sustainable choices.

2.2.5 Support Retailers in Providing Healthier Options: Build on the industry's ongoing efforts to reduce sugar, salt, and fat in products through voluntary programs and targeted incentives. Support investment in fresh food safety, refrigeration, and supply chain upgrades to expand healthier options, particularly in regional and remote areas.

By prioritising consistency in labelling, voluntary reformulation, and comprehensive education campaigns, this approach ensures practical, effective measures to promote healthier eating without creating unnecessary regulatory or financial burdens on businesses and consumers.

2.3 Strengthen domestic supply chains and logistics infrastructure

Retail supply chains are increasingly exposed to geopolitical and environmental risks. Improving resilience requires a focus on domestic capability, efficient freight and logistics systems, and data-driven coordination between suppliers, manufacturers, and retailers.

The ARA and NRA support:

- Harmonising freight and transport regulation across jurisdictions – adopt a single national framework that standardises vehicle-weight limits and other operational rules to remove costly inconsistencies.
- Prioritise freight-dedicated infrastructure corridors – direct new investment to strategic road and rail routes so goods move faster and congestion is cut along critical supply lines.

- Protect industrial land for long-term network capacity – introduce zoning safeguards to prevent key freight and logistics hubs being displaced by residential or commercial developments, and ensure sufficient industrial land supply is available across our cities to support e-commerce fulfilment, last-mile delivery, and proximity-based inventory placement.
- Improve national coordination of freight planning and investment – establish a long-term, government-backed plan with ring-fenced funding and fleet-transition support (low- and zero-emission vehicles) to future-proof supply chains.
- Reduce cross-border regulatory burden on supply chains – improve alignment and streamlining of compliance requirements for goods moving across borders, including schemes like Illegal Logging Prohibition compliance, which impose duplicative reporting obligations on retailers importing finished timber or composite products.

2.4 Support workforce adaptability and training

A resilient economy requires a retail workforce equipped to handle digital transition, changing customer expectations, and evolving business models. Retail already plays a critical role in training and employment pathways, particularly for young Australians, but underinvestment in targeted skilling risks holding the sector back. Traineeship commencements in the sector in 2024 were around one-third the level in 2022, due significantly to scaling back of employer incentives and a reprioritisation of support to other sectors.

Given retail's importance in early career development, there is a need for an urgent response to ensure fit-for-purpose training investment and delivery lifts.

The ARA and NRA recommend:

- Expansion of short-form micro-credentials for retail and digital skills, with standardised quality requirements under the National Micro-credential Framework;
- Greater access to VET funding for industry-aligned retail training through RTOs;
- Government co-investment in employer-led upskilling initiatives, including the development of modular training programs that align with national frameworks and provide formal recognition of internal workplace training;
- Maintain and strengthen employer incentives to ensure continued participation in retail traineeship programs;
- Implementation of integrated training systems to reduce duplication and support clear progression pathways for retail workers.

2.5 Streamline planning and environmental approvals to unlock retail investment

Delays in planning and environmental approval processes hinder productivity and limit timely investment in critical retail infrastructure, such as fulfilment centres, warehousing, and last-mile logistics hubs. Depending on the location and project type, retailers may need to navigate dual state and federal systems, increasing cost and administrative burden.

The ARA and NRA recommend:

- Reviewing and streamlining planning and environmental approvals across jurisdictions, particularly for logistics and infrastructure projects aligned to retail supply chains;
- Establishing national principles for faster approvals with shared benchmarks between federal, state, and local regulators;
- Encouraging pre-approvals or fast-track pathways for retail-critical projects, such as energy grid access and fulfilment centre development.

3. STRENGTHENING BUDGET SUSTAINABILITY

The sustainability of the federal budget depends on a strong and diverse economy, underpinned by private sector growth, efficient regulation, and employment participation. Retail contributes to each of these outcomes, as a major taxpayer, a training ground for future workers, and a critical touchpoint between households, business, and government.

However, many policy and regulatory settings continue to drive unnecessary cost and complexity, particularly for small and medium-sized businesses. Targeted reform can improve budget sustainability by reducing wasteful duplication, encouraging business-led investment, and enabling more people to participate in the workforce.

3.1 Align business tax settings to improve competitiveness and clarity

Australia's two-tiered company tax system has created unnecessary complexity and disincentives to scale. From the retail sector's perspective, many businesses that are operationally small, with narrow margins, lean teams, and regional footprints, are excluded from lower tax rates simply due to their turnover. This challenge is compounded by growing competition from ultra-low-cost international platforms, which face fewer regulatory and tax barriers. A unified company tax rate of 25% would reduce compliance complexity, improve certainty, and create a more competitive tax environment for businesses of all sizes, particularly those reinvesting in growth, jobs, and innovation. This approach is consistent with broader industry recommendations and would support a simpler, fairer and more productivity-enhancing tax system.

The ARA and NRA support:

- Move toward a unified 25% company tax rate to simplify the system and support business investment and growth;
- Maintain and expand access to the instant asset write-off by:
 - Making the scheme permanent to support long-term investment;
 - Increasing the threshold to \$50,000 per asset for businesses with turnover up to \$50 million; and
 - Allowing full expensing for large productivity-enhancing capital investments (e.g. AI, automation, logistics, refrigeration and software, machines that prevent waste and enables labour to be redeployed to more productive activity).
 - Introducing immediate asset write-offs as opposed to depreciation
- Aligning small business definitions across Commonwealth agencies to reduce confusion and improve targeting;
- Indexing thresholds to reflect inflation and economic growth.

3.2 Prioritise regulatory simplification to reduce compliance costs

Every dollar spent navigating red tape is a dollar not spent on growth, employment, or innovation. According to Deloitte, retailers collectively spend an estimated \$3.6 billion each year on compliance-related costs, highlighting the scale of the opportunity to reinvest in jobs, wages, and productivity through targeted simplification.

Reforms should prioritise:

- Consolidating duplicative reporting frameworks (e.g. ESG disclosures, product labelling, tenancy compliance);
- Reforming payroll tax, which varies between States and Territories, to prompt growth in employment and improve the quality of business productivity;
- Reforming stamp duty, slow transactions and development on business and franchisee property. We encourage consideration for business liability for stamp duty;

- Introducing mandatory regulatory impact assessments for new rules that create compliance costs for small businesses or impose inconsistent obligations across jurisdictions;
- Encouraging states and territories to adopt nationally consistent models where possible.

CONCLUSION

The ARA and NRA thank the Government for the opportunity to contribute to the Economic Roundtable consultation. As the representatives of Australia's largest private sector employer, we are committed to supporting policy reform that builds a more dynamic, resilient, and future-focused economy.

We welcome further engagement with Treasury, the Productivity Commission, and Federal Government to ensure that the unique role of retail, as a driver of employment, investment, and consumer confidence, is fully recognised in the national reform agenda.

Any queries in relation to this submission can be directed to our policy team at policy@retail.org.au.