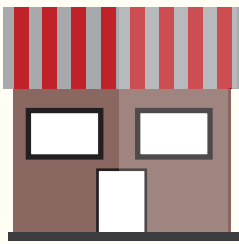


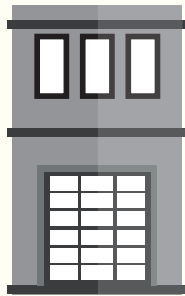
# BUSINESS SET-UP, TRANSFER AND CLOSURE: DRAFT REPORT

## 2.6 MILLION BUSINESSES

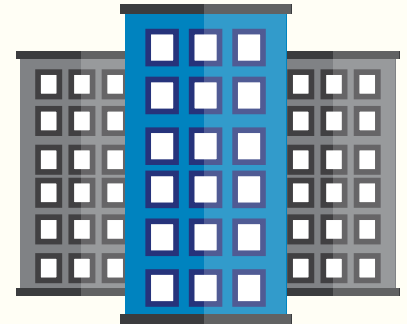
SMALL 97.6%



MEDIUM 2.2%



LARGE 0.2%

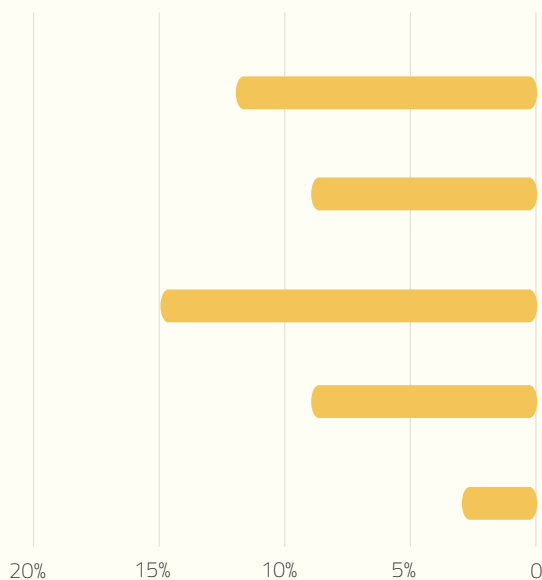


## BUSINESS ENTRY AND SURVIVAL RATES ARE SIMILAR TO OTHER COUNTRIES

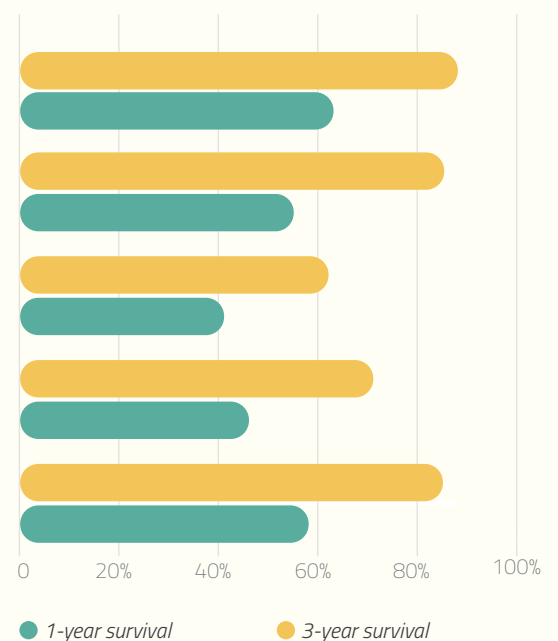


of businesses close each year for reasons other than financial failure. They can be **sold, passed onto family members, associates or employees** or **closed**.

### ENTRY



### SURVIVAL





# BUSINESS SET-UP, TRANSFER AND CLOSURE: DRAFT REPORT

## BUSINESS AND INNOVATION

A very low proportion are innovative

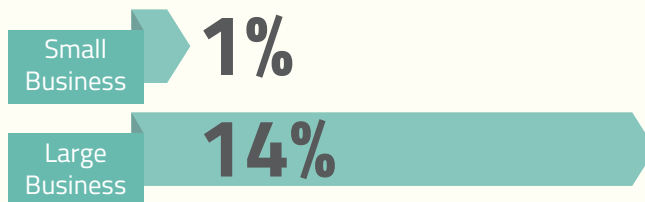
Most businesses are small and a very low proportion are innovative,



**1 - 2%**

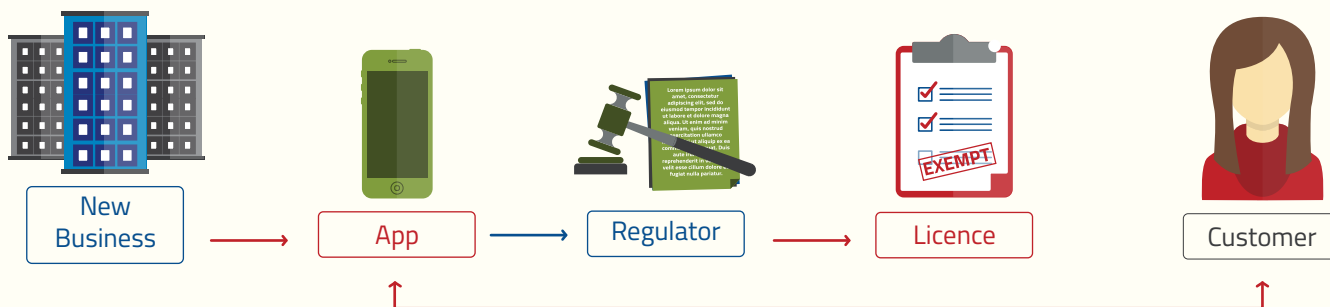
producing a product or service new to Australian or international markets

Small businesses are far less likely to engage in innovative activity or a service that was 'new to Australia' than larger businesses



## POLICY SHOULD CREATE AN ENVIRONMENT THAT ENABLES ENTRY OF NEW AND INNOVATIVE BUSINESS

Our draft report recommends that regulators should be able to provide fixed period exemptions for business from particular regulatory requirements where these deter entry but exemption does not threaten consumer, public health and safety, and environmental outcomes.





# BUSINESS SET-UP, TRANSFER AND CLOSURE: DRAFT REPORT

## MORE INNOVATIVE WAYS TO GET FINANCE HELPS ALL BUSINESSES



New debt financing platforms, such as peer-to-peer lending, are helping to fill the gap in unsecured debt finance available from the major financial institutions.



Participation by lenders in comprehensive credit reporting.



Crowd-sourced equity is provided by both big business and mum and dad investors. A two-tier regulatory structure should be introduced to satisfy the different risk preferences of these investors.