



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY

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Submission Cover sheet

Inquiry into Micro, Small, and Medium Businesses in the ACT Region

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SUBMISSION: Inquiry into Micro, Small, and Medium Businesses in the ACT Region

On behalf of both the Phillip Business Community and Movement Clubs/Communities within the ACT

To the Committee;

Our submission will be broken into two parts, one for the Phillip Business Community looking at local business issues, the other Movement Clubs/Communities looking at small to micro-business issues. Please excuse any grammatical or other errors, I was only informed of this Inquiry and submission dates on Thursday 25th January 2024.

Local Business Recommendations

1. Regular, Scheduled & Locked In Local Business Group Forums
2. Investment Plans for Local Business Communities
3. Small Business Recognition
4. Commercial Leasing Law & Engagement Review

Movement Clubs/Communities Recommendations:

1. Business & Community Ministry Forum with Movement Clubs/Communities
2. Grant Structures & Small Business
3. Community Halls, School Halls & Sporting Facilities

Below detail for each Recommendation

Local Business Recommendations

1. Regular, Scheduled & Locked In Local Business Group Forums

It would be observed that the Business Ministry portfolio is fairly responsive to local business group needs, on several occasions stating that Local Business Groups have been consulted on issues impacting them, but the reality is that most times the engagement has been in the form of a Newsletter and not direct. We recommend Quarterly Local Business Group engagement in the style of a Forum regularly held (possibly in conjunction with the Canberra Business Chamber – but NOT led by them) where each Quarter the Minister for Business attends (and does not representatives instead) to discuss on the ground issues.

These forums would help to highlight real issues plaguing the local business communities (lack of town planning, ongoing maintenance, business condition updates) as well as provide small businesses with a better view of engagement with our MLAs

2. Investment Plans for Local Business Communities

Over the past 8 years there has been growing frustration within the Business Communities at the lack of streetscape maintenance and upgrades happening within our local areas. In Phillip in particular (within the Precinct south of Hindmarsh Drive) there has been patchwork investment into trees and a public toilet, however many of the areas footpaths are broken and dangerous, manholes broken, and other maintenance issues that have jobs logged with FixMyStreet going back to 2019 and beyond without action.

Local Business Owners, some of which are landlords too, often feel that their investment into Rates (which are often borne by the Tenants as a share of the property they lease – a point often overlooked or misunderstood by Government) are not being returned into the area.

It is recommended that the ACT Government engage with Local Business Groups proactively to discuss, engage with on the making of, and develop investment plans showing which investments and upgrades will be made, when, and other future plans would be incredibly helpful in ensuring greater engagement between local business groups and the MLAs responsible.

3. Small Business Recognition

We receive regular email newsletters, plus the social media accounts of the Minister and related Business arms of the Government, having a heavy lean towards recognising new businesses (which is fantastic) however it would appear that there is a need to recognise businesses that have been in Canberra for decades as an indication that Canberra is a place where people can start and continue a business.

Often after investigation, it would appear that the businesses highlighted have sought out the engagement as a publicity exercise, rather than Government initiated, and giving the apparent business free Government advertising.

It is recommended that the Business Ministry seek out older businesses, and not be fearful to seek out businesses who have views that oppose the current political party, as a sign that Government cares about business regardless of how they feel about Government. (Proactive, rather than Reactive)

4. Commercial Leasing Law & Engagement Review

Over the past few years there was a Red Tape reform (or whatever it was called) that focused so heavily on making it easier for businesses to operate in the ACT region. The reform looked inward at the compliance side of things for business – but at no point did it look at the compliance side for Commercial Landlords, Leasing Laws, and the impact that the distorted Commercial land environment within the ACT (the fixed nature of suburbs dedicated to Commercial activities vs local shops).

Currently within the ACT, there is a view that Commercial Leases are a Business to Business arrangement outside the realm of Government involvement. However, the reality quite the opposite. The lack of Government oversight, lagging laws on Commercial Lease guidelines, and apparent disregard by Government, into these arrangements has meant that

Commercial landlords in the ACT failed to engage appropriately with tenants during the Covid Period, continue to use out of date contracts, fail to lodge subleases for all leases (which has potentially negative outcomes if/when a building is sold) and generally including clauses that heavily in favour of the Landlord.

The distorted environment sees landlords sitting on empty tenancies within buildings for sometimes a decade or more. Each year raising the asked price per square meter each year regardless of the fact that the building has been empty for so long. (examples include 2 Shea St, Phillip – with over 1/3 of the building empty since it was built and completed before 2011).

It is recommended that a Review be conducted into Commercial Leasing Law, Engagement between landlords and tenants during the Covid area (current and previous businesses) as well as Commercial Lease costings, with the intent – much like the current Supermarket Inquiry – to look into the terms and relationships between landlords, agents, lawyers, agreements, and tenants for a better commercial leasing environment where Landlords often pass on all risks to the Tenants through lease terms that are onerous and often leave Tenants with no way of negotiating other than using the ACT Supreme court, which favours deep pockets over focusing on a mutually beneficial outcome.

It is recommended that this be completed BEFORE the Molonglo Town Centre precinct is leased to ensure that the new Town Centre is required to have best practice in leasing arrangements, as example to the other areas as leases will need to be updated (I'm sure of it) based on the outcomes and Landlords and Tenants proactively educated on the changes.

Movement Clubs/Communities Recommendations

1. Business & Community Ministry Forum with Movement Clubs/Communities

As was shown during the 2nd lockdown, when we were able to bring together over 30 Dance, Yoga, Martial Arts, and similar businesses to help persuade the ACT Government to add our businesses to the Tourism and Hospitality Grants, Movement Clubs/Communities (Movement Clubs) are an industry in their own right.

With varying structures from Non-for-Profit, Sole Traders, Businesses, Family Trusts, etc, we all have a similar goal to engage members of the ACT Community (children, adults, and the whole spectrum of the community with impairments and spectrum-disorder) to keep moving and stay health. Each style or art-form used to express this goal are just as varied and wonderful in the way that they use physical form and movement, as their business arrangements.

It is often noticed that if you're not holding a ball (cricket, rugby, soccer, etc) in the ACT that it's almost impossible to get media attention to major events, impossible to get Ministry engagement (i.e. I had to write 3 letters over weeks to just get acknowledgement from the ACT Chief Minister during the lockdown – because he wouldn't discuss the issues with me)

It is recommended that the ACT Government hold an annual forum of Movement Clubs on a Saturday afternoon (as we all mainly teach Monday to Friday afternoons/evenings and Saturday mornings), announced with enough notice to ensure engagement, as well as engagement directly via invitation as well as email, social, local business group engagement, etc. With the purpose of highlighting Movement Clubs as just as important as ball sports to the ACT Community.

2. Grant Structures & Small Business

It is recommended that the ACT Government open up more Grants for Community activities to businesses that are not Non-For-Profit, many businesses have had to move to Pty Ltd arrangements for legal reasons (insurances, protecting the personal assets/livelihoods of Instructors etc) and many grants are restrictive in application.

It is also recommended that the ACT Government considers including Grants for “major events” such as Dance recitals, Martial Arts tournaments, that invite interstate travellers to the region (who then go on to book accommodation, spend money in local businesses etc). There is a concern that these events are often overlooked by ACT Government in respect to their economic impacts.

3. Community Halls, School Halls & Sporting Facilities

In the Woden Valley, Weston Creek, and now Molonglo Valley, there is an undersupply of Community Halls, School Halls, and Sporting Facilities available to Movement Clubs. Examples include only 2 halls in all of the Molonglo Valley, one of which being tied up by afterschool program and then the roller derby clubs and basketball clubs dominating the space at all respectable hours (i.e. only available after 9pm most nights).

This compounding with the only other commercial spaces being owned by Landlords looking to seek rent at 150% higher rates than in the Woden area, has presented itself with an issue where many people as you move west still being without adequate access to indoor movement activities.

The Phillip Business Community have been calling, since before 2018 and also a budget submission in 2018, for the need for a Mixed Use Sporting Facility in the Woden area (south of Hindmarsh Drive closer to the community users), and at this point we also call for more inclusion of Mixed Use Sporting Facilities to be added to the future Molonglo Town Centre.

Having access to affordable space would encourage more inclusion for the Movement Clubs that are keen to share their arts outside of Fyshwick, Hume etc, where they cannot afford the high commercial rents in the Commercial shops and building areas.

It is recommended that the ACT Government invest in ACT Government owned Mixed Use Sporting Facilities that have spaces large enough, with flexible design, and are not purpose build, to ensure that both regular use, as well as special events can be catered towards. (An

example is the AIS Combat Centre, with the location being able to cater to Indoor Soccer, Boxing, Martial Arts, Dance, and more.

Thank you for the opportunity to submit these recommendations, I would be very happy to be invited to any face-to-face meetings regarding this Inquiry as well as the above recommendations.

Regards,

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26th January 2024

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