



**ACT**  
Government

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

ACT Government  
Supplementary Submission

ACT Government  
April 2024

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# Background

On 24 January 2024 the ACT Government provided its submission to the Standing Committee on Economy and Gender and Economic Equality's Inquiry into Micro, Small, and Medium Businesses in the ACT Region.

On 6 March 2024 Committee Chair James Milligan MLA wrote to the Minister for Business asking the ACT Government to make a supplementary submission to address questions arising from submissions the Committee had received.

The questions contained in that letter are outlined below, with ACT Government responses to each.

## Regulatory burden

### **1. Which actions from the May 2022 Better Regulation report are still outstanding, and what is the timeframe for their implementation?**

The [Better Regulation Report](#) comprises two streams of government reform action. Both are considered equally important for achieving better regulation outcomes for businesses. Stream 1 is about improvements to current policy settings and legislative frameworks to improve outcomes for businesses. Stream 2 is about making government and business interactions better, faster and simpler.

Of the actions in the Better Regulation Report work program under Stream 1: policy and legislation, and Stream 2: business experience and regulator practice, a small number will now be delivered later in 2024 or 2025 because they are either lower priority reforms or require further policy analysis and/or alignment with reforms in other jurisdictions. These include the following:

- A review of how statutory declarations and deeds are executed is being progressed in alignment with reforms undertaken by the Commonwealth Government and other jurisdictions. In line with the timeframe agreed by the Commonwealth and jurisdictions, these reforms are likely to progress into 2025.
- The removal of references to outmoded payment methods, including cheques, from legislation is also being advanced and is likely to progress into 2025 due to the ACT election in 2024 and the timing of the passage of any legislation required.
- The creation of an infographic of 'who's who' to contact in regulatory agencies has commenced in collaboration with applicable business areas within the ACT Government.
- The development of a sandbox protocol as well as the development of a model for human centred design have been identified components of a regulatory quality framework for the ACT. As the Better Regulation Report notes at page 29, the development of a regulatory quality framework for government endorsement is flagged as a possible future reform.

It should also be noted that actions in the Better Regulation Report relating to procurement (which have not already been completed) are progressing as part of the [Procurement Reform Program](#) being led by Procurement ACT. For example, the *Government Procurement Amendment Act 2024* which commences from 1 July 2024 proposes changes to the quotation and tender thresholds that determine the way in which the ACT Government approaches the market. For procurements between \$25,000 and \$500,000 (or \$1,000,000 for services relating to construction) three written quotes must be sought. Exemptions from the requirement to seek three written quotes will be available where:

- territory entities seek a quote directly from Certified Aboriginal and Torres Strait Islander enterprises; or
- where the Territory entity seeks two quotes with one quote from each of a local business or a small to medium enterprise (SME).

This maintains the ACT Government’s commitment to the promotion of local industry participation in procurement by providing an incentive to buyers to seek quotes from local businesses.

The review of the Night-Time Economy has been completed and actions arising from this review are subject to the passage of legislation (see the *Liquor (Night-Time Economy Amendment Bill 2024)*) and further consideration by Government of the results from the [Noise in Entertainment Precincts](#) discussion paper.

A small number of the actions in the Better Regulation Report will always – and should – be ongoing. Under Stream 2, the use of data to inform regulatory focus and protections, and the identification and streamlining of reporting sources duplication through detailed mapping of business experience is considered part of the overall framework for better regulatory practice and will always be ongoing.

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- a. Which programs initiated under the Better Regulation Report to support and grow the business sector are succeeding?***
  - b. To what extent are they succeeding?***
  - c. What lessons can be learned from the outcomes to date?***

The ACT Government’s focus is to make it easier to do business in the ACT. Businesses are supported to start, run and grow by putting in place better regulatory settings, and simplifying interactions between business and government.

The ACT Government is making interactions with business better, faster and simpler by improving the rules, regulations, government processes, information and supports for business.

Success in this context means the degree to which the reform measures are achieving their desired aims. As many of the actions initiated under the Better Regulation Report are new and/or soon to be introduced, it is too early or not possible to make an assessment as to whether they are succeeding. However, the below provides some early indicators of success against distinct reform measures.

The Night-time economy reforms introduced on 1 January 2024 have been successful in reducing liquor licensing fees for 116 licensees. As at January 2024, trading hours have been extended to 2am for 96 liquor licensees, and in relation to the removal for general licensees to have a separate on and off area, 78 licensees became eligible to apply to update their floorplans. The *Liquor (Night-time Economy) Act 2024* introduced a further package of reforms with the aim of delivering a more flexible and responsive regulatory environment to support businesses operating in the Night-time economy, and support vibrancy and artistic and cultural expression.

All jurisdictions are challenged by understanding how their night-time economies are performing and are considering how to develop a baseline data set to understand the health of economies after dark and to inform decision making. The ACT Government benefits from its membership of the Council of Capital Cities Lord Mayors and the leading work this forum does to support jurisdictions to address these challenges in measuring the health of their night-time economies.

Some actions initiated under the Better Regulation Report have removed unnecessary regulatory requirements. For example, during consultation, the ACT Government heard from businesses that the ACT

refresher course for responsible service of alcohol (RSA) was a barrier to hospitality businesses. The guidelines instrument was amended so interstate workers who have already completed RSA training in their home state now only need to do an ACT refresher course every three years when their interstate RSA certificate expires. This has helped every ACT business that requires staff to hold an RSA certificate.

Similarly, Automatic Mutual Recognition (AMR) in the ACT is a significant reform which removes unnecessary regulatory requirements for occupational licensing. As a result of AMR, ACT businesses can quickly and easily onboard interstate workers. The uptake of AMR has been significant. As of 12 March 2024, there were 1,162 Notice of Intent to Work lodgements made from interstate licence holders. The majority of interstate workers are coming from NSW, with 1,017 notifications. Others include 104 notifying from Victoria, 21 from South Australia, 15 from Western Australia, four from the Northern Territory, and one from Tasmania.

The top five occupations of individuals using AMR to work in the ACT are:

- Security staff – 526 notifications;
- Real estate agents – 199 notifications;
- Dealing with regulated radiation source personnel – 121 notifications;
- Architects – 94 notifications; and
- Assistant Real estate agents/salespersons – 53 notifications.

Under the Better Regulation Report, the ACT Government has completed several reviews of regulatory frameworks to better inform government decision making. For example, the ACT Government reviewed the Local Industry Participation Policy; short-term rental accommodation, employment agents and the Night-time economy and the findings of these reviews have contributed, or are contributing an informed government position on these issues. These reviews have successfully engaged with key stakeholders to obtain views and insights on policy options and have included an assessment of settings in other jurisdictions. Further information about the reviews and engagement is publicly available [here](#) (Outcomes of the Better Regulation Taskforce).

Under Stream 2 of the Better Regulation Report's Agenda, Access Canberra has successfully established the Events Coordination and Business Assist (ECBA) team to provide targeted support to businesses to navigate regulatory requirements and to try new things. The ECBA team provides proactive, one-on-one business support. As well as internal government referrals, direct email and phone lines are available, and bookable appointments. Support is provided to more than 100 businesses in the ACT each year with regulatory approval information. More than 120 event organisers are also supported annually with the coordination of over 400 regulatory approvals. Further information in relation to this action is provided in the response to Question 5.

To provide clearer information to businesses and the wider community, the Access Canberra website redesign project has delivered very positive outcomes.

- Feedback from users remains overwhelmingly positive.
- Heat mapping technology indicates users are finding content quickly.
- Contact Centre call handle time reduced from six to four minutes as operators find information quickly.
- Calls to 13 22 81 reduced, particularly in areas of focus for simplified content – for example, licensing and registration calls have are down by 20 per cent, and Working With Vulnerable People (WWVP) calls are down by 25 per cent.

- Contact Centre reports highlight fewer frustrated calls regarding an inability to find web content.

Two actions initiated under the Better Regulation Report which will also contribute to the evaluation of the reform agenda include the following.

- A pilot Business Sentiment Survey about a business's economic experience, expectations and intentions, sentiment regarding interactions with the ACT Government, including where business sees issues (for example, regulatory hurdles, inspections, etc.), and the services and supports ACT businesses have accessed and/or would like to see from the ACT Government. The pilot survey is currently being evaluated for its effectiveness to deliver these insights.
- A regulatory value and burden research project in partnership with the Australian National University (ANU) School of Regulation and Global Governance (RegNet) to develop options to better measure and benchmark regulatory burden. This project involves quantitative and qualitative evaluation methods. The ANU's pilot survey, which has been designed in coordination with the Business Sentiment Survey outlined above, includes a range of Night-time economy businesses and will help to measure the value and burden of existing regulatory frameworks, which will:
  - help inform the design of fit-for-purpose regulatory reform action;
  - transparently and objectively measure the success (or failure) of regulatory reform over time; and
  - drive data-informed approaches to enhance regulator practice.

Both of these projects will facilitate a continuous reform improvement process and help to monitor the reforms as they are being rolled out.

The ACT Government continues to explore options for meaningful engagement with business to clearly identify the issues that are imposing a burden when businesses are time poor. Peak bodies providing advocacy for businesses and specifically identifying regulatory burden is welcomed.

### ***3. How do the costs of running a business in the ACT, such as rates, taxes, licence fees and charges, and other expenses, compare with other jurisdictions?***

When developing options for reform, the ACT Government takes account of regulatory frameworks across jurisdictions, including fees and charges, to help inform the best policy advice. However, it would be a complex and costly exercise to undertake a comprehensive, cross-jurisdictional comparison of all the costs of running a business that retains currency.

There are a multitude of inputs that contribute to businesses' fixed, variable, direct and indirect costs. Jurisdictions may impose costs and requirements at both the state and local council levels. Rates, taxes, licence fees and charges, and other expenses change regularly across jurisdictions. Context is also important, as no two businesses are the same, making like-for-like comparisons across jurisdictions problematic.

# Business engagement

## **4. Does the ACT Government, through its agencies, offer sufficient support to micro, small and medium businesses?**

The ACT Government offers a range of support and assistance resources to local businesses. Multiple channels and networks are used to communicate these supports.

The [ACT Business Hub](#) is a central portal bringing together a range of government information for businesses. A vital communication tool during the COVID-19 pandemic, it has since been revitalised to provide clear and easily accessible information. Since July 2023 the Hub has received more than 5,100 views of the website homepage, with the top five viewed pages being:

1. [Get help and advice](#): 5,996 page views;
2. [CBR Small Business Expo](#): 4,389 page views;
3. [Apply for grants and funding](#): 2,453 page views;
4. [Start a business in Canberra](#): 1,832 page views; and
5. [Start a food business in Canberra](#): 1,740 page views.

The CBR Business Update is a fortnightly e-newsletter distributed to approximately 7,500 subscribing Canberra business owners and business stakeholders. The CBR Business Update e-newsletter has a very high open rate of 53.8 per cent, well above the industry standard for Government of 19.4 per cent.

The Canberra Business Advice and Support Service (CBASS) provides cost-free business planning, financial advice and legal referrals. Since July 2023:

- more than 200 unique businesses have engaged with the program, with just under half being women business owners or intenders; and
- referrals have been made to subject matter experts for legal, accounting, marketing, investment, digital development, Human Resources expertise, insurance and compliance advice.

The Badji Program supports Aboriginal and Torres Strait Islander people wanting to start or grow a business, providing culturally appropriate support to access mentoring and coaching, co-working office space and resources, and connections with existing eco-system programs. Since the program commenced in June 2022 Badji has:

- supported 41 local Indigenous businesses across a range of industries including Healthcare, Arts and Recreation, Administration and support, Consultancy, Construction, Education and training, and Cultural services; and
- provided support and assistance around marketing activity, administration, recruitment, funding opportunities and grants assistance.

Making things simpler and easier gives business owners more time to work on their business, fuelling innovation and growth. Through Access Canberra, the ACT Government is focused on giving small businesses back time by making interactions with government better, faster and simpler. Since launch of the upgraded Access Canberra website in October 2023 the [Access Canberra Business and Work](#) homepage has received more than 234,000 views, with the top five viewed pages being:

1. [Apply for or renew a WWVP registration](#) (information page): 66,242 page views;
2. [Working with Vulnerable People](#) (topic page): 36,626 page views;
3. [Justice of the peace](#) (information page): 13,019 page views;
4. [Security industry licences](#) (information page): 9,583 page views; and

5. [Building and construction](#) (topic page): 8,671 page views.

**5a. How many inquiries has the Canberra Business Assist Team engaged with?**

The Access Canberra Business Assist (ECBA) team has received and assisted with 158 unique business enquiries since 1 July 2023 (as at 18 March 2024). Approximately 40 per cent of enquiries received pertain to hospitality businesses, including restaurants, cafes, home-based food businesses and mobile food businesses, such as food trucks. Other enquiries relate to varied business types, including industries such as education, retail, beauty, hairdressing, entertainment, fashion, technology, and logistics.

**5b. What is the nature of these inquiries?**

Enquiries are from new or existing businesses seeking information on relevant approvals and endorsements they may need to start or grow a business in the ACT.

**5c. What are the wait times for a response?**

The Access Canberra ECBA team has an accountability commitment to engage with a business within five business days of receiving the query, although it is often sooner than that. Generally, most businesses are ready to progress with their applications within two business weeks from contacting the team.

**6. When was the last time you as Minister, or senior directorate personnel, attended or engaged with micro, small and medium businesses in the ACT, and how often is there direct contact at these levels?**

Ministers and senior directorate personnel across the ACT Government continuously engage with, consult and attend events with small business owners and operators. The role of Minister for Business involves frequently attend attending business events, meetings and fora, engaging directly with small business owners and employees. Senior personnel from the Chief Minister, Treasury and Economic Development Directorate (CMTEDD), particularly across Economic Development and the Better Regulation Taskforce regularly engage with business owners, business advocacy groups and key sector representatives, with those interactions aimed at supporting businesses to start, operate, innovate and grow from Canberra.

Within the timeframes to respond, it is not possible to collate the multiple engagements that have occurred with micro, small and medium businesses across ACT Government. The following are examples of attendance and engagement that has occurred.

1. ACT Government officials attend monthly Canberra Innovation Network (CBRIN) First Wednesday Connect events, bi-monthly CBRIN Female Founder events, regular ongoing engagement with local businesses at stakeholder events, local business expos such as the Sustainable Canberra Expo (run by the Environment, Planning and Sustainable Development Directorate [EPSDD]), the Colour in Canberra business expo, Canberra Indigenous Business Network's (CIBN) Indigenous Procurement Showcase, CIBN monthly Black Coffee meetings, Lighthouse Business Innovation Centre (Lighthouse) meetings and networking events (Lighthouse delivers CBASS on behalf of the ACT Government) and monthly meetings of the Canberra Region Tourism Leaders Forum. Directorate officers, including senior personnel, meet and speak with local business owners as part of these engagements.
2. Targeted consultation with small business in the advanced technology sector has occurred through networking events hosted by the Canberra Cyber Hub and consultation with business to develop concept designs for quantum and space hubs.

3. Senior officials from the Better Regulation Taskforce meet directly with businesses to (i) progress specific items of regulatory reform and/or (ii) understand opportunities for future reform. The most recent engagements by senior personnel from Economic Development and the Better Regulation Taskforce include:
  - Site visits with businesses in the construction industry:
    - Complex Co Pty Ltd, 5 March 2024
    - Elevated Constructions, 6 March 2024
  - Presentation and discussion of the new model rules to incorporated associations, 13 March 2024.
  - Presentation to businesses in the liquor industry through the Liquor Advisory Board. The Taskforce most recently presented to the Liquor Advisory Board on 20 February 2024, in addition to two occasions in 2023.

The Taskforce also meets with individual businesses from time to time to discuss challenges and opportunities. For example, in 2023 the Taskforce and Access Canberra officials met with a business located in the city to work through solutions under the liquor licensing framework, enabling the business to program a series of events over summer.

4. Major Projects Canberra (MPC) engages regularly with micro, small and medium businesses in the ACT relating to the planning, design, delivery and construction of infrastructure projects and programs across the ACT. Engagement occurs every week with local Canberra businesses whether through meetings, phone calls, emails, information sessions or dedicated information fora across all projects.

Senior officials also lead or attend regular engagement and roundtables with peak bodies and representatives from the Construction, Infrastructure and Engineering sectors in the ACT, who are primarily represented by local SME business owners. These include quarterly meetings with the executive of the Master Builders Association and Consult Australia, as well as regular meetings with Infrastructure Australia, the Property Council of Australia and select contractors.

5. The ACT Government's Chief Engineer role plays an important part in bringing industry together to innovate, collaborate and share knowledge. In 2022-23, the Chief Engineer hosted various discussions with local business including the Chief Engineers Innovation Forum, which was attended by around 100 participants from across industry and government.
6. EPSDD reports that most recently, the following Climate Change and Energy, Business and Economic Development engagements were attended by the relevant Minister and senior EPSDD personnel:
  - new grants announcement – Round 3 Renewable Energy Innovation Fund;
  - The Energy Innovation Fund Launch – networking event and funding launch, with over 30 representatives from small, medium and large businesses involved in Canberra's renewable energy ecosystem;
  - The Battery Storage and Grid Integration Program (BSGIP) five-year anniversary networking event; and
  - A site visit to Mugga Lane Solar Park.

The following engagements were attended by EPSDD's Business and Economic Development team:

- site visits to grant recipients of the Energy Innovation Fund;
  - A site visit to Global Power Generation (GPG) Canberra headquarters (GPG owns and operates Crookwell Berrybank 2 Windfarms); and
  - site visits to approximately 100 micro, small and medium business engaged with the Sustainable Business Program.
7. As part of its administration of the City Centre Marketing and Improvements Levy (CCMIL), the City Renewal Authority (CRA) facilitates the CCMIL Advisory Group. This group is made up of commercial property and business owners and meets quarterly to provide advice to the CRA on the evolving needs of businesses to inform the administration of the CCMIL. Meetings are chaired by the CRA's Chief Executive Officer. The most recent meetings were held in April, September and November 2023. The next meeting is anticipated to occur in April 2024.

**7. How many times in the last financial year has the ACT Government or its agencies engaged with local business groups through forums and other mechanisms other than through peak bodies?**

The ACT Government engages and communicates with local businesses in numerous ways. These include the:

- *CBR Business Update* – a fortnightly e-newsletter that goes to more than 7,000 stakeholders;
- ACT Small Business Industry Consultative Forum;
- Canberra Region Tourism Leaders Forum;
- ACT Business Hub website – [act.gov.au/business](http://act.gov.au/business); and
- ACT Government social media accounts (for example, LinkedIn).

Economic Development also works closely with stakeholder groups to ensure they have information to communicate with their members, including:

- Canberra Business Chamber;
- Canberra Women in Business;
- Lighthouse Business Innovation Centre;
- The Mill House Ventures;
- Canberra Innovation Network;
- Peak bodies such as the Australian Hotels Association and Master Builders Association;
- Canberra Region Tourism Leaders Forum;
- Chartered Accountants; and
- Realise Business.

The 'Helping Canberra Businesses Thrive' campaign is currently in market and promotes programs to support local businesses.

In October 2023, an ACT Government Business Hub was established at the Sustainable Canberra Expo to provide local businesses with information on the range of business-relevant programs and supports provided by the ACT Government.

Planning is currently underway for the ACT Government's inaugural a Small Business Expo, to be held on 9 May 2024. The Expo is targeted at a local SME audience and will offer networking opportunities and connect SMEs to business and government supports.

The Access Canberra ECBA team provides one-on-one support to businesses in the ACT when dealing with government.

There are a range of surveys that have reached out to businesses in the past year, including:

- the Business Sentiment Survey, which was conducted in October/November 2023;
- the CRA ran a survey in February/March 2023 to obtain feedback on how we prioritise investment into the City Centre and Braddon; and
- the Government worked with the Canberra Business Chamber to deliver an International Business Survey in March 2023.

There are also a range of consultations that the ACT Government has undertaken with business including around:

- circular economy and single use plastic;
- noise in entertainment precincts;
- same day liquor licencing changes; and
- the ACT's plan to electrify the city.

The ACT Government developed the Canberra Toolkit to provide businesses with a range of resources to help recruit staff. This is an important part of the ongoing workforce attraction campaign.

The Better Regulation Taskforce engages with local business through forums and other channels to progress specific reform actions. Details of these interactions can be found [here](#).

In the financial year 2022-23, the Taskforce undertook the following engagements with businesses:

- Interviews with businesses for the end-to-end mapping of the business user experience (September to November 2022). We heard from a range of businesses including:
  - cafés, restaurants and takeaway services;
  - pubs, taverns, and bars; and
  - food trucks and mobile vendors.
- Consultation on draft model rules for incorporated associations over a 12-week period (January to April 2023). We heard from 99 stakeholders and received 76 qualitative submissions. The new model rules commenced on 1 February 2024.
- Consultation on a discussion paper regarding the regulation of employment agents (January to March 2023).

In this financial year to date, the Taskforce has undertaken the following consultations with businesses to progress specific reform proposals:

- three industry stakeholder panels for the Night-time Economy review (August to September 2023) to consider and respond to issues relating to:
  - Liquor Reform;
  - Governance;
  - Safety and Purple Flag Accreditation;
  - Noise standards and management; and
  - Supporting diversification of business opportunities.
- Consultation on the Noise in Entertainment Precincts Discussion Paper (December 2023 to February 2024). The consultation paper was made available through the YourSay Night-time Economy webpage, available [here](#).
  - We sent emails to over 100 stakeholders and delivered approximately 450 flyers to the letterboxes of residents and businesses in entertainment precincts.
  - We heard from a total of 12 businesses as well as 183 musicians, artists and entertainers.

MPC recognises that major infrastructure projects can create short-term disruption for businesses in the area surrounding works. MPC is committed to working with businesses during the delivery of major infrastructure to help minimise the impacts of construction and keep businesses well informed.

MPC reports that engagement with City businesses has increased significantly as construction on the Raising London Circuit (RLC) project continues and as MPC prepares for the commencement of construction of Light Rail Stage 2A.

Several rounds of door-knocking have occurred in and around the construction footprint to inform and engage local businesses on the project. In 2022, MPC door-knocked more than 150 City businesses relating to RLC. In the last six months, approximately 120 door-knocking visits have been conducted near the Stage 2A footprint. These recent visits were used to distribute project information on early works, as well as introducing businesses to their Government Relationship Manager during construction.

Door-knocking supports other engagement mechanisms with businesses such as information sessions, emails and the distribution of contact cards, fact sheets and notifications. Businesses have also been encouraged to register via email to receive regular electronic notifications.

Engagement has started with businesses along the Light Rail Stage 2B alignment, including in the National Triangle. This engagement is primarily with Commonwealth Government departments and large employers, but has included meetings with eight local businesses (as at 20 March 2024). Engagement with SME businesses along the Light Rail Stage 2B alignment will increase in 2024.

The Canberra Theatre Centre Redevelopment Project will also increase engagement with local businesses in 2024. To date, the MPC team has met with 17 local businesses.

In the Woden Town Centre, MPC continues ongoing engagement with local businesses relating to construction of the CIT Woden Campus and new Public Transport Interchange. In the last financial year, the project team has ensured local businesses were heard and supported during construction through the establishment of a Construction Information Group (CIG). This group represents business, resident and local interest groups in the area and is made up of nine representative members. The purpose is to share project information, share progress updates, answer questions and collaborate where possible to solve issues. Most recently in late 2023, the team also door-knocked and distributed information to approximately 120 businesses in and around the Woden Town Centre, providing a face-to-face opportunity for businesses to raise any questions or concerns.

On the Private Buildings Cladding Scheme, the MPC team engages with local businesses on a regular basis, either through one-on-one meetings, or through presentations and various fora. In 2022-23, MPC ran multiple presentations with local business groups, including strata managers, project managers, builders, architects and other service providers, with 165 attendees in total. In the last financial year, the Scheme has also engaged with about 185 members of small businesses via telephone, email and face-to-face meetings, on new and ongoing matters.

Depending on the project and the extent of disruption, there are a range of ways the ACT Government partners with local businesses to help maintain their operations during construction. These methods are outlined as part of a Business Partnership Plan for all major infrastructure projects. Each plan is guided by the [Business Partnership Policy –ACT Government Major Projects](#) and sets out a range of initiatives MPC will deliver to help businesses stay informed and navigate the impacts of construction. The key principles underpinning each plan are:

- the creation of strong and long-lasting relationships and partnerships with impacted businesses;
- the sharing of timely, accurate and transparent information; and
- the establishment of a shared understanding of the issues and impacts relating to construction delivery.

Plans are in place for Raising London Circuit and the CIT Woden Campus project. A plan for Light Rail Stage 2A will be in place before construction commences.

EPSDD further reports that the following Climate Change and Energy, Business and Economic Development engagements have recently been attended by relevant Ministers and senior directorate staff.

- The Climate Choices Business Awards – a networking event with 150 representatives from the ACT business community.
- The Sustainable Canberra Expo – a two-day event including networking with hundreds of representatives from small, medium and large businesses;
- The Renewable Energy Innovation Fund Forum – a networking event with over 30 representatives from small, medium and large businesses involved in Canberra’s renewable energy ecosystem.
- The Sustainable Business Seminar – an information session and networking event with 40 representatives from micro, small and medium businesses.

As outlined in the response to question 6, as part of its administration of the CCMIL the CRA facilitates the CCMIL Advisory Group. This group is comprised of commercial property and business owners, meets quarterly and provides advice to the Authority on the evolving needs of businesses which inform its administration of the levy. The most recent meetings were held in April, September and November 2023, the next meeting is anticipated to occur in April 2024.

## Business health and well-being

### ***8. What is the insolvency rate for micro, small and medium businesses in the ACT, compared with other jurisdictions?***

Australian Securities and Investment Commission (ASIC) data released 22 April 2024 shows ACT business insolvencies totalling 166 to 7 April 2024, an increase of 37.1 per cent on the June 2023 figure of 121.

The sectors most impacted in the ACT were Construction and Accommodation and Food Services. The data identifies 58 Construction sector insolvencies and 39 Accommodation and Food Services sector insolvencies over the same period.

Nationally, business insolvencies have increased by 92 per cent over the same period.

This data shows ACT business insolvencies have returned to levels experienced pre the COVID-19 pandemic. This trend is occurring nationally and is largely attributed to a combination of a reduction in stimulus measures that helped to keep businesses afloat during the pandemic; overall challenging economic conditions; and most prominently, a shift in debt collection policy by the major banks and the Australian Taxation Office.

When compared against the number of business operating, 0.46 per cent of ACT business have entered administration to date in 2024 (business count of 35,865), on par with the national figure of 0.40 per cent (business count of 2,611,688). NSW records 0.49 per cent of businesses entering administration over the same period (business count of 877,478).

**Table 1: ASIC Insolvency Data – 2013-14 to April 2024**

*Number of businesses, principal place of business and industry type to 7 April 2024*

| Year                                       | ACT        | NSW          | Vic          | Qld          | SA         | WA         | NT        | Tas       | Total         |
|--|------------|--------------|--------------|--------------|------------|------------|-----------|-----------|---------------|
| <b>July 2023 to April 2024 all sectors</b> | <b>166</b> | <b>4,325</b> | <b>2,622</b> | <b>1,984</b> | <b>404</b> | <b>810</b> | <b>51</b> | <b>88</b> | <b>10,450</b> |
| Construction                               | 58         | 1,310        | 716          | 444          | 82         | 156        | 9         | 18        | 2,793         |
| Accommodation & Food Services              | 39         | 572          | 365          | 282          | 89         | 91         | 7         | 15        | 1,460         |
| <b>2022-23 all sectors</b>                 | <b>121</b> | <b>2,247</b> | <b>1,488</b> | <b>996</b>   | <b>188</b> | <b>378</b> | <b>23</b> | <b>31</b> | <b>5,440</b>  |
| Construction                               | 39         | 686          | 444          | 239          | 44         | 94         | 2         | 4         | 1,541         |
| Accommodation & Food Services              | 28         | 358          | 194          | 165          | 41         | 47         | 4         | 4         | 835           |
| <b>2021-22 all sectors</b>                 | <b>60</b>  | <b>1,586</b> | <b>1,090</b> | <b>785</b>   | <b>174</b> | <b>307</b> | <b>32</b> | <b>29</b> | <b>4,063</b>  |
| Construction                               | 27         | 382          | 238          | 154          | 28         | 77         | 8         | 5         | 919           |
| Accommodation & Food Services              | 10         | 259          | 173          | 145          | 25         | 35         | 5         | 5         | 657           |
| <b>2020-21 all sectors</b>                 | <b>78</b>  | <b>1,796</b> | <b>1,095</b> | <b>849</b>   | <b>151</b> | <b>373</b> | <b>19</b> | <b>17</b> | <b>4,378</b>  |
| Construction                               | 21         | 403          | 258          | 163          | 23         | 76         | 6         | 3         | 953           |
| Accommodation & Food Services              | 13         | 250          | 146          | 137          | 31         | 42         | 3         | 1         | 623           |
| <b>2019-20 all sectors</b>                 | <b>122</b> | <b>2,970</b> | <b>1,902</b> | <b>1,456</b> | <b>362</b> | <b>690</b> | <b>50</b> | <b>39</b> | <b>7,597</b>  |
| Construction                               | 38         | 710          | 426          | 331          | 68         | 148        | 11        | 9         | 1,741         |
| Accommodation & Food Services              | 30         | 437          | 288          | 233          | 84         | 108        | 14        | 4         | 1,198         |
| <b>2018-19 all sectors</b>                 | <b>125</b> | <b>2,721</b> | <b>1,753</b> | <b>1,646</b> | <b>353</b> | <b>791</b> | <b>59</b> | <b>50</b> | <b>7,498</b>  |
| Construction                               | 37         | 602          | 368          | 324          | 65         | 179        | 19        | 7         | 1,601         |
| Accommodation & Food Services              | 25         | 357          | 282          | 283          | 86         | 109        | 8         | 9         | 1,159         |
| <b>2017-18 all sectors</b>                 | <b>115</b> | <b>2,787</b> | <b>1,801</b> | <b>1,569</b> | <b>401</b> | <b>852</b> | <b>43</b> | <b>44</b> | <b>7,613</b>  |
| Construction                               | 29         | 621          | 408          | 312          | 51         | 205        | 9         | 7         | 1,642         |
| Accommodation & Food Services              | 20         | 372          | 203          | 237          | 124        | 99         | 5         | 4         | 1,064         |
| <b>2016-17 all sectors</b>                 | <b>123</b> | <b>2,805</b> | <b>1,906</b> | <b>1,615</b> | <b>306</b> | <b>904</b> | <b>46</b> | <b>57</b> | <b>7,765</b>  |
| Construction                               | 34         | 590          | 421          | 279          | 50         | 218        | 10        | 9         | 1,611         |
| Accommodation & Food Services              | 27         | 320          | 178          | 214          | 47         | 84         | 4         | 10        | 884           |
| <b>2015-16 all sectors</b>                 | <b>173</b> | <b>3,618</b> | <b>2,432</b> | <b>1,930</b> | <b>398</b> | <b>801</b> | <b>51</b> | <b>58</b> | <b>9,465</b>  |
| Construction                               | 36         | 808          | 473          | 377          | 68         | 180        | 14        | 8         | 1,964         |
| Accommodation & Food Services              | 29         | 307          | 232          | 211          | 60         | 68         | 7         | 14        | 928           |
| <b>2014-15 all sectors</b>                 | <b>132</b> | <b>3,373</b> | <b>2,229</b> | <b>1,536</b> | <b>428</b> | <b>557</b> | <b>34</b> | <b>63</b> | <b>8,354</b>  |
| Construction                               | 33         | 705          | 504          | 284          | 78         | 134        | 13        | 19        | 1,771         |

|                               |            |              |              |              |            |            |           |            |              |
|-------------------------------|------------|--------------|--------------|--------------|------------|------------|-----------|------------|--------------|
| Accommodation & Food Services | 32         | 359          | 214          | 141          | 55         | 47         | 2         | 20         | 870          |
| <b>2013-14 all sectors</b>    | <b>209</b> | <b>3,999</b> | <b>2,316</b> | <b>1,857</b> | <b>398</b> | <b>537</b> | <b>24</b> | <b>117</b> | <b>9,459</b> |
| Construction                  | 65         | 881          | 541          | 399          | 74         | 159        | 6         | 28         | 2,153        |
| Accommodation & Food Services | 28         | 371          | 211          | 186          | 50         | 59         | 0         | 11         | 916          |

Table 2 shows the percentage change in business insolvencies pre COVID-19 to present.

**Table 2 – percentage change in business insolvencies, pre-COVID to April 2024**

|                                | ACT   | NSW   | Vic   | Qld   | SA    | WA     | NT   | Tas    | Total  |
|--------------------------------|-------|-------|-------|-------|-------|--------|------|--------|--------|
| <b>July 2023 to April 2024</b> | 166   | 4,325 | 2,622 | 1,984 | 404   | 810    | 51   | 88     | 10,450 |
| <b>2019-20</b>                 | 122   | 2,970 | 1,902 | 1,456 | 362   | 690    | 50   | 39     | 7,597  |
| <b>% change</b>                | 36.0% | 45.6% | 37.8% | 36.3% | 11.6% | 17.40% | 2.0% | 125.6% | 37.6%  |

Data for the period July 2023 to April 2024 is sourced from: [Insolvency statistics \(current\) | ASIC](#)

Data for period 2013-14 to 2022-23 is sourced from: [Insolvency statistics - Series 3 External administrator reports, Series 3.1 – by region and industry | ASIC](#)

ASIC's Series 3 External administrator reports, *Series 3.2 – selected industries* data identifies business size, however only provides selected tables for the five industries with the highest number of external administrators' reports lodged. Specific insolvencies data for micro, small and medium businesses in the ACT, nationally or in other jurisdictions, is not readily available and would require targeted work.

## Other matters

### **9. Submitters have claimed that business and consumer confidence are affected by a lack of streetscape maintenance and upgrades. What is the ACT Government doing to address this?**

MPC is working closely with directorates and design and construction partners to ensure high quality urban design and streetscape is considered early as part of the planning and design for major infrastructure projects. Early design input through stakeholder and community engagement is also considered.

The new CIT Woden Campus project will deliver significant upgrades and improvements to the Woden Town Centre. It will include new public streetscapes and a shared road, a central pedestrian boulevard, parks, green spaces and a new modern public transport interchange.

The Canberra Hospital Expansion has improved urban amenities and community access at the Canberra Hospital campus, including new outdoor courtyards and green spaces in and around the new Critical Services Building for hospital staff, patients and community use.

The Canberra Theatre Centre Redevelopment project team is working closely with the CRA and other areas of government to ensure appropriate upgrades, streetscape improvements and a seamless integration of a new theatre building is considered within the Canberra Civic and Cultural District.

Also in the City, RLC and Light Rail Stage 2A will significantly improve overall streetscape. When complete, RLC will connect the City with the lake by delivering more accessible footpaths and dedicated bike lanes, making the City area more connected, sustainable and vibrant.

Light Rail Stage 2A, when complete, will introduce landscape and aesthetic features that transform London Circuit and Commonwealth Avenue. Features will include:

- a landscape that will preserve and strengthen the historic character of Commonwealth Avenue as a wide tree-lined boulevard;
- green track sections on parts of Northbourne Avenue, London Circuit and Commonwealth Avenue, helping reduce glare, noise, and dust; and
- a discreet wire-free track to maintain Canberra's iconic landmarks and views.

Transport Canberra and City and Services (TCCS) cleans and maintains shopping centres surrounds in the following priority - large central shopping centres are cleaned daily and small suburban shopping centres are cleaned two to three times per week. Carparks are part of the shopping precinct and require the same level of cleaning.

All Town Centres are cleaned daily by City Presentation operations staff. Additional maintenance, above service standards, is also frequently delivered in the City utilising TCCS staff funded by the City Centre Marketing and Improvements Levy (CCMIL).

TCCS also supports the amenity of the city through the management of over 823,500 trees in streets and in urban open spaces and employs a team of skilled and experienced staff to manage these trees.

TCCS works proactively to target municipal non-compliant behaviour including littering, illegal dumping, unauthorised public land use, overhanging foliage, and non-compliant movable signage.

TCCS maintains and upgrades public open space infrastructure to ensure current standards of safety, access and security are met. Through such maintenance, the ACT Government ensures that basic public infrastructure and amenity is provided where necessary and the good condition and value of public assets are maintained. In addition to routine maintenance, the ACT Government, through TCCS, has an ongoing commitment to improve local centres to increase their vitality, ensuring they are safe, accessible and useable.

Local centre upgrades aim to improve the public realm in a way that encourages use by all members of the community. Such works include, but are not limited to; improvements to lighting, pathways, pavements and pram ramps as well as car park arrangements where this is possible; landscape elements and amenity such as seats, cycle racks and drinking fountains are also improved.

The ACT Government has also invested in Campbell, Duffy and Kaleen shops for specific upgrades. Additional shops that are currently being improved include Narrabundah, Evatt, Macquarie, Monash, Calwell, Lanyon and Kippax shopping centre. Cooleman Court (Brierly Street Stage 2) was completed in early April 2024.

***10. Has the government considered the introduction of Deemed Statutory Trusts to prevent head contractors from siphoning off intended capital to other works, which reduces working capital and potentially induces an inability to pay small business sub-contractors?***

EPSDD has assessed the ACT's security of payment laws against the recommendations of the national Review of Security of Payment Laws that was completed in 2018 and notes that many recommendations are already in place in the ACT.

Amendments to the ACT's security of payments law were passed in November 2023 through the *Building and Construction Legislation Amendment Act 2023* (the Construction Amendment Act) and commenced on 11 March 2024. The changes were made to support the rights of sub-contractors to be paid on time and in full for work they have done.

The reforms set a maximum timeframe of 15 working days as the due date for payment following a payment claim to support the right to be paid in a timely manner for work done.

This represents a change from the previous language in the Construction Amendment Act which allowed the contract to set any period of time for payment, and where the contract was silent on this, the period was taken to be 10 business days. This resulted in contracts providing up to 90 days for payment. This approach presented a risk that vulnerable sub-contractors could be forced to accept unfair contract terms and unreasonable payment times.

The legislative changes through the Construction Amendment Act were progressed following advocacy by several groups across the sector, and the amendments were shared with stakeholders prior to being finalised. The ACT Government will continue to work with the Building and construction industry to monitor the impact of the amendments.

A planned review of the ACT's security of payment laws is scheduled to commence later in 2024 and progress through 2025. The ACT Government has heard from a range of stakeholders on the matter of payment protections through formal and informal engagement. Some stakeholders suggested alternatives to project trust accounts to achieve the objective of ensuring monies are available for payments to subcontractors as the priority. The ACT Government will be looking into these suggestions further as part of the planned review of ACT security of payment laws.

**11. The Committee notes that, in its response to recommendation 13 of the Standing Committee on Public Accounts' Report 17: Inquiry into Grants Management, dated August 2023, the ACT Government said that:**

***'Efficiency in application, monitoring and acquitting activity enhances the outcome of the grant funding. The ACT Government will consider best practice approaches to the adoption of application and reporting requirements scaled according to risk and value of the grant.'***

***Submitters have told the Committee that the grants application system has become more onerous, and that it can take many hours to prepare and submit an application, often for nil return.***

***What actions has the ACT Government taken to simplify the grant application process, and can this be further streamlined?***

MPC manages all grants through the same online Grant Management tool, providing consistency for applicants.

The CRA manages an annual grants program of Placemaking Grants. Informed by feedback from previous applicants, the CRA has evolved the application procedure into a two-stage process. The first stage is to submit an expression of interest that requires minimal levels of detail and the second stage is a full application (invitation only). This process provides opportunity for applicants to pitch ideas in a simple format and eliminates the need for applicants to fully develop proposals without a reasonable chance of success.

Skills Canberra, within CMTEDD, reports that grant applicants are able to contact the Skills Canberra grants help line or via email for assistance with the application process. Skills Canberra provides interactive information sessions at the start of every grant round, to provide applicant organisations with information and support for the application process. Skills Canberra provides templates for applicant organisations to

complete for the application, to provide clarity around what information is required. Skills Canberra is open to feedback around the ongoing process, to ensure requirements are scaled according to the risk and value of the grant while not being unnecessarily onerous to applicants.

TCCS's Road Safety Fund Grants Program provides a streamlined annual grants application and reporting process that allows participants to propose their own payment and reporting schedule as part of the applications process. If successful, the relevant business area works with the recipient in development of the deed to ensure the reporting and acquittal process meets the needs of both the ACT Government and the participant.

In recent years, the Road Safety Fund Grants Program has received increased interest from academic institutions. These institutions often require additional clauses within the deed to satisfy intellectual property and publishing requirements. In response to regular clause amendment requests during the negotiation phases, TCCS's legal team has drafted a new Deed of Grant template, which better clarifies reporting requirements of institutions and simplifies options for extending the deed term if required. To date, the program has not received feedback that the application process is onerous, however funding has been allocated to conduct an evaluation of the program to ensure efficient and effective processes continue.

Adopt-a-Park grants, also administered by TCCS, received feedback from recipients about its acquittal processes being too onerous. In response, the processes were simplified for the current (2023-24) round: no longer requiring audited financial statements but only evidence of financial spend (via bank statements, receipts and invoices etc.). As the grants program is relatively small relative to other Government grants programs (\$200,000 in total) and the value of each grant is relatively small (up to \$20,000), this change is considered appropriate in scaling the reporting requirements to match the risk and value of the grants.