

2024

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

ELEVENTH ASSEMBLY

Government Response to the Standing Committee on Economy and Gender Economic Equality

Report 11 - Inquiry into micro, small and medium business in the ACT region

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December 2024**

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ACT
Government

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Michael Pettersson MLA

Minister for Business, Arts and Creative Industries

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Introduction

The ACT Government welcomes the opportunity to respond the [Report](#)¹ from the Legislative Assembly Standing Committee on Economy and Gender Economic Equality Inquiry into micro, small and medium business in the ACT region.

The ACT Government recognises the important contribution of micro, small and medium businesses make to the diversity of the ACT economy. ACT businesses are a major employer, providing secure and stable employment to around two-thirds of Canberrans, contributing to the ACT's economic prosperity and community wellbeing. Small businesses are also critical partners in driving change and delivering outcomes in priority areas in the ACT.

The ACT Government notes that, for the purposes of the inquiry, the Standing Committee defined micro, small, and medium businesses as any business which employs up to 200 people and whose headquarters are based in the ACT region.

The ACT Government has carefully considered each of the recommendations made in the Standing Committee's report. Of the 12 recommendations the ACT Government has:

- agreed to five recommendations.
- agreed in-principle to one recommendation.
- agreed in part to one recommendation; and
- noted five recommendations relate to existing Government policy.

Where recommendations relate to existing policy a range of examples have been provided. These are not exhaustive but included to demonstrate ACT Government's approach to implementation.

The Government's full responses to the recommendations of the Standing Committee are detailed in the following pages.

¹ Standing Committee on Economy and Gender Economic Equality - Report 11 – *Inquiry into micro, small and medium business in the ACT region*: https://www.parliament.act.gov.au/data/assets/pdf_file/0009/2559060/EGEE-Report-11-Inquiry-into-micro-small-and-medium-business-in-the-ACT-region.pdf



Response to Recommendations

Recommendation 1

The Committee recommends that the ACT Government continue to harmonise its business rules and regulations with other jurisdictions wherever possible.

Government response

Part of existing Government policy.

The ACT Government works closely with interstate licensing and regulatory agencies to ensure, where appropriate, a harmonised approach can be achieved. In developing reforms, the ACT Government has undertaken an analysis of rules and regulations in other jurisdictions with a view to harmonising where possible, with the intent to reduce red-tape for industry and businesses and make it more cost-effective for businesses to operate across jurisdictions.

Recent examples include:

- introduction of the new medical gas licensing system, which introduced a licensing framework aligned to New South Wales and Victoria;
- engagement with the Commonwealth and other states and territories to develop nationally consistent regulations for e-cigarettes supply and use;
- development of the ACT Health Regulatory Accountability Framework identified opportunities for stronger alignment of regulatory law with other jurisdictions, particularly with New South Wales;
- removal of the regulatory requirement regarding employment agents licensing brought the ACT in line with other jurisdictions such as Victoria; and
- collaboration with other jurisdictions on a harmonised approach to the phase out of problematic single-use plastics.

The introduction of the Automatic Mutual Recognition (AMR) scheme for occupation licensing in the ACT has achieved similar outcomes to harmonisation by automatically recognising occupational licences issued in another state or territory. For example:

- AMR for radiation licences has been adopted by the ACT Government to reduce regulatory burden on licence holders from other states. AMR has also been implemented for workers coming from states that participate in the scheme.
- The ACT Professional Engineers Registration Scheme has been developed to support national harmonisation, which will facilitate AMR with those states that participate in AMR, and mutual recognition in those states that do not (for example, Queensland).

AMR is currently not available for construction workers in the ACT. This is due to a Significant Risk Exemption in place by the ACT Government, which will expire on 1 July 2025. The Government is looking at ways to address these risks while the exemption is in place. The Government remains committed to commencing AMR for construction workers in the ACT.

In developing the ACT's building regulatory system, the ACT Government adopts an approach of supporting national consistency where appropriate for the ACT. This is evidenced through the contributions by the ACT to the National Construction Code (NCC) which sets national standards for building and construction, and that the ACT has the lowest number of variations of any jurisdiction to the NCC.

The ACT Government is party to a number of National Prequalification schemes in addition to administering the ACT Government's prequalification schemes. Under the auspices of the Procurement Reform Program, the ACT Government is progressing a review and streamlining current procurement related policies. Opportunities to harmonise and improve these schemes in alignment with other jurisdictions and feedback from suppliers will be considered as part of the review.

In November 2024, Commonwealth, State and Territory Treasurers agreed through the Council of Federal Financial Relations to implement a new Intergovernmental Agreement on National Competition Policy, including refreshed National Competition Principles and a 10-year reform program. The initial tranche of reforms focuses on easing the cost of living as well as regulatory burdens, to benefit both consumers and businesses. This includes work to lower barriers to modern methods of construction (including through nationally consistent definitions of prefabricated and modular construction) and to the adoption of trusted international standards.

Recommendation 2

The Committee recommends that where laws are harmonised with other jurisdictions, the implementation timeframes should also be consistent.

Government response

Agreed in principle.

The ACT Government continues to work towards harmonising regulation where possible, noting that individual jurisdictions are required to undertake work in accordance with their own policy and legislative frameworks.

Implementation timeframes for new regulations will vary based on the complexity of the change that is being introduced and the lead time required. Where change is occurring in alignment with reform in other jurisdictions, timeframes for implementation should be consistent where possible.



For example, the Department of Industry, Science and Resources' Building Ministers Meetings (BMM) oversee policy issues affecting Australia's building and construction industries. BMM agree the main provisions of new editions of the National Construction Code (NCC) and the NCC commencement date. The ACT Government uses this agreement as the guiding principle for ACT adoption of new editions of the NCC and supports a nationally consistent approach to adoption timeframes, noting this is a decision for each jurisdiction.

Recommendation 3

The Committee recommends that the ACT Government investigate how to better apprise micro, small and medium businesses of regulatory and legislative changes that might affect them.

Government response

Agreed.

The ACT Government recognises the importance of engaging with the community when developing significant policy proposals.

ACT Treasury has responsibility for the consistent implementation of the Regulatory Impact Assessment process, which emphasises the importance of community consultation as new laws are developed and implemented.

The ACT Government continues to consider how best to deliver targeted and effective communication to business about regulatory change. For example, a detailed review of current information on the planning website is underway with improvements being identified and changes implemented..

The ACT Government regularly provides information to regulated businesses on matters of direct interest to assist them in complying with their regulatory responsibilities such as liquor licence holders, real estate agents, security licensees, licensed tobacconists, retirement village operators, construction companies.

The ACT Government communicates its policies and services to local businesses through a range of channels. These include:

- a quarterly construction newsletter and advice provided directly to businesses, answering questions via email or phone;
- the CBR Business Update – a fortnightly e-newsletter sent to more than 9,000 subscribers;
- the ACT Business Hub website - act.gov.au/business - with direct links to information and services on how to start, operate, innovate and grow a business in Canberra;
- ACT Government social media accounts (e.g. LinkedIn and Facebook);
- case studies of local businesses participating in government programs or regulatory change;

- disseminating information through stakeholder networks and directly via email to affected businesses;
- paid campaign activity to businesses informing them of government services such as the Canberra Business Advice and Support Service and the Access Canberra Business Assist team; and
- outreach to businesses through visits from appropriate agencies. For example Infrastructure Canberra (formerly Major Projects Canberra) relationship managers visit businesses in the City West precinct regarding local infrastructure works.

Recommendation 4

The Committee recommends that the ACT Government continue to make it easier for businesses to engage with government agencies.

Government response

Part of existing Government policy.

The ACT Government is committed to making it easier for businesses to deal with government.

The Access Canberra Event Coordination and Business Assist Team (ECBA) has been established to help businesses with the permits, licenses, and approvals they might need to start or grow a business. The team works with Access Canberra's licensing and regulatory areas and other ACT Government teams to connect businesses with the right resources.

The service offers various contact options including phone or email support, and in-person appointments both scheduled and drop-in. The ECBA team has an accountability commitment to engage with a business within 5 business days of receiving an enquiry.

This level of accessibility means that businesses have a clear engagement point within government and can be confident they will receive timely and valuable guidance, with assistance provided to facilitate communication with government regulators.

Since 1 July 2023, the ECBA team has assisted with over 360 unique business enquiries. In addition, the team supported 226 events with the coordination of over 884 regulatory approvals in 2023-24.

Access Canberra commenced an annual survey of business clients in 2023-24. This survey found:

- 88 per cent of business clients found it easy to interact with Access Canberra person to person; and
- 87 per cent of business clients found it easy to interact with Access Canberra online.

The survey findings will inform how Access Canberra continues to improve engagement with businesses.

Access Canberra also continues to optimise response times through its call centre. Average wait times for calls to the Access Canberra Contact Centre were 1 minute 44 seconds during 2023.

Recommendation 5

The Committee recommends that the ACT Government provide increased assistance to small businesses during the implementation of new legislation which affects them, especially in regard to procurement training and helping small businesses with new regulations.

Government response

Part of existing Government policy.

The ACT Government provides a range of assistance and resources to assist businesses understand and engage with ACT Government procurement opportunities and with new legislation.

Amendments to the *Government Procurement Act 2001* and the *Government Procurement Regulation 2004* which commenced in July 2024 were supported with information on the Procurement ACT website to explain the changes and what they mean for suppliers, along with information sessions held in July and August 2024. More than 600 suppliers attended.

The ACT Government intends to continue information and awareness sessions where new initiatives or amendments are made that may impact or be of interest to suppliers.

‘Supplying to Government’ information has been updated on the Procurement ACT website in line with the Procurement Reform Program to support suppliers to access ACT Government opportunities, and with registering and identifying opportunities to work with the ACT Government. Support includes step-by-step eLearning modules.

The ACT Government provides detailed plain text guidance on ongoing and new regulatory frameworks and works with regulated businesses and individuals to promote compliance through positive education and engagement. For example, updates on national reforms to e-cigarette supply have been communicated via regular mail-outs to regulated entities and contribution at public information forums and consultations. The ACT Government distributes information regarding new legislation, an example being the [home swimming pool safety](#) reforms.

The ACT Government worked closely with businesses prior to the commencement of the 2023-24 plastic reduction bans. The ACT Government engaged the National Retail Association (NRA) to support businesses as they transitioned away from the banned items. Between July and December 2023, the NRA conducted around 2,500 visits to retailers across the ACT. They also engaged with 200 suppliers and 22 representative bodies and answered enquiries through a business hotline service to support implementation of the ban.



In addition, to support the implementation of the *Urban Forest Act 2023*, TCCS worked closely with arborists, landscaping and construction businesses across the ACT to advise them of the new legislation and provide training and support materials.

Recommendation 6

The Committee recommends that the ACT Government investigate splitting government procurement processes into two streams, one which would have fewer requirements for lower cost projects, to encourage more small businesses to respond to tenders.

Government response

Part of existing Government policy.

The ACT Government's Local Industry Participation Policy articulates the support for small to medium enterprises and local Canberra region enterprises. As part of the Procurement Reform Program significant amendments to the procurement legislative framework were made commencing 1 July 2024.

The amendments provide further support for suppliers in the Canberra Region or small to medium business entities by allowing Territory entities to seek an exemption from the limited tender requirements under the *Government Procurement Regulation 2007*. These amendments support directly approaching a supplier in the Canberra Region or small to medium business entities for goods and services procurements up to a total consideration of \$500,000 or for construction related procurements up to a total consideration of \$1,000,000.

Recommendation 7

The Committee recommends that the ACT Government work towards streamlining application and approval processes for businesses.

Government response

Agreed.

The ACT Government is committed to making application and approvals processes as simple as possible and providing digital tools to support streamlined processes. This includes significant investment into IT systems, as well as industry involvement during user testing to provide feedback and improve functionality for businesses.

Recent reforms in the night-time economy sector introduced streamlined application and approval processes. For liquor licences, several of the reforms benefitting businesses were introduced without the need for an application or approval process, such as the extension of trading hours for certain venues as well as fee reductions. The reforms now also allow the regulator the flexibility to issue an interim liquor licence.

Where an application has been required the process has been designed to limit the information and time required of businesses to obtain approval. For example, when applying for an 80 per cent fee reduction for showcasing artists and musicians, businesses can provide evidence of events from their social media presence, aligning with their business practices.

The ACT Government, through the introduction of the *Government Procurement Rules 2024*, has addressed feedback from industry by ensuring that contractual insurance requirements align with the risk profile of the procurement in addition to assisting suppliers to manage the cost of insurance by ensuring that suppliers are not directed to take out insurance until the supplier is identified as the preferred respondent.

The ACT Government has pursued several initiatives over recent years to reduce regulatory burden for small to medium businesses. For example:

- Adopting more than 50 smart forms to digitise and streamline licensing and other regulatory activities, reducing the time taken to comply with requirements.
- Modernising payment options and ownership transfer processes to reduce time and effort by clients and affording increased flexibility for businesses.
- Waiving tobacco licence fees for community pharmacies to supply smoking products (e-cigarettes) on prescription. The measure was designed to avoid duplicate licensing fees for pharmacy owners and remove a potential barrier to patients accessing prescribed e-cigarettes through pharmacies. The removal of the requirement for pharmacies to hold a tobacco licence is currently under consideration.
- Pro-rata refunds (minus an administrative fee) for licences surrendered before their expiry. This is not a right under ACT legislation, however a pragmatic approach is taken recognising that many of those regulated are small-medium sized businesses; and
- Adoption of multi-year licensing across most licence and registration types.

Recommendation 8

The Committee recommends that the ACT Government investigate ways to protect subcontractors from late or missed payments.

Government response

Agreed.



The ACT's *Building and Construction Industry (Security of Payment) Act 2009* is designed to ensure contractors and sub-contractors in the construction industry are paid on time without the need for costly and lengthy litigation by allowing people to pursue outstanding payments through a rapid adjudication process.

The ACT Government recently made changes to the ACT's Security of Payment laws to introduce a statutory term of 15 business days in which a progress payment becomes due for payment. This change supports the rights of contractors to be paid on time and in full for work completed by setting statutory timeframes for payment that apply where contracts are silent or provide a period for payment longer than the statutory timeframe.

The ACT Government is planning a detailed review of the ACT's security of payment laws, which will consider ways the legislation could be further improved to make the building industry fairer. Consultation with all areas of the sector will help inform the findings of the review.

Security of payment laws are also being discussed and considered at a national level across several areas of Government, and are an ongoing item as part of the Department of Industry, Science and Resources' Building Ministers' Meetings.

Recommendation 9

The Committee recommends that the ACT Government market the ACT to potential workers, trainees, and apprentices.

Government response

Agreed.

The ACT Government regularly markets the ACT as an attractive place to live, work and study.

As the Committee Report notes, lifestyle campaigns have been delivered in the Sydney market during 2023 and 2024. These campaigns have been targeted at late millennials looking for a lifestyle change and have featured Canberrans who have achieved fulfilling careers and balanced lifestyles. These campaigns have increased traffic to the canberra.com.au website.

The ACT Government recognises the benefits of partnering with industry on workforce attraction activities. Industry peaks have been consulted regarding workforce attraction campaign efforts. The *Canberra Toolkit* has also been developed to provide businesses with comprehensive resources to promote Canberra to prospective employees.

The ACT Government has also partnered with a number of universities and the Canberra Institute of Technology (CIT) to deliver campaigns into key markets to promote Canberra as a study destination.

Recommendation 10

The Committee recommends that the ACT Government re-examine the criteria it uses to identify critical occupations, decide on occupations caps (in relation to migration/skilled visa nominations), and calculate points on the matrix.

Government response

Agreed.

The ACT Government has the flexibility to address skills shortages and labour market needs in the Territory through the state/territory nominated stream of the Australian Migration Program. The Australian Government allocates the ACT a fixed number of nomination places each financial year. The 2024-25 allocation is 1,800 nomination places:

- ACT permanent 190 nomination: 1000 places
- ACT provisional 491 nomination: 800 places

ACT nomination triggers the visa invitation from the Department of Home Affairs. ACT nomination does not guarantee a migration outcome.

The ACT Critical Skills List identifies the occupations in current demand in the ACT. The ACT Government undertakes regular reviews of occupations eligible for skilled migration pathways in consultation with industry and with consideration to occupations list published by the Department of Home Affairs and Jobs and Skills Australia.

From 2025-26 the Department of Home Affairs will adopt a multi-year migration planning model. Further consideration will be given to impacts on the Canberra Matrix and the weighting of eligibility criteria.

Recommendation 11

The Committee recommends that the ACT Government continue to encourage school students into STEM fields and to identify and resolve barriers to increasing diversity in STEM and trades.

Government response

Part of existing Government policy.

The ACT Government is committed to fostering a strong foundation in Science, Technology, Engineering, and Mathematics (STEM) for all students from a young age and providing opportunities for students to be exposed to a wide range of STEM careers, work experience, mentorship and vocational learning programs.

The upskilling of educators to be confident to teach STEM subjects is a critical part of developing the next generation of STEM professionals, and are critical to building a more diverse STEM-literate society, ready to contribute to a workforce of the future. The ACT Government is continuing to provide ACT public school teachers with bespoke support to upskill or learn new content in STEM. This support includes co-planning and co-delivery of lessons and resource development, bringing the Australian Curriculum to life for our students.

The ACT Government is continuing to provide equitable access to specialist STEM equipment that will expose students to emerging and new technologies, enhancing engagement and learning. Previous and on-going investment has seen the establishment of two STEM hubs that provide hands-on, authentic STEM learning opportunities for students.

Vocational learning programs will continue to provide opportunities for students to obtain workplace skills and technical knowledge in areas such as Applied Digital Technologies, Electrotechnology and Information Technology.

Virtual work experience provides the opportunity for all students to be exposed to a diverse range of STEM occupations. In addition, over 55 career education lessons are able to be accessed, through a careers education digital platform, to further inform students on their pathway options for work and/or further education.

To foster a thriving, inclusive STEM pipeline, the ACT Government will continue to encourage participation from underrepresented groups. This includes:

- all student STEM programs having a target of at least 50 per cent female enrolment;
- ensuring that expert presenters from industry and academia are from diverse backgrounds;
- providing opportunities for students from underrepresented backgrounds to engage in STEM learning opportunities; and
- continued strong engagement with Education Directorate and Canberra Institute of Technology (CIT), which implements a range of strategies to support women into traditionally male-dominated trades and STEM-based occupations.

In 2022-23, supported by the ACT Government, Multiplex ran the Jump Start Program. This is a unique mentoring initiative, designed by women employed by Multiplex, to give female high school students a holistic view of the construction industry and its diverse range of career pathways.

The head contractor of the CIT Woden Campus project has committed to participation targets associated with Local Industry Participation. To date the construction partner continues to exceed its social procurement targets around increasing participation of women in construction, including nine new apprenticeships and nine new Australian School Based Apprenticeships (ASBAs) for women and girls.

In 2023, the Understanding Building and Construction Program (UBCP) continued to be delivered in partnership between the Community Services Directorate, the Education Directorate, and the National Association of Women in Construction (NAWIC). The 2023 program was delivered to over 800 students across five ACT public schools.

The 2022 pilot program evaluation demonstrated effective changes in student, parent, teacher, and industry perceptions, with 58 per cent of students wanting an industry-based career after completing the program compared to 10 per cent at the start.

The Education Directorate continues to work collaboratively with the Community Services Directorate and industry partners to explore sustainable options for the continuation of the program.

Recommendation 12

The Committee recommends that the Government target the promotion of building and associated trades training and apprenticeships, and increase training places and subsidies in the ACT to help with shortages in these areas.

Government response

Agreed in part.

The ACT Government recently agreed to deliver an extension and expansion of the Commonwealth funded Fee-Free TAFE initiative. The extension will provide free training places in the building and construction sector across full qualifications, short courses and pre-apprenticeships. Fee-Free TAFE provides free training to people seeking to learn, retrain or upskill in priority employment areas. In the ACT, this will mean an additional \$1.5 million and 340 places in construction courses delivered by CIT.

The ACT Government delivers an uncapped subsidy program for apprenticeships and traineeships in a range of industries called the User Choice (Australian Apprentice) program. This program subsidises training providers to provide training and includes Australian School-based Apprentices. In the 2024-25 budget, the ACT Government subsidies for training electricians increased to 90 per cent, recognising the critical need to support the electrification of the city.

The ACT Government also funds training through the Skilled Capital program, which includes range of services and subsidies to provide Canberrans the support they need to complete the training that is right for them. Skilled Capital offers an opportunity for the Canberra community to access accredited training at registered training organisations and fill critical skills needs areas across a range of industries including building and construction.

The 2024-25 ACT Budget also included funding for a one-off payment of \$250 for apprentices and trainees to assist with the cost of living.



The ACT Government continues to deliver programs that promote building and associated trades and increased diversity of the workforce.

In late 2021, Infrastructure Canberra (formerly Major Projects Canberra) opened the Construction Employment Hub to support our construction partners develop and implement programs to connect and support diversity of employment opportunities across ACT Government projects. The Hub has a focus on gender equity and diversity. To date, the Canberra Hospital Expansion Project and Multiplex have provided opportunities for 20 candidates as a direct result of the Hub. The 20 candidates include 17 Aboriginal and Torres Strait Islander candidates, three of which are female.

The 2023 Skilled to Succeed Innovation Grants program allocated \$62,541 for the Lendlease Women in Construction Initiative. This initiative has assisted 15 women, and gender-diverse people to participate in an introductory construction training program, with most participants successfully gaining the necessary skills, personal protective equipment, tickets, and licences for entry into the construction industry. In 2024, seven participants commenced employment as a trainee under Certificate II in Construction Pathways working with Lendlease and the subcontractors on the CIT Woden Project.