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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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ACT
Government

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

ACT Government Submission

Content

1	Background.....	3
2	ACT Business Snapshot.....	4
3	ACT Government Programs and Initiatives	6
3.1	Improving the business experience when dealing with government	6
3.2	Support for business to start, operate, innovate and grow	12
3.3	Showcase and promote local small businesses.....	23
3.4	Futureproofing small businesses.....	25
3.5	A one-government approach to business	30
4	Conclusion	31

1 Background

Micro, small and medium businesses are critical to the diversity of the ACT economy, a major employer and a driver of economic prosperity and community wellbeing. They are also key partners in driving change and delivering outcomes in priority areas in the ACT.

Since the COVID-19 pandemic, the ACT Government has focussed on how best to support businesses to grow and how to enhance business interactions with the government. This work culminated in *the [ACT Small Business Strategy 2023-2026](#)* (the Strategy) which sets out the ACT Government's priorities to support the small business community in the ACT. The Strategy includes more than 50 actions to help small businesses start, operate, innovate and grow in the ACT.

[CBR Switched On - ACT's Economic Development Priorities 2022-2025](#) (CBR Switched On) is the ACT Government's mission-led strategy for economic development and growth. The missions prioritise enhancing liveability and wellbeing of the ACT community, reinforcing the government's commitment to achieving net zero emissions by 2045 and building on the strengths of the ACT's knowledge-based economy. More than 268,000 people are employed in the ACT¹ and the ACT Government has now set a new jobs target to grow the local labour market to 300,000 jobs by the end of this decade. Micro, small and medium businesses play a critical role in providing secure and stable employment for Canberrans.

[Canberra's International Engagement Strategy](#) seeks to further open up the ACT's economy to the world, supporting Canberra based businesses and research institutions to establish international connections in markets where there are aligned interests. Focus areas under the International Engagement Strategy include prioritising the international markets that are important for advancing economic growth in the ACT and linking the priority markets to key industry areas, central to the economic diversification of Canberra.

This Submission provides the Legislative Assembly Standing Committee on Economy, Gender and Economic Equality information about ACT Government programs and initiatives targeting micro, small, and medium businesses. The Submission also outlines key government programs under the following priority areas of the Strategy:

- Improve the business experience when dealing with government;
- Support for business to start, operate, grow and innovate;
- Showcase and promote local small businesses;
- Futureproofing small businesses; and
- A one-government approach to business.

The ACT Government delivers a number of grant programs targeting different sections of the business community and summary information regarding the quantum of funding and number of grant recipients can be found in the Annual Reports of the respective ACT Government Directorates responsible for grant programs. Information that may be useful to potential grant applicants, including program design and eligibility criteria, can be accessed through the [ACT Government Grants website](#). Details of past grant recipients may be published on the respective webpages of the various grant programs.

¹ Australian Bureau of Statistics (ABS), 6202.0, December 2023, [latest available](#).

2 ACT Business Snapshot

The ACT has experienced 33 consecutive years of economic growth. In 2022-23, the ACT economy grew by 4.3 per cent, representing the highest growth rate of any state or territory, and above the national average of 3.0 per cent.² The Public administration and safety sector, the Professional, scientific and technical services sector, and the Accommodation and food services sector made the most significant contributions to economic growth in the ACT.³ Micro, small, and medium businesses are critical to the ACT's economic diversity and there are more businesses in the ACT than ever before.

BUSINESS GROWTH: In September 2023, there were 35,902 businesses operating in the ACT and business numbers had grown by 18.4 per cent since September 2020. This is the highest percentage growth in the country and well above the national average of 11.4 per cent.⁴

BUSINESS ENTRIES AND EXITS: Over the same period, the survival rate of ACT businesses was 50.2 per cent, marginally below the national average of 50.8 per cent. During 2022-23, the ACT recorded a business entry rate of 18.3 per cent compared to 15.8 per cent nationally. In the same year, business exit rates in the ACT were 14.6 per cent, marginally below the national average of 15 per cent. [The Australian Bureau of Statistics (ABS) includes business closures, the sale of a business or changes to a business structure in exit data.]

ACT BUSINESS COMMUNITY: In November 2023, there were nearly 11,000 women business owners/managers in the ACT, comprising 38 per cent of all business owners/managers. In comparison, women comprised only 35 per cent of business owner managers nationally.⁵ 35 per cent of ACT business owners are born overseas in comparison to 33 per cent nationally.⁶ 32 per cent of ACT business owners are under the age of 40 years, compared to just 28 per cent nationally.⁷

EMPLOYMENT AND LABOUR FORCE: ACT businesses play a critical role in providing secure and stable employment for Canberrans. Around two thirds of Canberrans are employed in the private sector. The ACT's unemployment rate in December 2023 was 3.8 per cent, equal with the national unemployment rate.⁸

MICRO, SMALL AND MEDIUM BUSINESSES⁹: Micro, small, and medium businesses (those employing less than 200 people) comprise more than 97 per cent of all ACT businesses.¹⁰ The majority of ACT businesses (54.3 per cent) do not have any employees. Micro, small, and medium businesses employ around 135,000 people – over 50 per cent of all employed Canberrans – and pay over \$11.6 billion in wages and salaries.¹¹

BUSINESS SENTIMENT: The results from the inaugural Canberra Business Chamber [Business Beat Survey](#)¹² for quarter 3 2023 indicate that business sentiment is reasonably positive, although mixed in terms of

² ABS, 5220.0 Australian National Accounts: State Accounts, 2022-23, [latest available](#).

³ Ibid.

⁴ ABS, 8165.0 Quarterly Counts of Australian Businesses, Experimental estimates, September 2023, [latest available](#).

⁵ ABS, 6291.0.55.001 Labour Force, Australia, Detailed, November 2023, [latest available](#).

⁶ ABS, 2021 Census.

⁷ Ibid.

⁸ ABS, 6202.0 Labour Force, Australia, December 2023, [latest available](#).

⁹ Identified as businesses with less than 200 employees, in line with the ABS definition.

¹⁰ ABS, 8165.0 Count of Australian Businesses, June 2022

¹¹ ABS, 81550DO007, Australian Industry, 2021-22, latest available.

¹² Canberra Business Chamber Business Beat Survey quarter 3 2023: <https://www.canberrabusiness.com/wp-content/uploads/2023/10/Q3-Business-Beat-Survey-20233.pdf>

positive outlook. The Business Beat Survey identified that around 61 per cent of businesses are meeting their quarterly financial and performance targets, and around 43 per cent are positive about the current economic situation. Further to this, businesses indicated increased costs of doing business, workforce attraction and retention, and reduced customer demand as significant challenges.

3 ACT Government Programs and Initiatives

Ongoing and upcoming ACT Government initiatives and programs targeting micro, small, and medium businesses in the ACT have been presented under the priority areas of the Small Business Strategy.

3.1 Improving the business experience when dealing with government

The ACT Government aspires for businesses to have better experiences when they are interacting with government agencies. During consultation in the lead up to the release of the Strategy, the ACT Government heard from businesses that they only want to “tell their story once” and want an easier, more streamlined experience when dealing with government. In addition, local businesses would appreciate opportunities to supply to the government and want a reduction in the regulatory burden.

In response, the ACT Government is undertaking the following measures and programs:

a. Better access to clear information

The ACT Government uses multiple channels and networks to communicate with business. The ACT Government is improving government-business interactions by making it easier for businesses to access information applicable to their circumstances and needs. Through the Better Regulation Taskforce, Access Canberra and Procurement ACT, the ACT Government continues to develop simple, streamlined information for small businesses. Examples include the following.

- The [ACT Business Hub](#) (the Hub) has been expanded with clear and accessible information on starting, operating and growing a business. The ACT Government will continue to evolve and improve the website over time. The Hub will link with the Access Canberra website for regulatory information, licensing, and approvals: [Business and work - Access Canberra \(act.gov.au\)](#).
- Access Canberra’s Event Coordination and Business Assist (ECBA) team provides services for new businesses to connect with relevant areas across government. The ECBA team also supports event promoters and organisers in the ACT obtain the approvals they require for safe and vibrant events.
- A multi-channel approach is used for the delivery of information. Regular distribution of the *CBR Business Update* newsletter, stakeholder networks and media advertising to promote support services and programs, and Access Canberra's Event Coordination and Business Assist Team, all complement the information provided via the Hub, connecting business owners and operators with the information they need to start, run and grow their business.

b. Procurement Reform Program

As outlined in the 2023-24 Budget, the ACT Government will continue to implement the Procurement Reform Program to support an efficient, transparent and fair procurement system that achieves value for money in alignment with community values. This will include establishing in-house contract advisory and probity services within Procurement ACT, transitioning to a tiered service delivery model, and introducing a new accreditation and capability framework. The initiative will also support the service design for a new digital procurement system.

The ACT is continuing to progress other actions under the Procurement Reform Program, such as the development of a consolidated and consistent suite of procurement templates, and the recent introduction of the *Government Procurement Amendment Bill 2023*, in response to a review of the

Government Procurement Act 2001 and the *Government Procurement Regulation 2007*. The *Government Procurement Amendment Bill 2023* will support the Procurement Reform Program and further enhance the government procurement environment in the ACT.

Under the Procurement Reform Program, the ACT Government has committed to deliver consistent, accurate, timely, practical and targeted services to support government buyers and suppliers through the procurement lifecycle. Under this program, the ACT Government intends to support local industries and businesses to seek government procurement opportunities by:

- providing enhanced training and tools to assist navigating government procurement process;
- revitalising the ACT Government's web presence and developing a supplier portal to ensure easy access to relevant information, and
- developing a whole of government panel management policy.

Following a review of the Local Industry Participation Policy, the ACT Government is working to consider how the policy can be strengthened to ensure it continues to meet the needs of business and policy objectives.

c. Better Regulation Agenda

The Better Regulation Agenda comprises two streams of government reform action, which are equally important for achieving better regulation outcomes for business.

- **Stream One** is focused on policy and legislation. This stream is about improvements that the ACT Government can make to the ACT's current policy settings and legislative frameworks to improve outcomes for business.
- **Stream Two** is about business experience and regulator practice. Through these reforms, the ACT Government is making government and business interactions better, faster and simpler.

i. Approach to improving regulation

The ACT Government's approach to achieving 'better regulation' starts with an acknowledgement that businesses, community and government all benefit from regulation. Regulation is needed and delivers positive outcomes for all sectors of society. The government's role is to ensure that regulation is fit for purpose (and remains so over time), avoids unintended consequences and is developed, delivered and operationalised in a way that minimises burden on the regulated entity to comply with the regulation.

Regulation takes time to establish. Regulation impact assessments and the ACT Government's wellbeing framework help the government to understand the evidence base and to predict the likely impacts of regulatory change. Over time, changes can occur in the regulatory environment which means that the regulation itself or the way in which it is applied is no longer meeting its intended objectives. Regulation can be improved when time is taken to understand how laws are currently operating, how they are perceived by individuals and businesses and understanding what changes need to be made to ensure that the laws are fit for purpose.

When done properly, regulation is an asset to government, citizens and businesses – and contributes to overall community wellbeing. The Better Regulation Agenda includes actions aimed at increasing the ACT Government's understanding of regulation that impacts business, finding systematic solutions to making regulation better and reducing the overall regulatory burden for businesses.

ii. The ACT regulatory environment and jurisdictional comparisons

A jurisdiction's regulatory environment is an amalgam of laws, agencies, polices, information, risk appetite as well as regulatory posture and practice. Comparisons are therefore complex, and care needs to be taken to ensure that there is an understanding of the regulatory context.

In considering how best to improve regulation, the ACT Government will look at regulatory settings in other Australian jurisdictions and internationally. The ACT Government recognises that experiences and lessons learned elsewhere can not only help in developing the best possible outcome for ACT businesses but can also encourage greater uniformity between states and territories in the way businesses are regulated.

The Better Regulation Agenda has seen the ACT taking a leading role among jurisdictions on several projects including the new model rules for incorporated associations and the project to measure regulatory value and burden (see below). The Better Regulation Taskforce has also invested in several foundational research projects to identify opportunities for reform, understand the ACT regulatory environment and its impact on business, and help to establish a baseline for ongoing measurement, comparison and evaluation. These research projects include:

- undertaking the ACT Business Survey to measure the quantity and quality of interactions of business with government over time. The Survey is now closed and the results, once analysed, will inform options for continuous improvement of the ACT's regulatory framework. The outcomes of the Survey will be published once finalised;
- developing options to better measure and benchmark regulatory burden. This work will assist in understanding the regulatory environment for ACT businesses, compared to other Australian jurisdictions; and
- mapping the end-to-end business user experience for selected businesses impacted by COVID-19. This work has documented the current experience of businesses in starting, running and growing a business in the ACT. Its outcomes are supporting the delivery of Better Regulation Agenda actions including informing the review of the Night-time Economy and Entertainment sector and the delivery of improvements to the Business Hub.

Most recently, Canberra's Night-time Economy (NTE) has been a focus for regulatory reform. This body of work intersects with both 'core' NTE businesses – such as bars, restaurants, and other forms of late-night entertainment – and 'non-core' businesses and other stakeholders – including people working shifts at hospitals, in transportation, the gig economy, emergency services, policing, cleaning, postal work, gyms, entertainment, and sex workers. The NTE also relies on support and supply services from businesses that operate during the daytime.

Drawing on the examples of both Australian and many other international cities, and through a myriad of conversations with Canberra-based businesses, the Taskforce is working to put in place best practice regulatory settings for this sector. This will ensure that the regulatory arrangements for the NTE are meeting their intended objectives efficiently and effectively in a complex and changing environment.

The first tranche of NTE better regulation reforms will be delivered in 2024, underpinning our Night-time Vision:

‘Our Vision is for a city where the night brings exciting opportunity for all Canberrans and visitors to connect, explore culture, work and have fun. A city after dark that is safe, easy to get around and accessible. Where there is plenty to see and do, which is visible or easily found. Where talents and creativity of businesses, artists and entrepreneurs are readily showcased and valued. Canberra, day and night, a better experience for everyone.’

iii. Application of best practice regulation

Drawing on best practice examples from Australia and beyond, as well as engagement with business, the ACT Government developed a set of draft principles to guide its delivery of the reform agenda. The draft principles were outlined in the [Better Regulation Report](#). The draft principles are being tested for coherency, effectiveness and applicability in the ACT context.

As the Better Regulation Agenda is implemented, a regulatory quality framework approach will be applied, beginning with the application and testing of the draft principles for Best Practice Regulation followed by the development and implementation of a regulatory quality framework.

Many elements of a regulatory quality framework are already in place in the ACT. The Better Regulation Taskforce will draw together these existing elements, test new ideas and codesign a coordinated and coherent regulatory quality architecture for consideration by ACT Government.

One element that is already occurring is the completion of regulatory impact assessments. A regulatory impact assessment is undertaken when a new regulatory proposal is likely to impose appreciable costs on the whole or a part of the community. Those assessments are provided to the Legislative Assembly in the form of a regulation impact statement, when the preferred option results in a new subordinate law (such as a regulation) or disallowable instrument. As an example, this process informed Government decision making on the phasing out of single use plastics, where the proposals required particular consideration of small business impacts and will assist consideration of a regulation to prevent new fossil fuel main-gas connections.

d. Access Canberra

i. Introduction of a dedicated and proactive business support team

Access Canberra has established the Event Coordination and Business Assist (ECBA) team to provide proactive, one-on-one business support. The ECBA team works closely with the licensing and regulatory areas of Access Canberra and across the ACT Government to support local businesses discover and navigate the various approvals and endorsements needed to start or grow a business. For a hospitality business, those approvals may include, but are not limited to, a Food Business Registration, Liquor Licence, Outdoor Dining Permit, Environmental Authorisations for Noise and Waste, Building Approval or Development Approval.

Support is provided to more than 70 businesses in the ACT each year with regulatory approval information. Those businesses range from new businesses starting up in the ACT, to existing businesses looking to expand and diversify. In addition, the team supports more than 120 event organisers annually with the coordination of over 400 regulatory approvals.

Between 1 July 2023 and 9 January 2024, the ECBA team has received 86 enquiries, from which assistance has been provided to 78 businesses. As of 9 January 2024, there were eight businesses receiving ongoing support. In addition to this, the team is now offering in-person appointments for ACT businesses and has conducted 16 appointments since this service commenced in May 2023.

ii. Construction Occupations Registrar

- **Certifier workshops**

In 2023, the Construction Occupations Registrar re-instituted and facilitated quarterly information workshops for the ACT's building certifiers, held on 23 February 2023 and 19 May 2023, to discuss emerging issues and areas of focus. These workshops will continue in 2023-24 to disseminate information directly to micro, small, and medium businesses in the region. ACT Construction Audit officials also meet with individual building certifiers to explain processes and legislative requirements.

- **Construction notes and newsletters**

The Construction Occupations Registrar publishes and disseminates newsletters, construction notes, letters and other information such as education, and communication materials for improving building quality in the ACT. This ensures those working in the building and construction industry understand and meet their responsibilities, and to increase community confidence in the sector.

The newsletter is distributed to all construction occupations licensees to inform them directly of updates, critical issues related to the national construction code, compliance and safety, and government construction audit activities. This assists those micro, small, and medium businesses that may not have the corporate structures to research and interpret this information.

Construction notes published throughout the year raise awareness and educate the building and construction industry about common issues identified on building sites by ACT Government building inspectors and best practice approaches to address them.

As at January 2024, since 2021 the Registrar has published 22 construction notes and advisory notes to the industry, which represents a significant increase on previous years.

e. Environment Protection Authority (EPA) Compliance and Approvals

The EPA engages with many micro, small, and medium businesses to protect people from environmental harm, promote the general environmental duty, and to administer environmental authorisations and water resource licences. Many small to medium enterprises (SMEs) hold environmental authorisations. These include most of the 150 companies authorised to use agricultural and veterinary chemicals – normally for pest control purposes. These businesses also support householders and businesses across the ACT in managing pest invasions and contribute towards their quality of life.

In its role as a planning referral agency, the EPA assesses whether noise, odour, water pollution or other contaminants may result from proposed developments and makes recommendations to

prevent or minimise harm. This work ensures that SMEs and others are made aware of the potential for harm early in the development process and can build environmental protection measures into designs so that harm, complaints and costly retrofitting are avoided.

Case Study: Initiatives by ACT Health on reducing the regulatory burden for micro, small, and medium businesses

ACT Health administers over 7,500 licences and registrations for health and non-health related activities. This includes registration of businesses under the *Food Act 2001*, *Medicines, Poisons and Therapeutic Goods Act 2008*, *Public Health Act 1997*, and the *Radiation Protection Act 2006*.

ACT Health is also responsible for the *Tobacco and Other Smoking Products Act 1927* with Access Canberra responsible for licensing and other operational matters relating to the Act.

ACT Health does not collect data on business size, however a majority of these businesses will be small businesses including where they are operated under a franchise or similar arrangement. Examples of such businesses include community pharmacies, veterinary practices, dental practices, beauty salons, tattoo studios and nail salons performing skin penetration procedures, medical day procedure clinics, food businesses, medical general practitioners and specialists, and privately owned public swimming pools. ACT Health works closely with businesses to ensure they understand licensing and registration requirements and obligations under ACT laws including national laws applied in the ACT.

States and territories are responsible for administering regulatory arrangements under nationally uniform or consistent schemes such as for food, medicines and therapeutic goods and radiation schemes. Jurisdictions work closely to ensure schemes are developed and administered in a coordinated and integrated manner including to address cross-border issues.

ACT Health has pursued several initiatives over recent years to reduce the regulatory burden for small to medium businesses. Examples include the following.

- ACT Health has adopted over 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 reducing time and effort, 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.
- Pro-rata refunds (minus an administrative fee) for licences surrendered before their expiry. This is not an entitlement under ACT legislation, but is provided in order to minimise costs to business.
- Adoption of multi-year licensing across most licence and registration types.

3.2 Support for business to start, operate, innovate and grow

a. Delivery of Grant and Business Support Programs

i. Canberra Business Advice and Support Service (CBASS)

The ACT Government established CBASS in March 2020. CBASS proved to be a vital support for ACT micro, small, and medium businesses impacted by the COVID-19 pandemic. CBASS provides ACT businesses with free, tailored, general business advice focusing on:

- financial advice;
- legal referrals;
- mental health and wellbeing support; and
- advice to help pivot or close a business.

While the direct impacts of COVID-19 have passed, local businesses remain impacted by skills and workforce shortages, supply chain pressures, inflation, and continued public health requirements. CBASS continues to provide up to four hours of cost-free business advice to ACT micro, small, and medium businesses, including a series of webinars and workshops.

Since commencement, CBASS has supported more than 1,100 businesses across 16 industries including Professional services, Personal services, Retail, Accommodation and food, and Construction.

Some enhancements to service delivery have been made to the current program, following a review of the CBASS program in November 2022, including:

- referral access to consultants who offer specific advice and support;
- improvements to reporting and implementation of a client satisfaction survey; and
- a detailed marketing plan to promote and drive use of the program.

Regular updates from the CBASS program provider, Lighthouse Innovation Centre (Lighthouse) show demand for CBASS remains high. Since 13 July 2023:

- 91 unique businesses have engaged with the program, with 51 being women owned enterprises;
- 25 referrals have been made to subject matter experts for legal, accounting, marketing, investment, digital development, insurance and compliance advice; and
- regular networking and engagement activity promoting both CBASS and local businesses has been delivered. This has included hosting networking events, producing case studies, promoting via local media and engaging with other business services providers.

ii. Priority Investment Program

The Priority Investment Program (PIP) is a collaborative co-investment grant program that is funded under the Future Jobs Fund initiative. Since its establishment in 2018, PIP has been the ACT Government's main program to fund innovative and collaborative projects that unlock opportunities and investment and creates jobs across the ACT's knowledge economy.

PIP is accessible to small and medium businesses in key sectors and growth industries within the ACT knowledge economy. PIP has assisted businesses to grow, attract and retain a skilled workforce, deepen research and development connections, fund infrastructure and drive exports and innovation. Prospective applicants pitch projects to government that demonstrate collaboration between small and medium businesses and the tertiary education or research sector which identify and address priorities in their given industry.

iii. Diversification Sustainability Support Fund

The Diversification and Sustainability Support Fund was established in 2019 to provide funding for activities and initiatives that seek to achieve the following.

- Assist clubs to diversify their income to sources other than gaming machines.
- Support the sustainability of clubs.
- Contribute to projects that help reduce regulatory costs or improve efficiency in administration and compliance for clubs.
- Provide training and skills development for club workers, executives and members of club management committees and boards.

ACT clubs and club groups who operate gaming machines under a Class C licence in the last five years are able to apply for grants of up to \$250,000 from the Fund.

b. Supporting creative industries and the arts sector

The Statement of Ambition for the Arts sets the ambition for Canberra to be recognised as Australia's arts capital with a vibrant creative industries sector. [Canberra: Australia's Arts Capital - Arts, Culture and Creative Policy 2022-2026](#) (Arts, Culture and Creative Policy) identifies 10 focus areas under its strategies: elevating Aboriginal and Torres Strait Islander peoples' cultural and artistic practices; strategic partnerships; venues and precincts; accessibility and inclusivity; arts practice; skills development; innovation and sustainability; promotion; cultural tourism; and research and data.

The accompanying Arts, Culture and Creative Action Plan sets out a range of initiatives under these focus areas that will support Canberra's small and micro creative businesses.

In 2022-23, the following was delivered:

- artsACT partnered with the Australia Council for the Arts to deliver initiatives that would build digital capacity for Canberra's First Nation artists. This included delivery of a Digital Indigenous Cultural Intellectual Property workshop with Arts Law held on 22 May 2023.
- Skills Canberra supported and invested in skills development and career pathways for artists and the creative workforce. In November 2022, the ACT Government engaged with the Canberra Region Tourism Leaders Forum to hold a roundtable discussion with stakeholders from the Experience Industry (including hospitality, tourism, recreation and arts). Skills Canberra commenced drafting an Industry Plan for the Experience Industry based on activities outlined in *Skilled to Succeed* and *Canberra Switched On*, the feedback from industry stakeholders and data research.
- Support was provided to Screen Canberra to undertake capacity building initiatives for local screen practitioners that will support the ACT to capitalise on the global demand for screen

and creative content. In 2022-23 the Screen Investment Fund committed approximately \$244,900 in funding to eight projects (\$1.14 million was distributed in 2021-22). This led to a local spend of \$851,168 and created 26 jobs (full-time and part-time) in the ACT.

- artsACT and Visit Canberra collaborated to present a series of arts and cultural tourism capability workshops on storytelling, marketing and providing a quality tourism experience. The workshops were provided free to artists, arts businesses and non-for-profit organisations seeking to engage in the visitor economy.

Funding delivered through the ACT Arts Fund is one of the main ways the ACT Government provides direct support to artists, arts organisations and groups.

- In 2022-23, the ACT Cultural Arts Fund was developed to enhance outcomes for Aboriginal and Torres Strait Islander artists and arts businesses. The inaugural round provided support to 11 arts activities across a range of artforms and cultural practices with funding totalling \$127,565.
- In 2022-23, the ACT Arts Organisation Investment Program Framework was implemented to enable leading ACT arts organisations to provide programs, services, expertise and infrastructure to support and develop the arts in the ACT, as well as activities that strongly engage with the local community. Twenty-nine organisations were provided with multi-year funding totalling approximately \$9 million per annum.
- The ACT Arts Activities program supports diverse arts practice with project grants. From 1 January 2023, screen and digital games projects became eligible, ensuring that screen and digital games artists have the same access to funding as other artforms.
- Two rounds of the \$5 to \$50k Arts Activities funding category were delivered: the 1 June 2022 round closed on 31 July 2022 with 16 applications supported with funding totalling \$359,232; and the 1 December 2022 round closed on 28 February 2023 with 17 applications supported with funding totalling \$394,219.
- The Up to \$5k Arts Activities funding category is open all year round. Fifty-five applications were supported in 2022-23 with funding totalling \$207,706.

The ACT Government supports initiatives to improve working conditions for artists and develop consistent standards for workplace governance in creative industries. In 2022 the ACT Government released the Remuneration Principles and Practices for Artists and Arts Workers, which sets out the principles for modelling good practices for the engagement and remuneration of artists and arts workers. This document reinforces the message that all creative work is, by default, paid work.

c. Sustainable Business Program

The Sustainable Business Program provides support to the business sector to make sustainable choices, with a focus on energy, transport, waste and water. Support includes financial rebates, technical advice, equipment, staff training and educational materials. The financial rebates are specifically to improve energy efficiency and to help transition off gas, and include up to \$10,000 for SMEs. Businesses can become accredited through the program, and recognised and promoted as a 'Sustainable Business'.

Over 2,000 businesses have engaged with the program over the last 15 years, with approximately 400 currently actively involved. The program also runs the annual Climate Choices Business Awards to recognise sustainability leadership, achievements and innovation in the business community.

d. Community Clubs Program

In 2021 the Community Clubs Program was launched to provide funding for activities and initiatives that seek to:

- improve the sustainability of clubs through tailored solutions that will help reduce energy use and costs, encourage and spread awareness regarding efficient operation of energy systems, and help clubs transition off gas;
- reduce harm from gaming; and
- support clubs to become heat and smoke refuges for the local community.

ACT clubs and club groups who had a gaming machine Class C licence as at 1 July 2021 are able to apply for rebates of up to \$100,000 to improve their energy efficiency and transition off gas.

e. Investing in the ACT's innovation ecosystem

i. Government support for the Canberra Innovation Network (CBRIN)

CBRIN was established in 2014 as a partnership with Canberra's leading education and research institutions and the ACT Government. CBRIN is part of a broader network that links businesses and entrepreneurs to services, facilities, mentors or advisors and investors to accelerate growth. CBRIN delivers this through:

- **Innovation capacity building:** CBRIN aims to build capability in segments of the community that do not identify as entrepreneurs with the aim to drive more innovation, collaboration and job creating entrepreneurship. CBRIN delivers and collaborates on events, initiatives and programs that introduce and enhance innovation capacity and skills in the broader community, including students, researchers, trades, government, and others.
- **Entrepreneurial capacity building:** CBRIN grows the entrepreneurial capacity of the ACT's innovation ecosystem by developing, delivering and linking programs and resources that support growth of ambitious innovation and technology companies. Through its programs, CBRIN contributes to building a strong pipeline of entrepreneurs and innovators, triage them into programs and services that support their growth and link them to funding, entrepreneur education and mentoring opportunities through CBRIN's network.
- **Place making:** CBRIN acts as the ACT's central innovation hub with links to a growing network of innovation precincts that work together to create new industries and solve complex problems by leveraging science, innovation and entrepreneurship. CBRIN provides a co-working space at Level 5, 1 Moore Street, Canberra.

The ACT Government remains committed to fostering the ACT's innovation ecosystem and the government's continuing support for CBRIN forms an integral part of that commitment. Through the 2023-24 Budget, the ACT Government provided \$6.838 million in direct funding to CBRIN over two years to support CBRIN's operations and programs. This includes:

- \$3.038 million over two years to support CBRIN's operations;
- \$1.1 million over two years for CBRIN to deliver the Innovation Connect (ICON) grant program which provides matched-funding support for start-ups at the prototype development and proof-of-concept stage; and
- \$2.7 million in 2023-24 to support CBRIN's expansion into Level 4, 1 Moore Street and ensure that the space is fit-for-purpose. This will double CBRIN's physical presence at 1, Moore Street by providing both Levels 4 and 5 of the building under a peppercorn lease agreement for a total of 3,280.7m² in floor space. Level 4 will be developed to support the needs of later stage start-ups, innovative small and medium businesses and potential high-growth companies before they are ready to enter the commercially priced real estate market.

ii. Innovation Connect Program

The 2023-24 Budget provided increased funding of \$1.1 million over two years for the Innovation Connect (ICON) grant program which will provide matched-funding support for ACT-based start-ups at the prototype development and proof of concept stage.

ICON is a high impact early-stage commercialisation grant program that provides seed capital to assist start-ups to prove a concept or produce prototypes. This program is currently being delivered in partnership with CBRIN.

ICON is an important vehicle in Canberra's innovation ecosystem, producing a pipeline of potential investable companies for the soon to be established ACT Venture Capital Fund. During 2022-23 there were two ICON funding rounds and an investor-led round. These funding rounds attracted 170 expressions of interest from Canberra start-ups. 18 Canberra-based start-ups were successful in receiving a total of \$420,000 in funding. During the first half of 2023-24, one round of ICON grant funding was undertaken, where nine Canberra-based start-ups were successful in receiving a total of \$264,000 in funding.

Since 2008, the program has supported 308 projects and has provided \$8.1 million in funding support to ACT-based start-ups. CBRIN undertakes an annual survey to assess the performance of previous grant recipients. In 2023, 24 grant recipients reported:

- \$9.7 million in annual turnover;
- \$75 million in capital raised since receiving an ICON grant; and
- 168 FTE in aggregate ACT-based employment.¹³

iii. ACT Venture Capital Fund

The ACT Government has provided support and investment into in early-stage commercialisation and venture capital for over 20 years. Venture Capital plays an important role in raising early-stage capital and supporting the growth and expansion of start-ups. The presence of locally managed venture capital has been important for overcoming the barriers of accessing finance for start-ups and government backed early-stage capital can address this critical gap.

¹³ Aggregate data based on Annual Updates received from companies for the 22/23 FY, and publicly available data.

The ACT Government has strategically invested into Canberra's innovation ecosystem, including through the creation of CBRIN and programs such as ICON, PIP and the Future Jobs Fund. These initiatives have created a pipeline of investable companies.

The ACT Government is conducting a two-stage procurement process for a Fund Manager to establish and manage a new venture capital fund. The Request for Expression of Interest (REOI) was released on 25 July 2023 and closed on 22 August 2023. After completing the REOI stage of this procurement, the government released the Request for Proposal (RFP) approach to market in November 2023 to shortlist respondents from the REOI. The government is currently evaluating the responses received during the RFP stage.

The Fund will invest in ACT-based, sector agnostic, early-stage start-ups to grow into high-performing businesses and comprise a \$10 million cornerstone investment from the ACT Government. This cornerstone investment will be matched by at least \$10 million private sector capital, to be raised by the successful Manager of the Fund.

The ACT Government's annual budget allocation of \$300,000 (plus indexation) contributes towards management fees and provides an incentive for private investors to participate in the Fund as the Territory will cover a greater share of the total fees than it would otherwise be expected to.

iv. Knowledge Based Sector Business Support

Under Mission 3 of *CBR Switched On*: Knowledge based economic growth, the ACT Government is committed to the delivery of advanced technology hubs. These hubs will be the connection point between the research, industry and government sectors, and will attract talent and create jobs in emerging sectors that are highly sought after. Through the development of these hubs, and their interaction with the ACT's innovation ecosystem and globally renowned universities, the sectors will confidently attract a more diverse and skilled workforce.

- **Canberra Space Hub**

During 2022, engagement with a broad cross section of the space sector ecosystem was undertaken to test and affirm the ACT's strengths in space and develop the *ACT Space Update 2023* which sets future directions and informs the next important phase in establishing a Space Hub.

This new Hub will build on the establishment of the Canberra Cyber Hub and CBRIN, and expand on the collaborative model between government, industry, research and the tertiary education sector. In doing so, it will:

- develop and diversify the workforce;
- foster partnerships with industry and research to facilitate commercialisation;
- accelerate growth of small to medium sized businesses; and
- promote ACT space-based technology and downstream services sector to clients and potential clients across the world.

The *ACT Space Update 2023*, prioritises connecting local start-ups and small businesses with potential customers and investment. During consultation, many small business owners described the challenge of finding suitably qualified workers needed to operate or grow their business. Generating interest in space industry careers and creating education and career

pathways into the space sector has been identified as a priority under the Space Update, and for the Space Hub. This will connect small businesses to the talent and workforce they need.

- **Quantum Hub**

The ACT is home to several quantum-specific start-ups. The successful commercialisation of quantum technologies has the potential to create a new high growth industry in the ACT with links to other technology intensive sectors including space, advanced manufacturing, defence, and cyber security.

The ACT Government has been consulting with stakeholders including research organisations, training facilities, specialist facilities and ACT based quantum inspired companies to co-design a Quantum Hub in the ACT. From the consultation to date, an important area of focus for the Quantum Hub will be connecting small businesses with adjacent sectors to further develop commercial products, solutions and opportunities.

f. Enhancing inclusivity and diversity

Entrepreneurship empowers and drives wellbeing among the ACT's most vulnerable community cohorts and the ACT Government provides a range of targeted business support initiatives to support these objectives.

i. Aboriginal and Torres Strait Islander Business Support - Badji

Following an open tender, Coolamon Advisors was engaged on 1 June 2022 to provide an enhanced package of business support services for ACT Aboriginal and Torres Strait Islander businesses, to help them develop and grow. The program delivers a range of culturally appropriate and tailored services including:

- a concierge service to connect businesses with a range of service providers;
- mentoring and coaching services; and
- access to accelerator programs for businesses looking to grow.

The program has been gifted the name 'Badji' by Ngunnawal Elder Dr Caroline Hughes, from the Winanggaay Ngunnawal Language Corporation, and was formally announced on 8 October 2022. Badji is a Ngunnawal word meaning 'arise'. Wiradjuri artist Kristie Peters designed the supporting artwork for Badji's visual branding and identity.

The program is aligned with the [ACT Aboriginal and Torres Strait Islander Agreement 2019-2028](#), specifically the Agreement's Focus Area of Economic Participation. Main achievements of the program to date include:

- supporting 25 Canberra-based Aboriginal and Torres Strait Islander businesses across a range of industries including Healthcare, Arts and recreation, Administration and support, Consultancy, Construction, Education and training, and Cultural services;
- providing support and assistance with marketing activities, administration, recruitment, funding opportunities and grants;
- referring businesses to a range of eco-system support providers, including CBRIN, CBASS, artsACT, Indigenous Business Australia, the Australian Taxation Office, the Department of Industry, Science and Resources, and the Australian National University; and

- implementing a calendar of promotional activity across website activity, social media, e-newsletters, attendance at trade fairs, and participation at CBRIN events.

An operational review of the Badji program was completed in May 2023. The review shows that the Badji program is well set up, and whilst uptake of services is lower than expected, the program is expected to grow. The findings have also informed changes to the program, including:

- accommodating clients with more complex business support needs;
- clarifying the business support available for all business life-stages (start-up, scale-up and more mature);
- growing the client base by extending the Program's reach and engagement through a wider eco-system of support;
- enhancing program communication and engagement initiatives; and
- adjustments to reporting.

ii. Fostering Women Entrepreneurship

The Small Business Strategy includes actions directly targeted at supporting women-owned businesses and encouraging greater diversity in business – actions aimed at increasing female entrepreneurship and promoting diverse business owners with a view to encouraging others to follow their lead.

Canberra Women in Business (CWB) was a key stakeholder in the development of the Strategy, and the ACT Government has increased its direct engagement with CWB to ensure its programs and policies are informed and provide genuine benefit to supporting female-owned business.

iii. ACT Microcredit Loan Program

In 2011, the ACT Government partnered with Lighthouse Business Innovation Centre to launch the ACT Microcredit Loan Program. Originally an initiative aimed at improving the opportunities for women in the ACT, in 2014 the program was expanded to support all low-income earners.

To date, over 100 loans have been granted and around 45 per cent of the businesses established are still operating. Other recipients have repaid their loans and re-entered full-time employment. Almost 80 per cent of loans have been granted to woman and to date there has been a default rate of less than 5 per cent on the establishment loan funds.

The ACT Microcredit Loan Program differs from most other loan programs of this type because it offers two loans for businesses at different stages of development. Up to \$3,000 interest free is available to entrepreneurs just starting out and up to \$10,000 at a flat three per cent interest rate is available to businesses that are already operating. Eligibility relates to income, the viability of the business idea and how prepared recipients are to work with mentors.

iv. Disability Inclusion Grants Program

The Community Services Directorate administers the annual Disability Inclusion Grant program, which offers financial support in the form of a one-off grant to community groups, organisations and small businesses to enable them to become more inclusive and accessible to people with a disability. This does not extend to wages or salaries. \$100,000 is available each year and applicants can apply for up to \$20,000.

Small businesses as well as community organisations are accessing these grants to ensure they are more accessible to their customers. In 2023, the owners of Waramanga Medical Centre installed an automatic door and in 2021 Yarralumla Play Station built an accessible carriage and ramp.

v. Social Enterprise Grant Program

In 2023-24, the ACT Government engaged The Mill House Ventures to deliver a two-year social enterprise grant program, comprising \$700,000 in grant funding and business advisory and support services over two years. The program aims to:

- encourage growth and maturation of the local social enterprise ecosystem;
- encourage ideation of new social entrepreneurs and attract new social entrepreneurs to the region;
- strengthen and enhance the positioning of Canberra as a social innovation and entrepreneurial hub; and
- address systemic gaps in the ACT's social innovation ecosystem.

The program is a competitive, translational grant program, targeted at start-up social enterprises to address the market gap in funding between pre-revenue (seed) and the philanthropic, sponsorship and venture capital funding opportunities available to scale-up social enterprises. The program's first round of funding closed for applications on 19 January 2024 and the outcomes of this round were not finalised at the time of writing this submission.

vi. Innovation and entrepreneurship development programs

In the ACT, CBRIN conducts specific programs targeting gender diverse and Aboriginal and Torres Strait Islander entrepreneurs to ensure that their businesses are better positioned to access future funding programs. The Female Founders program that CBRIN runs celebrates and champions women-led businesses and provides a space for Canberra's female entrepreneurs to connect and share their lived experiences. In addition, CBRIN monitors the participation levels of women and the number of female co-workers utilising CBRIN's co-working space. CBRIN also works in partnership with The Mill House Ventures in the context of social enterprises, and the Canberra Indigenous Business Network and ANU's Gandaywarra - First Nations Innovation Hub in the context of First Nations businesses.

g. Government procurement

The ACT Government aims to be a responsible and informed buyer and is actively considering a range of ethical, social, economic and environmental factors in ensuring that the public procurement process is reflective of broader community values. The *Government Procurement (Charter of Procurement Values) Direction 2020* requires government buyers to, among other things, consider the following procurement values when pursuing value for money in procurements:

- Aboriginal and Torres Strait Islander economic participation;
- business development and innovation;
- diversity, equality and inclusion;
- environmental responsibility;
- fair and safe conditions for workers; and

- transparent and ethical engagement.

The following procurement values maintain a focus on supporting micro, small and medium businesses in the ACT.

- **Aboriginal and Torres Strait Islander economic participation**

Under the ACT Government's [Aboriginal and Torres Strait Islander Procurement Policy](#), government buyers can utilise an exemption from procurement threshold requirements to purchase from an Aboriginal and Torres Strait Islander enterprise. The ACT Government also aims to spend at least two per cent of its total addressable spend on Aboriginal and Torres Strait Islander Enterprises during 2023-24. According to Supply Nation, a majority of Aboriginal and Torres Strait Islander businesses are small to medium in size.¹⁴

- **Diversity, equality and inclusion**

Per Section 10(2) of the *Government Procurement Regulation 2007*, a government buyer may seek an exemption from procurement thresholds, where a secondary objective of the procurement is to achieve an appreciable social or community benefit. This provision, among other things, support the engagement of social enterprises in government procurements.

Case Study: Promoting micro, small and medium businesses through sub-contracting in significant infrastructure projects

Canberra Institute of Technology (CIT) Woden Campus Project

The head contractor of the CIT Woden Campus project has committed to achieving the following targets associated with Local Industry Participation.

- Minimum of 15 per cent of labour assigned to women.
- Minimum of 10 per cent of labour assigned to apprentices and trainees (which may include CIT apprentices and trainees).
- Minimum of 5 per cent of labour assigned to CIT apprentices and trainees.
- Provide 6,300 hours of learning, training, and employment opportunities for CIT staff and students (Project Learning Tool).
- Create 15 new school-based apprenticeships/traineeships for girls and 15 new apprenticeships for women, and construction ready training.
- Minimum of 10 per cent of procurement through Aboriginal and Torres Strait Islander owned businesses.
- Minimum of 4 per cent of Aboriginal and Torres Strait Islander employment.

More than 520 local jobs and apprenticeships will be created during construction of the CIT Campus in Woden, in addition to the jobs that will be available once the campus is operational. Lendlease Construction continues to progress procurement in accordance with Secure Local Jobs Code (SLJC), the Local Industry Participation Policy and Labour Relations, Training, Workplace Equity (LRTWE) Plans. It continues to exceed its progress against targets associated with the Aboriginal and Torres

¹⁴ [Supply Nation Driving Growth in Indigenous Business, 2020](#)

Strait Islander Participation Policy. Work is underway on targeting opportunities to encourage women to undertake roles in the construction industry and employ more local trainees and apprentices to support upskilling of the ACT workforce.

Through the Construction Employment Hub, potential workers are connected with information, support, and Learning Tool have been completed. The current workforce encompasses: 15 per cent women, 10 per cent Apprentice/Trainees, and 4 per cent Aboriginal and Torres Strait Islander People.

Case Study: Promoting micro, small and medium businesses through sub-contracting in significant infrastructure projects (cont.)

Canberra Hospital Expansion Project

The ACT Government's delivery partner for the Canberra Hospital Expansion (CHE) Project, is committed to achieving procurement targets to improve social inclusion, and specifically Aboriginal and Torres Strait Islander participation on the CHE Project. It aims to achieve an expenditure commitment of 10 per cent of trade costs (12 per cent stretch target), broken down by:

- 5 per cent expenditure directly on Aboriginal and Torres Strait Islander employment;
- 4 per cent expenditure on procurement through Aboriginal and Torres Strait Islander-owned businesses;
- 1 per cent expenditure on Aboriginal and Torres Strait Islander education and training; and
- 30 per cent site workforce comprised of trainees/apprentices.

To date, 28 candidates have been placed in employment as a direct result of the Connectivity Centre (including 20 Aboriginal and Torres Strait Islander candidates, three of which are female). In addition to those already placed and working, Multiplex is currently recruiting for the following positions:

- 9-10 Apprenticeships (Plumbing and Carpentry);
- 10+ Casual Traffic Control Positions with Glad Indigenous; and
- 6 Direct Labouring positions (Axis Plumbing and ABS Façade).

Multiplex currently has 12 candidate referrals with employers for the above positions.

Major Projects Canberra continues to meet with subcontractors and industry bodies, (including the ACT Master Builders Association) to explore other potential placement opportunities. Multiplex has also been approached by the following organisations to provide support regarding the recruitment of Aboriginal and Torres Strait Islander candidates:

- Glad Indigenous - multiple cleaning roles across various Canberra Based contracts; and
- Downer - multiple cleaning & associated Asset Maintenance roles and administration roles.

Both employers have confirmed they are seeking substantial numbers of employees and there are genuine opportunities for engagements through Multiplex.

3.3 Showcase and promote local small businesses

a. Promoting small and medium businesses

The ACT Government is proud of the ACT's dynamic small business community and promotes businesses and the 'support local' message through its many channels, including the Our Canberra newsletter and ACT Government social media.

VisitCanberra promotes the ACT's many local tourism and hospitality businesses and attractions to the rest of Australia and overseas through its marketing campaigns and public relations activities. VisitCanberra delivers grant programs to support the ACT's tourism and hospitality businesses to develop new products and experiences, and to promote themselves to the domestic and key international markets.

The Canberra and Region Visitor's Centre stocks a range of local products to give visitors a taste of the Canberra region's producers and artisans.

Through case studies and local media, the Sustainable Business Program (detailed in section 3.2.iii.c) showcases the achievements of businesses within various sectors based in hospitality, retail and offices, and encourages the community to support businesses that are participating in the program.

b. Office of International Engagement (OIE)

The OIE supports ACT businesses through several key activities including:

- Austrade Trade Start advisor to assist businesses exporting their goods and services;
- trade mission programming where business participation is relevant;
- inbound delegation facilitation and networking;
- a series of annual events for businesses which bring Canberra businesses with potential opportunities to sell their products to interested parties; and
- alerting the diplomatic community to Canberran business opportunities and products and services that may suit their import demands.

More detail on the specific markets that the OIE will focus on can be found in [Canberra's International Engagement Strategy](#). The OIE also contracts the Chief Minister Export Awards, which is the premier showcasing of Canberra businesses that are exporting at the Territory level, before going on to the National Export Awards. This year's Territory level category winners will be receiving an assistance package to attend the Chief Minister's trade mission to Singapore and India in early 2024, as a pilot program to highlight ACT capabilities.

c. Team Canberra

The ACT Government coordinates Team Canberra events, working with partners in sectors such as defence, cyber and space to showcase Canberra's capabilities at national and international conferences. Participation by Canberra SMEs in 'Team Canberra' industry events deliver both short-term and long-term benefits. Team Canberra delegations provide local SMEs with supported access and direct engagement with a broad scope of industry contacts and organisations at defence, space and cyber events. This allows Canberra businesses to demonstrate their products, services and expertise to an audience of national and international partnership opportunities.

The Team Canberra approach has continued to grow and has been successful at several defence industry events such as the annual Military Communications and Information Systems (MilCIS) 2021, 2022 and 2023, Land Forces 2022, Indo Pacific 2023 and Avalon 2023. Each of these events has generated significant interest from the ACT's defence industry SMEs.

Access to VIPs, particularly in the defence, space and cyber security sectors, is highly competitive and very challenging for a small SME without the support and advocacy of industry specialists. Team Canberra events enable connection opportunities for Canberra SMEs and maximises their ability to meet and engage with the right industry partners to collaborate and grow their business, supported by the ACT Government's Defence Industry Support providers.

For example, a Canberra-based secure software company specialising in data management of sensitive and classified information participated with Team Canberra at MilCIS 2022. The company recently secured a \$4 million contract with the Commonwealth Department of Defence, which originated from exhibiting with Team Canberra at Defence trade events.

d. Small Business Expo

In line with the ACT Government's ambition to position Canberra as a city where innovation, creativity and entrepreneurship are encouraged and celebrated, the 2023-24 ACT Budget commits to deliver a Small Business Expo in 2023-24. The aim of the Small Business Expo is to provide a one-stop-shop marketplace that showcases local businesses. The Small Business Expo will focus on supporting economic and employment outcomes by connecting small businesses to potential customers and building collaboration and networks for small business owners in the Canberra region.

e. Sustainable Canberra Expo

The ACT Government delivered the Sustainable Canberra Expo in October 2023. The Expo targeted a business and industry audience on 13 October 2023 to showcase solutions to help businesses become more sustainable and maximise the use and benefits of sustainable technologies. Led by Climate Change and Energy, within the Environment, Planning and Sustainable Development Directorate, the Expo included a range of workshops and panel discussions featuring industry leaders, technical experts and local Canberra business leaders.

Economic Development, within the Chief Minister, Treasury and Economic Development Directorate piloted an ACT Government Small Business Support Hub stall as part of the Sustainable Canberra Expo. The hub featured a range of ACT Government small business supports and initiatives, including CBASS, CBRIN, Procurement ACT, Skills Canberra and the Access Canberra ECBA team. Realise Business also attended the stall to promote awareness and use of the Australian Government's Digital Solutions Program, which Realise Business is delivering across New South Wales and the ACT. The pilot collaboration between ACT Government business support areas and business support partners will inform planning for the Small Business Expo.

f. City Renewal Authority (CRA)

The CRA activates the City Centre, as well as Braddon and Dickson, with place interventions, events and attractions that bring people into these precincts and enliven the experience for residents, workers and visitors.

CRA's retail campaigns, place management services and activation programs attract people to the City Centre and help grow sustainable economic activity. In July 2023, Winter in the City resulted in around \$1.8 million of expenditure in the City Centre. CRA partnered with around 20 cafés, restaurants and retail shops, that offered deals to festival goers to encourage local business support.

CRA also provides a platform for city businesses to promote special offers during major events and campaigns such as Winter in the City. In January 2023, CRA worked with local businesses and cultural groups to deliver Dickson's Lunar New Year activation, which brought 7,000 people into the precinct and many positive comments from the community.

g. City Centre Marketing and Improvements Levy

Some of the activities in the City precinct and Braddon are made possible by the City Centre Marketing and Improvements Levy. The Levy is a partnership between levy payers, the CRA and the broader ACT Government that supports actions which contribute to the long-term sustainable growth, economic prosperity, culture and vibrancy of the levy collection zone (City Centre, New Acton and Braddon). For example, upgrades to the Verity and Odgers laneways in the Sydney and Melbourne buildings were delivered through contributions to the Levy, allowing the laneways to be used for outdoor dining, events and activations.

h. National Arboretum Canberra (NAC) and UC Stromlo

The NAC and the University of Canberra Stromlo Forest Park (UC Stromlo) offer facilities for micro, small and medium businesses to utilise – for example, UC Stromlo sporting assets are hired out by sporting organisations for events and club training.

The NAC partners with two onsite commercial contractors that are local SME businesses – The Curatoreum and The Ginger Group. UC Stromlo partners with two onsite commercial partners that are local SME businesses – Handlebar Café and Dynamic Motivation.

The NAC promotes the annual Kite Festival locally and regionally, promoting both the Ginger Group and Curatoreum's offerings. Both commercial businesses are also promoted as part of the general tourism offer at the NAC.

3.4 Futureproofing small businesses

a. Towards net zero and beyond

The ACT Government is continuing to support small businesses with emission reduction and electrification by delivering the Sustainable Business Program. The ACT Government works with industry groups to help businesses and trades understand the importance of installing electric appliances. There is substantial information available on the everyday climate choices website. This includes:

- booking an assessment through the ACT Government's [Sustainable Business Program](#) website to receive tailored advice, rebates and support;
- other support available through [ACT Government programs](#); and

- visiting [Powering Canberra: ACT's pathway to electrification](#) to map out a business's electrification journey.

The ACT Government consulted with the community on the Integrated Energy Plan – in particular, to examine the skills and workforce needs of the future. The Integrated Energy Plan will provide a clear strategy for how the ACT will transform its energy systems to:

- secure an affordable and sustainable energy future;
- support a fair and equitable transition to net zero emissions from fossil fuel energy over the next two decades; and
- transition away from fossil fuel gas and ensure a reliable and affordable energy system.

The Integrated Energy Plan will outline how we engage and support energy consumers and establish collaborative partnerships so we can deliver on these objectives.

The ACT Government's Commercial Kitchen Trial is an example of supporting hospitality businesses to transition to away from fossil fuel to electric kitchen. The Commercial Kitchen Trial will help the ACT Government understand the unique challenges faced by the hospitality sector.

b. Skills and Workforce Development

Businesses across Australia are experiencing skills shortages and the ACT Government has made significant investments in skilling a workforce for small businesses.

The ACT has more job vacancies than unemployed people, with approximately 20 per cent more vacancies than people to occupy those jobs. ABS data shows the ACT's labour market participation rate at August 2023 was 72 per cent, compared to the national average of 67 per cent.

Having a skilled workforce to capitalise on our key economic strengths and ensuring ACT businesses have access to the right mix of talent, skills and people is important to generate economic growth and success. Noting the responsibilities of businesses in building their own workforce, the ACT Government delivers – or is committed to initiatives that:

- connect businesses to government and a skilled workforce to understand the skills they need;
- develop a local workforce through upskilling and reskilling, and
- attract and retain a skilled workforce.

Canberra Cyber Hub

In 2021, the Canberra Cyber Hub was established following a process of co-design with the Canberra region cyber sector.

The Canberra Cyber Hub works with universities, CIT, students and local businesses to

- Promote local cyber businesses to help them start or grow
- Promote career opportunities in cyber
- Connect prospective students to education and training for careers in cyber and cyber related roles; and

- Promote innovation and research

During 2023, the Canberra Cyber Hub worked with the Digital Skills Organisation (DSO) to implement a National Skills Framework for cyber security standards.

The standards are currently being tested with industry through the Work Integrated Learning Program Pilot. This Pilot was co-designed through the Canberra Cyber Hub with Canberra cyber employers, education and training providers and in collaboration with the DSO.

52 expressions of interest were received from intern candidates interested in the Pilot. 20 interns were selected for employer interviews.

Following the conclusion of the Pilot in December 2023, the intent is to evaluate the program and upscale it to develop a pipeline of work-ready cyber employees to Canberra cyber employers.

i. Understanding skills needs

The ACT Government consults peak bodies, industry associations, unions, community organisations, regional development agencies, registered training organisations and other stakeholders on their skills needs.

The ACT Government consults with industry, local registered training organisations and unions to identify occupations in demand for inclusion on the ACT Skills Needs List.

Identifying and targeting skills needs aids in developing the skilled workforce ACT employers need.

The Skills Needs List contains 122 qualifications that target future workforce needs across 175 occupations. The method for developing the Skills Needs List includes:

- shortlisting occupations based on the Skills Needs List survey and employer consultation;
- prioritising the ACT Government's areas of economic focus;
- the Forecasting Industry Needs and Entitlement Model, which considers the Internet Vacancy Index, employee earnings and hours by industry sector, employment by occupation and age group, occupation projection growth, predicted vocational education and training numbers;
- prioritising occupations that can be filled by vocational education and training courses; and
- removing qualifications with declining growth projections by 2026.

ii. National Skills Agreement

The New National Skills Agreement incorporates funding for vocational education and training (VET) which supports skills development for many businesses through CIT and other registered training organisations. It contains a number of new initiatives, including:

- over \$24 million in matched ACT-Commonwealth funding for TAFE Centres of Excellence, with a focus in the ACT on the transition to a net zero economy;
- \$6.5 million in matched funding for Closing the Gap initiatives to support training for First Nations Canberrans;

- \$14 million in matched funding to improve VET and apprentice completion rates, with a focus on groups such as First Nations students, women and other vulnerable cohorts;
- approximately \$13 million in matched funding to foster collaboration between CIT and other public training providers to enhance quality and capability in the VET workforce and sector; and;
- close to \$1.5 million to improve access to foundation skills and learning.

The ACT Government will continue to support Fee Free TAFE at CIT for priority cohorts such as young people, jobseekers and women in non-traditional fields.

The ACT Government, with the support of the Australian Government, committed to 3,600 more Fee Free TAFE places over the next three years, with a specific focus on renewable energy, cyber security, the care sector, construction, hospitality and foundation skills. More than 2,500 Canberrans took up this opportunity for free training in 2023.

iii. Skilled To Succeed: Skills and workforce agenda for the ACT

Launched in 2022, *Skilled to Succeed* is the ACT Government's skills and workforce agenda that strives to ensure Canberrans have the right skills for in-demand jobs, now and into the future. In 2022, the ACT Government consulted industry stakeholders, including local small and medium businesses to hear their views on how the skills sector can support the growth of their industry and develop the workforce that they need going into the future.

The ACT Government is considering this feedback, along with research and the commitments under the National Skills Agreement to develop a number of Industry Action Plans for priority industry sectors including Care, Technology, Building and Construction, Experience, and Renewables and Sustainability sectors. The Industry Action Plans include actions for government and industry, to support the ACT's training system and workforce to meet job needs now and into the future.

In 2023, the ACT Government launched the Skilled to Succeed Innovation grants program. The grants program addresses Priority 2 of the ACT's skills and workforce agenda in *Skilled to Succeed*, by supporting the development of a more responsive, flexible, and future-focused skills system and workforce. Organisations, including small and medium businesses working in partnership with training providers were able to apply for Skilled to Succeed Innovation grants of up to \$90,000.

Case Study: Brewing to Success

CIT has been allocated \$79,740 from Skilled to Succeed Innovation grant funding for the Brewing to Success project. Through this project, CIT is working with local industry partners, to develop and trial an accredited, brewing specific statement of attainment. There are several small brewing/distilling businesses in the ACT which require employees to have both brewing and hospitality skills to service their diverse businesses. The project has been designed to build a workforce with specific skills to the brewing industry to allow the industry to continue to grow while building the ACT's tourism and hospitality offerings.

iv. Workforce attraction

In addition to creating a skilled workforce the ACT Government is looking at ways to attract more people to consider Canberra as a place to live and work.

The ACT Government engaged the University of Canberra to undertake research to understand workforce shortages and barriers to workforce attraction in the ACT. The University of Canberra completed qualitative and quantitative research including a desktop review, interviews with seven key organisations, a survey (335 employers surveyed) and six focus groups between May and September 2022.

The research identified a number of areas of workforce shortage, many of which align with national shortages. The University of Canberra made a range of recommendations for what industry and Government could do to address the barriers to workforce attraction. These recommendations are being worked through and prioritised with industry stakeholders through the Business and Economic Development Stakeholder Consultation Forum.

One of the first priorities identified was a workforce attraction campaign. The ACT Government delivered a pilot campaign in July 2023, aimed at getting younger workers in Sydney to consider Canberra as a place to live and work. The campaign featured four local Canberran content creators promoting Canberra's lifestyle benefits. The campaign showed promising results increasing traffic to the [Canberra.com.au/work](https://canberra.com.au/work) website where visitors could further discover why they should live and work in Canberra. Following evaluation, the government will consider the future direction for the campaign.

A range of resources for employers and recruiters are available through the Canberra Toolkit. This includes images, video and a how to guide to help businesses sell the benefits of living in Canberra.

3.5 A one-government approach to business

a. Continuous industry consultation and greater cross-government coordination

The ACT Government recently formed the Business and Economic Development Inter-Directorate Committee (BEDIDC) comprising senior ACT Government public servants to lead and coordinate initiatives for business and Canberra's economic development. BEDIDC acts as the ACT Government steering group for CBR Switched On and the body for coordinating matters relating to business across government. It also provides oversight for work on the Night-time Economy, investment attraction and Better Regulation agenda.

The government also established the Business and Economic Development Consultative Forum (BEDCF) in February 2023. BEDCF was developed to provide a forum to consult with ACT business peak bodies on strategic economic development matters under CBR Switched On, identify and discuss potential opportunities and impediments relating to economic development in the ACT, and identify areas for cross collaboration. Meetings of the Forum are scheduled ahead of the BEDIDC, to ensure views from the Forum can be provided to this group. The non-ACT Government members include representatives from the Canberra Business Chamber, Master Builders Association of the ACT, Canberra Region Leaders Tourism Forum, CPA Australia, Australian Hotels Association, Canberra Women in Business and the Property Council of Australia.

b. Identifying reform opportunities

The ACT Government listens to and directly engages with business to understand the issues they face. To identify regulatory reform opportunities, the Better Regulation Taskforce:

- collaborated directly with businesses through a discovery phase in 2021 to hear their ideas and solutions to best support their success. The feedback provided directly shaped the Better Regulation Agenda;
- consults with businesses on topic specific issues on the Better Regulation Agenda including employment agents licencing, short-term rental accommodation, model rules for incorporated associations, Night-time Economy reforms and the Local Industry Participation Policy; and
- continues to meet directly with businesses and stakeholders to discuss issues and connect businesses with the right area of government to resolve their issues.

As well as speaking directly with businesses, the ACT Government also engages regularly with peak industry bodies that represent ACT businesses.

4 Conclusion

The ACT Government is committed to working with the ACT's micro, small and medium business sector to ensure they are best placed to maximise opportunities for growth and a long-term future.

Doing so requires a coordinated and collaborative approach from the ACT Government, and the actions outlined in the Strategy and this Submission identify how the ACT Government is engaging with micro, small and medium businesses and the programs and activities across government which support their growth and sustainability.