



**MINISTER FOR TOURISM; RACING AND GAMING; SMALL BUSINESS;
DEFENCE ISSUES; CITIZENSHIP AND MULTICULTURAL INTERESTS**

Your Ref: Petition No. 19
Our Ref: 70-06602

STANDING COMMITTEE ON ENVIRONMENT AND PUBLIC AFFAIRS

PETITION NO. 19 – SCARBOROUGH FORESHORE REDEVELOPMENT

I refer to your letter of 2 November 2017, requesting my response to the terms of Petition No. 29 and the submission of the principal petitioner. It is my understanding that the main term of the Petition relates to the lack of support provided by the Metropolitan Redevelopment Authority (MRA) to businesses impacted by the Scarborough redevelopment. The petitioners request the Legislative Council support their argument that adequate compensation be paid to businesses directly impacted by the MRA's development works.

As you are aware, I am the Minister responsible for both the Tourism and Small Business portfolios. As the Minister for Tourism, I recognise the importance of development in attracting tourists to Western Australia (WA). The development of our landmarks and activation of places within our city will help establish WA as a tourism destination. Major development provides long term economic and social benefit to our community.

As the Minister for Small Business I am acutely aware of the impact that the construction phase of such development projects has on neighbouring businesses. I sympathise with small business owners whose livelihoods are under threat due to development projects undertaken by private developers or governments.

The issue of the impact of construction on neighbouring businesses is long standing and widespread. The media often reports on large projects where vocal businesses highlight a desperate financial position as a result of the construction work. However, there are many unreported cases where businesses have been adversely impacted by development that is outside their control. The Small Business Development Corporation (SBDC) has been monitoring this issue for many years and providing assistance to small business owners impacted by development around their premises. The SBDC has also advocated on behalf of businesses impacted by government funded projects and recognises that currently there is no whole of government mechanism in place to mitigate the impact, or where impacts cannot be mitigated, compensate affected businesses.

I share the concerns of Mr Chris Burke, the co-owner of the Wild Fig, although I do not believe creating legislation is the best way of addressing the issue. However, the implementation of a whole of government policy to mitigate the impact of development on neighbouring businesses, as well as support those businesses where mitigation fails, is a concept worthy of further consideration. Whilst not all of Mr Burke's suggestions may be viable for a whole of government policy, there is merit in considering whether some of the factors he has outlined would be appropriate for inclusion into a policy. This could include a mechanism for the government to support and compensate affected businesses.

As the Small Business Minister, I would be interested in the development of a whole of government policy that provides a consistent and fair approach to the issue of supporting and compensating businesses affected by government funded development projects.

A handwritten signature in black ink, appearing to read 'P. Papalia', with a long horizontal stroke extending to the right.

HON PAUL PAPALIA CSC MLA
MINISTER FOR SMALL BUSINESS

23 NOV 2017