



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

Your Ref: Petition No. 25
Our Ref: 70-06562

STANDING COMMITTEE ON ENVIRONMENT AND PUBLIC AFFAIRS

PETITION NO. 25 – COMPENSATION FOR SMALL BUSINESS AROUND MENDS STREET

I refer to your letter of 2 November 2017, requesting my response to the terms of Petition No. 25 and the submission of the principal petitioner. It is my understanding that the main terms of the Petition relate to the treatment of small business owners by the City of South Perth and a request that the Ministers for Local Government and Small Business engage with the City of South Perth regarding formal assistance to these businesses.

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.

Whilst the Mends Street traders' situation is not a direct result of State Government-initiated construction, I do sympathise with their predicament. The State Government cannot dictate the terms and processes involved with the development undertaken by private developers and local government. However, it does have the ability to influence the outcomes for businesses impacted by such projects and I believe that more research is required to explore how the State Government can exert influence.

The 'Small Business Friendly Local Government' (SBFLG) program is an SBDC initiative that, since implemented in 2016, encourages local governments to implement programs and reforms that make it easier for their local businesses to operate. I have requested the SBDC make contact with the City of South Perth to discuss the SBFLG program and how the City of South Perth might be encouraged to consider minimising the impact of further construction programs on local businesses.

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

HON PAUL PAPALIA CSC MLA
MINISTER FOR SMALL BUSINESS

23 NOV 2017