



DAVID MORRIS MP
Member for Mornington

Small Business Under Siege – Andrews Just Doesn't Understand

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MR MORRIS (Mornington) (12:34): I am delighted to have the opportunity to make some comments on the Retail Leases Amendment Bill 2019, and I was interested to hear the member for Carrum's comment about Choc Top in Mornington.

It is interesting that they could not get anyone in the government to pay them any attention until they got on 3AW and got Neil Mitchell on the case. Funnily enough after that, suddenly the government were interested, but before then nothing.

Now, it is the first week back as we emerge from the biggest shutdown in the history of this state, but unfortunately it is also the week that the state went into recession—two consecutive quarters of negative growth for the first time since 2008.

I think everyone in the room was a member of the Parliament at the time of that negative growth, but certainly those of us that were in here will remember that it was very much down and straight out again. Unfortunately I do not think that is going to be the case this time, because the fact is that the writing has been on the wall for quite some time.

We know retail sales went through the floor well before the bushfires and well before the coronavirus, and unfortunately they are down again. The April figures are out today—they came out about an hour ago—and they confirm that Victoria has had the biggest fall in retail sales in the nation by a country mile—South Australia down 14.6; Western Australia down 16.8; New South Wales and Tassie, 17.5; Queensland only 15.7; and Victoria, 21.1—the biggest fall by a very long shot.

The Parliament can come back but far too many businesses remain shuttered. Employees have been warned by the Premier not to go to work; in every other state in the commonwealth they are open for business. We are lagging behind without a sufficient explanation.

If one group has been hard hit, it is retailers; they have been particularly hard hit. Of course, they are allowed to open—we know that—but they need customers to survive.

You only need to look around the city—those of us who have walked around the city in the last couple of days—and you see the shops are open, the restaurants are open, the coffee shops are open.

They are ready to do business, but where are the customers? Many of them are working from home; many of them are being actively discouraged from going to work by the government—actively encouraged by the Premier.

The fact, though, is that the retail industry was in trouble long before the current crisis. It would have been in trouble anyway. That trouble is so much deeper because of the current crisis. Unless we take active steps to get those customers back and to get those businesses trading again, far too many of them are going to fall over.

This is a very important industry for Victoria. You only need to look at the second-reading speech to realise just how critical the retail sector is: 33 000 small businesses in the retail industry; 96 per cent of retail trade conducted by small business.

On the 2018 figures that is \$80 billion worth of trade. Perhaps it is down a little bit now—hopefully not. But the fact is that unless the government acts to ease this pressure and unless they act to place Victorian businesses on the same level playing field as businesses in every other state in the nation, there is a very real risk that these businesses will go down the drain.

Now, I was interested to read in the second-reading speech the claim on page 2 that alleges this government came to office in 1999. They had to go back to 1999 to find achievements in this area. Even then, the best they could come up with were the Retail Leases Act 2003 and amendments to that act in 2005.

I hate to tell you, guys, the Bracks government came to office in 1999. I have not had a look at the photo, but I suspect that there are not too many left—there may be a few—from 1999. At best, you came to office in 2014.

Mr Fowles interjected.

Mr MORRIS: 'Wynne', the minister at the table says.

Mr Fowles interjected.

Mr MORRIS: And Mikakos. Yes, so not too many. The reforms undertaken by the Bracks government, though, are not in dispute, but please do not try to claim them for yourselves because the fact is that you do not have any runs on the board in this area at all.

You have done nothing. You are simply insulting the intelligence of the community when you try and claim actions of a former government as your own.

It was also interesting that considerable space in the second-reading speech was given over to the Small Business Regulation Review in 2016—four years ago. That apparently led to the Small Business Regulation Review retail action statement released in mid-2018. I just love the language here: 'the retail action statement'—Dan the action man.

Well, that statement was released in mid-2018. It took 16 months to get this bill into the Parliament from the release of the statement to the bill being in the Parliament—16 months. It was first read on 29 October 2019 and second read the next day—standard practice. But it has sat on the notice paper every day since until yesterday. Seven full months since the bill was second read and we are finally debating it now. Well done, action man.

The substance of this bill is mainly tweaks. They are mainly tweaks, but they are very

important to the businesses concerned, and they deserve to be dealt with in a timely manner and they have not been. In effect it has taken five and a half years to get to this point. That is legislating at a glacial speed.

Indeed, as the Leader of the Opposition noted in his remarks opening the debate for the opposition yesterday, this is the first small business bill in this Parliament—the first small business bill in this Parliament!—and I would say to the government: surely you can do better than that. While I am pleased it is being debated, it should have been done and dusted and through the Parliament before Christmas.

The fact is—and the figures I have quoted earlier bear this out—small business is facing an apocalypse. That is what we should be dealing with right now, not dealing with legislation that should have been done before Christmas.

We should be actively supporting small businesses. We should be taking action to help the thousands of businesses that face imminent collapse, and we should be taking action to try and keep those thousands—hundreds of thousands potentially—of jobs that are at genuine risk. But we are not. We are playing catch-up on the government's legislation.

The contents of the bill are modest, but as I said earlier, they are important to the people that they directly affect. There are changes to the Building Act 1993 and changes to the Retail Leases Act 2003. The Building Act change essentially clarifies the obligations of tenants and landlords with regard to essential safety measures, and I understand that change is required because of a 2015—five years ago—VCAT opinion that created a level of uncertainty, the legislation before us will fix that.

There are changes to the Retail Leases Act in two principal areas—again, the essential safety measures and buttressing the changes to the Building Act—but the most significant changes are the changes in the area of leasing arrangements.

They cover a range of matters, from the timing of the provision of information about proposed leases to changes with regard to renewals, including the exercise of options by landlords and a range of other matters including a 14-day cooling-off period. Also there are arrangements with regard to rent review. The final matter that is covered is the return of safety deposits, which is currently 'as soon as practicable', and you can imagine how well that works, so that is changed to 30 days, which is general commercial practice.

So there is not a huge amount of meat in this bill, but it is very important to those who are directly affected. I do ask: why has it taken five and a half years to get to this point? Why has it taken seven months to debate the bill? I think it clearly demonstrates the attitude of this government towards small business that it has taken so long for a relatively straightforward piece of legislation to get in front of the house.

As I said earlier, the opposition believes that there are many more matters that are far more important to small business that we could be discussing. We should have done this earlier, but we will certainly support these changes.