6 May 2020

**COSBOA Communique**

**To September 2020 and Beyond**

**BACKGROUND**

COSBOA convened a meeting of the COVID 19 Roundtable by national teleconference on Friday, 1 May 2020. The meeting was attended by COSBOA member associations and other interested stakeholders, with attending associations representing an estimated 1M small and family businesses in aggregate.

Much of the meeting focussed on the nature of current government assistance programs for small and family businesses in Australia and current business owner experiences with the same. The meeting was addressed by the Australian Small Business and Family Enterprise Ombudsman (Ms Kate Carnell) who provided a perspective on the challenge ahead based on recent analysis of small business inquiry.

The roundtable discussion gave rise to three key themes as summarised below.

**CURRENT KEY ISSUES FOR SMEs**

1. **Getting the economy going safely is now a priority**.

With daily contagion rates apparently under control and only a small number of active critical cases being reported, participants suggested that it was now time to get the economy going again. It was suggested that the following actions might be progressively implemented to support this objective:

* + Businesses and government should work together to develop guidance as to what safe trading looks like in a COVID 19 environment. It was noted that this should not simply be left to state/territory WorkSafe authorities but rather should be championed by industry associations working cooperatively with business owners and regulatory authorities to develop industry specific guidance designed to minimise the contagion risk for employees and customers alike.
  + It is essential that the national cabinet work co-operatively to ensure that school children can return to school as soon as safely possible so that their parents can return to work. The longer that parents are required to shoulder the education task at home, the greater the loss of economic productive potential of the SME workforce in Australia.
* There is an opportunity to capitalise on positive national sentiment via the implementation of a national campaign to promote a consumer message developed around the theme of “Buy Australian, Buy Local and Holiday here”. There is an opportunity to partner with Australian Governments and groups like the *Australian Made* campaign.
* All Australian governments (i.e. federal, state/territory and local) should modify their pre-COVID19 procurement policies to prioritise the purchase of goods and services from Australian owned businesses (and Australian sourced products).
* Public messaging developed around “social distancing” should be nuanced along the lines of “workplace distancing” to take fuller account of the fact that these practices will likely need to be adopted as long-term practices by the community at large – while still allowing safe community socialisation.
* All Australians should be actively encouraged to download the COVIDSafe mobile app to maximise the capacity of Australian governments to implement containment measures in specific geographic areas of contagion, as opposed to the reintroduction of a national lockdown, with its consequent widespread economic damage.

1. **Governments must immediately revoke temporary market regulations that risk inadvertent long-term damage to the competitive position of SMEs.**

* Participants noted that temporary suspension of some market regulation (e.g. ACCC authorisation for supply chain collaboration in the FMCG sector) risks long term destruction of market competition in favour of large businesses and should be revoked as soon as possible. Of particular concern is the current supply situation in the grocery sector where Australia’s large supermarket chains have removed purchase limits while small format grocery and convenience retailers are struggling to source 60% of pre-COVID 19 food and grocery orders.

1. **All reasonable efforts must be made to protect against a possible ‘hard landing’ in September 2020**.

* Noting that much of the government assistance on offer expires in September 2020, consideration should be given to a staged withdrawal of assistance that recognises the fact that those industries where the adverse impact has been highest, and/or industries that are likely to take longer to recover, are provided with all support necessary to maximise the potential for successful business restart. Of particular concern are the business that comprise the Australian international tourism market.
* Efforts should be made to support industries where the impact of the COVID-19 economic downturn is not immediate, but likely to occur some-time after the crisis has ended. These industries include all forms of construction, infrastructure and utilities, and some forms of export exposed manufacturing where the impact on these industries has not been immediate due to a pipeline of existing orders, but is likely to be felt in the near future as a result of a cessation of new orders and contracts
* Consideration should be given to extending the duration of assistance policies in respect of bankruptcy & insolvency protections and business investment concessions well beyond September 2020 to provide an environment that maximises the potential for business repair.
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