

7 September 2020

COSBOA Communiqué

The Victorian Government must immediately move to minimise business and job destruction

SYNOPSIS

COSBOA convened an emergency roundtable meeting with its member organisations earlier today in the wake of the Andrews Government's decisions to extend the Victorian lockdown arrangements, in various forms, for a further two months. When considered in aggregate, the national organisations that attended this meeting represent an estimated 1.3 million small and family businesses nationally – many of which operate in the state of Victoria. The meeting was also attended by the Small Business and Family Enterprise Ombudsman, Ms Kate Carnell AO.

The principal purpose of this meeting was to discuss the serious social and economic issues that will be created by the Victorian Government's decision to extend the current lockdown arrangements past 13 September 2020 – with many SMEs now unable to plan for reopening their business before 23 November 2020.

The meeting also discussed the need for the Victorian Government to immediately work with the business community to minimise the scale of the inevitable business and employment destruction that will likely be brought about by the health decision to extend the current lockdown arrangements.

A brief summary of these two themes is provided below.

KEY THEMES

- 1. The Victorian Government decision to extend the lockdown is extremely disappointing, has been taken without any genuine consultation with SMEs, has not been informed by any modelling of the likely economic and employment damage that will occur, and risks severe long-term harm to the Victorian economy and the livelihoods of all Victorians.**
 - Roundtable participants noted that the Victorian Government's decision to extend the current lockdown arrangements for Metropolitan Melbourne and Regional Victoria were informed by 'extensive' health modelling but an absence of any modelling of the likely severe adverse impact of the decision on the state's economy, future employment, or the likely social and mental well-being of all Victorians. As such, the decision is considered economically and socially reckless.
 - The virus daily case targets identified in the Victorian Government's roadmap as triggers for the relaxation of current restrictions are far below the current daily COVID-19 case numbers in New South Wales. This is despite the fact that NSW – Australia's

largest state – has been able to successfully contain higher average daily case numbers and minimise extreme economic and social harm. Such an observation suggests that the Victorian targets are manifestly unrealistic and do not constitute a reasonable balance between the equally important aspirations of (a) health protection and (b) protection of the future livelihood of all Victorians.

- To date, the consultation with Victorian business and industry – of all sizes – has been both disingenuous and unproductive. The process to date pales by comparison with NSW which has been actively engaged with business organisations on a weekly basis since early April 2020.

2. The Victorian Government must immediately move to implement an SME Recovery Panel (and ideally a similar forum for big business) to work with small business leaders on the development and urgent implementation of measures designed to minimise the severe and inevitable small business and employment destruction that will come about as a result of the decision to extend the COVID-19 lockdown arrangements.

- The decision to extend the COVID-19 lockdown arrangements in the manner proposed in the Victorian COVID-19 Roadmap risks severe harm to the Victorian economy in terms of business and jobs destruction.
- The Victorian Government, as a result of its decision, has an absolute obligation to all Victorians to establish an SME Recovery Panel (and ideally a similar panel for big business and industry) to engage with small business representatives to urgently design and implement strategies that minimise the level of economic and business destruction that will inevitably be caused by the decision to extend the COVID-19 lockdown arrangements. This panel would ideally consider the following measures as part of its first actions:
 - a) Lifting its SME Cash Grants from \$5000 to \$15,000 and extending the eligibility of these loans to sole traders
 - b) Paying the commercial rents of SMEs who are affected by the lockdowns
 - c) Providing grants for SMEs who have no option but to wind-up their operations.
 - d) Establishing a fund for the payout of entitlements to SME employees that can be accessed by employees where their SME employer is unable to pay the same
 - e) Paying a Victorian JobKeeper supplement that ensures that Stage 2 JobKeeper participants (1 October to 31 December 2020) in Victoria receive the same \$1500 fortnightly payment that they received during the Stage 1 JobKeeper program.
- The Victorian Government must urgently complete detailed modelling of the likely economic and social impacts of their health decision and use the findings of this work to review the feasibility of the proposed case number targets that are identified in the current roadmap.
- Measures should immediately be implemented to minimise contagion risk in vulnerable environments (i.e. aged care facilities) with a view to allowing higher daily case targets to be adopted as a basis for relaxing restrictions earlier.

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