

The Small Business Perspective

A survey & review of the events, responses & impact of COVID-19 over 12 months from industry leaders.

April 2022



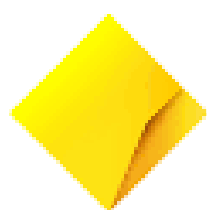
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Acknowledgement

The Council of Small Business Organisations of Australia affirms that Aboriginal people and Torres Strait Islander people are the Indigenous people of Australia. For the purposes of this work, we would like to acknowledge the Nggunawal people of Nggunawal country, whose land this work took place on.

We acknowledge and pay respect to the past, present and emerging Traditional Custodians and Elders of this nation. We also recognise those whose on-going effort to protect and promote Aboriginal and Torres Strait Islander cultures will leave a lasting legacy for future Elders and leaders.

Citation, authorship, and acknowledgements

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A NOTE FROM OUR PARTNER

Micro and small businesses play a fundamental role in their communities and in almost all sectors of the Australian economy. They create a large share of jobs, drive innovation, and bring energy and social stability within the communities they operate.

Small businesses continue to demonstrate incredible resilience driven from a passion and belief in what they do and how they serve their customers. This has been particularly evident in recent years during a period of economic uncertainty defined by intermittent lockdowns, worker shortages and supply chain disruptions.

From speaking to our customers, we know that the effects of the pandemic were felt unevenly, and this reinforces the need for tailored and targeted support. This is due to a variety of factors including metro and regional locations and industry differences (such as hospitality). Others experienced spikes in demand associated with greater investment in areas like home improvement. The COSBOA survey and research below echoes this sentiment and provides nuanced testimony to the vast range of experiences and difficulties that the small business sector faced.

We have worked to support small businesses with a range of targeted measures, including our business loan deferral program, and our participation in the Federal Government's SME Recovery Loan scheme, in which CBA has provided more than \$2.8 billion in funding support to over 24,000 Australian businesses. Since the start of pandemic, we've also launched a number of new products and services tailored to help meet the needs of the small business community – whether it is fast access to finance, helping to address cash flow issues, or connecting customers to government support.

Looking forward, we will continue to be there for businesses who need support and at the same time, we are ready to help fund those who may be looking to expand, invest or innovate to achieve their mid- and long-term goals.

This *Small Business Perspective Report* by COSBOA, which we have been proud to support, is an important snapshot of the impact of the past two years of unprecedented uncertainty on small businesses. The report will help policy and decision makers plan future responses by understanding the different perspectives that exist about which policy levers worked most effectively. Listening to the diverse perspectives and experiences of small businesses, we hope that all stakeholders are able to clearly see the needs and challenges that these businesses face and provide meaningful support where possible. Collaboration between government, industry and the private sector is pivotal to support growth and build a brighter future for all.

CBA appreciates the opportunity to partner with COSBOA and continue our support for Australian small businesses, and looks forward to engaging with government, industry, and the sector broadly, to ensure positive outcomes for a sector that will act as the key engine room for growth in the coming years.

Mike Vacy-Lyle
Group Executive, Business Banking
Commonwealth Bank of Australia

ABOUT COSBOA

Small business in Australia is the backbone of the economy. We harness its diversity and provide its people with a voice, distinct from big business.

Established in 1979, The Council of Small Business Organisations of Australia (COSBOA) is a member-based not for profit organisation exclusively representing the interests of small businesses.

The capability, representation and reach of COSBOA is defined by a mix of over 40 national and state-based association members. COSBOA's strength is its capacity to harness its members views and to advance consensus, across policy areas that are common to many. Our member organisations work behind the COSBOA secretariat, to assist us with policy development and to guide our advocacy - not just for small business but also for the benefit of the Australians they employ.

In this capacity, COSBOA makes submissions and representations to Government including its agencies, on issues that affect small business and in pursuit of good policy.

A NOTE FROM THE CHAIR & THE CEO

Small business in Australia is once again working hard, investing time, energy, effort, and money into rebuilding the core of Australia, following restrictions and lockdown brought about by COVID.

The individuals involved in small business are dedicated to giving to others: they contribute to their families through (amongst other things) the generation of funds, they contribute to their communities through involvement and employment of others, they contribute significantly to the economy of Australia including as suppliers to larger business.

This report provides a reflection from Business on what we experienced in 2021. There are many observations and conclusions that should be drawn from these perspectives.

What should be done next time?

Contingency planning, Business continuity, health consequence planning needs to be brought into a collaborative and consolidated paradigm of thinking and policy setting. We should move into a future where policy is formed after consultation with all policy areas both within government and with impacted stakeholders.

These perspectives open up our call for Australia to look at structural adaptation and change to enable an efficient and effective business environment. We are looking for an environment that supports the people involved in creating business.

2021 has highlighted vulnerabilities including supply and cost contributors in a way that should lead to a re-evaluation and consideration of new models.

COSBOA thanks the contributors to this report, and we thank in anticipation those that will consider and respond to the observations and recommendations.

Matthew Addison
Chairman, COSBOA

Alexi Boyd
CEO, COSBOA

THE PANDEMIC PERSPECTIVE SURVEY

How did small business view
government responses?



COUNCIL OF

**SMALL BUSINESS
ORGANISATIONS
AUSTRALIA**

Objective and Methodology

The structured survey of COSBOA members sought responses on a range of issues relating to government decisions about the COVID-19 pandemic, including:

- Measures considered to have the most beneficial effects in suppressing the spread of COVID-19.
- Types of small businesses most affected by government-imposed restrictions.
- Government decisions which from the perspective of those surveyed appeared to have the most negative and/or positive effects on small business.
- Small business organisations' experience of direct government consultation during the pandemic (federal, state and territory).
- How much notice was provided to small businesses in relation to COVID-19 restrictions (federal, state and territory)

The survey canvasses a range of government decisions, including public health measures, business assistance programs and income support. This provided opportunities for member organisations to comment on government decision-making during the pandemic. These real and raw comments are cited throughout the report and provide meaningful commentary for the survey data.

An in-depth eleven-question survey was conducted one-on-one via online face to face meetings with 28 senior management representatives from 28 industry associations, during February 2022 with each session taking approximately one hour to complete. The survey was comprised of standardised questions with responses supplied on a rating scale and additional commentary provided by participants. The first four questions required numerical ratings between 1-10, while the remaining seven questions required ratings on a semantic differential scale.

The full survey is included in Appendix I - Questionnaire.

Survey respondents were able to provide comments to accompany their ratings where they felt it appropriate to expand or qualify a rating response. Quotes from many survey respondents have been included in this report to accompany the survey results and illustrate the **experiences** of small business. Survey respondents were not required to record a rating for all questions if they felt unable to do so.

As this survey follows the first edition perspectives report, there are comparisons and reflections drawn between 2020 and 2021.

EXECUTIVE SUMMARY

Why small business matters

The small business sector employs more than half of all Australians (as compared with 29% in big business and 20% in the public sector). In all, there are more than 2 million small businesses employing over 6.5 million Australians.

It therefore follows that the wealth and well-being of the Australian community is critically dependent upon the success of small business, and so is enhanced when policy and regulatory settings friendly to small business are advanced by all Australian governments.

What's in the report?

Our Small Business Perspective Report research is presented in two distinct sections:

1. The Survey – Perspectives on the Government responses to COVID-19, and
2. An Analysis – Government decision-making impacts and themes, exploring:
 - a. The case for targeted assistance for severely impacted businesses
 - b. How to ease the COVID-19 compliance burden on small businesses
 - c. The role of industry associations.

This years' report also includes three additional research papers:

3. Energy consumer protection research,
4. Cybersecurity research, and
5. Small Business Strategy – the framework small business needs to grow over the next 12 months.

A need for reflection - why you should read this report

In 2021, COVID-19 continued to present challenges for governments and businesses alike.

As Australia entered the year, it did so in a different way to many other nations around the world. Australia had in large part managed to keep the virus relatively contained, and many would gauge this to be a great success. It did, however, come at a cost, primarily from the country cutting itself off internationally, but also from substantially restricting the movement of citizens between the various states and territories, and from imposing tight constraints on - and even preventing - the operation of many businesses. These decisions had profound implications for people, communities, and economies at all levels, and for businesses of all sizes.

Small businesses, many of which run on tight margins in normal times, were more vulnerable to the effects of pandemic restrictions than large businesses. The latter are more likely to have the capacity to absorb additional costs. They also have the human resources necessary to navigate the myriad of new rules and restrictions related to infection control and vaccination, applications for various forms of financial assistance, and implementation of digital systems to allow staff to work remotely.

Small businesses across the country did everything they could during the COVID pandemic to keep their doors open and their staff employed, and the current economic recovery is in large part due to their innovation, resilience, and loyalty to their workers. This doesn't change the fact that real suffering occurred, financial and otherwise. Many small businesses closed, employees moved to other industries, visa workers stopped coming, advisers to business burned out and debt has piled up.

This Small Business Perspective research report draws together these small business perspectives from a range of industry sectors. The research findings are supported by attributed statements provided from COSBOA's council members who have been working closely with their small business members over the past two years. Many of these comments are raw and direct. But they provide first-hand insights into the COVID-19 experience from a diverse small business perspective.

Building on the same survey conducted in 2021 and this year's report compares the views about the pandemics management and notably highlighting the shift from when it was presumed that the pandemic would have an end date. The report assists in identifying key themes and crucial lessons to be learned from the pandemic, while highlighting the challenges of the past 12 months.

The survey summary

Question 1: Which measures were the most effective at suppressing the spread of COVID-19 (rate from 1-10)?

The most effective measures according to COSBOA members were **mandatory vaccination, international border closures, and mask mandates**. The least effective were **finances and other punitive measures, the isolation of casual contacts, and the closure of non-essential businesses**. All measures were rated as less effective than in the first survey, a year earlier, reflecting cynicism and scepticism about the ability to suppress the spread of COVID-19 in the Omicron era. Contact tracing fell from being ranked as the 2nd most effective measure in the first survey to the 11th most effective in this survey. While last year it was highly praised as the key to managing COVID-19 while keeping the economy open, this year many members expressed that it had become dysfunctional and even pointless.

Question 2: Which categories of small business were most affected by government-imposed restrictions?

The impacts of COVID-19 restrictions were not felt evenly across small businesses. Some of the most impacted types of businesses include those in the events and live entertainment industry – such as music artists, managers, crew, function centres, caterers, and event hire businesses – and those where staff must be in physical contact with clients to do their job, such as skin clinics, spas, nail bars, hair salons, myotherapists, and other bodywork therapists.

There was also significant variation of impact within industries. So-called essential businesses such as pharmacies, supermarkets and newsagencies were significantly impacted if they were based in CBD locations but thrived in suburban and regional locations due to the number of people working from home.

Many COSBOA members chose to rate the impact on their members according to state and territory, with businesses in lockdown states such as Victoria, New South Wales, and the ACT being more heavily impacted than those elsewhere.

Other factors that influenced severity of impact included pre-existing digital capability, with businesses having strong e-commerce platforms being less severely impacted than those without; and, for business-to-business (B2B) operations like accountants, bookkeepers, brokers, and wholesalers, how severely their clients had been impacted.

Question 3: Which government measures had the most negative effects on small businesses (rate from 1-10)?

The most negative measures according to COSBOA members were **lockdowns of hotspots within states cities and towns, closure of non-essential businesses, and isolation of casual contacts**. Members commented frequently on **international border closures, mandatory and**

suggested vaccination, and **discouraging non-essential travel/ encouraging people to work from home**.

Many members commented that the lockdown of local government areas (LGAs) in Sydney had negatively impacted on businesses outside of those areas due to inability of staff to travel out of the lockdown areas to attend work.

While **international border closures** have heavily impacted industries that employ significant numbers of visa workers and international students such as hairdressing, beauty, agriculture, pharmacies, supermarkets, convenience stores, and petrol stations, they have had little negative effect on others. International border closures have also impacted the perception of Australia as a good place to work and study.

The negative effects of **mandatory vaccination** on small businesses include staff shortages- particularly in hair, beauty, natural medicine, and transport - tension between employers and employees, and an increase in customer abuse. For some COSBOA members, suggested vaccination had a more negative effect on small businesses than mandatory vaccination because it placed the decision of encouraging staff to be vaccinated with the employer, leaving them to navigate confusing industrial relations and legal implications.

Public hygiene measures and **contact tracing and genome sequencing**, though ranking among the least negative again, scored higher on negativity in this survey than in the first survey. Respondents cited an increase in abuse from customers who refused to check in, and staff absenteeism resulting from contact tracing.

Question 4: Which government decisions had the most positive effects on small businesses (rate from 1-10)?

The most positive assistance measures according to COSBOA members were **JobSaver payments, state or territory small business grants, and the COVID-19 Disaster Payment**. **Rapid lockdowns to suppress the virus** was the least positive measure. There was a large shift in sentiment and perspective between the first and second survey, this is largely due to the removal of JobKeeper and Cashflow Boost, two measures of which COSBOA members thought very highly. Though respondents praised state government efforts at business support (particularly NSW's JobSaver program), they were not viewed as highly as JobKeeper or Cashflow Boost. Respondents pointed to inconsistencies between states and unfair/ exclusionary eligibility criteria for Victorian Government grants.

Question 5: In your experience, which corporate decision had the most positive effects on small business (rate from 1-10)?

The most positive corporate sector measures according to COSBOA members were **home loan repayment deferrals, business loan repayment deferrals, and webinars and other forms of free business advice**. While loan deferrals were rated highly, many commented that having to repay the deferrals was becoming a source of stress for small business owners in their industry. The least positive corporate sector measure was **insurance discounts**. Many COSBOA members commented that they were not aware of insurance discounts in their

industry and that increasing insurance premiums were a problem. In this question several COSBOA members cited industry association advocacy and support as an additional positive corporate sector measure.

Question 6: Was your organisation directly consulted by federal government representatives/ departments/ agencies in relation to decisions that affected your members?

Overall, fewer COSBOA members were directly consulted by federal government agencies in 2021 than in 2020, with about half of the survey respondents reporting that consultation occurred rarely, if at all. About a third of COSBOA members reported having been consulted by the federal government on numerous occasions. Some survey respondents commented that, though not ideal, the lack of direct consultation with their organisation was understandable, adding that they had the opportunity to speak to federal government representatives through COSBOA.

Question 7: Was your organisation directly consulted by state or territory government representatives/ departments/ agencies in relation to decisions that affected your members?

New South Wales received the highest average score for frequency of consultation, followed by Victoria, then Queensland, the Northern Territory and the Australian Capital Territory in equal third place. Notably, New South Wales received the same score as the Federal Government on frequency of consultation.

Question 8: How responsive were the federal government representatives in their direct consultations with your organisation?

Of those COSBOA members that did have the opportunity to consult with Federal Government representatives, most expressed high levels of satisfaction with the quality of consultation. Nearly three quarters of respondents said the federal Government was responsive with the majority categorising it as highly responsive. The live music industry and screen industry were less satisfied with federal government consultation. See section 2.1, The Case for Targeted Assistance, for more details about the problems surrounding support for the live music industry and suggestions for ways to improve support.

Question 9: How responsive were State or Territory government agencies in their direct consultations with your organisation?

NSW received the highest average score for responsiveness, slightly outperforming the Federal Government's score in question 8. They were followed by Queensland, Tasmania, and Victoria. The Northern Territory and the ACT received the lowest scores. Many

respondents praised NSW Government departments and agencies for their engagement with industry. Though Victoria improved its frequency from the first survey, its perceived responsiveness remained stagnant, with several respondents commenting that Victorian consultation primarily involved informing stakeholders of decisions that were already made.

Question 10: How useful were federal, state or territory government online resources for your organisation?

Overall, there was praise and acknowledgement for federal, state and territory online resources. All were rated as reasonably useful by survey respondents, with the Federal Government, New South Wales Government, and Victorian Government scoring slightly higher. Some respondents commented on the difficulty finding relevant information and on issues of timeliness.

Question 11: How much notice were your members given (in a majority of instances) in relation to Federal and State Government health measures?

Two thirds of respondents indicated they were given short notice, with nearly half of the remaining respondents saying they were given no notice at all. Only 15% indicated that their members received sufficient notice, which had decreased from the 32% recorded in the 2020 survey perspectives. Zero respondents selected 'ample notice.'

In the first survey, several respondents commented that the short notice was understandable and/ or necessary to eradicate the virus and that we would be grateful in the long term. In this survey, no such comments were made.

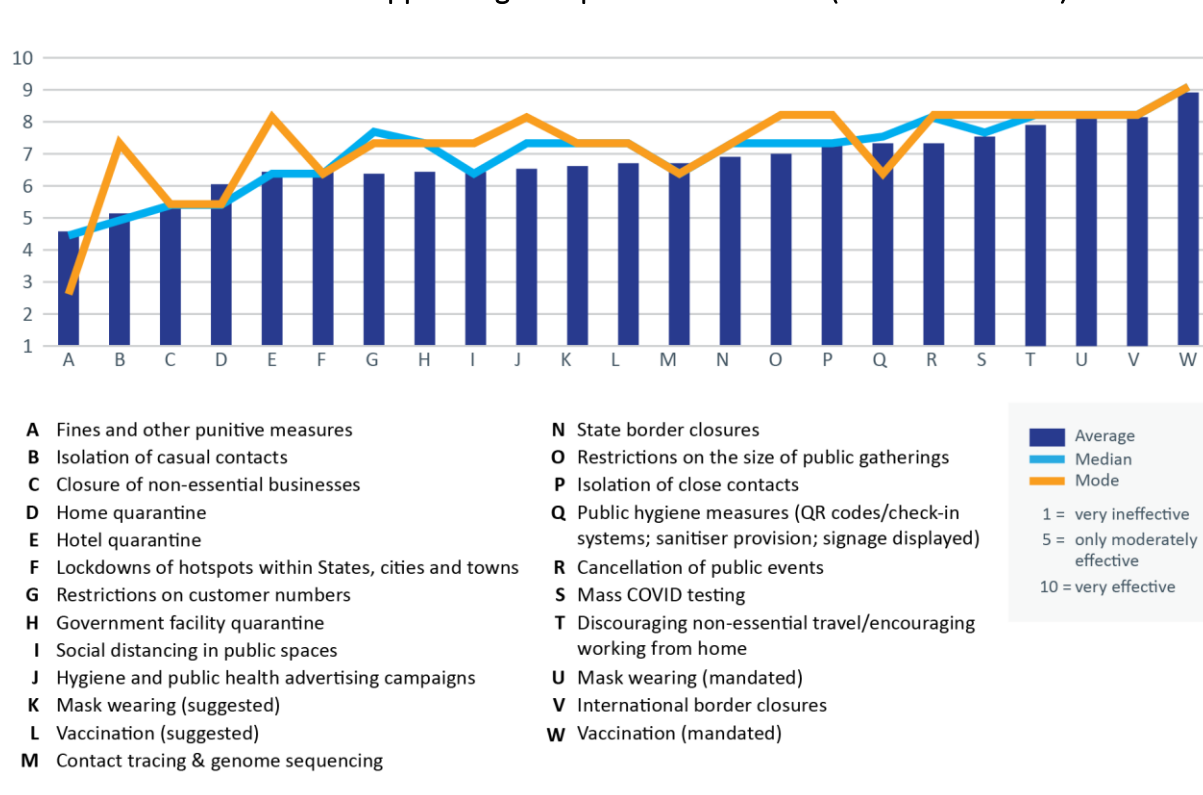
**PART ONE, THE SURVEY:
PERSPECTIVES ON
THE GOVERNMENT
RESPONSES TO COVID-19**



**SMALL BUSINESS
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Question 1: How well did we suppress the spread?

In the experience of your business association, which government actions do you believe were the most effective at suppressing the spread of COVID-19 (rate from 1 to 10)?



What respondents said last year:

Of the measures undertaken in 2020, COSBOA members believed the most effective government measures had been **international border closures (9/10)**, **contact tracing & genome sequencing (8/10)** and **mask wearing (mandated) (8/10)**. The **COVIDSafe App**, **finest & other punitive measures**, and **mask wearing (suggested)** were rated as the least effective.

According to survey respondents reflecting on 2021, they judged the three most effective government measures to suppress the spread of the virus were **vaccination (mandated)**, **international border closures**, and **mask wearing (mandated)**, all three scoring an average of 8.2/10. Vaccination (mandated) had a mode score of 9/10, while the mode for both international border closures and mask wearing (mandated) was an 8/10.

The measures rated as least effective were **finest and other punitive measures (4/10)**, the **isolation of casual contacts (4.6/10)**, and the **closure of non-essential businesses (5/10)**.

Faith wavering

Cynicism about suppressing the spread of the virus during the Omicron era is also reflected in the results. The average rating across all measures was **6**, down from **7** in last year's survey. Last year, three measures received mode scores of 10, two received modes of 9, and seven measures received modes of 8. This year was a different story - none of the measures received a mode score of 10, and only one received a 9 (mandatory vaccination).

International border closures less effective in 2021

Many respondents commented that international border closures were more effective earlier in 2021, less effective in Victoria and New South Wales, and non-existent or 'pointless' during the Omicron outbreak in late 2021 early 2022. *"Once the horse has bolted and it's in the community, I don't see it having much of an impact,"* commented Mathew Munro from the Australian Livestock and Rural Transporters Association (ALRTA).

State border closures more acceptable

State border closures was one of the few measures to score higher in this year's survey than last year's, its average score moving from a 6 to a 6.6. Several respondents noted that border closures had allowed states outside of New South Wales, Victoria, and the ACT to remain COVID-free and for small businesses to trade as normal.

For example, Australian Association of Convenience Stores (AACS) CEO, Theo Foukkare, said *"If I look at it from an average Queenslanders or Western Australian or South Australian or Tasmanian's point-of-view, the state border closures were critical in keeping the spread low."*

Mandatory vaccination rated most effective

Though mandatory vaccination was rated as the most effective measure, most respondents simply rated it highly without commenting on it.

However, Mathew Munro from ALRTA explained his answer with *"...Once you've got a vaccinated population, other things [like contact tracing] become better. You might say it's an essential plank of an overall response."*

Some respondents believed that suggested vaccination was more effective than mandatory vaccination. Dominic Schipano from the Australian Digital and Telecommunications Industry Association (ADTIA) commented *"mandating it created more of a hassle because people don't like being told what to do."* For Christine Pope, mandatory vaccination *"signals a lack of trust."*

More trust in mask wearing

Mask wearing was another measure that scored higher in this year's survey than last year's survey. Suggested mask wearing went from an average of 5 to an average of 6.2. Several respondents commented that N95 masks were more effective than surgical masks and cloth

masks. Australian Booksellers Association (ABA) CEO, Robbie Egan, commented that we *“should have pushed quality mask wearing...[instead of] the punitive and destructive”* closure of non-essential businesses.

Scepticism about the closure of non-essential businesses

The closure of non-essential businesses received an average rating of 5/10 (moderately effective), the third lowest of the measures in the survey. As ABA’s Robbie Egan explained, *“We didn’t dissipate peoples’ movement, we concentrated it. I can’t go and buy a book, but I can go to the supermarket with 6 million other people.”*

Similarly, Australasian Convenience and Petroleum Marketers Association (ACAPMA) CEO, Mark McKenzie, said *“Discarding high-risk places like gyms, we were basically closing down non-essential businesses that had lower foot traffic. The essential businesses had high foot traffic... so you’ve got to say, ‘I’m not quite sure what benefit closing non-essential businesses really had apart from destroying their revenues.’”*

The downfall of contact tracing

One of the biggest changes from February 2021 was the perception of contact tracing and genome sequencing. In February 2021, this measure received the second highest average score of 8 (and a mode score of 10), whereas this year it received average and mode scores of 6/10, or a ranking of 11th most effective.

Many respondents expressed the view that contact tracing had become dysfunctional and even pointless as case numbers soared during the Omicron outbreak. Zoe Angus from Screen Producers Australia (SPA) said *“If they’d got this right, it should have been a 10/10. This was stuffed up. In execution and implementation this really fell down.”*

Isolation of casual contacts

The second least effective measure was the isolation of casual contacts. Many people cited the disruptive effects on business as the reason for rating this measure so low. Others commented that it was ‘ridiculous’ or ‘inappropriate’ to isolate someone who has had minimal interaction with a COVID case, such as when ordering a coffee or picking up a pizza.

For example, Restaurant and Catering Industry Association (RCA) CEO, Wes Lambert, said *“If you’re not positive, then it doesn’t help at all to stop the spread. We have a bunch of people who aren’t positive who are sitting at home and employers are paying sick leave to people who aren’t sick.”*

David Gandolfo from Commercial & Asset Finance Brokers Association (CAFBA) expressed sympathy for decision makers behind all COVID-19 restrictions, stating *“There’s no playbook and I don’t envy any of these law makers who had to deal with it. There’s no correct answer. People who made these rules didn’t have the benefit of hindsight.”*

Question 2 – The overall impact on small business

Among your members, which categories of small businesses were the most affected by government imposed COVID restrictions?

For this question, members were asked to list categories of businesses represented by their association and rate how severely each category was affected by COVID-19 restrictions. Respondents were free to categorise businesses as they saw most appropriate – some chose to delineate based on the service or product offered, others chose to delineate based on geography. Some categories appear more than once because they are represented by multiple industry associations.

10 HEAVILY AFFECTED	Dermal / high end skin clinics	Spas	Function centres	Myotherapists (VIC)	Event hire	Retail (VIC)	Bookkeepers	Musical artists
	Nail bars	Caterers	Sole trader natural therapists	Bodywork therapists (VIC)	Hospitality (general)	Wholesale (VIC)	Hair salons (VIC)	Artist managers
	Business brokers	Small screen producers (east coast)		Registered training organisations (hairdressing, VIC)	Music festivals	Festival promoters	Live music crew	
9	Wholesale (NSW)		Retail (NSW)	Small bookshops in Melbourne & Sydney with minimal online presence	Screen producers (general)		Solar panel installers	
	Lottery kiosks (Melbourne)	Hospitality (TAS)	Newsagencies (CBD shopping centres)		Service stations (VIC & NSW)	Bookshops (NSW & VIC with effective e-commerce)		
Food and grocery stores (CBD areas)			Transporters (large fleet)	Liquor stores (CBD areas)				
7	Newsagencies (CBD)	Retail (TAS)	Chinese medicine		Accommodation (TAS)	Business valuers		
			Ingestive therapies (naturopath, etc.)		Manufacturing	IT Technicians		
6	Bodywork therapists (excluding VIC)		Asset maintenance companies (fuel)		Transporters (small fleet)		Telecommunications network connection technicians	

5 MODERATELY AFFECTED	Restaurants	Fuel wholesale and transport	Hair salons (QLD)	Community pharmacies	Commercial & asset finance brokers
4	Accountants	Newsagencies (shopping centres)	Agriculture (TAS)	Service stations (North QLD, regional SA, TAS)	Transporters (owner drivers)
3	Cafes	Newsagencies (rural/ regional shopping centres)	Screen producers (WA, TAS)	Bookshops (SMEs with good e-commerce)	Hair salons (ACT)
2	General equipment hire (construction, DIY)	Food, grocery & liquor stores (outside of CBDs)	Timber merchants	Bookshops (QLD, WA, TAS, SA)	ICT retail (modems, routers, etc.)
1 RELATIVELY UNAFFECTED	Myotherapists (excluding VIC)	Newsagencies (regional, high street, and suburban)	Service stations (WA)	Hair salons (WA, SA, TAS, NT)	Software developers
					Insurance brokers

Unsurprisingly, the impacts of COVID-19 restrictions were not felt evenly across small businesses. Some of the most impacted types of businesses include those in the events and live entertainment industry – such as music artists, managers, crew, function centres, caterers, and event hire businesses – and those where staff must be in physical contact with clients to do their job, such as skin and myotherapy clinics, spas, nail bars, hair salons, and bodywork therapists.

Australian Live Music Business Council (ALMB) spokesperson, Stuart Watters, described 2021 as a “*sh** show*” for his industry, adding “*the music industry has been targeted repeatedly as a place where super spreading events occur, but not sport, not weddings, and not church services.*” The effect on the live music sector is explored further under the ‘disparity of impact’ chapter in part two of the report.

Aesthetic Beauty Industry Council (ABIC)’s Reika Roberts also expressed the view that her industry had been disproportionately targeted by restrictions, pointing out that, during the

staged reopening in NSW and Victoria, “gyms were open with up to 20 people being able to go in them and sweat and move around, but you couldn’t go and have a facial,” adding “There was no understanding of... the differences between the businesses we represent, the differences between skin clinics, spas, nail bars. I feel like the Government understands what a gym is and how it’s different from a personal trainer, but for us we’re all just lumped under beauty.”

Many respondents divided their members based on geography. Businesses in central business districts (CBD) and tourist locations were more severely impacted than regional and suburban businesses. This is explored further in the Disparity of Impact chapter in part two of the report. The divide was most acute in sectors that were deemed ‘essential’ such as supermarkets, pharmacies, newsagencies, petrol stations, and convenience stores.

Newsagents NSW and ACT (NANA) CEO, Ian Booth, explained that businesses in CBD shopping centres were the worst affected because “The big draw cards like Myer, David Jones, clothing shops... no one was going to those, so there was no passing trade...” However, most suburban and regional newsagencies increased their sales compared to 2019. Ian attributed it to the lack of travel and increase in people working from home, explaining “there were dramatically increased sales in certain categories like stationery, electronics peripherals, chargers, and cables. People started working from home with a laptop and then suddenly they realised they didn’t have a printer, didn’t have sticky notes, staplers...”

In 2021, the divide between ‘COVID-free states’ and ‘lockdown states’ was particularly pronounced, with businesses in Tasmania, Western Australia, South Australia, Northern Territory and Queensland able to trade as normal while the same types of businesses were forced to close for months at a time in NSW, Victoria, and the ACT.

Australian Booksellers Association CEO, Robbie Egan, said “If you take a small business on Lygon Street or any neighbourhood in Sydney or Melbourne during those long lockdowns, they suffered probably a 60% decline in their sales” but “outside of lockdown states, almost all my members reported healthy sales, if not an increase.” Similarly, while Australian Hairdressing Council CEO, Sandy Chong, rated hair salons in Victoria as being severely impacted (10/10), she gave hair salons in WA, SA, NT and TAS an impact rating of 1/10.

Another geographical disparity occurred in the alternative medicine industry. Bodywork is a term for therapies that involve working with the human body such as massage, chiropractic, acupuncture, and yoga. While some bodywork practices such as myotherapy and remedial massage were classified as essential healthcare in NSW, they were required to close in Victoria. Myotherapy Association Australia (MAA) CEO Anna Yerondais commented “for most of last year, their doors were closed.”

Another theme that emerged in the comments of Question 2 was the concept of a shadow lockdown. While not subject to government restrictions, some small businesses still

experienced a downturn in trade during COVID-19 outbreaks because a significant number of people chose to stay home. Clients cancelled hair, beauty and massage appointments, residents didn't let nbn technicians and cabling into their homes, people shopped online instead of travelling to the city centre, and no-shows of 30% became the norm at concerts.

ADTIA CEO Dominic Schipano said *"[Nbn technicians] were deemed an essential service so there wasn't any government restrictions on us doing our work, but people wouldn't let us in, so we couldn't do our jobs... The consumer had to sort of see that technicians had been vaccinated, were wearing masks, etc., etc."*

Christine Pope from the Australian Traditional Medicine Society (ATMS) recounted during her January 2022 interview *"I know of remedial massage clinics that are normally booked up for months and they're getting 2 or 3 cancellations per day from people who have symptoms and are going 'I'm not coming in,' or who have a family member who is isolating, or they're just freaking."*

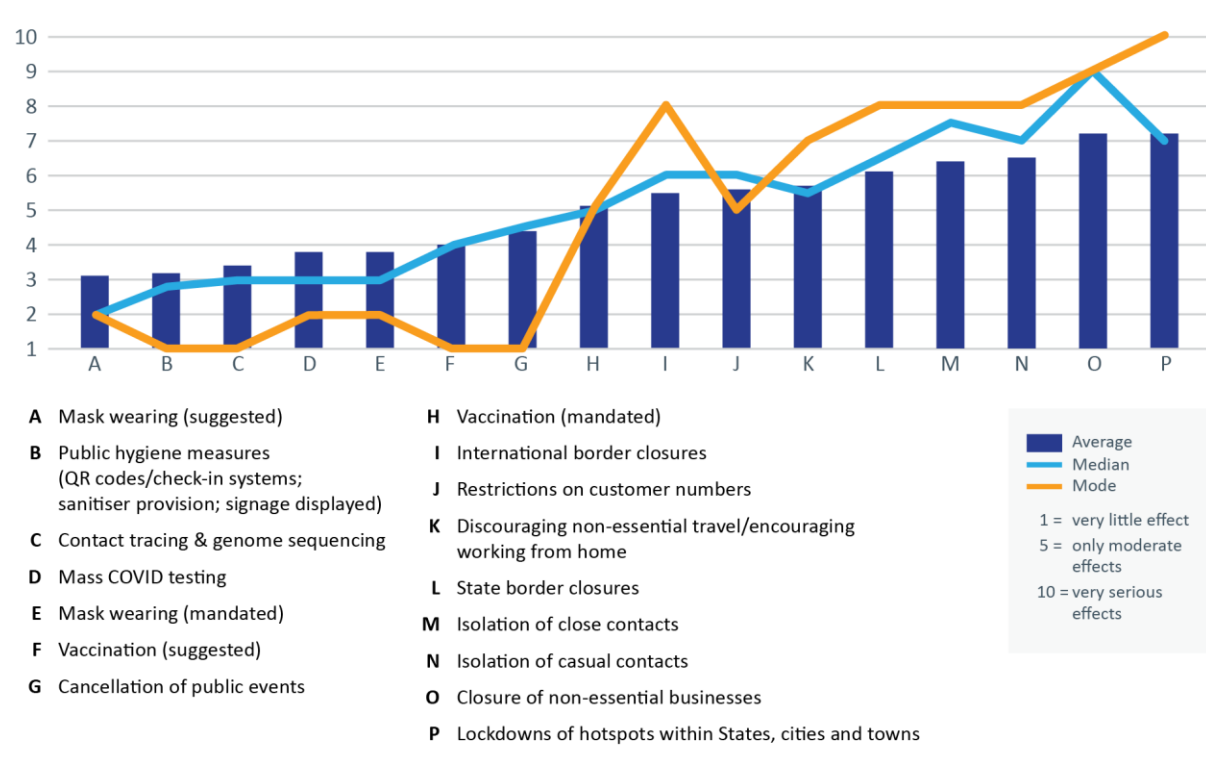
Finally, responses to this question reveal the importance of understanding the nuances and niches within small business sectors. Three COSBOA members represent brokers, all of whom fall under the 'financial services' sector banner. However, each association represents brokers with distinct types of customers and products. Ian Jones, CEO of the Australian Institute of Business Brokers (AIBB), rated business brokers as being impacted heavily (10/10) because *"We have people wanting to buy and transact businesses from all over the country and for them not to be able to travel and view a business, inspect a business, do their due diligence on it, has meant there were many fewer transactions occurring than otherwise would've occurred, which has been devastating for our profession."*

For the members of the Commercial and Asset Finance Brokers Association (CAFBA), the impact was more mixed. Some businesses were investing in assets, others weren't. CAFBA's David Gandolfo explained *"Commercial and asset finance brokers' businesses were impacted about 20-30% by a slow-down in activity... We had some clients who had never made so much money and we had other clients who closed. We had the whole gamut."*

But for the members of the National Insurance Brokers Association (NIBA), COVID-19 restrictions had relatively little impact. As Philip Kewin explained, *"Brokers had to work from home, or they had to find a different way to communicate with their clients but... they still found a way to broker the insurance because the need for insurance didn't go away."*

Question 3 – Negative effects of restrictions

In your experience, which government decisions had the most negative effects on small business (rate from 1 -10)?



What respondents said last year:

Of the measures undertaken in 2020, COSBOA members believed that the government measures that had the most negative effect on small businesses were **lockdowns of hotspots within states, cities and towns (7/10)**; the **closure of non-essential businesses (7/10)**; and **state border closures (7/10)**. The measures rated as having the least negative effect on small businesses were **mask wearing (suggested)**; **mass COVID testing**; and **contract tracing and genome sequencing**.

According to survey respondents reflecting on 2021, **Lockdowns of hotspots within states, cities and towns (7/10)**, the **closure of non-essential businesses (7/10)**, and the **isolation of casual contacts (6.5/10)** were rated as having had the most negative effect on small businesses. The measures rated as having the least negative effect were **mask wearing (suggested)**, **public hygiene measures**, and **contract tracing and genome sequencing**. This is similar to last year's results.

In the first survey, many respondents commented on the confusion created by the inconsistency in the definition of an essential business. Though the closure of non-essential

businesses was again rated as one of the highest negative impacts, respondents made relatively few comments on the matter.

State border closures were rated a 6/10, compared to last year's 7/10. Several respondents commented that state border closures had a "lumpy" impact or only affected "pockets" of their industry such as businesses located in border regions.

For the fuel industry, state border closures were just as much of a "mess" in 2021 as they had been in 2020. ACAPMA's Mark McKenzie explained *"We had situations where fuel transport trucks were being turned around by police at the NSW/QLD border. The Government had thought about the movement of food but not fuel."* Thankfully this was able to be resolved within 72 hours.

LGA lockdown chaos

Several respondents pointed to chaos caused by the closure of certain local government areas (LGAs) in Sydney. Aesthetic Beauty Industry Council CEO, Reika Roberts, said *"You might have a business based in Parramatta but an employee based in Blacktown and they couldn't travel 5km to work."*

According to Zoe Angus from Screen Producers Australia, the LGA-based lockdown was *"a real crisis point for a real period of time."* It put 3,500 jobs and \$210 million in jeopardy in the screen production sector because a couple of hundred people couldn't leave the affected areas and couldn't obtain exemptions.

For the music industry, the lack of an appropriate testing regime amplified the negative effects of the lockdown of hotspots. Melbourne lockdowns prompted the cancellation of shows around the country, and even entire tours. Australian Live Music Business Council's Stuart Watters said *"People were losing millions. We had instances of people within 2km of the end of a 100km radius around Melbourne who... weren't allowed to enter Queensland... If you had better testing regimes in place and you could adequately determine that people were clear, then we should've been able to continue to trade."*

Visa workers still absent

Once again, international border closures had a mode score of 8 but an average of 5 – for some sectors it was an acute issue, while for others it was barely an issue at all.

Some members commented that the impact was worse in tourist areas.

The absence of visa workers was an acute issue for hair dressing, beauty, service stations, convenience stores, pharmacies, and agriculture. According to Australian Hairdressing Council CEO, Sandy Chong, in 2015 there were 35,000 visa workers in the hair dressing sector but only 253 in 2021. Rural Business Tasmania's Elizabeth Skirving said *"Probably the biggest*

concern has been harvest pickers and harvest workers – we haven't had enough come through."

For CPA Australia's Gavan Ord, the negative impact of border closures is ongoing. He said *"we had a lot of feedback that it's impacted on the confidence that Australia is a good place to do business."* Similarly, ACAPMA's Mark McKenzie reported that *"In Facebook groups for workers on the subcontinent and areas like Lebanon the message is still clearly 'Australia isn't ready, don't come yet' despite what we've announced. I don't think the visa short fall is going to be plugged any time soon."*

Working from home both a positive and a negative

Many respondents commented on discouraging non-essential travel and encouraging working from home. For the majority of the small businesses represented by COSBOA members, working from home isn't possible. Instead, the impact was due to the change in foot traffic from office workers who make up a significant customer base for various small businesses. While this was the cause of suffering for many based in CBDs, it brought increased trade to others.

The Australian Traditional Medicine Society's (ATMS) Christine Pope said *"One [CBD] therapist I talked to used to do a full day on a Friday in her clinic – she went from 8 clients to 1... But some of the regional clinics actually benefited because people working remotely could come in."* Restaurant and Catering CEO, Wes Lambert, said the impact on the hospitality industry was variable, adding *"your local coffee shop is booming."*

It wasn't only regional and suburban businesses that benefitted from the uptick in working from home. We saw in question 2 that newsagencies saw an increase in sales of stationery and electronics peripherals as people looked to improve their home offices. ICT retail also did well according to ADTIA NEO, Dominic Schipano, who commented *"There was a lot of sales of things. People bought computers, TVs, telephones, modems, wifi extenders..."* According to Wayne Smith from the Smart Energy Council, working from home prompted some households to take a closer look at their power bills and how they could be reduced. *"Solar and battery storage were booming over the last 12 months,"* he commented.

Isolation causes staffing chaos

This year, four new measures were introduced to the survey: the isolation of casual contacts, isolation of close contacts, vaccination (mandated), and vaccination (suggested).

Many commented that the isolation of casual contacts, was ridiculous, disruptive, over-the-top, and asserted that its negative impacts on workforce availability outweighed its contribution to suppressing the virus. Australian Booksellers Association CEO, Robbie Egan, explained that he resorted to authorising one of his association's employees to go and work in a bookshop whose owner contracted COVID. *"They were just screwed,"* he said.

ACAPMA CEO Mark McKenzie commented that, during the Omicron outbreak, *“for every one person who had COVID, we had three people off because the other two were isolating as close contacts, but they never got COVID.”*

Zoe Angus from Screen Producers Australia said that *“on any given day, between 10-30% of crew will be unavailable because they’re in self isolation... If one of your lead actors is in isolation, then that has potential consequences for the mass disruption of the production.”*

In last year’s survey, **contact tracing and genome sequencing** was rated as having the least negative effect on small businesses (2/10). In this year’s survey it scored 3.4/10 – putting it above suggested mask wearing and public hygiene measures – in part due to its connection to the isolation of staff.

‘Anti-vaxxers’ creating difficult situations

Though vaccination (mandated) was rated as the most effective government measure for suppressing the spread of COVID-19, many respondents also commented on its negative impact on business. Mandatory vaccination scored 1 point higher than suggested vaccination for negative impact.

In some sectors like hair, beauty, alternative medicine, and transport, a significant number of employees refused to be vaccinated, leading to industry wide staff shortages.

ATMS Treasurer Christine Pope said *“We had one clinic in Victoria that survived two lockdowns, and then six of the ten therapists weren’t prepared to get vaccinated so he had to shut the business.”* AHC CEO, Sandy Chong, remarked *“Victoria has encouraged a black market of hairdressing because you can’t work if you’re not vaccinated.”*

Mathew Munro from the Australian Livestock and Rural Transporters Association said *“We have such a massive driver shortage for trucks that we can’t afford to lose the 5% of people who refuse to get vaccinated. We actually need them back on the job. We have literally empty supermarket shelves in places around Australia because the trucks can’t get the stuff there.”*

Others commented on abuse from customers who declined to show their vaccination certificates where required. ABA’s Robbie Egan commented *“It started to pit consumers against retailers... Customers telling people to f*** off isn’t really pleasant.”*

Another issue raised by several respondents was the burden placed on employers to navigate confusing and unclear legal implications of directing staff to be vaccinated. For this reason, some COSBOA members said that mandatory vaccination had *less* of a negative effect on small businesses than suggested vaccination, despite losing unvaccinated staff. As Myotherapy Association Australia’s Anna Yerondais put it, mandatory vaccination *“helped to remove some of the stress of recommending vaccination,”* continuing *“If it’s suggested, the small business owner has to try to encourage staff. When it’s mandated, you can say ‘this is*

what the government is mandating, it's out of our hands, this is what you have to do." This issue is discussed in further detail in the Burden on Small Business chapter in part two of the report.

The 'least negative' measures

Similarly, though mask wearing and public hygiene measures were rated among the least negative measures in both years, in 2022 they all received higher average scores, in part because of a perceived increase in customer abuse.

It is also worth noting that, while mask wearing was a non-issue for the majority of industries and sectors represented by COSBOA members, for others it could be highly disruptive.

Such was the case for skin clinics. ABIC CEO, Reika Roberts, said *"A really big breakthrough in our field was being allowed to remove customers' masks for facial treatments... Earlier in the year we couldn't do facials... There are some businesses that only do facials so they couldn't open at all, even though the government was saying 'retail can open now if you wear a mask.'"*

Other negatives raised by survey respondents

In this question, respondents had the option to list other government decisions they felt had a negative impact on small businesses. Below are some of the responses:

Inconsistency

Australian Lottery and Newsagents Association (ALNA) CEO, Ben Kearney, said *"I think a broad theme of the entire COVID experience is the complete inconsistency of approaches at all levels of government. I'd give that a 6 or 7. It goes to equity and fairness."*

The AHC's Sandy Chong said *"The inconsistency of the regulations between the states is extremely frustrating and confuses many businesses, especially if they're a franchise in each of the states. SA is 10 days isolation compared to NSW where it's 7 days. In Victoria, you have to be fully vaccinated to work but not in any other state. The inconsistency of that is really confusing for a lot of businesses. You would hope they'd all know what to do, but even now people are calling the AHC and asking things like 'do you need to be fully vaccinated to work in beauty NSW?' The questions keep coming, things that are really basic that you think they should have known by now. There are still small businesses asking 'do we have to wear a mask?' I'm really surprised. That is always coming up. I don't know why they get so confused and why they find it so hard to find the information on government websites. Just, the fragmented information from the states, I think that sometimes that makes it really difficult."*

Melbourne curfew

Commercial and Asset Finance Brokers Association's (CAFBA) David Gandolfo said *"The idea in Melbourne that you couldn't leave your house after 8 o'clock at night or you were somehow*

breaking the law just was dumb. When you put your garbage out, you weren't allowed to go any further. I think it had a terrible impact on peoples' psyches, on their mental health."

MGA Independent Retailers CEO, Jos de Bruin, said *"If you were closing the shop at 9pm and the staff member lived 30 minutes away, that staff member had to have a certificate because the police could pull them over and say 'what are you doing outside your home after 9pm?' It reduced our ability to trade a bit longer. If you tried to balance out your customers from a numbers perspective, you had to open a bit longer to accommodate people. And in the independent sector we don't have any strength in online shopping at all."*

Shadow Lockdown/ lack of consumer confidence

ATMS' Christine Pope said *"The doom and gloom in the media didn't help. The constant focus on 'record case numbers' – it's like 'OK, if we're at the start of a peak in cases we're going to have 'record case numbers' every day'."*

Rural Business Tasmania CEO, Elizabeth Skirving, said *"The 15th of December opening had quite an impact because we had a shadow lockdown, where everyone just decided to stay home if you're a local. So, a lot of our businesses have actually suffered more since the 15th of December when our borders opened because everyone's just staying home. We've had two years in a bubble so all of a sudden it's scary to be out where there might be mainlanders. In Tasmania we've had very minimal cases – we haven't had to do masks, we've social distanced and we've done the hygiene stuff but we sort of basically did the 'it's business as usual because we don't have anything around to protect ourselves against'. So, our biggest impact has been... that a lot of the small businesses used to getting local trade have actually missed out. Everyone did their Christmas shopping before the 15th of December if you're a local and you didn't go into town. So all Christmas festivities sort of didn't happen. It was all too hard – who wants to go to the pub if you have to wear a mask? It was so recent, people didn't know what it was going to be like..."*

The Australian Live Music Business Council's Stuart Watters said *"The continual changing of public health orders has had an extremely negative commercial impact on consumer confidence. The key metric is no-shows. A no-show is what we call people who buy a ticket but don't show up. The effect no-shows have on a venue or an event to make money is enormous. Often the ticket price covers the cost of hosting a show and money or profit is made on food and beverage. Traditionally this is a 1 or 2% on a small show, rising to 3-5% on a big show, pre COVID. People don't get a babysitter, they go to work, they forgot they bought tickets 6 months ago, they got a clash... As COVID has progressed we watched this figure rise. In early 2021 we were shocked when we were seeing 10-15% no-shows. In December we started seeing 30% at all shows. In January we're now seeing 30% as the norm and 50-60% of some events... That is a direct result of government response to COVID."*

Classifying a marquee as indoors

Hire and Rental Industry Association CEO, James Oxenham, said “An additional government action that had a negative effect was classifying a marquee as indoors for social distancing purposes. The challenge is marquees are quite well ventilated so we felt a bit hard done by where some outdoor venues got a bigger leeway, but a marquee was classified as indoors. That meant some events couldn’t happen.”

Over confidence in software

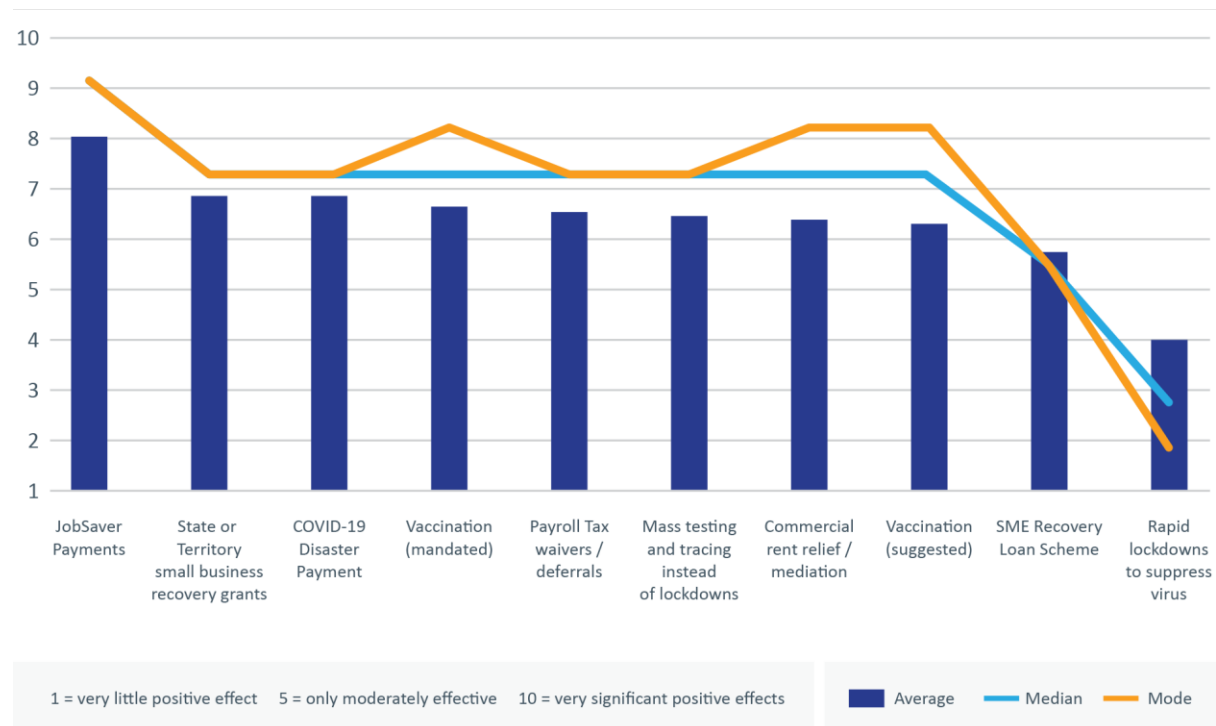
Digital Service Providers Australia New Zealand President, Simon Foster, said “JobKeeper forced people onto STP [single touch payroll]. Where there has been an impact is things like STP 2... It was supposed to actually launch 9 months ago and in some ways the politicians particularly have got an impression that they can do this stuff with software really quickly without realising just how special the circumstances were two years ago when JobKeeper came about... And we’re now seeing burnout. We’re seeing turnover of staff... I think the next year is going to be really interesting from that perspective. People are tired. A lot of people were looking forward to this last summer, being able to get holidays, and it just didn’t happen in the way anyone has expected... It’s just been a really tough couple of years.”

The labour shortages resulting from the government actions to suppress the virus

Australian Association of Convenience Stores CEO, Theo Foukkare, said “We employ a lot of overseas, international students. Whilst they’ve relaxed the working hour cap, no one is coming in. For the international students who are here, we’ve seen an immediate effect, but it’s only until April. They’re going to review it at the end of April. We’d love for that to be extended for the next 12 months because the pipeline of students and backpackers and travellers that will come in are going to be sucked up. It’s not like one industry is looking for them. Every industry is looking for them, whether you’re picking fruit, whether you’re a farmer, whether you’re a sea store – everyone.”

Question 4 – Rating small business assistance from government

In your experience, which government decisions had the most positive effects on *small* business in your industry/ sector during the past 12 months (rate from 1 to 10)?



What respondents said last year:

On measures undertaken in 2020, COSBOA members believed that the government measures that had the most positive effects on small businesses were **JobKeeper payments** (9/10); the **Cashflow Boost** (8/10); and **Payroll Tax waivers/ deferrals** (7/10). The measures rated as having the least positive effects on small businesses were **rapid lockdowns to suppress the virus** (5/10), **apprentice/ trainee wage subsidies** (4/10) and the **JobMaker Hiring Credit** (4/10).

According to survey respondents reflecting on 2021, the following three government decisions as having the most positive effects on small businesses: **JobSaver payments** (7.6/10); **state or territory small business grants** (6.5/10) and the **COVID-19 Disaster Payment** (6.4/10).

Unsurprisingly, rapid lockdowns to suppress the virus were commonly viewed as having very little positive effects for small business, scoring a 3.5/10 (down from 5/10 last year). A few respondents qualified this by suggesting that three-day lockdowns could be positive for small

businesses in cases where they led to the eradication of the virus and prevented an extended lockdown.

The top 2 scoring measures from last year's survey, JobKeeper and Cashflow Boost, were not included in this year's survey as they weren't available throughout 2021. This pulled the mode score across all measures down from a **10** last year (largely due to the high opinions of JobKeeper and Cashflow Boost) to a **7** this year.

Business support becomes a state issue

With the discontinuation of JobKeeper in March 2021, states and territories were left to administer business support programs.

In July and August 2021, the Federal Government announced co-funding arrangements with state governments to provide support to businesses impacted by COVID-19 restrictions. Though half of the funding came from the Federal Government, the state governments designed and administered the programs. This led to significant differences in the support on offer.¹

Several members commented that the differences in approach and delivery were incredibly challenging for businesses, particularly where there were significant differences in eligibility requirements. The Victorian Government grants in particular received criticism from COSBOA members for excluding microbusinesses and entire industries.

For example, the Business Costs Assistance Program and the Business Continuity Fund grants were limited to businesses registered for GST with an ABN in one of 24 eligible ANZSIC codes.² A Small Business COVID Hardship Fund was created to provide support to businesses that had been ineligible for previous grants, but the GST requirement remained.³ As the annual turnover threshold for registering for GST is \$75,000, this had the effect of excluding sole traders earning under that amount.

Reika Roberts from the Aesthetic Beauty Industry Council describes this situation.

"There are a lot of people in our industry who have been ineligible for the grants. There are a lot of very small businesses in our industry and we're a key employer of females. Some of those females have their business to accommodate their family life so they might only work a few days a week or only work during school hours and not earn \$75,000 a year. They're legitimate businesses... but they might not earn \$75,000 because it's just that their primary responsibility is their family life... In NSW the grants were based on your wages bill but in Victoria they were dependent on you having the one ABN and some businesses have five ABNs so that was difficult."

¹ Treasurer of the Commonwealth of Australia. (2021, July 28). [NSW business support package expansion \[Press release\]](#).
Treasurer of the Commonwealth of Australia. (2021, July 28). [Victorian business support package \[Press release\]](#).

² Business Victoria. (2021). [Business Continuity Fund](#).

³ Business Victoria. (2021). [Small Business COVID Hardship Fund](#).

This was echoed by the Australian Hairdressing Council's Sandy Chong, who said *"In Victoria, they felt really unsupported by their government."*

And Australian Lottery and Newsagents Association (ALNA) CEO, Ben Kearney, who said *"Did those sole traders still have rent to pay? It was just ideological to only support small businesses that employ people. There are quite a lot of lottery kiosks who are sole traders and newsagents as well."*

However, it wasn't all bad news. Anna Yerondais, CEO of Myotherapy Association Australia (MAA), was able to achieve a change for her industry, which had previously been excluded because of its ANZSIC code (allied health) despite being required to close under lockdown restrictions. She said:

"Whilst I think the intention was always good from governments, as a result of lack of consultation with industry to really understand how to best apply criteria for these grants, it meant that there was a lot of frustration initially... We were told 'well, you're allied health, so you can continue to work in some capacity.' Obviously our argument was 'well no, apparently not.' They said 'well, you could provide telehealth or remote consultation.' So it was about educating these decision makers that [for] manual therapists in particular, not just myotherapy, telehealth is not really conducive to patient outcomes because they're very used to seeing the practitioner in person... It really does come down to better consultation with industry prior to actually making these decisions."

JobSaver

The New South Wales Government used its federal government funding for business support to develop the JobSaver program, which, unlike other state and territory initiatives, resembled a wage subsidy program. Businesses with an annual turnover under \$250 million that had suffered a decline in turnover of 30% or more were paid 40% of their payroll on the condition that employers maintain their employee headcount as at 13 July 2021. Unlike in Victoria, sole traders were eligible to receive payments under this program.

Although it was not rated as highly as 2020's JobKeeper program, many respondents praised this initiative:

"For those that qualified – and you're looking at CBD high streets and shopping centres, some other businesses affected by travel restrictions – that was positive." Ian Booth, Newsagents Association NSW and ACT.

"JobSaver payments were welcome." James Oxenham, Hire and Rental Industry Association.

"That was significant. Most of our small businesses were able to access it." Mark McKenzie, Australasian Convenience and Petroleum Marketer's Association

On the difference between state government programs and JobKeeper, Simon Foster from Digital Service Providers Australia New Zealand explained:

“JobKeeper was possible because of a decade of technology investment beforehand. There was some serendipity with myGov... When the state and territory governments went to do stuff, we ran into the opposite of that problem, which is that the ATO is not allowed to give them that information... Stuff that could’ve been automated wasn’t because there was no way for the state governments to be able to audit via STP [single touch payroll]. In an attempt to make this stuff as simple as possible within that constraint, we ended up with scenarios where it actually took a long time for people to get these grants. We had to build reports for the state governments – each state government is slightly different. So, it was just less coordinated and more work.”

SME recovery loan scheme

The SME recovery loan scheme effectiveness is open to debate. Many survey respondents commented that they didn’t know any small business owners who had accessed finance under the scheme.

In 2020, small businesses reported difficulties in accessing the SME Guarantee Scheme, with many being knocked back when trying to access the unsecured loans that were partially guaranteed by the federal government. Banks were being risk adverse, and were implementing unrealistic serviceability requirements, resulting in a disenfranchisement with the scheme. Businesses were also reluctant to take on more debt, whilst facing these requirements.

The legacy of that difficulty had carried over in 2021 and was reflected by Gavan Ord from CPA Australia, who said: *“The uptake was low and the willingness of many lenders to access it was low. The lenders said ‘yes, the government was guaranteeing it, but the government would make it hard to access the guarantee if needed.’ Good in concept, bad in delivery.”*

Other positives raised by respondents

In this question, respondents had the option to list other government decisions they felt had a positive impact on small businesses. Below are some of the responses:

JobKeeper

David Gandolfo from the Commercial & Asset Finance Brokers Association said “JobKeeper was the biggest, single helper to everyone. It was an absolute game changer. If you don’t have any revenue coming in and you can still keep your staff and still do stuff with it, then that was incredibly important... The ability to defer tax repayments was also good.”

Zoe Angus from Screen Producers Australia said “JobKeeper was a godsend for our industry. There were problems with it, but let’s not pick at a good thing.” Zoe Angus

ALNA CEO, Ben Kearney, said “JobKeeper and Go Local First. Go Local First was a great initiative because it was positive at a time when people needed positivity.”

Fair Work Advice

MAA CEO, Anna Yerondais, said “Some of the fair work mentoring programs, e.g 5 free legal advice sessions to deal with cases relating to COVID and your staff. I think any support from the perspective of understanding employment law and the legalities associated with managing staff without having to fund access to legal advice are certainly a positive.”

Financial Counselling

Rural Business Tasmania CEO, Elizabeth Skirving, said “We’ve had financial counselling and help lines for Business Tasmania funded by government.”

Lifting working hour cap on visa workers

ACAPMA CEO, Mark McKenzie, said “Another positive assistance measure was lifting the 20 hour per week working cap for international student visa holders. 70% of our shifts worked between 10pm and 6am are worked by international students... The National Coordination Mechanism was also really positive, the Home Affairs group that addresses supply chain vulnerability.”

The Instant Asset Write Off

The Australian Livestock and Rural Transporters Association’s Mathew Munro said “The government’s tax write-offs – accelerated depreciation, etc. – have been very good for some businesses. It’s actually kept our sector roaring along. All of our suppliers, etc. are doing really well. There’s really high demand and we’ve got some challenges meeting demand because of the issues, but demand’s been good and in part I think that’s because the government has created a really favourable tax environment in which to make investments.”

CAFBA’s David Gandolfo said “The instant asset write-off extension was a great incentive to invest in your business and that kept a lot of things going and saved a lot of people a lot of tax.”

The Tasmanian Small Business Council’s Robert Mallett said “[Another positive measure was] the level of red tape that was done away with. Processes became so much simpler as time went on.”

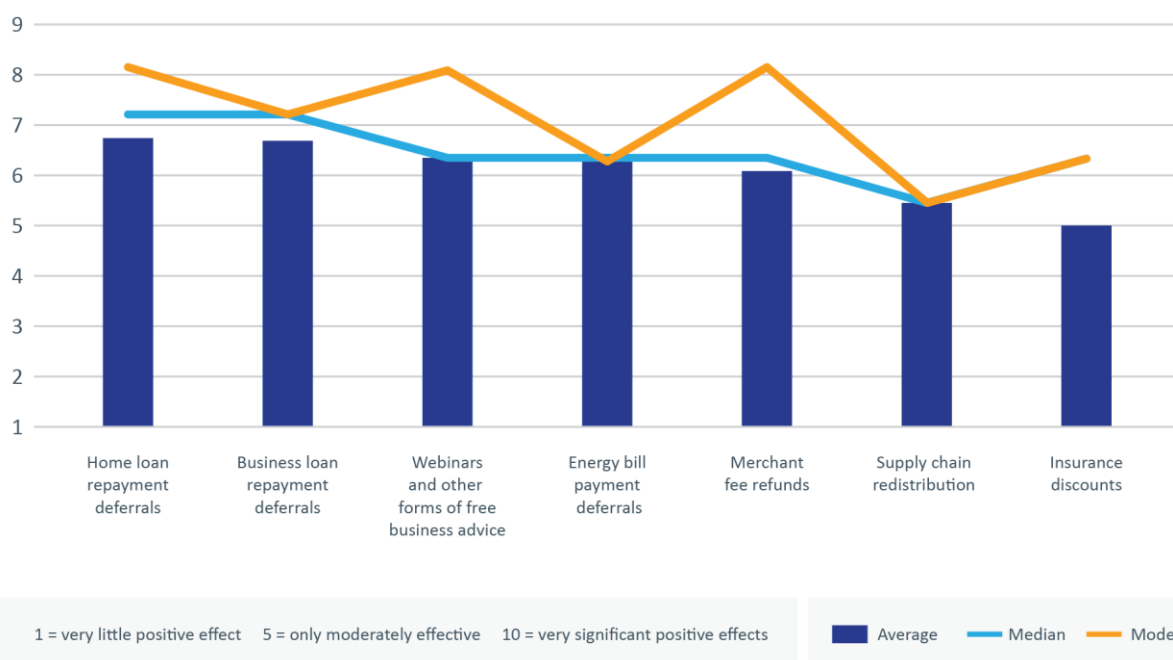
State-based business interruption style insurance for events

The Australian Live Music Business Council’s Stuart Watters said “We have seen in a couple of states business interruption style insurance schemes. That has been neglected at federal

level despite even an inquiry that suggested the feds have a role to play given we're a national industry. We've got something in VIC, something different in NSW, there was something in WA which pretty much no one could access and that was it. We needed a business interruption fund at the federal level with industry investment in it. It happened in many other countries... The federal government's inability to work with the state governments on this has been a disaster." (See the Disparity of Impact section in part two of the report for further detail on assistance for live music industry businesses).

Question 5 – Rating small business assistance from the corporate sector

In your experience, which corporate decision had the most positive effects on small business?



In addition to assistance by Governments, during 2021 there were many corporate entities that assisted business, to ease the impacts of COVID disruptions and lockdowns on their customers. This included energy retailers, insurance companies, banks, and even breweries.

The Australian Banking Association, for example, announced in July 2021 a national support package for small business that included loan deferrals and merchant fee waivers. While respondents rated loan deferrals for both homes and business as having the most positive effects, many commented that having to repay the loans was beginning to cause distress.

CAFBA's David Gandolfo said: *"If you're self-employed, it doesn't matter if it's a home loan or a business loan, you still don't have the capacity to pay it."*

After loan deferrals, respondents commented on webinars and free business advice as having a positive effect on the sector. Many associations had provided these services to their respective sectors and respondents were equally complimentary of COSBOA's regular update and roundtables. *"Information is gold during a pandemic,"* commented AHC CEO Sandy Chong.

Several respondents commented that while merchant fee waivers and insurance discounts were great initiatives in theory, they hadn't applied to businesses in their sector. Family Business Australia Chairman, Mark Kagan, said *"it wasn't marketed very well. I didn't hear any of my people commenting on that."* Others commented that insurance premiums had gone up in their industry.

Other positives raised by respondents

In this question, respondents had the option to list other corporate decisions they felt had a positive impact on small businesses. Below are some of the responses:

Industry association support and advocacy

Australian Communications Consumer Action Network CEO, Andrew Williams, said *“What was significant was the speed of developing a support network for organisations. Even though it’s a couple of years ago now, you look back at this time 2020, the fear across the board was quite palpable - the share market was crashing, cash flow was non-existent, and discretionary spending basically dried up completely - so having those webinars and other online forums like the COSBOA roundtables to provide that support so that people could share ideas and have that sense of comfort that you’re not doing this alone was intangible but significant.”*

Australian Booksellers Association CEO, Robbie Egan, said *“I think the advocacy done by advocacy bodies like the Australian Retailers Association, what we did, down to all the COSBOA members... The associations that represent commercial entities, particularly small businesses, did a very effective job with communications and lobbying.”*

Australian Association of Convenience Stores CEO, Theo Foukkare, said *“I think industry bodies were more important than ever in communicating the rapidly changing guidelines. A lot of our members – we had feedback from them saying they turned off the news, it was too depressing, and they were just waiting for the update from us about what the changes were and what the implications were for them and then providing advice to them... I think every industry association was relied on probably more than they had ever been.”*

Support Act

The Australian Live Music Business Council’s Stuart Watters said *“There have been a number of large brands that have donated a significant amount of money to Support Act, a charity for supporting music industry workers and crew. There was a significant amount of federal funding that also went to Support Act. There was good money coming from the corporate sector. I know Nandos donated. Our organisation received donations of \$5,000-10,000 too, for example from Warner Music and Ticksel.”*

Lottery West

Australian Lottery and Newsagents Association CEO, Ben Kearney, said *“We had an enormous amount of assistance from Lottery West in Western Australia. They wiped some fees and they gave them all \$10,000 three times.”*

Softening of trading terms

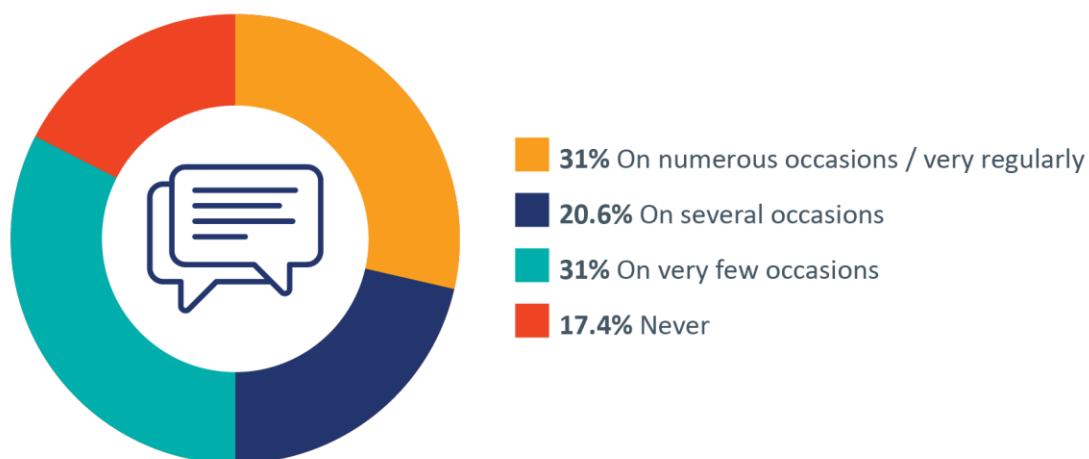
Newsagents Association NSW and ACT CEO, Ian Booth, said “There was some softening of trading terms. Normally you’ve got either COD or 14 day or 30 payments. There was greater tolerance in the credit control area and quite a few of our members were able to negotiate better trading terms. Rather than paying suppliers’ bills in 14 or 30 days, quite a few negotiated 60 days.”

Other

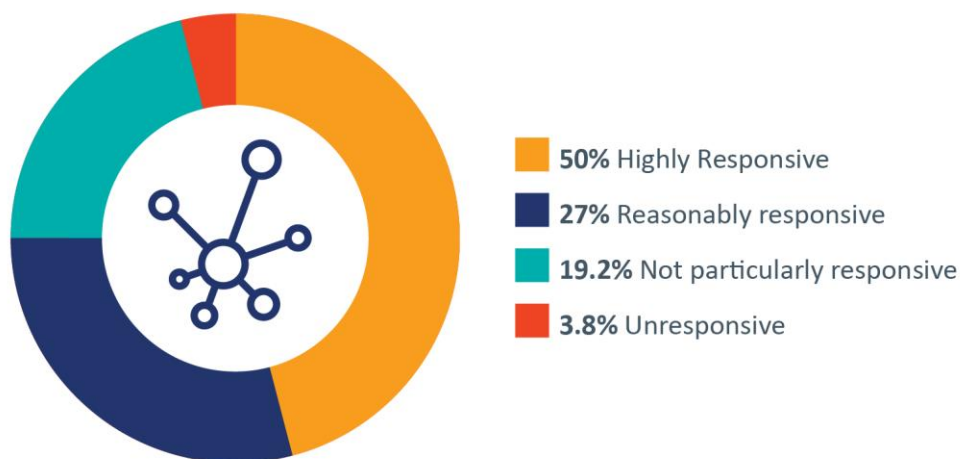
CPA Australia’s Gavan Ord said “A lot of landlords voluntarily provided deferrals of rent, though that does need to be paid back. It kicks the can down the road and potentially creates a bigger problem.”

Questions 6 and 8 – Federal Government Consultation

Was your organisation directly consulted by the Federal Government?



How responsive were the Federal Government representatives in their direct consultations with your organisation?



Overall, fewer COSBOA members were directly consulted by federal government agencies in 2021 than in 2020. The most common answer here was 'on very few occasions' (32%), followed by 'on numerous occasions' (29%), 'on several occasions' (21%), and 'never' (18%). By contrast, when surveyed in February 2021, 36% of COSBOA members reported having been consulted by the federal government on numerous occasions.

Some survey respondents commented that, though not ideal, the lack of direct consultation with their organisation was understandable, adding that they had the opportunity to speak to federal government representatives through COSBOA.

CEO of the Australian Institute of Business Brokers, Ian Jones, said *“I’d really like to thank COSBOA for all their efforts, their advocacy and everything that they’re doing. The fact that there has been engagement between government at all levels with COSBOA in part compensates for the lack of direct engagement with our members and profession.”*

Though Jones was pleased with the Government’s engagement with COSBOA, he also stressed *“We would love governments at all levels to engage more directly with us.”*

Of those COSBOA members that did have the opportunity to consult with Federal Government representatives, most expressed high levels of satisfaction with the quality of consultation. 46% rated the federal Government as “highly responsive,” 29% “reasonably responsive”, 21% “not particularly” and just 4% “unresponsive.”

Commercial & Asset Finance Brokers Association’s David Gandolfo said *“I thought the consultation from the Federal Government was very, very good. They understood what we suggested and they took things on board.”*

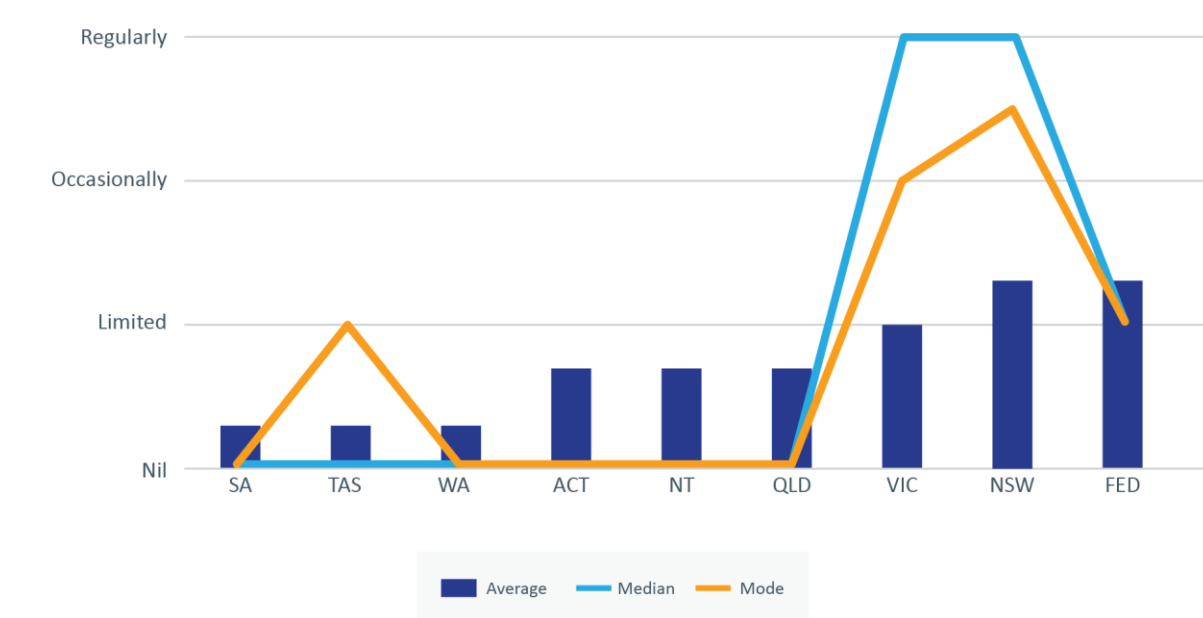
Specific departments and agencies that were singled out as being particularly responsive include the ATO, the Treasury, the Department of Industry, Sciences and Resources (DISER), the Fair Work Ombudsman, the National Heavy Vehicle Regulator, the Department of Health, the Australian Competition and Consumer Commission (ACCC), and the National Resilience and Recovery Agency.

Representatives of arts and entertainment industry businesses were less satisfied. Australian Live Music Business Council spokesperson Stuart Watters said of both federal and state governments *“We weren’t consulted nearly enough... The only way we could get consultation was by stamping our feet and shouting and throwing our toys out of the pram.”* Watters pointed to the RISE funding for the arts sector as an example of a program that could have benefited from better, earlier consultation.

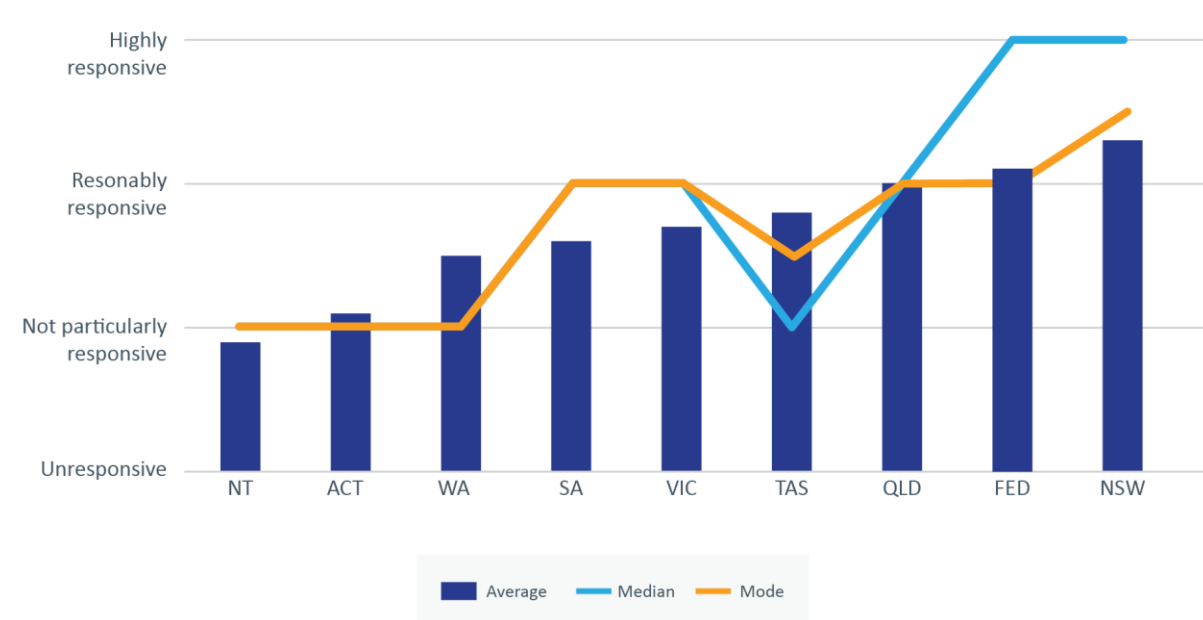
Similarly, Zoe Angus from Screen Producers Australia commented *“There’s been a whole lot of reforms related to our industry and appallingly low levels of consultation.”*

Questions 7 and 9 – State government consultation

Was your organisation directly consulted by State or Territory government representatives/ departments/ agencies in relation to decisions that affected your members?



How repsonsive were State or Territory government agencies in their direct consulatations with your organisation?



In question 7, respondents were asked to select the most relevant option to describe the frequency of consultation with each state government. The options were nil (corresponding to a rating of 1 on the graph), limited (2), occasionally (3), and regularly (4). New South Wales received the highest average score of 2.3, followed by Victoria (2), then Queensland, the Northern Territory and the Australian Capital Territory, each scoring a 1.7.

Notably, NSW received the same score as the Federal Government on frequency of consultation. In question 9, respondents were asked to select the most relevant option to describe the quality of consultation with each state government.

The options given were:

- **Highly responsive** – actively listened and implemented some suggestions
- **Reasonably responsive** – actively listened
- **Not particularly responsive** – mostly provided information about decisions already made, and
- **Unresponsive** – no indication of interest in business needs.

If respondents selected 'nil' for frequency of consultation, they couldn't rate the quality of consultation.

Once again, NSW received the highest average score of 3.3, slightly outperforming the Federal Government, which received an average score of 3.1. They were followed by Queensland (3), Tasmania (2.8), and Victoria (2.7). The Northern Territory and the ACT received the lowest scores - 1.9 and 2.1 respectively.

Many respondents praised NSW Government departments and agencies for their engagement with industry.

For example, Newsagents Association NSW and ACT CEO, Ian Booth, said:

"Some of the [NSW] taskforce groups chaired by KPMG were highly responsive... there was a specific one for retail. That was my best experience with any consultative process I'd done for quite some time. I felt like everyone who participated had equal standing... If we said no to something, that was listened to. If we said 'that won't work,' that was listened to."

Though the Victorian Government improved its frequency of consultation, its perceived responsiveness remained stagnant. As MGA Independent Retailers CEO, Jos de Bruin, explained *"Victoria consults regularly but they just tell us what they've done."* The Australian Traditional Medicine Society's Christine Pope said *"We get put on consultation calls with 300 people from different industries rather than in industry sectors... If you've got a specific issue, they may never respond to it, and it disappears into the abyss."*

An example from Australian Hairdressing Council CEO, Sandy Chong, highlights the responsiveness of the NSW Government compared to the Victorian and ACT Governments. In their staged re-openings in spring 2021, all three governments implemented restrictions stating that hair salons could only have 5 clients in them at a time, regardless of the size of the space. In NSW this was changed to a square metre rule after one week thanks to the Australian Hairdressing Council's *"countless lobbying and countless media interviews."* But, as

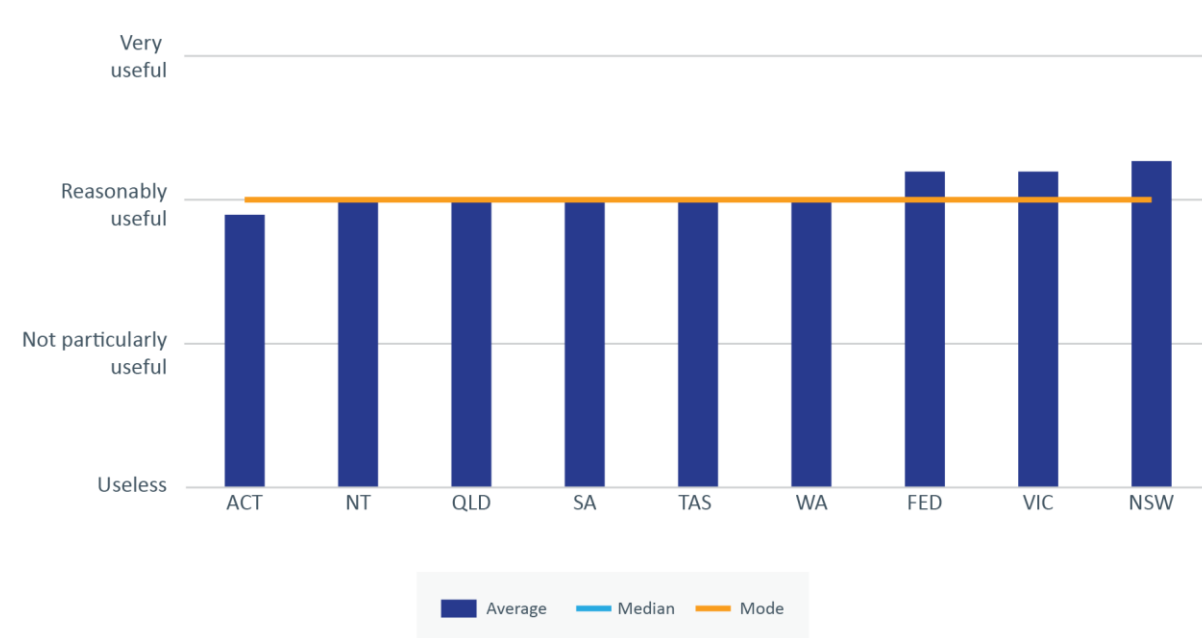
Chong explained *“In Victoria and the ACT, they insisted on going ahead with that. The ACT just didn’t listen. It went nowhere... There was absolutely zero consultation. Why not consult with us and go ‘hey guys, does this make sense?’”*

Several respondents noted that while certain departments, agencies or politicians could be highly responsive, outcomes could be blocked by other departments with more decision-making power. For example, the Australian Livestock and Rural Transporters Association’s (ALRTA) Mathew Munro noted *“We’re generally consulting through transport departments, and they listen, they say ‘that’s wonderful and we’ll go and do that’ but then it’s a state health department who’s very disconnected and tends to be the blocker for most of those things... It goes into the ether.”*

Another point to note is that Tasmanian-based associations like the Tasmanian Small Business Council and Rural Business Tasmania rated their consultations with the Tasmanian Government very highly, but national associations were more likely to rate the Tasmanian Government as ‘not particularly responsive’, giving Tasmania an average score of 2.8 but relatively low medians and modes of 2.5 and 2.

Question 10 – Online resources

How useful were Federal, State or Territory government online resources for your organisation?



Overall, there was praise and acknowledgement for Federal, state and territory online resources and they were rated as reasonably useful by survey respondents.

Anna Yerondais from Myotherapy Association Australia, for example, said:

“I’d say very useful across all of them. We’ve been very conscious to always look at what resources are available. It’s not as a result of them sending them through with updates to say ‘these are here’ – for some of them, absolutely they do – but when we undertake a search we utilise resources that we think will be most useful to our members, and we’re always able to access resources that we think our members will be able to utilise.”

Many survey respondents echoed this and reinforced their Association’s crucial role during the pandemic, particularly with reference to knowing where information could be found but also being able to disseminate important information for their sector in a timely manner.

Some survey respondents however drew attention to the issue of ease of finding resources and their availability following announcement but also the inconsistency between the different jurisdictions. Sandy Chong from The Australian Hairdressing Council, for example, said:

“The state government online resources are all reasonably useful. The problem with them all is that when they make announcements, they haven’t updated the website... Whereas the federal government sites are always good.”

Gavan Ord from CPA Australia said:

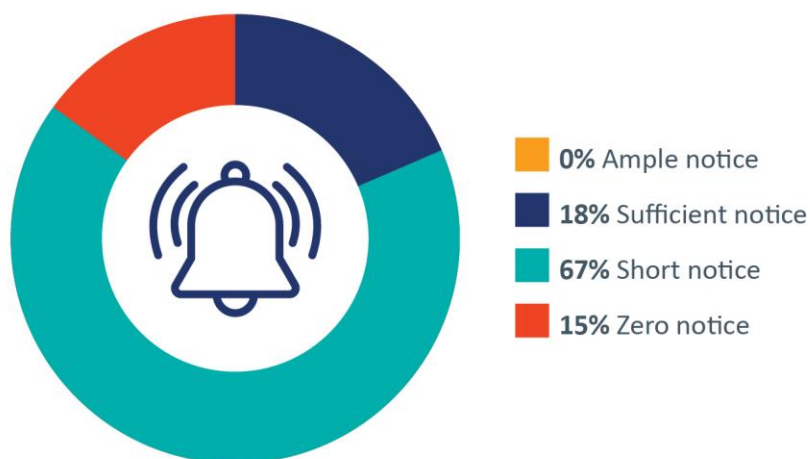
“There’s a difference between usefulness and how they structure their resources. They were useful once you found them, but they were difficult to find. The difference in language and terminology between states was very confusing for national organization. South Australia still has a different definition of a close contact, the Northern Territory has a 2-week quarantine period for unvaccinated people.”

It was, however, clear from the respondents that the New South Wales, Victoria, and Federal Government were best overall at communicating and providing resources to professional associations that were most useful.

“The fact that Victoria and New South Wales made available relatively promptly the public health order itself was crucial for small businesses” commented Zoe Angus from Screen Producers Australia.

Question 11 – Notice

How much notice were your members given (in a majority of instances) in relation to Federal and State Government health measures?



Incredibly and reflecting on 2021, two thirds of respondents indicated they were given short notice, with nearly half of the remaining respondents saying they were given no notice at all, in relation to federal and state government health measures which impacted business operations.

Only 15% indicated that their members received sufficient notice, which had decreased from the 32% recorded in the 2020 survey perspectives. Zero respondents selected ‘ample notice.’

In last year’s survey, several respondents commented that the short notice was understandable and/ or necessary to eradicate the virus and that we would be grateful in the long term. This year no such comments were made.

Mark McKenzie CEO detailing the issues faced in transportation of fuel:

“NSW and VIC introduced restrictions that effectively required service stations to close despite identifying them as essential businesses and we did not learn about that until the 11th hour when we got the restrictions... We got the public health order with the reopening plan at 10pm, 2 hours before they were to take effect and they’d completely forgotten about service stations. We were going to close until we got a guarantee from them that no one was going to go and lock up a service station.”

ALRTA Executive Director, Mathew Munro, lamented the lack of notice for state border restrictions, saying notice was short “...bordering on zero notice in some instances.” He further detailed that retrospective decision making around vaccine requirements had caused frustration, using the example of truck drivers who needed to cross a state border.

“In order to cross a border, you might have a jab by a certain date, but the date might well be in two weeks’ time, but there might be a three-week queue to get one. So, it almost made it retrospective in some cases. Unless you’d already had it a week ago, there’s no way you could’ve actually met the criteria. Those kinds of things were really annoying. What they didn’t do is they didn’t take stock of the impacts of one state’s measures and what the impacts might be on another state’s capacity to deliver.”

Scott Harris, National Manager of Business Policy at The Pharmacy Guild of Australia, shared that notice in the pharmacy sector, was also short or non-existent depending on the issue. The example he used, related to Rapid Antigen Tests:

“Depending on what it was, it was either short or zero notice provide to perform a significant operations that needed the support of multiple businesses - for example the supply of testing kits to the community.”

Question 12.1 – Have any of your opinions changed since last year's survey?

In question 12, respondents were asked a series of qualitative questions that encouraged them to reflect on the past, present, and future of the COVID-19 pandemic.

Though the scores they gave to government measures often differed between this survey and the first survey, the majority of COSBOA members expressed that they agreed with the comments they had made in early 2021.

For example, The Guild's Scott Harris said: *"I'm not seeing many changes from my comments last year, which is scary when you think that it's been 2 years [of the pandemic], and you're still saying the same thing."*

CAFBA's David Gandolfo said *"I would absolutely agree with all of those comments [made in 2021],"* adding *"The good thing is I think the worst of this is behind us. We've got COVID largely behind us, and, though I hate this expression, we'll have to live with it."*

Some COSBOA members that had been in favour of harsher restrictions when surveyed in early 2021 expressed that they had changed their minds. For example, ABA CEO Robbie Egan said in the first survey *"in the end, we'll be thankful that we all went really hard. We've erred on the side of caution, and it will prove to be the best approach."*

In this survey, he told us *"Omicron has changed my thinking dramatically. I honestly came to the conclusion that I think this was a massive overreaction and I believe we should've pushed vaccines, which we did, but also pushed quality mask wearing... We needed to get people out, shopping, and going about their business as normally as possible... Most small businesses were safer than they were perceived... [Lockdown] was difficult for small businesses to cope with. It was so punitive, so destructive, that there's got to be another way. They really hit the nail with a nuclear bomb. I'm surprised I didn't see more of my members close. I can't believe my members didn't go broke – it's amazing. I think we made a mistake."*

Question 12.2 – What do you think was the biggest difference between 2020 and 2021?

Several respondents commented that 2021 had been a more difficult year for small businesses than 2020 in many ways, citing the growing inequality of impact, the divergence of states, increasingly confusing communication as restrictions changed quickly, increased fatigue, and the phenomenon of self-imposed restrictions/ shadow lockdowns.

For example, the Australian Live Music Business Council's Stuart Watters said:

"I actually think that 2021 has been a harder year than 2020. In 2020 people just knew they were shut down and everyone was shut down and so it was an easier pill for people to swallow. 2021 has seen an immense number of variables around which industries can and can't trade... And with the promise of returning to work at reasonable levels with a mandated vaccination policy in place, our industry went ahead on that basis and started booking shows on the promise they'd be able to return to trade. That has cost them significantly

commercially to see the summer we were expecting to have just be shut down again. 2021 has been worse because of the variability of measures and the lack of consistency across state and territories.”

DSPANZ President Simon Foster reflected on the impact of mass fatigue among the small business owner population, stating *“we’re seeing – anecdotally – more businesses shutting down than were the case [last year]... I suspect... a lot of this is just fatigue... Business owners are going ‘I just can’t do this anymore.’ The fact that unemployment is where it is, the fact that if you’re looking for work, it’s very much more power to the job seeker than the employer, and I wonder how much of a factor that is to a business owner if you’re looking at the grind and looking at going and working for someone else and making it their problem.”*

Several brought up false hope, such as Newsagents Association NSW and ACT CEO Ian Booth, who said *“Everyone expected things to get better, but they didn’t. That’s in terms of the overall COVID-19 situation and trading conditions, particularly for those in CBD locations.”*

Others cited the existence of vaccines as a game changer. Hire and Rental Industry Association CEO James Oxenham said *“[Vaccinations] have given us a good amount of hope. Omicron gave us a bit of false confidence but maybe people aren’t getting as ill as would’ve done without vaccinations. We were able to hold a conference in 2021 which we weren’t able to do in 2020, and going into 2022 there’s definitely a feeling that we’ve been through the worst.”*

Finally, another group were more optimistic, expressing that their industry felt more understood in 2021 than in 2020, that their association had grown in its capacity to deliver advice and support, or that they had built stronger relationships with government representatives and other industry bodies as a result of the crisis. Aesthetic Beauty Industry Council CEO Reika Roberts said:

“There is more positivity and optimism now that our industry is understood and that we are able to open through a pandemic. We are able to implement infection control measures in a COVID-safe manner. We can still do business, but it may not be the revenue bursting business it was a few years ago.”

Question 12.3 – What would you like to see for small business in the next 6 months?

The most common theme in the answers to this question was the desire for national consistency. For example, Hire and Rental Industry Association CEO, James Oxenham, said:

“I think COVID was far too political. I thought the lack of harmonisation between the states was embarrassing to sum it up. It was disappointing to see politicians playing games that businesses didn’t need to get sucked into. It would be good if you can separate pandemic from politics somehow and have a more national approach rather than a state based one.”

Family Business Australia Chairman, Mark Kagan, said:

“I would like to see people spend, spend, spend. I’d like to see the economy pick up, I’d like to see no more isolation, no more lockdowns, I’d like to see mandatory vaccinations and more importantly I’d like to see the whole national does it equally and the same rather than each state having its own ideas.”

Another idea repeated several times was the need for targeted assistance. Australian Digital and Telecommunications Industry Association CEO, Dominic Schipano, said:

“For the support for small business to be targeted rather than just ‘here’s JobSaver’ or ‘here’s rent relief.’ There are some industries/ sectors doing really well out of the virus and lockdowns, such as retail and supermarkets, whereas other people like music and theatre are suffering really badly.”

Others flagged the need to address non-COVID (or non directly COVID-related) issues such as the cost of doing business. Pharmacy Guild of Australia’s Scott Harris said:

“Looking at ensuring that costs remain sustainable – we’re talking about general insurance, workers comp, to go from there. Even if we could get 50% of those, that would be valuable... The minimum wage will probably go up by at least 3% in the middle of this year. Super’s going to go up by .5%. If we run on inflation at the moment it’s running at the high bracket towards the three so the cost to business, just in those particular areas without talking about the supply chain, transporting, electricity, insurance, commercial rent, it’s going to be moving. It could be a more flexible model that could be worked out.”

Some COSBOA members expressed that they would like to see further consultation with industry associations. *“Consult with small bodies, not just super peak bodies,”* said Tasmanian Small Business Council’s Robert Mallett.

Finally, other respondents flagged the need to be cautious and prepare for future variants of COVID-19. Restaurant and Catering CEO Wes Lambert said:

“We have always told our members that COVID’s not over ‘til it’s over. You should be cautiously optimistic and don’t make any decisions, that if they were affected by COVID, would materially affect your ability to trade... COVID has come about every 6 months for the past 2 years. The world is in its 6th wave, Australia is in its 4th. It’s very important that we hope for the best and plan for the worst, not plan for the best and end up with no fallback position.”

**PART TWO, AN ANALYSIS:
GOVERNMENT
DECISION-MAKING
IMPACTS AND THEMES**



COSBOA

COUNCIL OF

**SMALL BUSINESS
ORGANISATIONS
AUSTRALIA**

Disparity of impact (The case for targeted assistance)

The main theme emerging from question two was the disparity of impact between – and even within – different small business sectors. This section will take a closer look at this inequality with a particular focus on two categories of small businesses that have suffered acutely from COVID-19 restrictions: businesses in the live music industry and businesses based in central business districts (CBDs). Then it will discuss options for targeted assistance for these types of businesses.

The Live Music Industry

The live music industry has a large supply chain comprised primarily of small businesses and sole traders including artists, musicians, artist management, booking agencies, promoters, crew, venues, merchandise companies, event management, publicists, venue suppliers, site infrastructure providers (catering, fencing, toilets, marquees, furniture, medical, fire, staging) and more.

The industry has been one of the biggest victims of pandemic restrictions. Shows were unable to take place during lockdowns, but even in periods in which Australia was virtually COVID-free and many small businesses were able to trade as usual, live music events were still subject to capacity and density restrictions that often made them unviable. The industry is also reliant on the free movement of artists and crew across international and state borders – border closures, therefore, had the potential to cancel entire tours.

A survey by the not-for-profit *I Lost my Gig Australia* found that, in the period from 1 July - 31 August 2021 alone, 32,000 gigs and events had been cancelled, equating to \$94 million in lost income. Moreover, 99% of respondents reported having no income protection or event cancellation insurance.⁴

The indirect economic impact is likely much higher than \$94 million. Live music and other arts and cultural events are a major draw card for people to travel to city centres and regional towns, where they spend money at local small businesses such as hotels, restaurants, and shops.

The industry hoped that mass vaccination would be the solution and that shows and tours could begin operating as usual from late 2021.

Unfortunately, this wasn't the case. Live music felt targeted once again during the Omicron Outbreak in January 2022. On the 7th of January, the NSW Government banned singing and dancing at hospitality venues and, a few days later, at outdoor events. This led to the sudden

⁴ I Lost My Gig Australia. (2021, August 31). [Losses Continue \[Press Release\]](#).

cancellation of major music festivals including Grapevine Gathering and the Tamworth Country Music Festival.⁵

This was compounded by the effects of the shadow lockdown, in which significant numbers of individuals chose to stay home and/or restrict their movement in the community in response to the outbreak. Shows that were allowed to go ahead suffered significant ‘no-show’ rates.

So, even in the absence of government restrictions – or with only minimal government restrictions – the live music industry is likely to experience significant disruption in the event of future significant COVID-19 outbreaks. Targeted assistance for the industry must address this - one option is a form of insurance for event cancellation.

Assistance on offer in 2021

Following the removal of JobKeeper in March 2021, the Federal Government’s *Restart Investment to Sustain and Expand (RISE)* fund for the arts was expanded to \$200 million.⁶ The grants, which had originally been created in 2020, were welcomed as a ‘crucial lifeline’ but also criticised for prioritising larger, ‘mainstream’ events, progressing too slowly, and giving too much power to the arts Minister’s office in deciding the winners and grant amounts.⁷ This contrasts with most other federal and state government COVID-19 financial assistance measures, which had standardised amounts and were given to all businesses that met objective eligibility criteria.

Stuart Watters explained *“There was a significant amount of tension when you had large promoters and producers of events sitting on millions of dollars of unspent public money and not passing it on to the most hard-hit part of the market... While [the grants were] not exclusively for promoters and producers of events, they ended up being the predominant winners... with a view that it would trickle down the economy to the other sub-sectors... If you’re giving someone a grant and you can’t put an event on – well, the money doesn’t trickle down...”*

After months of industry advocacy, the grant guidelines were amended in May 2021 to stipulate that 33% of grant funds must be paid to event sub-contractors (many of whom are small businesses and sole traders) within 14 days of receipt of funds.⁸

Though the funding undoubtedly had a significant positive impact for the events that received it, the RISE funding model is not ideal for providing future assistance to the sector as a whole because it leaves too many events behind.

⁵ Nguyen, K. (2022, January 7). [NSW Premier Dominic Perrottet reinstates several COVID-19 restrictions.](#)

⁶ Department of Infrastructure, Transport, Regional Development and Communications. (n.d.). [Restart Investment to Sustain and Expand \(RISE\) Fund.](#)

⁷ Speter, T., & Dale, J. (2021). [‘Music Has Some Specific Challenges’: Gigs Get Much Needed Funding With RISE Grant.](#)

Wilkins, G. (2021). [\\$730k to LEGO: arts rescue package looks like the building blocks of another port](#)

Miller, N. (2021). [‘A giant, unplanned experiment’: The winners and losers in arts funding.](#)

⁸ [Live Performance Federal Insurance Guarantee Fund Bill 2021 \(ACT\).](#) page 7.

Insurance

The insurance industry has made it clear that its products are not designed to cover business interruption due to pandemics. Therefore, live music industry advocates recommend a government-funded business interruption insurance scheme to guard against the financial impact of event cancellations. Such a scheme would be available to the entire industry rather than select events. Advocates recommend a co-contributed process in which state governments, the federal government and industry pay into a funding pool. If an event is cancelled, organisers would be paid out on sliding scale based on turnover and notice given for cancellation.

Advocates also point to national events insurance schemes that have been created in ‘peer’ nations such as the UK, New Zealand, and Germany (the latter also being a federation of states).

The potential downside is that, unlike the RISE fund, there would be no mechanism to ensure that pay-outs go to event sub-contractors, instead relying on the sub-contractors negotiating to be paid in advance.

This was the subject of a senate inquiry in October 2021 but was ultimately rejected by the Federal Government because the fund would have to provide insurance against state or territory public health orders that result in the cancellation of events. It was the view of the Committee that state and territory governments were therefore best placed to provide such insurance.⁹

The Victorian Government and New South Wales Governments have since created insurance schemes for events (including conferences and sporting events), but industry advocates maintain the need for a scheme that is coordinated at the federal level to minimise the bureaucracy and confusion that comes from navigating several different systems – which is inevitable in the live music industry, as events and event contractors are rarely contained to a single state.¹⁰

As Stuart Watters explained *“A government-backed insurance scheme needs to be national because we’re a national industry. You might have a promoter based in Victoria putting on a tour in NSW, Victoria, Western Australia and South Australia. When one or two of the states have public health orders implemented that impact the whole tour, then who do you go to to activate your insurance?”*

⁹Ibid., page 21.

Interestingly, the Federal Government had introduced a similar scheme for the screen industry in July 2020. The Temporary Interruption Fund is administered by Screen Australia and *“provides assistance for new local productions which have been unable to start production due to production insurance exclusions relating to COVID-19.”* It was recently extended until 30 June 2022.

¹⁰

A government-backed insurance scheme co-ordinated at the federal level would be a valuable piece of targeted assistance, giving event organisers the confidence they need to go ahead with the planning of tours, shows, and festivals, and provide work to the various small businesses and sole trader sub-contractors in the events industry. Further consideration should be given to ensuring the payment of small business and sole trader sub-contractors.

As live music and other cultural events are also a major draw card of city centres, giving confidence to event organisers to plan events will also contribute to the revitalisation of CBDs.

CBD Businesses

As working from home gradually cemented itself as the new normal during the pandemic - and as a discourse about its benefits developed - Australia's CBD businesses suffered from a decline in foot traffic. Even when lockdown restrictions were lifted, state governments continued to encourage or even 'strongly recommend' working from home to limit the spread of the virus, prolonging the suffering of CBD small businesses reliant on office workers.¹¹

According to data from the Property Council of Australia, office building occupancy rates were below 10% of pre-COVID levels for much of the second half of 2021 in Sydney, Melbourne and Canberra. Despite the absence of official COVID restrictions, occupancy plummeted again during the Omicron outbreak in January 2022, with Adelaide and Brisbane also experiencing significant drops. For example, Sydney's office occupancy rate in January 2022 was 7% of pre-COVID levels, and Melbourne's just 4%.¹² This is not a phenomenon unique to Australia: central business districts around the world have been described as 'ghost towns', 'in a long covid crisis'¹³ and even 'the cemetery where non-descript office towers go to die.'

Despite business representatives – including COSBOA - advocating for a return to working in the office, commentators seem to agree that a hybrid work model is likely to stay post-COVID restrictions. Both short term and long-term solution to manage this societal change need to be implemented.

Leasing reform

The biggest stressors for struggling CBD businesses in the short term are paying rent and managing the burden of deferred debt (as we saw in the answers to question 5).

¹¹ See responses to question 2 and 3, as well as appendix page x

¹² Property Council of Australia. (2022). [Office occupancy as a percentage of pre-COVID levels by CBD.](#)

¹³ McArdle, M. (2022). [Opinion: Cities aren't facing up to their 'long covid' crisis: Downtown is in deep trouble.](#)

In last year's report we provided an overview of the national leasing code of conduct and highlighted this looming problem: *how will some businesses meet their rental expenses when these protections end and tenants become liable for "normal" rent plus the 50% deferrals?*

In the end, the problem was pushed into the future. When lockdowns returned in July 2021, the NSW Government re-enacted its Retail and Other Commercial Leases (COVID-19) Regulation, requiring landlords of eligible tenants to attempt mediation before taking action against unpaid rent, and for property owners and tenants to have regard to the principles in the national code of conduct.¹⁴ Similarly, Victoria enacted a Commercial Tenancy Relief Scheme.¹⁵ Both schemes were partially extended until March 2021. New South Wales has extended the mediation provisions for tenants with turnovers under \$5 million in 2020-2021 who had received certain government small business support measures.¹⁶

Survey comments suggest that the offering of mediation would benefit from more publicity. Several COSBOA members commented that they knew few or no small business owners who had taken advantage of free mediation.

For example, Australian Hairdressing Council CEO Sandy Chong commented *"I think that the leasing code was helpful, but many businesses probably didn't know about it, and many may not have used the mediators that were available to them."*

Mediation is not a silver bullet. Big landlords such as shopping centres can still flex their power by using stalling tactics, threatening personal assets, or attending mediation but refusing to negotiate at all.

COSBOA recommended several measures to address this power imbalance in 2021, including:

- the introduction of an objective hardship test that places the responsibility of determining whether the business is experiencing sufficient hardship to warrant rent relief, solving the issue of landlords asking for excessive information to demonstrate hardship
- the enforcement of good faith negotiations, whereby mediators would be able to include a statement on the mediation certificate that the landlord 'did not act in good faith'
- that governments fund the gap between the normal rent and the negotiated rent, subject to a cap
- the introduction of break lease provisions to allow unviable businesses to walk away from their leases without incurring further debt from future rent liabilities.¹⁷

¹⁴ NSW Government Small Business Commissioner. (2022). [Commercial leases and COVID-19 FAQs](#).

¹⁵ Business Victoria. (2022). [Commercial Tenancy Relief Scheme](#).

¹⁶ New South Wales Government. (2022). [COVID lease protections extended for small business tenants](#).

¹⁷ Council of Small Business Organisation of Australia. (2021). [Rent relief: more action is needed](#).
Council of Small Business Organisation of Australia. (2021). [How to Revitalise our City Centres?](#)

A sort of objective hardship test was implemented when New South Wales made eligibility for rent relief provisions dependent on the business having previously received government support for COVID-19. This eliminated the need for small business owners to supply the same decline in turnover documentation to multiple parties. If rent relief programs are needed due to future disasters, an objective hardship test should be preferred.

The third recommendation was made in the context of state government enforced lockdowns and argued that, since downturn due to COVID-19 restrictions was the fault of neither the landlord nor the tenant, neither should be paying for it. In the unfortunate event that a lockdown is needed again, we hope that governments will seriously consider this recommendation.

At the time of writing this report (March 2022), there is still a need for recommendations 2 and 4. The former would allow poor behaviour by landlords to be considered by judges or tribunal members if the dispute ends up in a court or tribunal. The latter would prevent a further escalation of the burden of debt faced by small business owners and also allow landlords the opportunity to find a tenant who is better able to pay rent.

Making CBDs more liveable

With numerous surveys and articles finding that the majority of Australian office workers want to continue working from home some of the week, innovation and policy experimentation are needed to make CBDs more attractive in the long term.¹⁸

As discussed above, arts and cultural offerings are a major drawcard for people to travel to city centres and spend money in surrounding businesses.¹⁹ Support for these industries is an important piece of any CBD-revitalisation puzzle.

Other recommendations involve ways to make city centres more appealing places to live, such as repurposing sections of office buildings as apartments so that people can work from home in CBDs and other centres of activity, and improving greenery, parks, and public spaces.

Finally, it is important to note that office workers staying at home was not all doom and gloom for small business owners. As seen in the responses to survey questions 2 and 3, many COSBOA members reported that suburban and regional small businesses had benefitted from the rise in working from home. Any initiatives to incentivise people to return to CBDs must be careful, therefore, not to prioritise the recovery of CBD businesses at the expense of businesses in other locations.

¹⁸ Waters, C., & Towell, N. (2022). [Office workers and bosses in delicate dance over return to office.](#)

¹⁹ Chicago Loop Alliance. (2019). [Arts in the Loop Economic Impact Study.](#)

Burden on small businesses

It is COSBOA's view that the burden placed on small business owners to shoulder the impacts of the COVID-19 Pandemic has been, at times, excessive and unjust. We need to give small business owners back the time that COVID-19 took away from them.

Long before COVID-19, COSBOA was advocating for red tape reduction to reduce the compliance burden faced by small business owners, who, unlike big businesses, do not have teams of experts at their disposal to navigate tax law, industrial relations, workplace health and safety, local rules, and a myriad of other compliance areas.

The COVID-19 pandemic has made this issue more severe, adding a host of additional compliance and administration tasks. Small business owners have had to become experts on infection control, keep on top of ever-changing rules and restrictions, apply for grants and other forms of financial support, and – perhaps the most salient task of all – enforce government mandates regarding check-ins, mask wearing, and vaccination. This will continue to be a thorny issue if governments choose to mandate additional doses of COVID-19 vaccines.

To ease the burden on small businesses, four issues need to be addressed: industrial relations tension, abuse from customers, staff shortages, and communication.

What vaccination mandates have been in place for small businesses?

Like many COVID related rules, vaccination mandates have been left to state and territory governments and vary across the country. An exception is the requirement for aged care workers to be vaccinated, which comes from the Federal Government.

Under the general New South Wales public health orders in October and November 2021, most small businesses were required to ensure that unvaccinated adults, including unvaccinated staff, were not on their premises. An exception was made for 'critical retail.' Separate public health orders stated that health care workers and education workers could not work if not vaccinated.

By contrast, Victorian public health orders did not stop at health care and education workers, providing a longer list of industries in which workers were required to show their employers evidence of having received a COVID vaccine (for example, retail workers, agriculture workers, and professional service workers). This was in addition to requiring businesses to take steps to ensure unvaccinated adults were excluded from the premise. The Victorian public health order differed again by adding that the occupier of the premises must assign a worker (known as the COVID Marshal) to stand at the entrance and check the vaccination status of individual entering the premise.²⁰

²⁰ Victorian Government. (2022). [Worker vaccination requirements](#).

In NSW, a public health order on 15 December 2021 removed the requirement to exclude unvaccinated adults from most small business premises, but in Victoria, vaccination mandates remained. In some industries, workers are now required to show evidence of receiving three doses.

Industrial relations tension

The legal implications of employers asking employees to be vaccinated was flagged as a potential thorny issue by COSBOA before the vaccine roll out even began. For a time, employers feared that they could be subject to legal action if they required employees to be vaccinated, *and* that they could also be subject to legal action if they did not require employees to be vaccinated.

A COSBOA communique from February 2021 stated *“There remains a continued urgent need for the Australian Government, the Fair Work Ombudsman and State/Territory WorkSafe Authorities to provide SMEs with legal guidance in respect of maintaining safe workplaces – particularly customer facing workplaces – in the face of employees who refuse to take the vaccine”,* recommending *“employers must be provided with a liability shield to ensure that litigious people cannot game the system and take advantage of the lack of resources experienced by small business people.”*²¹

Answers remained elusive as the vaccine rollout slowly progressed throughout 2021. The uncertainty centred on the tension between two legal requirements faced by small business employers, who – the vast majority not having law degrees or access to lawyers - were not in a position to interpret the tentative and cautious legal jargon coming from the regulators.

On the one hand, under the [Model Work Health and Safety laws](#), employers had a duty to “eliminate the risk of exposure to COVID-19 if reasonably practicable” or if not reasonably practicable “minimise that risk, as far as reasonably practicable.” On the other hand, they were warned they may be in breach of anti-discrimination laws and the Privacy Act if they required employees to be vaccinated.

In the absence of public health orders, the Fair Work Ombudsman advised that requiring vaccination was not legal unless it was ‘lawful and reasonable,’ which could only be assessed on a case-by-case basis, taking into consideration the risk profile of the specific workplace. To this day (March 2022), the Fair Work Ombudsman advises “employers should get legal advice if they’re considering requiring COVID-19 vaccinations in their workplace.”²²

This uncertainty continued until state governments introduced some limited vaccine mandates ahead of reopening in October 2021. Like many COVID-19 restrictions, there were significant differences between states.

²¹ Council of Small Business Organisation of Australia. (2021, February 15). [COSBOA Communique \[release\]](#).

²² <https://coronavirus.fairwork.gov.au/coronavirus-and-australian-workplace-laws/covid-19-vaccinations-and-the-workplace/covid-19-vaccinations-workplace-rights-and-obligations#requiring-employees-to-be-vaccinated>

If governments continue to remove, re-introduce and/ or modify public health orders and vaccination mandates in response to the evolving risk presented by COVID-19, it is likely that small business employers will struggle to keep re-evaluating what is 'lawful and reasonable' for their specific workplace, leading to mistakes and the risk of legal action from employees.

Small business employers need certainty from government – not to be told to seek individualised legal advice that they cannot afford. Guidance for employers should clearly state in which industries or kinds of workplaces it would be 'legal and reasonable' to require employees to be vaccinated in the absence of a public health order, and in which industries it would not. If this advice changes, employers should be notified well in advance. (several weeks in advance? Or given a grace period?) National consistency on vaccination mandates would be preferred.

Customer abuse

Another consequence of placing the burden of enforcement on small businesses was a rise in customer abuse towards retail staff, particularly Victoria, where, according to the National Retailers Association, incidences of 'threatening behaviour' rose by 85% in 2021. Abuse increased in other jurisdictions as well, but it was in Victoria where the most extreme behaviour occurred.

As mentioned above, the Victorian public health orders explicitly required many small businesses to appoint a Covid Check in Marshal tasked with asking customers to show evidence of their vaccination status, whereas NSW public health orders only required 'reasonable steps' to be taken.²³

Even though the rules were coming from the government, retail staff – many of whom were young and inexperienced - were the primary recipients of customer aggression. Some Victorian small businesses chose to pay thousands of dollars out of their own pockets for trained security guards to fill the role of COVID Marshal in order to protect staff from this aggression.

The most extreme example of this occurred in late November 2021, when a university-aged Dymocks employee in the Melbourne CBD received a mild concussion after being pushed down a set of escalators by a customer who refused to check in or show his vaccination status. Owners of store, which employs 40 staff, felt forced to hire security guards after the incident.

In an interview with ABC news, the owner said *"Our staff are not trained as security or as bouncers. We're not trained in conflict resolution. We're not trained in self-defence."*²⁴

²³ <https://www.coronavirus.vic.gov.au/covid-check-in-marshals#which-venues-must-use-a-covid-check-in-marshal>

²⁴ <https://www.nra.net.au/vic-retailers-have-had-enough-of-the-abuse-call-to-follow-nsw-on-covid-rules/>

Following the incident, the National Retail Association and a COSBOA member, the Australian Booksellers Association called on the Victorian Government to amend the rules so that retail staff were not required to enforce COVID rules. This did not occur, and many Victorian businesses are still required to have a COVID Marshal to check vaccination status.

It is not COSBOA's role to recommend for or against a vaccination mandate, but steps can be taken to ease the burden on small business owners. In instances where health authorities decide that vaccination is needed to enter certain small business premises, requiring the small business to take 'reasonable steps' to exclude unvaccinated people (as was the case in NSW from October – December 2021) is the preferred approach. Requiring small businesses to check the vaccination status of patrons is not fair. This requirement, if necessary, should only apply to large businesses with the resources to hire trained security professionals.

Staff shortages

Vaccination mandates for employees have led to - or worsened pre-existing - acute staff shortages in some industries, including hair, beauty, traditional medicine, and transport (see question 3 for more detail). Again, it is not COSBOA's place to recommend for or against the existence of vaccination mandates, but there are actions that governments could take to ease the pressures faced by those small businesses struggling to find staff.

One action is to ensure that mandates are applied fairly according to the risk of contracting COVID-19 in particular environments and activities. For example, unvaccinated massage therapists can provide a massage in New South Wales if they work for a beauty clinic, but not if they work for a clinic eligible for private health rebates, in which case they are considered a health care worker. This discrepancy risks adversely affecting competition between small businesses offering similar services if not addressed.

Other measures to address labour shortages include extending the removal of the 20-hour-per-week working cap on certain visa holders, (take from strategy paper).

Communication

Finally, the rules around vaccine mandates could be better communicated to small business owners. In the survey, poor communication was an issue raised by COSBOA members regarding all government measures to address COVID-19. Notice periods and the accuracy of online resources were particularly problematic.

The following example by Christine Pope illustrates small business frustration with vaccination mandates:

"Brad Hazzard announced mandatory vaccination for healthcare workers. We didn't know if it covered our entire industry or part of our industry. We had a press release with inadequate detail, we were absolutely swamped with phone calls from people who were really anxious and then we were told there was going to be some consultation. Fortunately, we did get some

consultation through the small business commissioner but the legislation was being released the next day so the decision had already been made. They rolled out mandatory vaccination on the 23rd of December, which, horribly inadequate notice. Most of our members didn't notice the EDMs or anything until the 10th of January."

Australian Livestock and Rural Transporter's Association Executive Director, Mathew Munro, also provided an example of insufficient notice for the introduction of vaccine requirements for crossing state borders, an unavoidable activity for his sector (detailed in question 3).

In order to ease the burden on small business owners, governments should consult with industry leaders before making significant changes to public health orders in order to understand the potential impact, and ensure that small business employers are provided with several weeks' notice before the changes are enacted. Upcoming changes should be communicated to industry associations in detail, with links to any official documents, as well as in simple terms that can be distributed to small business owners. Associations have networks of thousands of small business owners, know the nuances of their industry, and are a trusted source of information. They have a significant role to play in bridging the information gap between policy makers and small business owners.

The role of industry associations

The COVID-19 pandemic has had a significant impact on small business and the lives of many small business owners. Industry Associations, along with other professional groups, were deeply impacted both financially and in terms, of resourcing during the pandemic. Whilst the effects of the virus, had varying impacts on different memberships, all shared a common concern for the economic fallout on individuals, small business owners, and the broader community.

Industry Associations have played a crucial role during the pandemic, particularly at times where information was slow to come from government or where that information was not available all. This role must not be underestimated. Associations are in a unique and trusted position to assist governments process in relation to the pandemic management, including disseminating accurate information from trusted sources, and to help address issues that arise because of this public health emergency.

What also become apparent during the pandemic were sectors which were not adequately represented and were often left behind in government thinking without a strong representative voice.

SMALL BUSINESS POWER RESEARCH REPORT

Small business perspectives on the effectiveness
of COVID-19 energy protections and support.



COUNCIL OF

**SMALL BUSINESS
ORGANISATIONS
AUSTRALIA**

Energy Consumers Australia

We are really pleased to play a role in commissioning this important and timely research through the Energy Consumers Australia Grants Program.

Energy Consumers Australia exists to advance the interests of small business and all household energy consumers across Australia.

We do this in a variety of ways: carrying out research and engagement about consumer needs, expectations and values and bringing these insights to decision makers who are shaping the direction of the energy system.

We also do it through our Grants Program — funding researchers and advocates who put forward projects that have clear, demonstrated capacity to make positive impact in these spaces.

This research, carried out as a result of such a grant to the Council of Small Business Organisations Australia, (COSBOA) is an exemplar of the work we seek out for funding. It responds to a clear knowledge gap in a critical area and has the capacity to be applied in ways that can create better future outcomes for the 2.6 million small to medium enterprises (SME) across Australia.

For these businesses, and for the millions of Australians who own, operate and work in them, the past two years have been extremely testing. The upheaval brought by the Covid-19 pandemic has struck at the bedrocks of small business performance — everything from consumer confidence to staff availability and global supply chains. It has been a perfect storm.

We know that one of the areas where small business distress shows up most reliably is in the ability to comfortably absorb the energy costs involved with running a business. For some, this will mostly involve keeping the lights on and workplaces heated and cooled. For others, there are manufacturing, transport, information technology and other costs that comprise a huge component of overall expenses.

This research gives us a snapshot of those pain points, both via the quantitative information it provides about the extent of small business headwinds during Covid but also through the rich insights and voices delivered in the qualitative material. Here, business owners speak powerfully about what the experience has been like for them. It's impossible not to be moved by such evidence. For us, it serves only to reinforce the importance of our mandate as it relates to small business.



For others in the energy system, we hope it will be something of a clarion call. Retailers have done much in recent years, including throughout the pandemic, to try and improve the level of support they offer to customers who are facing payment or other related difficulties. Small business owners have been a significant component of this.

Interestingly, one of the pictures painted is of small businesses largely valuing and appreciating the quality of assistance around bills during the pandemic. That's a reasonably big tick for the improvements that have been made. But this report also makes clear that what has been accomplished to date has not been nearly enough.

SMEs also reported in large numbers that they wished they had accessed help earlier and that they didn't believe retailers had been sufficiently proactive in identifying them as potentially struggling. They strongly felt that retailers could and should have stepped in earlier to offer assistance. Fixing this shortcoming is not the full extent of changes identified as necessary by this report but it would go a long way towards helping Australian small businesses be more resilient in the face of the next global shock that falls their way. And we know that such shocks *will* continue, or even increase, as we head towards a future that most experts expect will be more volatile and uncertain.

We thank COSBOA for putting forward this project under our Grants Program and look forward to other impactful collaborations on behalf of small business in the future. Our small businesses are not just a critical sector of our economy they are a vital plank of our community and society. It's crucial that we keep their interests front of mind and work to make sure the energy system they must rely on is one that is working for them.

Objectives and Methodology

The Small Business Power research project is intended to provide further information for government, including the COVID-19 Consumer Hardship Protections Working Group, to make informed and effective policy and program decisions and recommendations relating to the National Energy Market.

The project outcomes will encourage advocacy groups to actively engage in promoting effective policy, provide small businesses a voice in the NEM, and encourage implementation of effective consumer protection measures, thereby promoting active demand-side engagement and decision-making. This research will empower small business consumer advocates to pursue effective advocacy, supported by evidence-based research and small business testimonials. Effective advocacy influences decisionmakers to implement effective policy, directly benefiting small businesses.

The research was undertaken by 89 Degrees East, with the findings drawn from a nationally representative sample amongst small business owners of n=408. The survey was administered online with participants sourced from a small business database through an opt-in research panel (TEG Insights) and distribution through COSBOA member organizations through newsletters and online social media channels.

The survey was conducted during January and early February 2022, whilst COVID-19 lockdown restrictions were eased in most states, the Omicron strain of COVID-19 was at its peak and continuing to impact small businesses. The experiences of the impact of energy hardships resulting from COVID-19 on small businesses would be fresh in participants mind at the time of the survey.

The research project included phone based qualitative in-depth interviews to further explore energy hardship experiences amongst small business owners and industry views from COSBOA member organisations.

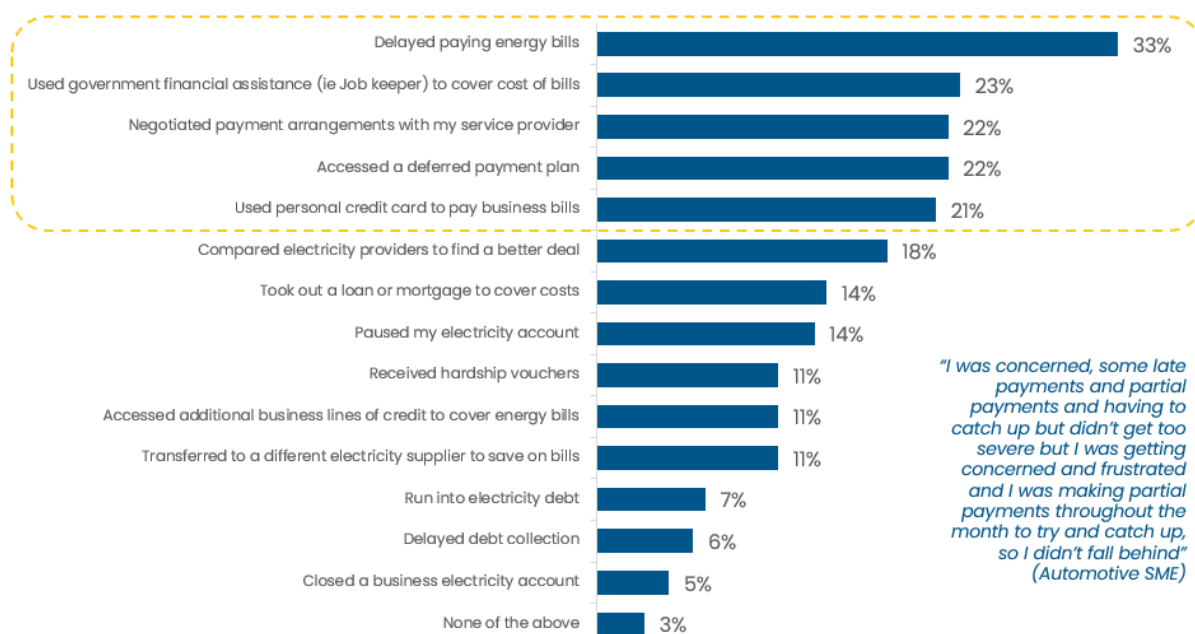
A detailed analysis is available in the full report, available on the COSBOA website.

“It’s worse than ever now, for us people either are isolating with covid or isolating because someone in the family has it, so it stops them coming out, the other factor is interest rate talks, everyone is mortgaged to the hilt, it’s scaring people, all those factors combined make for a tough retail position” (Retail SME)

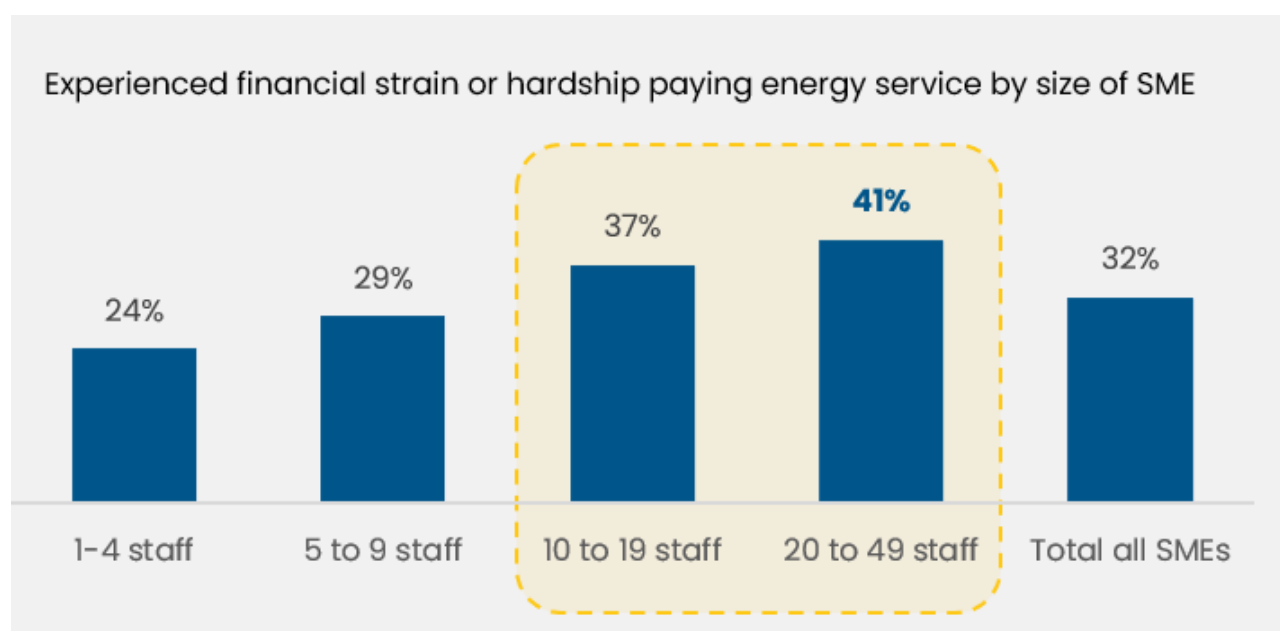
Summary of Findings

Close to 1 in 3 (32%) small businesses in Australia have experienced energy hardship paying their energy service as a direct result of the COVID-19 pandemic. 1 in 3 small businesses have delayed paying energy bills to help deal with the financial strain of energy hardship.

9. How did you deal with the financial strain of keeping up with energy bills during the pandemic?



Businesses that were most impacted by energy hardship were those employing 10-19 staff members (37%) and 20-49 staff (41%), these businesses were more likely to be powering a larger premises with higher energy costs.



The pandemic and lockdowns impacted some small businesses significantly more than others. In 2018/2019 7% of small business customers experienced debt collection, with this figure increasing to 56% in 2020/2021.

Small businesses operating in Retail, Manufacturing, Hospitality, Food, Accommodation, Tourism, Hair and Beauty were the sectors with the highest levels of energy hardship.

4. How would you rate the impact of COVID-19 on your personal finances, are you in a better or worse financial situation?

	% Negative financial impact on business (Quite negative + Very Negative)	% Worse personal financial situation (Slightly worse + Much Worse)	% Experienced energy hardship (YES)
Professional services - Accounting, financial services, Admin, Architecture, Insurance, Legal, HR, Recruitment (n=52)	29%	31%	23%
Aged Care & Health (n=16)	44%	50%	31%
Agriculture, Gardening, Building, Construction & Trades (n=54)	33%	37%	17%
Automotive, Sales (n=11)	55%	45%	27%
Childcare, Cleaning, Hair & Beauty (n=13)	38%	46%	54%
Communications, Advertising, Arts & Media (n=9)	67%	67%	22%
Engineering + Manufacturing (n=28)	54%	46%	43%
Hospitality, Food, Accommodation & Tourism (n=47)	49%	49%	40%
Information & Communication Technology (ICT) n=27	41%	48%	41%
Mining and Energy (n=5)	20%	20%	0%
Real Estate and Property (n=10)	20%	30%	20%
Retail (n=64)	30%	34%	52%
Sport & Recreation (n=9)	56%	44%	22%
Transport & Logistics (n=22)	45%	45%	36%
Other (n=41)	41%	34%	17%

There is a direct correlation with energy hardship and negative financial impact on business owners. 55% of SMEs who have experienced energy hardship are in a worse personal financial situation as a result of the pandemic and 50% have had a negative business impact with declines in sales and profits.

The actions small business has taken to deal with the financial strain of keeping up with energy bills during the pandemic was to delay paying the energy bill (33%), 23% used government financial assistance to cover the cost of bills, 22% had negotiated payment arrangements with their service provider or accessed a deferred payment plan and 21% used their personal credit card to pay business bills.

Many small businesses are still suffering from the impacts of COVID-19; the 'COVID hangover' is seen to be worse during the first quarter of 2022, compared to during the pandemic. A slowdown in customer demand, changing consumer behaviors, delays in supply and manufacturing, removal of government subsidies and many still paying back delayed bills, is contributing to a financially difficult start to the year. 1 in 5 SMEs (20%) have an energy service debt that they are still paying off.

43% of small businesses are still only partially operational at the time of the study. More than half of SMEs (53%) experienced loss of income in their business caused by the COVID-19 situation, 38% had difficulty sourcing business supplies and 1 in 3 (33%) have lost staff.

Just under half of small businesses (44%) didn't access any temporary measures to support their small business from their energy provider.

Business owners are financially responsible and went to great lengths to ensure all bills were paid and they didn't 'owe' anyone; with many using their own personal funds to cover bills. Many felt embarrassed to ask for help.

"I'm very skeptical about any handout, I'm not a big fan of sharing figures with government departments if I don't have to, my wife's side of the family are all negative Nancy's that's rubbed off on me, if the government pays you \$5K they will get back \$10K over time, it worries me, I'm a firm believer if you get into trouble you have to knuckle down and fix it yourself" (Retail SME)

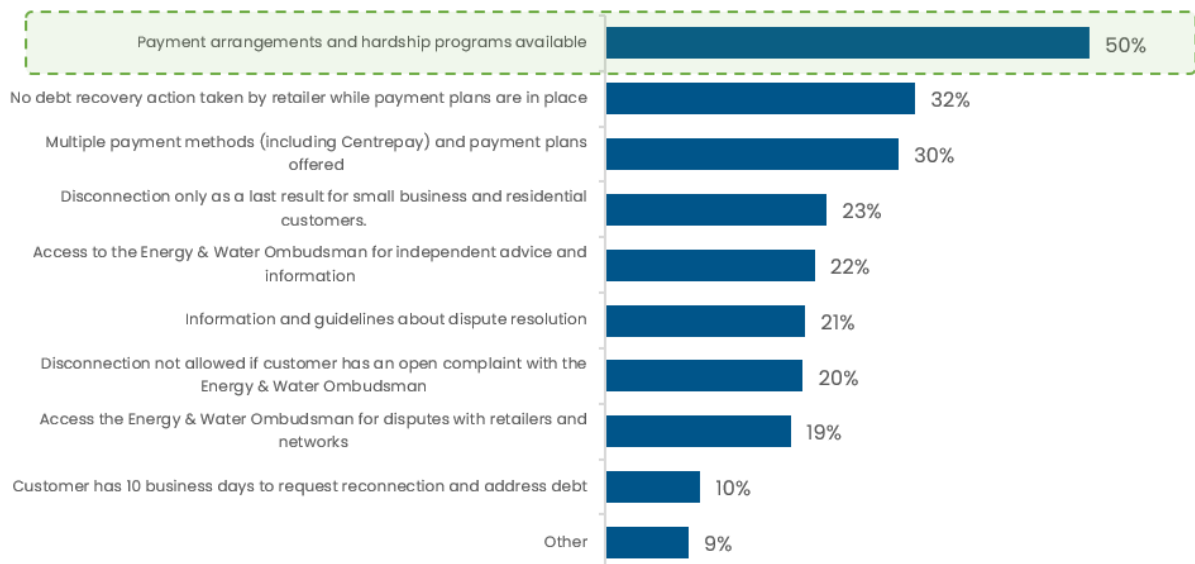
"I don't believe in taking handouts for the sake of handouts, it's just pushing the pain further, I would have hated to take a handout that I'm now having to pay back now during this hangover, that would just extend the pain and make it worse" (Retail SME)

There is a fear of going into 'debt' amongst small business and a distrust in declaring financial hardship. Many were cynical of a 'handout' and worried about having to pay back support. When an energy bill is received, this is seen as a 'mandatory' enforceable cost that is owed by a due date, there was not seen to be an option to discuss payment flexibility with the energy provider. So many did not approach their energy provider, as they thought there would be no point despite being in financial distress.

A way forward:

Flexibility, Proactive Support, and Better Communications

20. What temporary support and protections would you like to see continued to help small businesses if faced with financial hardship in the future? Select all that apply. Base n=408



“Not having to pay anything for a short period of time really helps, until you can re-open and get back on your feet” (Hairdressing SME)

Most useful solutions for SMEs experiencing hardship include:

Providing small businesses with flexibility in how they can pay their energy bill and debt, allows the business owner to have control over their business payments.

The option of payment arrangements, multiple payment methods, weekly or monthly payments and ability to pause supply costs all provide valuable flexibility for small business. With more time and more flexibility, energy providers can reduce the stress and pressure during financial hardship.

“Payment arrangement where a pause is placed for one quarter and then re-assessed on whether this suits or whether further action needs to take place. State Government should give clearer instructions to energy companies so that the energy company can then make this clear on the bill and highlight it so it can't be missed” (Small business owner)

“We needed some time to get our financials in order to tide over a period of uncertainty”

Better Communication

Providing small businesses with flexibility in how they can pay their energy bill and debt, allows the business owner to have control over their business payments.

The option of payment arrangements, multiple payment methods, weekly or monthly payments and ability to pause supply costs all provide valuable flexibility for small business.

With more time and more flexibility, energy providers can reduce the stress and pressure during financial hardship.

“I think like everything, keeping it simple, as so much information out there is constantly changing and it’s hard to keep up with, a one stop shop for information, as I needed to look in lots of different places. A lot of small business owners know their trade but aren’t business savvy so looking at lots of places was difficult” (IT SME)

“I think it comes back to better information for the consumer, what should a consumer do if they don’t know what they don’t know and if they do know who do you contact and know the right questions to ask, where do you get information from, needs to make the process better and easier to make communication and information better to access.”

Business owners would most value talking to someone to discuss the options for support and assistance.

Many did not read the finer detail in the bills received, and despite many being under financial hardship, they didn't seek help from their energy provider.

Business owners had questions related to their industry, looking for simple information that is easy to understand. Providing a checklist, or resources for SMEs on flexible payment options and managing costs during hardship would be helpful.

“I would have called them, I like to talk to people, I work in retail I’m not sitting down in front of a computer, I don’t have time to personally invest in that research, it’s laborious looking at websites, I’d ring and ask them if I had a chance” (Retail SME)

“When you’re in financial distress, and medical family issues, home schooling, worrying about family, people don’t see what’s in front of them. It has to be practically a helping hand, it’s picking up the phone, noticing late payments, proactively talking about a payment plan, a councillor, understanding what else is happening in your life. Real tangible supports are just as important as the cash components”

Removing the Stigma

SMEs were wary of asking for help and labelling themselves as under financial distress. Most felt embarrassed to ask for help and assistance particularly from their energy provider.

There is a need to remove the stigma associated with asking for help, providing flexible payment options and readily available resources and useful information is valued. There is a need to be more proactive and upfront with payment options for SMEs.

“We were eligible to apply for other grants as our turnover was down by over 30% but we felt we were surviving without it, greater debt that govt has and we will all have to pay it back at some point” (Agriculture sector SME)

“I’m very sceptical about any handout, I’m not a big fan of sharing figures with government departments if I don’t have to”

CYBER SECURITY PERSPECTIVES RESEARCH



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Objectives and Methodology

The Small Business Cyber Security research study is designed to understand small businesses perspectives about cyber security and identify what supports small businesses need to implement effective cyber security practices.

The research was undertaken by 89 Degrees East, with the findings drawn from a nationally representative sample of small business owners and managers of n=377.

The survey was administered online with participants sourced from a small business database through an opt-in research panel (TEG Rewards) and distribution through COSBOA member organizations via newsletters and online social media channels.

The survey was conducted during February and early March 2022. The research project also included phone based in-depth interviews to further explore cyber security barriers and workshop solutions with small business owners and industry representatives. A total of 11 in-depth interviews were conducted to provide further depth and broader insights to the online survey, interviews were conducted between 17th February 2022 and 24th February 2022.

Of the research sample, 40% of the sample represented sole traders operating small businesses in Australia, 29% were microbusinesses with 1 to 5 staff members, 12% had 6-10 staff and 20% with between 11 to 49 staff members. The small businesses were located across Australia with 31% operating in Victoria, 28% in NSW, 22% in QLD, 10% in SA, 8% in WA and 4% in other states.

Businesses also represented a wide range of industries with 11% in the retail sector, 11% in professional services, 8% in health care and 8% in construction amongst others. 35% of business owners who participated were operating in a family business where family members work in the business and 15% represented CALD households who speak languages other than English at home.

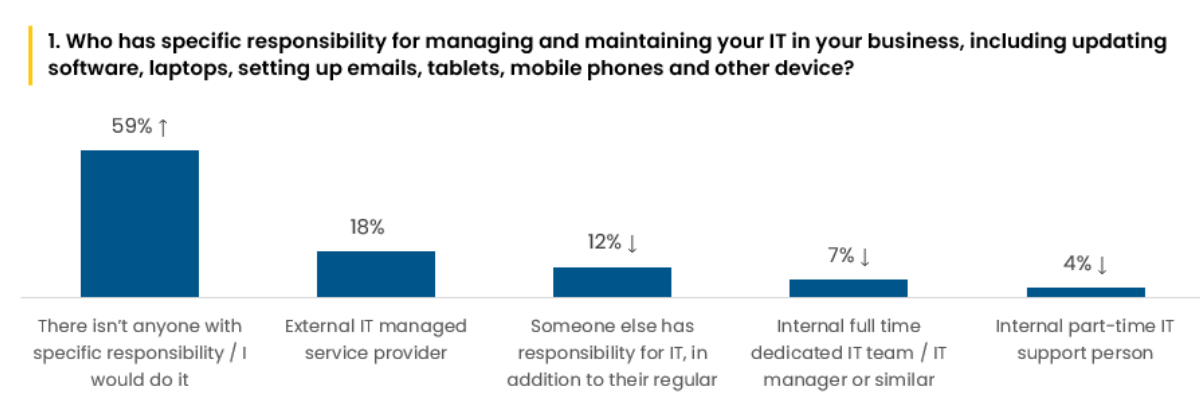
A detailed analysis is available in the full report, available on the COSBOA website.

“A lot of businesses in our sector are at risk of cyber-attacks, and cyber security becomes a much bigger issue day to day. I think there is more activity by those people who are instigators of cyber-crime and they are getting faster and smarter at scamming and hacking systems and closing them down and so we are seeing more example of that type of activity unfortunately”

Summary of Findings

Small business owners are trying their hardest within their limited resources and capacity to keep up with cyber security measures to protect their businesses and their employees. There is limited knowledge on the minimum standards for small business owners on cyber security threats and mitigations and their current practices are led by responses to automatic updates from software providers.

It is however apparent, that small businesses only appear to take additional proactive measures, when they are in the position to engage external IT help or dedicated IT resources. There is also a lack of understanding on how cyber security accreditation may enhance their saleability or attractiveness to customers or buyers. Almost 3 in 5 small businesses don't have a dedicated IT resource.



There is also a lack of understanding or capability for ensuring suppliers or other business stakeholders protect their own businesses' cyber security, which suggests a large vulnerability in small business supply chains.

Encouragingly, there is a positive correlation between internally trained or supported staff on cyber security matters versus outsourced IT support in terms of overall business confidence in dealing with cyber threats.

This research to date indicates more education and resources are required to assist small business owners and managers to increase the cyber security knowledge of their staff without the impost of paying for external IT assistance or hiring additional IT staff.

Small businesses are wanting to understand what the minimums standards are required for a small business, as this information is not readily known or accessible. In smaller businesses responsibility for IT ultimately lies with the owner, but these same owners lack the time and expertise to adequately engage with and understand cybersecurity.

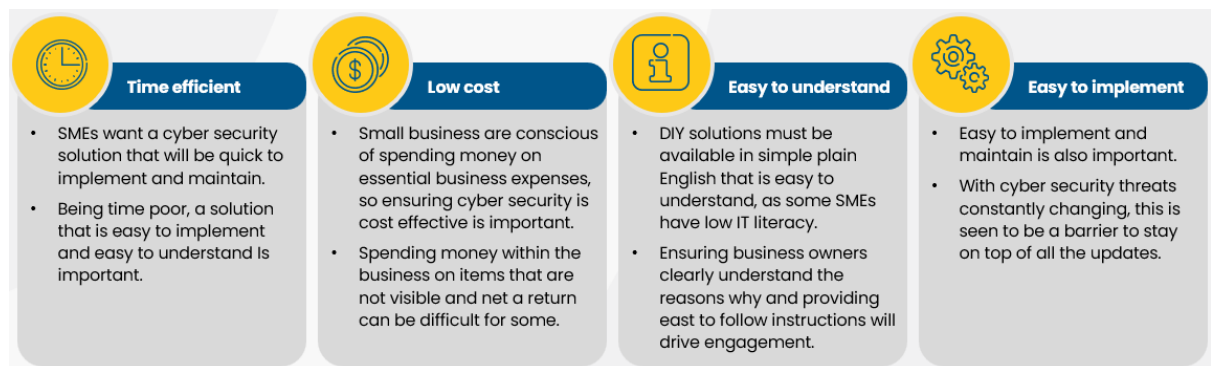
It is important that any program for small business is easy to implement and affordable because time and cost are the main barriers facing small business.

“Not having a dedicated IT professional when it's a one man show. Hard to keep up with everything and keeping costs down to last out the current situation”

“Just trying to stay ahead all takes time and energy away from my core business”

A way forward:

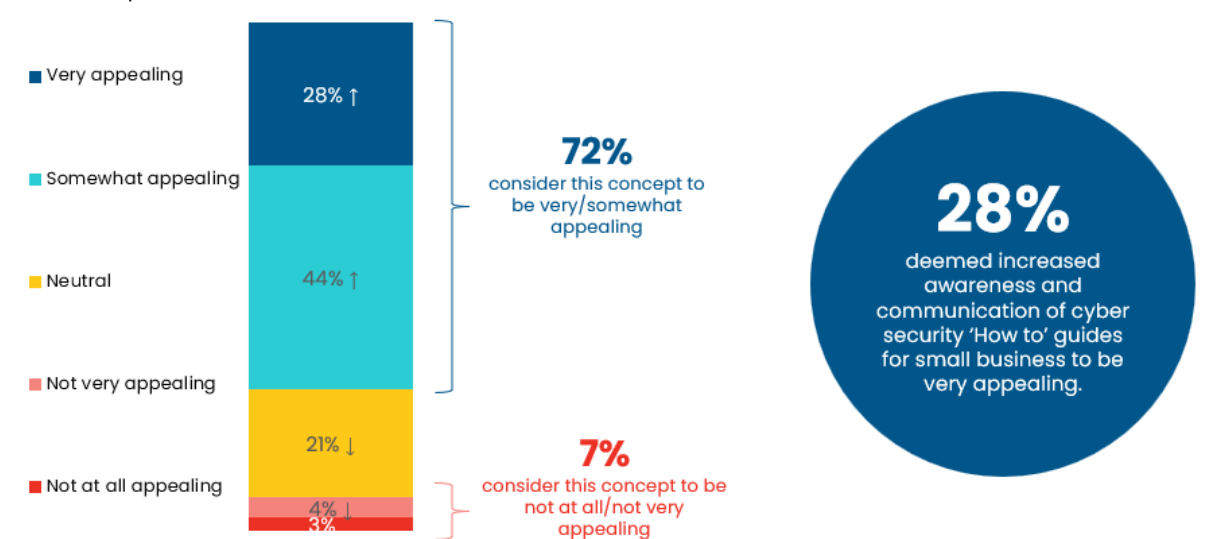
Better Information, Communication and Support



Solutions that would support small business to implement effective cyber security protocols:

Better Communication

The most appealing initiative is to increase awareness and communication of cyber security 'how to' guides for small business. With risks and threats of scams and cyber security issues constantly changing, many small businesses aren't sure what is required to keep their business protected.



During interviews with COSBOA members, there was interest in an education program being more than downloadable PDF resources, alternatively it was suggested that creating engaging and regularly updated eLearning and video content, would assist small business.

"Many small businesses, like mine, are sole operators so it's always going to be me anyway. I like the DIY option and the checklists options; it needs to be easy and cheap (preferably free)"

Better Information and Minimum Standards

Small businesses are wanting to understand what the minimum standards are required for a small business, as this information is not readily known or accessible. It is important that any

program for small business is easy to implement, and affordable which are the main barriers facing small business.

The second most appealing initiative is a DIY cyber security health check for small business, and more than half of the survey respondents thought offering incentives for small business to support programs would be appealing. Just over half (53%) found the Cyber Secure verification program to be appealing as to 51% a trust mark for IT consultants that work with small businesses.

“Have it available online so easy to find and download the checklist and maybe even make it an industry standard minimum checklist - so business know what level of security they should have. Encourage them to know what best business practice is” (Restaurant and Catering Association)

Cyber Security Warden program

Almost half of the survey respondents found a Cyber Security Warden, similar to a first aid officer for a small business who is trained in cyber security, to be appealing. Such a program would be greatly supported by the inclusion of easily accessible education resources such as up to date “how to” guides, e-learning, and video content.

‘I think it would be very useful, to have someone onsite with some sort of skill within the business and they can at least be familiar and know what to look for and then can contact someone to investigate and fix, as they would not have that expertise to do so themselves but at least it would be a start’ (IT Comms & Support)

SMALL BUSINESS STRATEGY

The framework Small Business needs
to grow over the next 12 months.



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What next for small business?

Our primary ask is not fiscal. Rather, it is about the structural levers that the Government can pull to keep successful small businesses trading.

There are three contextual factors informing this approach:

- The risk of losing small businesses from the community due to the pressures of the two years of COVID
- The exhaustion of small business owners
- The increased inequity between big and small businesses

Risk of losing small businesses (and why small business counts)

The pressures of the pandemic may prove too much for many small business owners. Key issues include ongoing labour shortages, supply chain issues, the burden of deferred debt, workplace tension over mandatory vaccination, and rising insurance costs.

We must do our best to keep small businesses thriving in this challenging environment.

Small businesses employ 4.7 million people, or about 41% of the workforce. But they contribute to more than just the economy; small business people support local jobs, donate to community organisations like sport and schools, and bring culture and an irreplaceable uniqueness to an area. All this is lost when small businesses disappear - big businesses move in to take the place of small, creating homogenous shopping precincts, identical from one area to another.

Business Fatigue

As a result of the pandemic, many small business owners are more exhausted than ever. They've had to deal with lockdowns, navigating support applications, rising debt and costs, and complying with a host of new regulations to keep their employees and customers safe; all of which was largely out of their control.

Ongoing staff shortages have only amplified the need for small business owners to work "in" as well as "on" their businesses. The skin clinic owner is too busy giving facials to clients to devote energy to a cybersecurity risk analysis. The pharmacist is too busy filling scripts and answering questions about medications to dedicate a significant amount of time to negotiating a better deal on their merchant fees. The bookshop owner is too busy selling thrilling novels on the shop floor to focus on reading the Fair Work Act.

Inequity between Big and Small Business

This is a key distinction between big business and small business, and COVID-19 has highlighted the inequity. Big businesses thrive on complexity because they have teams of experts to handle compliance; there's the HR team to navigate workplace relations, the accounting team to navigate payroll, tax and super obligations, the IT department to fix any issues and manage cyber security threats, the social media team to work on PR and maintain their public image, etc... In a small business this is often done by a handful of people, or even just one person. We can't expect them to be experts in everything or afford to access the same level of expertise as big businesses have at their fingertips.

Many big businesses have emerged from the pandemic stronger than ever. An 'essential business,' Woolworths increased its profit by a staggering 78% in the 2020-2021 financial year. It successfully acquired PFD foods, with the Australian Competition and Consumer Commission (ACCC) unable to stop it under the current merger control regime. Similarly, the ACCC recently gave the green light for Wesfarmers to acquire the Priceline Pharmacy franchise.

Outgoing ACCC Chair, Rod Sims, highlighted the issue with Australia's merger control regime in an important speech to the Law Council in August 2021. The regime is voluntary and skewed towards making the clearance of mergers the default. This must be reviewed to maintain a healthy competitive environment going forward.

The Pillars

The paper is based on following three pillars:

- Streamlining regulation
- Targeted, needs-based support during post COVID growth
- Industry associations as priority channel for business support.

It addresses 16 key policy areas:

Better regulation, the digital economy, cyber security, workforce issues including immigration and visa workers, industrial relations and wages, payments and merchant fees, access to finance, education and training, tax and super, insurance, competition policy, health and preventative health, NBN infrastructure, energy, sustainability and waste management, and exporting of goods and services.

Why streamline regulation?

Small business owners are time poor, but they all have a myriad of compliance burdens which they MUST adhere to in order to employ, to be licenced, to serve customers or to

simply start. They don't have teams of experts at their disposal to navigate complex tax law, changing workplace health and safety, confusing industrial relations requirements, food/product safety, local council laws... Regulation exists at every turn.

Often, the burden lies not with a piece of regulation itself – which is often reasonable and in the best interest of the public – but with onerous and bureaucratic compliance processes attached to it. Better consultation at the design phase of legislation is crucial to make it fit for purpose in the real world.

COVID-19 created a whole new category of compliance. On top of existing compliance tasks, small business owners now have to manage vaccination mandates for staff and customers, compliance with mask mandates, isolation requirements, cleaning protocols, ensuring adequate ventilation, and the list goes on.

It's now more important than ever to simplify compliance processes to allow small business owners to focus on recovering from COVID-19.

What regulation should be streamlined?

COSBOA's overarching recommendation in this area is for the government to suspend the introduction of new compliance processes while small businesses recover from the pandemic.

Our paper makes several specific recommendations for how to reduce the regulatory burden faced by small business owners in the areas of tax, superannuation, industrial relations, immigration, and more. For example, we advocate for the simplification of the industrial relations system through a small business model schedule as well as reg tech and fin tech solutions to make compliance easier. We also advocate for the continuation of some regulatory reforms successfully introduced during COVID-19 to make it easier to do business from home – allowing electronic signatures on all documents, for example.

Our paper also makes recommendations for how to reform the approach taken by the public service when creating the compliance processes attached to new pieces of regulation – in other words, the *process* of creating processes. We advocate for more consultation with industry associations to be incorporated into the process creation method so that the compliance burden on small business owners can be properly assessed. We also advocate for the return of the Government's business consultation website. This website listed all government consultation requests relevant to businesses in one place but was taken down in 2021.

RECOMMENDATIONS:

- Suspend the creation of new compliance processes while small businesses recover from COVID-19
- Simplify the industrial relations system with a small business model schedule, as well as reg tech and fin tech solutions
- Continue COVID-19 deregulation measures such as allowing electronic signatures on all documents
- Better incorporate industry consultation when creating compliance processes for small businesses
- Re-instate the Government's business consultation website.

Why use industry associations as a priority channel for business support?

Small business owners often identify with their industry or sector before they identify with the term 'small business' (for example, a hairdresser is a 'hairdresser' first and a 'small business owner' second; a bookkeeper is a 'bookkeeper' first and a 'small business owner' second).

So, if you want to catch the attention of small business owners, your best bet is to go through an industry association.

Industry associations have pre-existing relationships, networks, and communications channels that engage with thousands of small business owners. They know the peculiarities of the sector, have experience and expertise in the product or service, and know the regulation pertaining to it. As members of the 'tribe', industry associations leaders and staff are trusted purveyors of advice and information. They've run successful B2B programs, mentoring from the more experienced to those just starting, CPD training, and more recently, translated government support, requirements, and advice during the pandemic.

COVID-19 has further highlighted the value and strength of industry associations who bridged the gap between policy makers and small business owners, and who rose to the challenge of supporting, representing, and mentoring their small business members.

What does COSBOA recommend?

COSBOA recommends that any government programs designed to empower small business growth - for example by digitising, exporting, or improving energy use - should be delivered through existing industry associations.

A secondary recommendation is for the Government to use pre-existing pathways in general. Don't waste time and resources creating a new agency or a new website. Use the channels that small business owners are already familiar with.

RECOMMENDATIONS:

- Use industry associations to deliver programs designed to empower small business growth and provide small business advice.
- Use pre-existing pathways.

Examples of targeted, needs-based support during post COVID growth

The Digital Economy

COVID-19 has accelerated the digitisation of our economy as well as our reliance on technology in our daily lives. Small businesses subjected to lockdowns had to switch to websites, social media, and apps to engage with customers/clients and keep their businesses alive.

In our Strategy Paper we highlighted research commissioned by Xero and nbn showing that small businesses that take advantage of digital solutions outperform and are more resilient than those who don't, as well as research by the Australian Cyber Security Centre in which almost half of small business survey respondents rated their understanding of cyber security as 'average' or 'below average.'²

COSBOA has made suggestions for how to empower small business owners to use technology to grow their businesses and better participate in the digital economy. This includes a recommendation for an initiative that would increase the capability of small business owners and their staff to access the right information and respond to cyber security threats.

Workforce shortages

One of the most pressing issues for small business owners in all industries and in all locations around Australia is staff shortages. It is crucial that this be addressed immediately.

The issue is complex and has multiple causes, both acute and chronic. These include but are not limited to pandemic border closures, the bureaucracy and cost required to sponsor a visa worker, lack of affordable housing in regional areas, and a lack of good pathways to connect employers and job seekers with the relevant skills. COSBOA has provided suggestions for initiatives to alleviate this issue in the short and long term.

One short-term policy amendment requested was to relax the 20-hour per week working limit imposed on certain categories of visa workers such as international students in all industries for the next 2 years. We're very pleased and relieved that the Federal Government has removed the limit until April and will be advocating for it to continue.

Now, to continue to address worker shortages, the Government must explore other barriers which are restricting to skilled and unskilled workers from engaging with work. To encourage workers to engage with small businesses, we are seeking short term measures which address concerns around tax implications, reductions to pensions or family tax benefits, and higher tax rates.

Some of our long-term suggestions include initiatives to help bridge the gap between small business employers and job seekers with the relevant skills, as well as ensure that vocational education and training students graduate with the skills sought by small business employers. Again, small business consultation at the design phase of skills reform is crucial to make it fit for purpose in the real world.

Insurance

Insurance in Australia has been dysfunctional for many years.

In the last 18 months, premiums - even for those who have never made a claim - are on the rise. Increases are 30-40% for some industries; prices have doubled and tripled in others simply due to their location. This is a significant cost impediment on small businesses.

For example, public liability insurance is a major issue for small businesses in the leisure and amusement sector. Professional indemnity is an ongoing problem for consultants working on infrastructure projects. For some businesses where business insurance is a requirement to open their doors, they are unable to access insurance at all, forcing viable businesses to close.

COSBOA's submission recommends a government inquiry into the Australian insurance market, further funding for ASBFEO to continue its review into discretionary mutual funds (DMFs), and a national, standardised approach to worker's compensation insurance.

Competition Policy

A healthy competitive environment is essential for small businesses to grow, provide jobs, and contribute to community and culture. Small businesses are vulnerable to being exploited and overtaken by big businesses, monopolies, and duopolies. But, as ACCC Chair Rod Sims explained in his speech to the Law Council in August 2021, Australia's current merger control regime is voluntary and skewed towards making the clearance of mergers the default. To

prevent a merger, the ACCC must prove to the Federal Court that future anti-competitive effects are 'likely.'

COSBOA's submission recommends that more resources be given to the ACCC and that the merger regime be reviewed with a view of basing it on international best practice (i.e. non-voluntary).

RECOMMENDATIONS:

- Empower small business owners to use technology to grow their businesses
- Fund an initiative for small business owners to better respond to cyber security threats
- Relax the 20-hour working limit for certain visa holders for all industries for 2 years
- Address concerns around tax implications, reductions to pensions or family tax benefits, and higher tax rates
- Create initiatives to bridge the gap between small business employers and job seekers with relevant skills
- Ensure VET students graduate with relevant skills
- Run an inquiry into Australia's insurance market
- Give more resources to the ACCC
- Review Australia's merger regime in line with international best practice.

APPENDICES



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Appendix 1 – The questionnaire

COVID-19 Government Engagement with Small Business Research Project

Industry Association Survey Questionnaire

Q1. In the experience of your business association, which government actions do you believe were the most effective at suppressing the spread of COVID-19 (rate from 1 to 10)?

Please rate each of the actions listed below:

A rating of **1** equates to **very ineffective**

A rating of **5** equates to **only moderately effective**

A rating of **10** equates to **very effective**.

Government action	Rating	Comments
International border closures		
State border closures		
Hotel quarantine		
Government facility quarantine		
Home quarantine (for returning travellers)		
Lockdowns of hotspots within states, cities and towns		
Restrictions on the size of public gatherings		
Discouraging non-essential travel/encouraging working from home		
Cancellation of public events		
Closure of non-essential businesses		
Restrictions on customer numbers		
Social distancing in public spaces		
Public hygiene measures (QR codes/check-in systems; sanitiser provision; signage displayed)		
Mask wearing (suggested)		
Mask wearing (mandated)		
Contact tracing & genome sequencing		
Mass COVID testing		
Fines and other punitive measures		
Hygiene and public health advertising campaigns		
New: Vaccination (suggested)		

New: Vaccination (mandated)		
New: Isolation of “close” contacts		
New: Isolation of “casual” contacts		

Q2. Among your members, which categories of *small* businesses were the most affected by government imposed COVID restrictions? (list below)

Please list categories of businesses (e.g. newsagents, hairdressers, service stations, music venues, bookkeepers, metal fabricators, cafes)

A rating of **1** equates to **relatively unaffected** (able to keep trading more-or-less at normal level)

A rating of **5** equates to **moderately affected** (able to keep trading, with restrictions reducing turnover)

A rating of **10** equates to **heavily affected** (unable to continue trading – business closed).

Category of business	Rate level of effect	Comments

Q3. In your experience, which government decisions had the most negative effects on *small* business (rate from 1 to 10)?

Please rate each of the actions listed below:

A rating of **1** equates to **very little effect**

A rating of **5** equates to **only moderate effects**

A rating of **10** equates to **very serious effects**.

Government action	Rating	Comments
International border closures		
State border closures		
Cancellation of public events		
Closure of non-essential businesses		
Lockdowns of hotspots within states, cities and towns		
Restrictions on customer numbers		
Public hygiene measures (QR codes/check-in systems; sanitiser provision; signage displayed)		
Discouraging non-essential travel/encouraging working from home		

Mask wearing (suggested)		
Mask wearing (mandated)		
Contact tracing & genome sequencing		
Mass COVID testing		
New: Vaccination (suggested)		
New: Vaccination (mandated)		
New: Isolation of close contacts		
New: Isolation of casual contacts		
Other (please specify):		

Q4. In your experience, which government decisions had the most positive effects on *small* business (rate from 1 to 10)?

Please rate each of the actions listed below: A rating of 1 equates to very little positive effect A rating of 5 equates to only moderately positive effects A rating of 10 equates to very significant positive effects .		
Government action	Rating	Comments
State or territory grants		
Commercial rent relief/ mediation		
Payroll tax waivers / deferrals		
Rapid lockdowns to suppress virus		
Mass testing and tracing instead of lockdowns		
New: <i>JobSaver</i> payments		
New: COVID-19 Disaster Payment		
New: Vaccination (suggested)		
New: Vaccination (mandated)		
New: SME Recovery Loan Scheme		
Other assistance (please specify):		

Q5. New: In your experience, which corporate decisions had the most positive effects on small business? (rate from 1-10)

Corporate action	Rating	Comments
Business loan repayment deferrals		
Home loan repayment deferrals		
Energy bill payment deferrals		
Merchant fee refunds		
Insurance discounts		

Supply chain redistribution		
Webinars and other forms of free business advice		
Other assistance (please specify):		

Q5. Was your organisation directly consulted by **Federal government** representatives / departments / agencies in relation to decisions that affected your members?

Frequency of government consultation	Tick most relevant response	Comments
On numerous occasions / very regularly		
On several occasions		
On very few occasions		
Never		

Q6. Was your organisation directly consulted by **State or Territory government** representatives / departments / agencies in relation to decisions that affected your members?

State/Territory	Frequency of engagement with your Association				
	Regularly	Occasionally	Limited	Nil	N/A
ACT					
NSW					
NT					
QLD					
SA					
TAS					
WA					
VIC					

Comments:

Q7. How responsive were **Federal government** agencies in their direct consultations with your organisation? (Please feel free to identify specific agencies in comments column).

Level of government responsiveness	Tick most relevant response	Comments
Highly responsive – actively listened and implemented some suggestions		
Reasonably responsive – actively listened		
Not particularly responsive – mostly provided information about decisions already made.		
Unresponsive – no indication of interest in business needs.		

Q8. How responsive were **State or Territory government** agencies in their direct consultations with your organisation?

State/Territory	Quality of engagement with your Association				
	Highly responsive	Reasonably responsive	Not particularly responsive	Unresponsive	N/A
ACT					
NSW					
NT					
QLD					
SA					
TAS					
WA					
VIC					

Comments:

Q9. How useful were **Federal, State or Territory government** online resources for your organisation?

State/Territory	Usefulness of online resources				
	Very useful	Reasonably useful	Not particularly useful	Useless	N/A
Federal					
ACT					
NSW					
NT					
QLD					
SA					
TAS					

WA					
VIC					

Comments:

Q10. How much **notice** were your members given (in a majority of instances) in relation to **Federal and State Government** health measures? This question relates to decisions requiring business closures, severe trading limitations or severe constraints imposed on particular markets.

Notice given	(Please tick most relevant)	Comments
Ample notice to make necessary adjustments to staffing and stock levels.		
Sufficient notice to make some adjustments to staffing and stock levels		
Short notice – inadequate to adjust staffing and stock levels.		
Zero notice		

Q11. Hindsight is the best foresight. Looking at the quotes attributed to you in last year's report, what would you say to your past self? Have any of your opinions changed?

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