

Opening remarks

Good evening Senators and thank you for the opportunity to appear before the Committee this evening.

Since the ASBFEO last appeared before the Committee, it is safe to say that Australian small businesses have had a patchy summer brought on as an abundance of caution and care towards others – rather than due to prescriptive health orders – which has threatened to dampen elements of consumer spending.

These concerns were further compounded by staffing and supply chain issues that are still being felt by businesses, including some of the nation's largest, right down to our smallest.

On top of the already significant responsibilities and concerns of running a business, these challenges have significantly restricted the earning capacity of many small businesses and further stretched their staff and owners.

Put simply – small and family business owners are exhausted. They are working longer hours to plug team gaps and attend to more pandemic-related demands.

For example, businesses in the hospitality and retail industries have fared worse than others. For these businesses, there is no substitute to accommodate for customers who come in through the door. The data is reflecting what some sectors describe as a repeat of near-lockdown conditions, and we are starting to see insolvencies on the rise again.

Given this, I continue to ask Australians to be kindly customers and show respect and empathy to small businesses and their staff.

We are *all* learning to live with COVID-19 and what that means for us in an ever-changing environment. Getting upset with store owners or leaving negative reviews for businesses who are simply complying with public health requirements is not helpful, and it's not on.

Now despite this, the Reserve Bank's December 2021 Retail Payments data showed year-on-year growth in card spending – suggesting Australians have been out supporting business where they can.

Data is also showing us that the value of small business lending by Australia's banks is increasing, while the total amount lent out is decreasing – suggesting that many small businesses are borrowing to fund growth and paying it down quickly.

What we are seeing is varying recovery speeds across the small business sector.

Delivering certainty and greater national consistency, will help those small businesses who are recovering more slowly to reach their full capacity, quicker.

Some of the best vaccination rates in the world, the end of lockdowns and last week's announcement on reopening the international border are contributing to increased certainty and confidence, while showing there is much to look forward to with cautious optimism.

Our work

Very briefly Senators, since our previous appearance before the Committee, my Office has received over 2,000 contacts from small businesses seeking assistance, completed a review of a proposal to establish a Discretionary Mutual Fund for the amusement and leisure sector, and launched an inquiry into small business natural disaster preparedness and resilience.

At the request of Minister Robert, this inquiry will see us examine and make recommendations to improve education and engagement programs to best target and assist small businesses in preparing for natural disasters.

This inquiry involves us getting out into those regions who have felt first-hand, the devastation natural disaster can cause – so we can speak to small businesspeople with lived experience.

Already this week, we have been to North Queensland and Northern New South Wales, and before the week is out we will have held consultations on the south coast of NSW and adjoining high country. Consultations on Kangaroo Island, at Murray Bridge, in Gippsland, and in Tasmania are among those regions to come over the next two weeks to inform this important work.

Thank you – I am happy to answer any questions Senator may have.

Ends