

Australians doing their bit, let's hope premiers...

By JOSH FRYDENBERG OPINION

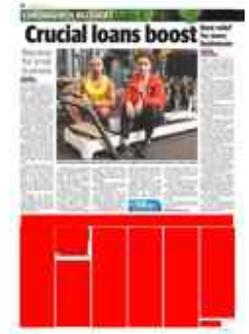
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OPINION**

LIKE every Member of Parliament, I've been speaking to small businesses in my community.

Their desperation and despondency is acute. Their life savings and in many cases their homes are on the line.

One story, representative of many, is of a single mother I spoke to running a small business in Melbourne's CBD with 5 employees.

Revenue is down more than 90 per cent, as the building where she has a shop in, has gone from having 3000 people a day to just 30.

She has stood down nearly all her staff, extended her mortgage and is asking herself whether she should close the doors permanently.

It is a question many of the businesses employing 1.1 million people across Australia's CBDs, including more than 320,000 in Melbourne, are also asking.

For these, and all 3.6 million small businesses providing almost 8 million jobs for Australians, we must give

them hope. They didn't go into business to live off the economic support provided by government, but rather to fulfil their dreams and build

something that is bigger than them. But now through no fault of their own they are paying a big price.

As the Reserve Bank of Australia has found, small business throughout this pandemic has been twice as likely as large businesses to have seen a turnover fall by 50 per cent or more.

More than 40 per cent of businesses now have less than 3 months cash on hand to cover business operations.

Fixed costs like rent and utilities continue to be incurred even as customers dry up.

It is true that a number of businesses have shown incredible resilience moving online and adapting their business models. But this is not possible to the same extent for every business.

Gyms, hairdressers, cafes, tourism and event businesses to name a few. They are just hanging on waiting for the lockdowns to end.

The local dive boat operator should be watching the weather channel, not the Premier's daily press conference to find out when and how they can reopen.

The local restaurateur on the phone to their supplier needs certainty so they can order food for the week, not just the day. This uncertainty creates not only an economic cost but takes a toll on people's health as well.

Anxiety, not just for the small business owner but also their staff.

Conscious of this burden,

the Morrison government has deployed unprecedented levels of economic support.

Initially, JobKeeper and the Cashflow boost, and most recently the Covid-19 Disaster Payment which has seen more than \$4bn flow to Australians who have lost hours, and billions more in grants for small businesses, in partnership with the states.

Increased access to low cost finance has also been provided, with a SME loan scheme, which has already supported 74,000 loans, worth \$6.2bn.

Today, eligibility for the loans are being extended to even more SMEs, offering them loans of up to \$5m with up to 24 months repayment free.

An initiative which Australia's Council of Small Business has said "is great news as access to finance is crucial for small business people struggling to re-open, re-engage with our workers, and rebuild our businesses."

While this support is vital in the short-term, survival in the long-term is only possible with the economy opening up.

This is why the states and territories must stick to the plan agreed to at national cabinet.

In getting the job, millions of Australians are holding up their end of the bargain, now premiers and chief ministers must hold up theirs.

With vaccination rates at 70 per cent and 80 per cent, the transmissibility of the virus reduces, fewer people get sick

and the stringent lockdowns become unlikely.

With more than 200 people getting vaccinated every minute of every day, these targets are now in sight, and with it, the longer lockdowns come to an end. It's a fallacy to think we can eliminate Covid because we cannot.

We must learn to live with it as other countries are doing now, and as we have done with other diseases like influenza.

In the words of the world-leading medical researchers at the Doherty Institute, "Covid-19 won't go away, but it will be

easier to control in the future. Whether you start at 30 cases or 800 cases, you can still open up safely."

By sticking to this agreed plan, our economy will not only open up at 70 per cent and 80 per cent vaccination rates, but will bounce back strongly.

We saw this in the most recent employment data, and we saw it in Australia's growth numbers earlier this year.

But if we don't open up as planned and agreed, the economic scarring will be severe. Small businesses will close. Jobs will be lost. The mental health of Australians will suffer. We owe it to every small business owner to ensure costly lockdowns do not last a single day longer than necessary.

As the Doherty Institute work illustrates, vaccinations – not lockdowns – are the answer. It must be our future, as well.

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