



Tasmanian Small Business Council

Uniting Small Business

Tasmanian Small Business Council Inc

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Mr Don Challen

Chair

Premier's Economic and Social Recovery Advisory Council

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Dear Mr Challen,

Thank you for the opportunity to provide your Council with our feedback on behalf of Tasmania's more than 38,000 small businesses.

Given the tight time-frame you have requested, we will make a more detailed submission in the second-stage of consultations. So instead of addressing each of your proposed consultation points in detail, I will instead at this time make some general comments.

Small businesses are the lifeblood of our economy and our communities, and I think it is inarguable that they have been among the most affected by the COVID-19 pandemic.

All small businesses have been impacted in one way or another. Many small businesses will not survive. Many more will take years to recover.

By far the biggest concern of small business is that the current "COVID-safe" trading rules have dramatically affected their business models to the point that it is unclear how they can operate profitably should these rules be in place beyond the cessation of the JobKeeper program.

Take just one example: hairdressers who are now having to operate at 50 percent capacity due to social distancing rules in their salons. Due to the reduced revenue this results in, without JobKeeper many of these businesses simply would not be open.

When JobKeeper ends, they will likely close.

A similar situation exists across a whole range of small business sectors.

So while many commentators are keen to talk about the risk of a 'second wave' of the virus from a public health perspective, in our view there is far more likely to be a 'second wave' from an economic perspective when JobKeeper expires.

While by far our preferred position is that small business is able to operate free of onerous government regulation and ongoing subsidy, our view is that if Governments are going to continue imposing strict social distancing rules on small business even as the virus fades into the distance, then it should also be prepared to compensate those small businesses that it wishes to apply these regulations to.

It is simply not fair for Government to dramatically alter the operating environment for small business, without providing assistance to operate on that new playing field.

Having said that, small business want to reopen, trade, invest, employ and support our communities and we want to work with the Government to do that in the most effective way possible.

We would also support any efforts to bring forward infrastructure investment, given it provides a short-term stimulus and long-term benefits to the community.

So, for that reason we would of course welcome any additional practical measures which would assist small business to recover from the pandemic, for example:

- Continued wage subsidies
- Rebates on utilities, such as electricity and water (both which are owned by the Government)
- Rates and rent rebates
- Cash support
- A greater emphasis on Tasmanian owned and managed businesses accessing public infrastructure works leading from any infrastructure to be invested by the Tasmanian Government

I should also point out, although I am sure you are aware of this fact, that given the current payroll tax threshold any changes in that space are highly unlikely to benefit small business who overwhelmingly don't pay payroll tax at the moment.

Given the current circumstances and the impact COVID-19 has particularly had on smaller retailers, it is time for the Council to look at more radical ways to support small business, and the broader Tasmanian community. One option worth investigating is to help small retail businesses reduce their reliance on traditional cigarettes in a sustainable way, by legalising vaping in Tasmania.

On all the evidence I am aware of vaping products are less harmful than traditional cigarettes, and also help smokers to quit. More importantly from our perspective, if they were legalised in Tasmania small business would be able to reduce their trade in traditional cigarettes without comprising their ongoing viability – a rare win-win situation.

In a similar vein, we also support the re-examination of the current prohibition on small business retailers being able to sell take-away alcohol. It simply makes no sense that only a certain class of retailer can sell take-away alcohol to the disadvantage of others.

I hope that the above comments are useful, and I am available to expand on any of this in person if you wish.

Yours faithfully



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