



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON THE COVID-19 2021 PANDEMIC RESPONSE

Ms Elizabeth Lee MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair), Ms Jo Clay MLA

Submission Cover Sheet

Inquiry into the COVID-19 2021 pandemic response

Submission Number: 11

Date Authorised for Publication: 17 October 2021

BURT

Braddon's United
Retailers & Traders

SUBMISSION TO THE

ACT Legislative Assembly
COVID-19 Select Committee

- 14 October 2021 -

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Ms Elizabeth Lee
Chair ACT Legislative Assembly Covid-19 Select Committee
via email: LACommitteeCOVID19@parliament.act.gov.au

Dear Ms Lee

Submission to Select Committee

Braddon's United Retailers & Traders (BURT) is pleased to provide this brief on experiences of Braddon businesses during the Covid-19 pandemic. It is not a comprehensive series of comments of findings that stands alone. Rather, it should be read in conjunction with two attached survey documents from 2020 and 2021 that details the financial and employment experiences of traders.

This submission is also designed to complement the verbal presentations at today's hearing and presents a Braddon-focused perspective only. My co-presenters from other ACT business precincts will also be addressing the committee. You will find that there are many common experiences, but the unique nature of each precinct will also be reflected in each of our comments and submissions.

BURT's comments will be related primarily to the following topics:

- Business sentiment
- Business revenue
- Long-term consequences
- Staff impacts
- Government support
- Restrictions and business operations
- Immediate steps that can assist.

To commence, it is the broad shared opinion of Braddon business operators that the management of Covid-19 was always going to require a strong response, but that it would be one that evolved over time.

There is certainly no blame being allocated towards any government department, Member of the Assembly, or other decision maker for the pandemic. However, it is also accurate that business owners and their staff have suffered greatly, and the great financial pressures being experienced have led to frustration.

The comments made today, along with matters outlined in this brief should be read as dispassionate critique, rather than baseless anger.

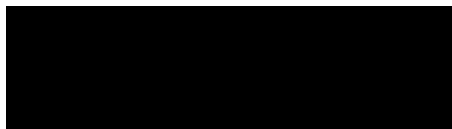
BURT also wishes to acknowledge the work of Assembly Members. Ministers and officials for their dedication to addressing the crisis. In particular, we would like to acknowledge the interest and engagement of Minister Cheyne, Shadow Minister Castley and senior bureaucrats who met with us on multiple occasions and presented opportunities for business experiences, frustrations and recommendations to be heard.

The invitation to today's hearing by you is another example of support and interest, and is also deeply appreciated, especially as you also serve as the Member for Kurrajong that represents Braddon.

An additional and important recommendation from BURT, is that Trader organisations like tgoose appearing today, should be involved in the planning and implementation process. This is not practical for 2020, but wit hmany months in between the start of the first and the second lockdowns, planning and involvement could have easily occurred.

It is galling to watch daily press conferences with announcements about decisions made by people with job security, high salaries and no small business experience. The missteps, impractical regulations and onerous regulations are a direct result of this knowledge gap, regardless of any good intentions.

Yours sincerely



Kel Watt
on behalf of Braddon's United Retailers & Traders

PS If you announce \$9.6 million for upgrades to Mort Street and Lonsdale Street for completion by early 2021 to help businesses recover, without request, don't cut it in half and blow timeframes out by 18 months and act surprised we're disappointed.

ABOUT BURT

Braddon's United Retailers & Traders (BURT) has been established to advocate for all commercial operators located in Braddon.

The traders represented range from micro-traders and the self-employed, through to large operations, franchises & multi-nationals. We estimate around 300 commercial operations & 3500+ individuals are employed in Braddon's private sector.

BURT represents & communicates interests of concern to governments, industry organisations, like-minded organisations & others where an interest may arise, such as event organisers.

BURT will also engage positively with community organisations & residents' representatives to advance the interests of the entire Braddon community.

While our chief goal is to ensure Braddon is an excellent place to establish & run a business, we also aim to promote the suburb as a great destination for shopping, dining & services; an ideal place to work & recreate, & an exceptional place to live.

BURT will issue media statements on issues of importance to Braddon business owners & staff. We also make submissions to governments & other decision-making authorities when we have a stake in their policies, programs & activities.

BURT operates positively & cooperatively with all stakeholders. We see a positive future for Braddon in finding ways to complement the work & interests of nearby business & residential precincts.

BUSINESS SENTIMENT

The current feeling of owners and traders is one of despair.

While some businesses have been able to operate at a reasonably unaffected level in a remote and virtual fashion, the vast majority of Braddon businesses have not. As you can see from the division of sectors in our survey documents, professional services such as finance and legal, have been able to conduct usual workload levels, albeit from home with a laptop while wearing pyjama pants.

However, as Braddon has a disproportionately high number of businesses in the hospitality, retail, fitness and beauty sectors, the negative impacts of Covid-19 restrictions have been felt more deeply.

A significant number of businesses have closed or are likely to close if a strong recovery does not occur in coming weeks and beyond. Three of these have been operating successfully for over a decade, but could not survive business restrictions.

It should be remembered that hospitality businesses are now in their 22nd month of almost-unbroken extraordinary challenges, commencing with the 2019-2020 summer fires. The smoke haze that engulfed Canberra saw many businesses forced into closures or limited operations. Doors reopened fully for a brief period before the pandemic hit the ACT.

Business owners can accept the risks of failure if they have their destiny in their own hands. The right products and services, along with the right business plan should deliver a profitable operation. The wrong ones likely result in a failed business.

However, a business failing because of matters outside of their control is unpalatable.

To make matters worse, the recent months of frustration with accessing government support, impractical and burdensome regulations, inconsistencies in restrictions and a prolonged period of uncertainty in reopening dates and steps has pushed many to the brink.

Committee members should also be mindful that tomorrow's partial reopening will not affect a large number of Braddon businesses, who will remain closed, and many who can technically reopen but will choose not to due to the cost of implementing restrictions.

BUSINESS REVENUE

The average revenue downturn experienced in 2020's lockdown was approximately 80% in Braddon. Only bottle shops, Officeworks and two cycling shops had increases. The two cycle shops reported only a marginal increase, however.

It is clear people drank heavily at home as they established home offices.

But at least they bought a new bike to get super fit when they exhausted Netflix options. Those bikes are currently on Gumtree selling for a fraction of their retail price as 'near new' and 'barely used'.

Even the professional services sector faced a strong downturn.

The revenue downturn in 2021 will be far greater as restrictions were heavier. Many businesses in Braddon faced 100% closure and therefore 100% revenue loss for the last few months.

The impact of current restrictions have not yet been fully surveyed by BURT and will be released in coming months.

Full details on this matter are in attached documents.

LONG TERM CONSEQUENCES

To put it simply, many businesses have closed and those business owners are unlikely to return to business.

People do not close their business unless it is a last resort.

They are not 'working'. They have tried to fulfill a dream and their ambitions generate economic activity for the ACT through employment, revenue and also add to the Territory's culture.

Business closure usually comes only when personal assets, such as their home, is at risk.

I have personally spoken with multiple people that could not pay mortgages, utilities and essentials for their family.

Mental health of thousands of people will be impacted for years to come.

There will also be great financial hardship felt for many years as superannuation and investments in retirement have been curtailed. This will place direct pressure on governments and taxpayers for years.

The pandemic means entrepreneurial ambitions have been battered. Business growth in many areas is likely to be sluggish as people choose less risky options for careers.

A skills shortage is also looming. Business owners and staff with a love of certain trades and business sectors, such as hospitality, beauty and fitness, will likely turn away for 'pandemic proof' careers and greater financial and career stability.

STAFF IMPACTS

BURT businesses have expressed and actioned support for staff throughout the last two years. As you can see in attached survey results, business revenue loss was far greater than staff hours reduced. Business owners absorbed the costs of wages through reduced personal income.

However, all owners have reported concerns about the drift of staff away from their sectors. They are also concerned at the impact of lockdowns on their staff members and their financial security.

Braddon businesses employ a disproportionately high number of people representing the young, students, casuals, part timers, diverse cultural backgrounds, and women, as they are most commonly working in the sectors Braddon businesses represent.

While a great deal of responsibility for these people (and other matters touched on today) are shared responsibilities or sole responsibilities of the Federal Government, I hope Committee members will consider the impacts as they manage the transition back to 'normal life' and the calls for more and targeted supported now.

GOVERNMENT SUPPORT

This is the single biggest failure of the 2021 lockdown.

As the attached documents show, ACT Government support in 2020 was reasonably well regarded by Braddon businesses.

Recent support and activities have not been well received as they are regarded as lacking in size, urgency of delivery and not targeted to specific industries and needs.

Utilities cost support in 2020 is an example of a broad positive, however larger, energy intensive businesses in the hospitality sector saw the \$750 reduction in electricity costs barely make a dent in their overheads. We recommend targeting of industries and alignment of support for future programs.

The CBR Voucher system is regarded by businesses as a failure, a waste of money, a rorted program and of zero to little benefit to Braddon. The concept was well-intentioned but the roll out (especially the website) was problematic. The scope of businesses it was designed to support was too broad, given its goals. The disproportionate spend at a small number of businesses suggests rorting and a comprehensive audit and inquiry should take place, in addition to any consideration by this Committee.

For 2021, the grant process has added to business owners' anger and frustration. The lengthy delays, lack of communication, challenging application processes and support levels that do not meet needs, have turned business sentiment from one of support for government operations in their challenges to one of anger.

First and foremost is the delay in getting money out.

When the ACT commenced its second lockdown we were told lessons had been learned from 2020 and the NSW experience. This gave hope that any support would be ready to commence quickly and online and application processes would be streamlined. This was not the case.

Multiple Braddon businesses have still not received grants. Delays mean businesses are more likely to close and personal financial security is threatened.

The grant process has been run as an ordinary grant during an ordinary time for ordinary things. It should be an extraordinary experience, instead.

We recommend grants should have been pushed out quickly to prevent financial emergencies, with an audit and review conducted post the funding. We recognise this is unusual, but it is necessary.

The high number of approvals and low rates of fraud warrant this approach.

RESTRICTIONS AND BUSINESS OPERATIONS

There will always be mixed views on responses to the pandemic. There are different opinions within BURT's network of businesses. We understand restrictions have been needed. However, the anger and frustration lies within the inconsistencies, impracticalities and burden of regulations,

For example, the initial prevention of click'n'collect is a head scratcher. The reopening with two staff placed unnecessary burden on some businesses who could not meet customer needs. Lifting staff to five is largely unhelpful as the Braddon small business that could operate with click'n'collect did not have the volume of sales to warrant more staff.

In fact, many Braddon businesses have given up on this business model as consumers head towards larger and one-stop businesses.

The reopening of some businesses tomorrow with appointment only bookings will only see some businesses choosing to remain closed. The costs and overheads for a small number of potential sales is too much. Many businesses also do not have the infrastructure, skills and time to implement these procedures.

Will any Committee member make an online booking to visit a Braddon homewares store to consider the purchase of a lamp or wall hanging? No, I didn't think so.

Inconsistencies also leads to anger. Allowing five people to meet for exercise is deemed safe, but a personal trainer with a registered business, TFN, Covid-safe Plan and knowledge to operate safely, is not – simply because money exchanges hands?

The reopening of gyms, but no classes, is also seen as ridiculous. The yoga and Pilates studios on Braddon cannot reopen yet, despite operating in a fashion that is safer in terms of cleanliness and social distancing than gyms. This should be reconsidered.

Many businesses (not all) in the hospitality sector would also operate at full or higher capacity for vaccinated customers. If they are being asked to act as police for scanning and 'checking in', they are also capable of enforcing proof of vaccination.

IMMEDIATE STEPS THAT CAN ASSIST

In addition to improving the grant processes, the Government can manage the return to offices better. Despite the year with no cases, government staff continued to work remotely. The result was a drop in trade of between 30% and 70% for coffee sales at local cafes as the public servants making their way to the office were now working from home. As the ACT becomes regarded as 'safe' returning to normal should also see the return of the government Monday to Friday, 9 to 5 work life.

Business owners established businesses under a set of circumstances and have their financial futures relying on them.

We also ask that BURT and other trader associations are more commonly consulted on all matters where we are impacted. This includes Covid-19 management from now on. While the Chamber and AHA are excellent organisations, they do not fully represent or understand the needs and experiences of genuine 'small businesses'. We should all be seen as complimentary organisations for government engagement, not competitors or redundant.