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Feeling the heat

North shore businesses are hurting but they won't go down without a fight, Emily Macdonald and Renata Gortan report

Sales have slumped and barbs are being hurled by those in the thick of it on the other side of the city - it's a heartbreaking time for small business owners.

While the north shore is grateful to have a relatively low number of active Covid cases for now, the lockdown remains in place and the end is nowhere in sight.

Businesses in particular are under immense scrutiny given the understandable frustrations coming from the west, where residents have reason to feel they are being comparatively overpoliced.

Right now, businesses can access varying levels of support from local, state and federal governments.

The NSW government is affording protection to businesses struggling to pay the rent under the Retail and Other Commercial Leases Regulation. Any business unable to fulfil their lease payments from July 13 to August 20 cannot be locked out or evicted without mediation.

Meanwhile, land tax relief is being used to incentivise commercial landlords to offer rent discounts during lockdown.

Covid-19 business grants are one-off payments of \$7500 to \$15,000 to help operators deal with the challenges of lockdown.

Micro businesses that have experienced a decline in turnover may be eligible for a \$1500 fortnightly payment.

Businesses can apply for JobSaver if their turnover has declined more than 30 per cent for a

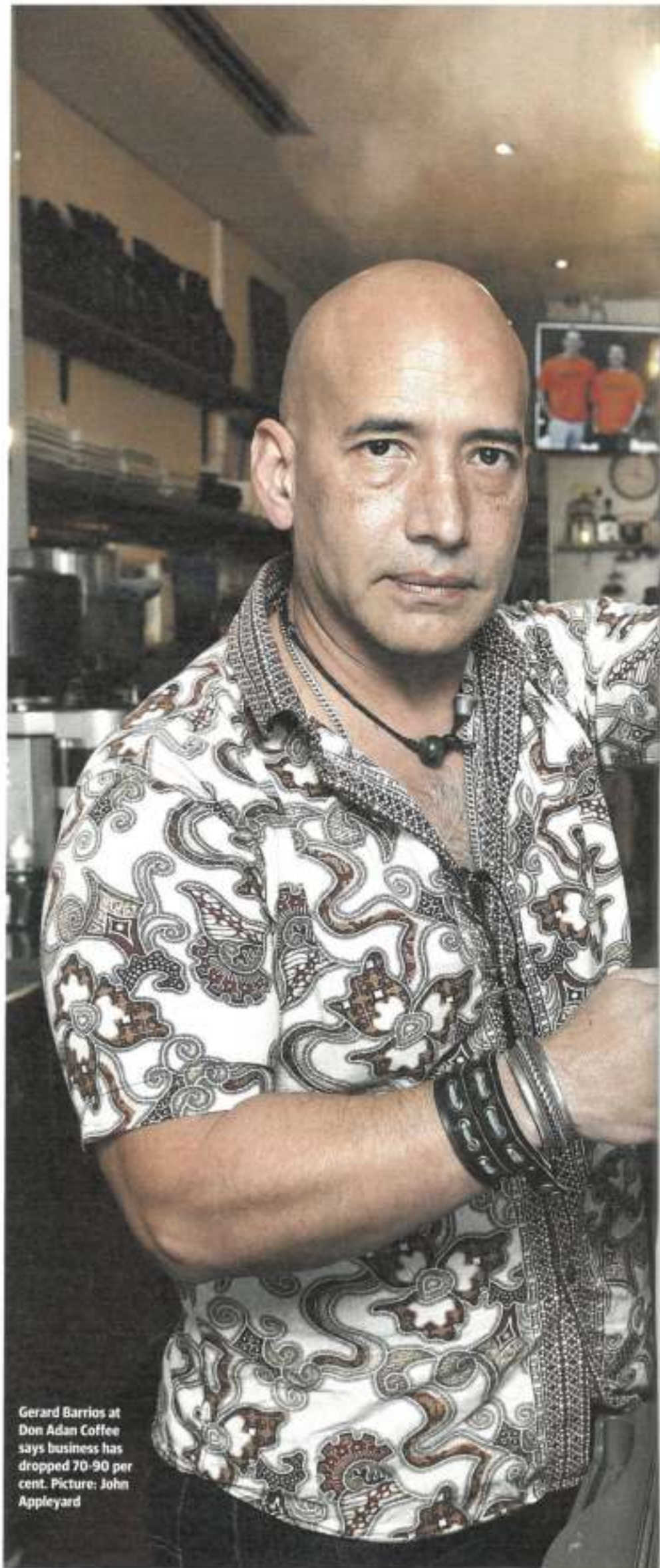
period of at least a fortnight and individual employees who have lost 20 hours or more of work a week are eligible for the \$750 weekly Covid-19 Disaster Payment.

President of the Mosman Chamber of Commerce Tamara Keniry says they have been in discussions with all levels of government about much-needed support packages for small businesses.

As well as Zoom meetings with local MPs including Zali Steggall and Felicity Wilson, they also hosted a panel with federal Treasurer Josh Frydenberg and Senator Andrew Bragg.

“**(Small businesses) are the backbone of the Australian economy and we can't afford for them to take the hit for these lockdowns**”

Ms Keniry believes the support in place during the last lockdown is missing this time around and many small businesses won't survive, citing major issues including the lack of commercial rent relief, the inadequacy of JobSaver compared to JobKeeper, and the lack of much-needed waivers for ongoing business payments such as busi-



Gerard Barrios at Don Adan Coffee says business has dropped 70-90 per cent. Picture: John Appleyard



ness activity statement (BAS) payments and licences.

"Last year there was a compulsory code of conduct between landlords and tenants with clear guidelines on how they could share the burden of lockdown ... this time it's not in place. The government has incentives if landlords provide rent relief to tenants, but some don't take them up so tenants are stuck with rent while the business is closed and they can't generate revenue," she says.

An additional difficulty is that some grants are state based and others federal, so red tape is rife. Rent is a state issue but JobKeeper was a national program during the last lockdown.

If a business neatly fits the criteria, Service NSW can supply grants but those that fall outside, such as new businesses or those that have changed entities, such as going from a sole trader to a trust, have to request a manual assessment and some are waiting a week for callbacks.

"When you're paying out ongoing costs such as insurances, BAS, rent and licences but can't generate revenue, it's a really scary position to be in," Ms Keniry says.

"For the large part we'll need these payments and some sort of recovery package to get small businesses back up and running again to make sure we don't lose them. They are the backbone of the Australian economy and we can't afford for them to take the hit for these lockdowns."

Gerard Barrios from Don Adan Coffee in Mosman and Cremorne says, although his cafes are still open for takeaway, his business has dropped 70-90 per cent.

"People mistakenly think (lockdown) is only affecting retailers but it's affecting everybody," he says.

"There are no people on the street, no gyms or pools open, there is no one at the B-Line bus stop; less traffic on the street means less businesses are open, which is less business for everybody."

He is negotiating with his landlords to reduce rent - "they need to make money too, but you can't get blood out of rock" - but says the biggest issue is government support packages.

"When we had the meetings with the ministers, they all say how good the economy is, how low unemployment is and how we will bounce back. Not everyone will bounce back - big companies, yes, but not small business."

Turn to page 9

"Help is being given to get you across, but you get across with an enormous amount of debt," he says of payments that have been deferred rather than waived.

Mr Barrios received \$10,000 in a state government grant, but it was because he lost \$85,000 in turnover. JobSaver is only 40 per cent of his payroll, not enough to cover rent, and the ATO is still doing audits, he has to pay superannuation this quarter and BAS next month, even though there's hardly any money coming in.

"It's the compounding effect. When they say there is help it sounds good, but it's not really the case," he says.

Government grants to help businesses pivot to e-commerce are what will save bricks and mortar retail, a leading local photography and art framer says.

Avi Efrat owns Fantastic Framing, which has store fronts in North Sydney, Maroubra and Alexandria as well as Brisbane, Melbourne, Perth and Auckland.

Mr Efrat, a former Israeli special forces commando, says while Covid presents huge challenges to the retail industry, it also creates incredible opportunities.

While customers used to have to come to his store to frame a work, he now offers contactless services for both individuals and artists.

"In the special forces you have to be very creative. When you go for an operation you can prepare for two months for one day of action," Mr Efrat says.

"I think because of that experience in the past I have been able to achieve what I have now.

"The online is what actually saved us from this Covid situation. People cannot come (to the stores) so we can only do the online orders. Imagine if we did not have them ... we would have bankruptcy."

Mr Efrat says his online business has grown by 110 per cent since the start of the pandemic.

"If the government would give



Mosman Chamber of Commerce president Tamara Keniry (above) has been lobbying all levels of government for support for local small businesses like Avi Efrat's Fantastic Framing. Pictures: John Appleyard

businesses grants of \$15,000 or \$20,000 to improve their service online, that would allow them to invest their resources and invest their time to adapt," he says.

Meanwhile, hospitality staff should be considered essential frontline workers and fast-tracked in terms of the vaccine rollout, a leading Sydney restaurateur says.

Jorge Farah and his business partner Ibbi Moubadder own three establishments on Crown St in Surry Hills – chic Lebanese restaurant Nour, brunch favourite Cuckoo Callay and chicken joint Henrietta.

The usually bustling foodie strip is practically deserted save for the masked customers who grab take-aways and disappear.

Mr Farah hasn't let go any of his 160 staff but business is slow and

hours scarce. With many staff fast running out of their leave entitlements, he anticipates they will be applying for the \$750 Covid-19 Disaster Payments.

The hospitality pro is impressed by the relief payments, which are equal in value to the former JobKeeper scheme but are instead applied for by the impacted worker.

But the vaccine rollout is another matter entirely.

"Hospitality workers can see 1000 to 2000 people a day. We are frontline and I think we should be seen as frontline for the vaccine rollout phases," Mr Farah says.

"(Vaccines) are imperative for us to see freedom."

Mr Farah says the biggest test for his industry will be if the lockdown stretches past September.

"The further we go into the



Christmas period, the scarier it gets for us," he says.

"The late October to December trade is the cream for us so if this lockdown does go into that and once we come out of the lockdown and still have restrictions like the 4sq m rule it will be tough. Operators will fall into trouble if they don't have big cash reserves."

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