

# ACCI Small Business Survey

July 2024

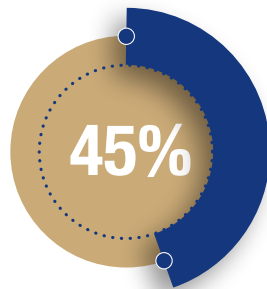
The Australian Chamber of Commerce and Industry is Australia's largest and most representative business network. Representing businesses of all sizes and sectors across the country, ACCI is the foremost advocate for small businesses in Australia.

This inaugural survey emerged from the ACCI Small Business Committee's efforts to examine the red tape affecting small businesses. The committee considered recent and upcoming regulatory changes and their likely impacts, and developed this survey for a comprehensive understanding of how these changes affect small businesses and how ACCI can focus its advocacy.

The survey shows that many small businesses have been struggling amid a deteriorating environment, underscoring the need for greater government understanding.

## Nearly half of Australian small businesses have considered closing

Over the past 12 months, 45 per cent of small businesses have considered leaving or closing their business. That's more than one million fewer small businesses and job losses for over two million Australians.



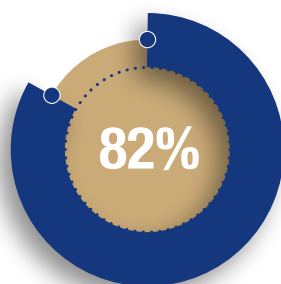
## This is higher for businesses located outside cities

57 per cent of regional and remote businesses have considered leaving or closing their small business over the past 12 months.



## Red tape is having a moderate or major impact on eight in ten small businesses

For nearly two thirds of small businesses, this impact is increasing.



## And for many small businesses it has become more difficult over the last 12 months

More than half of small businesses are spending more time and more money on red tape compliance now than they were 12 months ago.



Small businesses want to innovate, grow and contribute to the economy, but they are suffocating under the burden of red tape



## Securing the future of small business

Like 2.5 million Australian small businesses, Vertical Scope Group (VSG) is at the coalface of the economy. The ICT and cybersecurity company is a success, however not exempt from ever-increasing challenges all businesses face. VSG founder and chief executive David Jam articulates those challenges.

‘The average small business just wants to get on with it, innovate, grow, and contribute to the economy, yet we are suffocated under an increasingly complex regulatory environment and red tape burden,’ Mr Jam says.

Mr Jam says the costs and regulatory burden is “extraordinary”.

‘Small business is not a cash cow that can be continuously milked. We wear these costs and they impact our growth.’

And his business is far from alone. Mr Jam says he constantly hears from other small business owners about the tough conditions in which they must operate.

‘Small businesses are telling us regularly that they’re struggling, with most just hanging on,’ Mr Jam says.

‘Many are demoralised and close to collapse and insolvency, and this is across multiple industries, including hospitality, construction, retail, and transport.’

He says small businesses want change without delay.

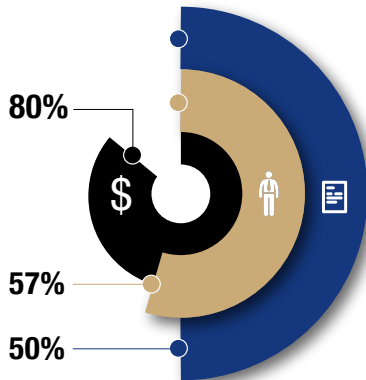
‘We need legislation and policies to be clear and concise so that small businesses are not forced to engage with experts and lawyers over every small detail. We want clear, explicit, simple

regulations and instruction on what our responsibilities are so that we can get on with it,’ Mr Jam says.

‘Small businesses are the backbone and soul of Australia. They are your local fish and chip shop where you get your Friday night feed, the self-employed tradesperson who is renovating your house, your local professional who wants to start a business for themselves and the entrepreneur who wants to innovate and create. So, ‘let’s get out of small businesses’ way and enable their success.’

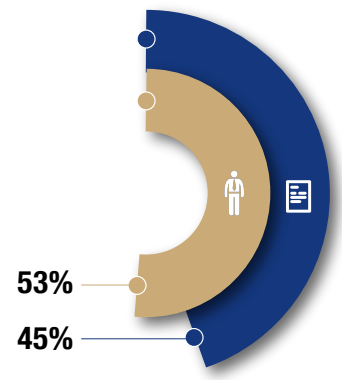
### Pressures on small businesses

The greatest pressure small businesses are facing is costs increasing – this is true for almost 80 per cent respondents. This is followed by skills and worker shortages for 57 per cent of respondents and government regulation for 50 per cent.



### Expenses for small businesses

The shortage of skills and workers is costing small businesses the most; 53 per cent of respondents reported this. Coming second as the greatest expense was government regulation (45 per cent).



### Solutions suggested by small business respondents include:

- \* Government processes and regulations should be streamlined at federal, state and territory levels.
- \* Establishment of a central hub that provides assistance and support for small businesses, particularly in navigating compliance across all government departments.
- \* Simplification of business taxes and tax compliance, including payroll tax and business activity statements.
- \* Simplification of industrial relations laws, which cause significant compliance issues for small businesses without HR departments, including complicated modern awards.