

Business experiences of the COVID-19 pandemic

March to September 2020

October 2020

About Australian Industry Group

The Australian Industry Group (Ai Group®) is a peak employer organisation representing traditional, innovative and emerging industry sectors. We are a truly national organisation which has been supporting businesses across Australia for more than 140 years.

Ai Group is genuinely representative of Australian industry. Together with partner organisations we represent the interests of more than 60,000 businesses employing more than 1 million staff. Our members are small and large businesses in sectors including manufacturing, construction, engineering, transport & logistics, labour hire, mining services, the defence industry, civil airlines and ICT.

Our vision is for a thriving industry and a prosperous community. We offer our membership strong advocacy and an effective voice at all levels of government underpinned by our respected position of policy leadership and political non-partisanship.

With more than 250 staff and networks of relationships that extend beyond borders (domestic and international) we have the resources and the expertise to meet the changing needs of our membership. We provide the practical information, advice and assistance you need to run your business. Our deep experience of industrial relations and workplace law positions Ai Group as Australia's leading industrial advocate.

We listen and we support our members in facing their challenges by remaining at the cutting edge of policy debate and legislative change. We provide solution-driven advice to address business opportunities and risks.

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KEY FINDINGS

This report forms part of a series of monthly reports by Ai Group about Australia's business experiences of the COVID-19 pandemic in 2020. Throughout 2020, Ai Group has provided assistance, information and advice to thousands of businesses experiencing the consequences of activity restrictions and reductions in income due to this pandemic. As part of this process, we have collected detailed feedback from over 1,500 Australian businesses about their experiences through various sources, including emails, surveys, web queries, phone calls and (remote) meetings.

This report summarises the impacts, responses and requirements of businesses as a result of the COVID-19 pandemic, up to the end of September. They told us:

- 1. 87% of businesses reported negative impacts from COVID-19 in September.** The most frequently reported impact every month has been a sharp drop in customer demand. This tapered off somewhat in July and August but rose again in September with Victoria's 'second wave' of COVID-19 cases and restrictions. Increased workloads due to new OH&S requirements and increased costs due to PPE, distancing and other measures have also been reported by many businesses, resulting in reduced productivity and/or heightened staff anxiety in the workplace. Just 13% of businesses said they were not affected by COVID-19 in September, down from 22% in June and 20% in July. 14% of businesses said business had improved in September, down from 18% in July (chapter 2).
- 2. In response to these impacts,** businesses initially focussed on risk mitigation and workplace health and safety. They moved staff to home-based work where possible and developed COVID-19 safety plans. As the crisis wore on, reduced demand and revenue forced more businesses to cut work hours and/or employment. From May, businesses shifted towards adjusting work practices, worksites and product offerings to accommodate 'safe working' requirements. The support of JobKeeper helped to stem major job losses from May. In September, several businesses said they fear the reduction or removal of JobKeeper will result in job losses and/or reduced hours in their business over the coming months (chapter 3).
- 3. As of September, the primary assistance measures that businesses require are (1) easing out of local activity restrictions and (2) easing state border restrictions.** Many also want a stronger focus from governments on infrastructure development, local procurement and investment. This differed from the pandemic's early stages when the most pressing need was for clear, straightforward information and directions. Many businesses also needed practical assistance with international and domestic freight, access to PPE and workforce management. From April, the sharp drop in demand saw more businesses seeking financial support, including from JobKeeper and various support grants (chapter 4).

1. Ai Group assistance to Australian businesses during the COVID-19 crisis

Ai Group has skilled advisers, business improvement resources and a network of experienced business consultants to assist your business, backed by our 140 years of experience in understanding what drives successful Australian businesses.

Ai Group has launched a dedicated [Coronavirus COVID-19 Advice and Resources](#) hub with resources to help you navigate the pandemic and stay up-to-date with the latest information and advice. This site is being updated daily as issues develop.

The Workplace Advice Line is available to Ai Group members every weekday to provide advice on a range of workplace issues. Phone 1300 55 66 77 (press option 1) 8.30am to 5.30pm (AEST) or email workplaceadvice@aigroup.com.au for a call back.

Supported by Ai Group Workplace Lawyers and our HR experts, the [HR Resource Centre](#) provides comprehensive and practical HR information, advice and resources. The HR Resource Centre is updated regularly and includes numerous resources to assist member businesses to deal with the HR implications of the COVID-19 crisis.

Developed by our WHS experts, the [Health and Safety Resource Centre](#) provides cutting edge tools, information, advice and resources on topics such as safety management, emergency management, risk management and mental health.

The Ai Group [Economics Resource Centre](#) features a range of regular reports, factsheets and research notes about economics trends and issues that affect Australian business and industry, including the highly regarded Economics Weekly, and the Performance of Manufacturing, Services, Construction and Business Indexes.

Ai Group's Business Improvement & Growth Hub ([BIG Hub](#)) has over 200 Fact sheets, self-assessments, checklists and company case studies to identify internal skill gaps, improve company operations and strategy. It also hosts a consultant referral service to help you find quality providers.

Additionally, Ai Group is a proud Delivery Partner of the Australian Government's Entrepreneurs' Programme in Tasmania, Victoria and Western Australia. Ai Group's Entrepreneurs' Programme Facilitators are working closely with businesses as they seek to pivot towards new markets, product offerings and ways of doing business. If you are ready to transform your business, the [Entrepreneurs' Programme and Ai Group](#) can help you take the next step. Contact [Ai Group](#) to be connected to an Ai Group Entrepreneurs' Programme Facilitator.

2. What are the main impacts of COVID-19 on your workplace or business?

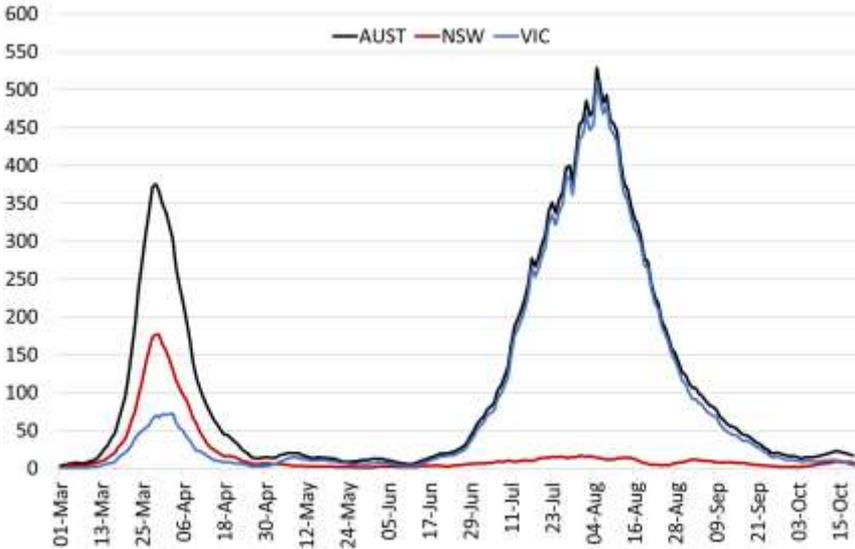
COVID-19 pandemic in Australia

The COVID-19 pandemic emerged in Wuhan, China, in December of 2019 and quickly spread to other countries from January 2020. Australia began to experience local infections and related control measures from March. As of October 2020, Australia has experienced two 'waves' of COVID-19 infections. The first wave (March to May) saw infections and activity restrictions in all states. In the second wave (July to September), almost all COVID-19 infections were in Melbourne, Victoria (chart 1).

Australia's governments have responded to COVID-19 with a wide range of public health measures, activity restrictions and financial supports. The biggest economic impact of COVID-19 has been felt through businesses losing revenue or closing and through individuals losing their jobs or work hours. The ABS estimates that 2.3 million people – 20% of Australia's workforce – were affected by job loss or reduced working hours and income between March and May. A recovery in activity and employment has been evident since June in all states and territories except Victoria. By September:

- JobSeeker (income support for unemployed people) is being paid to over 1.4 million people, up from 800,000 receiving unemployment benefits before March; and
- JobKeeper (temporary income support for employed workers) is being paid to 920,000 business entities to support 3.5 million individual workers.

Chart 1: New COVID-19 cases per day, 1 March to 20 Oct (7-day average), Australia, NSW and VIC



Source: www.covid19data.com.au

Business impacts of COVID-19 in Australia

Australian businesses reported a range of impacts upon their operations due to the COVID-19 pandemic and the associated activity restrictions between March and September 2020. These reports are summarised in Tables 2.1, 2.2, 2.3 and Chart 2.1.

The majority of businesses reported negative impacts as a result of COVID-19 in each month from March to September. In total, **87% of businesses reported negative impacts on their business from COVID-19 in September**, up from 78% in June.

Some improvement has been evident in recent months (since around June) in states other than Victoria. The move to ‘stage 4’ restrictions in Melbourne and ‘stage 3’ restrictions in regional Victoria in early August had large implications for businesses in these locations, including enforced closures.

Victoria’s restrictions also affected businesses across the country, particularly the eastern states, due to disruptions to supply chains. Business reports about the impact of Victoria’s restrictions are quoted in Box 2.1 below. Nationally, some businesses were also impacted in September by ongoing inter-state border movement restrictions, lower demand, and ongoing disruption to local and international supply chains.

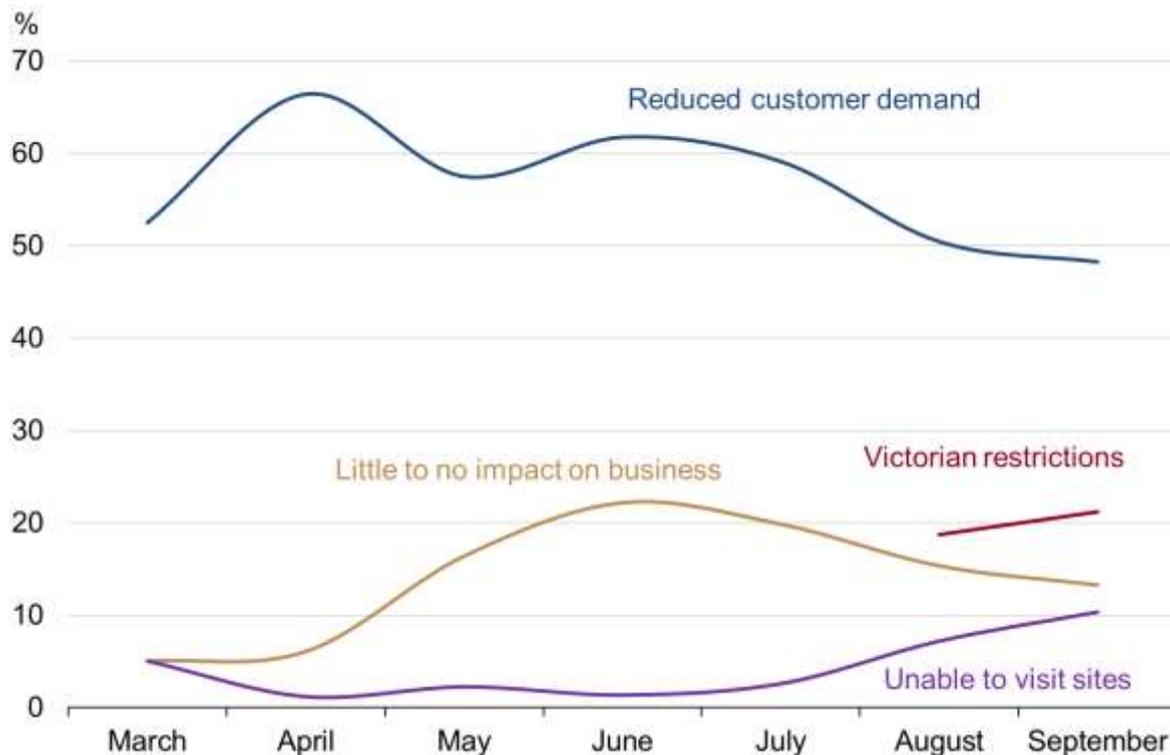
Each month from March to September, a small proportion of the businesses providing feedback to Ai Group reported no direct impact on their workplace from COVID-19. In September, 13% of businesses said they were not affected, down from 22% in June and 20% in July. The easing of restrictions in most locations in June and July provided some relief for businesses. However, the Victorian restrictions and ongoing difficulties with interstate movement impacted more businesses in September. In Victoria, 10% of businesses reported little to no direct impact on their workplace in September, 9% in New South Wales and 7% in Queensland. Businesses in Western Australia, South Australia and Tasmania were more likely to say they had not been directly affected.

Table 2.1: What are the main impacts of COVID-19 on your workplace or business? Top 5 impacts in September

Top five COVID-19 impacts on business in September 2020

1. Reduced customer demand
2. Victoria’s activity restrictions (Stage 4 in Melbourne, Stage 3 in regional Vic)
3. Unable to visit business sites (own sites or customers’ sites)
4. Disruption to supplies (local and international)
5. Border restrictions (state and international borders)

Chart 2.1: What are the main impacts of COVID-19 on your workplace or business so far? Selected responses, March to September 2020



The most frequently reported negative impacts in September were:

- **Reduced customer demand** continued to be the primary concern in September. It was reported by 48% of businesses, down from a peak of 66% in April. This is still overwhelmingly the largest challenge facing business. In New South Wales, 62% of businesses reported lower demand in September, as did 52% in Victoria and 37% in Queensland. This may reflect more widespread falls in demand in earlier months in Victoria and Queensland, relative to businesses in New South Wales.
- Nationally, 21% of businesses said the **second wave of restrictions in Victoria** that came into effect on 2 August 2020 had adversely affected them. In Victoria, 32% of business operators specifically identified these restrictions as their primary concern in September, as did 26% in NSW and 3% in Queensland. Businesses who operate across states reported some of their operations, such as retail, were closed in Victoria but were recovering in other states. Other businesses said they were concerned about reduced demand from their customers in Victoria, regardless of the business location. The longevity of the 'stage 3 and 4' restrictions in Victoria was also of concern, with many expecting this longevity to contribute to lower demand for some time to come.

- **State border restrictions** were a primary concern for 6% of respondents nationally in September. In Victoria, very few businesses told us it was their main concern, which is perhaps understandable given all the other restrictions imposed. Border closures constrained operations for 10% of businesses based in NSW and 17% in Queensland.
- These inter-state border restrictions have meant that businesses are **unable to visit other sites**. This includes their own company sites in other locations and their customers' sites. Some also noted that their customers are unable to come to them. This was a primary impact on 10% of businesses nationally, including 17% in Victoria, 9% in NSW and 7% in Queensland. The outcomes of this lack of access have included lost sales, delayed projects and deferred maintenance.
- **Disruption to supply chains** occurred early in Australia's experience of this pandemic, with 15% of businesses reporting disruptions in March. The severity of disruption reduced in June and July but crept up again in August and September. Across the country, 10% of businesses said supply chains were being disrupted in September, including respondents from Queensland (20%), Victoria (9%) and New South Wales (5%). These businesses reported **lengthy delays** to deliveries, incomplete deliveries, **difficulties obtaining inputs** locally and internationally and difficulties securing international freight. These problems have pushed more businesses to diversify their supply chains and/or seek local inputs.
- **Increased workloads due to HR policy development** as well as COVID-19 safe plans, work permits, and employee management was a major issue for 4% of businesses nationally in September. In Victoria, 5% of businesses reported an increase in this type of workload in the month, compared with 3% in New South Wales and Queensland.
- Linked to this, 3% of businesses reported **increased workloads due to new OH&S and healthcare procedures** in September, down from 25% in the first stages of the pandemic in March. In Victoria, 7% of businesses reported increases in this type of workload in September, but no businesses noted this in NSW or Queensland. This reflects higher infection risks facing Victorian businesses in September compared to other states. Many businesses continue to report ongoing extra costs for hygiene consumables and extra cleaning time (staff hours). Few businesses reported difficulties in purchasing enough PPE or cleaning supplies.
- **Reduced productivity** has been reported by businesses every month since March, peaking at 9% of businesses reporting to Ai Group in May. 6% of businesses in Victoria said reduced productivity was a prominent concern in September. This included **reduced capacity due to workplace restrictions**, lost time due to **increased cleaning, fatigue, and loss of efficiencies** from staff working from home. It was less of an issue in New South Wales (3% of businesses) and it was not mentioned at all by businesses reporting from Queensland in September.

- **Increased uncertainty** was noted in August (5%) and September (3%) as a problem for businesses who were unsure of future demand. They said this made it difficult to plan ahead.
- Businesses reporting that they are **not operating** at all peaked at 6% in March. The small number of businesses reporting closure after March reflects businesses closing and no longer reporting to Ai Group or requesting assistance. A handful of businesses are known to have re-opened after local restrictions were relaxed.

A small number of businesses reported **positive or neutral impacts** in the first two months of the pandemic, but those positive impacts have faded over time. The neutral impact has also reduced (Tables 2.1 and 2.2):

- Several businesses reported a **mixed impact** on their business, with sales falling in some locations, particularly due to enforced closures while they recovered in others. For some businesses, online sales have increased, which partially compensates for the decline in sales in person or through other channels.
- Businesses working on **projects with long timelines** experienced limited impacts throughout this period; however, the **lack of future demand** has become a key concern for these businesses. This includes businesses engaged in construction, engineering and supply to large-scale projects that are already underway.
- For 14% of businesses nationally, **business had improved** in September, down from 18% in July. 20% of businesses in Queensland reported an improvement in September, 12% in NSW and 9% in Victoria. The **easing of activity restrictions** in some states was the main reason given for this improvement. The restrictions in Victoria muted optimism. Some businesses which had previously experienced a decline noted that the recovery was only partial and had not made up for reduced business activity in previous months.
- A temporary **initial increase in customer demand** was reported by 11% of businesses in March, in the early stages of the pandemic when purchases were brought forward and problematic stockpiling was widespread. The effects of consumer stockpiling (e.g. for food, groceries and medicines) seems to have ended by July and were not reported at all in August. Just 4% of businesses described positive conditions due to an increase in customer demand in September.

Box 2.1 Impact on business from the stage 3 and 4 activity restrictions in Victoria: what did business people tell us in September?

COVID-19 stage 3 and 4 restrictions in Victoria were in place in August and September and affected businesses inside the state and elsewhere. People from a range of industries that have some or all their operations located in Victoria told us:

“The border closure has been a major inconvenience to businesses and people like us who live in a border area - an unnecessary measure in these regions where there has been no COVID cases. Regional Areas have been penalised for what has happened in metro Melbourne which has been unfair, we should have been allowed to open-up a lot sooner. Deliveries are slow and we are waiting on stock because of reduced transit into the country. We need to get the whole country back to work, open-up and see what happens. It’s time to open everything up again”

“Closing the office and having all staff work from home is becoming more difficult the longer the lockdown goes. The impact is progressively being felt by our business partners and their ability to focus on anything other than business as usual”

“Continued stage 4 restrictions in Victoria have resulted in a slowdown of orders and lack of new inquiries. Customer activity is subdued; overseas orders have also been impacted by COVID-19 pandemic in other countries”

“Over the last month we were operating at 80% capacity due to only being able to work for permitted industries. We have extra staff time each day (approx. 30 minutes) for internal cleaning”

“All enquiries we received are being put on hold or cancelled due to the pandemic, it’s a very (understandably) nervous market when making a large financial commitment”

“Limits on the number of trades on site, delays in getting supplies, inability to meet with clients on site to go through works completed - our response is to wait until our restrictions are lifted”

“Productivity for staff usually based in the office has started to decline due to their exhaustion of working from home. We’ve attempted to build team moral and have been doing team engagement exercises”

“We have been unable to get quality staff in our business, it’s hard to get qualified staff. Apprentices have not been able to go to TAFE to finish qualifications”

Table 2.2: What are the main impacts of COVID-19 on your workplace or business so far?

Negative impacts	Mar	Apr	May	Jun	Jul	Aug	Sep
% of businesses (multiple answers per business possible)	%	%	%	%	%	%	%
Reduced customer demand	53	66	58	62	59	50	48
Victorian activity restrictions	0	0	0	0	0	19	21
Unable to visit sites (own sites or customers' sites)	5	1	2	1	3	7	10
Border restrictions	1	1	1	0	2	12	6
Disruption to supply, freight	15	5	5	7	7	11	9
Increased work - OH&S/HR policy	25	13	9	6	5	6	4
Increased work - OH&S procedures	18	2	1	0	2	5	3
Cost - cleaning consumables	6	5	4	1	2	2	2
Reduced productivity	4	7	9	1	3	4	3
Increased anxiety levels within workforce	20	2	3	1	2	3	1
Business closed or not operating	6	2	6	1	2	2	2
Positive/neutral impacts							
Little to no impact on business	5	6	16	22	20	15	13
Business has improved in the past month	2	0	0	7	18	13	14
Increased customer demand	11	7	6	1	1	0	4

**Table 2.3: What are the main impacts of COVID-19 on your workplace or business so far?
Responses by state, September 2020**

Negative impacts	VIC	NSW	QLD
% of businesses (multiple per business possible)	%	%	%
Reduced customer demand	52	62	37
Victorian restrictions	32	26	3
Unable to visit sites	47	9	7
Border restrictions	1	9	17
Disruptions to supply, freight	9	5	20
Increased work - OH&S/HR policy	5	3	3
Increased work - OH&S procedures	7	0	0
Cost - cleaning consumables	2	3	3
Reduced productivity	6	3	0
Increased anxiety levels within workforce	0	2	3
Business closed or not operating	5	2	0
Positive/neutral impacts	VIC	NSW	QLD
Little to no impact on business	10	9	7
Business has improved in the past month	9	12	20
Increased customer demand	7	2	3

3. What has been your response?

Businesses have responded to the COVID-19 global pandemic with a range of strategies. These responses are summarised in Tables 3.1, 3.2 and 3.3 and Chart 3.1.

Table 3.1: What has been your response?

Top five responses from businesses in September 2020

1. Employees working from home
2. Change to business procedures and shifts
3. Reduce employee work hours
4. Maintain employment with JobKeeper
5. Reduce employee numbers

The most frequently reported responses to COVID-19 by businesses have been:

- **Working from home** for some or all staff was implemented as an initial response by 55% of businesses reporting to Ai Group in March. This reflected the strong focus on health and safety in the first phase of the pandemic. Staff working from home continues to be a priority for businesses, with 32% of businesses saying they have staff work from home in September. In Victoria, 48% of businesses reported that their staff worked at home, compared to 9% in NSW and 20% in Queensland. Throughout August and September, the Victorian government required all staff to work from home unless they could not do so.
- **Changes to business processes and changing the way their shifts were organised** remains a substantial response to changed business conditions. Around 23% of businesses told us they had made changes to their procedures in September, up from 21% of businesses nationally in August. This included 16% of businesses in Victoria, 27% in NSW and 20% in Queensland in September.
- One of the most common responses to the pandemic in September was to make further **reductions to paid work hours**. As a strategy, this was implemented by 35% of businesses in April. Even with JobKeeper in place from May, 36% of businesses said they were still reducing paid work hours in July, falling to 18% in September. In Victoria, 20% of businesses reduced work hours in September, as did 18% in NSW and 20% in Queensland. Further reductions to hours in September were reported by businesses that had already reduced staff numbers and hours in previous months.

- Throughout this pandemic reducing employee hours has been preferred as a strategy over **reducing employee numbers**. This continued to be the case in September, with around 6% of businesses reporting that they have reduced their headcount in the month.
- Access to **JobKeeper** was singled out as a priority response for 16% of businesses, enabling them to maintain employee numbers in September. Across the states, accessing JobKeeper support was the primary strategy reported by 8% of businesses in Victoria, 27% in NSW, and 40% in Queensland. Respondents said they were concerned they would no longer qualify for JobKeeper in the months ahead due to changes in eligibility criteria and their financial situation. These businesses told us the JobKeeper wage subsidy (in effect from May) helped them maintain employment and work hours, which would otherwise have been cut.

Some respondents called for the JobKeeper wage subsidy to be extended for their industry or location, or changes to the eligibility criteria to maintain support for employees within their own business and to maintain support for their customers. Businesses are concerned they will face the dual prospect of a reduction in demand and a reduction in wage support at the same time in early 2021. For businesses who see a reduction or cessation of JobKeeper without a corresponding increase in revenue, cost reductions, including reducing employment numbers or employee hours, are likely to become necessary (see Box 2.1).

Box 3.1 Impact of JobKeeper: what did business people tell us in September?

Job keeper has stopped us reducing long-term staff. Possible redundancies due to losing JobKeeper next month.

[we will implement] some redundancies when JobKeeper ends; it was a great business support but it has stopped for us.

We are concerned that EOFY orders may boost GST deposits in September quarter and make us ineligible for continuing JobKeeper subsidy. If this happens, we will have to terminate some staff.

We are awaiting our customers' response to the reduction of support to JobKeeper and JobSeeker.

We do not qualify for JobKeeper 2.0 due to a very poor September quarter in 2019. We would qualify if we compared to the September quarter for any of the previous 5 years. we will need to reduce costs to match our new expected revenue.

The extension of the JobKeeper v1 and expansion of building stimulus would assist with maintaining our business.

JobKeeper needs to be maintained until the economy recovers.

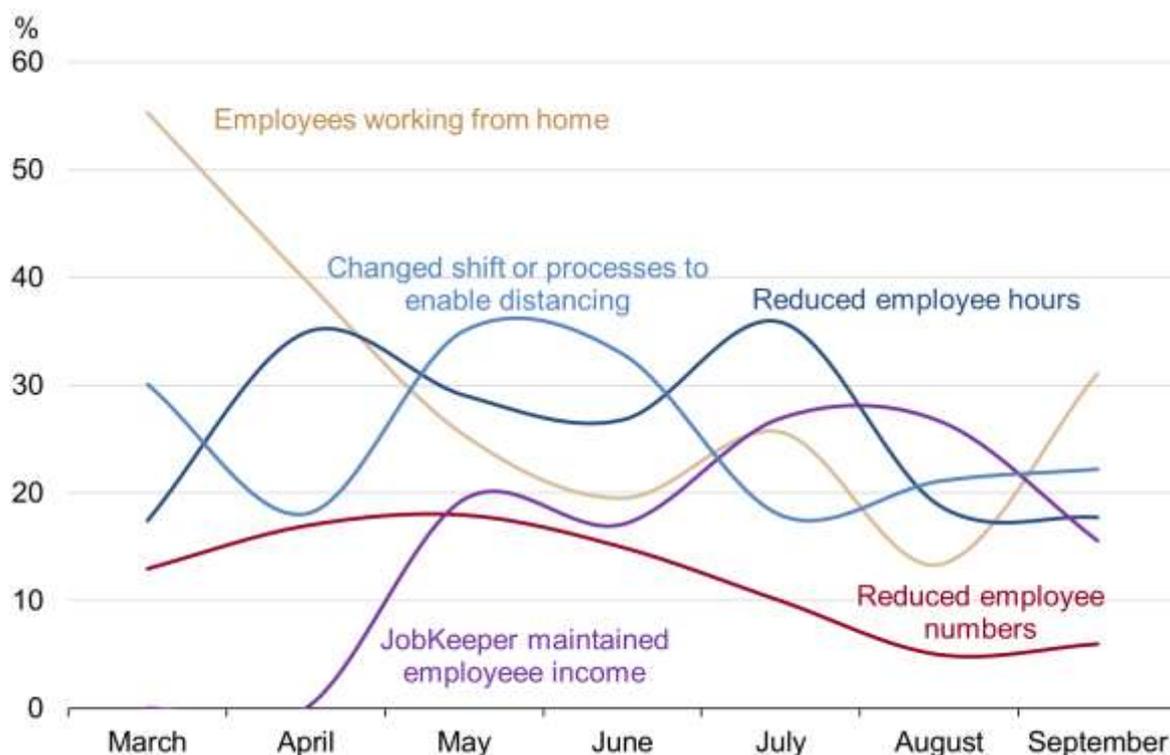
Some businesses described anomalies with implementing the JobKeeper wage subsidy. For example, some said their staff wanted to take unpaid leave and be paid only the JobKeeper allowance instead. Others reported difficulties recruiting new staff for jobs that have a wage rate that is very close to the JobSeeker payment.

- A small proportion of businesses said they were actively focused on **reducing costs other than labour** in September (4%). This was a similar level to April (6%).
- **Adjusting business plans** was an important factor for businesses in August, as the Victorian restrictions had a large impact. There were no changes to these conditions in September and so businesses did not need to adjust them again.
- Responses seen earlier in the pandemic such as increased communication, physical changes to sites and variations to payment terms were rarely mentioned by businesses reporting to Ai Group in August and September.

Table 3.2: What has been your response?

What has been your response?	Mar	Apr	May	Jun	Jul	Aug	Sep
% of businesses (multiple answers possible for each business)	%	%	%	%	%	%	%
Employees worked from home	55	40	25	20	26	13	31
Changed processes or shifts	30	18	35	33	18	21	22
Reduced employee hours	17	35	29	27	36	19	18
Maintained employment with JobKeeper	0	0	19	17	27	27	16
Reduced employee numbers	13	17	18	15	10	5	6
Changed site to enable distancing	3	0	13	2	1	1	0
Changed or consolidated business offering	0	2	1	0	5	3	7
Increased employee hours or numbers	3	1	1	1	3	3	4
Increased communication	17	8	6	1	3	1	0
Adjusted business plans	0	0	0	0	0	23	2

**Chart 3.1: What has been your response?
selected responses, March to September 2020**



**Table 3.3: What has been your response?
Responses by state, September 2020**

	VIC	NSW	QLD
% of businesses (multiple answers possible for each business)	%	%	%
Employees worked from home	48	9	20
Changed processes or shifts	16	27	20
Reduced employee hours	20	18	20
Maintained employment with JobKeeper	8	27	40
Reduced employee numbers	6	6	6

4. What would help you manage your business response to COVID-19?

The responses and assistance that businesses are seeking from the Government (and others) as a result of the COVID-19 pandemic have shifted considerably since March. The types of assistance required are summarised in Tables 4.1, 4.2 and 4.3 and Chart 4.1. Businesses often report on their own plans for recovery and the assistance they would like from Government (and others) in combination.

Many businesses told us that they would wait and see what effects easing restrictions have before adjusting business plans and would continue with current as they are until then. Respondents told us they would continue to reduce employee accrued leave and run-down inventory; reduce employee hours and numbers as well as managing other costs. When business picks up, they intend to employ new staff, increase investment, increase focus on marketing, take advantage of the digital gains that have been made such as online meetings instead of travel and the increased comfort level their customers now have with online platforms.

Table 4.1: What assistance or other measures would help you to manage your business response to COVID-19?

Top five factors that businesses say would assist them in September 2020
1. Ease activity restrictions
2. Ease border restrictions
3. Government financial assistance
4. Infrastructure investment to stimulate demand
5. Increased demand for locally produced goods

The types of assistance reported in September that will assist included:

- **Easing of activity restrictions** and a return to more ‘normal’ trading conditions was nominated overwhelmingly as a priority for 52% of businesses nationally in September. Unsurprisingly, 67% of Victorian businesses said they need restrictions to ease in September outweighing all other factors, while 50% of businesses in New South Wales and 27% in Queensland.

- In addition, **easing border restrictions** was a priority for 28% of businesses nationally in September, the highest proportion since the introduction of restrictions in Australia. It was significant for 18% of businesses in Victoria, 36% in New South Wales and 45% in Queensland. It would resolve many immediate problems for businesses, including faster freight, ensuring employees could access their employment sites, enabling businesses to visit their customers, and allowing sales teams to visit their customers' sites.
- **Direct financial assistance** from State and Federal Governments has been a prominent factor since April. This includes stimulus payments and grants, wage subsidies and relief from payroll tax. In September, businesses that have been primarily affected by state border closures were the most in need of financial assistance. 25% of businesses nationally wanted new or additional financial assistance in August, including 18% of businesses in Victoria, 29% in New South Wales and 27% in Queensland.
- **Infrastructure investment** was nominated as a means to support local economic recovery by 11% of businesses nationally in September. It was nominated by 27% of businesses in Queensland, 14% in New South Wales and 6% in Victoria.
- In order to stimulate local demand, 6% of businesses nationally called for greater **promotion of locally made goods**. Local promotions were suggested as a useful assistance strategy by 6% of businesses in Victoria and 7% in New South Wales, but none in Queensland. Businesses also suggested stronger **local procurement** provisions by government; investment to diversify supply chains; and increased public promotion of Australian goods (e.g., an advertising campaign). Some businesses are already benefitting from disrupted international supply chains as Australian customers look locally.
- Only a handful of businesses said that **increased certainty** was vital to improve conditions in September. In Victoria, it was the priority for 3% of businesses. This reflects the 'wait and see' holding pattern for many businesses, particularly in Victoria, where only a decrease in COVID-19 infections and the subsequent easing of restrictions will improve conditions.
- In the early stages, there was an urgent need for **clear rules and instructions** to help business respond to activity restrictions. Around 60% of businesses were asking for **more information** and simple, straightforward instructions in March. As of September, there were no businesses asking for more clear rules and instructions or more information. As well in the earlier stages of the pandemic, businesses needed assistance with imports and exports, domestic freight, access to PPE and employee management. By June, no businesses were still requesting these more practical types of assistance.

Table 4.2: What would help manage your business response to COVID-19?

What would assist your business?	Mar	Apr	May	Jun	Jul	Aug	Sep
% of businesses (multiple answers possible for each business)	%	%	%	%	%	%	%
Ease activity restrictions/return to normal trade	3	39	32	31	31	36	52
Ease border restrictions	0	0	5	8	6	15	28
Financial assistance	39	50	36	46	38	31	25
Infrastructure investment /local procurement	0	0	17	23	11	6	11
Increased demand for locally made products	0	0	0	0	3	7	6
Increased certainty	0	0	0	0	8	10	2
Clear certain instructions and rules	60	14	16	6	8	7	0
More information	57	11	8	9	12	0	0
Assistance with employee management	11	1	1	0	0	2	0
Improved access to PPE & hygiene products	9	1	2	0	0	1	0
Assistance with domestic logistics and freight	1	2	2	0	0	0	0
Assistance with imports, exports, trade	0	1	2	0	0	0	0

Chart 4.1: What would help you manage your business response to COVID-19?

Responses by month, March to September 2020

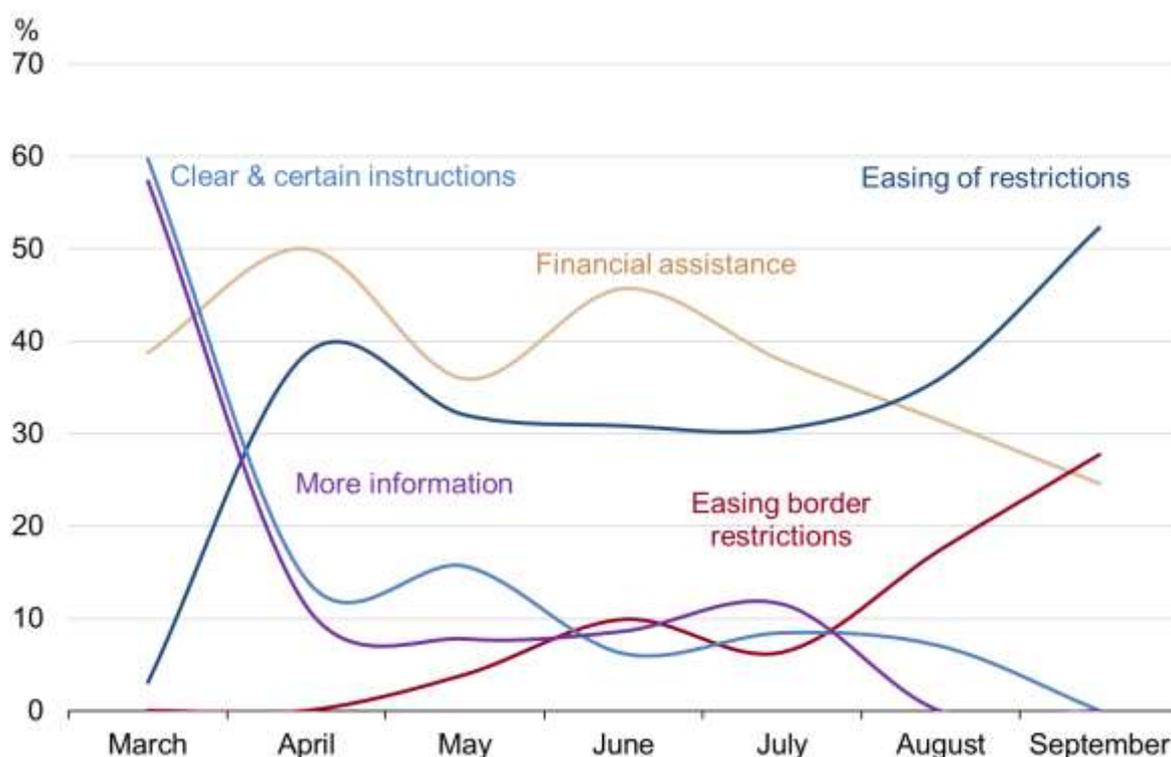


Table 4.2: What would help you manage your business response to COVID-19?

Responses by state, September 2020

	VIC	NSW	QLD
	%	%	%
Easing of restrictions/return to normal trade	67	50	27
Easing border restrictions	18	36	45
Financial assistance	18	29	27
Infrastructure investment /local procurement	6	14	27
Increased demand for locally made products	6	7	0
Increased certainty	3	0	0

5. Business responses, by month, by industry and by state

Ai Group received 1,525 detailed reports from businesses about their experience of the COVID-19 pandemic from March to the end of September 2020. A small number of businesses offered feedback in each of these months. Most businesses reported their experiences in detail more than once across this period. Business responses were received from all industries and states (Table 5.1).

These business reports are not intended to provide a representative sample of all Australian businesses or all of the Australian economy. Instead, they illustrate the concerns, issues and factors that businesses reported to Ai Group about the effects of the COVID-19 pandemic on their business in each of these months.

The data for each month includes all reports received from the first day of the month until the last, including reports added retrospectively. The reporting period for August and September includes the implementation of stage 3 restrictions in Victoria and stage 4 restrictions across Greater Melbourne from 2 August, which have not yet lifted.

Table 5.1: Business responses to Ai Group about COVID-19

Industry	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
Business services	50	31	43	23	38	40	35	260
Consumer services	26	7	17	11	19	16	14	110
Machinery & equipment manufacturing	24	29	40	30	37	37	39	236
Metals manufacturing	28	29	54	49	33	38	40	271
Other manufacturing (food, beverages, groceries, packaging, chemicals, building materials etc)	57	24	36	28	25	34	36	240
Construction & mining services	10	87	72	49	59	62	69	408
TOTAL	195	207	262	190	211	227	233	1525
NSW	63	57	92	58	67	71	72	480
VIC	78	67	83	57	75	83	89	532
QLD	37	37	36	34	28	31	34	237
Other states	17	46	51	41	41	42	38	276
TOTAL	195	207	262	190	211	227	233	1525



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