

## **MEDIA STATEMENT**

**1 July 2020**

### **Fresh data shows cafes expect prolonged road to recovery**

The Australian Small Business and Family Enterprise Ombudsman Kate Carnell says new figures show many café owners are tipping a long road to recovery, highlighting the need for additional support and in some cases, compensation.

According to the [\\*Harris Café Report](#), 80% of small business owners in hospitality – the majority of which are café owners – have said they won't be able to recover from recent hardships without third party assistance.

Ms Carnell says it's clear from the report released today, that cafes have been among the hardest hit by COVID restrictions.

"It's incredibly tough to be in small business right now and particularly if you happen to own a café," Ms Carnell says.

"More than 40% of respondents to this survey said they don't expect to be able to stay open for longer than six months without additional support and over half say they've lost 50% or more of their revenue over the past few months.

"What it tells us is there will be a prolonged period before these small business owners are back on their feet.

"JobKeeper has certainly been effective in keeping many of these businesses afloat, but some additional targeted support will likely be required to help these once-viable cafes get to the other side of this difficult time.

"We know that outbreaks will happen during this pandemic and that will mean localised lockdowns. We've now seen that happen in parts of Victoria, with small businesses impacted.

"In cases like this, where cafes have been forced to throw out stock due to a sudden lockdown, compensation should be made available to them.

"Although we know that outbreaks will happen and that will impact small businesses in those areas, it is actually impossible for a café owner to plan for that. They will lose stock, and for small businesses that are already seriously cash-strapped, there's a real risk an event like this could break them.

"Australia has a vibrant café culture and for that to continue, it's critical these small businesses have the support they need to grow and thrive."

**\*Note: The Harris Café Report is based on a survey of 1,000 cafe-goers and small business owners**

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