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#### **6-PAGE FEATURE**

RETAIL sales in Western Australia in June were higher than any month on record, outside of the Christmas period.

Nearly \$3.2 billion (\$3.3bn seasonally adjusted) went through tills across the state, according to Australian Bureau of Statistics data.

The numbers also indicate some positive news for employment in the retail sector.

ABS payroll data showed retail jobs down only 0.9 per cent since March 14, compared to a fall of 6.6 per cent as at early May.

All of that suggests retail, a good bellwether for economic activity, is recovering. However, WA isn't out of trouble yet.

There's the risk of a second wave of COVID-19 and a real potential for business failures as programs such as JobKeeper and insolvency protections are wound back.

Those who spoke to *Business News* were mostly optimistic.

Fremantle Corner Store owner Kevin Sanderson said consumers were keen to spend in the local economy, and the state's strong border approach was contributing to their confidence.

"We've been very busy this first part of the new financial year, although we're still down," he said.

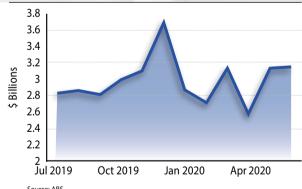
"It's not like people can go on holidays overseas."

**Corner Store** is one of many WA small businesses to have adapted its strategy as the shutdown bit.

Mr Sanderson said the retailer was not told to close, but did so for a period out of consideration for staff and customers.

Online sales, and making appointments for customers to come in store, became key.

FALL IN RETAIL
JOBS SINCE
MARCH 14
Source: ABS



"We shifted ... we had an online presence anyway, a robust platform that kicked into gear when this all hit," he said.

Mr Sanderson said Corner Store had broadened its offering since reopening, with a studio space for yoga and photography.

"That's going very well, people are wanting to get back out," he said.

Adapting strategies was a common theme among those small business owners who spoke to *Business News*.

**Genotyping Australia** rapidly expanded into processing COVID-19 tests, with staff numbers up from three to 13 in a month.

"We're a genetic testing company, we were mainly specialising in agricultural and aquatic testing," chief executive Mark Castalanelli said.

"We have lots of equipment that can process large numbers of samples every day."

Pathology lab equipment was similar,

Part of Genotyping's bigger offering included two fly-in, fly-out staff members for a remote lab on Barrow Island for Chevron's Gorgon project, to test the island's workforce.

Dr Castalanelli said the market for COVID-19 testing might not last, but the company's core business was also growing.

# We shifted ... we had an online presence anyway, a robust platform that kicked into gear when this all hit - Kevin Sanderson

#### Accelerated

Bunbury retailer **The Green Depot**, which sells indoor plants and floristry services, boosted its existing online growth plans amid the pandemic shutdown.

Co-owner Bronwyn Snelling credited that move with helping keep sales flowing.

"COVID-19 pushed us to act quicker on those plans," Ms Snelling said.

"[Otherwise] maybe it would've been a slower transition over three to six months."

Located in the Bunbury CBD, the business kept its doors open as much as possible during the restrictions, despite being ineligible for JobKeeper support or a rent relaxation.

"Having a small CBD in Bunbury, everyone was aware of everything everyone else was doing ... we tried to band together," Ms Snelling said.

"When there was a full lockdown, it was like a ghost town."

Ms Snelling warned a second COVID-19 wave would push many businesses over the edge.

She supported continued border restrictions.

"Avoiding a second wave is going to be key for a lot of businesses in our town, particularly as a regional centre," Ms Snelling said.

"If there's going to be a second wave, there's going to be a lot of people who won't make it through."

Similar to other business owners, she said the border controls gave consumers confidence to spend.

Gerry Matera owns three businesses in different sectors, with each presenting a different perspective on the pandemic's impact.

The biggest hit had been to **Gather Foods**, Mr Matera said, which operated a Bayswater facility and a Beaufort Street delicatessen employing 12 people.

"The food business was probably the scariest because everything went into shutdown," Mr Matera told *Business News*.

"Honestly, it gave me a few sleepless nights.

"We went online and started doing home delivery."

The deli also broadened its offering from bespoke foods and ramped up its marketing.

Meanwhile, Mr Matera's security business, **Eon Protection**, has won contracts for COVID-19 related work.

"We were looking after homeless people across Perth, housed down in Coogee at a shelter," he said.

Another tender is in the pipeline for hotel security.

Mr Matera's third business, **Marawar**, had taken on more construction and maintenance work, with the government's infrastructure stimulus package offering opportunities.

He was also supportive of a strong border, for now.

"It does secure our economy and give people a sense of normalcy," Mr Matera said.

#### Adapting

Small Business Development Corporation commissioner David Eaton told Business News the pandemic and shutdown had put the focus on flexibility and the capacity to adapt to different business models.

"COVID has brought into focus the need to revise and adapt," Mr Eaton said.

He said there had been increased focus on businesses' financial situation, contracts, mental health, and digital literacy.

Mental health was important all the time, but particularly so for small business owners now, during a period of great stress, Mr Eaton said.

The increased use of technology was a major consideration, he said.

That varied from electronic bookings to new digital sales channels supplementing bricks-and-mortar stores.

The economic impact of the pandemic had been deeper than the GFC, Mr Eaton said, because of behavioural change in addition to the financial impact.

**Small Business Lounge** founder Brooke Arnott said many operations had boosted their online presence, using e-commerce platforms supported by marketing, particularly on social media.

Ms Arnott said her team had done a lot of work in cash flow forecasting, and testing clients for JobKeeper eligibility after recent rule changes.

There would be a bit of pressure as that program was gradually reduced, she said, although local businesses were generally faring better than in many other places.

"In WA, we've been very lucky," Ms

"The small business community here in Perth, aside from hospitality, tourism, beauty... has been flowing along well."

Edith Cowan University Business and Innovation Centre manager Desiree Walsh said while WA was experiencing a healthy recovery, it had been

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# Why a pandemic is a great time to start a new business



Jamie Davison
Co-Founder, Carbon

A t first glance, the concept of launching a new business during a global pandemic may be a

bit crazy. However, the crisis has opened a door for savvy entrepreneurs willing to take their shot.

Many well-known and successful businesses emerged after a global crisis. From the launch of Disney in 1929 during the Great Depression to the more recent big-hitters like Uber, WhatsApp and Instagram, all who started after the 2008 US recession. In Australia, we're already seeing an increase in new business registrations, with a 6% increase from March-June 2020 compared to 2019\*.

With high levels of unemployment part of the new normal, a lot of what has traditionally held us back is no longer on the radar. So why not *carpe diem* - seize the day. Three key areas of opportunities are:

#### 1. React faster to the new customer demand.

COVID-19 has opened many new paths and raised a few issues we need solutions to. New businesses have the unique ability to react faster, which is appealing to customers.

**2.** Expand on digital opportunities and explore new options. The pandemic has significantly increased our reliance on and demand for technology. Entrepreneurs can factor this into their new business plan, rather than needing to undertake a costly overhaul to existing processes.

#### 3. Large talent pool to choose from.

The number of talented people who are looking for work is at an all-time high. Whether you're looking for a co-founder or teammate, you will have a higher percentage of skilled and experienced people to choose from than if you wait.

With these in mind, prospective entrepreneurs who had initially parked their great business idea because of the pandemic should jump back into the fast lane and get to work.

Starting a new business can be scary, but Carbon can help. Get in touch with us to get started.



(08) 9446 8588 www.carbongroup.com.au

\*Source: Australian Securities & Investments Commission: https://asic.gov.au/regulatory-resources/find-a-documentstatistics/company-registration-statistics



# Border closures are having a magnified impact on some WA businesses, with calls for a clear strategy on reopening and possible compensation.

#### **Matt Mckenzie**

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JUSTIN Poor understood why governments acted to close borders when the COVID-19 pandemic hit Australia.

However, more than four months on, he said the lack of certainty was crushing his business, Sports Travel Managers.

"Government has to understand our industry is haemorrhaging," Mr Poor told Business News.

Sports Travel Managers organises travel for businesses, sporting groups and young athletes, for events and competitions.

With international and interstate travel blocked, Mr Poor said the business had ground to a halt.

It is not clear when the borders will reopen, with the state government revising its plan to relax restrictions this month due to outbreaks in Victoria, while international travel may be off the agenda until late 2021.

Mr Poor estimated he would lose as much as \$500,000 in

He said domestic tourism was crucially important for Sports Travel Managers, making up between 60 per cent and 70 per cent of revenue.

"When the pandemic hit, everyone was in shock ... close the border, we didn't know how long it would last." Mr Poor said.

"Even though it was tough for travel, you could just delay things or work with clients."

Those hopes gradually disappeared, however, and Mr Poor said he was now unsure his business would survive.

The JobKeeper payment was covering part of Sports Travel Managers' wages, although it only amounted to about 30 per cent of costs.

Mr Poor said he was fortunate he had fewer outgoings than

other operators, such as those associated with a shopfront

"I'm just trying to keep my head above water with JobKeeper and doing contract work," he said.

"[If it doesn't change soon] I'd have to consider walking away from my business.

"There's still no date [to reopen], and because there's no date I can't even ring my clients.

"There's no surety the borders will come down."

Mr Poor urged the state government to develop a clear and confident plan to reopen borders, or otherwise compensate those businesses most severely affected.

"Business shouldn't be thrown under the bus ... it's killing the entire industry." Mr Poor said.

"We're just being told to put up and shut up.

"There's a massive chain effect.

ut up.

"There's a bigger picture, people just think 'travel agent', there's so much more to the industry."

The supply chain in travel globally had been overwhelmed, he said, and it was about more than holidays.

"People don't just travel for holidays," he said.

"They need to travel for business, for their families, for sports."

Mr Poor said the business community had split into two camps, but understood why some wanted to keep the borders closed.

"[There are] those who want to keep it locked down and those who can't survive," he said.

"If the insistence is the borders need to stay up, travel businesses need to be compensated.

"We've become so fearful we've forgotten how to be human."

#### Industry

Australian Federation of Travel Agents chief executive Darren Rudd said almost all the agency's membership had reported drops in revenue of 90 per cent or more during the pandemic.

"Only three countries in the world have completely closed their borders: India, New Zealand and Australia," Mr Rudd said in a recent statement.

"While we understand the health rationale, we need to find a way forward by working together to end this commercial and cultural discrimination and get us travelling again."

Data from the Australian Bureau of Statistics showed jobs in tourism fell 3 per cent nationally in the year to March 2020, driven by bushfires and the start of the pandemic.

In June, Tourism Council WA said research showed the state was losing 42 jobs every day interstate travel was banned, but declined to release the analysis to Business News.

Airbnb said in June that samestate travel was up 71 per cent in WA in the last week of May compared to the prior corresponding period, while *Business News* has reported positive sentiment among many tourism businesses in regional WA.

We've become so fearful we've forgotten how to be human - Justin Poor

## Pain tolerance tested for business

From page 23

an incredibly stressful and uncertain time for many small businesses.

And while some had a view that businesses were impersonal, recent months had shown how heartbreaking it could be.

That included social impacts, such as marriage stress or owners needing to sell their homes, and long periods with insecure accommodation.

"It has been a terrible time for everyone," Ms Walsh said.

"It's quite a different sort of economic disruption. It's affecting everybody."

Businesses with leases were under particular pressure, she said.

The silver lining was that many businesses had been flexible and pivoted their offering.

Those who had long acknowledged a need to improve social media presence had taken action to do it, Ms Walsh said,



**ENGAGED:** Gerry Matera says his food retailing business has been hit harder than his construction and security businesses. **Photo: Gabriel Oliveira** 

and businesses would be more willing to take advantage of advisory services.

#### Ahead

Just 21 WA businesses entered administration in June, according to **Australian Securities** 

and Investments Commission statistics.

That compared to 84 in June 2019.

It suggests the federal government's changes to insolvent trading laws have offered breathing space for businesses.

However, it could also mean a big wave of insolvencies hit when the laws are tightened at the end of September.

This will coincide with a tapering of the JobKeeper wage subsidy payments, which will reduce to \$1,200 per fortnight in

It [hard border closure] does secure our economy and give people a sense of normalcy

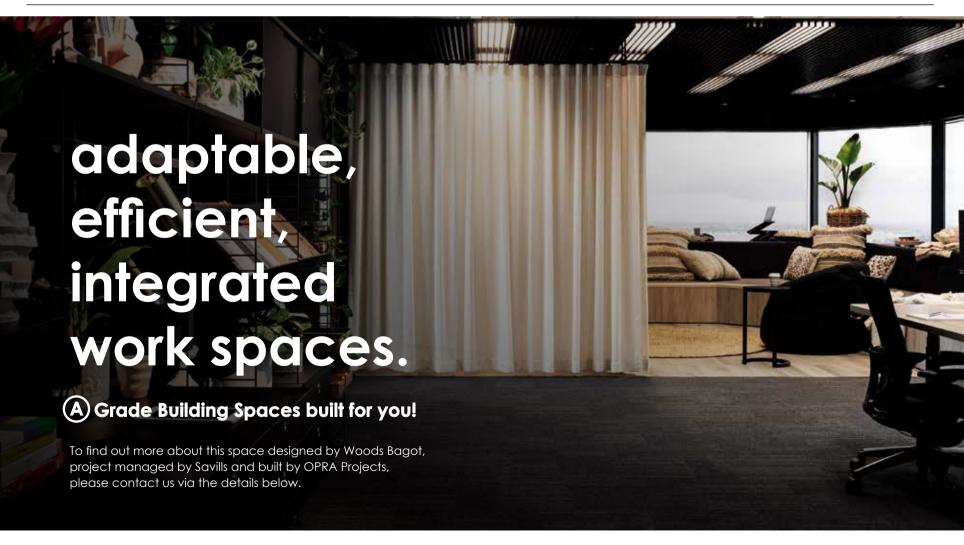
- Gerry Matera

the December quarter, or \$750 per fortnight for staff working fewer than 20 hours.

Ms Walsh said care would be needed to get these policies right.

The government had interfered in the ability of many businesses to trade, and there was an argument for compensation, she said.

It would also be important that struggling small business owners weren't left in a worse position than those receiving other forms of support, Ms Walsh said.



**FEATURE SMALL BUSINESS** 

### Data & Insights

# WA'S LARGEST STARTUP CO-WORKING SPACES Ranked by total size of all space(s), in square metres



Rank	Company name	Senior executive and title	Year est. in WA	Total size of all space(s) in square metres	No. of spaces	Suburb location of space(s)	Services Provided	
1	WeWork	Mr Balder Tol General manager, Australia	2019	11,314	2	Central Perth, Northbridge	WeWork is a global business. It's co-working spaces support established companies and startups alike. High speed internet and onsite staff take care of daily operations.	
2	International Workplace Group	Ms Dayle Parkins Area sales manager - WA	1990	9,300	5	Central Perth (3), West Perth, Osborne Park	Global workspace business IWG owns the Regus and Spaces flexible office brands. Its newest Perth location is Space The Wentworth, a 2926sqm facility that opened midway through 2019.	
3	Spacecubed	Mr Brodie McCulloch Managing director	2016	6,000	5	Perth (3), Yanchep, Mandurah	Spacecubed has several co-working facilities in Perth including FLUX, Core, Riff, Make Place & Y.hub. Its spaces are tailored for specific industry segments and offer co-working spaces, private offices, meeting rooms and event spaces.	
4	Liberty Flexible Workplaces	Mr Jamie Vine Chief executive	2010	5,700	5	Central Perth (3), West Perth and Burswood	Perth-based Liberty offers a flexible co-working space for professionals seeking a collaborative hot desking or shared office environment combined with corporate facilities.	
5	<b>Business Station</b>	Mr Colin Jorgensen Chief executive	2003	3,450	3	Gosnells, Joondalup, Wanneroo	Business Station is a not-for-profit, government-funded organisation providing small business advisory and support services. If offers office space to eligible businesses at a heavily reduced rate. Businesses have access to a range of advisory services.	
6	Servcorp	Ms Cleo McLachlan Business manager	1978	1,500	2	Perth	$\label{eq:ASX-listed} \textbf{ASX-listed Servcorp has a global network of workspace solutions, including serviced of fices and co-working spaces.}$	
7	Victory Offices	Ms Claire Duncan Manager	2018	1,100	1	Perth	Victory Offices is an ASX listed flexible workspace provider. It's Perth location offers private offices, meeting rooms and co-working spaces.	
8	Maker + Co	Mr Craig Holland Co-owner, director	2016	1,000	1	Bunbury	$\label{lem:maker} \textbf{Maker} + \textbf{Co} \ \text{is a social enterprise that connects investors, creatives, entrepreneurs} \\ \textbf{and innovators.}$	
9	Claisebrook Design Community	Ms Beth Parker Community manager	2016	930	1	Perth	Airconditioning, free bike hire, mailbox function centre, printing, coffee discounts, lockers, kitchen, cafe, meeting rooms, storage options, high speed internet, showers, boardroom, free public transport zone.	
10	Dexus Place	Ms Alex Stroud Community & business development executive	2019	930	1	Perth	Dexus Place Perth is a purpose-built meeting room, conference venue and events facility located at 240 St Georges Terrace. It was launched in October 2019 and is a flexible office space options for Dexus tenants across Australia.	
11	Officenexus	Mr John Uifelean General manager	2017	800	1	Perth	Well established full service co-working space located on the fringe of the CBD in Perth. A number of private offices as well as meeting rooms, co-working desks and hot desks available for long and short term hire.	
12	Y.hub	Ms Ophelie Cutier Operations manager	2018	800	1	Yanchep	Y.hub is positioned as the primary co-working space in northern metropolitan Perth with tailored offices, co-working, programs and events. It is supported by Spacecubed and property developer Yanchep Beach Joint Venture.	
13	The Platform Perth	Ms Wen Li Lim Managing director	2017	600	1	Perth	The Platform opened as an events space for the not-for-profit and social enterprise sectors, and expanded with Purpose Studio, an office that encourages collaboration and inspires creativity.	
14	The Lab Factory	Ms Donna Bates Co-founder	2016	510	1	Rockingham	The Lab Factory is a collaborative co-working space, with open work spaces and private meeting rooms.	
15	Studio Startup	Mr Peter Rossdeutscher Manager	2013	370	6	Perth	Studio Startup has serviced offices in Perth CBD - The Studio and TechHub, and offers programs powered by the advisory group Atomic Sky.	
16	Tank Stream Labs	Ms Mira English Community manager	2018	350	1	Perth	Co-working space	
17	Pollinators	Ms Angie West Space + collaboration lead	2010	323	2	Geraldton	Social enterprise Pollinators operates CityHive, providing co-working, meeting, event and office space in the Geraldton CBD.	
18	M Space	Mr Eddie Liew Director	2018	300	1	Burswood	M Space is a co-working facility in Burswood, including meeting rooms, private offices and agile workplace facilities.	

19 \(\frac{1}{2}\)

Data & Insights

**GET THE FULL LIST ONLINE** Q businessnews.com.au/bniq/startup-co-working-spaces

All information compiled using surveys, publicly available data and contact with industry sources. Other companies may be eligible for inclusion. If you believe your company is eligible, please email: claire.byl@businessnews.com.au WND: Would Not Disclose, NFP: Not For Publication, N/A: Not Applicable or Not Available.

SMALL BUSINESS FEATURE

### Data & Insights

## WA'S LARGEST STARTUP ORGANISATIONS & PROGRAMS

Ranked by \$ value of funding provided by the organisation



Rank	Change from previous year	Company name	Senior executive and title	Year est. in WA	Type of service to start-ups	\$ value of funding provided this year	Principal source of funding: sponsors/ government/crowdsource (%)	Name of corporate sponsors and government funding programs supporting your program
1	<b>^</b>	BetterLabs Ventures	Mr Derek Gerrard Venture fund manager	2018	Venture funding, mentoring, advisory board	NFP	RAC	RAC
2	<b>↑</b>	Accelerating Commercialisation	Ms Sheryl Frame Commercialisation facilitator	2014	Competitive grant funding; commercialisation assistance	\$3,000,000	100% matching federal government grant	Accelerating Commercialisation is part of the \$485 million Entrepreneurs' Program.
3	<b>↑</b>	Business Station	Mr Colin Jorgensen Chief executive	2003	Organisation, program	\$2,100,000	Incubation programs are supported by ECU and the City of Gosnells and internally. Federal and State Govt for business advisory programs .	AusIndustry (Federal Government), Edith Cowan University, City of Gosnells, Small Business Development Corporation
4		Business Foundations Inc	Mr Phil Kemp Chief executive	1993	Program	NFP	Government	Department of Employment, Skills, Small & Family Business
5	Ψ	Innovation Bay	Ms Paula Taylor Perth city lead	2015	Events, programs, membership organisation, podcasts	NFP	Sponsors and government grants	KMPG High Growth Ventures, Macquarie Capital, Amazon Web Services (AWS), Firemark Ventures (IAG)
6	<b>^</b>	Centre for Entrepreneurial Research and Innovation	Mr Charlie Bass Founder	2015	Organisation	NFP	Philanthropy - by founder Charlie Bass, government grants, other philanthropic donations	AusIndustry - Incubator Support Program, Western Australian Government Innovation Grant, Accelerating Commercialisation, MTP Connect
7	Ψ	Plus Eight	Ms Isabelle Goldfarb Head of programs	2016	Program	\$350,000	Investors (sponsors)	Spacecubed, BetterLabs, Hawaiian, Gooding Partners, and JacksonMacDonald
8	<b>1</b>	808 Ventures	Mr Gary Macbeth Managing partner	2016	Venture Capital, advisory	\$250,000*	Local and international high net worth individuals, family offices	
9	Ψ	CORE Innovation Hub	Ms Tamryn Barker Co-founder, skills & partnerships lead	2016	Programs, events	\$250,000	Industry sponsors 80%, government grants 20%	Minerals Councial Australia, METS Ignited, WesTrac, Austmine, Unearthed, Spacecubed, Incubator Support Grant
10	<b>↑</b>	Perth Angels	Mr Ian Brown Chair	2010	Organisation	NFP	Operational funding sourced from membership, sponsorship and events. Investment funding sourced from individual members and investor community.	New Industries Fund WA, ANZ, Carbon Group, Ideabank Ventures, NAB, City of Perth, Atomic Sky, Liberty Executive Suites, BDO, Murfett Legal, Triangle Equity Partners
11	<b>↑</b>	Curtin Ignition	Ms Danelle Cross Manager	2011	Annual Program for entrepreneurs	NFP	Tertiary, government, sponsors	Curtin University, Dept of Commerce, Dept of Local Govt and Communities (Women's Interests) and (Office of Multicultural Interests), AusIndustry
12	Ψ	WA Digital Health Accelerator Program	Ms Tracey Wilkinson Founder	2019	Accelerator Program	\$100,000	State Government- Department of Jobs, Tourism, Science and Innovation	X-TEND WA grant from the New Industries Fund, Telethon Kids Institute, Linear Clinical Research, Curtin University, The University of Western Australia, Murdoch University
13	<b>↑</b>	Bloom	Ms Jasmin Ward Launchpad facilitator	2013	Organisation	NFP	Partnerships, memberships, events	St Catherine's College, University of Western Australia, Woodside Energy, Squire Patton Boggs, RAC
14	<b>^</b>	Spur	Mr Graeme Gammie Chief executive	2016	Program	\$99,599		
15	<b>↑</b>	Curtin Accelerate	Mr Rohan McDougall Director, IP commercialisation	2013	Accelerator Program	NFP	Curtin University	Curtin University
16		Unearthed	Mr Justin Strharsky Founder, director	2013	Program	\$70,000	Industry	Origin, Advance Queensland, METS Ignited, River City Labs
17	<b>↑</b>	West Tech Fest	Mr Rohan McDougall Co-founder	2012	Programs, events	NFP	Curtin University	City of Perth, ACTAI Global, US State Department, WA State Government New Industries Fund, Upstart Investments, Spacecubed, Innovation Central, MTP Connect, Start up News

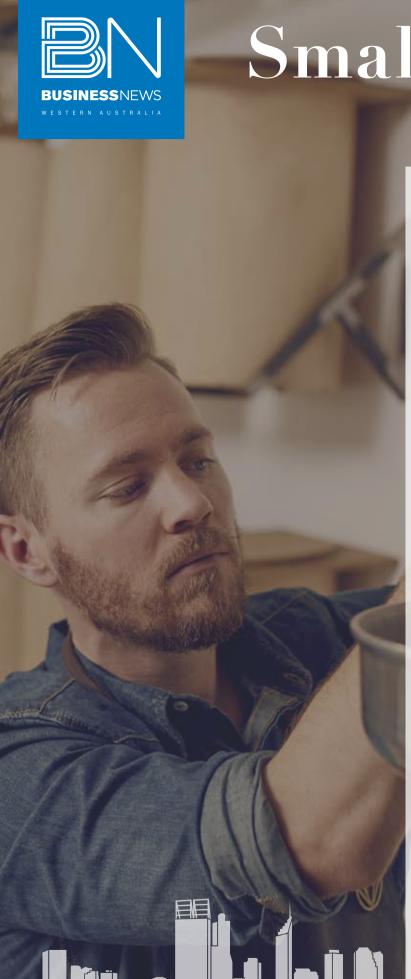
18 <del>1</del>5 51

\*estimate

Data & Insights

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All information compiled using surveys, publicly available data and contact with industry sources. Other companies may be eligible for inclusion. If you believe your company is eligible, please email: claire.byl@businessnews.com.au WND: Would Not Disclose, NFP: Not For Publication, N/A: Not Applicable or Not Available.



# Small Business SPECIAL REPORT

### Data & Insights

Showing 6 of 3350

The Small Business Development Corporation - helping to support your local business community

producer," Mr Klasens said. Small Business Development Corporation David Eaton ...

The Small Business Development Corporation - helping to support your local business community

Tech trends – can you afford not to be a tech savvy small business?

With COVID-19 causing havoc across the country, there's never been a more crucial time to ensure your business is utilising technology to the best of its ability. ...

Relief packages for tourism, small businesses

Scott Morrison says getting small businesses back on their feet is critical.

\$154m package to protect tenancies, boost construction

of WA Civil Contractors Federation WA Small Business Development Corporation Mark McGowan John ...

Wirra Hub backs indigenous business

Wirrpanda Foundation Indigenous Business Australia Small Business Development ...

Perth consumers most confident

Mckenzie Small Business Retail Consumers in Perth are more confident than any other major capital by some ... behing only Melbourne on 13 per cent. Around 40 per cent of WA small businesses were fairly confident or ... special report on small business in the upcoming edition of Business News for a further analysis about the ...

\$2m in grants for WA businesses

Government Small Business Reaching an ambitious 90,000-resident target by ...

Jobless rate to spike further: CCI

Unemployment is expected to rise further in WA. Small ... Business Brownes Dairy has moved back into the local cheddar cheese market, launching a WA-made range in an ...