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Westpac SME Insights

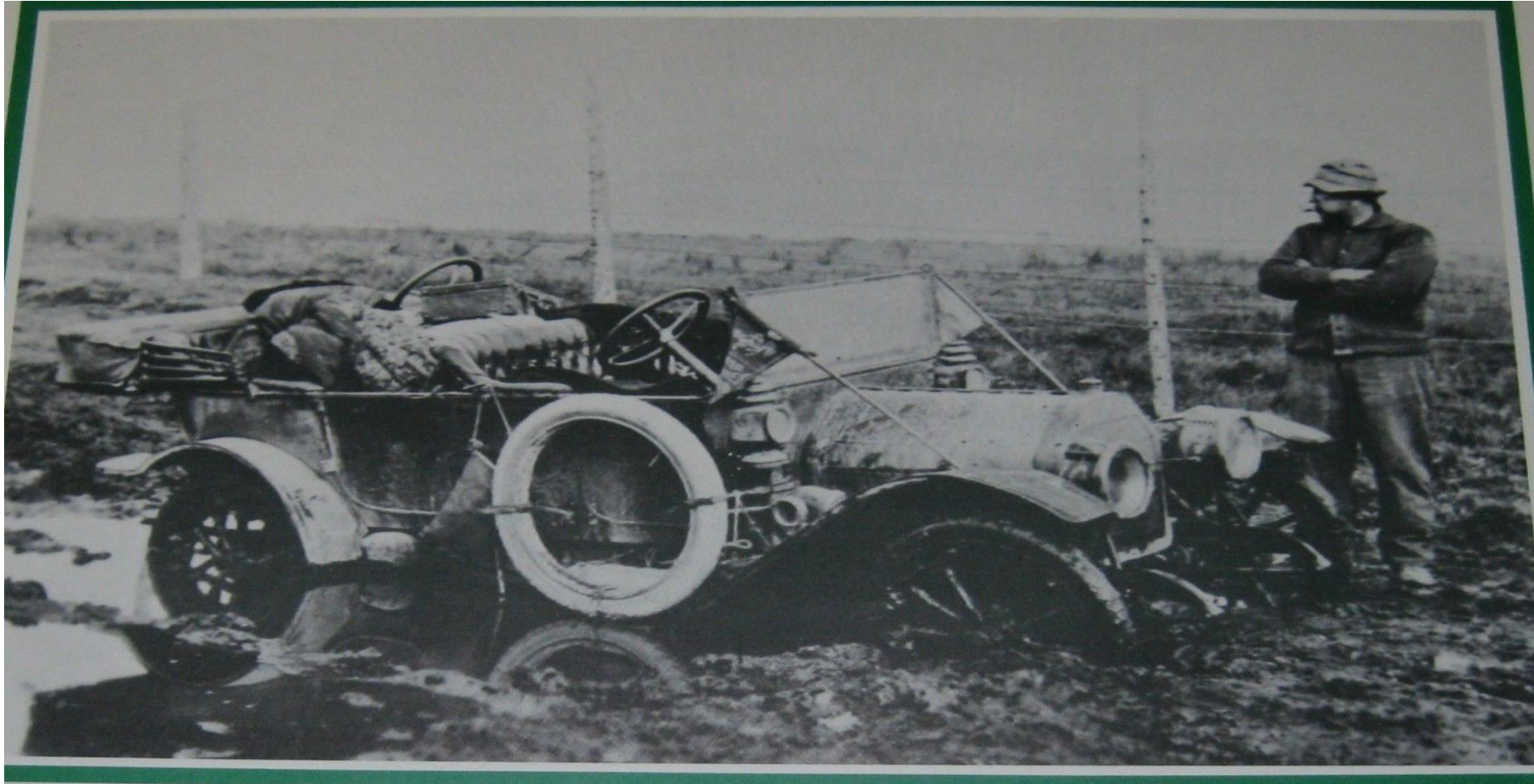
**Presented by Scott Parry
State General Manager**

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Westpac in Emerald



Murphy was an optimist...



The International Front

- Just as Trade War fears eased, the Coronavirus hit the Chinese economy hard. But its impact will be transitory and while some growth will be lost this year, recovery in the second half of 2020 should be at least a 6% year pace. Policy response will be important.
- All dependent on the containment of the virus. While it appears that containment is working in China and infection rates are falling, the worry is the spreading of new outbreaks outside of China.

US Election

- President Trump has yet to formally outline a second term agenda but more of the same seems very likely, including tax cuts 2.0%, deregulation, infrastructure and an aggressive approach to global trade.

The Australian Economy

- The coronavirus and bushfires hit growth in the first half of the year with a growth rebound in the second.
- Total losses ~\$5b – bigger than Vic 2009, smaller than 2010-11 Queensland floods – about half covered by insurance with remaining costs covered by government assistance.
- Economic impact – severely affected areas ~ 1% of Australian economy – agriculture and tourism focussed.
- Direct effect on local activity (including smoke pollution) – indirect via confidence and wider tourism industry – rebuild is a net positive in 2nd half.

Meanwhile in Queensland

- Queensland's modest turnaround continues.
- Queensland growth has levelled out with population growth. House prices are recovering but employment growth has stalled.
- Population growth has stabilised as net migrant flows, both interstate and international.
- Residential construction correction has mostly run its course.
- Unemployment stable.

Still in Queensland



Small Businesses at the Crossroads

- Will require the collective effort of government, industry and business.
- Need the experienced, traditional, mature small businesses to adapt and in some cases, reinvent themselves – a revival of the sector.
- To continue to be successful, SME Businesses need to discover a new source of growth & resilience.

**Product or Service
Innovation**



**Access to new
Markets**




**Simply the ability
to adapt**


Product or Service Innovation



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The Ability to Adapt

Corban & Blair

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WAGIBAA

Design inspired by the lines of Yuwaalaraay country. In collaboration with Lucy Simpson from Gaawaa Miyay Designs.

SHOP NOW



Right now, successful SME's are:

1. Far more likely to be engaging in community actions.
2. More concerned about technology.
3. More engaged with government.
4. More likely to earn income from government.
5. Twice as likely to have international consumers and businesses as their main customers.
6. Better processes to take on new employees.

The Voice of a SME Customer

1. Government grants.
2. Barrier to employment – lack of flexibility.
3. Neglecting personal super.
4. Help reduce the red tape & regulation.
5. Help with education and awareness for businesses – help us think through the future.
6. Need help with decreasing energy costs and rental costs.
7. Small business tax cuts.

- Businesses of Tomorrow program
- Davidson Institute courses
- Introduction of Biz Invoice helping over 10,500 customers
- 24/7 in app support for mobile banking
- Business Advantage
- Connect Now technology

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Central Highlands Development Corporation

