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Viral vid speaks to sadness of Sydney

Paul Nicolaou



A devastated Sydney restaurant posts a heartbreaking closing-down video and records more than a million views within days.

That's more than just going viral. The Zafferano Trattoria restaurant's cry of frustration touched a raw nerve with thousands of businesses hanging on by their fingernails.

As Prime Minister Anthony Albanese prepares for his government's economic and productivity summit, it's a cry that can't be ignored.

The reasons for the business closure crisis are clear and sobering. Soaring input costs – food, energy, insurance, rents, regulation and wages – all stripping profitability.

Combined with cost-of-living pressure forcing people to cut back on dining out, shopping, and discretionary purchases.

On that score, there is some hope. Interest rates are falling and household discretionary spending jumped in May, the strongest growth since October.

But this could be too little too late for CBD businesses still trying to recover from pandemic-era losses while battling rising expenses and shrinking demand.

Nearly 7 per cent of the CBD's 143,000 businesses are forecast to close within the next year.

One in 11 hospitality businesses shut their doors in the year to February.

These closures represent more than an economic issue – they're also a social problem because businesses are integral to the life and character of Sydney.

When one shuts, it leaves a gap in the city's soul.

Business Sydney echoes the sentiments of the Zafferano Trattoria restaurant owners who had the courage to speak up.

This is not their failure. Instead, it reflects an economic environment that is unconducive to small business survival.

Prime Minister Albanese and Premier Chris Minns, please listen and act. Reduce cost pressures, increase consumer confidence and make it easier for businesses to operate and grow.

It's not about handouts. Reform outdated regulatory burdens, reduce unnecessary red tape and stem runaway costs in insurance, energy and leasing.

Support a return to vibrant city life by encouraging foot traffic, major events and tourism.

Let's have no more heart-rending farewell videos before we realise what we've lost.

Paul Nicolaou is executive director of Business Sydney