The pain of closing a business

Paul Nicolaou

The sudden closure of much-loved local businesses is often felt like a death in the family.

We see it in the outpouring of grief for a family-run Marrickville delicatessen closing after serving its loyal customers for 54 years. Father and son Harry and Jim Costinis's Lamia Super Deli has succumbed to rising business costs and high import prices.

The federal budget tax changes didn't help either.

Sadly, it is just one of many small businesses forced to fly the white flag in tough economic times.

More than 14 NSW businesses are closing each day, on average, some after decades of service, because of economic pressures.

Hospitality, construction, and retail sectors are among the hardest hit under the burden of energy and fuel bills, payroll taxes and reduced consumer discretionary spending.

Losing customer-friendly businesses like Lamia isn't just one of those things that happen and can be easily shrugged off.

In so many cases, these businesses are part of the social fabric.

A closed shop becomes a scar on a suburban high street that can trigger more closures.

Just look at the urban blight of Parramatta Rd, still crying out for sensible redevelopment.

A recurring theme is that government charges such as payroll tax are among the cost pressures driving closures.

Premier Chris Minns and Treasurer Daniel Mookhey should reduce the burden.

Canberra could also be doing far more to reduce red tape and compliance costs, and local councils should simplify planning, improve parking and do more to activate main streets.

Special attention must be given to the record number of construction industry collapses.

Builders face the vicious cycle of fixed-price contracts, skyrocketing material expenses and severe labour shortages.

Irrespective of the sector, business closures hurt us all.

Let's get back to celebrating openings rather than having to mourn closures.

Paul Nicolaou is Business Sydney's executive director