

# Small Business Power Research Report

Small business perspectives on the effectiveness of COVID-19 energy protections and support.

Prepared for:

Energy Consumers Australia and COSBOA

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# Background

There are more than 2 million small businesses employing over 6.5 million Australians.

It therefore follows that the wealth and well-being of the Australian community is enhanced when small business friendly policy, protections, and regulatory settings are advanced by all Australian governments.

Small businesses are significantly more at risk than large businesses from economic shocks and are often expected to make informed and engaged decisions across a range of issues with fewer resources.

In the past three years alone, small businesses have disproportionately weathered the impacts of droughts, bushfires, floods, a recession, and the COVID-19 pandemic.

Despite the important role small businesses play in Australia's economy, there is a lack of qualitative data and awareness around the effectiveness of existing BAU and crisis consumer protections.

COVID-19 has highlighted the importance of such

protections, particularly with relation to small businesses. The past 18 months have made it clear that small businesses require additional, targeted assistance with their energy bills and usage. Further information is needed around what consumer protections can be best tailored to meet the unique requirements of small businesses and promote effective and informed decision making in the NEM.

The lack of qualitative data on consumer protections for small businesses limits the ability of advocacy groups to engage meaningfully in this space. Small business is currently lacking a voice in the NEM.

As ECA has informed COSBOA, the COVID-19 Consumer Hardship Protections Working Group is actively considering what and how additional protection might be extended to the small business sector going forward.

Given this, it is more important than ever that small business needs and experiences are adequately represented, to potentially inform working group deliberations for meaningful supports.



# Project Objectives

The Small Business Power research project will provide further information for government, including the COVID-19 Consumer Hardship Protections Working Group, to make informed and effective policy and program decisions and recommendations relating to the NEM.

The project outcomes will encourage advocacy groups to actively engage in promoting effective policy, provide small businesses a voice in the NEM, and encourage implementation of effective consumer protection measures, thereby promoting active demand-side engagement and decision-making.

The purpose of this research is to empower small business consumer advocates to pursue effective advocacy, supported by evidence-based research and small business testimonials. Effective advocacy influences decision makers to implement effective policy, directly benefiting small businesses.

## **COSBOA's project aims to achieve the following outcomes:**

1. Establish evidence-based data to inform ongoing dialogues and ensure small business energy interests are adequately represented in government decision-making.
2. Support the development of an effective energy advocacy position for use by COSBOA and other advocacy organisations.
3. Promote the importance of small business energy consumer protections through roundtable discussions and member engagement.
4. Promote the implementation of effective government consumer protection policies and programs.
5. Promote effective energy advocacy.



# Research Approach

The research was undertaken by 89 Degrees East, with the findings drawn from a nationally representative sample of 408 small business owners.

The survey was administered online with participants sourced from a small business database through an opt-in research panel (TEG Insights) and distribution through COSBOA member organisations via newsletters and online social media channels.

The survey was conducted between the 3rd January 2022 to the 9th February 2022. During this period, whilst COVID-19 lockdown restrictions were eased in most states, the Omicron strain of COVID-19 was at its peak and continuing to impact small businesses. The experiences of the impact of energy hardships resulting from COVID-19 on small businesses would be fresh in participants' minds at the time of the survey.

The research project included phone based, qualitative in-depth interviews to further explore energy hardship experiences amongst small business owners, and industry views from COSBOA member organisations. A total of 18 in-depth interviews were conducted to provide further depth and broader insights into the voices of small business owners. Interviews were conducted between 17th February 2022 and 28th February 2022.

The project also included extensive desktop literature review on published sources of small business-related research into energy protections. The list of sources are included in the appendix.

408

Small business owners employing less than 49 staff participated in a 10-minute online survey

18

In-depth phone interviews conducted amongst small business owners and industry representatives

Small Business owners sample profile		%	N
Location of Business	VIC	25%	101
	NSW	42%	171
	QLD	18%	74
	SA	6%	26
	WA	7%	30
	Other	3%	12
How many people business employs	1 to 4	34%	140
	5 to 9	16%	66
	10 to 19	24%	97
	20 to 49	26%	105
Length of time in business	Less than 2 years	4%	17
	2 – 5 years	18%	75
	6 – 10 years	32%	129
	11 – 15 years	20%	80
	16 – 20 years	8%	34
	More than 21 years	18%	73

A detailed sample breakdown can be found in the appendix.

# Industry representation

## Survey sample profile

Within the national sample, a mix of business sectors were recruited to ensure that small business voices from various business types were represented; each with their unique considerations and perceptions on the effectiveness of COVID-19 energy protections and support.

The sectors of small businesses with higher level of participation in the research included retail small business owners (16%), hospitality/accommodation small business owners (12%), building and construction (8%) and other sectors.

## When interpreting findings in this report please note:

- For all survey results, the base (number of participants asked the question) and the survey question are shown in the footnote.
- Significance testing has been conducted to examine statistically significant differences by sub-groups at 95% confidence level. They are noted by an arrow up or down, it indicates there is a positive or negative difference in the subgroup, where there are no significant differences it indicates there is no meaningful difference.
- Survey results may not always add up to 100% due to rounding.
- Survey results with a low base sample of less than n=30 should be interpreted with caution as indicative.

Sample Profile	%	N
Industry Business Sector	Accounting & Financial services	6% 24
	Administration & Office support	4% 16
	Aged Care	1% 3
	Agriculture & Gardening	2% 9
	Animals & Conservation	0% 0
	Architecture & Design	1% 3
	Automotive	1% 4
	Building & Construction	8% 31
	Childcare	1% 4
	Cleaning	1% 4
	Communications, Advertising, Arts & Media	2% 9
	Engineering	2% 8
	Hair & Beauty	1% 5
	Health & Medical	3% 13
	Hospitality, Food, Accommodation & Tourism	12% 47
	Human Resources & Recruitment	1% 3
	Information & Communication Technology (ICT)	7% 27
	Insurance & Superannuation	0% 2
	Legal	1% 4
	Manufacturing	5% 20
	Mining & Energy	1% 5
	Real Estate & Property	2% 10
	Retail	16% 64
	Sales	2% 7
	Sport & Recreation	2% 9
	Trades & Services	3% 14
	Transport & Logistics	5% 22
	Other	10% 41

See appendix for further sample breakdown

# Literature review – themes from published reports

1. Life in lockdown is even harder when your small business can't do business.
2. Small businesses in assistance programs are falling further behind with average arrears for electricity growing and overall increased debt levels.
3. The pandemic and lockdowns impacted some small businesses significantly more than others. In 2018/2019 7% of small business customers who experienced debt collection indicated they were also experiencing financial vulnerability. This increased to 56% in 2020/2021.
4. Although small businesses benefited from temporary protections during the pandemic, these same customers were not afforded the same protection as residential customers, with a return to the pre-pandemic framework with limited protections, despite operating in an economic environment that is more vulnerable than before.
5. Affordable payment plans to assist small businesses to pay off debt while remaining open would benefit all parties concerned.
6. Observation that since the start of the pandemic, customers have only been entering hardship programs once they have accumulated larger amounts of debt. Evidence of delayed entry into hardship support programs indicates a need to encourage early support for small businesses to maximize chances of recovery.

*The pandemic and lockdowns impacted some small businesses significantly more than others. In 2018/2019 7% of small business customers who experienced debt collection indicated they were also experiencing financial **vulnerability**. This increased to 56% in 2020/2021*

Source: EWON – Small business energy debt problems (Consumer and small business energy debt solutions)

*Small businesses in assistance programs are falling further behind with **average arrears for electricity growing by 20 per cent for electricity (from \$1,180 to \$1,413)** and 30 per cent for gas (from \$1,139 to \$1,486) between April and the end of July 2020*

Source: EWOV Newsletter Sept 2020 that outlines small business problems

*Adverse impacts were most prevalent in the accommodation & food services industry with over three quarters of businesses (78%) already reporting impacts and 96% of businesses reporting that they expected impacts in coming months. Businesses in professional, scientific & technical services (21%), electricity, gas and water supply (34%) and businesses in mining (37%) were the least likely to have been adversely impacted by COVID-19 in the collection period*

Source: ABS Measuring the impacts of COVID-19, Mar-May 2020



# Executive Summary and Recommendations





# Executive Summary

Close to 1 in 3 (32%) small businesses in Australia have experienced energy hardship paying their energy service as a direct result of the COVID-19 pandemic. Businesses that were most impacted by energy hardship were those employing 10-19 staff members (37%) and 20-49 staff (41%). These businesses were more likely to have higher energy costs.

SMEs operating in retail, manufacturing, hospitality, food, accommodation, tourism, hair and beauty were the sectors with the highest levels of energy hardship.

There is a direct correlation with energy hardship and negative financial impact on business owners. 55% of SMEs who have experienced energy hardship are in a worse personal financial situation as a result of the pandemic and 50% have had a negative business impact with declines in sales and profits.

To deal with the financial strain of keeping up with energy bills during the pandemic, SMEs took the following actions: 33% delayed paying the energy bill, 23% using government financial assistance to cover the cost of bills, 22% had negotiated payment arrangements with their service provider or accessed a deferred payment plan, and 21% used their personal credit card to pay business bills.

Many SMEs are still suffering from the impacts of COVID-19; the 'COVID hangover' is seen to be worse during the first quarter of 2022 compared to during the pandemic. A slow down in customer demand, changing consumer behaviors, delays in supply and manufacturing, removal of government subsidies and many still paying back delayed bills, is contributing to a financially difficult start to the year.

43% of SMEs are still only partially operational at the time of the study. More than half of SMEs (53%) experienced loss of income in their business caused by the COVID-19 situation, 38% had difficulty sourcing business supplies and 1 in 3 (33%) have lost staff.

Just under half of SMEs (44%) didn't access any temporary measures to support their small business from their energy provider.

SMEs are financially responsible and went to great lengths to ensure all bills were paid and they didn't 'owe' anyone, with many using their own personal funds to cover bills. Many felt embarrassed to ask for help.

There is a fear of going into 'debt' amongst SMEs, and a distrust in declaring financial hardship. Many SMEs were cynical of a 'handout' and worried about having to pay back support.

When an energy bill is received, this is seen as a 'mandatory' enforceable cost that is owed by a due date. There was not seen to be an option to discuss payment flexibility with the energy provider so many did not approach their energy provider, as they thought there would be no point despite being in financial distress.

**There is a need to review the approach to communications from energy providers to SMEs, provide more flexible payment options and remove the stigma associated with SMEs reaching out for support.**

# Flexibility, proactive support and better communications

Most useful solutions for SMEs experiencing hardship include:

## Payment Flexibility

Providing small businesses with flexibility in how they can pay their energy bill and debt allows the business owner to have control over their business payments.

The option of payment arrangements, multiple payment methods, weekly or monthly payments and ability to pause supply costs all provide valuable flexibility for small business.

With more time and more flexibility, energy providers can reduce the stress and pressure during financial hardship.

## Better Communication

Small businesses are looking for better communication from their energy provider. There was very limited proactive communication from energy providers during the pandemic.

Energy bills received by SMEs imply the amount owed is enforceable by a due date and doesn't imply there are payment options for the SME.

Small businesses would welcome proactive communication from their provider advising of support and temporary assistance measures available.

## Direct contact and Independent Advice

Business owners would most value talking to someone to discuss the options for support and assistance.

Many did not read the finer detail in the bills received, and despite many being under financial hardship, they didn't seek help from their energy provider.

Business owners had questions related to their industry, looking for simple information that is easy to understand. Providing a checklist, or resources for SMEs on flexible payment options and managing costs during hardship would be helpful.

## Removing the Stigma

SMEs were wary of asking for help and labelling themselves as under financial distress. Most felt embarrassed to ask for help and assistance, particularly from their energy provider.

There is a need to remove the stigma associated with asking for help. Providing flexible payment options and readily available resources and useful information is valued.

There is a need to be more proactive and upfront with payment options for SMEs.

The most helpful support for struggling SMEs were seen to be around payment flexibility; the ability to negotiate a payment plan (36%), being offered a better plan to save on energy costs (33%), offering a pause on their account to stop paying supply fees (27%), and reviewing usage and network classification (27%).

Flexibility on payment frequency was also an area that helped struggling SMEs, the ability to pay energy bills weekly or monthly, rather than a large bill coming in quarterly helped to smooth out payments when cash flow was tight. This also allowed some SMEs to access credit on their account, which was extremely helpful during difficult times.

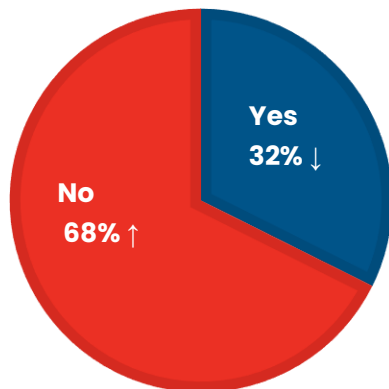
# 1. Energy hardships experienced by small business owners



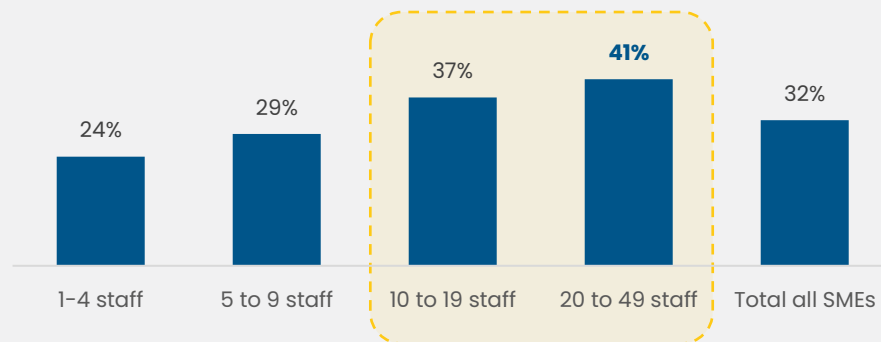
# Close to 1 in 3 SMEs experienced energy hardship as a direct result of the pandemic.

8. Have you experienced financial strain or hardship paying your energy service as a result of the pandemic?

Base: Total n=408



Experienced financial strain or hardship paying energy service by size of SME



**Businesses who were most likely to have experienced financial hardship paying energy services were:**

- Employing between 10-19 staff (37%) and 20-49 staff (41%).
- Businesses in NSW (47%), this is significantly higher than other locations.
- Operating within a shopping centre or embedded network (56%).
- Businesses who have been in operation for less than 2 years (59%) – this group may not have qualified for JobKeeper for emerging SMEs.
- Medium level of energy costs between \$2,000-\$5000 per year (37%).
- Using energy for retail/shopfront (43%), restaurant and café (50%).
- Indigenous run business (70%) \*
- Partially operational due to COVID (44%) and temporarily closed (69%).

\*small sample size

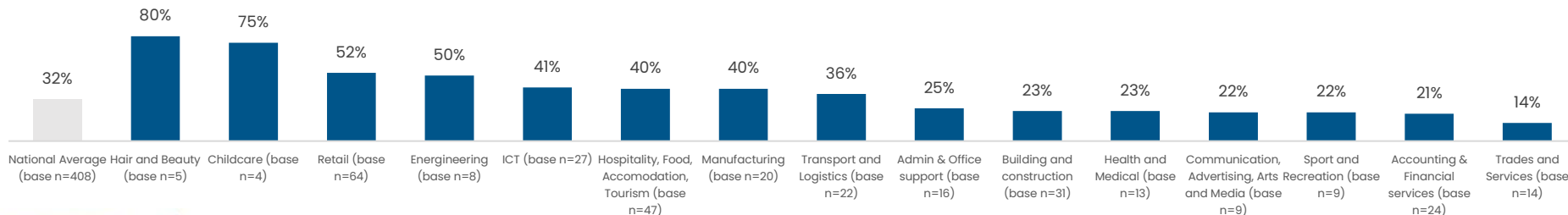
# Some industries more impacted than others as a direct result of COVID

## Industries that were most impacted by energy hardship include:

- Retail (52%)
- Manufacturing (40%)
- Information & ICT (41%)
- Hospitality, Food, accommodation and tourism (40%)
- Hair and Beauty (80%)\*
- Childcare (75%)\*

\*small sample size (under n=20), indicative only.

## Experienced energy hardship by industry sector



*"The butcher was going ok. We had cashflow, we ran fridges all the time, it's all electric, our bills are huge, our bills are around \$3-4K a quarter, we could manage, but it's a massive hit to the pocket, it takes any profit away on energy costs and you can't control it, you put in LED lights and turn them off at times, but my fridges are constantly running you have to keep the meat cold, and we have display fridges, it's always working hard to keep temperatures down, and cool rooms" (Retail food SME)*

*"A lot of businesses didn't make it through and take away has really changed the shape of dining in Australia and it is here to stay. Hospitality is quite reliant on international travelers for staffing so even getting staff has been hit quite hard" (Hospitality Industry)*

*"Every time I saw a lockdown things went downhill, after lockdown things have improved but taken a while to pick up. I remained open but there would be weeks that would go by where I wouldn't have a customer. No income coming in" (Automotive industry SME)*

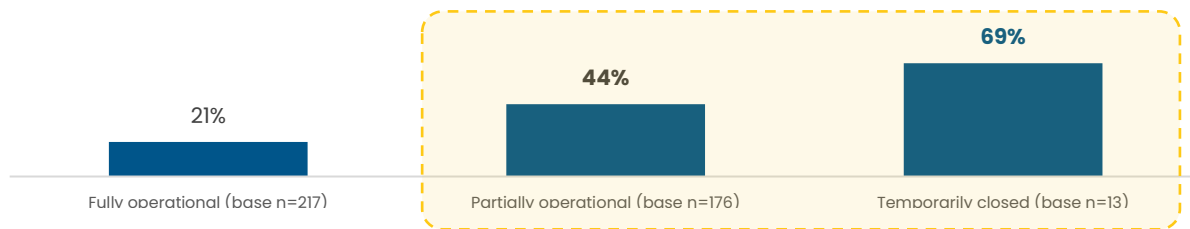
*"With the one shop I ran into debt, for the other shop I had to unlock personal cash as a loan to the business, the business is not in liquidation, so I never got it back. (Retail SME)*

# 44% of businesses who are still partially operational experienced energy hardship

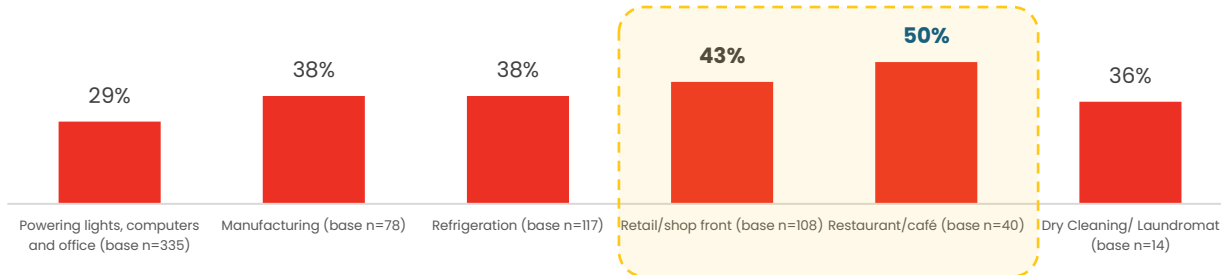
8. Have you experienced financial strain or hardship paying your energy service as a result of the pandemic?

Base: YES n=132

Experienced energy hardship paying energy services as a result of the pandemic **by current business status**



Experienced energy hardship paying energy services as a result of the pandemic **by type of energy usage**



Amongst SMEs who are still only partially operational as a result of the pandemic, 44% have experienced energy hardship paying their energy service bills, and amongst those who are temporarily closed, although off a small base, 69% have experienced financial strain.

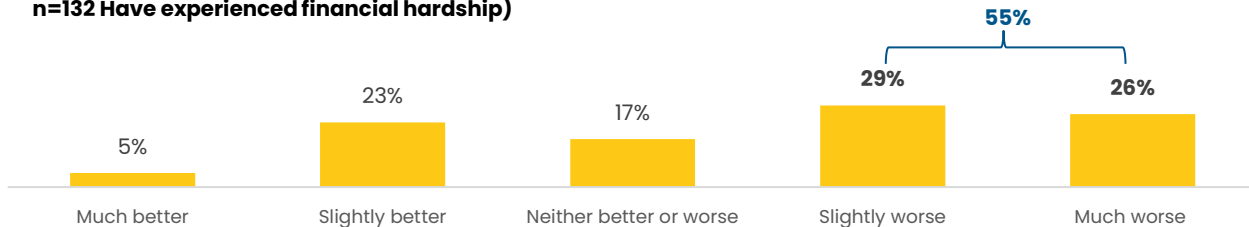
This indicates there is a direct correlation between energy hardship and reduced operations for a small business caused by the pandemic.

SMEs using energy to power a retail shop and for a restaurant / café business were the most impacted by energy hardship paying bills.

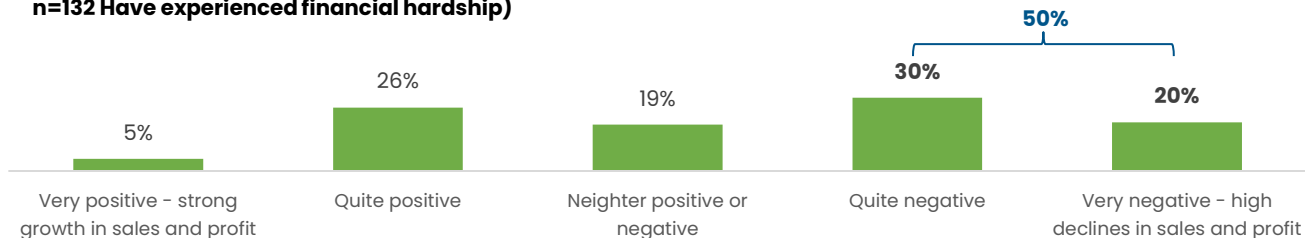
Those SMEs who are using power mainly for lights, computers and offices were the least impacted, although 29% still felt the strain of paying energy bills during the pandemic.

# More than half of those who experienced financial hardship are in a worse personal and business financial situation

**% of SMEs who experienced Energy Hardship by personal financial situation as a result of COVID-19 (base n=132 Have experienced financial hardship)**



**% of SMEs who experienced Energy Hardship by business financial situation as a result of COVID-19 (base n=132 Have experienced financial hardship)**



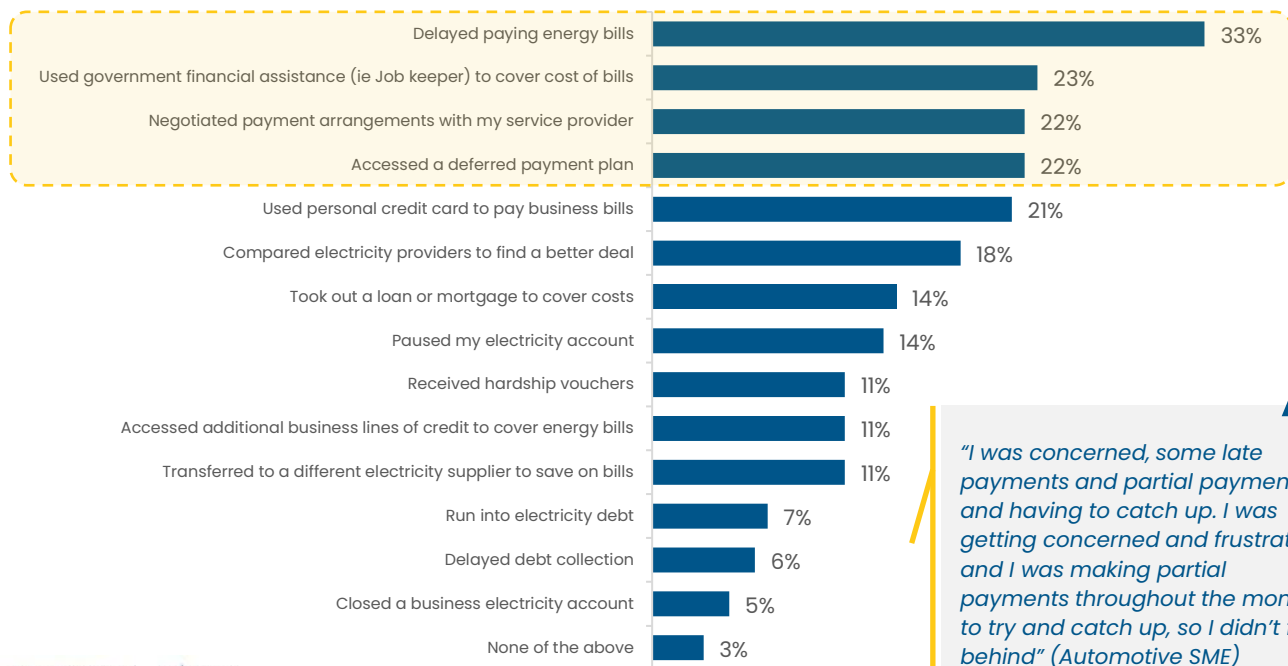
Energy hardship is contributing to a worse personal and business financial situation for small business owners.

- 55% of SMEs who have experienced energy hardship are in a worse personal situation as a result of the pandemic, and 26% are much worse off.
- 50% of SMEs who experienced energy hardship have had negative declines in sales and profits for their business and 20% are seeing high declines in sales and profits.



# 1 in 3 SMEs have delayed paying energy bills to deal with energy hardship

9. How did you deal with the financial strain of keeping up with energy bills during the pandemic? Select all that apply. Base n=132 Have experienced financial hardship



*"I was concerned, some late payments and partial payments and having to catch up. I was getting concerned and frustrated and I was making partial payments throughout the month to try and catch up, so I didn't fall behind" (Automotive SME)*

Businesses dealt with the financial strain of keeping up with energy bills during the pandemic in a number of ways including:

- **33% delayed paying energy bills**
- 23% used government financial assistance (i.e. JobKeeper) to cover cost of bills
- 22% accessed a deferred payment plan or negotiated payment arrangements with a service provider
- 21% used a personal credit card to pay business bills.

Close to 1 in 5 business owners (18%) compared electricity providers to find a better deal, with 14% either pausing their electricity account or taking out a loan or mortgage to cover costs. 11% either transferred to a different electricity supplier to save on bills, accessed additional business lines of credit to cover energy costs or received hardship vouchers.

A small number of businesses either ran into electricity debt (7%), delayed debt collection (6%) or closed a business electricity account (5%).

Results were consistent across small business type sub-groups.

# SMEs actively made changes to reduce expenses and energy costs to survive

Businesses needed to respond with changes to operations, premises, discontinued leasing, staffing changes and resourcing to survive.

During the pandemic, many small businesses changed their business operations to focus purely on covering costs, and break-even on supply costs.

Covering bills was amongst the highest concerns for SMEs – energy bills were a burden and looking at ways to reduce energy costs was a priority.

**Small business owners needed to respond to pressures on business costs, through changes to their business and focus on covering costs as a priority.**

*“We changed premises, we changed to a smaller platform, my energy bill has decreased dramatically. We changed our building to a smaller, more modern building, my footprint is lower by over 50%. Without a doubt if I was in my old building, I would have changed old lighting to LED, I was already in that process”  
(Retail SME)*

*“We had to make some changes to the business. Some are positive in the long term, one was we used to have 24-hour reception, we realised we don't need someone there all night, now we have a remote check in. We've gone to a 12-hr reception, we won't go back to 24 hr, that's a good change. We had to make changes as we went, we did things like weekly servicing and cut back on staff”  
(Accommodation SME)*

*“We were just about covering costs, we changed our model to just break even on supply cost and bills, we're not trying to make money, if we could lower costs and have cheaper costs, we could get by” (Manufacturing Alcohol Sector SME)*

*“It was their biggest concern – highest point on wish list to want to reduce energy costs to make it easier as it was incredibly burdensome for them”  
(Hospitality industry)*

# Small business is still suffering, for many it's worse now than during COVID

The COVID Hangover has impacted many SMEs even more than lockdowns:

- In some sectors, lockdowns forced customers to bring forward purchases for the home; larger items like furniture, BBQ and home supplies were bought forward or made online, leading to a 'hangover' and a quieter than normal Q1 in 2022 for many retail operators.
- Delays in supply and manufacturing are also contributing to slower than normal sales for many.
- Those who delayed bills are still paying them off during 2022, reducing cashflow for the business.
- Slowdown in consumer demand – people don't go out as often, the pandemic changed the way people dine out, socialise, shop and live.

Small business is still feeling impacted, many financially worse off now compared to during the peak of the pandemic.

*"We're still suffering from impacts of COVID hangover from freight and logistics, and manufacturing, then you add people staying at home wanting to do things at home, add that to lack of manufacturing capability, it ends up we suffered from long delays last year. The increase of sales we got during covid is leading now to a hangover, where business which might have wandered in aren't here" (Retail SME)*

*"We are still paying things off and will for most of this year I think and we used all our savings so have no savings left" (Hair and Beauty SME)*

*"It's worse then ever now, for us people either are isolating with covid or isolating because someone in the family has it, so it stops them coming out, the other factor is interest rate talks, everyone is mortgaged to the hilt, it's scaring people, all those factors combined make for a tough retail position" (Retail SME)*

*"It's been the worst start to the year for 10 years, for Jan/ Feb in terms, there's less people in the store and less sales, and prices have gone up a lot too. I've got a Coles down the road as well; people are tightening their belts a bit" (Café SME)*

*"Both stores are open, but we are still not back to normal, and we are still reliant on office workers coming back into the city. All staff are working, and we are probably just breaking even at the moment, not making any profit but hoping as people return to city that will change" (Hairdressing SME)*

*"Up until and just after Christmas all was good and we saw business improving, but January and feeding into February have been really bad, it's been a shadow lockdown and has been incredibly slow across every jurisdiction throughout Australia. People are staying home and being more cautious because of Omicron" (Lottery Industry)*

*"The biggest problem due to COVID is the supply chain, we have problems getting things from overseas, especially China and certain equipment we don't have stock for so there are delays in being able to go out and do the work if no stock. It is starting to get better but still an issue, we have plenty of cables but not enough connectors" (Australian Digital and Telecommunications Industry)*

# COVID has taken an emotional toll on business owners

**Small business owners expressed feeling stressed and overwhelmed during the pandemic, which they are dealing with whilst trying to recover their businesses.**

- SMEs not only have been impacted by the financial stress as a result of COVID, but this has also led to increased levels of stress and frustration worrying about how they would keep paying bills when their income stopped.
- Those in financial distress were overwhelmed, just trying to survive.
- They didn't think or have time to seek out support and there is a need for proactive contact and support.
- Some SMEs have experienced large financial debt and are feeling overwhelmed. Many didn't access government support or support from energy retailers as they didn't have the time or the mental headspace to deal with the application and eligibility requirements.

**There are many SME's who are struggling mentally from the pressures and impacts of the pandemic.**

*"I was a bit of a mess psychologically at times personally, I said don't get emotional it's just business, but when you're faced with going down it's not funny, I had to disconnect from it personally, I was more stressed than I thought I was, I ended up in hospital thinking I was having a heart attack, it was stress. I was more upset about my staff, I had to lay them all off, I had 100 staff with all the hotels, I had to lay off 85 in one day, that day I sobbed and sobbed, it's awful some are from overseas and won't qualify for job keeper"*  
(Accommodation industry)

*"More stress than frustration worrying about how we would keep paying rent, bills etc"* (Hair and Beauty SME)

*"I withdraw \$10K out of my super as my husband doesn't work as he suffers from depression so as he wasn't looking for work, I couldn't get govt support. I think I withdrew money twice"* (Professional service SME)

*"Some in large financial debt were probably overwhelmed, there were plenty that didn't take up government support mechanisms, people were just so overwhelmed, they are just coming up for air now, they were just dealing with the fact they were trying to survive"* (Rural Tas Industry)

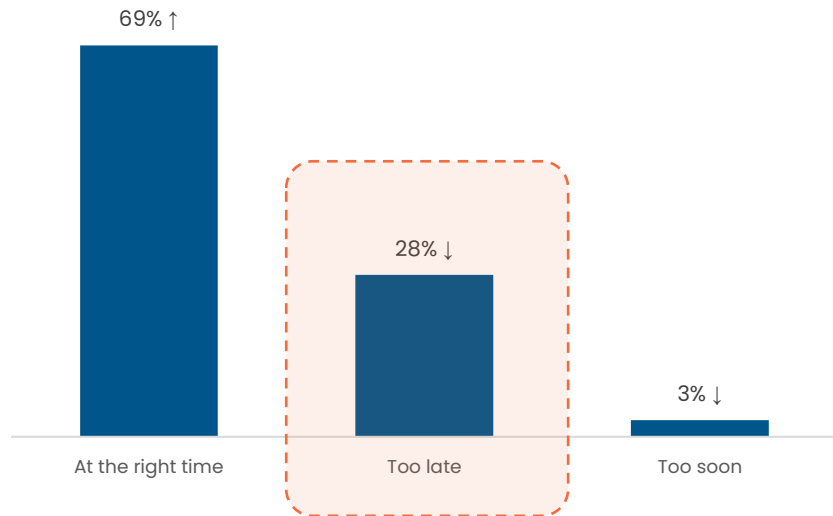
*"Mental health impacts in addition to financial stress, when the mandates came hospitality venues in certain states and territories copped quite a lot of abuse online and verbal altercations inside venues also resulted which were not their fault, and the staff should not have had to deal with it"* (Hospitality industry)

## **2. How SMEs accessed support and assistance from energy providers**



# Over two-thirds (69%) accessed support at the right time, for 28% it was too late.

10. Do you think you accessed support at.....Base n=408



Just over a quarter (28%) of SMEs accessed support too late. That was more likely for SMEs in:

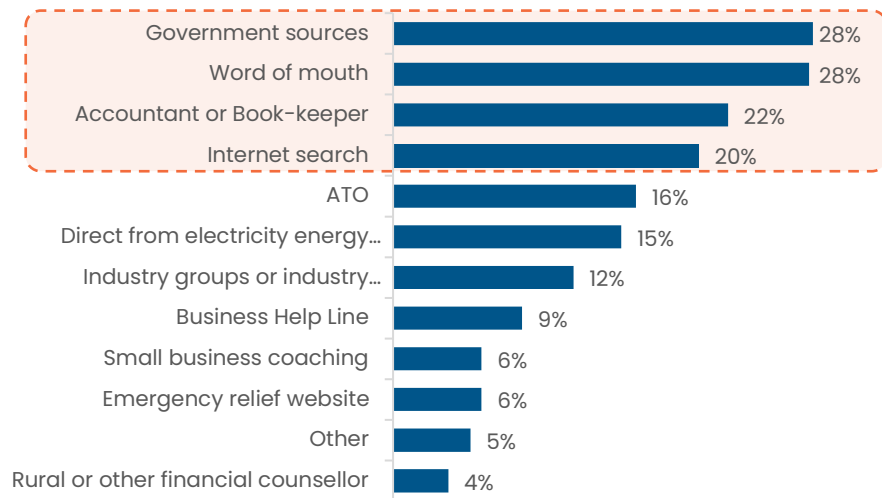
- Sydney (38% accessed too late) which was significantly higher than other states and territories.
- Businesses who operate in a shopping centre or embedded network (37%).
- Impacted by stock spoilage due to lockdowns (45% too late).
- SMEs who experienced energy hardship, 41% felt they accessed support too late.

SMEs who profiled significantly higher for accessing support 'too soon' were:

- Restaurant/Café energy users (10% too early).

# Government sources, word of mouth, accountants and internet are key sources of information.

11. How did you find out about financial assistance for your small business and energy bill relief protections? Select all that apply. Base n=408



36%

of businesses that have been operating for 2-5 years found out about assistance through internet searches

Indigenous run SMEs were more likely to hear about financial assistance through:

- Rural or other financial counsellors (15%)
- Small business coaching (40%)
- Internet search (45%)

SME owners who speak a language other than English at work were more likely to hear about government assistance through word of mouth (55%), indicating the importance of community groups.

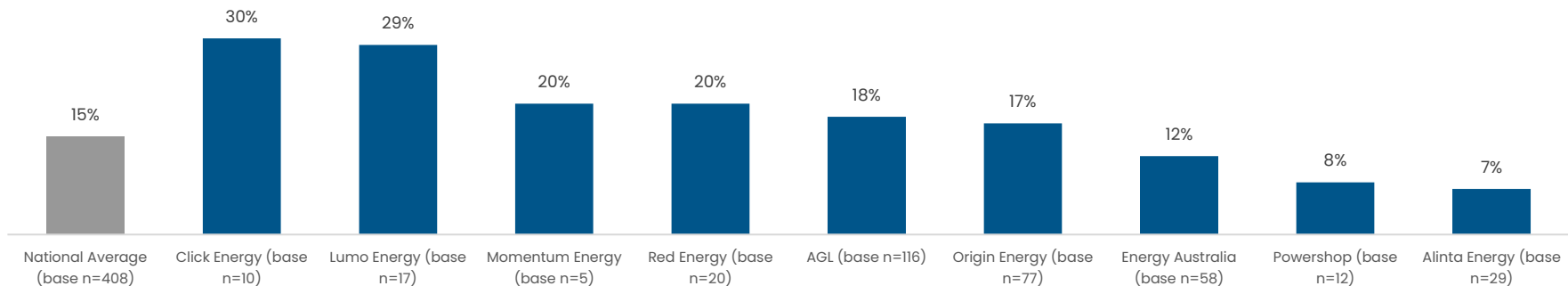
*"I'm an intelligent person, I find a lot of that stuff is hard to get your head around, it's almost as if it's written so specifically it becomes confusing, you have to show turnover downturn between this date and that date, and then other conditions, it's really confusing." (Retail SME)*



# Some energy providers were better than others at proactively contacting business owners

- The energy retailers who performed better than the national average at proactively contacting business owners with information about financial assistance and energy bill relief protections were Click Energy, Lumo Energy, Momentum Energy and Red Energy (although off a small base).
- The energy retailers who performed below the national average were Energy Australia, Powershop and Alinta Energy.

**11. How did you find out about financial assistance for your small business and energy bill relief protections? Select all that apply. Base n=408 (Filtered by those who 'Heard directly' from their energy provider)**



*"I would say (energy providers) have kept quiet during the lockdowns, I think they've probably done better than ever during this time, they weren't sending out meter readers they were estimating, potentially their wages are down... We definitely have nothing to say, "do you need assistance?" fill out this form to get a discount, if I would have received it, I would have done it" (Accommodation SME)*

*"I'm not sure if energy provider did but I think there was something at bottom of emails to say for more information but didn't look into it at all" (Automotive SME)*

*They didn't call me to say I was overpaying, but they call you if you aren't paying enough. When you're in credit they keep it there. Those payment options for me it released cash flow and didn't hit your pocket in one big hit.*

# Small businesses don't trust government assistance, even though they fear going into debt

- Many small businesses didn't access government support not because they weren't eligible, but a fear about going into debt and having to pay back assistance. Many expressed a lack of trust in government support programs, and don't want to 'get caught' out having to pay back in the future.
- Small business owners are hardworking and used to being faced with challenging situations - there is a resilient attitude amongst SMEs, a feeling that when times are tough, you have to try even harder.
- An attitude that 'nothing in life comes for free', and many were wary and sceptical of assistance packages. There was also a sentiment expressed of feeling 'embarrassed' to ask for help and support, and that you need to fight through.

**There is a need to build trust and reassure small businesses that assistance measures are there to help support business.**

**A need to address the stigma associated with SMEs asking for help and assistance.**

*"I'm very sceptical about any handout, I'm not a big fan of sharing figures with government departments if I don't have to, my wife's side of the family are all negative Nancys, that's rubbed off on me, if the government pays you \$5K they will get back \$10K over time, it worries me, I'm a firm believer if you get into trouble you have to knuckle down and fix it yourself" (Retail SME)*

*"I don't believe in taking handouts for the sake of handouts, it's just pushing the pain further, I would have hated to take a handout that I'm now having to pay back now during this hangover, that would just extend the pain and make it worse" (Retail SME)*

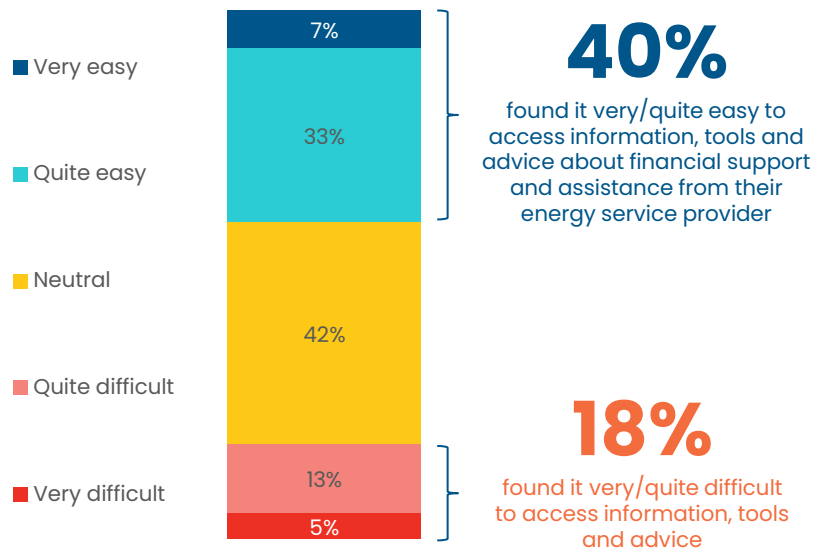
*"We were eligible to apply for other grants as our turnover was down by over 30% but we felt we were surviving without it, greater debt that govt has and we will all have to pay it back at some point" (Agriculture sector SME)*

*"Rebates or discounts if needed in the future as you can get deferrals of payment, but that still piles up and running up debt that you still have to try and work out how you will repay at some point in the future". (Agriculture sector SME)*

*"If they cut their rates that would be great, but changing payment terms isn't that helpful as you have to pay it anyway, it's still debt but at a different point" (Manufacturing SME)*

## 2 in 5 (40%) found it easy to access information, tools and advice from their energy service provider.

12. How easy or difficult was it to access information, tools and advice about financial support and assistance from your energy service provider? Base: Total n=408



**Results are consistent by business sector, annual energy costs, and number of staff**

SMEs whose business is still fully operational (48% rated easy to access), compared to **only 30% amongst those businesses who are partially operational.**

**Small businesses who rated the financial impact of COVID-19 as very negative on their business were more likely to state that it was difficult to access information (45% difficult).**

That is consistent with SMEs who have had a significant hit to their personal financial situation, with 42% of those who are in a 'much worse' personal financial situation having found it difficult to access the information, tools and advice on financial support.

# Reasons it was considered **easy** to access information from energy service provider.

12A. Please tell us why you thought it was easy or difficult to access information, tools and advice about financial support and assistance from your energy service provider Top 2 Box (open ended responses)

## Information easy to find and access

- Information clear and easy to access
- All the information needed was available
- Heaps of information online
- Easy to understand and get support
- Once I knew what exactly I needed to find out it was easy.

## Energy Service provider in contact with available options

- The electricity company contacted me via email about deferred payment of my electricity bill if I was finding it hard to pay.
- Energy provider emailed myself with options
- Correspondence with energy supplier via email
- The energy company gave me all the details
- They were sending correspondence on options available to assist people
- A quick phone call; they called back with vouchers applied to account.

## Information available via media

- Listen to news reports, read newspapers and followed information. In other words I paid attention to what was going on
- Following prompts from politicians on TV it was obvious where to go to look for financial assistance, application process was seamless and rapid, so I have no complaints
- Information was well published on government websites and discussed in online forums and press conferences
- Lots of ads out there to inform me about the supports available and where to access them.

## Process to apply for assistance was easy

- It was an easy process to go through
- Phoned energy provider to arrange a payment plan.
- I called the hotline and they were extremely helpful
- They automatically gave us credit on our bills.

Reasons SMEs gave why they found it easy to access information, tools and advice about financial support and assistance from your energy service provider include:

- ✓ Advertising of information about assistance on TV, websites and direct mailing was well published across the media.
- ✓ The information was clear and easy to access, and the hotlines were helpful.

# Reasons it was considered **difficult** to access information from energy service provider.

12A. Please tell us why you thought it was easy or difficult to access information, tools and advice about financial support and assistance from your energy service provider Bottom 2 Box (open ended responses)

## Unaware of available information, tools and advice

- Not aware until a little late
- Not forthcoming with any information and never proactive in any way
- They don't advertise help, they're more interested in taking not giving
- Never heard anything about financial support re-energy.
- My energy provider didn't say much to me, no contact really. It was hard to find out how to apply, what relief I could get, and whether I would have to ever pay it back

## Lack of information on websites

- They don't put any information on their website, fairly sure this is illegal, they force you to call them on the phone, wait for an hour on hold, then try and negotiate some kind of fair deal when they are holding the advantage.
- Hard to navigate websites. Even harder to get through and speak to someone on the phone without being disconnected or that can't help you.
- I had to be proactive and search for the options on the website

## Too much paperwork to achieve result

- Have to jump through hoops to understand and apply for aid
- There were so many different schemes and grants it was hard to follow. Also things moved very quickly.
- There was limited information on what to do and all the customer service numbers took ages to access
- It was confusing and required letters and documents from our accountant.
- No one was able to provide help, when I did find out how to get help the red tape involved was horrendous.

## Eligibility uncertain / amount of assistance not worth the effort

- I didn't seem to be eligible. All that was available was to draw on my super that I am too old to recoup for the future.
- There was no assistance that our business qualified for, so we did not bother applying
- A lot of running around & useless information required to access a very small amount of assistance
- I'm an intelligent person, I find a lot of that stuff is hard to get your head around, it's almost it's written so specifically it becomes confusing, you have to show turnover downturn between this date and that date, and then other condition, it reads confusing.

Reasons accessing information, tools and advice about financial support and assistance from your energy service provider was considered difficult included:

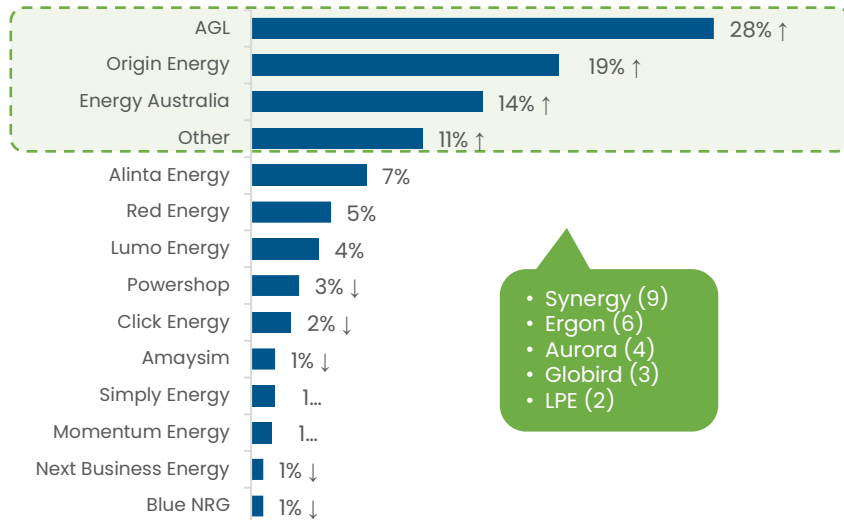
- ✓ Didn't hear about the assistance and support – didn't get contacted by energy provider.
- ✓ Too much paperwork and confusing to apply.
- ✓ Hard to find information on websites, delays accessing via call centres.
- ✓ Navigating the eligibility criteria.

# 3. Which energy providers were used and assistance provided



# AGL is the chosen energy service provider for over a quarter (28%) of businesses.

13. Which energy service provider are you with?  
Select one Base: Total n=408



- Synergy (9)
- Ergon (6)
- Aurora (4)
- Globird (3)
- LPE (2)



Information & Communication Technology (ICT) sector over profile for choosing Powerdirect (4%) as their energy provider.

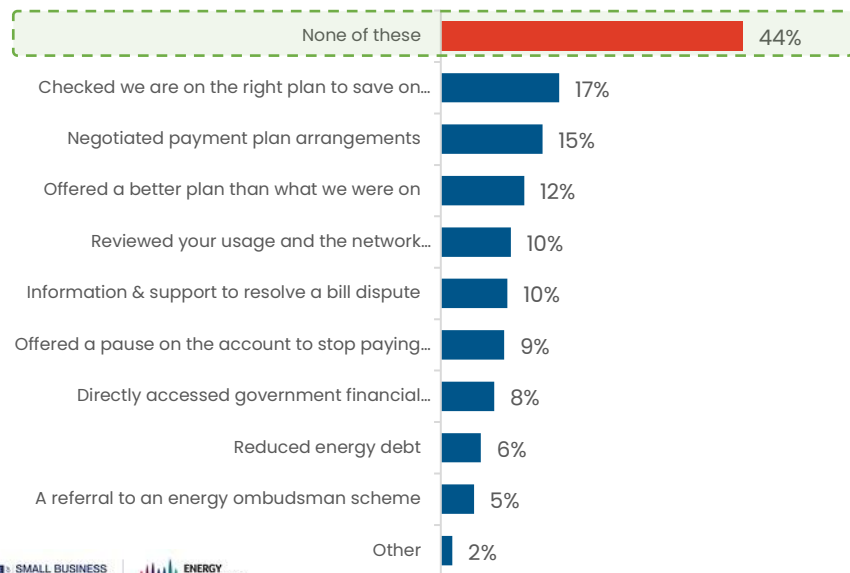
The choice of energy service provider would also seem to be location based with more Victorian businesses using Lumo Energy (10%) than any other state. Energy Australia (21%) is chosen by more businesses in NSW than any other state, and Alinta (33%) is the choice of more businesses in WA than any other location.

*"Information needs to come from energy providers to say 'do you need support right now?' Need energy suppliers to approach businesses, keep in with businesses, we are here to support you without judgement. Small businesses don't want to ask for support as it's embarrassing for them, if you're already stressed, you don't want to admit you can't pay a bill, that is a big deal" (Hairdressing industry)*



# 44% of small businesses did not receive any temporary measures to support their small business.

14. Did your energy service provider offer any of the following temporary measures to support your small business as a result of COVID-19 situation? Select all that apply. Base n=408



## 24%

of businesses in NSW stated that their energy provider checked 'we are on the right plan to save on our bills'

SMEs who have experienced financial energy hardship paying their energy services as a result of COVID-19 were significantly more likely to have been offered or proactively sought temporary measures.

- 30% negotiated payment plan arrangements
- 24% checked they were on the right plan to save on bills
- 19% received information and support to resolve a bill dispute
- 17% reviewed their usage and the network classification for their business
- 13% directly accessed government financial assistance to cover the bills.
- 15% offered a pause on the account to stop paying supply fees
- 10% sought a referral to an energy ombudsman scheme
- 20% received none of these temporary supports.

**Amongst SMEs who had experienced a very negative impact on their business 55% were not offered any support or assistance.**

# Bills mounted, but most didn't think there was an option to talk with their energy provider

- Bills didn't stop for SMEs, despite income falling. Even those who had to shut their doors due to lockdowns continued to pay 'supply charges' for energy bills.
- A bill implies payment in full is mandatory by the date required. Language on bills like 'You Owe \$\$', doesn't offer any options – language is like a fine, it's an enforcement.
- SMEs are financially responsible, going to extreme lengths to pay everyone and keep their bills up to date; they didn't want to 'owe' anyone or go into debt.
- Under financial stress, most didn't have time to actively look for information – if it didn't proactively come through, it wasn't found.

**The language used in energy bills implies this is a mandatory payment by the due date, which would be enforced.**

**There is a need to review the language used on energy provider bills which communicates there are options on how the customer can pay the bill, providing choices for the customer.**

*"We had to keep paying the energy bills, we had quite a few bills that didn't stop, I had to put in my own money as a loan. I actually didn't go into debt at all, I wanted to pay everyone, I went in knowing I had my own issues and had to pay everyone up to date, I didn't want to get into the situation of debt and I didn't want to owe anyone" (Accommodation SME)*

*"I didn't think they would have support or assistance available, I didn't really think of it, I thought it was unfair we had to pay supply for something we're not using, but sometimes life sucks and this is an instance" (Accommodation SME)*

*"The electricity we're with AGL, is about \$60K a year, and our gas is about \$36K per year, cashflow went down massively, so it was really difficult to pay the bills, if I was ever short I put my own money in to cover it" (Accommodation SME)*

*"It was a big struggle to see how I was going to pay each bill, we had to ask for time and extensions quite a bit last year" (Hair and Beauty SME)*

*"It's a bill so you have to pay it, it's not something you can negotiate, if you don't pay on time you lose the discount, and you panic so you have to pay it on that day and they're tough on that. I didn't want to miss the discount. The company I'm with now doesn't offer the discount, if you pay late, you still have the same bill, it's not as much pressure" (Retail SME)*

*"Didn't have time to really look and I think it would have helped if information would have come to me as opposed to having to search for relevant information" (Professional Services SME)*

*"It's because it's regular bills, it's seen as something that is a mandatory requirement that they need electricity on, it's a critical infrastructure that they need to run their business, from a safety point of view, it's one of the last things they would look at for negotiation" (Rural Tas Industry)*

# Temporary measures offered by energy service provider by business size

14. Did your energy service provider offer any of the following temporary measures to support your small business as a result of COVID-19 situation?. Select all that apply.

Column %	How many people does your business employ?			
	1 to 4	5 to 9	10 to 19	20 to 49
None of these	62% ↑	48%	36%	26% ↓
Checked we are on the right plan to save on our bills	9% ↓	17%	23%	25%
Negotiated payment plan arrangements	9%	14%	16%	22%
Offered a better plan than what we were on	7%	11%	11%	21% ↑
Reviewed your usage and the network classification for your business, to ensure you are receiving the right level of network coverage	6%	12%	10%	15%
Information & support to resolve a bill dispute	4%	5%	10%	20% ↑
Offered a pause on the account to stop paying supply fees	6%	8%	10%	13%
Directly accessed government financial assistance to cover bills	6%	5%	12%	8%
Reduced energy debt	1% ↓	12%	9%	6%
A referral to an energy ombudsman scheme	1%	6%	7%	7%
Other	4% ↑	2%	0%	0%
Column n=	140	66	97	105

- Larger sized businesses with 20 to 49 staff were more likely to contact their energy provider to check if there was a better plan (21%) and also to seek information and support to resolve a bill dispute (20%) compared to other sized businesses.

# Temporary measures offered by energy service provider.

14. Did your energy service provider offer any of the following temporary measures to support your small business as a result of COVID-19 situation?. Select all that apply.

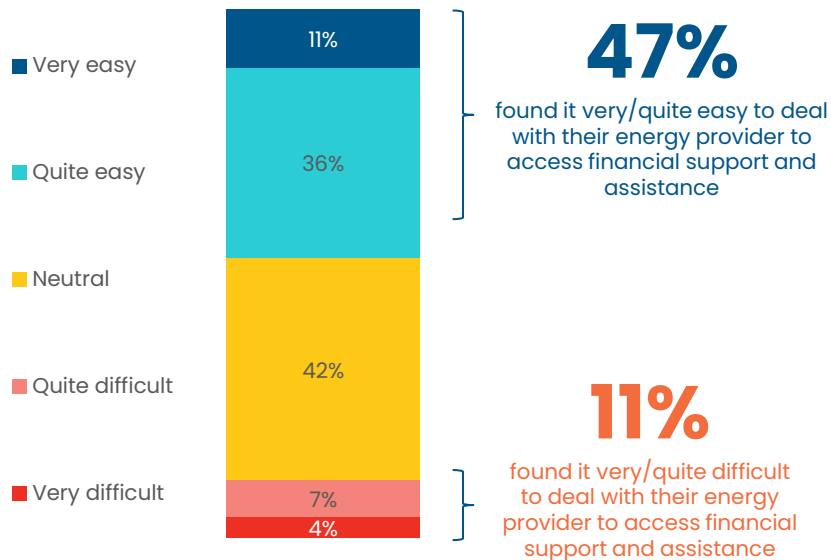
Column %	What would you estimate is the average annual energy costs for your business?				What type of energy usage do you use in your business?						
	Low - Less than \$2,000 per year	Medium - Between \$2001 to \$5,000 per year	High - Between 5,001 to \$7,000 per year	Very High - Over \$7001 per year	Powering lights, computers and office	Manufacturing	Refrigeration	Retail/ shop shopfront	Restaurant/ café	Dry cleaning/ Laundromat	Other
None of these	65% ↑	38% ↓	31%	59%	50% ↑	41%	50%	31% ↓	23% ↓	57%	92% ↑
Checked we are on the right plan to save on our bills	7% ↓	20%	21%	16%	17%	22%	17%	17%	28%	36%	0%
Negotiated payment plan arrangements	5% ↓	19%	13%	19%	12% ↓	17%	15%	21%	33% ↑	7%	0%
Offered a better plan than what we were on	12%	13%	15%	5%	10%	10%	13%	17%	20%	29%	0%
Reviewed your usage and the network classification for your business, to ensure you are receiving the right level of network coverage	6%	10%	16%	11%	9%	13%	10%	11%	10%	7%	8%
Information & support to resolve a bill dispute	2%	13%	15%	0%	8%	8%	8%	18% ↑	20%	14%	0%
Offered a pause on the account to stop paying supply fees	8%	9%	16%	0%	8%	13%	12%	14%	18%	7%	8%
Directly accessed government financial assistance to cover bills	5%	10%	10%	0%	8%	12%	8%	10%	13%	14%	0%
Reduced energy debt	0%	7%	9%	5%	5%	8%	6%	10%	8%	21%	0%
A referral to an energy ombudsman scheme	0%	6%	7%	3%	3% ↓	10%	5%	7%	10%	14%	0%
Other	5%	1%	1%	0%	2%	0%	1%	2%	0%	0%	0%
Column n=	84	220	67	37	335	78	117	108	40	14	12

- 65% of businesses with low average annual energy costs do not recall being offered any temporary measures to support their small business during COVID-19 from their energy service provider.
- 33% of restaurant/cafes were more likely to negotiate payment plan arrangements and 18% of retail shop shopfront were able to gather information & support to resolve a bill dispute.

# Almost half (47%) of businesses considered it easy to deal with their energy provider to access financial support and assistance.

15. How easy or difficult was it to deal with your energy provider to access financial support and assistance?

Base: Offered temporary measures n=277



Results are consistent by business sector, annual energy costs, and number of staff

**20%**

of businesses in retail found it difficult to deal with their energy provider for financial support.

Just over 1 in 10 (11%) deemed it very/quite difficult to deal with their energy provider.

**Amongst SMEs who experienced a very negative impact on their business with high declines in sales and profit, 30% stated it was difficult to access financial support and assistance.**

# Reasons it was considered **easy** to deal with your energy provider to access financial support and assistance.

15A. Please tell us why you thought it was easy or difficult to deal with your energy provider to access financial support and assistance

Top 2 Box (Open ended responses)

## Energy service provider was helpful

- *Company helpful*
- *AGL were very responsive and supportive to our requests*
- *They quickly offered to change the plan*
- *They treated us as a valued customer and helped us as much as possible so we didn't have to close our doors*
- *They approached me before I even knew I could obtain relief. Very impressed*
- *They were sympathetic, understanding and extremely helpful*

## Responsiveness to our needs

- *Very supportive supplier*
- *Very helpful and supportive*
- *They sent us information about how to proceed*
- *Good communication regarding options available*
- *They were understanding of the current situation*
- *Quick response to questions raised*
- *They were very supportive all the way*

## Great customer service and support

- *Great customer service and offered different support options*
- *Good communication regarding options available*
- *They were available for questions*
- *We had a dedicated rep*
- *Helpful and fast response*
- *They were quite cooperative*
- *Efficient and friendly service*
- *Information explicitly outlined*
- *They had well trained, professional staff.*

# Reasons it was considered **difficult** to deal with your energy provider to access financial support and assistance.

15A. Please tell us why you thought it was easy or difficult to deal with your energy provider to access financial support and assistance?

Bottom 2 Box (Open ended responses)

## Information was difficult to access and took time to complete

- *Not enough info*
- *They know nothing*
- *I have no idea where I can ask*
- *Not much information on the official website*
- *Need to fill out many forms and information not straightforward*
- *Long wait times*
- *Poor service*

## Energy service provider was not proactive

- *They didn't seem like they wanted to help out and that I was putting a burden on their business.*
- *I had spent a significant amount of time on hold on the phone waiting to get through to an operator*
- *I felt like the energy providers really did not care about helping small businesses*
- *It is hard to pay bills*
- *No one understands*
- *I don't understand*

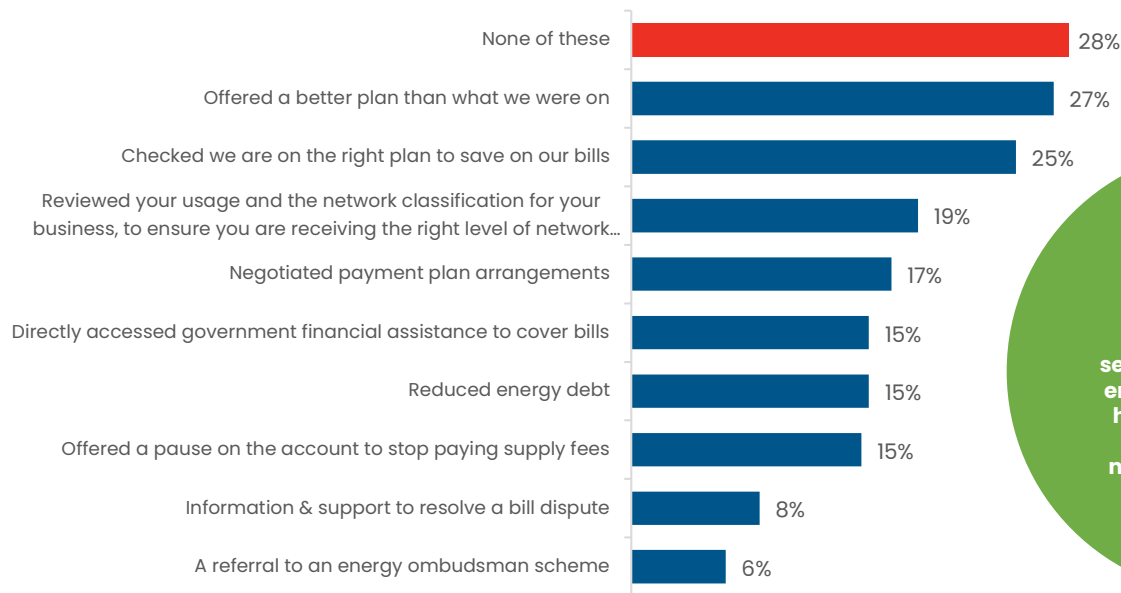


Of the 24 SMEs that considered it difficult to deal with their energy provider to access financial support and assistance, the reasons centred around finding the information, and being made to feel like the energy service provider was not interested in assisting and helping those in need.



# 28% did not think that any of the temporary measures would have been helpful

16. Which temporary assistance measures from your energy provider would have been helpful for your small business during the pandemic? Select all that apply. Base n=408



27% of small business owners who experienced energy hardship felt that being offered a better plan than what they were on would have been a helpful temporary measure, with 25% stating that it would have been helpful if their energy provider had checked they were on the right plan to save on bills.

**34%**

of SMEs in the retail sector who experienced energy hardship would have liked a review of their usage and the network classification for their business.



# Temporary assistance for SMEs by type of energy usage

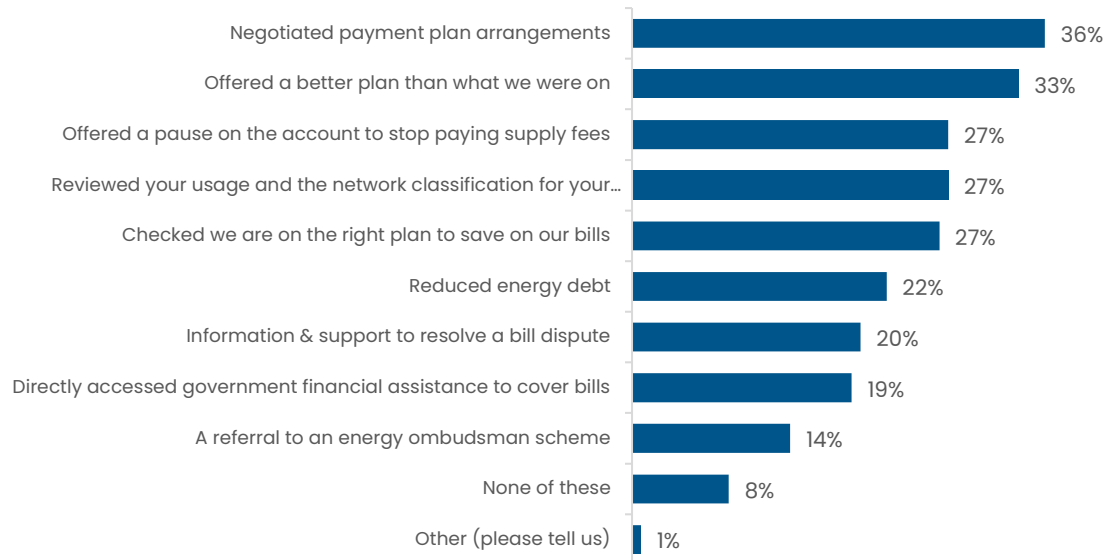
16. Which temporary assistance measures from your energy provider would have been helpful for your small business during the pandemic? Select all that apply. Base n=408

Column %	What type of energy usage do you use in your business?						
	Powering lights, computers and office	Manufacturing	Refrigeration	Retail/ shop shopfront	Restaurant/ café	Dry cleaning / Laundromat	Other
Checked we are on the right plan to save on our bills	27%	31%	33%	24%	40%	57% ↑	8%
Offered a better plan than what we were on	27%	29%	29%	26%	25%	57%	17%
Reviewed your usage and the network classification for your business, to ensure you are receiving the right level	16% ↓	17%	21%	21%	25%	36%	8%
A referral to an energy ombudsman scheme	4% ↓	15% ↑	9%	7%	10%	14%	0%
Negotiated payment plan arrangements	16%	17%	24%	22%	35% ↑	29%	0%
Offered a pause on the account to stop paying supply fees	14%	19%	18%	17%	20%	14%	8%
Directly accessed government financial assistance to cover bills	16%	18%	19%	12%	25%	43% ↑	17%
Reduced energy debt	13% ↓	15%	13%	17%	23%	7%	17%
Information & support to resolve a bill dispute	8%	13%	11%	10%	18%	29% ↑	0%
Other	1%	3% ↑	1%	0%	0%	0%	0%
None of these	32% ↑	21%	25%	21%	10% ↓	14%	58%
Column n=	335	78	117	108	40	14	12

- 32% of SMEs who primarily use energy for powering lights, computers and their office did not receive any temporary assistance measures.
- SMEs who use energy for manufacturing were more likely to access a referral to an energy ombudsman scheme (15%), whereas SMEs who use energy for their restaurant/café were more likely to have negotiated payment plan arrangements (35%). Those who work in Dry Cleaning/Laundromat over profile for checking they were on the right plan (57%), directly accessing government financial assistance to cover bills (43%) and information and support to resolve a bill dispute (29%).

# 30% of SMEs who experienced energy hardship would have liked to negotiate a payment plan

16. Which temporary assistance measures from your energy provider would have been helpful for your small business during the pandemic? Filter: SMEs experienced financial hardship (base n=132)



Amongst SMEs who experienced energy hardship struggling to pay energy supply bills during the pandemic, the most helpful support measures were seen as:

- Negotiated payment plan (36%)
- Offering a better plan (33%)
- A pause on the account to stop paying supply fees (27%)
- Review usage and classifications (27%)
- Reduced energy debt (22%)

The temporary assistance measures were of significantly higher appeal for SMEs who experienced financial hardship compared to those who did not.

# Payment flexibility, payment plans and adjusted 'supply charges' would be welcomed

- Supply charges mounted for SMEs who were in lockdown not using their premises with massively reduced sales. This caused financial hardship for many, particularly those with large footprints like in the accommodation sector.
- Offering payment plans, zero interest payment plans, flexibility in payment frequency and amounts were seen to be helpful, although for some a payment plan is just delaying the problem.
- Some SMEs were on a monthly payment plan and actually had credit in their account but weren't notified by the energy provider. These SMEs were needing access to funds. It would have been useful to notify SMEs in credit so they could be able to spread these funds across upcoming payments or access them.
- The fine print at the base of the bill isn't an area that SMEs would notice or look at for support and assistance.

**Most SMEs interviewed stated that their energy provider did not proactively contact them to provide options about payment plans or provide any offers of assistance.**

**A need for proactive communication triggered by late payments, rather than reactive responses.**

*"A delayed payment would have helped, but that would have just delayed the problem. They could have stopped charging the supply charge, if we're shutting the lights, we were still getting charged a supply of something we're not using, but I'm aware they're a business too" (Accommodation SME)*

*"I think similar to what the banks did and putting a halt on having to pay at the time and don't have to pay on a specific date it takes the stress off. Not having to pay anything for a short period of time really helps, until you can re-open and get back on your feet" (Hairdressing SME)*

*"I think payment plans and zero interest payment plans would be of interest, and the providers working with you, everyone's scenario is different, rather than a blanket one size fits all. There's things like pay pal, direct debit, payday lenders, all kind of things, looking at payment methods and consumer impacts were intended or no consequences. " (Communications Industry)*

*"Payment plan offer is really good and payment arrangements and being able to negotiate payments with sensitivity. Business people won't go to their energy supplier, you need the supplier to go to them and check in" (Hairdressing industry)*

*"Putting people on a payment plan, extending the payment plan or going halves in the supply charge during lockdowns, a little bit of solidarity. As in let's share the pain, if you pay half the supply charge, we'll pay the other half"*

*"They didn't call me to say I was over paying, but they call you if you aren't paying enough. When you're in credit they keep it there. Those payment options for me it released cash flow and didn't hit your pocket in one big hit"*

# Flexibility to pay weekly or monthly helped SMEs get through tough times

## Accessing account credit or surpluses was a lifeline for some.

- Weekly payment options were seen to be more manageable for small business, without the 'bill shock' of a quarterly amount owing. It is easier for SMEs to budget for a weekly bill, especially when cashflow is tight.
- Access to the surplus was a lifeline for some SMEs who were paying weekly or monthly that they could access the credit. It was important for the energy provider to notify the customer of the credit though, as some had funds in credit but weren't informed proactively that they could allocate this to future payments or take it out which was necessary for some.
- It also smooths out payment in the higher cost months, which is better for budgeting.

Offering flexibility for SMEs to change to weekly or monthly payment cycle is helpful during times of crisis. The outlay is more manageable when it's lower amounts and cashflow is tight.

*"I was just panicked staying alive. Govt was offering \$750 but that wasn't sufficient to survive on. Luckily, what I have done previously is I have overpaid, every week I pay \$140 I pay extra in the winter months so when it comes to hot periods I am covered. I even had to withdraw money from the energy company as I needed the money, and I was so far ahead so I could use the money where I needed it. Currently energy account is \$2K in surplus because I pay extra"* (Professional service SME)

*"I kept supply as I could go weekly, someone suggested that I could go on weekly payments, I said I can't pay I've got nothing, it was a good idea. It worked out to be \$250 per week, rather than \$7K per quarter. If you're just doing takeaway you can do \$250 a week"* (Cafe SME)

*"I've got a food store take away, that suffered, that's gone into liquidation today, they were paying energy bills weekly, Origin worked out an amount you pay a year and you pay it per week it was \$300 per week which is less of an impact on your bank"* (Café SME)

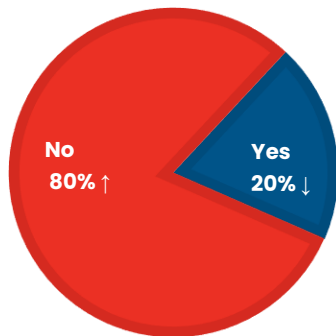
*"Payment options is also useful you can spread it out more"* (Retail SME)

# 1 in 5 SMEs (20%) have an energy service debt that they are still paying off.

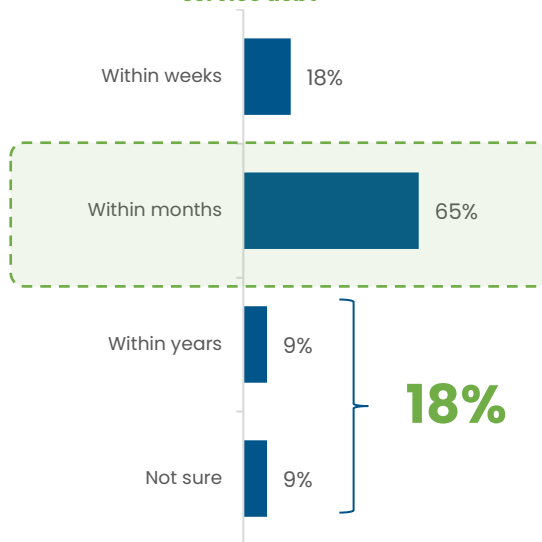
17. Are you still paying off energy service debt? Base: Total n=408

18. Over what timeframe do you expect to repay the energy service debt? Select one. Base Yes in Q17 n=80

Still paying energy service debt



Expected timeframe to repay energy service debt



*"It was about prioritising and if I was late on one, then one month it would be a different bill that I would be late on the next month so that there was less likelihood that there would be any issues if it was always the same bill. Tried to avoid any one of them getting too far in arrears as deemed them all to be the same urgency" (Automotive SME)*

Approximately two-thirds (65%) of those with ongoing energy service debt hope to have it repaid within months.

18% felt that they would only be able to have it paid back within years (9%) or were unsure (9%).

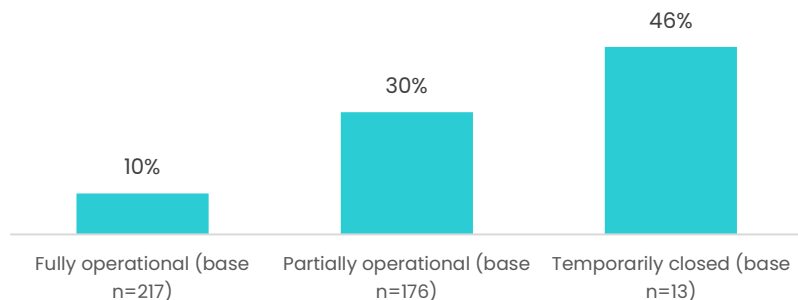
SMEs who were more likely to be experiencing energy service debt were:

- SMEs employing 20–49 staff (32% still paying off energy debt)
- Retail small business (34% paying off energy debt)
- In business for 6–10 years (29% paying off energy debt)
- Paying 'medium' level of energy costs between \$2K–\$5K per year
- Operating within a shopping centre or embedded network (40%).

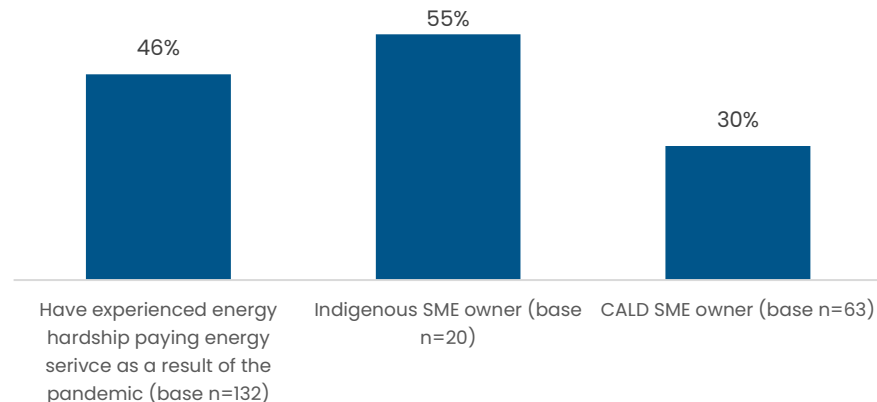
# Energy debt more prevalent in SMEs not fully operational, those who have experienced energy hardship and minority groups

17. Are you still paying off energy service debt? Base: Total n=408

% of SMEs still paying off energy service debt according to the current status of your business



% of SMEs still paying off energy service debt by energy hardship status, indigenous and CALD business owners

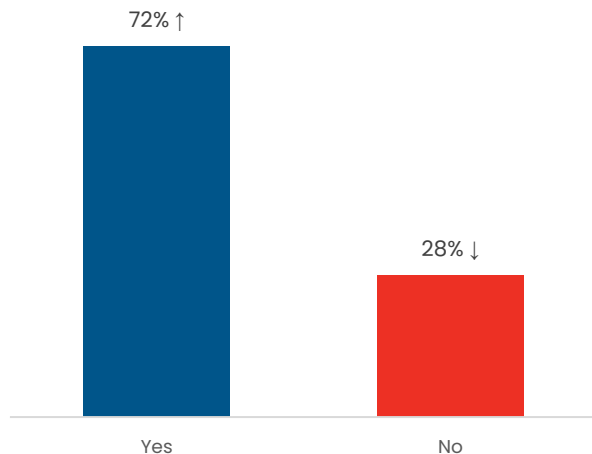


Amongst small business who have experienced financial hardship, 46% are still paying off their energy service debt. This is significantly higher than SMEs who are not experiencing financial hardship (only 7% have an energy service debt).

Energy debt is more prevalent amongst small businesses who are currently still only partially operational, those who are temporarily closed, small business owners who profile as indigenous and SMEs who speak another language other than English at work.

## 28% don't feel they were treated fairly by their energy retailer.

19. Do you feel you were treated fairly by your energy retailer as a result of financial difficulty during the COVID-19 pandemic? Base n=408



47%

of businesses in the retail industry felt they have NOT been treated fairly, significantly higher compared to other industries

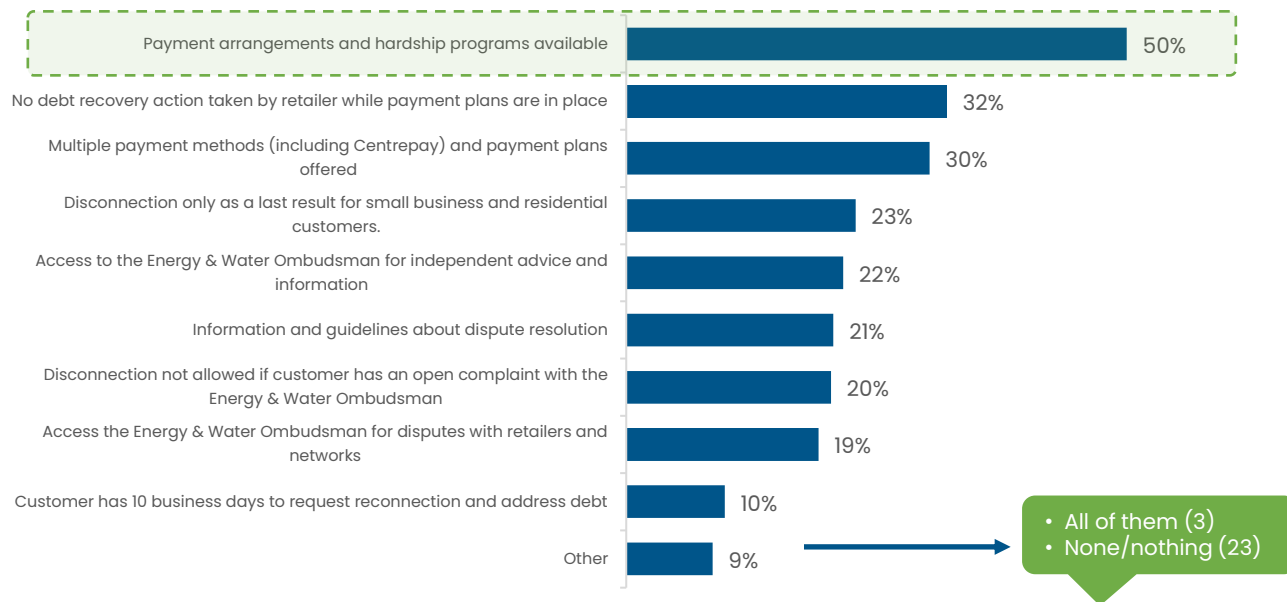
SMEs who were more likely to feel they haven't been treated fairly were:

- Located in Sydney (37% felt they have not been treated fairly, which is significantly higher than other locations).
- Operating in the retail sector (47%) and those in a shopping centre or embedded network (37%).
- Business is currently only partially operational (39%) or temporarily closed (54%).
- Have experienced financial hardship (34%).
- Are still paying off energy service debt (39%).



# Half (50%) of small business owners would like to see payment arrangements and hardship programs continued for small business

20. What temporary support and protections would you like to see continued to help small businesses if faced with financial hardship in the future? Select all that apply. Base n=408



34%

of SMEs with 1-4 staff feel that disconnection should only be a last result for small business and residential customers.

Flexible payment arrangements and making hardship programs readily available for small business is the leading support that small business owners would like to see continued in the future.

A further third (32%) felt that no debt recovery action be taken by retailers while payment plans are in place would be helpful, while 30% considered multiple payment methods (including Centrepay) and payment plans offered would be beneficial.

# Payment flexibility is of higher importance for SMEs who have experienced energy hardship

20. What temporary support and protections would you like to see continued to help small businesses if faced with financial hardship in the future? Select all that apply by energy hardship status.



Amongst SMEs who have experienced financial energy hardship as a result of the pandemic, 54% would like to see payment arrangements and hardship programs continue, 40% are seeking multiple payment methods and payment plans offered and 37% think no debt recovery action while payment plans are in place should be continued.

These temporary supports and protections are seen to be more helpful for SMEs who have experienced financial hardship compared to those that haven't.



# Most helpful support measures

Payment plans, deferring bills and flexibility is what SMEs need when crisis hits and cashflow is impacted.

While some businesses acknowledge that they did not require any support or assistance measure during COVID-19, they saw many other small businesses struggling to stay in business and can see the benefits of support measures being provided by energy service providers to help remain in business and give these SMEs the relief required to assist with cashflow.

SMEs don't want a handout but they do want time to work through the problem and make it manageable to repay debt and remain operational.



## Payment arrangements and hardship programs available (n=203)

### Sample of quotes:

- *Payment arrangement where a pause is placed for one quarter and then re-assessed on whether this suits or whether further action needs to take place. State Government should give clearer instructions to energy companies so that the energy company can then make this clear on the bill and highlight it so it can't be missed. They need to do what Sydney Water does and that is clear instructions on the bill which states what can be done if you are having difficulty paying a bill*
- *Needed some time to get our financials in order to tide over a period of uncertainty*
- *It would give me as a customer a fair chance to resolve a desperate situation without being dictated to by the energy company*
- *Paying in small bites is more manageable for our business*
- *Delayed payment improves company cash flow*
- *So businesses like us can have time to sort out a solution*
- *Help businesses to stay open and recover from financial crises*
- *Payment plans would help manage the financial situation*
- *To ensure ongoing business viability*
- *It would mean that in times of struggle people would not go without power despite having paid enormous amounts over the years*
- *The opportunity to defer bills at a reduced rate would be of assistance*



# Other helpful support measures



SMEs are looking for future safeguards against financial hardship to continue, which allows businesses to have more time and more flexibility, reducing the burden on finances.

## No debt recovery action taken by retailer while payment plans are in place (n=130)

- *It would give businesses more time and flexibility*
- *To help take the stress and pressure off people doing it tough at the moment*
- *We are fortunate to have no cash flow problems, but other small businesses really hurt during the pandemic. They needed to know their power would not be disconnected so they could avoid closing the business*
- *Because when we are already struggling, we don't need to be chased and reminded of it when there are plans in place*
- *At least it delays payment and allows us to operate and earn money to repay.*

## Multiple payment methods (including Centrepay) and payment plans offered (n=123)

- *Give time to sort out payments*
- *These suggestions cover all bases for payment to be made and supply to continue*
- *Ensure options for any financial hardship*
- *Allows flexibility and leeway in times of hardship while allowing for continued service and running of business*
- *It would give me as a customer a fair chance to resolve a desperate situation without being dictated to by the energy company*
- *Less burden on our finances.*

## Disconnection only as a last result for small business and residential customers (n=93)

- *No business can sustain without electricity so it's critical that a lot of thought is given before disconnecting.*
- *You would feel like you are being listened to.*

# SMEs are looking for direct contact to get a straight answer

**In difficult times, talking to someone on the phone is the most effective method of support.**

- SMEs were looking for independent advice for small business – someone who is knowledgeable about grants, assistance and the support available. The ability to ask questions and get a straight answer applicable for their industry sector is important.
- Ability to discuss and provide options for support and assistance – help to reduce your costs and get help with a pause on payment of bills.
- Small business owners know their trade but aren't necessarily business savvy – many would have liked to ask questions, looking for simple information that is easy to understand.
- Constantly changing rules and regulations during a crisis is confusing – having access to a one stop shop for information and advice would be highly valuable for SMEs.

**Business owners were seeking independent advice in a one-stop-shop that has all the information they need for support, grants, assistance across government and private sector for small business – an opportunity for COSBOA to play that role.**

*"Having some level of contact whether it's a call centre that can give you a straight answer about what's going on, I suppose the thing I missed from being part of a franchise when COVID hit was having someone to talk to when it hit" (Retail SME)*

*"If I had a wish list, it would be a government department call centre that you can ring to say, I'm in Goulburn NSW, can I still operate? Am I allowed to operate? Is my business considered essential? All that was very hard, in reality we had to take a punt on it"*

*"If that government department also had a checklist, if you're doing it tough, where's a check list to look at to reduce your costs, some people would say that's the job of your accountant, but when I call my accountant he sends me a bill, asking an accountant on how to save money is a recipe for disaster as it never works"*

*"Independent advice for small business, someone who doesn't have an agenda, can tell you this is the rules, this is what you classify as, help us understand what you're eligible for. In local office we have a grants officer that tells us this has come across our desk this is eligible for you, there should be a small business one, not for profit one, for grants. Some sort of independent advisor for small business would be beneficial"*

*"I would have called them, I like to talk to people, I work in retail I'm not sitting down in front of a computer, I don't have time to personally invest in that research, it's laborious looking at websites, I'd ring and ask them if I had a chance" (Retail SME)*

*"I think like everything, keeping it simple, as so much information out there is constantly changing and it's hard to keep up with, no one stop shop for information as I needed to look in lots of different places. A lot of small business owners know their trade but aren't business savvy so looking at lots of places was difficult" (IT SME)*

# SMEs need better information and better education to be better prepared for crisis situations.

## Industry leaders want to see better, real tangible supports for small business.

- Better information – who to contact, what questions to ask, where to get information, what you need to know for SMEs.
- Real tangible supports – providing proactive support, payment plans – it's about language and actions.
- Small Business specific support line – able to discuss options for support, how to reduce expenses, rebates and payment plans available.
- Help make business owners aware of the options available.
- Disseminate information to industry associations to share with members.
- Proactive communication from energy providers is needed – SMEs don't want to ask for support, they are stressed and don't want to admit they can't pay a bill.

*"Role of associations to let businesses know; need to be active and provide small businesses with updates and make them aware of assistance available and see what they could get in terms of financial relief. Energy companies engage with industry association to disseminate it to small businesses. (petrol and convenience industry)"*

*"I think it comes back to better information for the consumer, what should a consumer do if they don't know what they don't know and if they do know who do you contact and know the right questions to ask, where do you get information from, needs to make the process better and easier to make communication and information better to access."*

*"Better communication and easier to find information and better marketing TV ads, and local community papers and putting information into the bills that provides you with what you need to know" (Australian Digital and Telecommunications Industry)"*

*"There could have been more communication and written hard copy communication, emails get lost with small business and websites I don't look at. People would have paid their bills as normal as they wouldn't have known any different." (Rural Business Tasmania)"*

*"When you're in financial distress, and medical family issues, home schooling, worrying about family, people don't see what's in front of them. It has to be practically a helping hand, it's picking up the phone, noticing late payments, proactively talking about a payment plan, a councillor, understanding what else is happening in your life. Real tangible supports are just as important as the cash components"*

*"I think better information from Govt or companies, providing assistance through emails or going into stores and telling them; even though going in would have been difficult at the time. I think mainly easily available and easy to navigate websites, small business concierge and having available people to speak with would be most helpful. It can take a long time to get through and these businesses won't wait as have a business to run, so having a voice on other end of line would be great, and helpful and gives them certainly if someone can check on the spot if business is eligible without waiting to find out" (Hospitality industry)"*

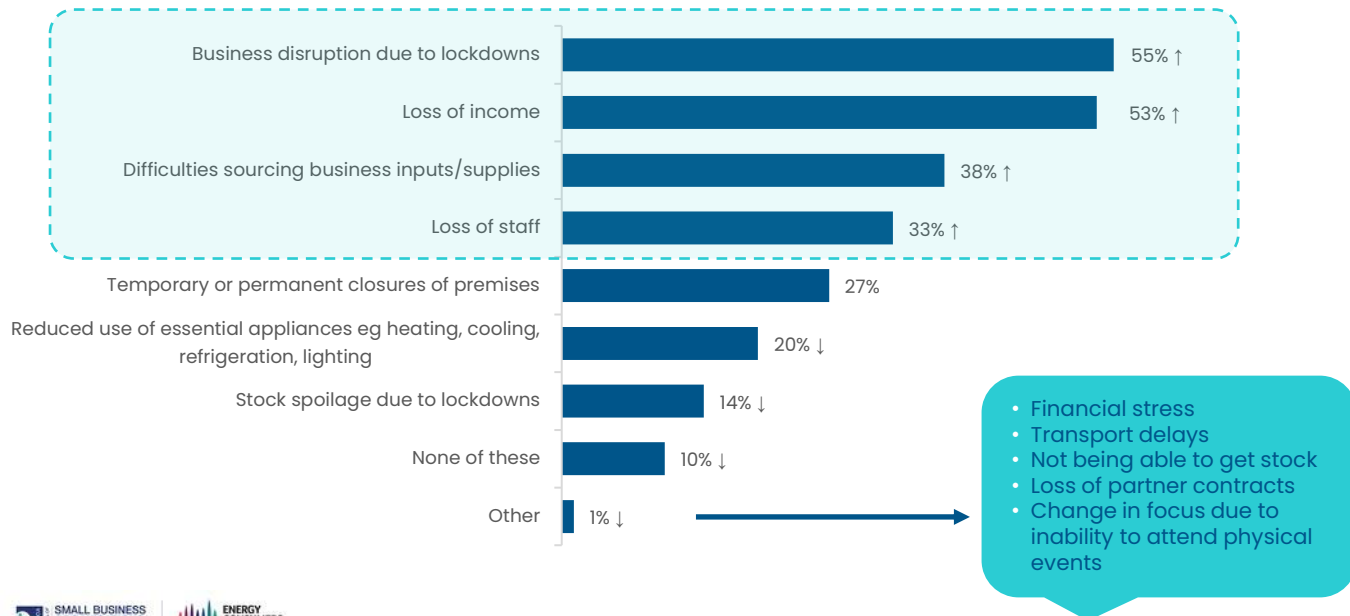
*"Better education about helping businesses know what they were being charged for and when and just relief as losing a lot of money and reduced revenue" (Hospitality industry)"*

# 4. Impact of COVID-19 for small businesses and accessing support



# Business disruptions due to lockdown and loss of income (53%) were the main impacts

2. During the pandemic, did your business experience any of the following impacts caused by the COVID-19 situation? Select all that apply? Base: Total n=408



## 47%

of businesses in the hospitality, food, accommodation & tourism sector experienced stock spoilage due to lockdowns and 60% loss of income.

Only 10% of businesses stated that they were not adversely affected by the impact caused by COVID-19.

Difficulties sourcing business inputs/supplies affected 38% of businesses due to the COVID-19 situation. A third (33%) of businesses lost staff as a direct result of COVID-19.

Other negative impacts mentioned include transport delays, with the knock-on effect being the difficulty to get stock, loss of partner contracts and inability to attend physical events with a change in business focus.



# 66% of Micro SMEs experienced loss of income

2. During the pandemic, did your business experience any of the following impacts caused by the COVID-19 situation? Select all that apply?

Column %	How many people does your business employ?			
	1 to 4	5 to 9	10 to 19	20 to 49
Business disruption due to lockdowns	54%	50%	53%	63%
Loss of income	66% ↑	65%	33% ↓	49%
Difficulties sourcing business inputs/supplies	32%	38%	45%	40%
Loss of staff	18% ↓	42%	36%	45% ↑
Temporary or permanent closures of premises	27%	29%	23%	29%
Reduced use of essential appliances eg heating, cooling, refrigeration, lighting	9% ↓	15%	26%	31% ↑
Stock spoilage due to lockdowns	7% ↓	20%	13%	21%
None of these	13%	9%	11%	7%
Other	3%	2%	0%	0%
Column n=	140	66	97	105

- Significantly more micro SMEs employing 1 to 4 staff have experienced loss of income (66%), compared to 33% amongst SMES employing 10-19 staff.
- Medium sized businesses with 20-49 employees were more likely to have experienced loss of staff (45%) which is significantly higher than micro SMES employing 1-4 staff (18%). This group of businesses, medium sized businesses with 20-49 employees, were also more likely to have reduced the use of essential appliances e.g. heating, cooling, refrigeration, lighting (31%) most likely due to non-use, which is significantly higher than those employing 1-4 staff (9%).

# Financial impacts most felt amongst SMEs with 'very high' energy bills

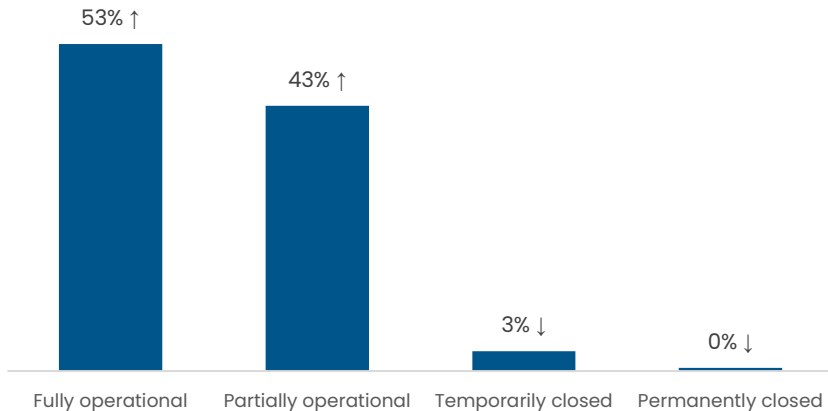
2. During the pandemic, did your business experience any of the following impacts caused by the COVID-19 situation? Select all that apply.

Column %	What would you estimate is the average annual energy costs for your business?				What type of energy usage do you use in your business?						
	Low - Less than \$2,000 per year	Medium - Between \$2,001 to \$5,000 per year	High - Between 5,001 to \$7,000 per year	Very High - Over \$7,001 per year	Powering lights, computers and office	Manufacturing	Refrigeration	Retail/ shop shopfront	Restaurant/ café	Dry cleaning / Laundromat	Other
Business disruption due to lockdowns	51%	53%	63%	65%	56%	53%	67% ↑	67% ↑	60%	64%	50%
Loss of income	60%	50%	43%	76% ↑	59% ↑	47%	67% ↑	48%	55%	57%	58%
Difficulties sourcing business inputs/supplies	25% ↓	42%	42%	41%	39%	62% ↑	45%	37%	43%	36%	50%
Loss of staff	20% ↓	33%	39%	54% ↑	36%	36%	46% ↑	40%	45%	43%	42%
Temporary or permanent closures of premises	24%	22%	33%	49% ↑	28%	28%	38% ↑	31%	43%	14%	25%
Reduced use of essential appliances eg heating, cooling, refrigeration, lighting	7% ↓	22%	21%	32%	19%	15%	27%	30% ↑	43% ↑	36%	17%
Stock spoilage due to lockdowns	7%	15%	12%	32% ↑	10% ↓	19%	21%	28% ↑	55% ↑	29%	8%
None of these	17%	9%	6%	14%	10%	10%	7%	6%	8%	14%	8%
Other	2%	1%	0%	3%	1%	0%	0%	1%	3%	0%	0%
Column n=	84	220	67	37	335	78	117	108	40	14	12

- Businesses that estimated their annual energy costs to be **very high**, that is over \$7,000 per annum, were more likely to experience loss of income (76%), loss of staff (54%), temporary or permanent closures of premises (49%), and stock spoilage due to lockdowns (32%). This indicates a strong correlation with a negative financial impact due to lockdowns and businesses with high energy needs who have high energy costs, including those using refrigeration, manufacturing and dry cleaning.
- Business that require energy for refrigeration and retail/shopfront were more likely to be negatively impacted due to lockdown (67% respectively).**

# Small business is still feeling the impact with 43% now only partially operational.

1. As a result of COVID-19 what is the status of your business currently?  
Select one. Base n=408



- A further 3% of businesses are having to either temporarily or permanently close.
- Significantly more SMEs operating in Sydney were partially operational (54%) and fewer were fully operational (40%) compared to other states.
- SMEs located in Sydney were more likely to currently be 'partially operational' (58%) and only 37% are currently fully operational, which is lower compared to other locations in Australia.
- Significantly more SMEs in Regional QLD (83%) are currently fully operational.

# Businesses with 20–49 staff more likely to still be ‘partially operational’

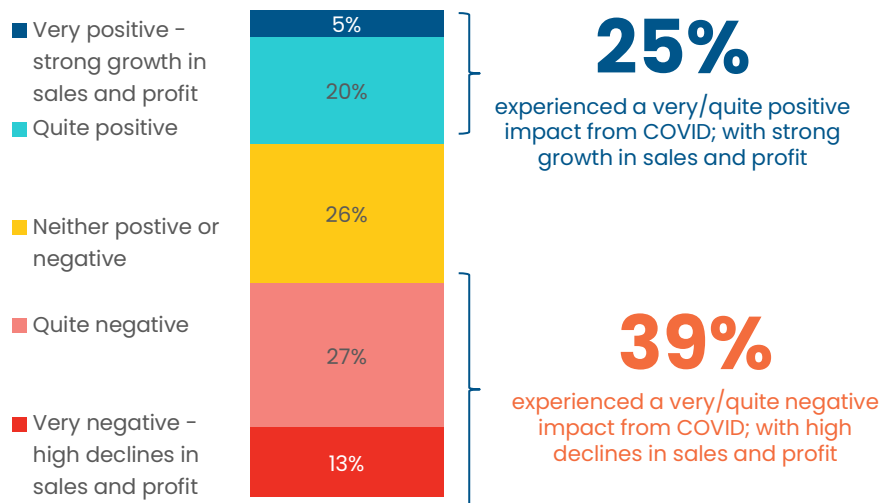
1. As a result of COVID-19 what is the status of your business currently? Select one

Column %	How many people does your business employ?				What type of energy usage do you use in your business?					
	1 to 4	5 to 9	10 to 19	20 to 49	Powering lights, computers and office	Manufacturing	Refrigeration	Retail/ shop shopfront	Restaurant/ café	Dry cleaning / Laundromat
Fully operational	56%	73% ↑	54%	36% ↓	58% ↑	64%	51%	39% ↓	35%	21%
Partially operational	37%	26% ↓	43%	62% ↑	38% ↓	33%	44%	57% ↑	65% ↑	71%
Temporarily closed	6%	2%	2%	2%	4%	3%	4%	3%	0%	7%
Permanently closed	1%	0%	1%	0%	0%	0%	0%	1%	0%	0%
Column n=	140	66	97	105	335	78	117	108	40	14

- Businesses that were impacted by COVID-19 and were forced to be partially operational are more likely SMEs with 20-49 staff (62%), and using energy for retail shopfront (57%) and restaurant/café (65%). These are also the SMEs who have higher energy usage and higher energy costs.
- Close to 4 in 10 (37%) of micro small businesses are currently still only partially operational, and just over half (56%) are fully operational. This indicates the pandemic impact for small business is far from over, and many are still struggling from the impacts.
- A higher proportion of SMEs who operate in a shopping centre (55%) are partially operational, which is significantly higher than SMEs who are not in an embedded network (39% partially operational).

# Almost 2 in 5 (39%) businesses had a negative financial impact on their business, with high declines in sales and profit.

## 3. How would you rate the financial impact of COVID-19 on your business? Base: Total n=408



The industries with highest negative impacts included automotive (100%), hair and beauty (80%), communications, advertising, arts & media (67%), administrative and office support (63%), sport and recreation (56%), manufacturing (55%), hospitality, food, accommodation and tourism (49%) and transport and logistics (45%).

A quarter (25%) stated that during COVID-19 their business had very/quite positive results, with strong growth in sales and profit. The positive results were more felt amongst medium businesses with 20-49 staff (35% positive), compared to only 11% positive impact for micro businesses employing 1-4 staff.

# 51% of Micro SMEs have had a negative financial impact on their business overall.

## 3. How would you rate the financial impact of COVID-19 on your business?

Column %	How many people does your business employ?			
	1 to 4	5 to 9	10 to 19	20 to 49
TOP 2 BOX (TOTAL POSITIVE)	11% ↓	24%	33%	35% ↑
Very positive – strong growth in sales & profit	2%	6%	7%	6%
Quite positive	9% ↓	18%	26%	30% ↑
Neither positive or negative	39%	26%	42%	34%
Quite negative	32%	38%	16%	22%
Very negative – high declines in sales and profit	19%	12%	8%	9%
BOTTOM 2 BOX (TOTAL NEGATIVE)	51% ↑	50%	25% ↓	30%
Column n=	140	66	97	105

The negative financial impact was more strongly felt amongst:

- Micro small businesses employing 1-4 staff (51%) compared to those employing 10-19 staff (25%).
- SMEs who are not using any renewable technology (46% negative impact) compared to SMEs who have access to renewable energy (30% negative impact).
- Businesses who are currently only 'partially operational' as a result from COVID-19 also profile significantly higher as experiencing negative financial impacts with declines in sales and profits (48% negative financial impact SME's 'partially operational' compared to 30% negative impact for SMEs who are fully operational).

# Financial impact of COVID-19 on businesses by energy costs and usage

## 3. How would you rate the financial impact of COVID-19 on your business?

Column %	What would you estimate is the average annual energy costs for your business?				What type of energy usage do you use in your business?						
	Low – Less than \$2,000 per year	Medium – Between \$2,001 to \$5,000 per year	High – Between 5,001 to \$7,000 per year	Very High – Over \$7,001 per year	Powering lights, computers and office	Manufacturing	Refrigeration	Retail/ shop shopfront	Restaurant/ café	Dry cleaning / Laundromat	Other
TOP 2 BOX (TOTAL POSITIVE)	18%	25%	30%	24%	21% ↓	33%	21%	26%	30%	21%	0%
Very positive – strong growth in sales & profit	4%	2% ↓	12% ↑	14%	5%	13% ↑	7%	1%	8%	7%	0%
Quite positive	14%	24%	18%	11%	16% ↓	21%	14%	25%	23%	14%	0%
Neither positive or negative	37%	37%	40%	24%	34%	37%	32%	33%	30%	29%	50%
Quite negative	30%	29%	22%	16%	30% ↑	21%	30%	30%	25%	43%	33%
Very negative – high declines in sales and profit	15%	9%	7%	35% ↑	14%	9%	17%	11%	15%	7%	17%
BOTTOM 2 BOX (TOTAL NEGATIVE)	45%	38%	30%	51%	44% ↑	29%	47%	41%	40%	50%	50%
Column n=	84	220	67	37	335	78	117	108	40	14	12

- Businesses with a very high annual energy cost of over \$7,000 were much more likely to feel the financial impact (35% very negative).
- The negative financial impact was felt more significantly amongst those SMEs who primarily use energy for powering lights, computers and office (44%).

# Impacts of COVID-19 have directly caused declines in sales and profits for small business

## 3. How would you rate the financial impact of COVID-19 on your business?

Column % Financial impact on business	Impacts experienced caused by COVID-19 situation								
	Loss of income	Loss of staff	Difficulties sourcing business inputs/supplies	Stock spoilage due to lockdowns	Business disruption due to lockdowns	Reduced use of essential appliances e.g., heating, cooling, refrigeration, lighting	Temporary or permanent closures of premises	Other (please provide details)	None of these
Very positive – strong growth in sales & profit	4%	3%	4%	3%	3% ↓	1%	6%	0%	14% ↑
Quite positive	10% ↓	16%	21%	22%	16% ↓	20%	9% ↓	0%	36% ↑
Neither positive or negative	21% ↓	27% ↓	28% ↓	24%	31% ↓	34%	22% ↓	20%	50%
Negative (Very +quite) high declines in sales and profit	65% ↑	54% ↑	47% ↑	50%	51% ↑	45%	63% ↑	80%	0% ↓
Column n=	218	135	156	58	225	80	109	5	42

Small businesses who have had a negative impact on their financial situation with high declines in sales and profits were more likely to be:

- Those who experienced loss of income (65%), loss of staff (54%), difficulty sourcing business inputs and supplies (47%), experienced business disruptions due to lockdowns (51%) and have had temporary or permanent closure of their premises (63%).



# Some businesses adapted during COVID-19 which led to a positive impact

- Small businesses were forced to pivot their businesses and respond to the chaos caused by COVID. Those that changed their retail footprint, transitioned to digital, re-focused their product and specialisation benefited from the situation.
- Changing the trajectory of your business, seeking out new opportunities – a time to scramble can lead to positive outcomes.
- Businesses had to 're-invent' themselves under pressure in short time frames to respond to lockdowns and changing rules.

An opportunity to provide advice and learnings for small business about how to shock-proof your small business when the next crisis hits.

Those SMEs who had a positive impact applied some common principles: 1) Diversification of business, 2) Ability to respond to your market, 3) Online sales and presence and 4) Reinventing your business.

*"I'm in a better financial position than for years, the change of the platform for business, and I moved location, when I started this in March 2020, I was 2 weeks into the new store when COVID started to make an impact, I was crapping myself, I've changed the name and moved location and gone in a more specialised direction" (Retail SME)*

*"Sometimes you have to pull your finger out and try a bit harder, I changed the trajectory of my advertising, and I sought business out, I don't believe in resting on your laurels, when business comes your way it's the perfect time to scramble" (Retail SME)*

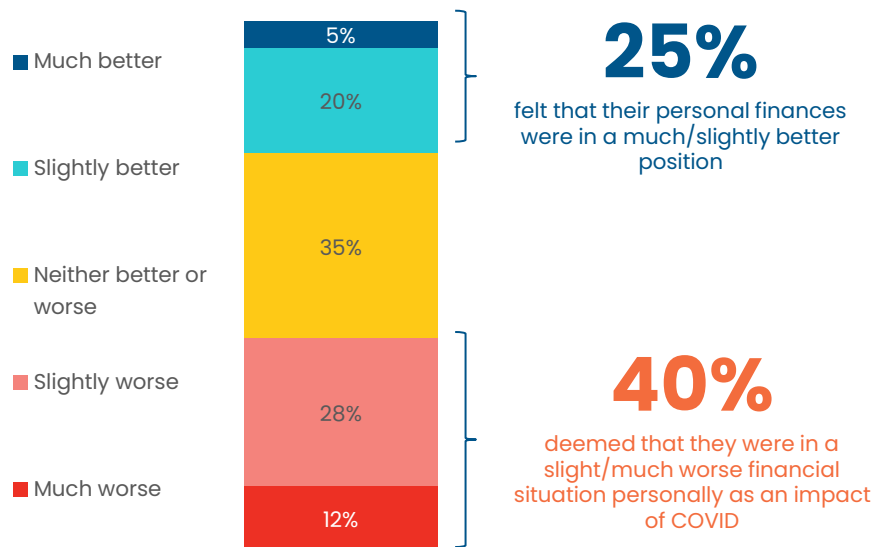
*"We have had to significantly change our business, we already had an online presence, we were able to push the online business a lot harder to get through the first bit, the longer it goes on the harder it becomes. We question if we're out of it now" (Manufacturing Alcohol Sector SME)*

*"We basically had to reinvent our products, we went 100% virtual, we made virtual tasting packs that went crazy in a good way, we're talking about energy efficiency of staff wasn't ever a concern, we had more staff than we needed, they were filling bottles" (Manufacturing Alcohol Sector SME)*

**How to Grow  
your Business  
During Crisis**

# 40% are in a worse personal financial situation as a direct result of COVID-19

4. How would you rate the impact of COVID-19 on your personal finances, are you in a better or worse financial situation? Base: Total n=408



A quarter of SMEs (25%) stated that they are in a better financial situation (slightly/much better) as a result of COVID-19 – this was more likely the case for businesses employing 10-19 staff (37%).

2 in 5 SMEs (40%) deemed their personal situation as worse as a direct impact of COVID-19. SMEs who were more likely to be in a worse personal financial situation are:

- SMEs who use energy usage for powering lights computers and office (45% worse).
- SMEs who use refrigeration in their business (52% worse).
- Businesses whose energy costs are over \$7,000 per year considered very high (54% worse situation).
- Those not located in a shopping centre or embedded network (44% worse).
- Not using or with access to renewable energy technologies (45% worse personal situation).
- Business who are currently partially operational (48% worse) and those who are temporarily closed (85% worse).

# Industries experiencing the worst impact of COVID-19 on business financials and personal situation

## 4. How would you rate the impact of COVID-19 on your personal finances, are you in a better or worse financial situation?

Industry	% Negative financial impact on business (Quite negative + Very Negative)	% Worse personal financial situation (Slightly worse + Much Worse)	% Experienced energy hardship (YES)
Professional services - Accounting, financial services, Admin, Architecture, Insurance, Legal, HR, Recruitment (n=52)	29%	31%	23%
Aged Care & Health (n=16)	44%	50%	31%
Agriculture, Gardening, Building, Construction & Trades (n=54)	33%	37%	17%
Automotive, Sales (n=11)	55%	45%	27%
<b>Childcare, Cleaning, Hair &amp; Beauty (n=13)</b>	<b>38%</b>	<b>46%</b>	<b>54%</b>
Communications, Advertising, Arts & Media (n=9)	67%	67%	22%
<b>Engineering + Manufacturing (n=28)</b>	<b>54%</b>	<b>46%</b>	<b>43%</b>
<b>Hospitality, Food, Accommodation &amp; Tourism (n=47)</b>	<b>49%</b>	<b>49%</b>	<b>40%</b>
<b>Information &amp; Communication Technology (ICT) n=27</b>	<b>41%</b>	<b>48%</b>	<b>41%</b>
Mining and Energy (n=5)	20%	20%	0%
Real Estate and Property (n=10)	20%	30%	20%
<b>Retail (n=64)</b>	<b>30%</b>	<b>34%</b>	<b>52%</b>
Sport & Recreation (n=9)	56%	44%	22%
<b>Transport &amp; Logistics (n=22)</b>	<b>45%</b>	<b>45%</b>	<b>36%</b>
Other (n=41)	41%	34%	17%

# Amongst SMEs who experienced loss of income in their business, 60% have a worse personal finance situation

## 4. How would you rate the impact of COVID-19 on your personal finances, are you in a better or worse financial situation?

Column %  Personal financial situation as result of COVID	Impacts experienced caused by COVID-19 situation								
	Loss of income	Loss of staff	Difficulties sourcing business inputs/supplies	Stock spoilage due to lockdowns	Business disruption due to lockdowns	Reduced use of essential appliances eg heating, cooling, refrigeration, lighting	Temporary or permanent closures of premises	Other (please provide details)	None of these
Much better + Slightly better	15% ↓	16% ↓	24%	31%	21%	26%	13% ↓	20%	40% ↑
Neither better or worse	25% ↓	25% ↓	29%	26%	30% ↓	34%	28%	20%	55% ↑
Slightly worse + Much worse	60% ↑	59% ↑	46%	43%	49% ↑	40%	59% ↑	60%	5% ↓
Column n=	218	135	156	58	225	80	109	5	42

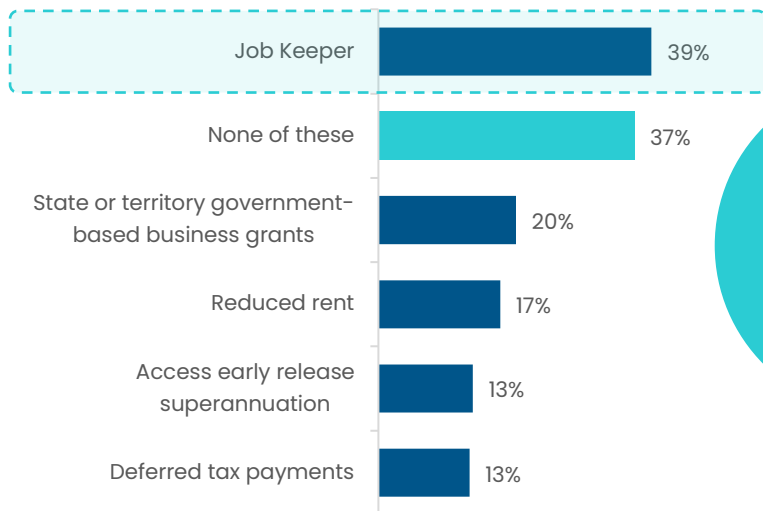
There was a direct correlation with small businesses who have experienced negative impacts of COVID-19 on their business with a worsening of personal finances.

- 60% of SMEs who experienced loss of income in their business have a worse personal financial situation
- 59% of SMEs whose business was temporarily or permanently closed are in a worse personal financial situation

In direct contrast, amongst SMEs who didn't experience negative impacts from COVID-19, 40% are in a better personal financial situation.

# Almost 2 in 5 (39%) SMEs accessed JobKeeper during the pandemic

5. Did your business access any of the following financial support or assistance during the pandemic? Select all that apply. Base n=408



**36%**

of those in the retail industry asked for reduced rent during COVID-19.

Financial support was more likely accessed by:

- Businesses located in NSW asked for reduced rent (26%) and early release superannuation (22%) compared to SMEs in other locations.
- SMEs in the retail sector, 36% accessed reduced rent.
- SMEs who have been in business for 6-10 years, 26% were able to access reduced rent, compared to only 12% amongst new businesses with less than 2 years of operation.
- Businesses who operate in a shopping centre or embedded network (37% accessed reduced rent).

37% did not access any financial support or assistance for their business.

# Impact of financial support or assistance accessed by SMEs

5. Did your business access any of the following financial supports or assistances during the pandemic? Select all that apply. by Q3. – How would you rate the financial impact of COVID-19 on your business?

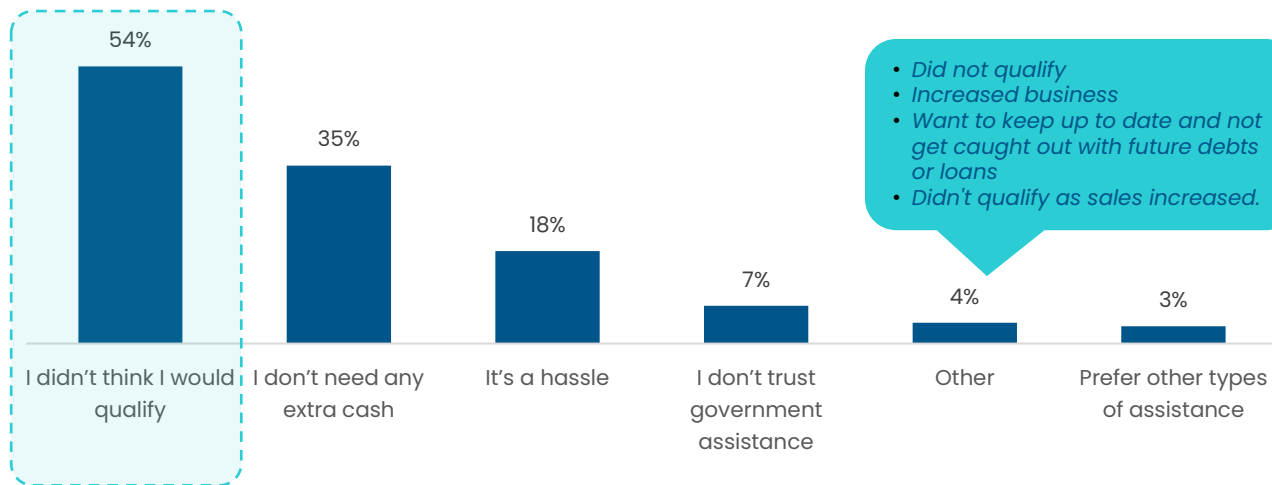
Column %	Positive financial impact (Quite/Very positive)	Neither positive or negative	Negative financial impact (Quite/ Very negative)
JobKeeper	34%	24% ↓	56% ↑
Reduced rent	32% ↑	13%	13%
Access early release superannuation	20%	10%	13%
State or territory government-based business grants	17%	14%	26% ↑
Deferred tax payments	11%	11%	16%
Other (please specify)	0%	0%	0%
None of these	29%	52% ↑	27% ↓
Column n=	100	148	160

56% of SMEs who have experienced a negative financial impact of COVID-19 accessed JobKeeper and 26% accessed state or territory government-based business grants to help their business survive the pandemic.

- 27% of small businesses didn't access any financial support who have also experienced a negative financial impact to their business.
- Amongst business who have had a positive financial impact resulting from COVID-19, close to 1 in 3 (32%) accessed reduced rent and 34% accessed JobKeeper support.

# Over half (54%) of SMEs didn't think they would qualify for financial assistance

6. What are the reasons why you haven't accessed any financial support or assistance? Select all that apply? Base those who have not accessed any support n=149



"Want to keep up to date and not get caught out with future debts or loans"



Small business owners who experienced a loss of staff were more likely to state that they didn't apply for assistance as they don't trust government assistance (21%), despite needing additional funds to support the business.

SMEs who have experienced a negative impact on their business with high declines in sales and profits were also more likely to say they don't trust government assistance (19%) as the reason they didn't apply for supports.

Of the small businesses who experienced disruptions to their business during lockdowns, **31% stated the reasons they didn't seek financial assistance was that it was a hassle.**

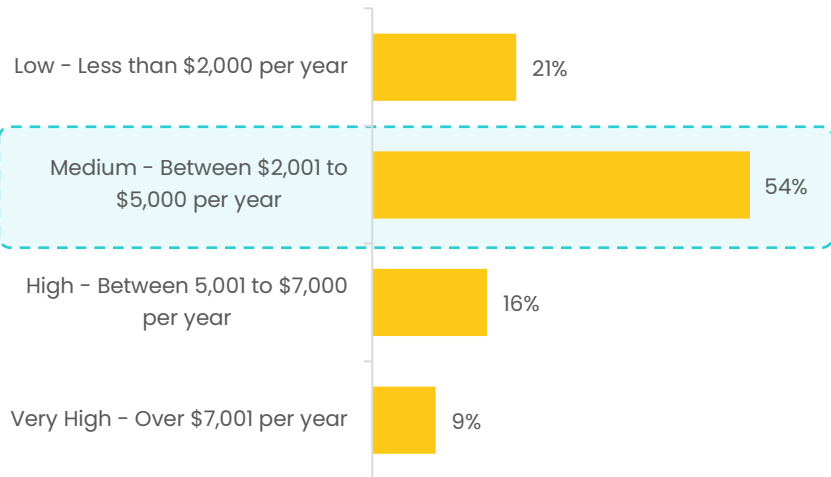
# 5. Small Business Energy Usage Profile





# More than half of small businesses estimate energy costs between \$2-5K p/a

**S9. What would you estimate is the average annual energy costs for your business? Select one. Base n=408**



Whilst the majority of small businesses estimate their annual energy costs are between \$2,001 to \$5,000 per year, one in four (25%) spend upwards of \$5,000 per annum on energy costs.

Businesses operating in Sydney are more likely to have medium annual energy costs (63%) versus high costs (10%).

Small businesses who are most likely to be impacted by high annual energy costs are those SMEs employing 10-49 staff members.

- 28% of SMEs with 10-29 staff estimate their energy bills as high (between \$5K-\$7K per year).
- 24% of SMEs with 20-49 staff estimate their energy bills as high (between \$5K-\$7K) and 16% have very high energy bills (16% over \$7K per year).
- SMEs located in Sydney are more likely to have medium sized energy bills (68% paying \$2K-\$5K), and less likely to have low energy bills (18% paying less than \$2K per year).
- Male SMEs tended to have higher energy bills (59% paying between \$2K-\$5K per year) compared to female run small businesses (46% paying between \$2K-\$5K) and 26% having 'low' energy bills.
- SMEs operating in a shopping centre or embedded network have higher energy bills (70% between \$2K-5K) compared to those that don't.

There was no significant difference in energy costs based on the length of time a small business was operating or the industry the business is in.

# Estimated annual energy costs by usage

S9. What would you estimate is the average annual energy costs for your business? Select one. Base n=408

Column %	What type of energy usage do you use in your business?						
	Powering lights, computers and office	Manufacturing	Refrigeration	Retail/ shop shopfront	Restaurant/ café	Dry cleaning / Laundromat	Other
Low - Less than \$2,000 per year	23% ↑	8% ↓	15%	5% ↓	3% ↓	21%	17%
Medium - Between \$2,001 to \$5,000 per year	50% ↓	50%	45%	66% ↑	50%	43%	50%
High - Between 5,001 to \$7,000 per year	17%	28% ↑	21%	19%	25%	7%	25%
Very High - Over \$7,001 per year	10%	14%	19% ↑	10%	23% ↑	29% ↑	8%
Column n=	335	78	117	108	40	14	12

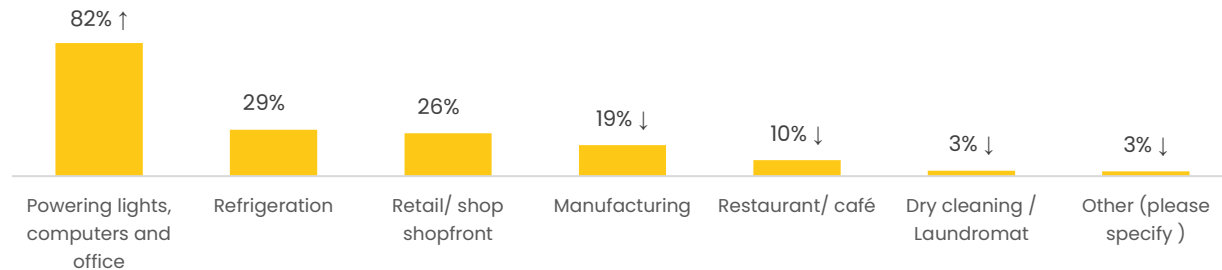
SMEs who use energy for manufacturing, refrigeration, powering cafés and restaurants, and dry cleaning have higher annual energy costs for their business, compared to SMEs primarily using energy to power lights, computers and offices.

- Amongst SMEs using refrigeration, 19% have 'very high' energy bills over \$7K per year.
- 23% of SMEs in Restaurants and cafes have 'very high' energy bills, and 29% of those in dry cleaning and laundromats have very high energy costs.

Amongst small businesses who use energy primarily to power their lights, computers and offices, 23% classify their energy usage as 'low' which over profiles compared to other types of usage.

# Over 4 in 5 (82%) businesses use energy for powering lights, computers and offices.

S10. What type of energy usage do you use in your business? Select all that apply. Base: Total n=408



Column %	How many people does your business employ?			
	1 to 4	5 to 9	10 to 19	20 to 49
Powering lights, computers and office	92% ↑	92%	71% ↓	72% ↓
Manufacturing	11% ↓	14%	32% ↑	21%
Refrigeration	20% ↓	32%	28%	39% ↑
Retail/ shop shopfront	11% ↓	24%	33%	42% ↑
Restaurant/ café	2% ↓	9%	16% ↑	14%
Dry cleaning / Laundromat	4%	0%	2%	6%
Other (please specify )	4%	3%	3%	1%
Column n=	140	66	97	105

Restaurant/cafes will use energy to power lights, etc. (63%) and for refrigeration (58%) in addition to the general running of their business.

The most common usage of energy for small business owners is powering lights, computers and offices (82%). Micro SMEs employing 1-4 staff were most likely to be using energy predominately for powering lights, computers and the office.

29% of small businesses were using energy to power refrigeration and 26% for retail shops. SMEs employing 10-29 staff over profile for using energy for manufacturing (32%) and restaurant/cafes (16%).

SMEs employing 20-49 staff were more likely to use energy for refrigeration (39%) and retail shopfront (42%).

# 35% of SMEs currently only 'partially' operational have energy costs for a retail shopfront

S10. What type of energy usage do you use in your business? Select all that apply. Base: Total n=408

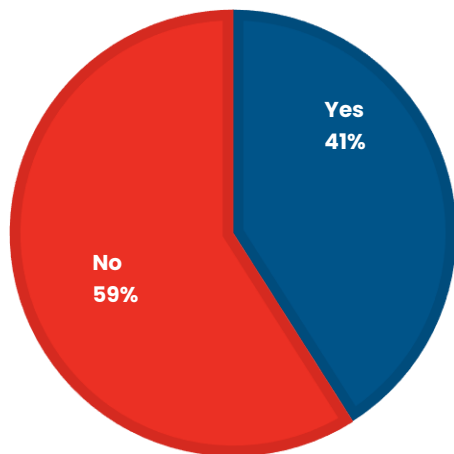
Column %	Status of current business			
	Fully operational	Partially operational	Temporarily closed	Permanently closed
Powering lights, computers and office	89% ↑	73% ↓	92%	50%
Manufacturing	23%	15%	15%	0%
Refrigeration	28%	30%	38%	0%
Retail/ shop shopfront	19% ↓	35% ↑	23%	50%
Restaurant/ café	6%	15% ↑	0%	0%
Dry cleaning / Laundromat	1%	6%	8%	0%
Other (please specify )	5%	1%	0%	0%
Column n=	217	176	13	2

A significantly higher proportion of businesses still being impacted by COVID-19 who are partially operational have energy costs to power their retail shopfront (35%) or are operating partially dry cleaning/ laundromat services.

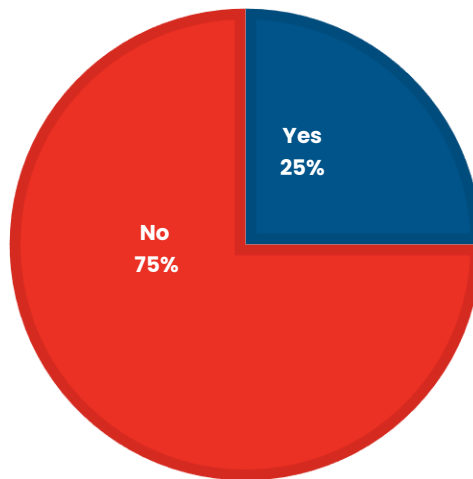
Other energy usages for small business include running machinery, plant operation, operating tools, workshop area, air conditioning, powering technology devices, accommodation and powering pools.

# Over 2 in 5 SMEs have access to renewable energy sources

S11a. Does your business use, or have access to, renewable energy technologies, such as rooftop solar or battery storage?



S11b. Does your business operate within a shopping centre or embedded network, where the electricity is billed by a single retailer or by building management?



Just over 2 in 5 (41%) businesses use or have access to renewable energy technologies, such as rooftop solar or battery storage.

A quarter (25%) of businesses operate within a shopping centre or embedded network, where the electricity is billed by a single retailer or by building management.

Businesses that use energy for manufacturing are more likely to use, or have access to, renewable energy technologies, such as rooftop solar or battery storage (55%).

Retail shopfront businesses were more likely to operate within a shopping centre or embedded network, where the electricity is billed by a single retailer (42%).

**SMEs who had access to renewable energy technologies were more likely to have had a positive financial impact from COVID-19 (26%). Amongst SMEs who had very negative impact, only 8% were using or had access to renewable energy technologies.**

# Renewable energy more likely used by larger sized SMEs with 20–49 staff

S11a. Does your business use, or have access to, renewable energy technologies, such as rooftop solar or battery storage?

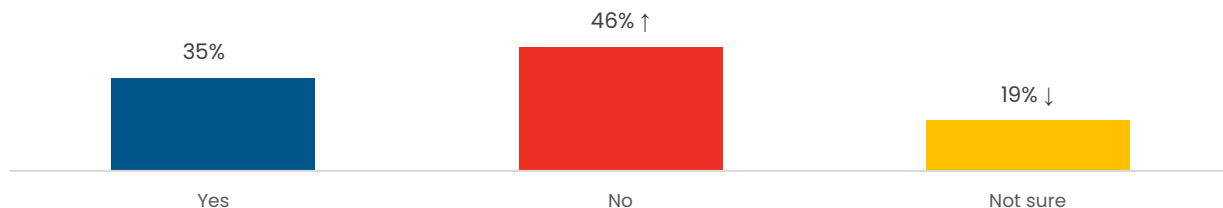
S11b. Does your business operate within a shopping centre or embedded network, where the electricity is billed by a single retailer or by building management?

Column % Filter: Yes	How many people does your business employ?				How long have you been in your business for?					
	1 to 4	5 to 9	10 to 19	20 to 49	Less than 2 years	2 – 5 years	6 – 10 years	11 – 15 years	16 – 20 years	More than 21 years
Use, or have access to, renewable energy technologies, such as rooftop solar or battery storage	28% ↓	32%	45%	60% ↑	41%	33%	50% ↑	54% ↑	41%	19% ↓
Operate within a shopping centre or embedded network, where the electricity is billed by a single retailer or by building management	7% ↓	21%	38% ↑	37% ↑	12%	28%	36% ↑	26%	12%	8% ↓
Column n=	140	66	97	105	17	75	129	80	34	73

Businesses with 20–49 staff are more likely to use, or have access to, renewable energy technologies, such as rooftop solar or battery storage compared to those who have 1– 4 staff (60% vs 28%). This same group are more likely to operate within a shopping centre or embedded network, where the electricity is billed by a single retailer or by building management (37% vs 7%).

# Just over a third (35%) of businesses have a registered energy tariff

Q7. - Does your business have a registered energy tariff which is separate to your residential tariff?



Column %	How many people does your business employ?			
	1 to 4	5 to 9	10 to 19	20 to 49
Yes	16% ↓	38%	53% ↑	72% ↓
No	69% ↑	50%	24% ↓	21%
Not sure	16%	12%	24%	39% ↑
Column n	140	66	97	42% ↑

**69%**

of micro business with 1 to 4 employees do not have a separate registered business energy tariff

Business owners with more than 5 staff were more likely to have a separate business energy tariff, significantly so for those employing 10 to 19 staff (53%).

Businesses who over profile for having a registered business tariff are:

- Businesses who use energy for manufacturing (47%).
- Use energy for retail / shop front (47%) or for a restaurant/café (60%).

Businesses who have a registered business tariff were more likely to have experienced financial hardship (50%), compared to 28% who didn't have a business tariff.

# 7. Case Studies among small business owners







# Accommodation & Hospitality

"I was a bit of a mess psychologically at times personally, I said don't get emotional it's just business, but when you're faced with going down it's not funny, I had to disconnect from it personally, I was more stressed than I thought I was, I ended up in hospital thinking I was having a heart attack, it was stress.

I was more upset about my staff, I had to lay them all off, I had 100 staff with all the hotels, I had to lay off 85 in one day, that day I sobbed and sobbed, it's awful some are from overseas and didn't qualify for JobKeeper"



I have been involved in hotels my whole life, my parents had hotels which I worked in, and they own one that I'm a shareholder of, I've owned this hotel for 3 years, it has 83 rooms and a restaurant with a tenant that didn't make it through COVID, it's empty now, they had a 10 year lease that they broke. **The 2020 lockdown had a very rapid impact to start with we went from full employ pretty to putting off most of the staff, we ended up with just the manager, me and my husband, we were able to keep trading but we had to find long term tenants.**

**We put our price down, we used to charge on average \$180 and we had to put it down to \$45 a night, we basically had to make enough to pay the bills, actually not enough to pay the bills.**

Because of restrictions people like tradies could stay with us for \$45 a night, it was just the room, that went on, it started to pick up in August, returned to almost normal in 2020 Nov, then come Christmas and borders were shut and we emptied out again, then last January/February were miserable, a bit better, but pretty bad and then we were in full lockdown in August 2021. In the lockdown we were banned to taking customers, the first one we relied on tradesman to keep us open, the customers were allowed to stay until the end of their stay and extend, but we couldn't have new customers and the police were checking, we closed down for 2½ months and it took a while to get back to normal, we're almost back to normal now, prices are up, places are full.

It was very difficult, I'm in a fortunate position I've been in the business my whole life with my family, I'm financially ok myself, I had to put the money in to support the business, we have other hotels which are up and down at different times, We made it because I have 13 years of financial risk taking behind me which is reasonably successful, if I had bought this motel just off the back I wouldn't have made it.

We had to keep paying the energy bills, we had quite a few bills that didn't stop, **I had to put in my own money as a loan. I actually didn't go into debt at all, I wanted to pay everyone, I went in**

**knowing I had my own issues and had to pay everyone up to date,** I didn't want to get into the situation of debt and wanted to pay everyone up to date, I didn't want to owe anyone. The big one we struggled to pay was rates and land tax, which was huge, I did ring the local government when I have the bill I have 30 days to pay, I asked them for an extension, I got the bill and I couldn't pay it. I had to put that whole amount in.

JobKeeper and government had a payment which we got this most recent lockdown in 2021, of \$15K and second one which was around \$25K which is amazing. It didn't make much of a difference, if I wasn't going to make it I wouldn't have, I don't think anything was well thought through, it wasn't really fair, if I had a small hair salon or if I owned a 600 room motel I would have got the same money, we also got the ATO boost payment which again is great but it was a PAYG you didn't have to pay it, but if you don't have staff you wouldn't have to pay it anyway.

**The electricity we're with AGL, is about \$60K a year, and our gas is about \$36K per year, cashflow went down massively, so it was really difficult to pay the bills, we have even pre-pay and I pay fortnightly payments, that was one way it happened, if I was ever short I put my own money in to over it.**

A delayed payment would have helped, but that would have just delayed the problem. **They couldn't have stopped charging the supply charge, if we're shutting the lights we were still getting charged a supply of something we're not using,** but I'm aware they are a business too. I had to unlock personal funds to meet the bills, I had to put my own money in both years, I've had to put in over \$400K over last 2 years as a loan to the business.

Putting people on a payment plan, extending the payment plan or going halves in the supply charge during lockdowns, a little bit of solidarity. As in lets share the pain, if you pay half the a supply charge we'll pay the other change





# Manufacturing

"We were just about covering costs, we changed our model to just break even on supply cost and bills, we're not trying to make money, if we could lower costs and have cheaper costs, we could get by... hospitality took it really hard, the suppliers of hospitality took it really hard but it wasn't discussed as much. The people who had to pay you couldn't pay you anymore."



We opened in mid 2018, and produce Gin and Whiskey from scratch. We were still producing during COVID, but we weren't open to the public, we fell under the food production banner that could still produce but no front to front, we were in tricky position with massively reduced cash flow, with staff who still have plenty to do, they were able to work, we were in a position of having more staff then we needed, and no reason to not pay anyone, so we ramped up production rather than went the other way, but didn't have the sales to back it up.

It was a massive financial impact, we had more outgoing than normal, then sales, but I'm a believer I didn't want to send people home, we just took on 3 extra staff just prior to that happening.

**The biggest thing is it's so unpredictable, you can have everything going great and everything is good, and as soon as lockdowns hit we lost 70% of our clients being hospitality and bars, the smaller kind more than the bigger kind.**

We targeted a niche market the boutique high end cocktail bars in the city, a lot have changed and aren't in operation any more, **a bar I was talking to said he was losing \$60K a month, there's no one in the city, office workers haven't returned, they've had to change, they're not what they are.**

We have had to significantly change our business, we already had an online presence, we were able to push the online business a lot harder to get through the first bit, the longer it goes on the harder it becomes.

We basically had to reinvent our products, we made 100% virtual, we made virtual tasting packs that went crazy in a good way, we created packs at cost just so we were doing it to pay bills, not to make money, that was our biggest expense we just wanted to pay the staff bills. It kept us afloat comfortably, we targeted the corporate market, they had staff out of office, if we target corporate, then 50-60 people who would see in the office can have the office drinks that kept us afloat.

We didn't access government support, we weren't eligible for job support, it was based on the year before, up until that time we were doubling sales, even though we were down we were up from the year before, we didn't get any of that, we applied for a sustainability grant but got knocked back, we applied for an agricultural grant but we had to spend money to get the money, we got half reimbursed.

**Our energy service provider was not proactive, I can't remember it, there were bigger issues. There were other issues to worry about, we have to produce all the time, we were still producing more but putting it in different sized bottles, rather than making \$20 on 700 ml bottle we were making \$1 on a 50 ml bottle.**

We had to take a loan from our personal accounts, with the hope it was coming back which it did, we had a really big order that had terms on it, and we needed for the terms to get paid.





## Retail – Food

"The offices aren't allowed to go back yet, the work from home mandate, we survive based on them buying lunches, they haven't been there, inner city we have residents around but we rely on offices, and they haven't been back. They're all going to be 2-3 days a week when they do go back, they're all work from home, it's the new environment of offices. We need the population to sustain themselves "

"Just having more payment options would help for small business. Last lockdown, as I paid a certain amount each month I was actually in credit for 2.5K and I asked for it back as I have to pay staff, that was compulsory saving. ***They didn't call me to say I was over paying, but they call you if you aren't paying enough.*** When you're in credit they keep it there."



We're a butchers shop with about 5 staff. We also opened a café in there, and sandwiches, meatballs and a butcher shop in between, it's an interesting dynamic shop. My business revenue, I've got 2 revenue streams café and butcher.

During COVID 19 the café shut so there was no income through there, but the butchers increased a lot as people were cooking at home, so my income actually increased over lockdowns, so I didn't qualify for any supports, I did get a bit of support for the café which helped, I kept staff on and repurposed them to different jobs, it wasn't too bad for us we were busy.

**It's worse than ever now, for us people either are isolating with COVID or isolating as someone in the family has it, so it stops them coming out, the other factors is interest rate talks , everyone is mortgaged to the hilt, it's scaring people, all those factors combined make for a tough retail position.**

It's been the worst start to the year for 10 years, for Jan/Feb in terms of there being less people in the store and less sales, and prices have gone up a lot too. I've got a Coles down the road as well, people are tightening their belts a bit.

I've got another business, **a food store take away, that suffered the opposite, that's gone into liquidation today**, we were paying energy bills weekly, Origin worked out an amount you pay a year and you pay it per week it was \$300 per week which is less of an impact on your bank. The butcher was going ok we had cashflow, we run fridge's all the time, it's all electric, our bills are huge, our bills are around \$3-4K a quarter, we could manage, but it's a massive hit to the pocket, it takes any profit away on energy costs and you can't control it, you put in LED lights and turn them off at times, but my fridges are constantly running you have to keep the meat cold, and we have display fridges, it's always working hard to keep temperatures down, and cool rooms.

I needed to swap companies at one stage, they did a comparison it was a bit cheaper over the year, but I have to check it again, I'm

always sceptical about it, 3 months later it's probably crept up, it's confusing energy bills. **The weekly payment system is a better way to go, less wack on your cashflow.**

I would have called them, but I work in retail I'm not sitting down in front of a computer and I don't have time to personally to invest in that research, it's laborious looking at websites, I'd ring and ask them if I had a chance, but I was running 2 businesses it was highly stressful so I didn't have an opportunity to look into it.

**I didn't think they would help support small business, it wasn't advertised, it's like reach out if you want if you're struggling, but it's not like we can support you, here's an offer, we understand you're struggling in hospitality, there was no offers.** You had to do your own investigation, you have to ask, if you don't ask you don't get. It's an uneasy situation.

I was paying weekly, so it kept going, the energy payments but the shop was closed, it was open and closed we were doing take away, the lights are on and the ovens are on we were trying to make some sales, and paying staff, we're trying to make something to keep going when everything opens, the energy consumption was a bit less as we weren't open as much but we were paying the same amount as they worked it out on an average monthly cost.

**Probably something like a discount COVID/pandemic rate, that would be cheaper for us to move forward and survive the situation, the government propped everything up with cash, better communication to small business about what they can do, discounts, offers and help they can provide.**

It's a bill so you have to pay it, it's not something you can negotiate, if you don't pay on time you loose the discount, and you panic you have to pay it on that day and they're tough on that. I didn't want to miss the discount he company I'm with now doesn't offer the discount, if you pay late you still have the same bill, it's not as much pressure.

# Services – Men's Grooming



"It was more an accumulation of all our bills not just energy bills I didn't think specifically about energy. Had smaller pool of money to pay all bills with"

"All staff are working and we are probably just breaking even at the moment not making any profit but hoping that as people return to city that will change"



We're a men's grooming company, barbershop and sell products and have an online part of business too, we sell a lot of men's shaving products and gifts too.

**Prior to COVID we had 21 staff and since COVID we have gone down 17. We have two stores located in CBD People stopped coming into the city and during lockdowns and we had to close.** For initial lockdown in March 2020 Federal Govt allowed us to stay open but as no one was coming into the city there were no clients. The second time we were locked down with every other business for 3-4 months so had no income coming through but still have rent and bills coming through

**We lost a lot of staff as rely on overseas staff too and a quarter of workforce in our industry are on work visas and when we went into lockdown, we wanted to keep them and so we supported them and we lost some money doing that.**

Today, things are starting to look up a bit, we are still 50% down. We have had to put our prices up to try and recover some losses. Both stores are open but we are still not back to normal and we are still reliant on office workers coming back into the city. We need increase on traffic flow. All staff are working and we are probably just breaking even at the moment not making any profit but hoping that as people return to city that will change

We have had to still to pay out rent that has accumulated and we are hoping that the rent that we owe that we can disperse over the rest of the lease, as we just can't manage it in bulk at the moment

We were helped a bit by the govt with the incentives they provided, and it allowed us to get enough money to pay some of our bills

Rent, electricity even though we weren't in store and even when open we have to have lights on, so we are using electricity but we are not busy and we still have to use and pay utilities. Wages still needed to be paid; with a skills shortage in county wages have increased and impacted us and we still pay everyone by the hour even without customers coming in

**Although energy bills are decent and expensive it was the least of our worries as it was the smaller amounts that we had to pay out so not major concerns, it was more wages and rent. But it still adds up having to pay everything**

During lockdown energy was reduced as we weren't using so able to keep on top of them.

We didn't ask for assistance with our energy bill but I think if our energy supplier could have done similar to what bank did and put a halt on having to pay at the time and don't have to pay on a specific date it takes the stress off. **Not having to pay anything for a short period of time really helps, until you can re-open and get back on your feet**





## Sales & Marketing

"I withdraw \$10K out of my super as my husband doesn't work as he suffers from depression so as he wasn't looking for work, I couldn't get govt support. I think I withdrew money twice.

" I don't know if there were discounts available from energy service providers as I was too busy to just keep ahead to really look at it all. I should have spoken to our accountant too about it but didn't have time to even do that"



I'm an online digital marketing agency, we do everything from hosting to graphic design and everything in between. I had seven staff.

**When COVID first hit I probably lost of about 80% of business as most businesses cancelled campaigns.** I had golf clubs and travel agents and they all pulled their campaigns, so mostly campaigns cancelled, and people didn't have money to do websites either.

Staff couldn't come into the office and most of my clients shut down so I couldn't go and see them or go out and get new businesses and morale was down too; more in survival mode than looking to attract new business My business was heavily affected by COVID.

November and December was quite good last year; business picked up and then January was quiet as I think everyone had COVID and Feb is coming back but still not great. I am constantly advertising for new work. I am now fully operational but down staff members and revenue because of it. I am looking to off shore a position as cheaper overseas than replace in Australia unless revenue picks up dramatically I just cant afford it at the moment.

More of a tax break, the first quarter was good as govt was giving us money to support wages and then they gave it to worker as opposed to helping companies so staff would come to work and work

I don't know if there were discounts available from energy service providers as I was too busy to just keep ahead to really look at it all. I should have spoken to our accountant too about it but didn't have time to even do that. I think it would have helped if information would have come to me as opposed to having to search for relevant

I would say if I hadn't been prepared, if I hadn't had that extra money put aside as I pay a set amount for energy every month and was up on payments, then 100%, because to pay a \$1000 quarterly in one sum there would have been no way I could have afforded that







## Services – Health & Beauty

“Yes we did experience financial strain or hardship paying energy bills and we still have payment plans going to try and catch up. We setup payment plans to slowly get our bill paid off but we pay the minimum as we can and will slowly pay it back”

“It was very stressful and there was frustration worrying about how we would keep paying rent, bills etc. We will be paying off debt for a while to come”



I have 2 small businesses that I started less than a year before COVID hit. They are both mobile; I am a hair and makeup artist and I work freelance. The second business is biodegradable glitter business and have mobile glitter bus and also have home office and website.

**Both businesses were completely impacted as I am mobile and mainly work events and film and TV, and industry nearly shutdown so basically had almost no work for almost a year last year.**

As I couldn't go and do my job I worked on back end of business like my website but that didn't produce any money and I have no income coming in.

Today business is very slowly getting better but I still haven't picked up to where I need it to be and still not getting regular income coming in.

**Mask mandates are still affecting my business as people are not having makeup done while requirement to wear a mask is required and as there are still not large events or festivals my glitter business is not back up and running at full capacity.**

Definitely struggled to pay my insurances, to ensure business stayed insured. Trying to stay insured while I had no money coming in.

**It was a big struggle to see how I was going to pay each bill, we had to ask for time and extensions quite a bit last year.**

It was very difficult, and we just managed the best we could, we prioritised and if a company wasn't as lenient, we would pay the ones that weren't first.

It was very stressful and there was frustration worrying about how we would keep paying rent, bills etc.

We will be paying off debt for a while to come, I don't want anything for free but perhaps a reduction in the bill to help and assist small businesses would have been helpful and made a huge difference.



# Appendix

Account Number  
999

Electricity Account

ENQUIRY  
1000 00

Str  
appy

Customer

BALANCE

# Demographic Profile

## Survey Sample

	Small Business owners sample profile	%	N
S6. - Do you identify as..	Male	57%	234
	Female	42%	173
	Other	0%	1
S7. - What age group are you in?	18 - 29 years	4%	17
	30 - 39 years	34%	138
	40 - 49 years	22%	89
	50-59 years	19%	78
	60-69 years	17%	71
	Over 70 years	4%	15
S3. - Where is your business located	VIC	25%	101
	NSW	42%	171
	QLD	18%	74
	SA	6%	26
	WA	7%	30
	Other	3%	12
S13. - Do you speak languages other than English at home ?	Yes	15%	63
	No	85%	345
S12. - Do you identify as Aboriginal and/or Torres Strait Islander?	Yes	5%	20
	No	95%	388



# Demographic Profile

## Survey Sample

	Small Business owners sample profile	%	N
S1. - Which of the below best describes your current working situation?	Self-employed or sole trader	15%	62
	Owner of a business with 2-19 employees	36%	148
	Owner of a business with over 20 employees	6%	23
	Owner of a business with 21 – 49 employees	13%	54
	Manager within a small or medium business (2 to 49 employees) responsible for financial decisions	30%	121
S2. - How many people does your business employ?	1 to 4	34%	140
	5 to 9	16%	66
	10 to 19	24%	97
	20 to 49	26%	105
S8. - How long have you been in your business for?	Less than 2 years	4%	17
	2 – 5 years	18%	75
	6 – 10 years	32%	129
	11 – 15 years	20%	80
	16 –20 years	8%	34
	More than 21 years	18%	73
S9. - What would you estimate is the average annual energy costs for your business?	Low - Less than \$2,000 per year	21%	84
	Medium - Between \$2001 to \$5,000 per year	54%	220
	High - Between 5,001 to \$7,000 per year	16%	67
	Very High - Over \$7001 per year	9%	37
S10. - What type of energy usage do you use in your business?	Powering lights, computers and office	82%	335
	Manufacturing	19%	78
	Refrigeration	29%	117
	Retail/ shop shopfront	26%	108
	Restaurant/ café	10%	40
	Dry cleaning / Laundromat	3%	14
Do you use, or have access to, renewable energy technologies, such as rooftop solar or battery storage	Other (please specify )	3%	12
	Yes	41%	167
	No	59%	241

# Literature Review – Sources

- ECA ECSS – results for small business <https://ecss.energyconsumersaustralia.com.au/sentiment-survey-june-2021/interactive-data-set/>
- EWON – Small business energy debt problems <https://www.ewon.com.au/page/publications-and-submissions/reports/spotlight-on/consumer-and-small-business-energy-debt-solutions>
- EWOV Newsletter Sept 2020 that outlines small business probs [https://www.ewov.com.au/reports/reflect-202011?utm\\_source=twitter&utm\\_medium=post&utm\\_campaign=reflect-business#11211](https://www.ewov.com.au/reports/reflect-202011?utm_source=twitter&utm_medium=post&utm_campaign=reflect-business#11211)
- AER COVID Dashboard – monitoring debt and disconnection levels for small business <https://www.aer.gov.au/retail-markets/performance-reporting/retail-market-covid-19-data-dashboards>
- ESCV COVID Reports – <https://www.esc.vic.gov.au/electricity-and-gas/market-performance-and-reporting/energy-customer-support-during-coronavirus-pandemic>
- AER Retail Market report 20/21 – <https://www.aer.gov.au/retail-markets/performance-reporting/annual-retail-markets-report-2020%E2%80%9321> – ch 3 talks about payment difficulties
- VIC retail Market Report 20/21 – <https://www.esc.vic.gov.au/electricity-and-gas/market-performance-and-reporting/victorian-energy-market-report>
- ABS impacts of COVID <https://www.abs.gov.au/articles/measuring-impacts-covid-19-mar-may-2020>
- RBA Small business impacts of COVID <https://www.rba.gov.au/publications/bulletin/2021/sep/small-business-finance-and-covid-19-outbreaks.html>
- List of resources available to small business (NSW and national) <https://www.ewon.com.au/page/customer-resources/other-issues/business-customers>
- US survey <https://www.pnas.org/content/117/30/17656>

# Thank you

