

## Media Release

### **48% of SMEs likely to reduce employee numbers if JobKeeper payments are not extended.**

- **81% now believe the JobKeeper stimulus should be extended.**
- **48% likely to reduce employee numbers if payments are not extended.**
- **Only 40% expect revenues to return to pre-COVID levels by October.**
- **80% would support the introduction of bankruptcy protection until conditions recover.**

**14th July:** The proportion of SMEs expecting revenues to return to pre-COVID levels by October has declined from 53% to 40% over the past 4 weeks. Accordingly, 81% of SMEs believe the JobKeeper program needs to be extended until 2021.

It is very concerning to report that 48% of SMEs claim they are likely to reduce employee numbers if the JobKeeper extension is not forthcoming. Weak data across hospitality, distribution, retail and services suggest a broad-based extension of the program will be required to avoid significant job losses.

Short term expectations also remain sluggish, with only 31% expecting increasing revenues over the next 4 weeks, compared to 37% two weeks earlier.

The COVID-19 SME Tracker is conducted by leading business market research firm ACA Research in partnership with TEG Insights and tracks the impact of COVID-19 across more than 300 small and medium enterprises.

While satisfaction with the Federal Government remains steady, the proportion of SMEs who are extremely satisfied continues to decline, suggesting support is waning as the spike in new cases continues and the lack of clarity regarding future stimulus continues to increase levels of concern regarding business survival.

ACA Research, Managing Director, James Organ said: “The data reported in this wave is very weak yet again. The speed of recovery is slowing, and expectations of improving revenues is waning. Confidence is fragile as the new outbreak in VIC threatens to spread and once again have a catastrophic impact on the economy.”

Concern about business survival is on the rise, as is the level of anxiety associated with the lack of clarity regarding stimulus and support beyond September. The impending Federal Government announcements later in July will be critical in providing the SME community a level of reassurance required to endure this ongoing battle for survival.

-ENDS-

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**About the COVID-19 SME Weekly Tracker**

- Based on responses from ~300 SMEs with up to 500 employees across all sectors in Australia, including metro and regional locations.
- The research commenced week ending 5<sup>th</sup> April. This wave includes data collected in w/e 5<sup>th</sup> July.
- Each respondent is a financial decision maker/ influencer in their business.
- Data is weighted by state and number of employees to reflect the national distribution of businesses across the country.

**About ACA Research and Fifth Quadrant**

ACA Research is a full-service market research consultancy, with a strong focus on B2B projects. Our consultants provide strategic qualitative and quantitative research solutions to support business decision making.

Fifth Quadrant is our specialist customer experience brand providing industry analysis, benchmarking, research and consulting services. Our consultants work on strategic and operational projects to help clients optimise CX delivery and reduce cost to serve.

**About TEG Insights**

TEG Insights is committed to delivering quality data, analytics and online research services with access to one of Australia's largest and most responsive online research panels. Our wide reach includes professionals, from small business owners to executives, across a variety of industries.