

Media Release

75% of SMEs want current stimulus measures extended until 2021

- **75% of SMEs believe stimulus and support measures should be extended to 2021.**
- **Only 49% expect revenues to return to pre COVID-19 levels by October compared to 53%, two weeks earlier.**
- **Satisfaction with the Government response decreases to 64%, with satisfaction dropping in VIC & QLD.**
- **Concerns about business survival rise to 69% from 57%.**

1st July: The proportion of SMEs expecting revenues to return to pre-COVID levels by October has declined from 53% to 49%. Accordingly, three quarters of SMEs believe the current stimulus measures need to be extended until 2021 and encourage bankruptcy protection until business conditions and revenues recover.

Short term expectations are also sluggish, with just over one third (37%) expecting increasing revenues over the next 4 weeks, compared to 39% two weeks earlier. Confidence amongst the hospitality and construction sectors has declined considerably, but there is stronger sentiment amongst retailers.

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.

With most SME decision makers believing the pandemic will have a medium to long-term impact on the global and Australian economies, it is not surprising that nearly half expect their workforce to be negatively impacted for at least 6 months. Business spending and investment plans are also on hold, with 65% suggesting lower expenditure until 2021.

Satisfaction with the Government has also declined with the uptick in new cases in Victoria undermining the ongoing recovery. There has also been a significant increase in dissatisfaction in QLD as the State Government remains very cautious regarding border restrictions.

The lower levels of confidence reported this week, has translated into much higher levels of concern regarding business survival with a jump from 57% to 69%.

ACA Research, Managing Director, James Organ said: "The data reported this week is very disappointing. As most decision makers expect a medium to long-term impact of COVID-19, the outlook is not promising especially with the new outbreak in Victoria. With cashflow and employee retention becoming more challenging for many SMEs, it would appear further job losses and bankruptcies are highly likely and hence the extension of stimulus and support measures and the introduction of bankruptcy protection seem inevitable."

-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 5th April. This wave includes data collected in w/e 21st June.
- 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.