



IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES IN REGIONAL QUEENSLAND

SURVEY REPORT

SOUTHERN DOWNS DISTRICT



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DISCLAIMER

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The views expressed in this document do not necessarily reflect the views of the Energy Consumers Australia Panel or the Australian Energy Market Commission.”



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IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES IN REGIONAL QUEENSLAND OVERVIEW

Background

Over the period July to early October, Compass Research carried out independent surveying among businesses in four representative Queensland regions on behalf of Queensland Electricity Users Network with support from Energy Consumers Australia.

The following gives an overview of the results.

Full detailed reports for the four areas overall and for each region can be viewed on the QEUN website www.qeun.com.au

The Four Regions Surveyed

The four rural regions selected - Mareeba (northern agricultural, especially irrigated), Southern Downs (southern agricultural), Whitsundays (tourism) and Mt Isa (mining), are representative of the diversity of regional Queensland outside of the main regional cities.

This diversity was also represented, at the time of the surveying, in a range of economic conditions - good growth based on agricultural expansion in Mareeba, slow conditions in the Southern Downs, Mt Isa doing it tough with the collapse of the mining boom and Whitsundays struggling to recover from the effects of Cyclone Debbie. However, while there was some variation, the main results were remarkably similar.

The four regions represented a population of 109,000.

The survey sample was large at 741 and covered all industry sectors.

The Rising Costs

Almost all relied on Ergon, the Queensland government owned monopoly supplier in regional Queensland, and have faced major increases of the order of 15 – 20% in the last few years on top of large rises over the preceding period.

Electricity costs of the businesses responding as a proportion of their total costs ranged from less than 5% to more than 30% with an average of 13%.

How did Businesses Adjust?

The overwhelming response (70%) was that the businesses had suffered a loss in profitability. Only 22% said they were able or willing to pass on the cost to customers – very few in full.

Some two-thirds tried to reduce electricity consumption by modifying behaviour (eg. adjusting air-conditioners) and 42% by installing more efficient equipment.

Some 15% invested in alternative energy generation.

Resulting losses in jobs or staff hours were recorded by 15%.

Some 25% said they increased debt carried by their businesses.

What Will Happen if Electricity Costs Continue to Rise?

Some 22% of respondents indicated they were now extremely concerned about their ability to pay their electricity bills – that they were experiencing bill stress.

If electricity prices go up again, some 52% said they would experience strong to severe stress in their business. Some 30% said they would consider reducing staff/staff hours – a leap from the 15% who have already cut back.

Conversely if prices went down, 86% said it would increase the viability of their businesses and 35% said they would consider employing more staff.

Impact on the Regional Economy

Almost all said that the rises in electricity prices were adversely affecting their regional economies; some 34% recording it was severely affecting their economies.

Conclusions

Thus, the electricity price increases have led to some price rises to customers. They have led to direct reductions in employment.

Businesses have tried to cope by modifying electricity consumption behaviour, installing more efficient equipment and in some cases, turning to alternative energy sources.

But the main result has been that business' profitability and incomes have suffered. Many are now reporting "bill stress" and a quarter have survived by taking on more debt.

While job and employee work hour losses have so far not been large, the squeeze on profitability will have meant a lesser ability to pay staff higher wages.

If price rises continue, loss of employment can be expected to increase.

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SUMMARY OF MAIN FINDINGS

Introduction

- A survey of businesses was carried out in the Southern Downs district in Queensland centred on Stanthorpe and Warwick as part of a program of surveying in four Queensland regional districts to ascertain the reactions of businesses in regional Queensland to rising electricity prices,

Characteristics

- The sample of 210 was generally representative of industry classifications as per data from the Australian Bureau of Statistics (ABS), but tended to be low compared with ABS data in micro businesses with no employees apart from owners.
- Some 93% of respondents were locally owned and about 61% owned their own premises.

Electricity Delivered to Businesses

- Some 93% were Ergon customers but 30% had an element of their own generation and two said they were off the grid.
- Of the 78% of respondents who could answer the question about electricity costs as a proportion of total business costs, 39% said less than 5%, some 22% said over 6 - 10%. Average recorded was 13.4%.

Decisions to Accommodate Electricity Price Rises

- About a half indicated they didn't know about the electricity price rises in July 2016 but only 27% didn't know of the price rises in July 2017.
- However, 90% said their electricity costs had risen with only 4% saying they hadn't.
- While about 77% said their electricity consumption had stayed about the same, some 9% said it had risen against 13% who said it hadn't. The indications are that on balance, consumption had fallen marginally.
- The key question in the survey, "Which of the following decisions have you made to enable your business to accommodate rising electricity costs over the past 12 months?" resulted in the following response.

<u>Have you:</u>	No.	% of Respondents
Accepted lower profits (income) from the business	145	69%
Reduced electricity consumption through changing behaviour, eg. adjusted the temperatures set for air-conditioners, heaters and hot water systems, turned off equipment and lights not in use	130	62%
Reduced electricity consumption through investment in more energy efficient appliances & equipment, eg. air-conditioners, fridges/freezers, cold rooms, irrigation pumps, lighting, etc.	77	37%
Passed the increased cost of electricity on to your customers through higher prices for your products/services	46	22%
Increased the debt carried by the business	42	20%
Invested in alternative electricity generation	37	18%
Reduced staff hours or staff numbers	27	13%
Other	4	2%
Total	508	243%

- Many gave more than one response resulting in an average of 2.3 per respondent.
- The indications are that as a result of increased electricity costs, some 69% of businesses have become less profitable. (Note: The survey does not include businesses that may have gone out of business.)
- Some 62% have tried to reduce consumption by modifying behaviour.
- Some 37% had invested in more energy efficient equipment.
- Some 20% indicated they had increased the debt carried by the business. (Cross tabulations indicated this was mainly due to reduced profits, but also investment in equipment.)
- Some 22% had passed the increase on to customers – many saying only partially (only 7% in full). Most of those who didn't, said they couldn't (eg. farmers, miners, etc.). For others, they didn't because they felt the market for their services wouldn't stand an increase, others because of competition. Average increase was 12% of those reporting. The indications are that overall price increases for the whole sample was of the order of 2.4%.
- Some 13% said they had invested in alternative electricity generation most in solar, but a few in diesel.
- Some 14% said they had reduced staff hours with average loss calculating at 4.2 hours a week across the whole sample. Actual job losses recorded were 24, ie. about 1.7% of the recorded workforce of the businesses surveyed.

Satisfaction with the Situation

- Some 60% recorded they were very dissatisfied with electricity prices. On a scale of 1 to 10, only 5% gave a score of over 5 and average rate was only 2.3.
- On the other hand, on a scale of 1 to 10, with 10 being very satisfied, average rating of reliability of supply was 6.2.

Impacts if Costs of Electricity Increased Further or Reduced

- Some 22% were extremely concerned about their ability to pay their electricity bills. On a scale of 1 to 10 with 10 being extremely concerned, average rating was 6.6.
- If electricity prices increased further:
 - Some 51% of respondents indicated they would experience strong to severe stress;
 - Some 41% said they would consider investing in solar and 7% in diesel and 20% in battery storage;
 - Some 26% said they would consider reducing staff hours (cf 13% who had already reduced staff hours).
- If prices decreased, some 87% said the viability of their business would increase, 32% would consider upgrading machinery and equipment necessary for their business and 24% said they would consider employing more staff.

Impact on Regional Economy

- Respondents indicated they believed the electricity price rises were severely impacting the regional economy. On a scale of 1 to 10 with 10 being severely impacted by rising electricity costs, only one respondent gave a score of less than 5, 28% severely impacted and average score was 8.3.
- Business types in community especially affected were widely spread but led by responses “farmers”, “all” and “accommodation, cafes and restaurants”.

Supplementary Information

- Number of bills (ie. connections) per business averaged 1.7.
- Over 56% did not respond to a question of what tariff they were on indicating that they may not have known.
- Some 39% indicated their bills included a portion of home consumption.
- Median electricity bill was \$7,000. Average was \$19,400.

General Comments

- General comments were varied but led by, “issues relating to Ergon”, “impacting business viability” and “affecting the economy”, especially irrigation costs.

1.0 INTRODUCTION

1.1 General

Compass Research (see background, [Appendix 1](#)), was asked by the Queensland Electricity Users Network (QEUN) with financial support from Energy Consumers Australia to carry out a survey of a sample of businesses in regional Queensland to ascertain the impact of rising electricity prices on businesses and the economy of regional Queensland.

Businesses in four local centres' districts in regional Queensland were targeted:

Mareeba – a regional centre in the far north of the State with an economy mainly based on irrigated agricultural industries.

Southern Downs – a regional centre in southern Queensland based on the towns of Warwick and Stanthorpe with an economy mainly based on agriculture.

Airlie Beach/Whitsundays – a regional district in the central north of the State with an economy mainly based on tourism.

Mt Isa – a regional centre in the far west of the State with an economy mainly based on mining.

Surveying was commenced in July 2017 and continued through to early October 2017. Surveying was commenced in order of Mareeba, Southern Downs, Airlie Beach, Mt Isa. This report analyses the results from surveying in the Southern Downs district.

1.2 Survey Methodology

A set questionnaire was developed as given in [Appendix 2](#).

Lists of business contacts were obtained from a number of sources including the local Southern Downs telephone book and on-line directories.

The survey was sent to members in the area by the Stanthorpe and Warwick Chambers of Commerce, Queensland Dairy Farmers organisation and Growcom.

This was followed by contact by trained interviewers by telephone of identified business numbers in the Southern Downs district to offer to complete the questionnaire over the telephone or where arranged to email a copy of the questionnaire.

This process was accompanied by media coverage advising of the survey and encouraging businesses to respond.

1.3 Timing

For Southern Downs businesses, the survey was carried out commencing September and continued through to early October 2017.

2.0 SAMPLE CHARACTERISTICS

2.1 Number of Responses

A total of 200 responses were targeted and a total of 207 received before cut off.

2.2 Industry Classifications

Responses were allocated into Australian Bureau of Statistics (ABS) standard industrial classifications.

The following compares the responses received by industry classification with the Australian Bureau of Statistics data on the number of businesses registered by industry classification in the Southern Downs region.

Table #1: Q12 - Responses by Industry Sample Compared with ABS Data on Number of Registered Businesses

	No.	Survey	ABS	Difference
Agriculture, Forestry & Fishing	42	20%	39%	(-19%)
Mining	0	0%	0%	0%
Manufacturing	12	6%	4%	+3%
Electricity, Gas, Water & Waste services	0	0%	0%	0%
Construction	14	7%	12%	(-5%)
Wholesale/Retail trade	40	18%	7%	+11%
Accommodation & Food services	45	22%	4%	+18%
Transport, Postal & Warehousing	6	3%	5%	(-2%)
Information, Media & Telecommunications	3	1%	0%	+1%
Financial & Insurance services	4	2%	5%	(-3%)
Rental, Hiring & Real Estate services	5	2%	8%	(-6%)
Professional, Scientific & Technical services	4	2%	4%	(-2%)
Administrative & Support services	2	1%	2%	+1%
Public Administration & Safety	1	0%	0%	0%
Education & Training	4	2%	1%	0
Health Care & Social Assistance	7	3%	2%	(-1%)
Arts & Recreation services	4	1%	1%	0%
Other Services	16	8%	4%	+4%
Currently unknown	1	0%	1%	0%
Not stated	0	0%	0%	-
Total	210	100%	100%	

By and large, the sample roughly reflects the spread of businesses by industry in the area but there is some over representation of Accommodation and Food services and Retail Trade in the sample and under representation of Agriculture, Construction and Health. There was some difficulty in allocating “Other services” responses that explains an over representation of this industry classification.

2.3 Size of Business, Employment and Turnover

The following gives size of businesses by employment.

Table #2: Q14 - Size of Businesses by Employment

Business Employees	No.	%
0	2	1%
1	20	10%
2	44	21%
3	23	11%
4	28	13%
5	22	10%
6	15	7%
7	11	5%
8	5	2%
9	3	1%
10	2	1%
11	7	3%
12	8	4%
13	2	1%
14	1	0%
15	1	0%
16	1	0%
17	1	0%
19	1	0%
20	1	0%
21	2	1%
24	1	0%
30	2	1%
40	1	0%
42	1	0%
49	1	0%
50	1	0%
52	1	0%
59	1	0%
65	1	0%
Total	210	100%

Average per business was 6.8.

Total number of employees recorded was 1436 compared with ABS Census 2011 for Southern Downs region of 14,339 including government and non-business. The indications are the survey picked up a significant proportion of business employment in the Southern Downs region.

This distribution compares with ABS data on registered businesses by employment as follows.

Table #3: Survey & ABS Registered Businesses by Employment Compared, Southern Downs Region

Business Employees	Survey	ABS
1 – 4	55%	22%
5 – 19	38%	7%
20+	6%	2%
0	1%	68%

While there appears to be a large difference, the survey counted owners as employees, the ABS statistics do not. Also many of those who are registered as having no employees are single tradesmen who do not advertise and list themselves as businesses. However, even taking these factors into account, the results indicate that the survey sample tended to record a higher proportion in the 5 – 19 range and a lower proportion of micro businesses. The following Table gives survey results.

Table #4: Q17 - Survey Results by Turnover

\$ '000	Survey
<\$500	60%
\$500 – \$1 million	19%
\$1 million – \$5 million	14%
Over \$5 million	3%
Not stated	3%
Total	100%

This compares with ABS data for registered businesses.

Table #5: ABS Registered Businesses by Turnover, Southern Downs Region

Turnover	ABS
\$0 - \$50,000	34%
\$50,000 – \$100,000	17%
\$100,000 – \$200,000	17%
\$200,000 - \$500,000	16%
\$500,000 - \$2 million	12%
\$2 million & more	4%
Total	100%

Once again, the ABS registered businesses are likely to include a very substantial number of single tradesmen who do not advertise themselves and operate as businesses. However, even taking this factor into account, the results tend to confirm that the survey responses were probably from a moderately higher proportion of medium and larger businesses with a lower proportion from micro businesses.

2.4 Locally Owned or Branch Office

Survey responses were dominantly from locally owned businesses.

Table #6: Q15 - Locally Owned or Branch Office

	No.	%
Locally owned	205	98%
Branch office	5	2%
Total	210	100%

2.5 Rent or Lease Premises

The majority of responding businesses owned their premises.

Table #7: Q16 - Rent or Own Premises

	No.	%
Rent	80	38%
Owned	129	61%
No response	1	0%
Total	210	100%

3.0 HOW ELECTRICITY DELIVERED TO BUSINESS

3.1 How Receive Electricity Bills

Almost all received electricity supply bills from Ergon.

Table #8: QB - Electricity Supply

	No.	%
Ergon	191	91%
Ergon Other	5	2%
Landlord	3	1%
Other	11	5%
Total	210	100%

Almost all were Ergon customers. Of the other, two were off the grid.

3.2 Own Generation

However, some 31% supplemented supply by generating their own electricity.

Table #9: QC - Generate Own Electricity

	No.	%
Yes	64	30%
No	146	70%
Total	210	100%

3.3 Proportion Electricity of Business Costs

Some 164 responded.

Table #10: Q6 - Percent Electricity Costs of Total Business Costs

<u>% of Business Costs</u>	Of those Responding	
	No.	%
1% – 5%	64	39%
6% – 10%	36	22%
11% – 20%	33	20%
21% – 30%	20	12%
Over 30%	12	7%
Total	165	100%

Some 39% recorded 5% or lower.

Average proportion recorded was 13.4%, just marginally below Mareeba at 14.2%.

4.0 AWARENESS OF ELECTRICITY COST RISES

4.1 Rises in 2016

Table #11: Q4a - “Are you aware that electricity charges for regional Queensland businesses increased on 1st July 2016 by a further 11.2% to 15.8%?”

	No.	%
Yes	102	49%
No	104	49%
Not sure/don't know	3	1%
No response	1	0%
Total	210	100%

Almost a half recorded they didn't know. (Note: This result is different to Mareeba where 73% said they were aware.)

4.2 Rises in 2017

Table #12: Q4b - “Are you aware that electricity charges for regional Queensland businesses increased on 1st July 2017?”

	No.	%
Yes	150	71%
No	57	27%
Not sure/don't know	2	1%
No response	1	0%
Total	210	100%

Over a quarter recorded they didn't know (similar to Mareeba).

5.0 DECISIONS TO ACCOMMODATE ELECTRICITY PRICE RISES

5.1 Electricity Costs Risen

Table #13: Q1 - "Has cost of electricity for your business risen in the last 12 months?"

	No.	%
Yes	190	90%
No	8	4%
Not sure/don't know	8	4%
No response	4	2%
Total	210	100%

Only a few businesses recorded that their electricity costs had not risen.

5.2 Consumption of Electricity Rises

Table #14: Q2 - "Has the consumption of electricity by your business changed over the last 12 months?"

	No.	%
Fallen	27	13%
Stayed about the same	161	77%
Risen	18	9%
Not sure/don't know	4	2%
Total	210	100%

Dominant response was "Stayed about the same" but 13% "Fallen" was more than 8% "Risen". The indication is that on balance, electricity consumption has probably fallen marginally. There was a tendency for businesses with over 20 employees to record high levels of "Risen".

5.3 Decisions Made to Enable Business to Accommodate Electricity Cost Rises

Table #15: Q5 - "Which of the following decisions have you made to enable your business to accommodate rising electricity costs over the past 12 months?"

Have you:	No.	% of Respondents	(cf Mareeba)
Accepted lower profits from the business	145	69%	(63%)
Reduced electricity consumption through changing behaviour, eg. adjusted the temperatures set for air-conditioners, heaters and hot water systems, turned off equipment and lights not in use	130	62%	(62%)
Reduced electricity consumption through investment in more energy efficient appliances & equipment, eg. air-conditioners, fridges/freezers, cold rooms, irrigation pumps, lighting, etc.	77	37%	(47%)
Increased the debt carried by the business	42	20%	(37%)
Passed the increased cost of electricity on to your customers through higher prices for your products/services	46	22%	(26%)
Reduced staff hours or staff numbers	37	18%	(14%)
Invested in alternative electricity generation	27	13%	(22%)
Other	4	2%	(2%)
Total	508	243%	(275%)

The resulting pattern is, with some minor exceptions, similar to Mareeba.

The first conclusion to be drawn from this table is that businesses have responded by taking multiple actions – an average of about 2.3.

The most prevalent response has been a passive one of accepting lower profits with 70% reporting this as a consequence. Just behind that, was 62% reporting they tried to reduce consumption by modifying behaviour (by doing things like running the air conditioners at marginally higher temperatures).

The next most prevalent action, 37% of respondents, was to invest in appliances that used electricity more efficiently, eg. lighting, air conditioners, etc.

Some 20% of respondents, recorded increased debt. Presumably this could be because of reduced profitability or investment in electricity saving or other generation. Cross tabulation with other responses indicated that increased debt was largely associated with responses indicating acceptance of lower profits but also to a lesser degree with investing in alternative energy. It also tended to correlate with staff reduction.

Analysis of cross tabulation by proportion of electricity costs of total business costs (see [Appendix 3](#)), indicated that proportion of those saying increased debt tended to be higher among those with higher proportion of electricity costs of total business costs, as might be expected.

Some 42 or 22% of respondents responded by increasing prices to customers. Of these, 14 or 7% of the sample passed their costs on fully and 33 or 16% of the sample passed on the costs in part. Respondents passing on costs were asked to estimate the resulting increase in prices and responded as follows.

Table #16: Q5a2 - Resulting Percent Increase in Prices to Customers

Percent Increase	No.
0.5%	1
2%	1
3%	2
5%	8
7.5%	1
8%	1
10%	3
15%	1
20%	1
25%	1
50%	1
60%	1
Total	22

Average increase was 12% of those responding. Assuming those who passed on costs who did not answer this question had a similar profile to those who did, total increase in prices by total sample respondents would be of the order of 2.4%.

Respondents were asked why they didn't pass on increased costs (Q5a3). [Appendix 7](#) gives responses.

Agricultural businesses indicated that they couldn't. They were price takers.

A few indicated they had a contracted price or were on a fixed margin (eg. real estate).

Otherwise, there were themes:

- a) Competition didn't allow them to increase;
- b) The market for their product/service wouldn't stand higher prices.

There were also a few "non-profit" organisations dependent on donations/fundraising or who thought it would be unfair to customers..

Some 27 or 13% indicated they responded by installing alternative energy generation with the following details given.

Table #17: Q5b - Alternative Energy Generation Installed Since 1st July 2016

Percent Increase	No.	% of Sample
Roof top solar panels	23	11%
Solar hot water	0	0%
Batteries	0	0%
Diesel/petrol generators	2	1%
Other	0	0%
Total	25	

The major response was to install solar panels with two saying diesel/petrol generators.

Some 31 (14%) said that they compensated by reducing staff/staff hours as follows.

Table #18: Q5c – "Approximately how many staff hours per week have been reduced to accommodate rising electricity bills?"

Hours Lost	No. Responding	% of Total Sample	Total Hours Reduced
2	1	0%	2
3	1	0%	3
4	2	1%	8
5	3	1%	15
6	1	0%	6
8	1	0%	8
9	1	0%	9
10	6	3%	60
12	2	1%	24
15	1	0%	15
16	1	0%	16
20	3	1%	60
30	1	0%	30
35	1	0%	35
36	1	0%	36
38	1	0%	38
40	3	1%	120
50	1	0%	50
60	1	0%	60
120	1	0%	120
160	1	0%	160
Total	34	100%	875

(Note: It should be noted that this is likely to understate losses in employment in recent years as the sample would not include businesses that had gone out of business with rising electricity costs being a factor.)

The total hours lost recorded was 875, ie. average 24 hours per business reducing hours and an average of 4.2 hours over the whole sample.

Of the hours lost, 15 recorded job losses as follows.

Table #19: Q5e - Loss of Jobs

No. of Jobs	Full Time	Part Time
1	5	10
2	0	1
3	1	0
4	1	0

This calculates to total jobs lost at 24 (Full time 12, Part time 12).

This compares with total jobs recorded by respondents of 1436, ie. about 1.7%.

Other responses recorded were as follows.

Table #20: Other Responses

	No.
Accepted that we may need to pay off electricity bills in instalments.	1
Customers spending less for lunches because of money shortage means less takings daily - have to pay off bill over time.	1
I can't afford to pay my account and I think they will cut me off this week therefore closing me down after 15 years in business.	1
Less money to spend in local towns eg. h/ware, machinery dealer.	1
None.	1
Obtaining quotes for more solar for the business.	1
Put in LED lights all through the business - cost us nearly \$2,000 but trying soo sooo hard to keep bills down.	1
Started investigating the viability of small scale solar installation about 100KW.	1

Analysis of responses by size of business and proportion electricity costs of total business costs (see [Appendix 4](#)) indicated that for most questions, there were no significant differences with the following exceptions.

The indications are that the larger 20+ staff businesses were more likely to reduce consumption through behaviour and investing in more efficient equipment and alternative generation but also accepting lower profits.

Those with electricity costs more than 30% of total business costs were less likely to curtail staff/staff hours but those in the 11% - 30% range more likely.

Those with more than 30% electricity costs were more likely to change electricity consumption behaviour to try to reduce consumption and to accept lower profits. Those with the 11 – 20% electricity costs of total costs, tended to accept lower profits and increase debt.

6.0 SATISFACTION WITH SITUATION

6.1 Prices

Table #21: Q7 - “On a scale of 1 to 10, how satisfied are you with the electricity prices being charged to your business with 1 being very dissatisfied and 10 being very satisfied?”

Rating	No.	%
1 Very dissatisfied	126	60%
2	23	11%
3	28	13%
4	6	3%
5	14	7%
6	2	1%
7	2	1%
8	3	1%
9	2	1%
10 Very satisfied	3	1%
No response	1	0%
Total	210	100%

The response indicates a high level of dissatisfaction with 60% rating at the lowest level of 1 very dissatisfied and only 5% giving a score of over 5. Average rating was very low at 2.3. Dissatisfaction was highest among those with electricity costs 11 – 30% of business costs.

6.2 Reliability

On the other hand, only a few gave a satisfaction rating of less than 5 for reliability.

Table #22A: Q8 - “On a scale of 1 to 10, how satisfied are you with the reliability of the electricity supply to your business with 1 being very dissatisfied and 10 being very satisfied?”

Rating	No.	%
1 Very dissatisfied	7	3%
2	3	1%
3	11	5%
4	5	2%
5	22	11%
6	13	6%
7	28	13%
8	63	30%
9	39	19%
10 Very satisfied	18	9%
No response	1	0%
Total	210	100%

Average rating was 6.2.

6.3 Concerns About Paying Electricity Bills

Table #22B: Q3 - “On a scale of 1 to 10, how concerned are you about the ability of your business to pay electricity bills and on time with 1 being not concerned and 10 being extremely concerned?”

Rating	No.	%
1 Not concerned	16	8%
2	8	4%
3	9	4%
4	7	3%
5	23	11%
6	16	8%
7	16	8%
8	53	25%
9	11	5%
10 Extremely concerned	45	22%
No response	6	3%
Total	210	100%

Over 50% recorded a rating of 8 - 10 indicating a very high level of concern. Average was 6.6. The level of concern was especially high among those with electricity costs over 20% of their total costs standing at 75% recording a rating of 8 – 10.

7.0 IMPACTS IF COSTS OF ELECTRICITY REDUCED OR INCREASED

7.1 Financial Stress if Electricity Costs Increased

Table #23: Q9 - “On a scale of 1 to 10, how much financial stress would be caused to your business if the cost of electricity increased again on 1st July 2017, with 1 being no stress and 10 being severe stress?”

Rating	No.	%
1 No stress	3	1%
2	5	2%
3	10	5%
4	12	6%
5	25	12%
6	13	6%
7	31	15%
8	48	23%
9	20	11%
10 Severe stress	36	17%
No response	1	0%
Total	210	100%

Over 50% responded with a rating of 8 to 10, ie. recording very strong levels of financial stress if costs increase. Average was 7.1 with almost 30% of respondents giving a rating of 9 or 10 implying a severe stress.

7.2 If Cost of Electricity Reduced

Table #24: Q10a - “If the cost of electricity was reduced, which of the following would apply to your business?”

	No.	% of Sample
The viability of my business would improve	182	87%
I would consider employing more staff and/or increase staff hours	51	24%
I would consider upgrading equipment & machinery necessary for my business	67	32%
I would consider expanding my business	44	21%

Over 80% said it would improve viability of their business. Some 24% said they would consider employing more staff and 32% would consider upgrading equipment and machinery necessary for their business.

7.3 If Cost of Electricity Increases

Table #25: Q10b - “If the cost of electricity increases, please select which of the following would apply to your business?”

	No.	% of Sample
I would consider investing in solar generation	87	41%
I would consider investing in diesel generation	14	7%
I would consider investing in battery storage	41	20%
I would consider reducing staff hours	55	26%

There were a few multiple responses. The leading response would be to invest in solar (some 41%). Some 25% indicated they would consider reducing staff/hours.

(Note: This percentage is much higher than the numbers recording past reductions in staff hours (18%) and tends to indicate that further rises are likely to result in much higher rates of impacts on employment.)

8.0 IMPACT ON REGION

8.1 Regional Impact

Table #26: Q22 - "On a scale of 1 to 10, how much do you believe the economy of your regional community is impacted by rising business and household electricity bills, with 1 being not impacted and 10 being severely impacted?"

Rating	No.	%
1 Not impacted	0	0%
2	1	0%
3	0	0%
4	0	0%
5	8	4%
6	9	4%
7	25	12%
8	60	29%
9	46	22%
10 Severely impacted	58	28%
No response	3	1%
Total	210	100%

Only one recorded an impact of less than 5.

Some 28% recorded severely impacted. Average rating was 8.3 indicating a very high impact on the economy of the Southern Downs community.

8.2 Business Types in Community Especially Affected

Respondents were asked, “Can you name any businesses (or types) in your community that are especially affected by rising electricity costs?”

Appendix 5 gives responses. The following table seeks to group and summarise.

Table #27: Q11 - Summary of business Types Especially Affected – Number of Mentions

	No.	Total
Agriculture Farming & Processing		43
General esp irrigation	34	
Wickham farming/Coop Abattoir	9	
All		31
General	23	
Small business	9	
Retail/Shops		16
General	3	
Supermarket/Food supply	2	
Butcher shops	5	
Bakeries	2	
Other	4	
Accommodation, Cafes & Restaurants		14
Cafes/Restaurants	9	
Hotels/Hospitality/Tourism	11	
Manufacturing		13
General/Other	6	
Engineering	2	
Panel beating	1	
Sand blasting	2	
Paper/Printing	2	
Other		4
Computers	2	
Other	2	

The Southern Downs region has a great deal of farming and the leading mentions related to farming and associated processing.

There was a strong group that specified “All”, especially small businesses.

Outside those, leading mentions related to retail and food and beverage outlets.

Manufacturing and “Others” mentions were significant.

9.0 SUPPLEMENTARY INFORMATION ABOUT ELECTRICITY BILLS

9.1 Number of Connections

One Ergon customer can have a number of different connections and receive more than one account. The following question aimed at obtaining information about the number of different electricity bills businesses were receiving indicating the number of connections.

Table #28: Q18 - "How many electricity bills for different accounts do you receive for your business monthly or quarterly?"

No. of bills	Number of Responses			Total Bills
	Monthly	Quarterly	Total	
1	23	149	172	172
2	3	14	17	34
3	0	6	6	18
4	0	7	7	28
5	0	1	1	5
6	0	2	2	12
8	0	3	3	24
14	0	1	1	14
15	0	1	1	15
27	0	1	1	27
Total	26	185	211	349

The indications are that businesses receive an average of 1.7 bills per business.

9.2 Tariffs

Some 116 (56%) did not respond, indicating they may not have known the tariff they were on or didn't respond. Tariffs recorded were as follows.

Table #29: Q19 - "What are the tariffs listed on your electricity bills?"

Tariff	No.	%
11	46	34%
20	38	28%
20 (large)	6	5%
21	9	7%
22 (small)	6	5%
22 (large)	8	6%
22 (A)	2	1%
37	0	0%
44	0	0%
45	0	0%
46	0	0%
47	0	0%
48	1	0%
62	7	5%
65	2	1%
66	5	4%
Other	7	5%
Total	137	100%

A significant number (34%) recorded Tariff 11. Next largest numbers were on Tariff 20 (28%).

9.3 Inclusion of Home

Some 82 (39%) indicated that their business bills included a portion of home consumption.

9.4 Annual Power Bills

Some 192 respondents recorded their annual power bills. [Appendix 6](#) sets out detailed responses.

The following table summarises.

Table #30: Q21 - Summary of annual Power Bills

	No.	%
\$0 - \$2,500	43	23%
Over \$2,500 to \$6,000	49	26%
Over \$6,000 to \$10,000	32	16%
Over \$10,000 to \$20,000	25	13%
Over \$20,000 to \$50,000	30	16%
Over \$50,000 to \$100,000	7	4%
Over \$100,000 to \$500,000	6	2%
Over \$500,000	0	0%
Total	192	100%

Almost two-thirds were \$10,000 or less. Median was \$7,000.

However, average was \$19,400.

10.0 GENERAL COMMENTS

Some 45 general comments were recorded in [Appendix 8](#).

The following table seeks to group and summarise.

Table #31: Summary of General Comments

		No.	Total
Ergon Issues			22
	Need competition	11	
	Service charges up	6	
	Sack CEO	2	
	Inflexible	1	
	Bills hard to maintain	1	
	Essential service	1	
Impacting Business Viability & Economy			13
	Business closing/crippling business	6	
	Destroying economy	2	
	Can't pass on costs	3	
	On top of other cost rises	2	
Other			9
	Solar costs too high	1	
	Keep going up/Out of control	2	
	Need to look at people's need/Not minority	1	
	I want coal	1	
	Don't invest new power station	1	
	Go green	1	
	Other	2	

The largest grouping related to impacts on Ergon, Need for competition, Rising service fees, etc.

The next highest mentions related to negative effects on businesses and the economy.

SURVEY REPORT SOUTHERN DOWNS DISTRICT

Appendices

About Compass Research

Compass Research is a professional market research firm that has been carrying out market and community research in regional Queensland and across northern Australia over a 30-year period.

Clients over the years have included numerous businesses, local government, regional organisations, airports, universities and government departments.

Research carried out has included numerous quantitative surveys (telephone, online, intercept (interviewing), intercept (written questionnaires) and qualitative surveys in the form of focus groups, and in-depth interviewing. The firm has been especially strong in quantitative surveying (including longitudinal) among households, businesses, at airports and in indigenous communities in regional areas.

Most recent ongoing work has been:

- To provide community feedback over 10 years to Queensland Health, James Cook University and more recently Monash University to help guide the development of the Eliminate Dengue program.
- To provide intercept surveying responses at two airports on departing passenger movements and reactions.
- To assist Cairns Regional Council with its community responses and guidance surveys.
- To assist research into responses to the government's primary health initiative.

The firm carried out a special survey of electricity among households and businesses in the Cape Tribulation area to determine how they coped with not being on the electricity grid.

As the market research arm of Cummings Economics, one of the most experienced professional economic research firms in regional Australia, Compass Research has the benefit of being able to formulate and assess results of market research among businesses, against a background of in-depth knowledge of business and industry structures and trends in regional Australia, especially Queensland and northern Australia.

Compass Research has a highly experienced team in survey design, questionnaire development, telephone and intercept interviewing, data entry and analysis.

Further information is available on www.compassresearch.net.au



QEUN QUEENSLAND ELECTRICITY USERS NETWORK

THE IMPACT OF HIGHER ELECTRICITY BILLS ON BUSINESSES IN REGIONAL QUEENSLAND

Compass Research is carrying out an independent survey in regional Queensland to help ascertain the impact of rising electricity prices on businesses and the economy of regional Queensland.

We are seeking responses from all types of businesses including agricultural businesses and would be grateful if you could complete the following brief survey. *(Your best estimate is better than no response).*

Confidentiality:

Responses from individual businesses **are confidential** and are only used to develop aggregate estimates of regional impacts.

If preferred please feel free to ring Compass Research (business hours) on 40 312 970 to complete over the telephone or you can print the survey out [here](#) and return through the mail.

Further information:

[Who for and why?](#)

[About Compass Research](#)

START SURVEY

QA. Where does your business operate?

- ☐ Mareeba Shire Council
- ☐ Mt Isa City Council
- ☐ Southern Downs Regional Council
- ☐ Whitsunday Regional Council
- ☐ Regional Queensland *(Where outside of the 4 regional council areas above)*
- ☐ South East Queensland *(Brisbane, Ipswich, Gold Coast, Lockyer Valley, Logan, Moreton Bay, Redland, Scenic Rim, Somerset, Sunshine Coast and Toowoomba)*

QB. How does your business receive electricity bills?

- ☐ From Ergon only
- ☐ From a landlord or body-corporate
- ☐ From an electricity retailer other than Ergon
- ☐ From Ergon + another electricity retailer
- ☐ Do not receive an electricity bill

QC. Does your business generate any of its own electricity? e.g Solar, Diesel or Petrol generation.

- ☐ Yes
- ☐ No

QD. Is your business off grid?

- ☐ Yes
- ☐ No

Awareness

Q1. Has the **cost** of electricity for your business risen in the last 12 months?

- ☐ Yes
- ☐ No
- ☐ Not sure / don't know

Q2. Has the **consumption** of electricity by your business changed over the last 12 months?

- ☐ Risen
- ☐ Fallen
- ☐ Stayed about the same
- ☐ Not sure / don't know

Q3. On a scale of 1 to 10, how **concerned** are you about the ability of your business to pay electricity bills in full and on time, with 1 being not concerned at all and 10 being extremely concerned.

Not concerned 1 2 3 4 5 6 7 8 9 10 Extremely concerned

Q4a. Are you **aware** that electricity charges for regional Queensland businesses increased on **1st July 2016** by a further **11.2% to 15.8%**?

- ☐ Yes
- ☐ No
- ☐ Not sure / don't know

Q4b. Are you **aware** that electricity charges for regional Queensland businesses increased on **1st July 2017**?

- ☐ Yes
- ☐ No
- ☐ Not sure / don't know

Own business / industry

Q5. Which of the following **decisions** have you made to enable your business to **accommodate electricity costs** over the past 12 months? Have you:

Yes	No	
<input type="radio"/>	<input type="radio"/>	Passed the increased cost of electricity onto your customers through higher prices for your products / services
<input type="radio"/>	<input type="radio"/>	Reduced electricity consumption through changing behaviour eg. adjusted the temperatures set for air-conditioners, heaters and hot water systems, turned off equipment and lights not in use.
<input type="radio"/>	<input type="radio"/>	Reduced electricity consumption through investment in more energy efficient appliances and equipment, eg. air-conditioners, fridges/freezers, coldrooms, irrigation pumps, lighting etc.
<input type="radio"/>	<input type="radio"/>	Invested in alternative electricity generation
<input type="radio"/>	<input type="radio"/>	Reduced staff hours or staff numbers
<input type="radio"/>	<input type="radio"/>	Accepted lower profits from the business
<input type="radio"/>	<input type="radio"/>	Increased the debt carried by the business
<input type="radio"/>	<input type="radio"/>	Other: <input type="text"/>

Q5a1. Did you pass part or the full cost of rising electricity costs onto your customers?

☐ Partial

☐ Full

Q5a2. What was the resulting percentage increase in prices to your customers?

Your best estimate is better than no response.

% ☐ Don't know

Q5a3. Why didn't you pass the increased cost of electricity onto your customers?

Q5b. What alternative electricity generation have you installed since **1st of July 2016**?

☐ Solar panels

☐ Solar hot water

☐ Battery storage for electricity

☐ Diesel or petrol generation

☐ Other:

Q5c. Approximately how many staff **hours** per week have been reduced to accommodate rising electricity bills?

hrs per week

Q5d. Has the reduction in staff hours resulted in the loss of any full or part time jobs?

☐ Yes

☐ No

Q5e. How many?

Full time jobs lost

Part time jobs lost

Q6. Approximately what percentage of your total business costs is your annual electricity costs?
Your best estimate is better than no response.

% ☐ Don't know

Q7. On a scale of 1 to 10, how **satisfied** are you with the **electricity prices** being charged to your business with 1 being very dissatisfied and 10 being very satisfied?

Very dissatisfied ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 Very satisfied

Q8. On a scale of 1 to 10, how **satisfied** are you with the **reliability** of the **electricity supply** to your business with 1 being very dissatisfied and 10 being very satisfied?

Very dissatisfied ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 Very satisfied

Q9. On a scale of 1 to 10, how much **financial stress** would be caused to your business if the cost of electricity **increased again on 1st July 2017**, with 1 being no stress and 10 being severe stress?

No stress ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 Severe stress

Q10a. If the cost of electricity was **reduced**, please select which of the following would apply to your business. *Multiple responses allowed.*

☐ The viability of my business would improve

☐ I would consider employing more staff and / or increase staff hours

☐ I would consider upgrading equipment and machinery necessary for my business

☐ I would consider expanding my business

Q10b. If the cost of electricity **increases**, please select which of the following would apply to your business. *Multiple responses allowed.*

☐ I would consider investing in solar generation

☐ I would consider investing in diesel or petrol generation

☐ I would consider investing in battery storage

☐ I would consider reducing staff hours

Q11. Can you name any businesses (or types) in your community that are especially affected by rising electricity costs?

Demographics

Q12. What type of business do you own or manage? Please describe in a few words. *(For farming businesses please specify the crop or animal which is your primary source of income).*

Q13. What is the postcode of your business?

Q14. How many staff are usually employed including owners?

Full time	<input type="text"/>
Part time	<input type="text"/>
Casual	<input type="text"/>

Q15. Is your business locally owned or a branch office?

☐ Locally owned

☐ Branch office

Q16. Do you rent or lease all or part of your place of business or farm?

☐ Yes

☐ No

Q17. What is the approximate annual gross turnover of your business:
(Annual gross turnover is the annual sales revenue)

☐ Under \$500,000

☐ \$500,000 to \$1M

☐ \$1M to \$5M

☐ Over \$5M

Q18. How many electricity bills for different accounts do you receive for your business monthly or quarterly?
(For example, a farm business can have different accounts e.g machinery shed, irrigation pump and home office and thus receives 3 electricity bills for the one farm business.)

No. of accounts	
Monthly	<input type="text" value="0"/>
Quarterly	<input type="text" value="0"/>
<input type="checkbox"/> Don't know / Not sure	

Q19. What are the tariffs listed on your electricity bills? *Multiple responses allowed.*

<input type="checkbox"/> Tariff 11	<input type="checkbox"/> Tariff 22A	<input type="checkbox"/> Tariff 47
<input type="checkbox"/> Tariff 20	<input type="checkbox"/> Tariff 37	<input type="checkbox"/> Tariff 48
<input type="checkbox"/> Tariff 20 (large)	<input type="checkbox"/> Tariff 44	<input type="checkbox"/> Tariff 62
<input type="checkbox"/> Tariff 21	<input type="checkbox"/> Tariff 45	<input type="checkbox"/> Tariff 65
<input type="checkbox"/> Tariff 22 (small)	<input type="checkbox"/> Tariff 46	<input type="checkbox"/> Tariff 66
<input type="checkbox"/> Tariff 22 (large)	<input type="checkbox"/> <input type="text"/> Tariff Other	
<input type="checkbox"/> Don't know / Not sure		

Q20. Do any of the electricity bills received by your business include a portion for home consumption?

☐ Yes

☐ No

☐ Don't know / Not sure

Q21. What is the annual power bill of your business?

Your best estimate is better than no response.

\$ per year ☐ Don't know / Not sure

Q22. On a scale of 1 to 10, how much do you believe the **economy of your regional community is impacted** by rising business and household electricity bills, with 1 being not impacted and 10 being severely impacted?

Not impacted ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9 ☐ 10 ☐ Severely impacted

Thank your for your time, this business survey is only for customers supplied partially or fully by grid supplied electricity. Please feel free to make comments in the box below.

Thank you for your time. We are unable to ascertain how your business pays for electricity. Please feel free to make comments in the box below.

CONFIDENTIAL

To help with any clarifications can you please provide contact details.

Business name	<input type="text"/>
Contact name	<input type="text"/>
Contact tel no.	<input type="text"/>

If you would like to receive a copy of the Survey Report on the four regions of Mareeba, Mt Isa, Southern Downs and Whitsundays, please provide your email address.

Email	<input type="text"/>
-------	----------------------

Please record any other comments regarding the impact of higher electricity bills.

Your individual comments are confidential and will only be used to develop aggregate estimates of regional impacts.

Our contact number is (07) 4031 2970.

Thank you very much for your time, your participation will help to estimate the impact of rising electricity costs on your regional community.

SUBMIT SURVEY

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APPENDIX 3

**Cross Tabulation - Responses to Higher Electricity Costs
Acceptance of Greater Debt by Other Responses**

q5a.pass increase to customers	no		q5g.increase debt yes		Total	%
	Count	%	Count	%		
no	132	79%	30	71%	162	77%
yes	36	21%	12	29%	48	23%
Total	168	100%	42	100%	210	100%

q5b.reduced consumption.behaviour	no		q5g.increase debt yes		Total	%
	Count	%	Count	%		
no	70	42%	11	26%	81	39%
yes	98	58%	31	74%	129	61%
Total	168	100%	42	100%	210	100%

q5c.reduced consumption.appliances	no		q5g.increase debt yes		Total	%
	Count	%	Count	%		
no	110	65%	24	57%	134	64%
yes	58	35%	18	43%	76	36%
Total	168	100%	42	100%	210	100%

q5d.invested in alternative	no		q5g.increase debt yes		Total	%
	Count	%	Count	%		
no	150	89%	34	81%	184	88%
yes	18	11%	8	19%	26	12%
Total	168	100%	42	100%	210	100%

q5e.reduce staff numbers hours	no		q5g.increase debt yes		Total	%
	Count	%	Count	%		
no	146	87%	27	64%	173	82%
yes	22	13%	15	36%	37	18%
Total	168	100%	42	100%	210	100%

q5f.accepted lower profits	no		q5g.increase debt yes		Count	%
	Count	%	Count	%		
no	62	37%	2	5%	64	30%
yes	106	63%	40	95%	146	70%
Total	168	100%	42	100%	210	100%

APPENDIX 4

**Cross Tabulation - Responses to Higher Electricity Costs by
Business Size (staff) & Proportion Electricity Costs of Total Costs**

q5a.pass increase to customers	q14.staff.totals									
	1. 1-4		2. 5-19		3. 20+		4. DK/No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	89	77%	62	78%	10	77%	1	50%	162	77%
yes	26	23%	18	23%	3	23%	1	50%	48	23%
Total	115	100%	80	100%	13	100%	2	100%	210	100%

q5b.reduced consumption.behaviour	q14.staff.totals									
	1. 1-4		2. 5-19		3. 20+		4. DK/No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	41	36%	32	40%	7	54%	1	50%	81	39%
yes	74	64%	48	60%	6	46%	1	50%	129	61%
Total	115	100%	80	100%	13	100%	2	100%	210	100%

q5c.reduced consumption.appliances	q14.staff.totals									
	1. 1-4		2. 5-19		3. 20+		4. DK/No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	76	66%	47	59%	10	77%	1	50%	134	64%
yes	39	34%	33	41%	3	23%	1	50%	76	36%
Total	115	100%	80	100%	13	100%	2	100%	210	100%

q5d.invested in alternative	q14.staff.totals									
	1. 1-4		2. 5-19		3. 20+		4. DK/No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	105	91%	68	85%	10	77%	1	50%	184	88%
yes	10	9%	12	15%	3	23%	1	50%	26	12%
Total	115	100%	80	100%	13	100%	2	100%	210	100%

q5e.reduce staff numbers hours	q14.staff.totals									
	1. 1-4		2. 5-19		3. 20+		4. DK/No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	95	83%	64	80%	12	92%	2	100%	173	82%
yes	20	17%	16	20%	1	8%		0%	37	18%
Total	115	100%	80	100%	13	100%	2	100%	210	100%

**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
SOUTHERN DOWNS DISTRICT**

q5f.accepted lower profits	q14.staff.totals									
	1. 1-4		2. 5-19		3. 20+		4. DK/No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	37	32%	26	33%	1	8%		0%	64	30%
yes	78	68%	54	68%	12	92%	2	100%	146	70%
Total	115	100%	80	100%	13	100%	2	100%	210	100%

q5g.increase debt	q14.staff.totals									
	1. 1-4		2. 5-19		3. 20+		4. DK/No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	94	82%	63	79%	9	69%	2	100%	168	80%
yes	21	18%	17	21%	4	31%		0%	42	20%
Total	115	100%	80	100%	13	100%	2	100%	210	100%

APPENDIX 4 Cont'd

**Cross Tabulation - Responses to Higher Electricity Costs by
Business Size (staff) & Proportion Electricity Costs of Total Costs**

q5a.pass increase to customers													
q6.% of business.electricity.grouped													
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		6. DK/No answer		Total %
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
no	53	83%	26	72%	26	81%	16	80%	10	83%	31	67%	162 77%
yes	11	17%	10	28%	6	19%	4	20%	2	17%	15	33%	48 23%
Total	64	100%	36	100%	32	100%	20	100%	12	100%	46	100%	210 100%

q5b.reduced consumption.behaviour													
q6.% of business.electricity.grouped													
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		6. DK/No answer		Total %
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
no	27	42%	11	31%	11	34%	11	55%	4	33%	17	37%	81 39%
yes	37	58%	25	69%	21	66%	9	45%	8	67%	29	63%	129 61%
Total	64	100%	36	100%	32	100%	20	100%	12	100%	46	100%	210 100%

q5c.reduced consumption.appliances													
q6.% of business.electricity.grouped													
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		6. DK/No answer		Total %
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
no	41	64%	21	58%	20	63%	14	70%	9	75%	29	63%	134 64%
yes	23	36%	15	42%	12	38%	6	30%	3	25%	17	37%	76 36%
Total	64	100%	36	100%	32	100%	20	100%	12	100%	46	100%	210 100%

q5d.invested in alternative													
q6.% of business.electricity.grouped													
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		6. DK/No answer		Total %
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
no	60	94%	32	89%	28	88%	18	90%	11	92%	35	76%	184 88%
yes	4	6%	4	11%	4	13%	2	10%	1	8%	11	24%	26 12%
Total	64	100%	36	100%	32	100%	20	100%	12	100%	46	100%	210 100%

q5e.reduce staff numbers hours													
q6.% of business.electricity.grouped													

**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
SOUTHERN DOWNS DISTRICT**

	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		6. DK/No answer		Total	%
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%		
no	57	89%	33	92%	23	72%	14	70%	11	92%	35	76%	173	82%
yes	7	11%	3	8%	9	28%	6	30%	1	8%	11	24%	37	18%
Total	64	100%	36	100%	32	100%	20	100%	12	100%	46	100%	210	100%

q5f.accepted lower profits				q6.% of business.electricity.grouped											
		1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		6. DK/No answer		Total	%
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%		
no		18	28%	8	22%	7	22%	8	40%	2	17%	21	46%	64	30%
yes		46	72%	28	78%	25	78%	12	60%	10	83%	25	54%	146	70%
Total		64	100%	36	100%	32	100%	20	100%	12	100%	46	100%	210	100%

q5g.increase debt				q6.% of business.electricity.grouped											
		1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		6. DK/No answer		Total	%
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%		
no		53	83%	30	83%	21	66%	17	85%	10	83%	37	80%	168	80%
yes		11	17%	6	17%	11	34%	3	15%	2	17%	9	20%	42	20%
Total		64	100%	36	100%	32	100%	20	100%	12	100%	46	100%	210	100%



APPENDIX 5

Business Types Especially Affected

q11.name business.types affected by rising costs	No.
Abattoirs, paper printing	1
Abrasive blasting	1
Accommodation	2
All	2
All accommodation providers due to reliance on lighting, air cons, etc	1
All businesses.	1
All Food supply businesses e.g. Butchers. All Hospitality businesses eg hotels/ Motels/ Restaurants/ Cafes	1
All motels, John Dee meat processing,	1
All of them	2
All of them. Worst affected would be Jon Dee	1
All of us....	1
All people who supplied plastic bottles are under threat with china due to supplying a cheaper cost	1
All tourism based , eateries, accommodation etc	1
All types of farming	1
All with-in the area	1
All would be, food industry especially florist and giftware	1
Aluminium industry	1
Almost all businesses are affected with the costs of goods increasing.	1
Any one that irrigates, farmers of all types	1
As far as I can see everyone is suffering	1
Bakeries, butchers	1
Bed and breakfast	1
Butchers	2
Cafes, small clothing outlets	1
Computer business	1
Concrete plant	1
Dairy and irrigation farmers	1
Division APM are struggling	1
Eateries	1
Engineering	1
Every business	2
Every business across the Southern Downs is impacted by rising electricity costs	1
Every business is affected in some way especially down the food change what affects us affects others	1
Every hotel	1
Everybody	4
Everyone	1
Everyone is suffering	1
Everyone...but cafes and any food business with refrigeration and manufacturers	1
Fabrication and welding places	1
Fabrication. Sand blasting, spray painting, panel beating, air compressor, irrigation, refrigeration, processing anyone using power to run their business. Computers, cash register, eftpos, etc.	1
Farmer , local manufacturing	1
Farmers	1
Farmers of all types	1
Farming	5
Farming all of them	1
Farming all over	1
Farming community	2
Farming fruit	4
Farming fruit and veg	1
Farming in general	3

**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
SOUTHERN DOWNS DISTRICT**

Farming veg	2
Farming, Construction, Retail, Small Business especially, Community Services, Hospitality	1
Farms, cafes/restaurants	1
Fast food providers	1
Food lots, irrigation farms	1
Food outlets and farmers	1
Hairdressers	1
Hospitals, shopping centres, factories	1
Hotel / motel	1
Hotels, motels and van parks	1
I think all businesses are severely affected by rising electricity costs.	1
Irrigation	1
Irrigation farmer	2
Irrigators, manufacturers and processors	1
Killarney co-op Wickham farms	1
Law firms	1
Local hotel, gaming lounges, butchers	1
Manufacturing	1
Meat works. recreation centre	1
Most commercial farms in the district due to increasing costs of refrigeration, grading, sorting and packing machinery.	1
Most farming businesses	1
Most small businesses that I have spoken to said that it will be the power cost that will make them close their doors	1
Motels, hotels	1
No	21
No but I am sure everyone is feeling the stress	1
No. I think everyone is struggling with the cost of electricity	1
Not aware	1
Other cafes	1
Other farmers	1
Primary producers	1
Recreation	1
Retail , manufacturing , bakeries , food outlets , supermarkets etc.	1
Small businesses	2
Small businesses cafe and gift shops	1
Small cafes , anything to do with refrigeration	1
Small micro businesses, home business and sole traders especially farmers and primary producers	1
Supermarkets any company that uses refrigeration	1
There are people suffering and businesses closing I know them but I don't want to mention them	1
Too many to name	1
Various vegetable farmers	1
Veg and fruit farms	1
We own a butcher shop which runs cold rooms and freezers that CAN NOT be turned off and the rising costs of electricity are absolutely crucifying us	1
Wickham farms & Killarney co-op	1
Wickhams farm	1
(Blank)	73
Sporting groups with light towers for night competitions	1
Grand total	210

APPENDIX 6

Annual Power Bills Recorded

q21.total yearly electricity usage	Count	%
\$200	1	0%
\$360	1	0%
\$600	1	0%
\$800	2	1%
\$1,000	3	1%
\$1,200	3	1%
\$1,500	1	0%
\$1,520	2	1%
\$1,600	5	2%
\$1,700	1	0%
\$2,000	13	6%
\$2,080	1	0%
\$2,400	3	1%
\$2,500	6	3%
\$2,600	1	0%
\$2,800	5	2%
\$2,918	1	0%
\$3,000	7	3%
\$3,200	1	0%
\$3,400	2	1%
\$3,500	2	1%
\$3,750	1	0%
\$4,000	12	6%
\$4,250	1	0%
\$4,500	1	0%
\$4,800	2	1%
\$4,900	1	0%
\$5,000	3	1%
\$5,200	1	0%
\$6,000	8	4%
\$6,400	1	0%
\$6,500	1	0%
\$7,000	3	1%
\$7,200	2	1%
\$7,300	1	0%
\$7,600	1	0%
\$8,000	10	5%
\$8,205	1	0%
\$8,500	1	0%
\$8,600	1	0%
\$9,000	2	1%

**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
SOUTHERN DOWNS DISTRICT**

\$9,500	1	0%
\$9,800	1	0%
\$10,000	6	3%
\$12,000	7	3%
\$12,500	1	0%
\$13,107	1	0%
\$13,500	1	0%
\$14,000	1	0%
\$15,000	4	2%
\$15,600	1	0%
\$16,000	2	1%
\$16,200	1	0%
\$18,000	2	1%
\$20,000	4	2%
\$22,000	1	0%
\$23,000	1	0%
\$24,000	3	1%
\$25,000	2	1%
\$26,000	1	0%
\$28,000	1	0%
\$29,518	1	0%
\$30,000	6	3%
\$32,000	3	1%
\$36,000	1	0%
\$38,000	1	0%
\$40,000	2	1%
\$42,000	1	0%
\$44,000	1	0%
\$45,000	1	0%
\$48,000	1	0%
\$50,000	3	1%
\$60,000	1	0%
\$64,800	1	0%
\$70,000	1	0%
\$80,000	1	0%
\$100,000	3	1%
\$108,000	1	0%
\$120,000	1	0%
\$175,000	1	0%
\$250,000	2	1%
\$320,000	1	0%
(blank)	18	9%
Grand Total	210	100%



APPENDIX 7

Why Not Pass on Extra Costs

q5a3.why not pass increase to customers	No.
As a real estate agent, income is at a set percentage, if I increase that percentage it will make it much harder to get property to sell.	1
At this stage our cost structure had enough room that no cost had to be passed on to the consumer yet.	1
At this stage too scared to put things up - so tough as it is.	1
Cannot do that in the dairy industry on farm	1
Can't afford to lose customers	1
Can't keep increasing prices as the customer base keeps falling away as it is.	1
Can't pass on costs. Some people can't afford treatments	1
Competition	5
Competition is too high	1
Competition. The people can't afford to pay for the increase as well as their electricity is high as well	1
Competition. Very hard	1
Competition - Warwick is the lowest paid country in Qld	1
Competition. Warwick is such a small place	1
Competition to internet	1
Competition	1
Contractual	1
Customers won't come back	1
Dairy farmers don't have that privilege	1
Didn't feel like it was fair	1
Don't have/need to	3
Don't need to at this time	1
Grow crops, have to go with set prices	1
I own a B&B and I have to compete with other B&B businesses in my area. If I raise my prices I will have less customers.	1
In accommodation industry even a modest increase of say \$2/night, will see guests frown and look for possible cheaper accommodation with competitors	1
In retail competition customers can't afford meat as it is	1
Intense competition would not allow	1
Kwh charges have increased. Investment in more efficient equipment has almost halved consumption and reduced overall electricity costs.	1
My business is a Real Estate, hard to pass on	1
New business!	1
New Business. I need to keep building it - not scare people away with increases.	1
Non for profit	1
Not able to as we have a strong competition	1
Not able to do so in the already depressed economic area in which we operate	1
Not viable in my line of business	1
Only been in the business 6 months	1
Our market is very price sensitive, there is not the ability to increase costs without affecting occupancy. After all we don't have a monopoly on the supply of a business essential like electricity, so we therefore have to give serious consideration to the customers.	1
People are struggling	1

**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
SOUTHERN DOWNS DISTRICT**

Price takers, dairy farmers and can not pass the price on.	1
Primary producer so can't pass on costs	1
Producer of honey cost is set	1
Regulated	1
The change in my electricity bill was too insignificant to pass the cost onto customers.	1
The customers have had their electricity costs rise too. It is unfair to pass the cost on to them.	1
To attempt to stay competitive in an extremely competitive market	1
To remain competitive in the market.	1
Too much competition	1
Very difficult to pass on this cost, very competitive field and rises would turn away customers.	1
We are a new business, not yet 12 months old, and can't afford to increase prices at this time.	1
We are dairy farmers struggling with price cuts at present as well as dry weather and prices at the supermarket at 1992 levels. We are not able to pass on increased power prices.	1
We are price takers not price setters	1
We as dairy farmers have no say in price we have to accept what we are given and we had a price drop	1
We have too much competition and customers can't afford it	1
We would lose business due to competition so we can't afford to	1
(Blank)	151
Grand total	210

APPENDIX 8

General Comments

General comment	No.
▪ Choice of provider	1
▪ Choice of suppliers is necessary to keep the prices down	1
▪ Cost of solar too high, unable to connect solar to grid and no choice of suppliers only Ergon	1
▪ Electricity is just one of many constantly rising costs that seem to be rising at a pace that is not fair and reasonable. Others that spring to mind are vehicle rego, and insurance. Farm insurance, Council rates. Percentige wise electricity has probably been the worst closely followed by Rego and insurance.	1
▪ Every time you turn around electricity goes up	1
▪ Govt need to look at people's needs not the minority or themselves	1
▪ Govt should make solar cheaper for people and stop wasting money on a power station	1
▪ House hold bills are having a very tough time	1
▪ I am concerned that the farmers aren't getting their money back on the produce that is costing them a fortune to pay electricity costs. They will eventually go broke	1
▪ I heard that 20 people had to have their electricity cut off because they could not afford to pay their bills	1
▪ I think the CEO should be sacked and me put in his place immediately	1
▪ Insurance used to be our biggest cost, now it is electricity	1
▪ It is an essential service. Should not be owned by share holders	1
▪ It is not so much the cost of the power used as much as all the additional service fees and cost of meter reading and because of 3 phase - fees for both. Trying not to use the power but the costs are added on for service fees. Disappointed with Ergon and their expensive fees and charges and power costs. And of course we can't shop around for a different provider and cheaper deal, because ERGON has the MONOLOGY in our area. Use their power and pay or go without or try an expensive solar and battery set up. Our loss their gain!!	1
▪ It is the most talked about topic. It is getting very serious for every business owner and house hold	1
▪ It would be an advantage, to have reduced power bills. Not only for businesses but all householders. It has become a very significant cost of everyday living. In my accommodation business guests use everything they possibly can. Aircon, heaters, and NEVER turn anything off when they leave, even though they are requested to do so. If I didn't go in and turn the appliances off, they would be going all day.	1
▪ Like to come face to face with the CEO	1
▪ Need to have a choice of provider have a bit of competition to keep prices down	1
▪ No	9
▪ No issues at this stage	1
▪ No, just it is too high	1
▪ Not so much the impact of higher costs but bills that the average person can understand would be good. All these tariffs mean nothing in reality.	1
▪ Options of plans would be nice	1
▪ Part of our issue is with the monopoly that Ergon have in our area. When we first purchased our business, they hit us with a \$6,200 security deposit that we weren't expecting and weren't flexible in any way as far as reducing or letting us pay off the amount	1
▪ Re tariffs, we also have tariff 33 and SSN; couldn't enter those above	1
▪ Reduce cost....make solar cheaper so it is available to all people, wind combines	1
▪ Service charges \$1.42 to \$1.99 a day...people can't offer all the services because of the cost of electricity	1
▪ Since getting solar panels installed at the Yard I've found that the fees are higher than my bill which is unjust we feel. They should be encouraging people to go Green!	1
▪ The community are getting more angry by the day and causing very much upsets and stress for families and businesses. Just wondering how it will end	1
▪ The cost of my product has increased and the cost of electricity has increased..i can't pass on to customers so i am out of pocket before any other bills	1

**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
SOUTHERN DOWNS DISTRICT**

▪ This is one of the most daunting bills that comes in we never have the funds to pay on time and have to ask for payment extensions or be disconnected, as it is also part of our home bill - we apportion 50% to business and 50% to business, we have to pay it or we have no electricity for our family. There is only one provider in our area and they have the monopoly and charge whatever they want. We have no choice to shop around for a better deal. We would love to invest in solar but cannot afford it with the huge outlay we have each quarter with paying the current bills. The service costs are ridiculous. If there was scheme that allowed you to pay off the solar over a few quarters we would be so much better off and may be able to employ someone to help in our business and move it forward. Knowing the bill is due fills us with dread and causes so much stress.	1
▪ Too many people are affected by electricity costs. We can't pass anything on to our customer because most of them are pensioners	1
▪ Very hard watching businesses close due to high running costs especially electricity	1
▪ Very high stress related to doctors' visits affecting health related issues	1
▪ We also have a small farm where we use big compressors and irrigation. Do a lot of welding and farm associated repairs on bits and pieces. We have no choice except but Ergon supply. We have tried. The farm price is ridiculous for power.	1
▪ We are at a disadvantage trying to compete with cheap prices from oversea when our electricity is the highest in the world and our wages are the highest in the world..	1
▪ We are going to need to start increasing cost of our services, which in turn creates inflation and the inability of people to go out and spend money to keep the economy and small business going. A vicious cycle. Maybe more incentive for putting in solar power might help, but the cost of this has to come from somewhere too... Don't now the solution but getting out of hand.	1
▪ We are making Australia more uncompetitive by selling china cheap coal...we will have the highest rate of unemployment due to our lack of common sense, also we need to have a choice in providers	1
▪ We had a meeting and the talk was about how electricity is the major costs for businesses	1
▪ We have the most expensive electricity in the world, causes so much stress, too frighten to open bills	1
▪ We need to have a choice of providers so we can have a bit of competition	1
▪ We need to have a choice of providers so they can't hold us to ransom	1
▪ We save about \$4000 a year because we have solar installed.	1
▪ We should look after our own if you want the country to prosper....something should be done about the state we are in with the high cost of electricity	1
▪ We take one step forward and three back...cost of electricity is crippling businesses	1
▪ We work hard for many many years, just to have the business to close due to high cost of running the essentials like lights ,fridges and freezers and air con	1
▪ When your weekly electricity bill is the equivalent of 50% of your rent, something is very very wrong. When I look at my expenses. Rent and Electricity is the highest.	1
▪ Why can we use our own coal and help ourselves first or invest in nuclear power	1
▪ Why can' we use our own coal instead of selling it cheap to other people no matter where you burn it, it affects the atmosphere, so let us have the benefit of using our own coal....soon with all the businesses closing there will be no jobs	1
▪ Why can't we have a choice in providers	1
▪ With very low rainfall over the years we need to irrigate. We need to use electricity to do that, but the costs are too high thus affecting our income yearly. Also the government stated electricity tariffs would go down which they did, but the increased the service fee and the metering reading fees, so I fact our electricity accounts increased. What happened to the good old days?	1
▪ You hear about solar and stuff it is too costly and you don't get the benefits straight away	1
▪ (Blank)	150
▪ Grand total	210