



IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES IN REGIONAL QUEENSLAND

SURVEY REPORT WHITSUNDAY DISTRICT



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Final Ref: J2998V3 January 2018





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Final Ref:J2998V3 January 2018

DISCLAIMER

“This project was funded by Energy Consumers Australia (www.energyconsumersaustralia.com.au) as part of its grants process for consumer advocacy projects and research projects for the benefit of consumers of electricity and natural gas.

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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28th December 2017

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 Whitsundays district in Far North Queensland 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 204 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 95% of respondents were locally owned and about 55% owned their own premises.

Electricity Delivered to Businesses

- All were Ergon customers but 22% had an element of their own generation.
- Of the 78% of respondents who could answer the question about electricity costs as a proportion of total business costs, 45% said 5% or less, some 14% said over 20%. Average recorded was 12.3%.

Decisions to Accommodate Electricity Price Rises

- Almost a half indicated they didn't know about the electricity price rises in July 2016 but this dropped to 31% who didn't know of the July 2017 increases.
- However, 94% said their electricity costs had risen with only 2% saying they hadn't.
- While 72% said their electricity consumption had stayed about the same, some 14% said it had risen against 12% who said it had fallen. The indications are that on balance, consumption has stayed about the same.
- The key question in the survey was, "Which of the following decisions have you made to enable your business to accommodate rising electricity costs over the past 12 months?" The following responses were received.

Have you:	No.	% of Respondents
Accepted lower profits (income) from the business	160	78%
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	133	65%
Reduced electricity consumption through investment in more energy efficient appliances & equipment, eg. air-conditioners, fridges/freezers, cold rooms, irrigation pumps, lighting, etc.	87	43%
Increased the debt carried by the business	39	19%
Reduced staff hours or staff numbers	28	14%
Invested in alternative electricity generation	26	13%
Passed the increased cost of electricity on to your customers through higher prices for your products/services	25	12%
Other	3	1%
Total	501	246%

- Many gave more than one response resulting in an average of 2.4 per respondent.
- The indications are that as a result of increased electricity costs, almost 80% of businesses have become less profitable. (Note: The survey does not include businesses that may have gone out of business.)
- Over 65% have tried to reduce consumption by modifying behaviour.
- Over 40% had invested in more energy efficient equipment.
- About 20% indicated they had increased the debt carried by the business. (Cross tabulations indicated this was both due to reduced profits and investment in equipment.)
- Only 12% had passed the increase on to customers – many saying only partially (only 5% in full). Most of those who didn't, said they couldn't (eg. farmers, etc.). For others, they didn't because their customers were doing it tough and couldn't afford it, others because of competition. Average increase was 4.9% of those reporting. The indications are that overall price increases for the whole sample was of the order of 1%.
- About 13% said they had invested in alternative electricity generation most in solar, but some businesses in diesel/petrol.
- Some 14% said they had reduced staff hours with average loss calculating at 2.6 hours a week across the whole sample. Actual job losses recorded were 20, ie. about 1% of the recorded workforce of the businesses surveyed.
- Businesses with electricity costs 21% – 30% of total, were more likely to have reduced staff hours and accept higher debt.

Satisfaction with Electricity Prices and Reliability

- Some 66% recorded they were very dissatisfied with electricity prices being charged to their business. On a scale of 1 to 10, only 2% gave a score of over 5 and average rating was only 1.6.
- On the other hand, on a scale of 1 to 10, with 10 being very satisfied, average rating of reliability of supply was 6.6.
- On a scale of 1 to 10 with 10 being extremely concerned about ability of business to pay electricity costs, some 50% ranked 8 – 10 with average being 6.8.

Impacts if Costs of Electricity Increased Further or Reduced

- If electricity prices increased further:
 - Some 56% of respondents indicated they would experience strong to severe financial stress;
 - A half said they would consider investing in solar and 13% in diesel and 12% in battery storage;
 - Some 28% said they would consider reducing staff (cf 14% who had already reduced staff).

- If prices decreased, 93% said the viability of their business would increase, 36% would consider upgrading machinery and equipment necessary for their business and 34% 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, none gave a score of less than 5, some 40% severely impacted and average score was 8.8.
- Business types in communities especially affected by higher electricity costs were widely spread but led by responses “farmers”, “all” and “accommodation/food”.

Supplementary Information

- Number of bills (ie. connections) per business averaged 2.8.
- Over 45% did not respond to a question of what tariff they were on indicating that they may not have known.
- Some 34% indicated their bills included a portion of home consumption.
- Median electricity bill was \$9,000. Average was \$32,000.

General Comments

- General comments were varied but led by “issues relating to Ergon” including lack of competition, “affecting business viability, “failure of government” and “availability of coal”.

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 centre 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/Whitsundays, Mt Isa. This report analyses the results from surveying in the Whitsundays 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 Whitsundays telephone book and on-line directories.

The survey was sent to members in the area by the Chamber of Commerce and Growcom.

This was followed with contact by trained interviewers by telephone of identified business numbers in the Whitsundays 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 Whitsundays district businesses, the survey was carried out commencing in September and early October 2017.

2.0 SAMPLE CHARACTERISTICS

2.1 Number of Responses

A total of 200 responses were targeted and a total of 204 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 Whitsundays region.

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

	No.	Survey	ABS	Difference
Agriculture, Forestry & Fishing	52	25%	9%	+16%
Mining	1	0%	7%	(-6%)
Manufacturing	6	3%	4%	(-1%)
Electricity, Gas, Water & Waste services	2	1%	1%	0%
Construction	9	4%	8%	(-3%)
Wholesale/Retail trade	45	22%	12%	+10%
Accommodation & Food services	40	20%	16%	+4%
Transport, Postal & Warehousing	2	1%	8%	(-7%)
Information, Media & Telecommunications	2	1%	1%	0%
Financial & Insurance services	1	0%	1%	0%
Rental, Hiring & Real Estate services	4	2%	2%	0%
Professional, Scientific & Technical services	6	3%	3%	0%
Administrative & Support services	5	2%	5%	(-3%)
Public Administration & Safety	0	0%	3%	(-3%)
Education & Training	3	1%	6%	(-5%)
Health Care & Social Assistance	6	3%	7%	(-4%)
Arts & Recreation services	4	2%	1%	+1%
Other Services	12	6%	4%	+2%
Not stated	4	2%	5%	(-3%)
Total	204	100%	100%	

By and large, the sample roughly reflects the spread of businesses by industry in the area but there is over representation of Agriculture, Retail and Accommodation and Food Services in the sample and under representation of Construction, Health, Education and Training and Transport.

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	7	3%
1	17	8%
2	37	18%
3	32	16%
4	20	10%
5	15	7%
6	11	5%
7	6	3%
8	6	3%
9	8	4%
10	9	4%
11	3	1%
12	4	2%
14	4	2%
16	1	0%
17	2	1%
18	1	0%
20	3	1%
22	2	1%
23	1	0%
24	2	1%
25	1	0%
28	2	1%
31	1	0%
32	2	1%
33	1	0%
34	1	0%
60	1	0%
200	1	0%
250	2	1%
270	1	0%
Total	204	100%

Average per business was 15.2.

Total number of employees recorded was 2313 compared with ABS Census 2011 for the Whitsundays region of 15,681 including government and non-business. The indications are the survey picked up a significant proportion of business employment in the Whitsundays region.

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

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

Business Employees	Survey	ABS
1-4	52%	25%
5 – 19	34%	12%
20+	10%	3%
0	0%	61%
Not stated	3%	0%

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	49%
\$500 – \$1 million	21%
\$1 million – \$5 million	21%
Over \$5 million	6%
Not stated	4%
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	23%
\$50,000 – \$100,000	15%
\$100,000 – \$200,000	19%
\$200,000 - \$500,000	19%
\$500,000 - \$2 million	18%
\$2 million & more	6%
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 higher proportion of medium and larger businesses with a lower proportion form “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	193	95%
Branch office	8	4%
No response	3	1%
Total	204	100%

2.5 Rent or Lease Premises

The majority of responding businesses owned their premises.

Table #7: Q16 - Rent or Own Premises

	No.	%
Rent	88	43%
Owned	113	55%
No response	3	1%
Total	204	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	195	96%
Ergon Other	2	1%
Landlord	2	1%
Other	5	2%
Total	204	100%

Almost all were Ergon customers.

3.2 Own Generation

However, some 22% supplemented Ergon supply by generating their own electricity.

Table #9: QC - Generate Own Electricity

	No.	%
Yes	44	22%
No	160	78%
Total	204	100%

All businesses were connected to the grid.

3.3 Proportion Electricity of Business Costs

Some 160 responded.

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

<u>% of Business Costs</u>	Of those Responding	
	No.	%
1% – 5%	68	43%
6% – 10%	42	26%
11% – 20%	27	17%
21% – 30%	15	9%
30%+	8	5%
Total	160	100%

Some 43% recorded 5% or lower. Apart from that, the next biggest group (26%), were 6% – 10%.

Average proportion recorded was 12.3%.

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	104	51%
No	97	48%
Not sure/don't know	2	1%
No response	1	0%
Total	204	100%

Almost a half recorded they didn't know.

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	137	67%
No	64	31%
Not sure/don't know	2	1%
No response	1	0%
Total	204	100%

Some 30% recorded they didn't know.

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	192	94%
No	5	2%
Not sure/don't know	7	3%
Total	204	100%

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

5.2 Consumption of Electricity

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

	No.	%
Fallen	24	12%
Stayed about the same	146	72%
Risen	28	14%
Not sure/don't know	3	1%
No response	3	1%
Total	204	100%

Dominant response was "Stayed about the same" and 14% "Risen" is almost balanced by 12% "Fallen". The indication is that on balance, electricity consumption has probably stayed about the same.

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
Accepted lower profits from the business	160	78%
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	133	65%
Reduced electricity consumption through investment in more energy efficient appliances & equipment, eg. air-conditioners, fridges/freezers, cold rooms, irrigation pumps, lighting, etc.	87	43%
Increased the debt carried by the business	39	19%
Reduced staff hours or staff numbers	28	14%
Invested in alternative electricity generation	26	13%
Passed the increased cost of electricity on to your customers through higher prices for your products/services	25	12%
Other	3	1%
Total	501	246%

The first conclusion to be drawn from this table is that businesses have responded by taking multiple actions – an average of 2.4.

The most prevalent response has been a passive one of accepting lower profits with 78% reporting this as a consequence. Just behind that, was 65% 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, 43% of respondents, was to invest in appliances that used electricity more efficiently, eg. lighting, air conditioners, etc.

(Note: However it should be noted that in response to Question 2, there was no widespread indication of a major decrease in consumption with only 12% recording that their electricity consumption had fallen and most recording that it was much the same. A conclusion can be drawn that if those actions to reduce consumption as a result of higher costs had not been taken, electricity consumption would have grown more strongly)

The next highest response, 19% 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 correlated with staff reduction and investment in alternative energy supply.

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 25 or 12% of respondents responded by increasing prices to customers. Of these, 10 or 5% of the sample passed their costs on fully and 46 or 21% 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.
1%	1
1.5%	1
2%	1
2.5%	2
5%	5
10%	2
15%	1
20%	1
50%	1
Total	15

Average increase was 9.3% 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 1.0%.

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

The following groups and summarises responses.

Price takers especially farmers.....	18
Customers doing tough/Can't afford it	15
Competition	9
Set price/margin/contracted.....	6
Industry doing it tough/Had to lower price to get business	2
Small town/Community	4
Small business	2
Other	8

Some 26 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

% Increase	No.	% of Sample
Roof top solar panels	17	8%
Solar hot water	2	1%
Batteries	0	0
Diesel/petrol generators	5	2%
Solar lights throughout	0	0
Total	24	

The major response was to install solar generation in one form or another with 5 saying diesel/petrol generators.

Some 28 (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
1	1	0%	1
3	1	0%	3
4	1	0%	4
5	1	0%	5
6	2	1%	12
8	4	2%	32
10	1	0%	10
12	1	0%	12
18	1	0%	18
20	7	3%	140
25	1	0%	25
30	2	1%	60
40	3	1%	120
80	1	0%	80
Total	27	13%	522

(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 522, ie. average 19 per business reducing hours and an average of 2.6 hours over the whole sample.

Of the hours lost, 13 recorded job losses as follows.

Table #19: Q5e - Loss of Jobs

No. of Jobs	Full Time	Part Time
0.7	0	1
1	5	4
2	2	1
4	0	1

This calculates to total jobs lost at 20 (Full time 9, Part time 11).

This compares with total jobs recorded by respondents of 2313, ie. about 1%.

Other responses recorded were as follows.

Table #20: Other Responses

	No.
Being holiday apartments we aim to work as efficiently as possible	1
Bought a diesel powered irrigation pump	1
Use as necessary	1
Complain whenever I am in the mood to waste the Ergon monopoly's time. Tell sacked workers to complain to the Qld Government that has their hand in the till	1
As farmers we have to pump water or no crop to feed you	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 less likely to have reduced profit.

Those with electricity costs more than 30% of total business costs were less likely to pass on costs to customers and with those 21% - 30% more likely to reduce staff numbers.

Those in the 21% - 30% range were more likely to 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	135	66%
2	34	17%
3	15	7%
4	8	4%
5	4	2%
6	2	1%
7	0	0%
8	3	1%
9	0	0%
10 Very satisfied	0	0%
No response	3	1%
Total	204	100%

The response indicates a high level of dissatisfaction with 66% rating at the lowest level of 1 very dissatisfied and only 2% giving a score of over 5. Average rating was very low at 1.6.

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	16	8%
2	8	4%
3	14	7%
4	6	3%
5	21	10%
6	12	6%
7	22	11%
8	44	22%
9	41	20%
10 Very satisfied	18	9%
No response	2	1%
Total	204	100%

Average rating was 6.6.

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	8	4%
2	8	4%
3	5	2%
4	14	7%
5	24	12%
6	11	5%
7	30	15%
8	37	18%
9	26	13%
10 Extremely concerned	39	19%
No response	2	1%
Total	204	100%

Responses varied but 50% ranked 8 – 10 and average was 6.8.

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	2	1%
2	3	1%
3	5	2%
4	7	3%
5	29	14%
6	11	5%
7	27	13%
8	37	18%
9	32	16%
10 Severe stress	44	22%
No response	7	3%
Total	204	100%

Some 56% responded with a rating of 8 to 10, ie. recording very strong levels of financial stress if costs increase. Average was 7.5.

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	189	93%
I would consider employing more staff and/or increase staff hours	69	34%
I would consider upgrading equipment & machinery necessary for my business	73	36%
I would consider expanding my business	49	24%
Total	380	

Some 93% said it would improve viability of their business. About 34% said they would consider employing more staff and 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	105	51%
I would consider investing in diesel generation	26	13%
I would consider investing in battery storage	25	12%
I would consider reducing staff hours	58	28%
Total	214	

The leading response would be to invest in solar (51%). Some 28% indicated they would consider reducing staff/hours.

(Note: This percentage is much higher than the numbers recording past reductions in staff hours (14%) 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	0	0%
3	0	0%
4	1	0%
5	9	4%
6	9	4%
7	13	6%
8	37	18%
9	53	26%
10 Severely impacted	81	40%
No response	1	0%
Total	204	100%

None recorded an impact of less than 5.

Some 40% recorded severely impacted. Average rating was 8.8 indicating a very high impact on the economy of the Whitsundays 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

	No.
Accommodation/Food	31
Accommodation	18
Restaurants/Eateries	9
Café	4
All	44
General	35
Tourism	4
Small Business	5
Agriculture Farming	65
General	41
Sugar Cane	13
Irrigation	9
Processing plants	2
Other	8
Laundries	2
Storage/cold	5
Hair & Beauty Salons	1
Retail/Wholesale	13
General	13
Government	2
Council	2
Manufacturing	18
General	5
Engineering	8
Butchers/Bakers	5

The Whitsundays region has a great deal of irrigation agriculture and out of 176 mentions, 45% related to agriculture.

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 “Other” 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	Bills	
1	35	89	124	124
2	9	15	24	48
3	1	11	12	36
4	1	8	9	36
5	2	6	8	40
6	1	2	3	18
7	1	4	5	35
8	1	3	4	32
9	0	3	3	27
10	0	1	1	10
11	1	0	1	11
15	0	1	1	15
19	0	1	1	19
20	0	1	1	20
22	0	1	1	22
25	0	2	2	50
35	0	1	1	35
Total	52	149	201	578

The indications are that businesses receive an average of 2.8 bills per business.

9.2 Tariffs

Some 54 (26%) did not respond, indicating they may not have known the tariff they were on. Tariffs recorded were as follows.

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

Tariff	No.	%
11	35	17%
20	23	11%
20 (large)	6	3%
21	12	6%
22 (small)	5	2%
22 (large)	8	4%
22 (A)	1	0%
31	1	0%
33	10	5%
37	1	0%
44	2	1%
45	0	0%
46	0	0%
47	0	0%
48	0	0%
62	16	8%
65	16	8%
66	13	6%
Other	1	0%
Total	150	100%

The figures indicate a substantial number with different tariffs.

Leading number (17%) recorded Tariff 11. Second largest numbers were on Tariff 20 (23%), followed by Tariffs 62 and 66.

9.3 Inclusion of Home

Some 69 (34%) indicated that their business bills included a portion of home consumption.

9.4 Annual Power Bills

Some 178 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	28	16%
Over \$2,500 to \$6,000	40	22%
Over \$6,000 to \$10,000	21	12%
Over \$10,000 to \$20,000	34	19%
Over \$20,000 to \$50,000	33	19%
Over \$50,000 to \$100,000	11	6%
Over \$100,000 to \$500,000	11	6%
Over \$500,000	0	0%
Total	178	100%

Over 50% were \$10,000 or less and median was \$9,000.

However, average was \$32,600.

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 Related			16
	No competition	9	
	Inefficiencies/Other charges/Poor service/CEO high costs	7	
Affecting Business			8
	Get stressed	3	
	Going out of business/Losing profitability/Can't pass on/Won't survive/Crippling	5	
Coal			7
	Export coal/More than overseas/Energy on door step/Power station idle/Clean coal easy	7	
Government			6
	To blame/Can stop/Taking dividends	6	
Irrigation			5
	General	3	
	Changing to diesel	2	
Solar			4
	Installed/Still costs	2	
	Make cheaper	2	
Elderly			2
	Affecting	2	
Other			6

The largest grouping related to a range of issues relating to Ergon operations including competition and impacts on viability of businesses.

There were substantial comments about government policies and availability of coal.

SURVEY REPORT WHITSUNDAYS 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?

<input type="radio"/>	Locally owned
<input type="radio"/>	Branch office

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

<input type="radio"/>	Yes
<input type="radio"/>	No

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

<input type="radio"/>	Under \$500,000
<input type="radio"/>	\$500,000 to \$1M
<input type="radio"/>	\$1M to \$5M
<input type="radio"/>	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 you 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		Total	%
	Count	%	Count	%		
no	144	87%	35	90%	179	88%
yes	21	13%	4	10%	25	12%
Total	165	100%	39	100%	204	100%

q5b.reduced consumption.behaviour	no		q5g.increase debt		Total	%
	Count	%	Count	%		
no	57	35%	14	36%	71	35%
yes	108	65%	25	64%	133	65%
Total	165	100%	39	100%	204	100%

q5c.reduced consumption.appliances	no		q5g.increase debt		Total	%
	Count	%	Count	%		
no	98	59%	19	49%	117	57%
yes	67	41%	20	51%	87	43%
Total	165	100%	39	100%	204	100%

q5d.invested in alternative	no		q5g.increase debt		Total	%
	Count	%	Count	%		
no	147	89%	31	79%	178	87%
yes	18	11%	8	21%	26	13%
Total	165	100%	39	100%	204	100%

q5e.reduce staff numbers hours	no		q5g.increase debt		Total	%
	Count	%	Count	%		
no	145	88%	31	79%	176	86%
yes	20	12%	8	21%	28	14%
Total	165	100%	39	100%	204	100%

q5f.accepted lower profits	no		q5g.increase debt		Total	%
	Count	%	Count	%		
no	36	22%	8	21%	44	22%
yes	129	78%	31	79%	160	78%
Total	165	100%	39	100%	204	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	1. 1-4		2. 5-19		q14.staff.total 3. 20+		4. No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	97	92%	57	81%	19	90%	6	86%	179	88%
yes	9	8%	13	19%	2	10%	1	14%	25	12%
Total	106	100%	70	100%	21	100%	7	100%	204	100%

q5b.reduced consumption.behaviour	1. 1-4		2. 5-19		q14.staff.total 3. 20+		4. No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	36	34%	24	34%	9	43%	2	29%	71	35%
yes	70	66%	46	66%	12	57%	5	71%	133	65%
Total	106	100%	70	100%	21	100%	7	100%	204	100%

q5c.reduced consumption.appliances	1. 1-4		2. 5-19		q14.staff.total 3. 20+		4. No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	63	59%	39	56%	12	57%	3	43%	117	57%
yes	43	41%	31	44%	9	43%	4	57%	87	43%
Total	106	100%	70	100%	21	100%	7	100%	204	100%

q5d.invested in alternative	1. 1-4		2. 5-19		q14.staff.total 3. 20+		4. No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	97	92%	57	81%	18	86%	6	86%	178	87%
yes	9	8%	13	19%	3	14%	1	14%	26	13%
Total	106	100%	70	100%	21	100%	7	100%	204	100%

q5e.reduce staff numbers hours	1. 1-4		2. 5-19		q14.staff.total 3. 20+		4. No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	94	89%	56	80%	19	90%	7	100%	176	86%
yes	12	11%	14	20%	2	10%		0%	28	14%
Total	106	100%	70	100%	21	100%	7	100%	204	100%

q5f.accepted lower profits	1. 1-4		2. 5-19		q14.staff.total 3. 20+		4. No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	13	12%	21	30%	10	48%		0%	44	22%
yes	93	88%	49	70%	11	52%	7	100%	160	78%
Total	106	100%	70	100%	21	100%	7	100%	204	100%

q5g.increase debt	1. 1-4		2. 5-19		q14.staff.total 3. 20+		4. No answer		Total	%
	Count	%	Count	%	Count	%	Count	%		
no	87	82%	56	80%	16	76%	6	86%	165	81%
yes	19	18%	14	20%	5	24%	1	14%	39	19%
Total	106	100%	70	100%	21	100%	7	100%	204	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													Total	%
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		7. DK/No answer				
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%			
no	64	94%	35	83%	24	89%	14	93%	4	50%	38	86%	179	88%	
yes	4	6%	7	17%	3	11%	1	7%	4	50%	6	14%	25	12%	
Total	68	100%	42	100%	27	100%	15	100%	8	100%	44	100%	204	100%	

q5b.reduced consumption.behaviour	q6.% of business.electricity												Total	%
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		7. DK/No answer			
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%		
no	23	34%	16	38%	11	41%	5	33%	3	38%	13	30%	71	35%
yes	45	66%	26	62%	16	59%	10	67%	5	63%	31	70%	133	65%
Total	68	100%	42	100%	27	100%	15	100%	8	100%	44	100%	204	100%

q5c.reduced consumption.appliances	q6.% of business.electricity										7. DK/No answer		Total	%
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+					
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%		
no	40	59%	25	60%	18	67%	9	60%	5	63%	20	45%	117	57%
yes	28	41%	17	40%	9	33%	6	40%	3	38%	24	55%	87	43%
Total	68	100%	42	100%	27	100%	15	100%	8	100%	44	100%	204	100%

q5d.invested in alternative	q6.% of business.electricity												Total	%
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		7. DK/No answer			
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%		
no	61	90%	34	81%	24	89%	13	87%	7	88%	39	89%	178	87%
yes	7	10%	8	19%	3	11%	2	13%	1	13%	5	11%	26	13%
Total	68	100%	42	100%	27	100%	15	100%	8	100%	44	100%	204	100%



**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
WHITSUNDAY DISTRICT**

q5e.reduce staff numbers hours	q6.% of business.electricity												Total	%
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		7. DK/No answer			
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%		
no	61	90%	36	86%	26	96%	12	80%	6	75%	35	80%	176	86%
yes	7	10%	6	14%	1	4%	3	20%	2	25%	9	20%	28	14%
Total	68	100%	42	100%	27	100%	15	100%	8	100%	44	100%	204	100%

q5f.accepted lower profits	q6.% of business.electricity											7. DK/No answer		Total	%
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+						
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%			
no	16	24%	4	10%	8	30%	3	20%	3	38%	10	23%	44	22%	
yes	52	76%	38	90%	19	70%	12	80%	5	63%	34	77%	160	78%	
Total	68	100%	42	100%	27	100%	15	100%	8	100%	44	100%	204	100%	

q5g.increase debt	q6.% of business.electricity												Total	%
	1. 1%-5%		2. 6%-10%		3. 11%-20%		4. 21%-30%		5. 31+		7. DK/No answer			
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%		
no	61	90%	36	86%	18	67%	9	60%	7	88%	34	77%	165	81%
yes	7	10%	6	14%	9	33%	6	40%	1	13%	10	23%	39	19%
Total	68	100%	42	100%	27	100%	15	100%	8	100%	44	100%	204	100%



APPENDIX 5

Business Types Especially Affected

q11.name business.types affected by rising costs	No.
Accommodation	4
Accommodation / Holiday rentals,	1
Accommodation suppliers	1
Accommodation, food outlet	1
Accommodation, hotel, farming,	1
Agriculture	1
Agriculture - We are price takers not makers we cannot on charge any of our extra expenses	1
Agriculture irrigation. Engineering.	1
Agriculture, tourism. Engineering.	1
All	2
All are affected and homes included	1
All are doing tough. cold rooms	1
All business is affected by this. Also we are North Qld and need to run aircons or customers will not shop in your store.	1
All businesses	2
All businesses are affected	1
All Businesses are affected by rising costs.	1
All businesses are affected with the rising costs	1
All farmers are affected especially those who must irrigate with electric pumps. They have no way to pass on these costs.	1
All motels are in the same	1
All of them	1
All of us are	2
All of us, surely they know that	1
All our customers are suffering by the rising cost of electricity.	1
All primary production and manufacturing	1
All private, commercial and household	1
All small business	1
Any business that uses electricity.	1
Any high consumption business like mine will find it difficult.	1
Anyone that can't pass on their costs	1
Anyone who uses electricity is effected	1
As farmers high electricity prices may cause us to stop growing sugar cane	1
Backpacking hostels, farm sheds	1
Beauty Salons. Using heating equipment (like deep fryers) for 10+ hours a day to keep wax hot.	1
Washing in hot water and using clothes dryer 100% of washing for hygiene.	1
(Blank)	50
Businesses on main street	1
Butcher	1
Butchers and bakers, small BUSINESS	1
Cafes	4
Cane farmers and any others requiring irrigation	1
Cane farmers. Accommodation	1

Cane Farmers. Any Primary Producers. Engineering firms. Shire Councils	1
Cane farming	2
Cane Production, Small crops.	1
Charitable organisations, retirement homes, residential	1
Council	1
Don't know	1
Eateries	2
Engineering and irrigators	1
Engineering workshops which do farm machinery repairs	1
Everybody	2
Everyone	5
Farmers	2
Farmers and manufacturing	1
Farmers huge affect	1
Farmers in general	1
Farmers produce	1
Farmers, bakery	1
Farmers, cane grower	1
Farmers/irrigators	1
Farming	6
Farming any business that uses refrigeration	1
Farming community	1
Farming irrigation	1
Farming produce	1
Farming, all businesses	1
Fruit farming	1
Holiday apartments in a cyclone area have suffered enough and many people cannot afford the rising costs.	1
Horticultural pack houses.	1
Horticulture	1
Hospitality and tourism predominantly	1
Hotels	1
Hotels, motels	2
I don't know anyone that hasn't been effected	1
IGA, butcher	1
Irrigated sugar cane farms	1
Joineries, manufacturers	1
Laundries, farming	1
Laundry companies	1
Local butchers .produce farmers	1
Local hotel	1
Main shopping centre falling apart	1
Main street businesses	1
Manufacturers who supply us, eg engineering works and repairers who have high energy requirements	1

**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
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Manufacturing sector, Engineering work shops.	1
Morris catering	1
Most businesses would be affected in some way	1
Most farming businesses especially in a very dry season	1
No	13
Other accommodation and eateries	1
Other motels	1
People with	1
Processing factory	1
Processing plants like tomatoes	1
Pumping water, cane farming	1
Restaurants	1
Restaurants and cafes	1
Restaurants and refrigeration reliant businesses	1
Retail	1
Rice growers	1
Rising electricity costs affect all business' I am in contact with.	1
Shops in general	1
Small businesses	4
Small businesses in general	1
Small crops farmers are being severely impacted by enormous electricity prices and also with Ergon asking for enormous bonds when lessees want to connect pumps in their names. With the terrible market prices for produce at present, I have no doubt power prices will be a significant influence on farmers and their financial viability in the future.	1
Smaller businesses	1
Storage	1
Sugar cane farmers	2
Sugar cane growers. Independent supermarkets, retail shops which are air-conditioned.	1
Sugarcane farmers, retailers	1
Super markets hotel	1
The Coral Cove apartments	1
The local swimming pool?	1
Tourism businesses	1
Tourism in general, eateries, main street	1
Vegetable Farmers. Retailers with fridges and cold rooms.	1
Vegie farmers	1
Grand total	204

APPENDIX 6

Annual Power Bills Recorded

q21.total yearly electricity usage.code1	Count	%
\$14	1	0%
\$180	1	0%
\$800	2	1%
\$1,000	1	0%
\$1,596	1	0%
\$1,600	4	2%
\$1,800	2	1%
\$2,000	7	3%
\$2,200	1	0%
\$2,300	1	0%
\$2,400	2	1%
\$2,500	5	2%
\$2,700	2	1%
\$2,800	1	0%
\$3,000	1	0%
\$3,200	2	1%
\$3,300	1	0%
\$3,400	2	1%
\$3,500	3	1%
\$3,600	2	1%
\$3,889	1	0%
\$3,920	1	0%
\$4,000	9	4%
\$4,800	1	0%
\$5,000	3	1%
\$6,000	11	5%
\$6,200	1	0%
\$7,000	2	1%
\$7,200	2	1%
\$7,500	2	1%
\$8,000	6	3%
\$9,000	1	0%
\$10,000	7	3%
\$10,500	1	0%
\$10,600	1	0%
\$11,000	3	1%
\$12,000	9	4%
\$12,500	1	0%
\$13,000	2	1%
\$14,000	1	0%
\$14,400	1	0%
\$15,000	9	4%
\$18,500	1	0%
\$20,000	5	2%
\$20,400	1	0%

**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
WHITSUNDAY DISTRICT**

\$21,000	1	0%
\$22,000	1	0%
\$22,844	1	0%
\$24,000	1	0%
\$25,000	2	1%
\$27,000	1	0%
\$29,232	1	0%
\$30,000	5	2%
\$31,000	1	0%
\$32,000	2	1%
\$35,000	2	1%
\$36,000	1	0%
\$38,000	1	0%
\$39,500	1	0%
\$40,000	8	4%
\$44,000	1	0%
\$48,000	1	0%
\$50,000	1	0%
\$56,000	1	0%
\$60,000	3	1%
\$62,500	1	0%
\$65,000	1	0%
\$66,000	1	0%
\$70,000	1	0%
\$75,000	1	0%
\$80,000	1	0%
\$85,000	1	0%
\$120,000	2	1%
\$130,000	1	0%
\$150,000	1	0%
\$175,000	1	0%
\$300,000	2	1%
\$360,000	1	0%
\$400,000	1	0%
\$500,000	1	0%
\$507,789	1	0%
(blank)	26	13%
Grand Total	204	100%

APPENDIX 7

Why Not Pass on Extra Costs

q5a3.why not pass increase to customers	No.
Absorb	1
Agriculture is a price taker section, not a price maker.	1
As a community centre we try to keep costs to our clients as low as possible	1
As cane farmers we are not in a position to pass on increased costs of anything to anybody.	1
As sugar cane farmers we are not able to pass the cost on but instead must absorb any increases.	1
Because we are price takers for our commodity not price setters ,sugar	1
Because we don't have customers we are farmers	1
Bound by sugar price	1
Cane harvesters sell the crop before we harvest	1
Canefarmer price taker	1
Can't otherwise you would have no customers	1
Can't pass it on due to the nature of backpackers	1
Can't pass on costs, the buyer will only pay what he wants to pay	1
Can't pass on produce	1
Can't pass on these cost as clients are doing it tough also and would shop out of town	1
Can't pass on, otherwise no customer	1
Cant. Its not the nature of the business. Cane Farm	1
Competition	1
Competition and people can't afford it	1
Competition and people can't afford the increases	1
Competition WILL FORCE MY CUSTOMERS ELSEWHERE	1
Competition...our customers can't afford it because of their electricity costs	1
Contractual	1
Customer in this area are doing it tough all ready. Still rebuilding after cyclone Debbie	1
Customer service. wouldn't think of it...only small town	1
Do not have any customers. We are a price taker not a price maker.	1
Guests will not pay those added costs.	1
Hard to pass on if people can't afford it ...will go out of business	1
Have to stay competitive, price-wise.	1
I don't know if my partner has included it or not	1
Increased prices of products (production cost) already passed on.	1
It hard enough to get people out as it is and we and many of our drinks are cheaper than town as is ,we are on a cattle station 32km down dirt road	1
It is such an insignificant cost in terms of my overheads.	1
It's not their fault	1
Just can't small town	1
Just can't, not fair for customers	1
Just can't, people can't afford it	1
Makes the price too high for the clients who can't afford it	1
No can't retail	1
No need to	1
Not applicable to our business of sugarcane farming - unable to pass costs on	1

**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
WHITSUNDAY DISTRICT**

Not for profit	1
Not the type of business to be able to do this.	1
Our customers are farmers (irrigators) who are already bearing the increased cost of electricity.	1
Our industry is having and going through hard times. Some in our industry are actually reducing prices in an attempt to increase cash flow.	1
Our RRP Prices are set by our head office & competition is too tight to be rising prices	1
People can't afford	1
People can't afford them	1
People wouldn't pay higher prices	1
Price is set	1
Price out of businesses	1
Product Price increases will reduce my sales. My business is known for high quality products at affordable prices. Everybody is doing it tough with increased business and home expenses.	1
Retail is competitive enough without further price increases	1
Set rates	1
Small business	1
Small town, can't pass it on	1
Standard costs for papers and magazines	1
They are already being charged enough.	1
They are backpackers and they would search for cheaper accommodation	1
Town suffering too much as it is	1
Unable to, we are price takers in our industry, not price setters.	1
Unable to. We sell Beef. We are price takers.	1
Very small owner/operator business. Not ready to charge more.	1
We are Cane farmers, therefore price acceptors with no capacity to pass on costs.	1
We are primary production	1
We cannot afford to lose business, so have to absorb the cost.	1
We can't. We are a property management agency.	1
We don't have customers	1
We don't have customers to pass on our electricity expense prices to we are Sugar Cane Farmers.	1
We have had to lower prices to get customers	1
We have rrp so we can't increase prices especially in a small town	1
We have to stay competitive, especially with internet	1
We sell a commodity, gold, at market price at the time. We have no control over that price.	1
You have to be fair to your customer	1
(Blank)	130
Grand total	204

APPENDIX 8

General Comments

General comment	No.
<ul style="list-style-type: none"> 1/We spent \$150,000 generating solar power, fortunately when feed-in Tariffs were high. We get back about \$28,000 per year BUT we get paid two to three months after the calendar year and only if all our Ergon bills are paid. This means while solar provides some offset to higher Ergon tariffs, the cash flow impact is still severe. 2/ As cane farmers receiving global prices, we have no ability to pass on cost increases. 3/ we now run three diesel motors which at current diesel prices are more cost effective than electricity. If fuel prices stay relatively low we will replace electricity with diesel. 4/ higher electricity prices means we have less funds to invest in higher productivity/lower Environmental impact farming. 	1
<ul style="list-style-type: none"> A very big concern for myself and family if it continues to keep going up. We get stressed because we can't pass it onto our customers who get very cross if you go to put prices up 	1
<ul style="list-style-type: none"> Don't know enough about it 	1
<ul style="list-style-type: none"> Don't understand why the cost keeps increasing when you are not using any more energy 	1
<ul style="list-style-type: none"> Don't understand why we pay more electricity than the Gold coast...who is going to maintain network where we are. We are disadvantaged because of where we are. Why are we paying more for electricity than overseas. We have a power station sitting idle.... 	1
<ul style="list-style-type: none"> Electricity prices have been, and are continuing to, rise at a far greater rate than CPI, which means all businesses are experiencing reduced profits. If this continues, I believe more and more businesses will close their doors. This will result from enormously increased costs of business expenses from electricity, we well as costs of insurance and increased government regulation and compliance costs. 	1
<ul style="list-style-type: none"> Govt needs to step and make solar cheaper so more people can afford to have it. We do need coal power as well...we shouldn't sell it cheap overseas 	1
<ul style="list-style-type: none"> Have blackouts, poor customer service 	1
<ul style="list-style-type: none"> High cost of power affects us all leading to less jobs and business spending lower, profit marginal. 	1
<ul style="list-style-type: none"> High energy costs go to the cornerstone of productivity and development of a country, to think we have hundreds of years' energy sitting on our doorstep (coal and gas) and have the highest electricity costs in the world is pure bastardisation. 	1
<ul style="list-style-type: none"> Higher electricity bills was the direct reason for my decision to buy a diesel powered irrigation pump rather than electric. Several other growers in the district have gone back to diesel pumps because they are cheaper to run than electric. Economics wins out over environment. 	1
<ul style="list-style-type: none"> Hope the survey works to help the electricity cost which is crippling the whole state 	1
<ul style="list-style-type: none"> Hopefully someone will come to their senses - maybe a political will come and walk the streets and talk to the average person 	1
<ul style="list-style-type: none"> I have had a lot of trouble with Ergon. I have solar but still my bills are high...they keeps changing the tarriffs and I feel I am being given the run around 	1
<ul style="list-style-type: none"> I have noticed that a lot of people ,especially older people won't use air con because they are frighten of costs 	1
<ul style="list-style-type: none"> If this was my household we are talking about it would be completely different..i have solar and still getting high bills 	1
<ul style="list-style-type: none"> In 1958 when my husband and I were connected to the electricity on the farm, we were given the choice of which tariffs to apply for and we paid accordingly. This is still the business I have just answered this survey for and I believe that businesses and households should only use electricity that they think they can afford to pay for, growing the crop to make a living is most important to me so any help I can get I'd appreciate. Thanks Lillian. 	1
<ul style="list-style-type: none"> Inconsistent billing no coming on time, and getting demand letter and threats to cut off power when they have not received the first bill in the first place. 	1
<ul style="list-style-type: none"> Increase in production expenses directly affect the liability of our business 	1
<ul style="list-style-type: none"> Irrigation costs are far to high and we can't pass our costs on 	1
<ul style="list-style-type: none"> More and more difficult to run a business .owner spend longer time on business and get lower 	1

profit	
▪ No	12
▪ No competition with Ergon and the system is supported by all the bent politicians and bureaucrats who use it as a cash cow for spending in Brisbane and bugger everyone else. Why bother to employ people to support a corrupt political system? Qld Parliament House = Coward's Castle	1
▪ No money is going back into clean coal mining which can easily made	1
▪ Not only is the cost to high the demand charge system is a wrought and the reliability is appalling	1
▪ Not satisfied with only having one supplier in region	1
▪ Nothing we can do ..prices will just keep going up	1
▪ Price of electricity does not reflect the cost to produce it. Government inflates the price by demanding a dividend from Government corporations.eg Ergon. Vegetable and cane growers and manufacturers are going out of business due to the cost of electricity.	1
▪ Regional Qld should be afforded the same luxury as southern Qld when it comes to electricity...we need to have a choice as well not held to ransom with the one provider	1
▪ Sack the office staff in Townsville for not reporting to maintenance staff to replace a fuse in a crucial Street Light	1
▪ Solar generation and battery storage is something I definitely am aiming for, just don't currently have the capital available to invest.	1
▪ Stop paying huge payments for CEO. They have a cash flow problem and we have to pay for their expenses instead of running it like a proper business people in the street have lost confidence in the govt	1
▪ The actual energy cost is approx 47% of the overall account, other charges include Network Charges / Regulated charges / Environmental charges /metering & service charges and retail services. Why is this so???	1
▪ The cost of electricity is effecting the whole town. People can't afford to buy or go on holidays businesses suffer they can't pass on the increases	1
▪ The cost of living for low income earners in high tourism regions could be greatly improved if consumers had a choice of energy suppliers.	1
▪ The Govt are responsible for all this grief. Why don't they just sort it out quickly	1
▪ The govt have the power to step in and do something but they won't...all the fat cats that are collecting pays that they don't even deserve	1
▪ The high cost of electricity is an overall stress not only on businesses but families too...there are a lot of people in dire straits because of it	1
▪ The resort I operate is a collection of 24 strata units with 20 different owners. They get their own bills and without fail they call me each time to complain. Most of our guests are European so the first thing they do on arrival, 12 months of the year is open the doors and windows and turn aircon on to as low as they can make it. Waste of time trying to tell them as they just don't understand how aircons work	1
▪ There are no words that I could repeat to explain how I feel about this subject...when will they accept that eventually there will be very little businesses that will survive	1
▪ These problems are caused by government regulations both governments are to blame. Electricity is being used as a compulsory revenue raiser like a stealth tax. It is actually a modified D.O.R.C.system that sets the rate of return through a quaso government company absolving the government of all blame. We need a change of regulation to fix this.	1
▪ They get a QLD government grant a year to run operations of \$10,000 and they end up paying \$7,200 on electricity. They are left with under \$3,00 for wages and other cost. They are a non-profit organization.	1
▪ Total farm income is about \$600,000. Electricity for irrigation alone is around \$60,000 now and rising. To replace a meter for tariff 65 is \$684. No matter where you look there is a charge at 10% of my total farm income. I need to consider using less water and growing less cane. This situation is not sustainable.	1

**IMPACT OF HIGHER ELECTRICITY PRICES ON BUSINESSES
WHITSUNDAY DISTRICT**

▪ We are in a farming town and the farmers are having a very hard time due to the cost of electricity to pump water for irrigation	1
▪ We are in the process of being drought declared, the impact of higher electricity bills would greatly cause much distress as we are irrigating our crop constantly. Please help!	1
▪ We have so much coal in this country and we export it to other countries, yet their electricity prices are cheaper than ours.	1
▪ We installed a 30kw solar system in May 2017 to help	1
▪ We know of several elderly people who live in fear of their electricity account ,and would rather put up with heat or cold rather than use an air con.	1
▪ We need to have a choice of providers	1
▪ What can be done so we have a choice of provider	1
▪ What concerns me is that the government takes a lot of this money that we pay and we do not have a choice of providers. Therefore, living in the country areas, we should be subsidised as we have to pay more for everything when there are less people living in the area. We pay transport costs for everything transported this way, the city you don't, we pay more for fuel, we have one electricity provider, we have to stay with Telstra so that our phones work so we can't go with other providers when they can't provide a decent service.	1
▪ When is electricity prices going to stop going up. The govt have to stop selling things off because they are too incompetent to manage them themselves.	1
▪ Why do small businesses have to pay more than domestic if it was less we could employ more people	1
▪ Why don't we have a choice	1
▪ Would like the opportunity to be able to compare price but Ergon is the only supplier	1
▪ (Blank)	138
▪ Grand total	204