

NAB SME BUSHFIRE IMPACT SURVEY: PART 2

SME attitudes to climate change and the environment, and have the bushfires impacted attitudes?



NAB Behavioural & Industry Economics

February 2020

Last year was the warmest and driest year on record in Australia, contributing to one of the worst bushfire seasons ever. The southeast has been most severely affected, but fires have hit every state and territory. The bushfires have burned through more than an estimated 11 million hectares (an area the size of England), destroyed thousands of homes and taken many lives.

In Part 2 of this report, NAB explores how over 500 Australian SMEs are responding to climate change, and whether their perceptions have altered since the bushfires. SMEs also share their views on the role of banks in addressing climate change and helping businesses adapt.

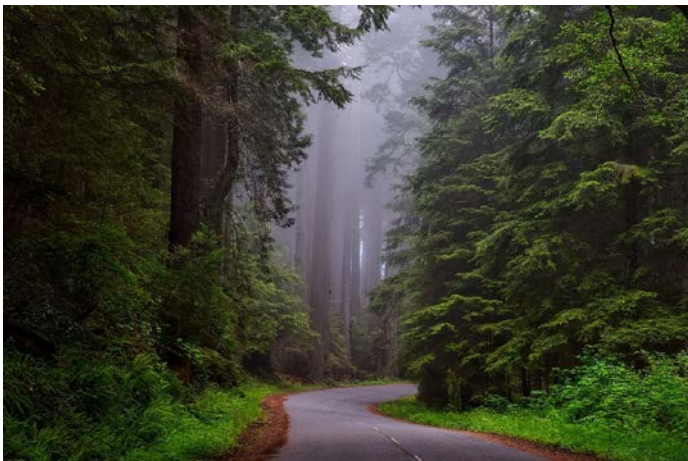
Around 7 in 10 SMEs have changed their views on climate change and the environment since the bushfires, and 1 in 2 intend to take stronger action in the future to address it.

The Survey was conducted between 30 January and 11 February 2020.

KEY FINDINGS

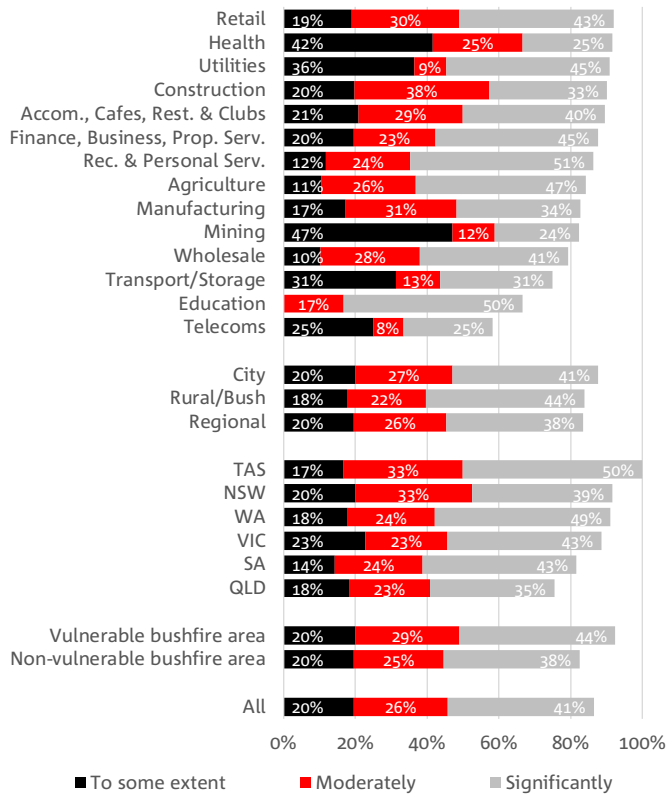
- Business across the globe face increasing climate change risk and NAB's survey reveals that most SMEs are concerned by this challenge. Around 9 in 10 surveyed businesses expressed some level of concern about climate change and the environment, and over 4 in 10 expressed 'significant' concern.
- The NAB survey also reveals that for around 7 in 10 SMEs, their view on climate change and the environment has changed since the recent bushfires, and that nearly 3 in 4 have changed their perceptions about locating a business in a potentially bushfire prone region.
- Just over 4 in 10 SMEs said they have acted to address climate change, although this was higher for SMEs in vulnerable bushfire areas, WA, rural towns and in Agriculture. Moreover, 1 in 2 SMEs said they intend to take stronger action in the future.
- For those planning to act, most aim to reduce waste and plastics use (76%), reduce energy consumption and emissions (65%) and switch to renewable energy sources (55%). They were least likely to engage in collective actions together with industry (33%).
- The bushfires also appear to be playing a role in re-shaping SMEs' perceptions on the need to do more to address climate change. Overall, 7 in 10 said the fires changed their perceptions to do more in some way.
- But it's not just the bushfires that are re-shaping their attitudes. Around 7 in 10 SMEs also believe their customers expect their business to address climate change, while 7 in 10 also believe that, in the wake of the bushfires, businesses showing stronger climate leadership will influence customer preferences in some way.
- What do SMEs think they should do? The Survey reveals most believe their customers want them to reduce waste and plastic use, reduce their energy consumption and emissions and switch to renewable energy sources. Not surprisingly, these also line up with the actions SMEs said they intend to take. Interestingly, a lot more SMEs in non-vulnerable bushfire areas thought their customers would value these actions than in vulnerable areas.
- NAB recognises that climate change is a significant risk and a major challenge for the global economy and society, and has made several commitments to help address climate change and support the transition to a low carbon economy. Financial regulators have also acknowledged climate change is a systemic financial risk which they are incorporating into supervisory frameworks.
- But how do SMEs view the role of banks in the climate debate? Around 6 in 10 believe banks have taken some action to address climate change, but 6 in 10 also believe banks should do more (with this number rising to 2 in 3 among SMEs in vulnerable bushfire areas).

- What could banks do to help mitigate climate change and help business adapt? Most SMEs (around 4 in 10) agree banks should increase support to the renewable energy sector, or increase support to restore natural landscapes and forestation, while 3 in 10 think they should increase support to construction of climate change resilient infrastructure.
- In terms of support banks could give to help business respond to climate change, most SME's (around 4 in 10 overall) wanted banks to offer discounted finance for solar panels and for energy efficiency equipment.
- The recent bushfires are also having an impact on SME perceptions of the need for banks to do more to address climate change, with almost 7 in 10 indicating it had changed their view in some way. Overall perceptions have however changed for noticeably more SMEs in vulnerable bushfire areas than in non-vulnerable areas, and for significantly more SMEs in major capital and regional cities than in rural towns.
- Banks are in a unique position to help businesses impacted by the bushfires. And the Survey reveals clearly that SMEs believe they can help. In fact, only 3% said they didn't think banks could do anything to help.
- In terms of what banks could do, most SMEs (3 in 10) said they could offer emergency grants to those who have lost their homes, or defer scheduled loans repayments. Around 1 in 4 also said banks could write off loans to the most severely impacted, waive fees & charges and provide loans at reduced rates. Another option that resonated much more strongly for SMEs in vulnerable areas relative to those in non-vulnerable areas was deferring upcoming credit card payments.

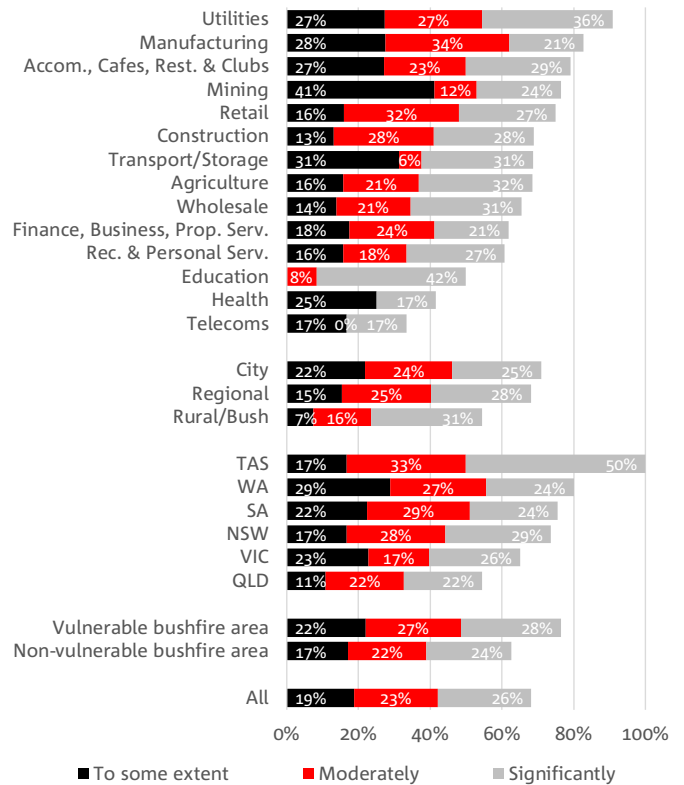


PART 1: SME ATTITUDES TO CLIMATE CHANGE & THE ENVIRONMENT

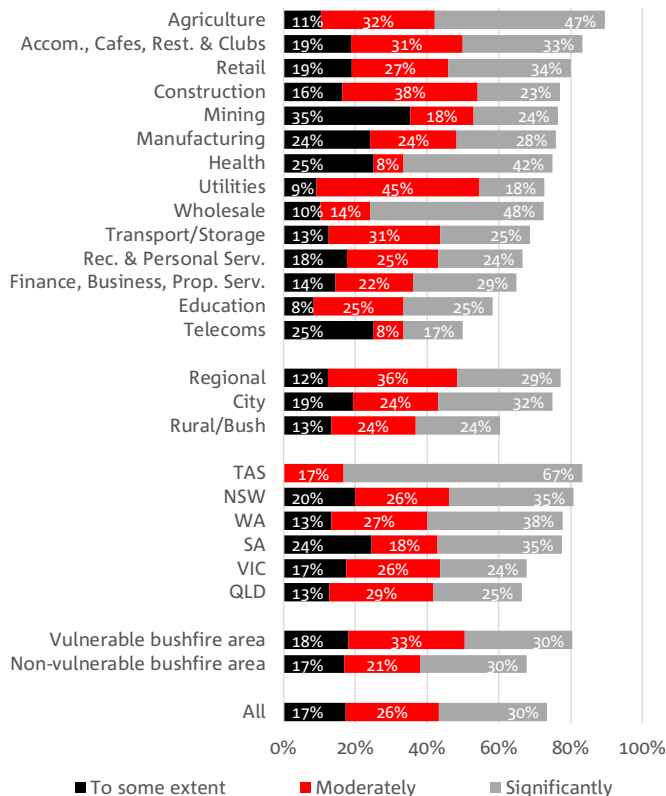
LEVEL OF CONCERN ABOUT CLIMATE CHANGE & THE ENVIRONMENT



EXTENT VIEWS ON CLIMATE CHANGE & ENVIRONMENT CHANGED SINCE BUSHFIRES



EXTENT BUSHFIRES HAVE CHANGED VIEW OF LOCATING A BUSINESS IN POTENTIAL BUSHFIRE PRONE AREA?



Around 9 in 10 (87%) of all SMEs expressed some level of concern about climate change and the environment, with over 4 in 10 (43%) ‘significantly’ concerned.

SMEs in vulnerable bushfire areas (93%) were somewhat more concerned than in non-vulnerable areas (83%).

By state, the overall number of SMEs who expressed any concern ranged from 100% in TAS to 76% in QLD. But there was little difference of opinion by region.

By industry, the number who expressed any concern ranged from 92% for firms in Retail and Health, to just 58% in Telecoms. But the greatest number of firms expressing ‘significant’ concern operated in Recreation & Personal Services (51%), Education (50%) and Agriculture (47%) - see top chart of the left.

Have SMEs’ view on climate change and the environment changed since the recent bushfires? For most (around 7 in 10 or 68%) it has, and for around 5 in 10 (49%), their view has changed either ‘moderately’ (23%) or ‘significantly’ (26%).

Among SMEs located in bushfire prone areas, almost 8 in 10 (77%) changed their view, and 3 in 10 (28%) ‘significantly’. We have also seen a notable shift in attitudes among SMEs in non-vulnerable areas, where 63% have changed their view overall, and 49% ‘moderately’ (23%) or ‘significantly’ (26%).

By state, attitudinal change was biggest for SMEs in TAS (100%) and lowest in QLD (55%) and VIC (66%). In the regions, concerns about climate change and the environment changed for most SMEs in capital cities (71%).

There is much greater diversity by industry. Overall, views on climate change and the environment changed most in Utilities firms (90%), with change lowest for SMEs in Telecoms (34%) and Health (42%). The greatest number of firms expressing a 'significant' change in views however operated Education (42%) and Utilities (36%) - see top chart on the right on page above).

Perceptions have also changed about locating a business in a potentially bushfire prone region. Overall, perceptions changed for nearly 3 in 4 (73%) SMEs, and for 3 in 10 (30%) 'significantly'.

Attitudinal shift was much more pronounced in SMEs already operating in vulnerable bushfire areas, with 8 in 10 (81%) changing perceptions, compared to just 68% of SMEs in non-vulnerable areas. Interestingly, an equal number of firms operating in both vulnerable and non-vulnerable bushfire regions (3 in 10 or 30%) have 'significantly' changed their attitude to locating a business in a potentially bushfire prone region.

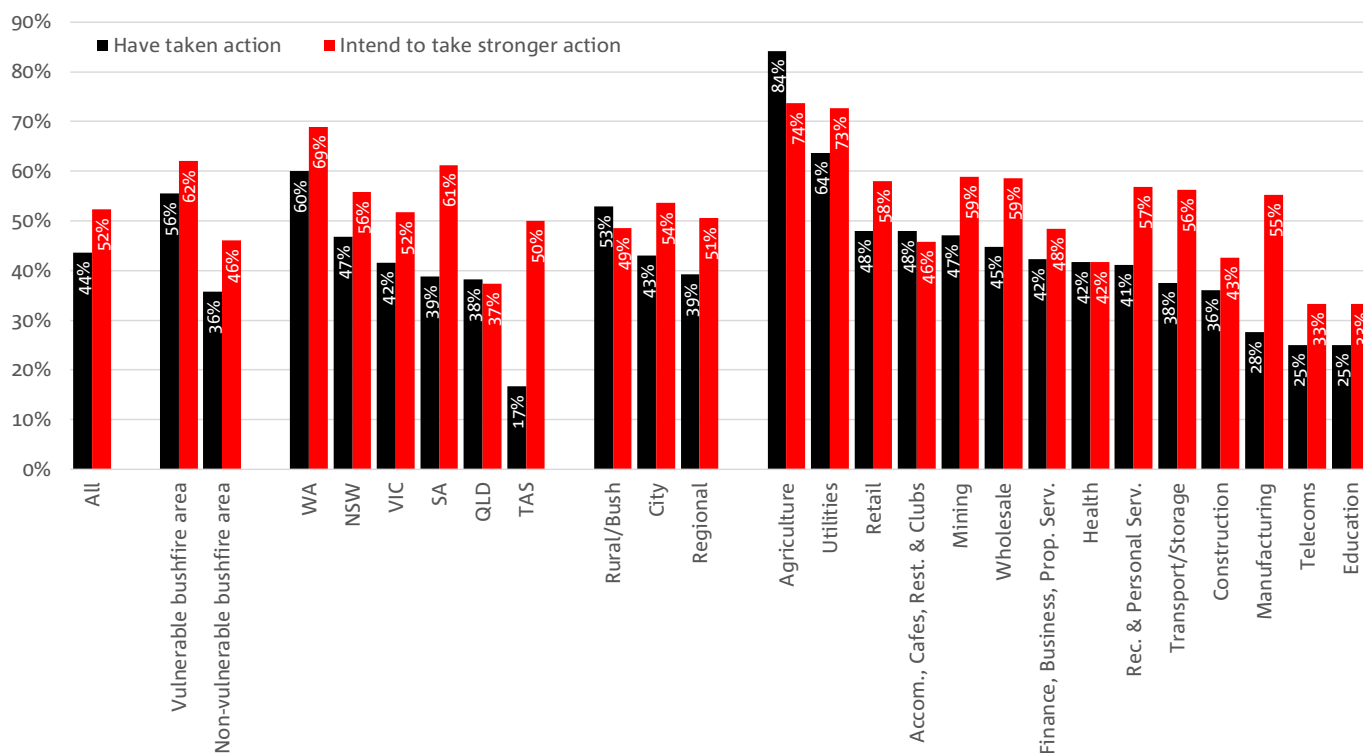
By state, attitudinal change was biggest in TAS (84%) and NSW (81%), and lowest in QLD (67%) and VIC (67%). Outside of TAS (67%), more SMEs in WA (38%), SA (35%) and NSW (35%) reported a 'significant' change in attitude than other states. In regions, perceptions changed most in regional (77%) and capital cities (75%).

By industry, overall perceptions changed most in Agriculture (90%) and were lowest in Telecoms (50%). The greatest number of firms expressing a 'significant' change in perceptions were in Wholesale (48%), Agriculture (47%) and Health (42%).

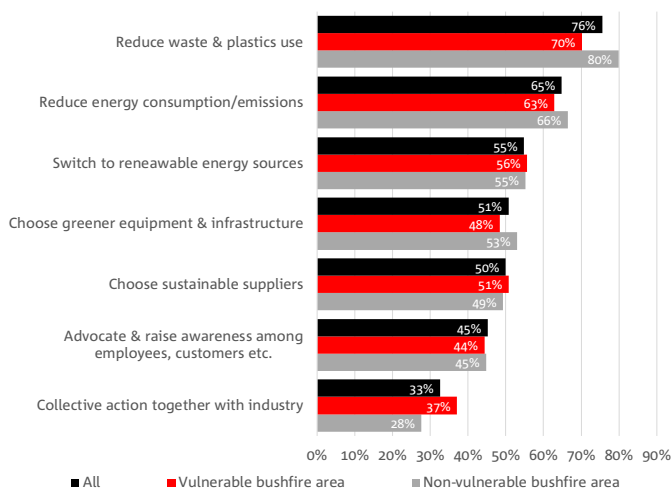
Around 44% of all SMEs said they have acted as a business to address climate change. SMEs in vulnerable bushfire areas (56%) were more likely to have done so than those outside these areas (36%). By state, SMEs in WA have been by far the most proactive (60%), and TAS (17%) the least. SMEs in rural towns (53%) were also more likely to have acted than in other regions. By industry, SMEs in Agriculture (84%) are leading the way, with those in Education (25%), Telecoms (25%) and Manufacturing (28%) the least proactive.

But over 1 in 2 (52%) SMEs overall intend to take stronger action to address climate change. It was particularly noticeable that more SMEs in TAS (50%) and SA (61%) intend to take stronger action compared to the number that have acted to date. This was also very apparent in Manufacturing (55% vs. 28% now), Transport & Storage (56% vs. 38% now) and Recreation & Personal Services (57% vs. 41% now).

HAVE YOU TAKEN ACTION / DO YOU INTEND TO TAKE STRONGER ACTION AS A BUSINESS TO ADDRESS CLIMATE CHANGE?



WHICH ACTIONS DO YOU INTEND TO IMPLEMENT OVER THE NEXT FEW YEARS?



SMEs who intended to take stronger action against climate change were asked what actions they intended to take over the next few years.

Overall, most aimed to reduce waste and plastics use (76%), and even more SMEs in non-vulnerable bushfire areas (80%), in WA (84%) and in Finance, Business & Property Services firms (89%).

Around two-thirds overall (65%) intend to reduce energy consumption and emissions, led by firms in the Health sector (80%) and in regional cities (71%).

Over 1 in 2 (55%) SMEs in total intend to switch to renewable energy sources (55%) led by Utilities (88%), and 51% to greener equipment and infrastructure, led by Recreation & Personal Services firms (66%).

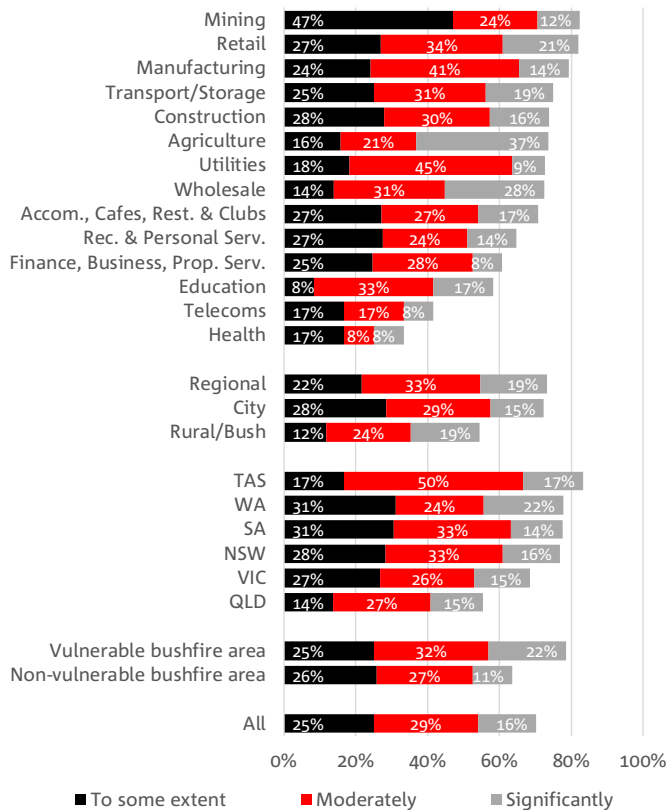
Overall, they were least likely to engage in collective actions together with industry (33%).

The table below shows responses by state, region and industry and highlights key areas of difference.

ACTIONS SMEs INTEND TO IMPLEMENT OVER NEXT FEW YEARS BY STATE, REGION & INDUSTRY

	Reduce waste & plastics use	Reduce energy consumption/emissions	Switch to renewable energy sources	Choose greener equipment & infrastructure	Choose sustainable suppliers	Advocate & raise awareness among employees, customers, suppliers, etc.	Collective action together with industry
All	76%	65%	55%	51%	50%	45%	33%
Vulnerable bushfire area	70%	63%	56%	48%	51%	44%	37%
Non-vulnerable bushfire area	80%	66%	55%	53%	49%	45%	28%
NSW	78%	69%	52%	57%	53%	53%	37%
VIC	74%	65%	60%	47%	47%	48%	35%
QLD	76%	59%	56%	56%	46%	44%	34%
SA	63%	57%	53%	50%	57%	27%	23%
WA	84%	71%	55%	35%	52%	39%	26%
TAS	67%	33%	0%	33%	33%	33%	0%
City	72%	64%	58%	49%	51%	45%	35%
Regional	84%	71%	53%	59%	57%	49%	29%
Rural/Bush	82%	58%	39%	48%	36%	39%	27%
Agriculture	86%	64%	43%	57%	71%	64%	50%
Mining	60%	50%	70%	50%	40%	50%	20%
Manufacturing	69%	50%	63%	25%	31%	38%	25%
Construction	77%	62%	65%	50%	38%	38%	42%
Retail	78%	67%	50%	50%	50%	45%	40%
Wholesale	59%	71%	47%	59%	59%	47%	35%
Transport/Storage	67%	67%	78%	33%	33%	44%	67%
Finance, Business, Prop. Serv.	89%	77%	53%	53%	66%	57%	23%
Rec. & Personal Serv.	76%	59%	52%	66%	41%	38%	24%
Accom., Cafes, Rest. & Clubs	73%	68%	41%	45%	50%	36%	5%
Utilities	75%	75%	88%	63%	50%	50%	75%
Telecoms	50%	25%	50%	50%	50%	50%	0%
Health	80%	80%	80%	60%	60%	20%	20%
Education	50%	25%	25%	25%	25%	25%	50%

EXTENT BUSHFIRES HAVE CHANGED PERCEPTIONS ON NEED FOR YOUR BUSINESS TO DO MORE TO ADDRESS CLIMATE CHANGE



The recent bushfires appear to have played a role in shaping SMEs’ perceptions on the need for their business to do more to address climate change, although the extent it has changed these perceptions vary widely by location, and industry.

Overall, 7 in 10 (70%) SMEs indicated it had changed their perceptions in some way, and for almost 1 in 2 (45%) either ‘moderately’ (29%) or ‘significantly’ (16%). Only 27% of firms said it had no impact.

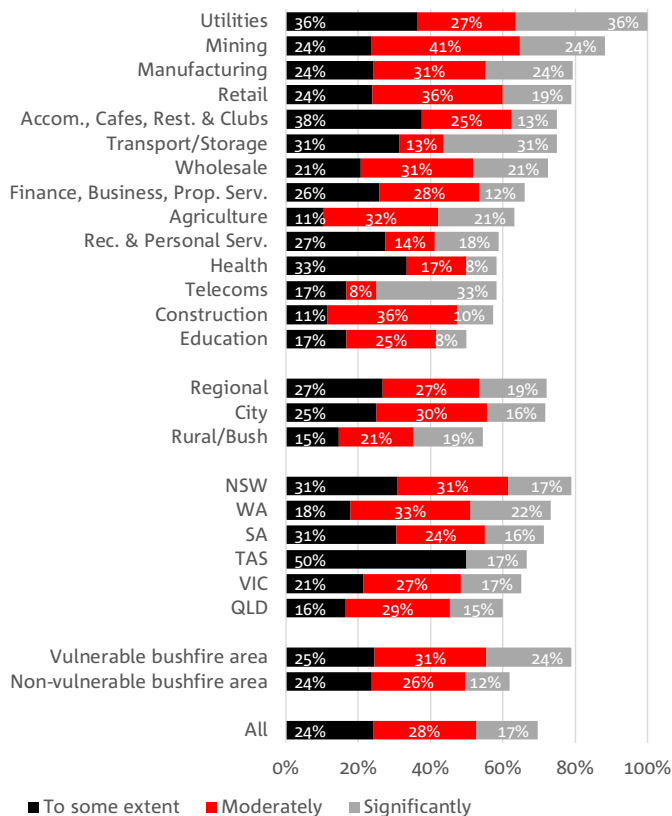
Perceptions changed for more SMEs in vulnerable bushfire areas (79%) than in non-bushfire areas (64%), and ‘significantly’ for twice as many SMEs in vulnerable areas (22%) than non-vulnerable areas (11%).

By state, overall perceptions changed most in TAS (84%) and least in QLD (56%). In the regions, perceptions changed most in regional (74%) and capital (72%) cities and was lowest by some margin in rural towns (54%).

Responses ranged more widely by industry.

Overall perceptions changed most in Mining (83%) and Retail (82%) and was significantly lower in Health (33%) and Telecoms (42%). But a ‘significant’ change in perceptions was much higher for SMEs operating in Agriculture (37%) and Wholesale Trade (28%) industries.

EXTENT YOU BELIEVE YOUR CUSTOMERS EXPECT YOUR BUSINESS TO TAKE ACTION TO ADDRESS CLIMATE CHANGE



When SMEs were also asked to rate if they thought their customers expect their business to act to address climate change, 7 in 10 (69%) overall said it had in some way, and 45% either ‘moderately’ (28%) or ‘significantly’ (17%).

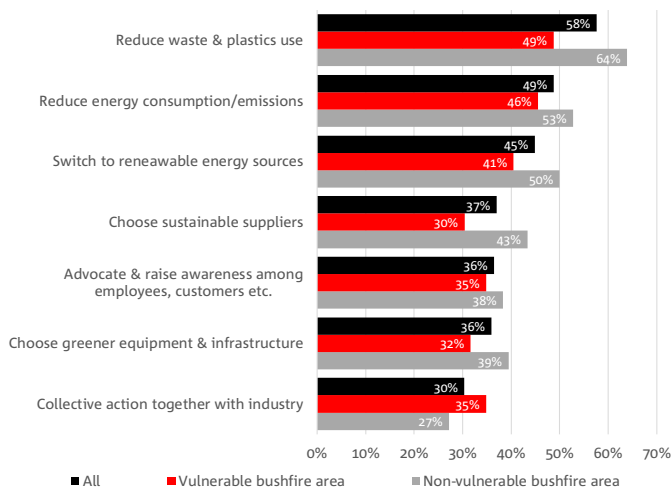
Overall, around 8 in 10 (80%) SMEs in vulnerable bushfire areas overall believe their customers expect them to take action on climate change, compared to just 62% in non-vulnerable areas. Twice as many SMEs in vulnerable areas (24%) also rated the extent they thought so ‘significantly’.

By state, more SMEs in NSW overall (79%) believed their customers expected them to act, compared to just 60% in QLD. More SMEs in WA (22%) rated the extent they thought so ‘significantly’ than in any other state.

Regional (73%) and capital cities (71%) led the way by region, well ahead of rural towns (55%).

All SMEs operating in the Utilities sector believe their customers expect them to act on climate change in some way (and 36% ‘significantly’). Other industries where more SMEs believed their customers had expectations for them to act included Mining (89%), Manufacturing (79%) and Retail (79%). Only 1 in 2 (50%) SMEs in the Education sector believed their customers expected them to act to address climate change.

WHICH ACTIONS DO YOU THINK YOUR CUSTOMERS WOULD VALUE MOST FROM YOUR BUSINESS?



It also seems the actions SMEs are intending to take against climate change are being driven in part by what they think their customers would value most. When asked what they thought their customers would value most, the highest response was to reduce waste and plastic use (58%). It is also the most common action SMEs intended to implement. Next was reducing energy consumption and emissions (49%) and switching to renewable energy sources (45%), which also lined up with actions SMEs intended to take.

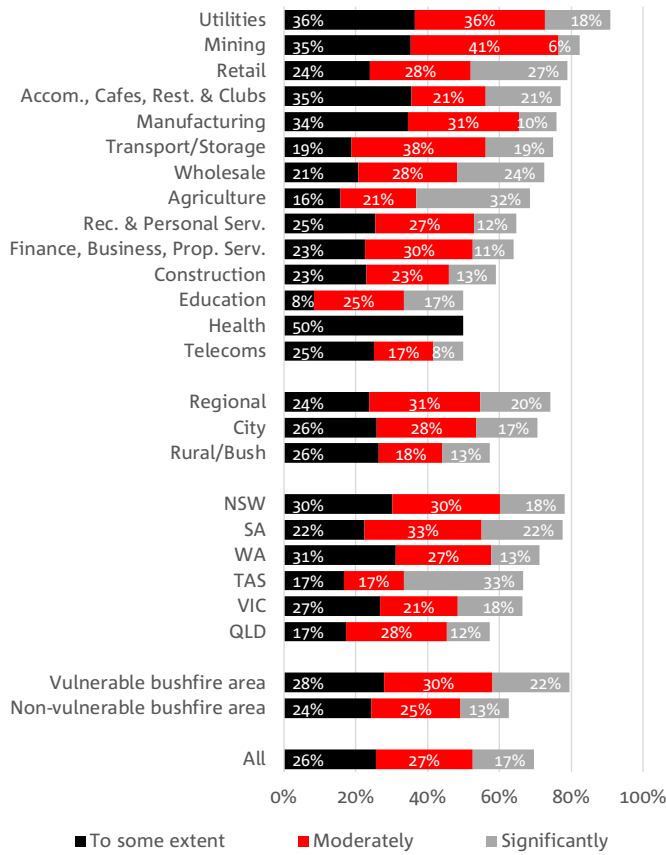
Interestingly, notably more SMEs located in non-vulnerable bushfire areas thought their customers would value these actions than SMEs in vulnerable areas. The only action more SMEs in vulnerable areas thought their customers would value was collective action with industry. This was also the one area where more SMEs in vulnerable areas also intended to implement.

The table below shows responses by state, region and industry and highlights key areas of difference.

ACTIONS SMEs INTEND TO IMPLEMENT OVER NEXT FEW YEARS BY STATE, REGION & INDUSTRY

	Reduce waste & plastics use	Reduce energy consumption/emissions	Switch to renewable energy sources	Choose sustainable suppliers	Advocate & raise awareness among employees, customers etc.	Choose greener equipment & infrastructure	Collective action together with industry
All	58%	49%	45%	37%	36%	36%	30%
Vulnerable bushfire area	49%	46%	41%	30%	35%	32%	35%
Non-vulnerable bushfire area	64%	53%	50%	43%	38%	39%	27%
NSW	55%	50%	42%	32%	41%	38%	26%
VIC	60%	47%	46%	42%	40%	37%	35%
QLD	56%	42%	39%	39%	38%	32%	33%
SA	54%	49%	51%	31%	11%	26%	23%
WA	64%	58%	55%	39%	30%	48%	36%
TAS	75%	75%	25%	75%	50%	0%	25%
City	56%	47%	44%	38%	35%	36%	29%
Regional	59%	56%	50%	34%	41%	41%	36%
Rural/Bush	68%	46%	41%	35%	38%	24%	30%
Agriculture	58%	50%	42%	42%	67%	50%	42%
Mining	60%	60%	27%	20%	33%	33%	27%
Manufacturing	52%	48%	52%	17%	35%	22%	26%
Construction	49%	34%	34%	29%	37%	46%	29%
Retail	59%	56%	47%	39%	37%	35%	34%
Wholesale	57%	48%	29%	52%	52%	33%	43%
Transport/Storage	58%	50%	58%	67%	42%	33%	42%
Finance, Business, Prop. Serv.	58%	58%	52%	50%	31%	44%	20%
Rec. & Personal Serv.	63%	47%	47%	37%	37%	37%	43%
Accom., Cafes, Rest. & Clubs	58%	36%	39%	25%	28%	25%	19%
Utilities	55%	64%	55%	36%	55%	45%	45%
Telecoms	57%	43%	43%	29%	29%	29%	29%
Health	71%	43%	71%	0%	14%	0%	14%
Education	67%	0%	50%	50%	33%	50%	17%

EXTENT YOU BELIEVE BUSHFIRES HAVE CHANGED/WILL CHANGE YOUR CUSTOMERS PREFERENCES TO BUSINESSES SHOWING STRONGER CLIMATE LEADERSHIP



In the wake of the recent bushfires, businesses showing stronger climate leadership will influence customer preferences in some way according to 7 in 10 (70%) surveyed SMEs. Moreover, 44% expect the extent this will influence preferences to be either ‘moderate’ (27%) or ‘significant’ (17%).

Not surprisingly, stronger climate leadership will or is expected to influence customer preferences according to more SMEs in bushfire prone areas (80%) than in non-bushfire areas (63%). Over 1 in 5 (22%) SMEs in bushfire areas expect this impact to be ‘significant’, compared to just 13% in non-bushfire areas.

By state, more SMEs in NSW (78%) and SA (77%) believe customer preferences will change than in any other state. The lowest number of SMEs who think so is lowest in QLD (57%).

Notably more SMEs in regional (75%) and capital (71%) cities believe the bushfires will swing customer preferences to businesses showing stronger climate leadership than in rural towns (57%).

By industry, the number who believe this will or may happen ranges from 90% in Utilities and 82% in Mining to just 50% among SMEs in Telecoms, Health and Education.

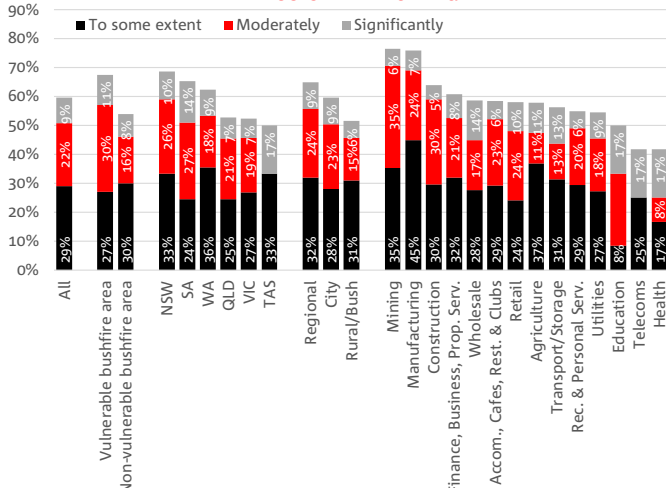
The bushfires are expected however to have a ‘significant’ impact on customer preferences for noticeably more businesses in Agriculture (32%), Retail (27%) and Wholesale Trade (24%).

PART 2: THE ROLE OF BANKS

NAB recognises that climate change is a significant risk and a major challenge for the global economy and society, and has made a number of commitments to help address climate change and support the transition to a low carbon economy. Financial regulators have also acknowledged climate change is a systemic financial risk which they are incorporating into supervisory frameworks.

But how do SMEs view the role of banks in the climate debate. In this section, we asked SMEs whether banks have taken action to address climate change and could they do more. We also ask what banks could do to help businesses respond to climate change, and how they could help businesses impacted by the bushfires.

EXTENT SMEs BELIEVE BANKS HAVE TAKEN ACTION TO ADDRESS CLIMATE CHANGE



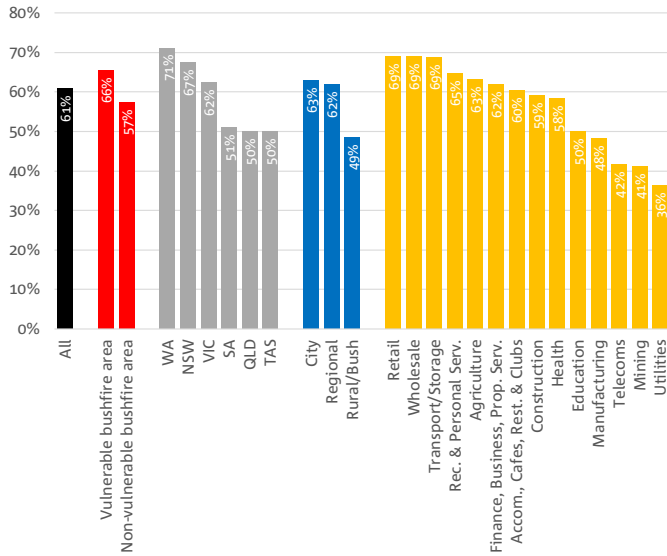
Around 6 in 10 (60%) SMEs believe banks have taken some action to address climate change, but only 3 in 10 (31%) believe the extent of their actions have been ‘moderate’ (22%) or ‘extensive’ (9%).

Banks have been more proactive in the eyes of SMEs in bushfire prone areas (68%) than in non-vulnerable areas (54%).

By state, banks were viewed as being most active by businesses NSW (69%) and least active in TAS (50%). They were also more active according to more SMEs in major regional cities (65%) than rural towns (52%).

By industry perceptions of banks ranged from 76% in Mining and Manufacturing firms to just 42% in Health and Telecoms firms.

DO BANKS NEED TO DO MORE TO ADDRESS CLIMATE CHANGE?



While 6 in 10 SMEs believe banks have taken some action to address climate change, many also think they need to do more.

Overall 61% of all SMEs think banks should do more, with this number rising to 66% among SMEs in vulnerable bushfire areas.

By state, noticeably more SMEs in TAS (71%), NSW (67%) and VIC (62%) think banks should play a bigger role, than do SMEs in TAS (50%), QLD (50%) and SA (51%).

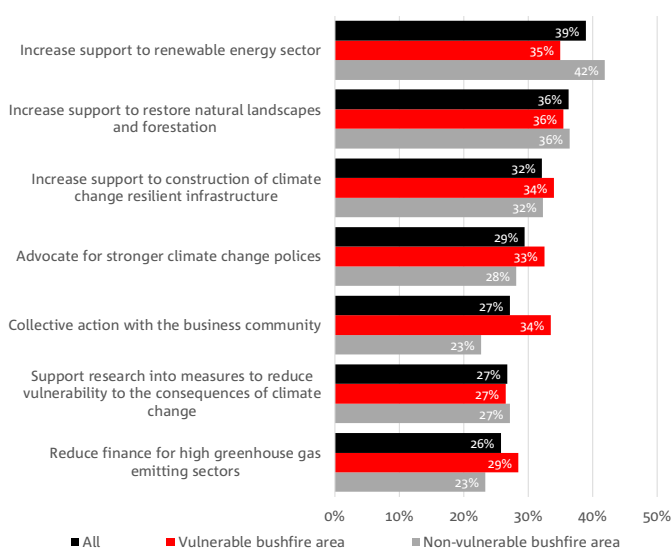
SMEs in capital (63%) and regional (62%) cities also believe banks should do more than do SMEs located in rural areas (49%).

Opinions vary widely by industry.

Almost 7 in 10 (69%) SMEs in Retail, Wholesale Trade and Transport/Storage industries think banks should do more.

This number is much lower for firms in Utilities (36%), Mining (41%) and Telecoms (42%).

WHICH DO YOU BELIEVE BANKS SHOULD DO TO HELP MITIGATE CLIMATE CHANGE & HELP BUSINESS ADAPT?



Most SMEs (around 4 in 10 or 39%) agree banks should increase their support to the renewable energy sector to help mitigate climate change and help business adapt. But noticeably more SMEs in non-vulnerable bushfire zones (42%) think so than in vulnerable areas (35%).

Around 36% want banks to increase support to restore natural landscapes and forestation, and 32% think they should increase support to construction of climate change resilient infrastructure. A broadly similar number of SMEs in in vulnerable and non-vulnerable bushfire areas agree.

Around 27% overall agree that banks should engage in collective action with the business community, although this number is much higher among SMEs in bushfire prone areas (34%) than those who are not (23%).

Among some other key survey take outs, significantly more SMEs in Manufacturing (52%) want banks to engage in collective action with the business community, more Health firms (58%) to increase support to construction of climate change resilient infrastructure, and Utilities (45%) and Transport/Storage firms (44%) to advocate for stronger climate change policy.

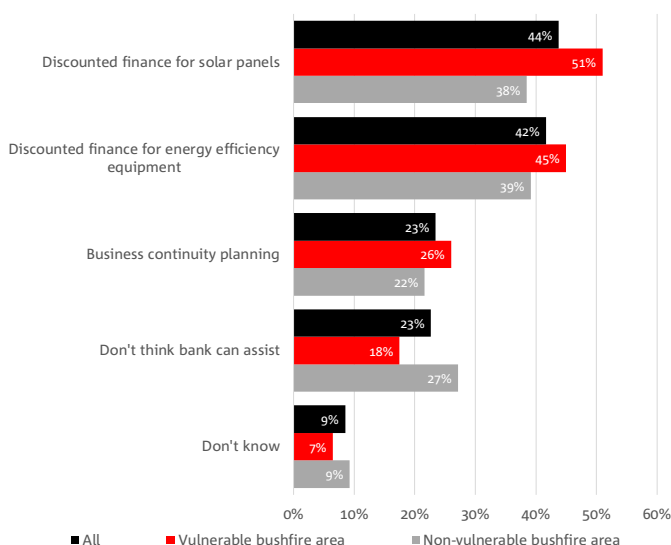
By state, notably more SMEs in WA wanted banks to increase support to renewable energy sector (56%) and increase support to construction of climate change resilient infrastructure (44%).

The table below shows all responses by state, region and industry.

WHICH SHOULD BANKS DO TO HELP MITIGATE CLIMATE CHANGE AND HELP BUSINESS ADAPT BY STATE REGION & INDUSTRY?

	Increase support to renewable energy sector	Increase support to restore natural landscapes and forestation	Increase support to construction of climate change resilient infrastructure	Advocate for stronger climate change policies	Collective action with the business community	Support research into measures to reduce vulnerability to the consequences of climate change	Reduce finance for high greenhouse gas emitting sectors
All	39%	36%	32%	29%	27%	27%	26%
Vulnerable bushfire area	35%	36%	34%	33%	34%	27%	29%
Non-vulnerable bushfire area	42%	36%	32%	28%	23%	27%	23%
NSW	40%	40%	36%	26%	27%	28%	28%
VIC	37%	32%	31%	32%	23%	25%	31%
QLD	38%	36%	24%	23%	32%	30%	21%
SA	27%	31%	33%	41%	29%	27%	18%
WA	56%	38%	42%	42%	29%	18%	22%
TAS	33%	83%	33%	17%	33%	50%	0%
City	37%	33%	31%	31%	24%	27%	25%
Regional	41%	45%	34%	29%	37%	27%	30%
Rural/Bush	46%	40%	35%	22%	31%	24%	22%
Agriculture	32%	42%	37%	21%	21%	16%	26%
Mining	29%	29%	29%	41%	12%	24%	29%
Manufacturing	28%	31%	28%	21%	52%	21%	17%
Construction	43%	48%	34%	16%	26%	31%	20%
Retail	43%	35%	31%	34%	23%	35%	33%
Wholesale	31%	41%	34%	31%	24%	38%	21%
Transport/Storage	31%	31%	25%	44%	31%	19%	44%
Finance, Business, Prop. Serv.	47%	29%	33%	27%	29%	26%	30%
Rec. & Personal Serv.	39%	43%	35%	33%	27%	24%	16%
Accom., Cafes, Rest. & Clubs	44%	35%	33%	38%	31%	17%	25%
Utilities	9%	45%	18%	45%	36%	45%	45%
Telecoms	25%	8%	17%	17%	25%	17%	25%
Health	42%	50%	58%	25%	17%	17%	0%
Education	17%	42%	17%	33%	8%	25%	25%

SUPPORT MOST HELPFUL FROM BANK TO HELP BUSINESS RESPOND TO CLIMATE CHANGE



In terms of support banks could give to help business respond to climate change, most SME's overall wanted them to offer discounted finance for solar panels (44%) and for energy efficiency equipment (42%).

Discounted solar panels were identified by noticeably more SMEs in vulnerable (51%) than non-vulnerable (38%) bushfire areas. Discounted finance for energy efficiency was also identified by somewhat more SMEs in vulnerable (45%) than non-vulnerable areas (39%).

Almost 1 in 4 (23%) SMEs said banks couldn't help at all, but the number was much higher in non-vulnerable bushfire areas (27%) than vulnerable areas (18%).

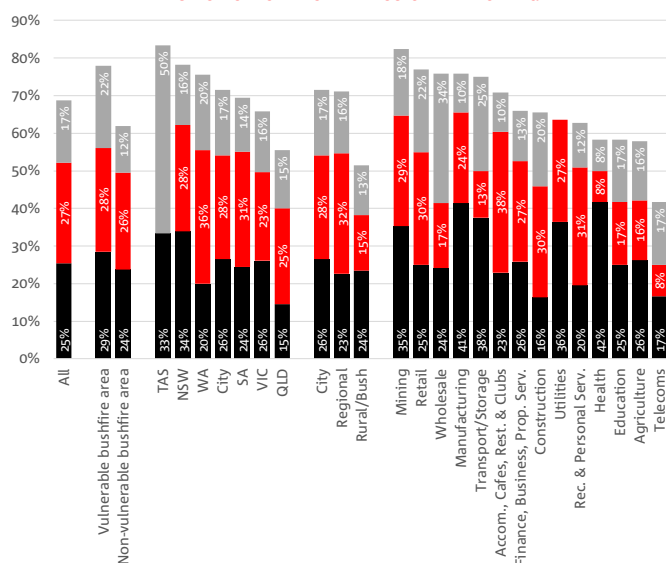
Among some key highlights, noticeably more firms in WA (56%) said discounted finance for solar panels would help as did SMEs in regional cities (51%). SMEs in Transport/Storage (38%) and Agriculture (37%) were noticeably more open to business continuity planning, Mining firms to discounted finance for solar panels (71%) and Manufacturing firms to discounted finance for energy efficiency equipment (62%).

See table below for more detail.

SUPPORT MOST HELPFUL FROM BANK TO HELP BUSINESS RESPOND TO CLIMATE CHANGE BY STATE, REGION & INDUSTRY?

	Discounted finance for solar panels	Discounted finance for energy efficiency equipment	Business continuity planning	Don't think bank can assist	Other
All	44%	42%	23%	23%	2%
Vulnerable bushfire area	51%	45%	26%	18%	1%
Non-vulnerable bushfire area	38%	39%	22%	27%	3%
NSW	47%	42%	26%	21%	1%
VIC	44%	46%	22%	20%	1%
QLD	35%	33%	18%	32%	5%
SA	43%	41%	27%	18%	2%
WA	56%	49%	31%	20%	2%
TAS	33%	50%	0%	33%	0%
City	43%	44%	26%	21%	2%
Regional	51%	38%	25%	20%	1%
Rural/Bush	38%	37%	10%	34%	4%
Agriculture	47%	53%	37%	21%	5%
Mining	71%	41%	29%	12%	0%
Manufacturing	48%	62%	10%	14%	3%
Construction	44%	41%	15%	21%	0%
Retail	55%	50%	28%	16%	0%
Wholesale	48%	28%	28%	28%	0%
Transport/Storage	50%	50%	38%	19%	6%
Finance, Business, Prop. Serv.	33%	31%	26%	33%	3%
Rec. & Personal Serv.	37%	43%	24%	24%	2%
Accom., Cafes, Rest. & Clubs	31%	44%	19%	25%	0%
Utilities	55%	36%	27%	18%	0%
Telecoms	42%	42%	25%	8%	0%
Health	42%	42%	17%	33%	0%
Education	33%	8%	0%	25%	25%

EXTENT BUSHFIRES HAVE CHANGED PERCEPTIONS OF NEED FOR BANKS TO DO MORE TO ADDRESS CLIMATE CHANGE



The recent bushfires appear to have had a big impact on changing perceptions on the need for banks to do more to address climate change.

Overall, 69% said it had changed their view in some way, and for 44% either ‘moderately’ (27%) or ‘significantly’ (17%)

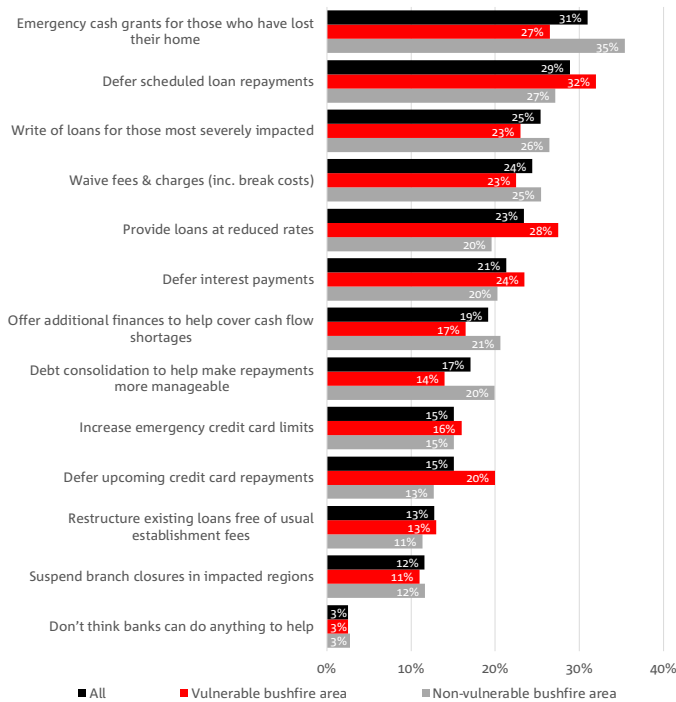
Overall perceptions have changed for noticeably more SMEs in vulnerable bushfire areas (79%) than in non-vulnerable areas (62%), and for significantly more SMEs in major capital (71%) and regional (71%) cities than in rural towns (52%).

By state, the overall number of positive responses ranged from 83% of SMEs in TAS to just 55% of SMEs located in QLD.

By industry, the impact was most pronounced for firms in the Mining sector (82%) and least pronounced in Telecoms (42%).

The change in perceptions was however most ‘significant’ for firms in the Wholesale Trade industry (34%), and by some margin.

WHICH DO YOU BELIEVE BANKS COULD DO TO MOST HELP BUSINESSES IMPACTED BY THE BUSHFIRES?



Banks are in a unique position to help businesses impacted by the bushfires. And clearly SMEs believe they can help. In fact, only 3% said they didn't think banks could do anything to help.

In terms of what banks could do, most SMEs (31%) believe they could offer emergency grants to those who have lost their homes. Interestingly, more SMEs in non-vulnerable bushfire areas (35%) indicated banks could do this than in vulnerable areas (27%).

The next most common response was to defer scheduled loans repayments (29%), although more SMEs in bushfire areas (32%) thought banks could do this than those in non-vulnerable areas (27%).

Around 1 in 4 SMEs overall also thought banks could write off loans to the most severely impacted (25%), waive fees & charges (24%) and provide loans at reduced rates (23%) which was also a response cited by noticeably most SMEs in vulnerable areas (28%).

Another option that resonated more strongly for SMEs in vulnerable areas (20%) relative to those in non-vulnerable areas (13%) was deferring upcoming credit card payments.

The table on the page below shows responses by state, region and industry and highlights key areas of difference.



WHICH DO YOU BELIEVE BANKS COULD DO TO MOST HELP BUSINESSES IMPACTED BY THE BUSHFIRES BY STATE, REGION & INDUSTRY

	Emergency cash grants for those who have lost their <small>home</small>	Defer scheduled loan repayments	Write of loans for those most severely impacted	Waive fees & charges (inc. break costs)	Provide loans at reduced rates	Defer interest payments	Offer additional finances to help cover cash flow <small>shortfalls</small>	Debt consolidation to make repayments more manageable	Increase emergency credit card limits	Defer upcoming credit card repayments	Restructure existing loans free of usual establishment fees	Suspend branch closures in impacted regions	Do not think banks can do anything to help
All	31%	29%	25%	24%	23%	21%	19%	17%	15%	15%	13%	12%	3%
Vulnerable bushfire area	27%	32%	23%	23%	28%	24%	17%	14%	16%	20%	13%	11%	3%
Non-vulnerable bushfire area	35%	27%	26%	25%	20%	20%	21%	20%	15%	13%	11%	12%	3%
NSW	34%	26%	24%	22%	21%	22%	16%	19%	15%	18%	12%	12%	3%
VIC	30%	25%	26%	25%	26%	20%	15%	13%	19%	14%	16%	13%	2%
QLD	29%	39%	25%	23%	21%	17%	22%	15%	14%	19%	14%	9%	4%
SA	20%	29%	20%	22%	39%	24%	35%	12%	10%	10%	10%	10%	4%
WA	33%	29%	36%	36%	11%	31%	18%	33%	11%	7%	9%	13%	0%
TAS	67%	33%	17%	33%	33%	17%	17%	0%	17%	0%	0%	17%	0%
City	31%	27%	26%	24%	22%	19%	20%	19%	15%	14%	12%	10%	3%
Regional	31%	33%	21%	24%	30%	28%	15%	14%	19%	19%	9%	15%	3%
Rural/Bush	32%	34%	26%	28%	21%	22%	22%	13%	10%	16%	24%	13%	0%
Agriculture	26%	26%	32%	21%	32%	26%	5%	21%	11%	5%	21%	11%	0%
Mining	18%	35%	18%	29%	6%	6%	29%	24%	24%	12%	18%	18%	0%
Manufacturing	28%	31%	28%	34%	24%	31%	14%	14%	21%	17%	7%	7%	0%
Construction	28%	25%	26%	23%	28%	20%	21%	16%	15%	11%	13%	15%	5%
Retail	38%	25%	27%	23%	30%	22%	20%	12%	17%	21%	13%	8%	2%
Wholesale	41%	34%	10%	10%	24%	17%	21%	7%	14%	21%	10%	17%	10%
Transport/Storage	38%	25%	19%	31%	25%	13%	44%	25%	19%	13%	6%	0%	0%
Finance, Business, Prop. Serv.	26%	30%	27%	25%	21%	22%	13%	22%	14%	7%	20%	15%	3%
Rec. & Personal Serv.	33%	25%	31%	20%	16%	25%	14%	14%	12%	31%	8%	6%	2%
Accom., Cafes, Rest. & Clubs	35%	25%	25%	27%	21%	27%	19%	21%	8%	15%	13%	17%	0%
Utilities	0%	45%	18%	45%	18%	0%	36%	18%	27%	18%	0%	0%	0%
Telecoms	42%	25%	25%	17%	17%	8%	42%	17%	25%	0%	0%	17%	0%
Health	25%	67%	33%	33%	33%	33%	17%	0%	0%	8%	0%	17%	0%
Education	33%	33%	17%	25%	17%	8%	17%	42%	25%	8%	25%	8%	8%

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