The June Xero Small Business Index data highlights that small business customers are buying fewer goods and services in New Zealand and the United Kingdom than they were a year ago. In contrast in Australia, where inflation is not as high, customers are still making more purchases than they did in June 2021.

Small business sales slowed in Australia, New Zealand and the United Kingdom during June - down to 10.6% year-on-year (y/y), 3.3% y/y and 5.2% y/y respectively. This indicator measures nominal sales - which includes price impacts. If we take out the impacts of prices, we can see quite a different story across countries.

In the United Kingdom, prices, as measured by the CPIH, rose 8.2% y/y in June. So excluding these price impacts sales actually fell 3.0% y/y. Similarly, in New Zealand, where the CPI rose 7.3% y/y in the June quarter, sales excluding prices also fell, down 4.0% y/y. That is, as customers face increasing cost of living pressures, they bought fewer goods and services from small businesses in June 2022 than in June 2021.

In contrast, Australian consumers are not facing as severe cost of living pressures to date. The CPI rose a more modest 6.1% y/y in the June quarter. This means that sales excluding price impacts actually rose, up 4.5% y/y in June.

This cross-country comparison illustrates the damage that high inflation is doing to the purchasing power of households and, in turn, to the ability of small businesses to maintain the volume of sales.

**Small business sales, international comparison**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>10.6%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>3.3%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

Source: Xero Small Business Insights, Accenture methodology

**Small Business Index, international comparison**

<table>
<thead>
<tr>
<th>Country</th>
<th>Index Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>156</td>
</tr>
<tr>
<td>New Zealand</td>
<td>146</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>85</td>
</tr>
</tbody>
</table>

Source: Xero Small Business Insights, Accenture methodology
Small business wages, international comparison

% year-on-year, monthly

Australia

New Zealand

United Kingdom

Source: Xero Small Business Insights, Accenture methodology

Small business jobs, international comparison

% year-on-year, monthly

Australia

New Zealand

United Kingdom

Source: Xero Small Business Insights, Accenture methodology

Small business time to be paid, international comparison
days, seasonally adjusted

Australia

New Zealand

United Kingdom

Source: Xero Small Business Insights, Accenture methodology
About Xero

Xero is a global small business platform with 3.3 million subscribers which includes a core accounting solution, payroll, workforce management, expenses and projects. Xero also provides access to financial services, and an ecosystem of more than 1,000 connected apps and more than 300 connections to banks and other financial institutions. Through Xero's open platform, small businesses can connect to a range of solutions that help them run their business and manage their finances. For three consecutive years (2020-2022) Xero was included in the Bloomberg Gender-Equality Index. In 2021, Xero was included in the Dow Jones Sustainability Index (DJSI), powered by the S&P Global Corporate Sustainability Assessment. Xero has been named as a FIFA Women's Football partner under FIFA's new commercial structure.

About Accenture

Accenture worked in collaboration with Xero on the design and methodology of the Index prior to February 2022. Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 569,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities. Visit us at www.accenture.com.

About Xero Small Business Insights

The aim of Xero Small Business Insights is to create insights to help inform decision makers in support of the small business economy as a whole. The principal source of small business insights in this report is customer data from Xero - a small business platform that supports online accounting and a range of other applications. Xero are responsible custodians of our customers sensitive data and do not release any data that could identify individual businesses. The data used is aggregated and anonymised to ensure the privacy of Xero subscribers, and their counterparts.

Methodology

Full details of the methodology used to construct the Xero Small Business Index can be found here.

Disclaimer

This report was prepared using Xero Small Business Insights data and publicly available data for the purpose of informing and developing policies to support small businesses.

This report includes and is in parts based on assumptions or estimates. It contains general information only and should not be taken as taxation, financial, investment or legal advice. Xero recommends that readers always obtain specific and detailed professional advice about any business decision.

The insights in this report were created from the data that was available as at the date it was extracted. Data used were anonymised and aggregated to ensure individual businesses can not be identified.