

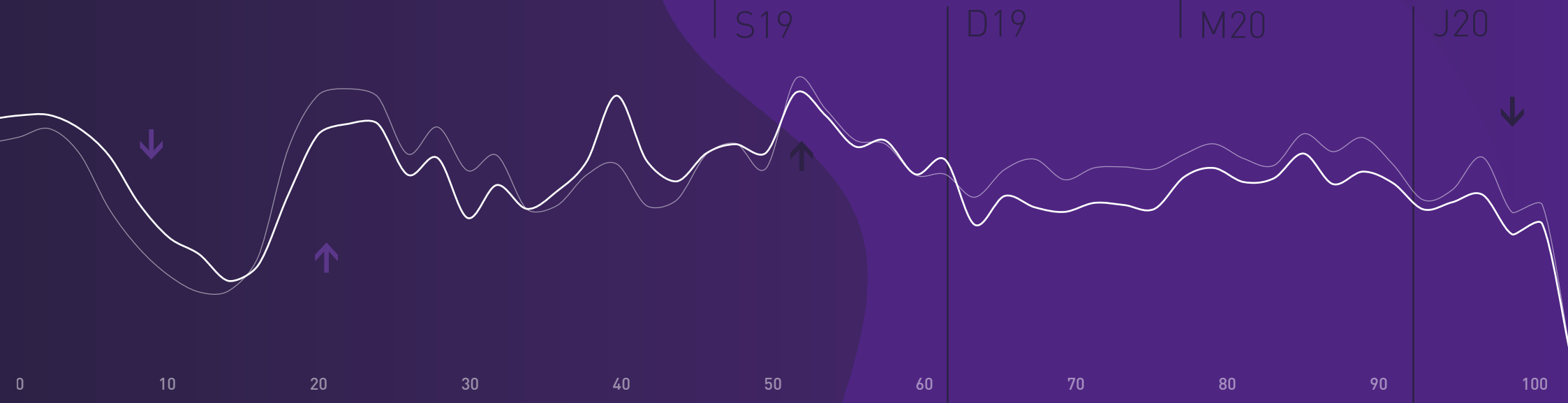
# CCIQ PULSE SURVEY OF BUSINESS CONDITIONS

DECEMBER QUARTER 2021

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## DECEMBER QUARTER OVERVIEW

Latest results from CCIQ's Pulse Survey for the December 2021 quarter show business confidence in Queensland is at its lowest since the emergence of the economic impact of COVID in March 2020. Results coupled with CCIQ modelling indicate the Omicron strain is costing the Queensland economy an estimated \$1.2 billion a week while many businesses reported the Omicron strains impacts coinciding with the Queensland border re-opening in December caused as much economic harm to their business as the original emergence of COVID-19.

The quarter's key finding shows business confidence has plummeted, falling at the second highest rate in the survey's history and only surpassed following the original COVID-19 pandemic in Queensland. The decline in Queensland business confidence is reflective of the compounding impact of labour shortages, supply chain disruption and considerably lower consumer spend associated with the Omicron wave. These new and serious impacts are impacting businesses in the short term as much as border restrictions and lock-downs.

Overall conditions have shifted from 'satisfactory' to 'weak' with general business conditions, sales/revenue, profitability and capital expenditure falling. For many of these indicators it is the third quarterly decline in a row and is the second highest decline on record.

This has resulted in levels equivalent to the September quarter 2020 when at the height of the original COVID-19 economic crisis. At the same time business operating costs and wage levels remain high. As a result, businesses are now increasingly uncertain about 2022 and their business viability.

Feedback as part of the Pulse Survey has indicated the Omicron strain has impacted on businesses in a number of ways including:

- The creation of significant uncertainty leading to the erosion of consumer and business confidence and in turn spend in the economy;
- Staff shortages through either getting COVID-19 or the requirement for self-isolation as a close contact along with previous international and interstate border restrictions impacting the labour market;
- Material shortages and supply chain disruptions that are leading to higher business input costs caused by staff shortages and also the shortage of AdBlue;
- Discontent with political leadership as a result of an absence of available testing capacity and inconsistent health restrictions that have eroded certainty and a capacity to plan;
- Absence of financial support for small businesses and the cessation of support for many households;

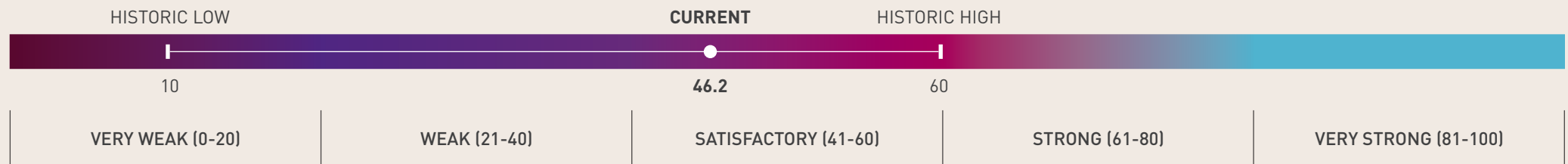
- Lagging impact of interstate and international border restrictions on Queensland's tourism industry and also embedded fear of travel;
- Restrictions as a result of vaccination status for both employees and customers; and
- Impact of employees working from home and an avoidance of CBDs and shopping centres.

Other economic problems compounding the impact of Omicron include:

- Continuing trade restrictions with China;
- Rising insurance, fuel and other business input prices;
- Fear of rising inflation and the impact on future spending through rising interest rates; and
- The forthcoming federal election and the impact this will have on delaying government spending, infrastructure planning and decision making;

## WHAT IS THE PULSE BUSINESS INDEX (PBI)?

The Pulse Business Index (PBI) is Queensland's most authoritative, timely and comprehensive snapshot of business sentiment. The PBI works by utilising the quantitative responses from businesses to questions surrounding the forward outlook for the state and national economy, and key performance indicators. A PBI reading of 50 would indicate performance growth has remained neutral. A PBI reading above or below 50 would suggest performance across the indicator has grown or fallen, respectively.



# SNAPSHOT

WEAKER

SAME

STRONGER

Current index score

Quarterly change

## 12-MONTH OUTLOOK (QUEENSLAND) **38.3** (↓ 16.9) WEAK

- Business confidence in the Queensland economy has fallen dramatically in the December quarter and is at its lowest point since the September quarter 2020.
- The Queensland index decreased significantly by 16.9 points to 38.3 and represents the second largest fall in the index only eclipsed by the March quarter 2020 when the global pandemic began.
- The Queensland index is less than this time last year (42.5) and below its 10 year average (44.3).
- Queensland businesses are less confident about the Queensland economy over the next twelve months than the national economy.

51%

29%

20%

## 12-MONTH OUTLOOK (NATIONAL) **42.3** (↓ 16.5) SATISFACTORY

- Business confidence in the national economy has also fallen dramatically and is at its lowest point since the September quarter 2020.
- The national index decreased by 16.5 points to 42.3 and is also the second largest fall in the index only behind the March quarter 2020 decline.
- The national index is less than this time last year (47.4) and its 10 year average (47.8).

46%

34%

20%

## GENERAL BUSINESS CONDITIONS **38.8** (↓ 7.4) WEAK

- General business conditions deteriorated in the December quarter as a consequence of falling sales, increasing labour and operational costs, causing business profitability to collapse.
- The December quarter index score of 38.8 represents a significant decline of 7.4 points from the September quarter 2021 PBI of 46.2.
- The December quarter PBI is below this time last year (48.0) and below the 10 year average (43.7) and is now the third quarterly deterioration in a row.
- General business conditions in the March quarter are anticipated to further weaken with the PBI expected to fall another 3.5 points to 35.3.

47%

36%

17%

## SALES AND REVENUE **38.9** (↓ 6.9) WEAK

- Total sales revenue in the December quarter declined considerably for the third quarter in a row.
- The sales and revenue PBI of 38.9 is down (6.9) on the previous September quarter index of 45.8 and is considerably lower than at this time last year (49.6) and the 10 year average (48.2).
- The September and December quarter 2021 declines represent two of the three largest declines for the indicator in the history of the survey.
- Total sales revenue are expected to fall even further with a PBI of 36.5 in the March quarter.

49%

22%

29%

## OPERATING COSTS **67.9** (↓ 0.6) HIGH

- Operating costs during the December quarter remained at a high level with the PBI of 67.9.
- The December quarter PBI is 7.3 index points above this time last year.
- Global supply chain shortages and bottlenecks have fuelled significant price rises for business inputs.
- High operating costs are expected to partly temper in the March quarter with three in five businesses expecting costs to remain unchanged.

2%

52%

46%

## LABOUR COSTS **65.8** (↑ 0.1) HIGH

- Labour costs in the December quarter 2021 increased again and remain at a 'high' level with a PBI of 65.8.
- The result reflects skill and labour shortages across a number of industry sectors and geographical areas of Queensland
- In addition to the impact of COVID-19, many businesses are indicating unavailability of existing workers.
- The labour cost PBI is expected to remain at a high level of 65.1 during the March quarter.

6%

46%

48%

## PROFITABILITY **30.3** (↓ 4.5) WEAK

- The profitability PBI fell another 4.5 points from 34.8 in the September quarter to 30.3. This follows a 5.9 point reduction in the September quarter and a 4.3 reduction in the June quarter.
- In total the profitability PBI is now 14.7 points lower than in the March quarter 2021.
- Significantly lower sales as result of low consumer confidence and supply difficulties are coinciding with prevailing high levels of operating and labour costs causing profitability to again be eroded.
- Queensland businesses expect no improvement in their profitability in the March quarter with the Index forecast to fall another 0.4 points to 29.9.

61%

22%

17%

## EMPLOYMENT LEVELS **40.5** (↓ 5.6) SATISFACTORY

- Employment levels again declined in the December quarter, with the PBI falling 5.6 index points to 40.5. This follows a reduction of 3.6 points in the September quarter and a 1.5 point reduction in the June quarter.
- The PBI is now 5.8 points lower than at this time last year (46.3) and the 10 year average (44.8) and is the lowest employment PBI since the September quarter 2020.
- A further fall in employment is expected with the employment PBI falling by another 1.8 index points to 38.7.

34%

52%

14%

## CAPITAL EXPENDITURE **44.6** (↓ 3.5) SATISFACTORY

- The capital expenditure PBI in the December quarter fell by 3.5 index points to 44.6.
- This was again the third quarter in a row of decreased investment levels and is the lowest index recorded since the September quarter 2020.
- Prevailing weak profit levels, lower sales revenue and uncertainty continue to weigh down future business plans and capital expenditure.
- Business investment is expected to further weaken in the March quarter with the capital expenditure PBI down 4.6 points to 40.0.

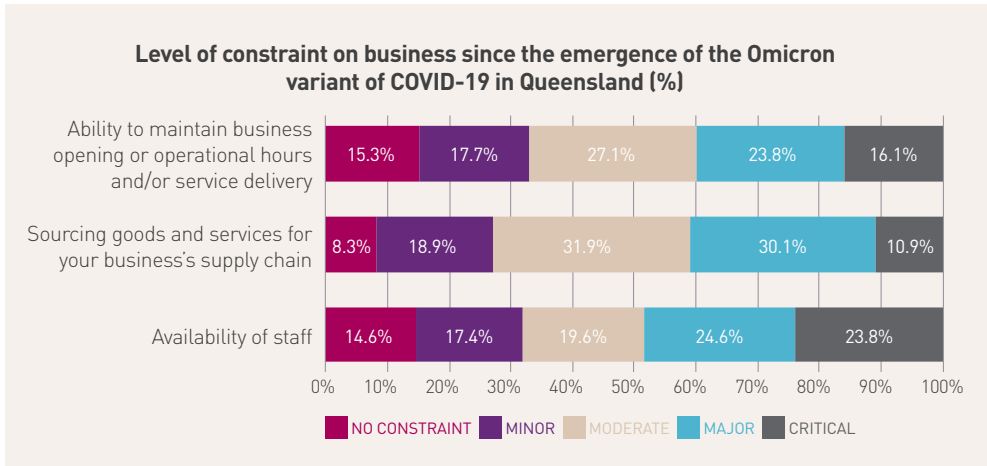
26%

52%

21%

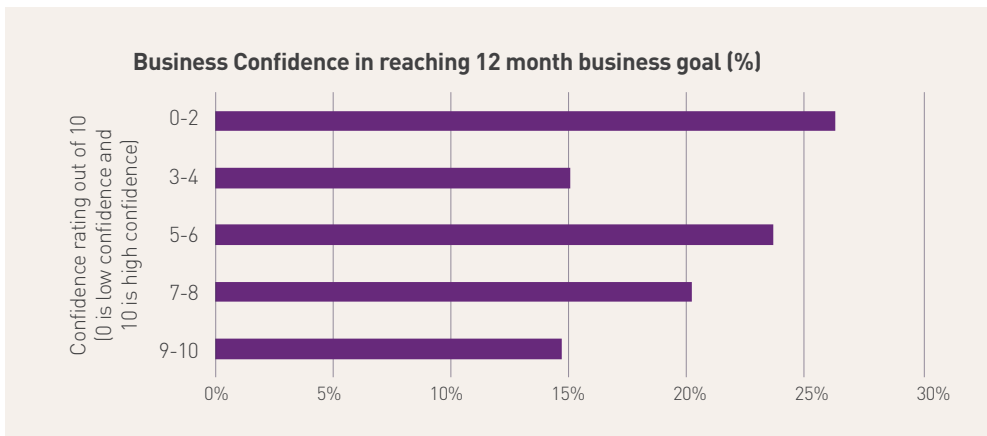
# HOT TOPIC SURVEY – COVID-19 ECONOMIC CRISIS

The emergence of the Omicron variant in Queensland has significantly impacted Queensland businesses. 48.4 per cent of businesses are indicating COVID-19 as a major or critical constraint on their availability of staff and 41 per cent of businesses are indicating a major or critical constraint on sourcing goods and services for their business's supply chain. 39.9 per cent of Queensland businesses are indicating a major or critical constraint on their ability to maintain business opening or operational hours and/or their service delivery.



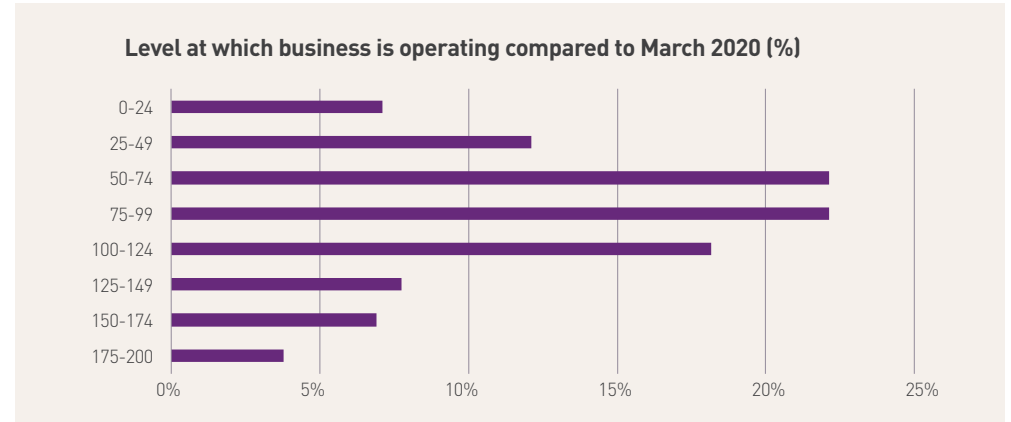
In indicating confidence in reaching their 12 month goals – 41.4 per cent of Queensland businesses continue to give a certainty rating of less than 5 out of 10. This is up on the September quarter percentage of 35.9 per cent.

The average score of five out of 10 in the December quarter compares to the previous September score of 5.5. Queensland businesses are becoming increasingly uncertain about realising business goals for 2022. Low confidence in their success is impacting negatively on key business decisions across areas including investment, employment and growth plans.

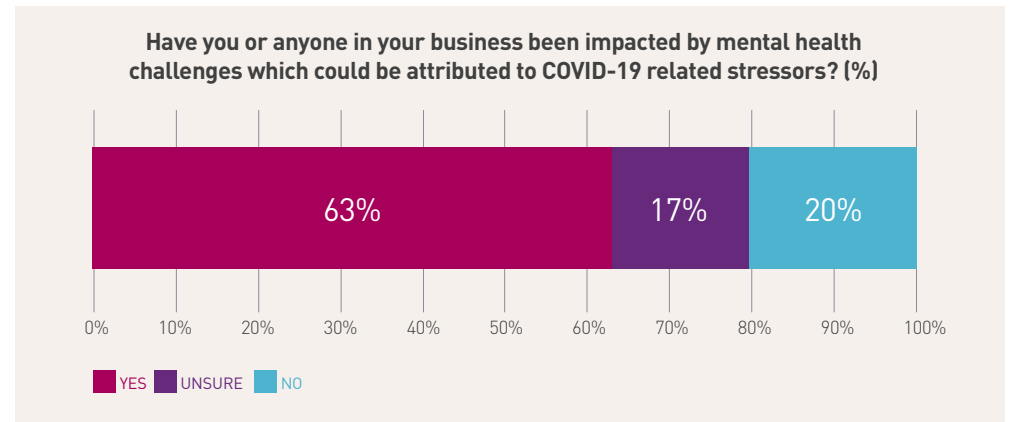


In indicating their business's operating level compared to March 2020, businesses gave an average score of 84.9 per cent. On average Queensland businesses are yet to fully recover to pre-COVID levels yet they are continuing to experience escalating input costs. Furthermore this recovery score is down on the September score of 90.1 per cent.

Only 36.5 per cent of businesses indicated they had grown beyond their pre-COVID level. This score is well down on the September percentage of 48.7 indicating Queensland businesses have taken a big step backwards as a result of the Omicron variant.



As a result the impact of COVID-19 on the mental health of Queensland business owners and employees continues to escalate. 63 per cent of businesses indicated they or one of their employees had been impacted by mental health challenges attributed to COVID-19 related stressors. This is up from 45 per cent when measured in June 2021 and is indicative of an emerging and serious challenge for many Queenslanders.



# 12 MONTH OUTLOOK: AUSTRALIAN AND QUEENSLAND ECONOMIES

Business confidence measured by expectations for the performance of the national and Queensland economies over the next twelve months has fallen dramatically in the December quarter and are both at their lowest point since the September quarter 2020.

Business confidence in the Australian economy for the next twelve months decreased by 16.5 points to 42.3. The Queensland index also decreased significantly by 16.9 points to 38.3 and both indicate weakening growth prospects over the forthcoming 12 months.

These declines represent the second largest falls in both indexes and are only eclipsed by the March quarter 2020. They are a higher fall than that recorded during the GFC.

The national and Queensland indexes are both less than this time last year (national down -5.1 and Queensland down -4.2) and below their respective 10 year averages (national 47.8, Queensland 44.3).

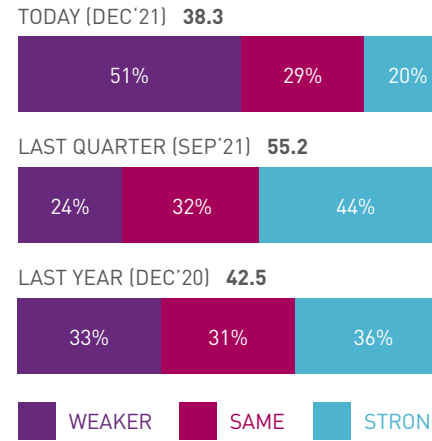
The decline of Queensland business confidence is reflective of the compounding impact of labour shortages, supply chain disruption and considerably lower consumer spend associated with the Omicron wave.

These new and serious impacts are impacting businesses in the short term as much as border restrictions and lock-downs.

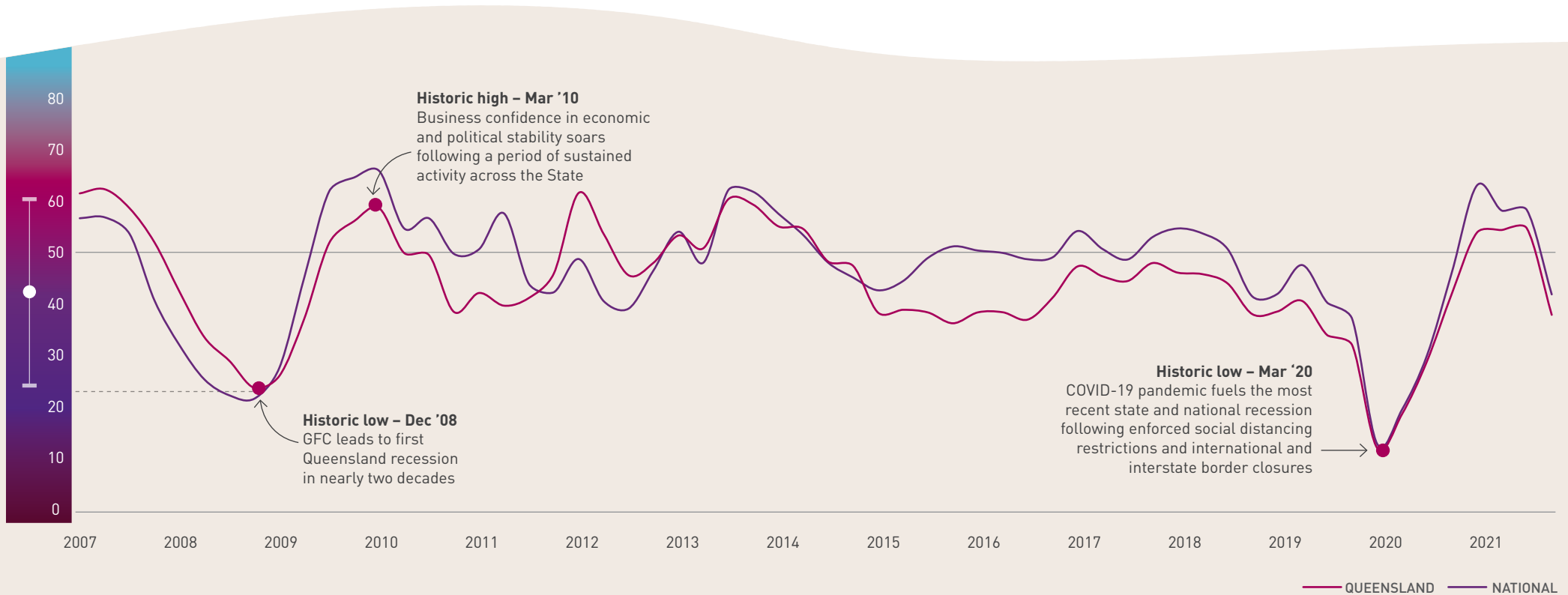
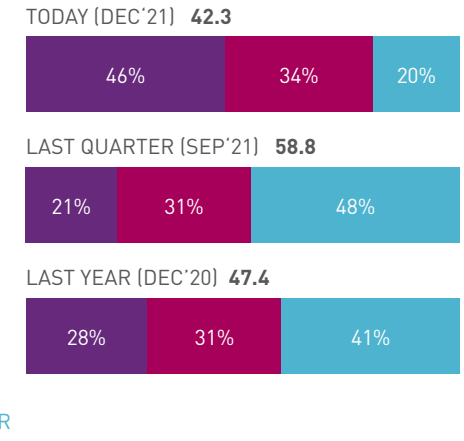
Both indexes moved in line, however the decline recorded for the Queensland economy was slightly higher than nationally and accordingly the difference between the indexes is 3.9. Queensland businesses are less confident about the Queensland economy over the next twelve months than the national economy.

## How do you expect the economy to perform over the next twelve months in comparison to the last twelve months?

### QUEENSLAND



### NATIONAL



# GENERAL BUSINESS CONDITIONS

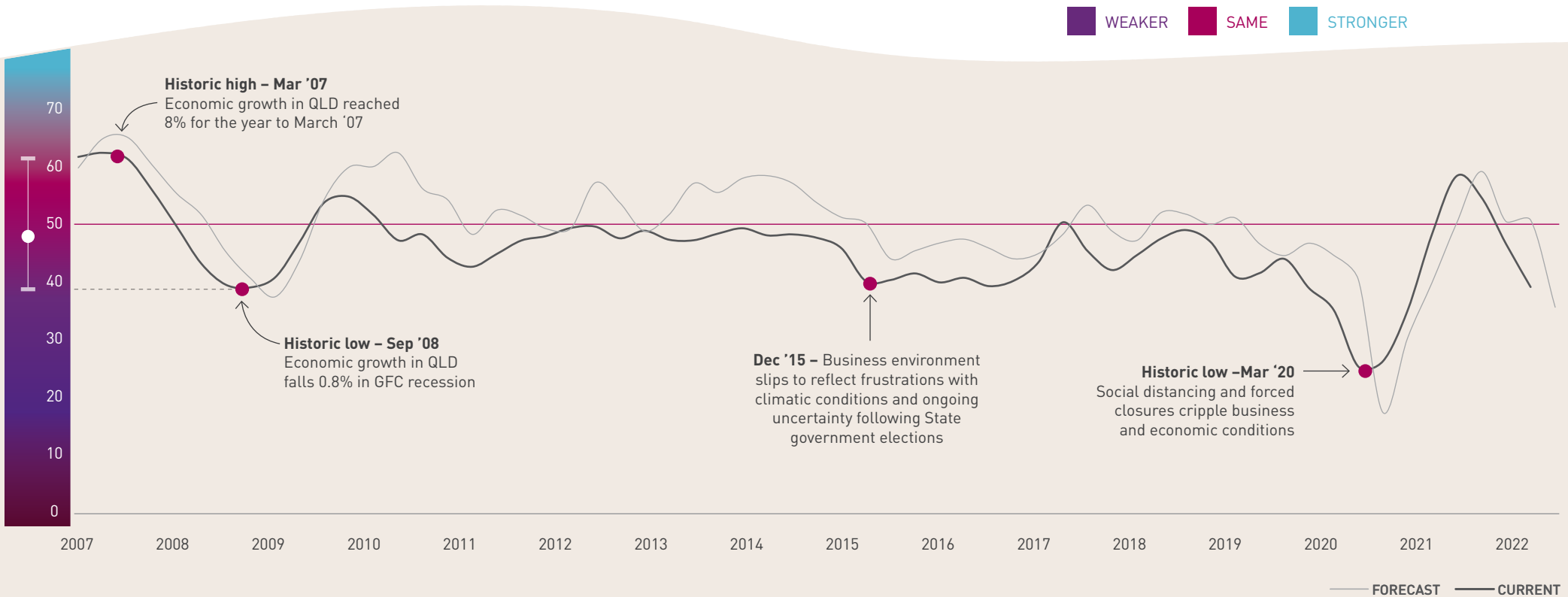
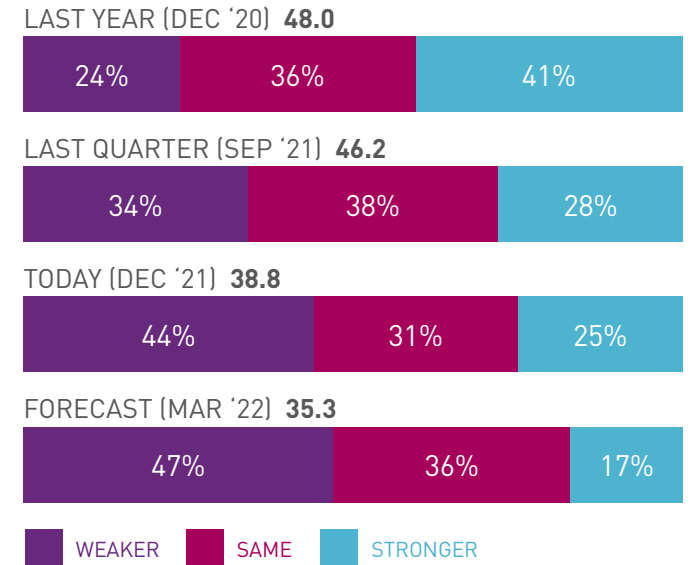
General business conditions deteriorated in the December quarter as a consequence of falling sales, increasing labour and operational costs, causing business profitability to collapse. The December quarter index score of 38.8 represents a serious decline of 7.4 points from the September quarter 2021 PBI of 46.2.

The December quarter PBI is below this time last year (48.0) and below the 10 year average (43.7) and is now the third quarterly deterioration in a row. General business conditions have fallen by 19.2 points over the past three quarters and are now at a similar level to the September quarter 2020.

Of concern, general business conditions in the March quarter are anticipated to further weaken with nearly one in two businesses expecting weaker conditions as the Omicron wave peaks. The PBI is expected to fall another 3.5 points to 35.3.

- “ COVID has all but destroyed my business. I had a staff of four before COVID and now I only have myself. As I held onto staff for as long as possible, I now have a massive ATO tax bill with no prospects of new clients. – Sunshine Coast
- “ The capacity of businesses to provide services due to lack of workforce. With the spread of covid it is likely that all people will suffer from a dose of variable severity. I expect there will be a continuous/domino effect of staff either sick or in isolation over the coming 12 months. Lack of available staff will impact the ability to provide services. – Central Queensland
- “ Feeling that the Covid impacts will start to recede in the mid term. Clients are getting ready to return to pre-Covid trading conditions. – Far North Queensland

## How has your business performed over the last three months compared with the previous three months?



# SALES AND REVENUE

Total sales revenue in the December quarter 2021 declined considerably for the third quarter in a row. The September and December quarter 2021 declines represent two of the three largest declines for the indicator in the history of the survey.

The sales and revenue PBI of 38.9 is down (6.9) on the previous September quarter index of 45.8 and is considerably lower than at this time last year (49.6) and the 10 year average (48.2). The PBI indicates weakening sales and revenue during the December quarter and is counter to what is usually a strong quarter for most businesses.

Whilst domestic border closures and other restrictions across the Queensland economy eased during the quarter, new obstacles emerged including staff shortages and considerable supply chain disruption. These compounded on already soft consumer confidence and as a result nearly 50 per cent of businesses indicated their sales revenue had fallen

Total sales revenue are expected to fall even further in the March quarter with 51 per cent of businesses anticipating a reduction in their sales with a PBI of 36.5. If realised this will represent the lowest PBI since the June quarter 2020.

“ Lots of people have been losing their jobs and they are careful spending their money currently because COVID19. I also believe people do not want to go around and shop freely. The most of them prefer to buy what they really need and go back home quickly. – Far North Queensland

“ The current outbreak is really difficult in its twin effect on reducing consumer spending and also affecting workforce availability. – South West Queensland

## How has your business performed over the last three months compared with the previous three months?

LAST YEAR (DEC '20) **49.6**



LAST QUARTER (SEP '21) **45.8**



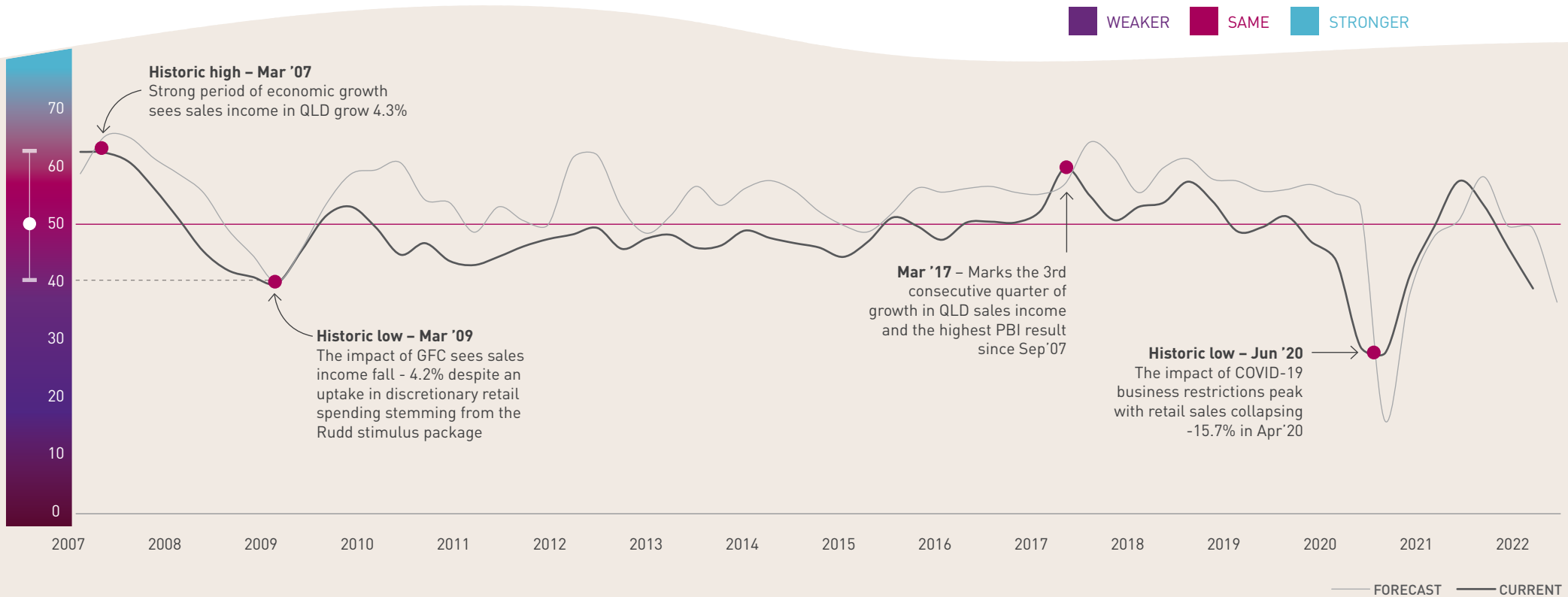
TODAY (DEC '21) **38.9**



FORECAST (MAR '22) **36.5**



WEAKER SAME STRONGER



# OPERATING COSTS

Operating costs during the December quarter 2021 remained at a high level with the PBI of 67.9. Nearly one in two businesses recorded an increase in their operating costs. The December quarter PBI is 7.3 index points above this time last year.

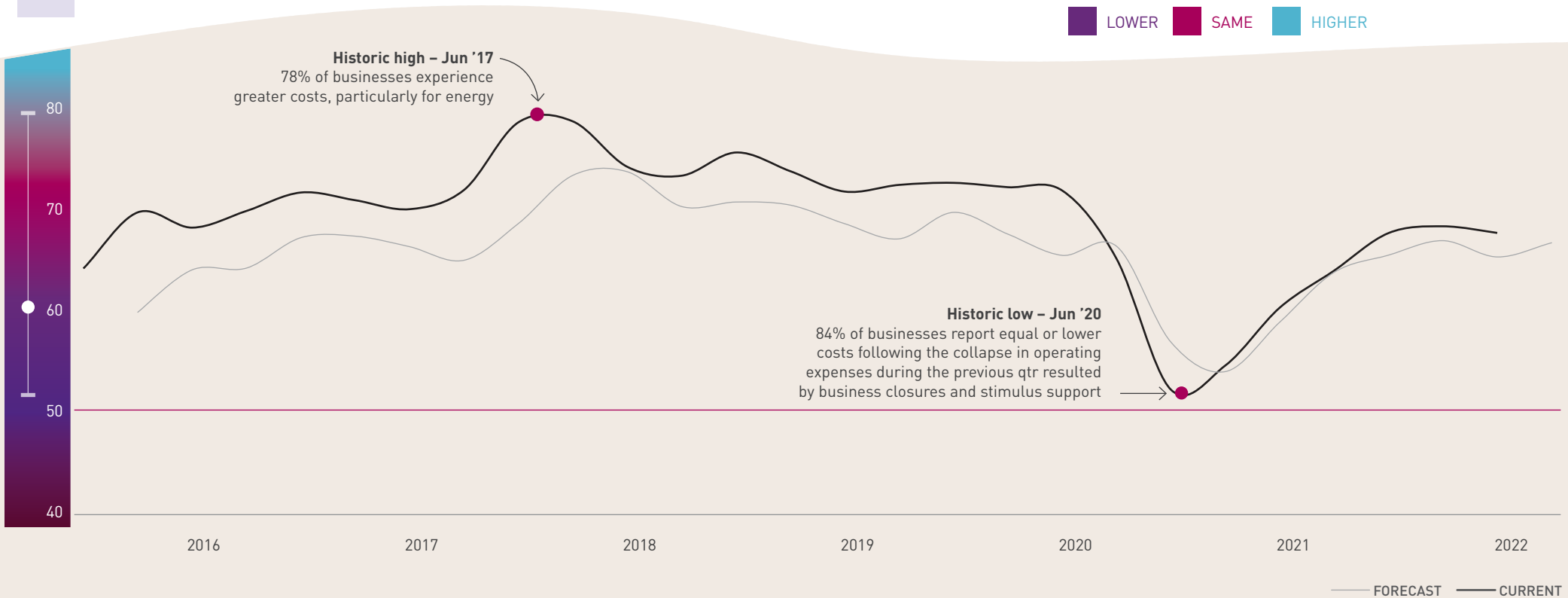
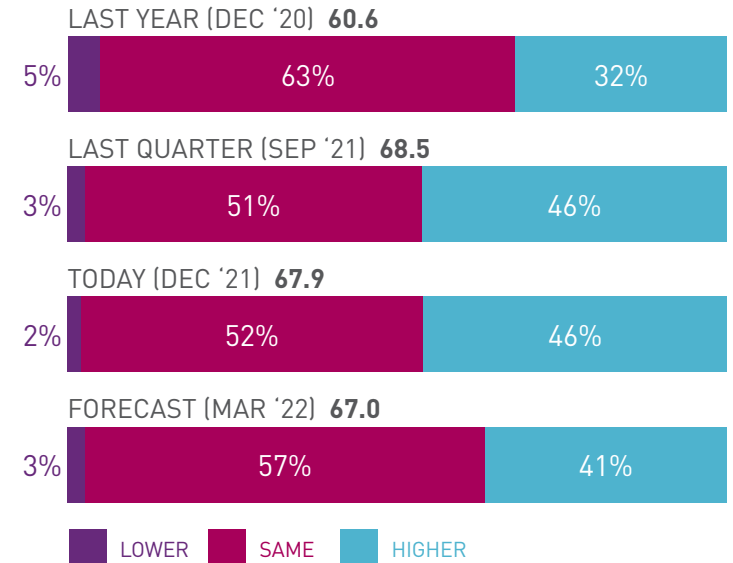
Global supply chain shortages and bottlenecks have fuelled significant price rises for business inputs as overseas suppliers increase prices to reflect supply issues and more expensive domestic suppliers are used. At the same time supply for many business inputs has decreased considerably with prices increasing to reflect shortages.

High operating costs are expected to partly temper in the March quarter with three in five businesses expecting costs to remain unchanged. However 41 per cent of businesses continue to expect operating costs to increase with the operating cost PBI remaining at a 'high' 67.0.

“ The obvious drivers of the economy are mining and agriculture, I expect these sectors to strengthen but be stifled for growth by increasing operational costs. The cost of Fuel, staff, for food, flights, and interest rates are rising. There are huge risks to many businesses in hospitality because of COVID and the knock on affect will continue to many hamper all economies reliant on this industries. Unless larger scale projects which drive wealth through industry diversification are undertaken the mid to long term economy will suffer. Building Dams or water infrastructure projects, as well as better roads for tourism projects, and better rail networks are all proven economy builders. Emerald prior to their lake 2000 people since 14000. – South West Queensland

“ I can't see anything positive due to the fact, costs are going up, but selling prices are approx the same. – Gold Coast

## How has your business performed over the last three months compared with the previous three months?





# LABOUR COSTS

Labour costs in the December quarter increased again and remain at a 'high' level with a PBI of 65.8.

This result reflects skill and labour shortages across a number of industry sectors and geographical areas of Queensland as businesses attempt to offset a reduction in overseas and interstate workers through attracting Queenslanders with higher earnings.

Nearly one in two businesses increased their labour costs during the December quarter and this result is well above this time last year (58.6) and above the ten year trend of 59.8.

As the Omicron strain of COVID-19 bites in Queensland, many businesses are indicating unavailability of existing workers and as a result the labour costs PBI is expected to remain at a high level of 65.1. 91 per cent of all businesses believe labour costs will either stay the same or increase during the March quarter.

“ The lack of employees, the high costs of goods, the increasing costs of wages due to lack of staff. The staff away with Covid or even if allowed to return to work, the fact they will be sick. Townsville

“ Ability for us to secure capabl long term workers. Due to the impact of COVID our business has struggled financially and any increase in wages is going to have a huge impact unless we can start to return more for the product we sell. South West Queensland

## How has your business performed over the last three months compared with the previous three months?

LAST YEAR (DEC '20) **58.6**



LAST QUARTER (SEP '21) **65.7**



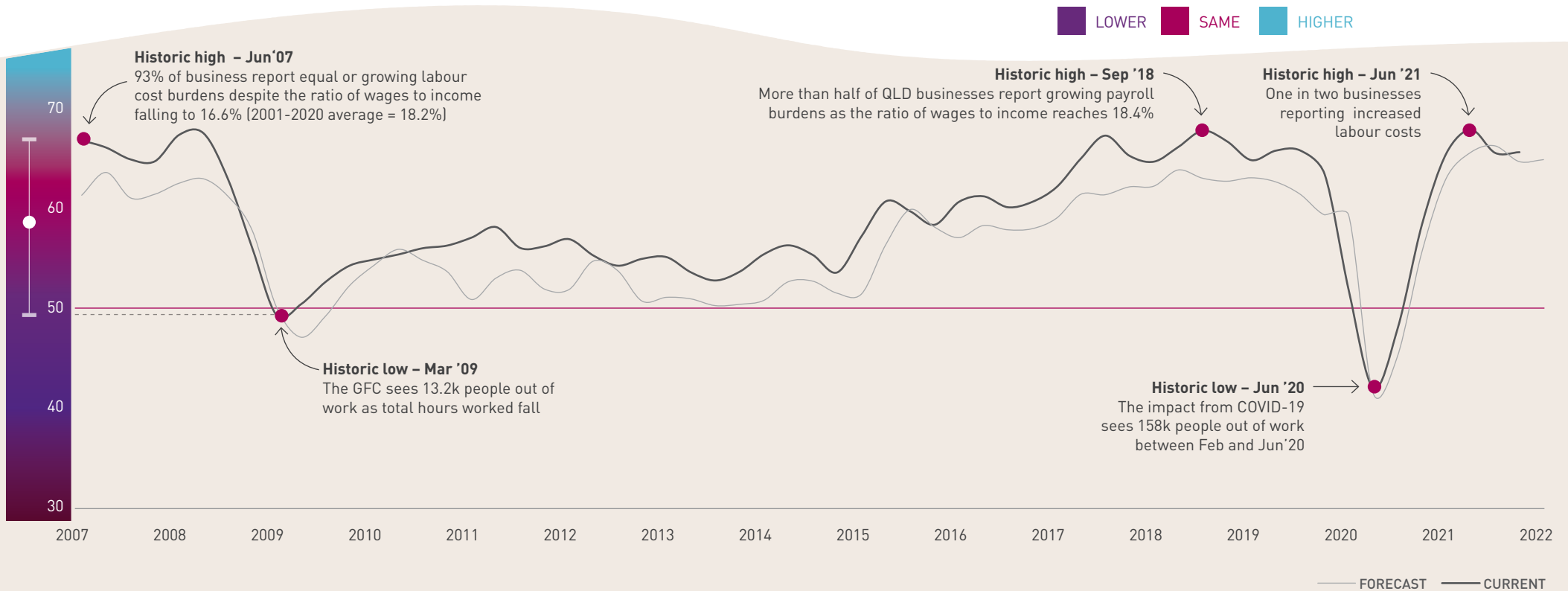
TODAY (DEC '21) **65.8**



FORECAST (MAR '22) **65.1**



LOWER SAME HIGHER



# PROFITABILITY

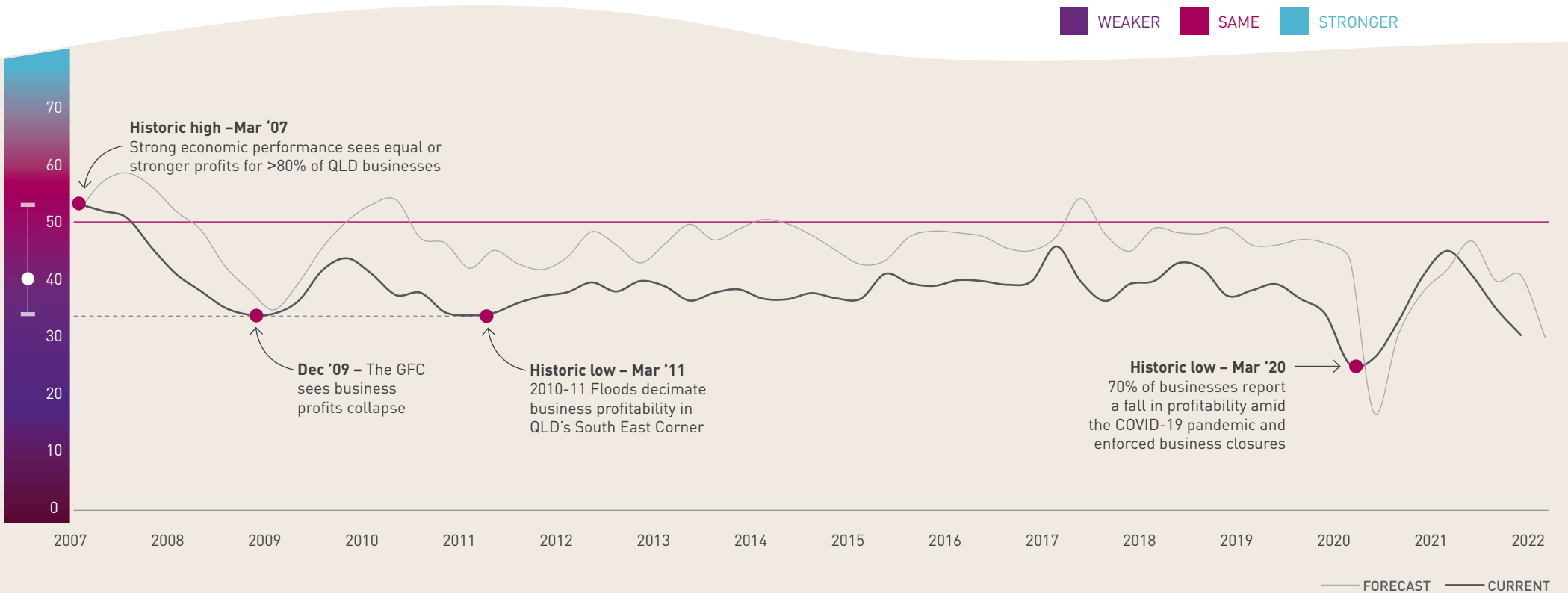
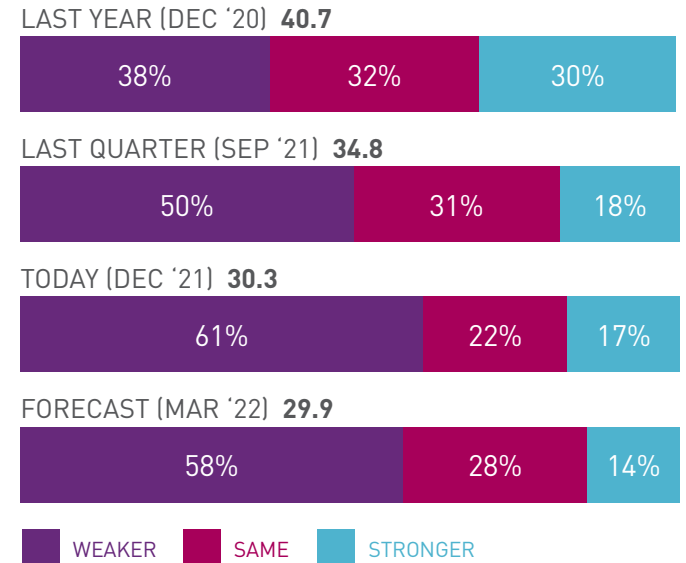
The profitability PBI fell another 4.5 points from 34.8 in the September quarter to 30.3. This follows a 5.9 point reduction in the September quarter and a 4.3 reduction in the June quarter. In total the Profitability PBI is now 14.7 points lower than in the March quarter 2021. Three in five businesses are now indicating their profitability fell during the quarter.

Significantly lower sales as result of low consumer confidence and supply difficulties are coinciding with prevailing high levels of operating and labour costs causing profitability to erode. The profitability PBI is at its lowest level since the September quarter 2020 and is now 10.4 index points lower than this time last year and the ten year average for this indicator (37.8).

Queensland businesses expect no improvement in their profitability in the March quarter, with the index forecast to fall another 0.4 points to 29.9 which if realised is approaching the lowest index on record (25.2 March quarter 2020). Survey respondent feedback indicates the essential importance of restoring sales revenue to sure up their financial viability as measured through profitability.

- “ Even though the borders have opened this has done nothing for the Events industry. Shows for 2022 are being booked, but they are then being cancelled or scaled back to an unprofitable level. – Brisbane
- “ People are becoming to frightened to shop in store reducing profitability. We have online Click and Collect but it really hasn't taken off in a country town. – South West Queensland
- “ Managing as best we can given no traffic in the CBD. Pre COVID we would take \$2500.00 during a normal COVID day we would be taking \$1300. We are currently down to \$350 per day. Not enough to cover costs. The situation is dire. – Brisbane

## How has your business performed over the last three months compared with the previous three months?



# EMPLOYMENT LEVELS

Employment levels again declined in the December quarter, with the PBI falling 5.6 index points from 46.1 in the September quarter to 40.5. This follows a reduction of 3.6 points in the September quarter and a 1.5 point reduction in the June quarter.

This result reflects attempts to maintain business viability through cost minimisation. However it also reflects significant feedback of skill and labour shortages across a number of industry sectors and regions due to the unavailability of interstate and overseas workers.

The PBI is now 5.8 points lower than at this time last year (46.3) and the 10 year average (44.8) and is the lowest employment PBI since the September quarter 2020. A further fall in employment is expected in the March quarter with the employment PBI falling by 1.8 index points to 38.7.

“ Measures to counter-act / minimise impact of Covid-19, with health of the population being priority one, and the impact upon employment and manufacturing output. – Beaudesert

“ Restrictions have effected my business to the point of running at a loss. Vaccine mandates effected my staff employment, and seems extremely unreasonable. – Bundaberg

## How has your business performed over the last three months compared with the previous three months?

LAST YEAR (DEC '20) **46.3**



LAST QUARTER (SEP '21) **46.1**



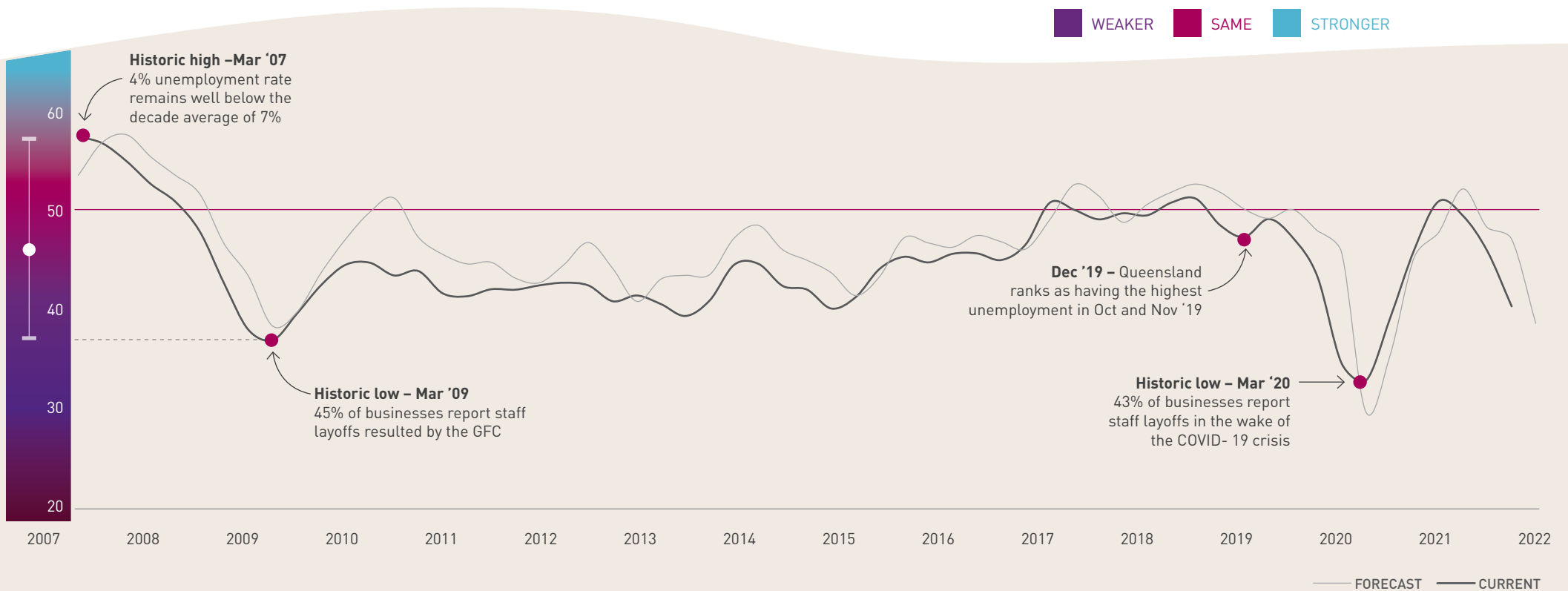
TODAY (DEC '21) **40.5**



FORECAST (MAR '22) **38.7**



WEAKER SAME STRONGER



# CAPITAL EXPENDITURE

Prevailing weak profit levels, lower sales revenue and uncertainty continue to weigh down future business plans and capital expenditure.

The capital expenditure PBI in the December quarter fell by 3.5 index points from 48.1 in the September quarter to 44.6. One in two businesses had unchanged capital expenditure during the quarter with one in four businesses indicating decreased investment. This was again the third quarter in a row of decreased investment levels and is the lowest level recorded since the September quarter 2020.

Business investment is expected to further weaken in the March quarter with the capital expenditure PBI down 4.6 points to 40.0. There is growing expectation the underinvestment evident across the past two years could hinder Queensland's future growth.

“ Omicron taking out chunks of the workforce. China choking off trade. The federal election discouraging private investment. – Brisbane

“ With even higher levels of trading and staffing uncertainty we are not currently willing to commit to any new capital investments or new staff, especially given the cost of recruiting, training and on-boarding. – Gold Coast

## How has your business performed over the last three months compared with the previous three months?

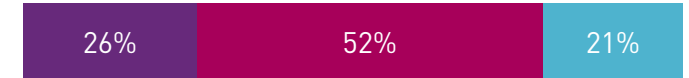
LAST YEAR (DEC '20) **46.0**



LAST QUARTER (SEP '21) **48.1**



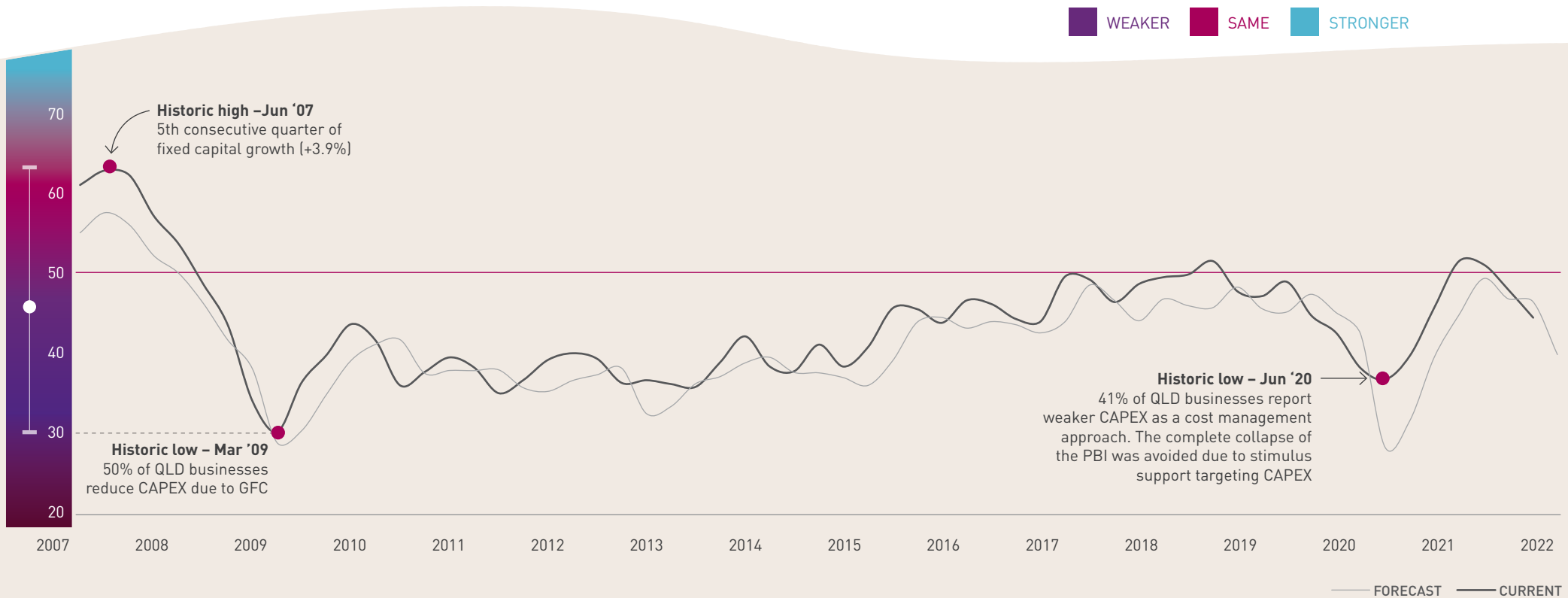
TODAY (DEC '21) **44.6**



FORECAST (MAR '22) **40.0**



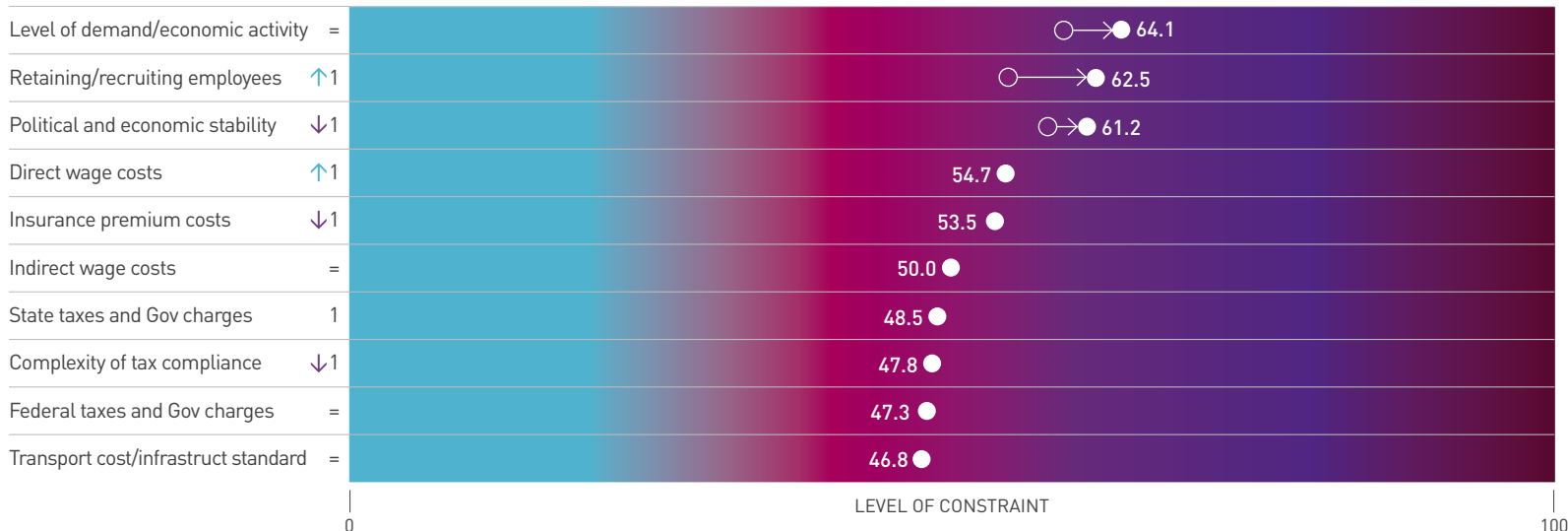
WEAKER SAME STRONGER



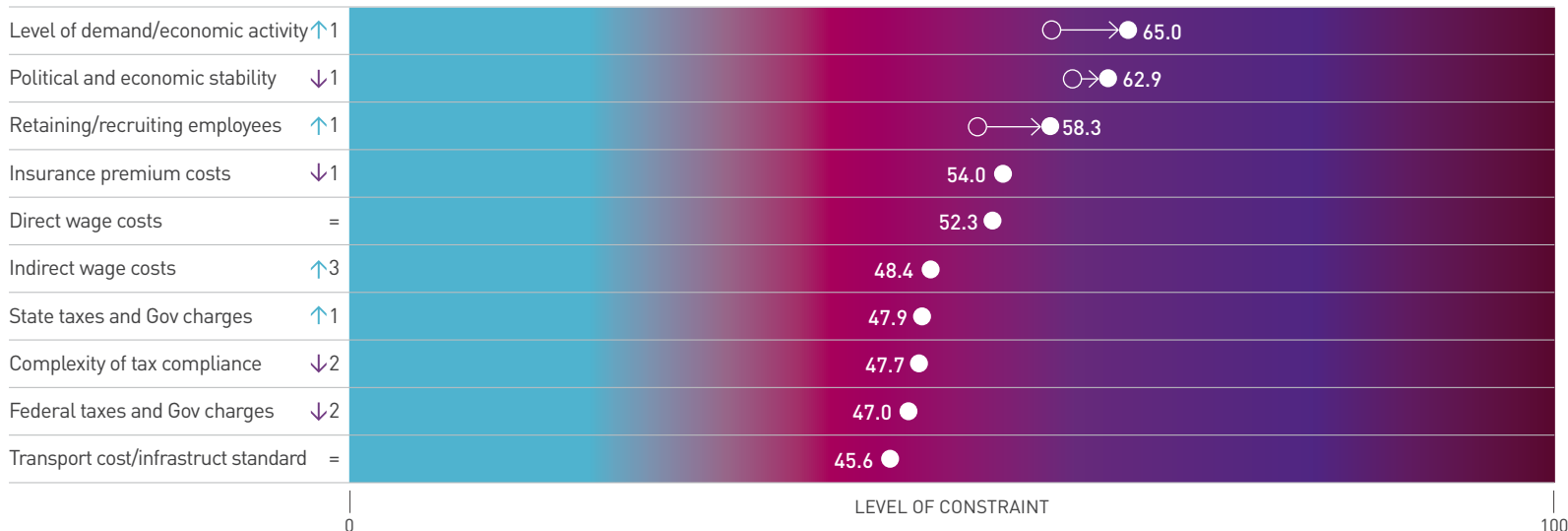
# MAJOR CONSTRAINTS ON BUSINESS GROWTH

## STATEWIDE

LEGEND: ↑ 2 QUARTERLY CHANGE    CURRENT ●    ○ PREVIOUS



## SMALL BUSINESS



## STANDOUTS

The level of demand and economic activity (64.1) as a constraint increased (up 5.5 index points) and remains the biggest barrier for Queensland businesses. This is consistent with sales revenue falling by one of the largest levels in the survey's history.

Recruiting and retaining suitably qualified businesses increased as a constraint (up 7.1 points) and is now the second highest constraint on business. Many Queensland businesses based on their industry sector or location are indicating staff shortages as a significant challenge stemming from a pause on international migration, a lack of interstate mobility and now employees isolating due to COVID-19.

Political and economic stability also increased up 2.9 points as more and more uncertainty has arisen over how Queensland will fair under the Omicron wave of COVID-19.

## SMALL VS LARGE BUSINESS ISSUES

Small businesses have a similar top three constraints with the level of demand/economic activity also the highest constraint. The severity of this constraint is 0.9 points higher for small business than for all businesses. In general small businesses have across this pandemic experienced more profound impacts from constraints. Queensland small businesses rate political and economic stability as the second highest constraint. Conversely small businesses cite retaining and recruiting suitably qualified employees as a lesser constraint than overall businesses but still of significance in third position.

# KEY INFLUENCES ON BUSINESS CONFIDENCE AND ISSUES AFFECTING THE PERFORMANCE OF THE NATIONAL AND STATE ECONOMIES OVER THE NEXT 12 MONTHS – HAVE YOUR SAY

## COVID-19

### The creation of significant uncertainty leading to the erosion of consumer and business confidence and in turn spend in the economy.

“ People being more cautious (and distressed) and staying home more - A lack of confidence in the economy - The impact of covid on people's work and incomes and therefore their ability to spend. – Brisbane

“ Given that the current policies around Covid have decimated our business by 58% in January 22 to date alone and this is likely to continue through well into Feb it will be hard to recover the lost ground over the balance of the year whilst the threat of future outbreaks remains. Staff shortages will have a continued impact on the small business sector and although the share market seems divorced from the reality of what is going on, the underlying underperformance of small business will eventually have an effect. – South West Queensland

### Staff shortages through either getting COVID-19 or the requirement for self-isolation as a close contact combined with previous international and interstate border restrictions impacting the labour market.

“ Close contact / self-isolating requirements of staff under QLD COVID-19 Government protocols. Leave me and my business short staffed to the point of closing one of my two retail sites. – Sunshine Coast

“ COVID19 restrictions, although vaccination rates have been achieved. Isolation rule for 'close contacts' hurts businesses across and is not effective. – Logan

“ We are currently experiencing devastating effects with shortage of staff due to covid, testing delays and isolation requirements leading to complete closure of the business for a period of 7 days then ongoing closures or restricting services due to staffing problems. Also there is limited consumer expenditure they are staying home and not coming out spending. – Rockhampton

### Material shortages and supply chain disruptions that are leading to higher business input costs caused by staff shortages and also AdBlue shortages.

“ COVID 19 I'm very concerned we will become short staffed due to people being Sick. Lack of supplies and parts that we require on a daily basis to operate are becoming difficult to source. – Mackay

“ COVID impact on supply chains - transport and warehousing; overall consumer confidence - less spending. – Mackay

“ Covid is putting a massive restriction on our ability to maintain deliveries & preventing any growth where opportunities are abundant. – Rockhampton

“ Increased cost of importing (shipping costs) and delays, as well as the Adblue issue will increase local transport costs. Not to mention the COVID-19 crisis which is causing many businesses to function with reduced staff, and in some cases, aren't able to operate at all. – South West Queensland

### Discontent with political leadership as a result of low testing capacity and inconsistent health restrictions that have eroded certainty and a capacity to plan.

“ Ability of the state and federal governments to collaborate and act in the best interest of the community ahead of political motives. – Gold Coast

“ I believe the economy will continue to face challenges with consumer confidence and collateral damage from the continuing political divide. Business seems to be expendable. – Far North Queensland

“ Political indecision by all the State premiers because they are all jockeying to please the masses to get re-elected rather than working together with the federal government to sort out the mess that is Covid. Our premier being the worst, of a bad bunch. – Central Queensland

### Absence of financial support for small businesses and the cessation of support for many households.

“ Aftermath of the pandemic. Now financial support for businesses disappears and restrictions gone, employers will not invest and or engage more staff (too risky). Also, the international markets don't show a positive development as inflation raises (energy prices at the pole position). This triggers even more inflation in Australia as it imports on average much more than other economies. Increasing house prices is creating a bubble that will explode. The same happened in the USA and in Europe. And this tumbles Australia in a deep depression. – South West Queensland

“ Both State and Federal Governments may start to slow the support into the economy that has been happening over the last two years, this may slow the potential growth that is in the private sector. – Gold Coast

“ It completely depends on covid- at the moment it is chaos-opening our state borders with Omicron has devastated my business again.....do I just stop now?- this is the quietest we have been since covid began with the exception of actual lockdowns....I wish we were lockdown as at least then we would have some support. ....Blind Freddy could have seen that we needed RAT tests and that the PCR holiday travel disaster was going to occur...after all we have had two years and numerous overseas examples. – Brisbane

#### **Lagging impact of interstate and international border restrictions on Queensland's tourism industry and also reluctance to travel.**

“ I believe by opening QLD international border to more tourist and students will help boost the QLD and Australia economy. If federal and state government implement a strategy to let the vaccinated tourist and student to come in, that will help strengthen the economy. It is these tourists and students and immigrants that help to spend money in Australia. The same case by opening door for more investor immigrant to come into Australia. – Brisbane

“ Lack of customers/visitors and a heavy reliance on domestic travellers with stringent COVID restrictions. Difficult to manage strong upturns. – South West Queensland.

“ The timing and ability for international tourists to easily come back to QLD will have a big impact. – Brisbane

#### **Restrictions as a result of vaccination status on both employees and customers.**

“ Continued lockdowns/lockouts of non-vaccinated people from venues is impacting consumer confidence and destroying employment opportunities. Additionally it's negatively impacting the confidence of business owners which in turn is impacting future employment prospects. Unless the QLD government changes its stance I can't see the QLD economy moving ahead with speed to create prosperity for those living and working in the state. – Brisbane

“ Covid-19 has gone viral, it is out of control. Government is segregating customers. Not easy to run a business in these times. Overheads is skyrocketing and income is plummeting. – Logan

“ Impact of employees working from home and an avoidance of CBDs and shopping centres.

“ Covid knock on effects; Working from home; Businesses closing; People avoiding CBD; People sick and unable to get tested; People sick and waiting to get tested; People isolating or in quarantine. – Gold Coast

“ Lack of materials for building, repairs. Transport effected by lack of ad-blue, shortage of qualified staff Low interest rates effect retirees income, therefore they are staying home more. – South West Queensland

“ Pandemic induced stay-at-home / work-from-home directions will restrict movement and spending. Shortage of labour caused by lack of immigration / backpackers / international arrivals. – Central Queensland

## **OTHER**

#### **Continuing trade restrictions with China.**

“ Export demand dependent on Northern hemisphere spring/summer trade. Instability and uncertainty in some global markets. High domestic savings rate could be an opportunity if savers have confidence to spend but could be negative if they continue to accumulate. Skilled labour availability may restrict QLD growth opportunities. Rental availability and affordability could apply additional inflation pressure. Inflation generally will affect economic performance. – Rockhampton

#### **Rising insurance, fuel prices and other business input prices.**

“ Insurance renewals have come thru and one of Queensland's biggest insurers has lifted renewals 20-50 % average of \$600 per household. Council rates , rental vacancy issues reflected in increased rent will suck disposable income. – South West Queensland

“ We are welding and fab workshop and the price of steel has gone up 100%. Example I quoted a customer just before xmas \$138 per sheet of steel and now it has gone up over double. Try explaining that to customer. Also there are no big projects in the pipe line, lots of talk no action. Covid is a real concern for us here, and of course competitors supply work in the region with no licenses, no insurance and not paying tax or super. – Brisbane

#### **Fear of rising inflation and the impact on future spending through possible interest rate rises.**

“ Lack of immigration and the low number of available workers is concerning. Cost of living will increase due to competition for staff causing increasing wages. Therefore increasing the cost of goods and services. This will result in higher inflation with low productivity and lower consumer confidence causing the economy to weaken. – Townsville

#### **The forthcoming federal election and the impact this will have on delaying government spending, infrastructure planning and decision making.**

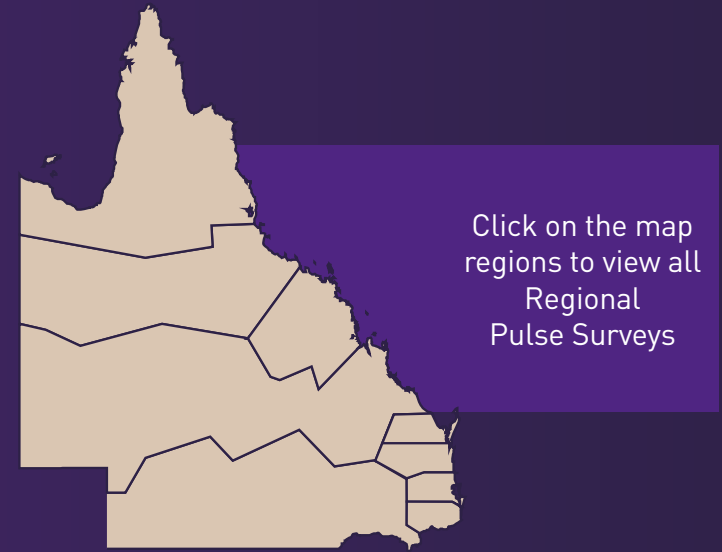
“ Lack of confidence in the ability of government to manage the covid-19 pandemic. The upcoming election will delay decision making and project until the outcome of the election is known. Elections always have a negative impact on business and it will be particularly so with the level of government ineptitude in managing the COVID 19 pandemic. There is a high level of anxiety in the community as a whole which is not good for business. – Sunshine Coast

# ABOUT PULSE

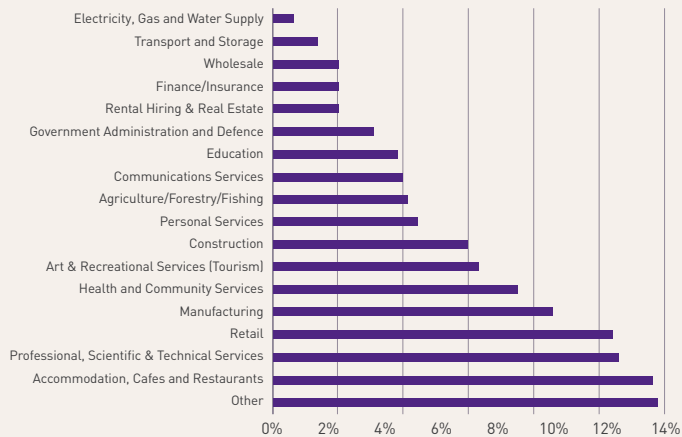
The Pulse Survey has measured Queensland business confidence and expectations for more than 25 years. The survey publishes results quarterly from key questions put to the Queensland business community. The survey is unchallenged in terms of being the most authoritative, timely and comprehensive snapshot of Queensland business sentiment, providing critical insights into the opinions of business owners across the state. The survey contains data from a sample covering the entire breadth of the business community.

The survey period was from the 10th to the 25th of January 2022 and examined business sentiment and activity throughout the December quarter (2021). 837 businesses responded to the survey.

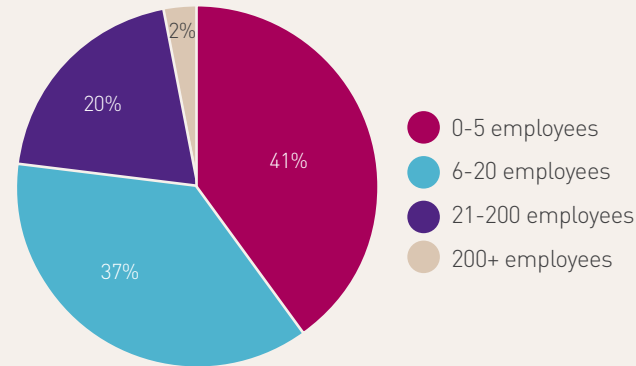
**To find out more about Pulse, please contact Chamber of Commerce and Industry Queensland on 1300 731 988 or at [cciqadvocacy@cciq.com.au](mailto:cciqadvocacy@cciq.com.au).**



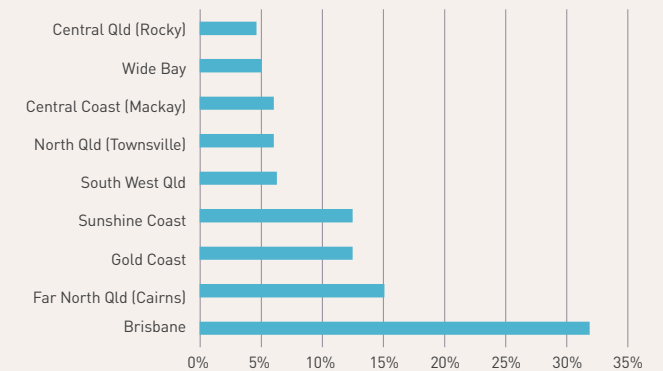
## INDUSTRY REPRESENTATION



## SIZE OF ORGANISATION



## REGIONAL REPRESENTATION



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