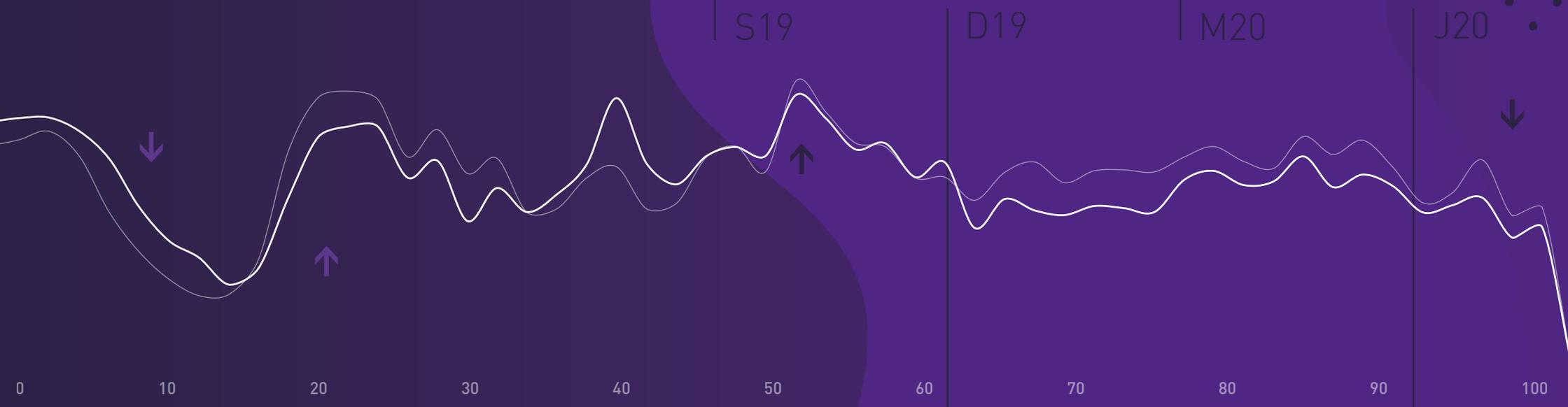


# CCIQ PULSE SURVEY OF BUSINESS CONDITIONS

DECEMBER QUARTER 2020



## DECEMBER QUARTER OVERVIEW

The December quarter marked the third consecutive period of improved business performance and sentiment since the devastating impact of COVID-19 in March (2020). Combined with a period of seasonal improvement, business optimism was chiefly driven by the announcement of a COVID-19 vaccine becoming available in the latter half of the 2021 financial year (FY). The complete implementation of staged easing of restrictions has provided businesses with a greater ability to leverage seasonal activity in December. However, business vulnerability is indeed in a new normal. Not only do business restrictions still exist, and expected to persist, hot spot border closures and restrictions remain a reality for exposed industries.

Regardless, the performance and outlook indicators are now above their respective 10-year averages. When reflecting on this finding, it has become essential to remember that business conditions have remained low over much of the previous decade following the Global Financial Crisis (GFC). Businesses cannot afford a continuation of underperformance and are calling for the government to focus on productivity as a means to push the quality of living in Queensland.

Amid generally favourable index results, businesses' qualitative responses continue to provide a balanced perspective on operating conditions and economic recovery in Queensland. Specifically, while relative business sentiment and performance is trending upward, the latest quarter has introduced new hurdles to be overcome in 2021. Once again, the attention of businesses continues to narrow in on the finalisation of stimulus support. While significantly fewer businesses are pessimistic about a fiscal cliff, some feedback indicated decision making that may slow Queensland's economic recovery. Otherwise, global uncertainty appears to have peaked for businesses relying on international supply chains. Not only has transpiring COVID-19 outbreaks overseas softened expectations for returning international travel in 2021, but Australia's evolving trade relationship with China is also threatening Queensland exporters. While many factors will remain out of the private sector's control, diversification efforts are likely to remain necessary.

## KEY FINDINGS

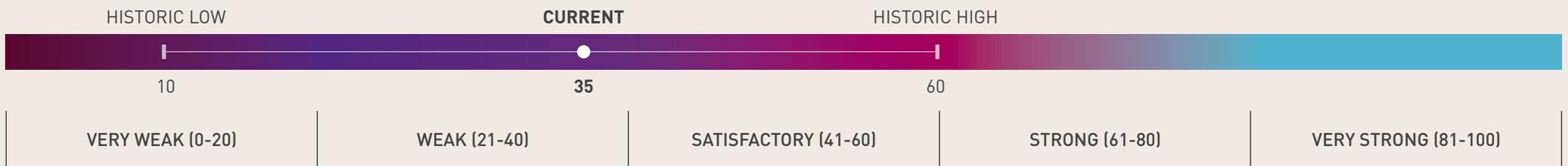
- 1 The Pulse Business Index (PBI) improved for the next 12 months and across all performance indicators
- 2 More than two-thirds of businesses are now confident in their survival when stimulus support is withdrawn
- 3 More than one-third of businesses reported increasing labour costs, despite employment levels remaining virtually unchanged
- 4 Declining profits remain a challenge for one in three business respondents

## KEY THEMES

- 1 COVID-19 vaccine sparks hope for the return to business as (un)usual
- 2 Businesses speculate the reality of recovery in 2021
- 3 Christmas border closures and snap lockdowns pummel business confidence
- 4 Global uncertainty peaks at the close of 2020

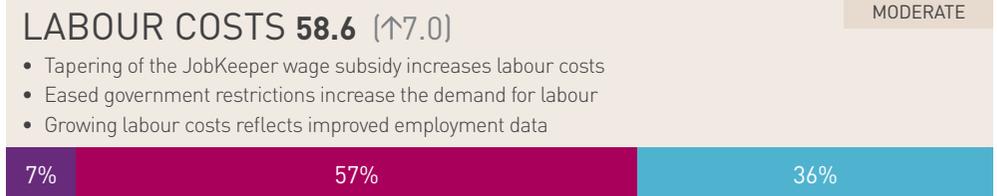
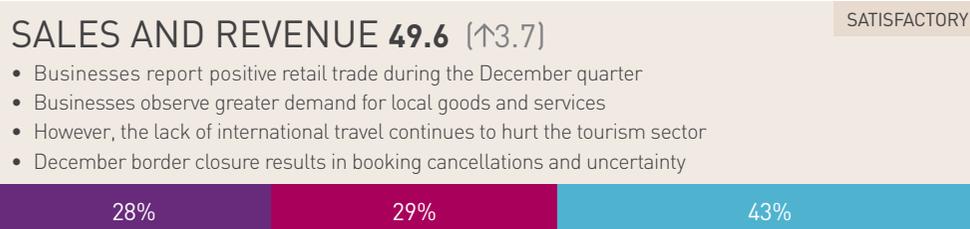
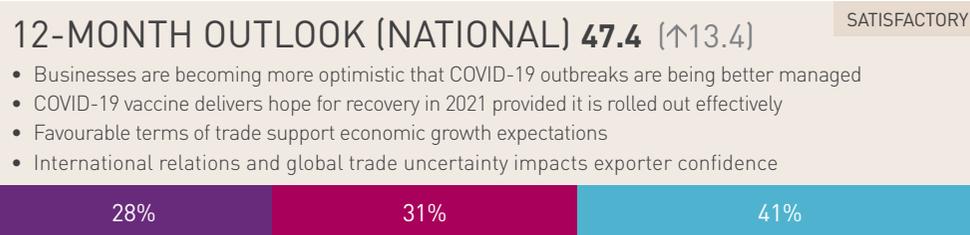
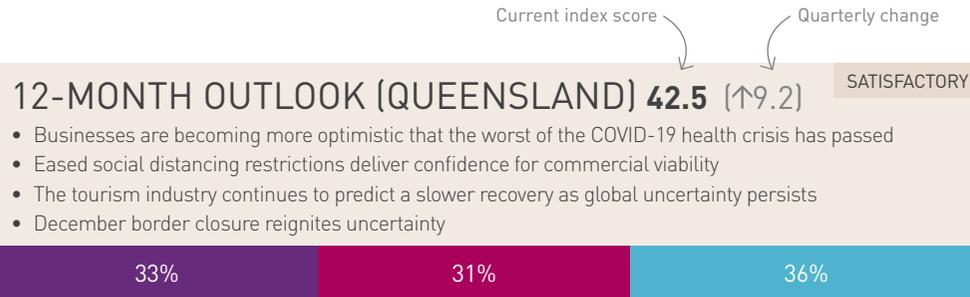
## WHAT IS THE PULSE BUSINESS INDEX?

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 that performance growth has remained neutral. On the other hand, a PBI reading above or below 50 would suggest that performance across the indicator has grown or fallen, respectively. The following scale is useful in interpreting the performance of the PBI indicator:



# SNAPSHOT

WEAKER SAME STRONGER



# 12 MONTH OUTLOOK: AUSTRALIAN AND QUEENSLAND ECONOMIES

Business confidence in the Queensland and national economic outlook rose sharply in the December quarter. Specifically, the PBI improved by 9.2 and 13.4 points for Queensland and Australia, respectively. The latest results reflected the third consecutive quarter of strengthening sentiment and the first 'satisfactory' result since the June quarter of 2019. The growing optimism reflects further easings of social distancing restrictions and a dramatic shift from travel holiday expenditure to spending in other areas. The optimistic outlook was also supported by the recently announced COVID-19 vaccine which will become available to at-risk individuals in February 2021.

Queensland businesses continue to be more confident in the future performance of the national economy. The gap between the two readings reached a new high for the 2020 calendar year, with the PBI for the State outlook being 4.9 points lower than the national index. So, what is setting Queensland apart from the rest?

## BUSINESS PERSPECTIVE:

- Queensland's exposure to the downturn in international tourism
- The mismatch between industry demand and available skilled workers
- Economic structure and Queensland's exposure to global trade disruptions
- The relative performance of Queensland before the COVID-19 crisis
- Greater prioritisation by the government of preventing COVID-19 community transmission compared to keeping the economy trading

## GENERAL OBSERVATIONS:

- Challenges at a state level are more relevant for businesses in Queensland
- Varying terms of trade for dominant commodities like iron ore in WA and coal in QLD
- Varying health response by the federal, state and territory governments has politicised the issue

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

### QUEENSLAND

TODAY (DEC '20) **42.5 (+9.2)** SATISFACTORY



LAST QUARTER (SEP '20) **33.3** POOR



LAST YEAR (DEC '19) **32.4** POOR



### NATIONAL

TODAY (DEC '20) **47.4 (+13.4)** SATISFACTORY



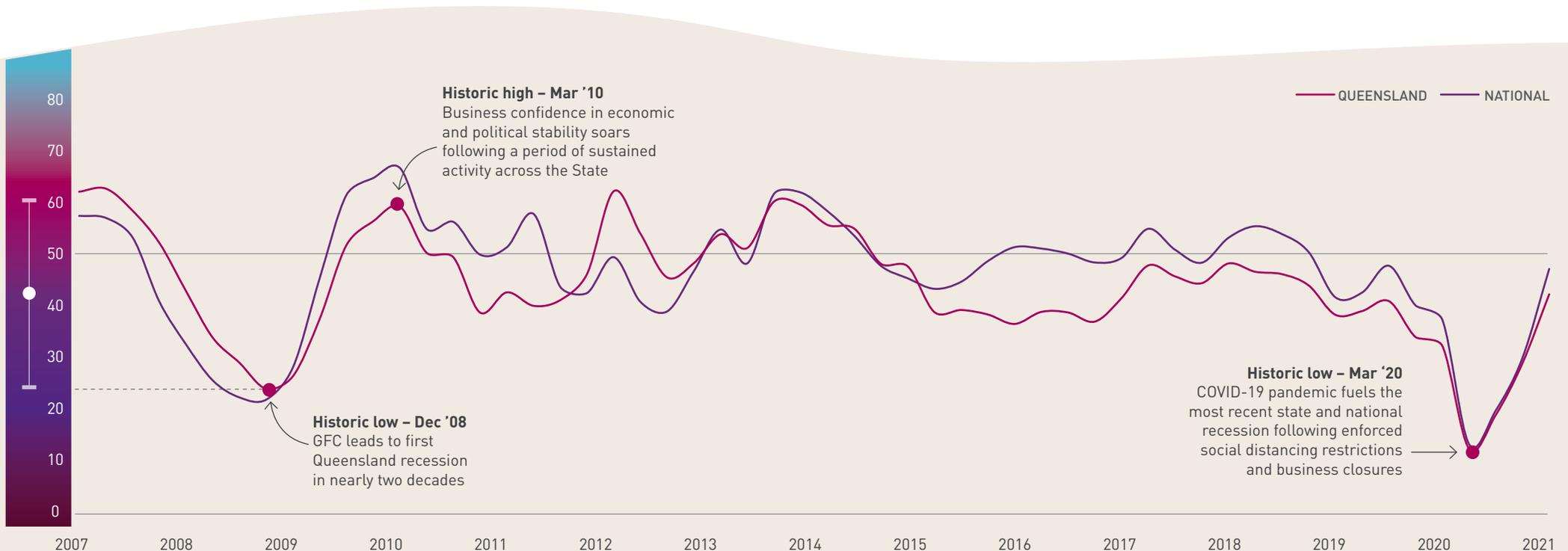
LAST QUARTER (SEP '20) **34.0** POOR



LAST YEAR (DEC '19) **37.5** POOR



WEAKER SAME STRONGER



# GENERAL BUSINESS CONDITIONS

General business conditions improved during the December quarter as businesses and consumers continue to display resilience. The PBI for operating conditions improved 7.9 points to 48.0, placing the indicator only two points below the 'business as usual' baseline (50.0). For the first time in 2020, the greater majority of businesses (41%) reported a stronger operating environment compared to the opposite. This finding follows Queensland's best quarter yet when reflecting on eased business restrictions. With the entire suite of staged restrictions being actioned, businesses benefited by service more customers, particularly during the peak demand period before Christmas and leading up to New Year celebrations.

General business conditions are forecast to improve in the March quarter (2021). Compared to December's results, the predicted 1.9 point improvement to a neutral reading of 49.9 reflects expectations that operating conditions will remain unchanged (46%). Currently, no additional stages of eased restrictions have been announced for regional Queensland; progress has also slowed in the Greater Brisbane region following the three-day lockdown in January (2021).

“ The rollout of the COVID-19 vaccination across Australia and internationally will drive a global recovery. I also hope that kneejerk restrictions will stop after the vaccine, giving businesses the confidence to grow and employ more people – Brisbane

“ The desire for people to buy locally made products has benefited businesses like my own – Sunshine Coast

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

TODAY (DEC '19) **48.0 (+7.9)** SATISFACTORY



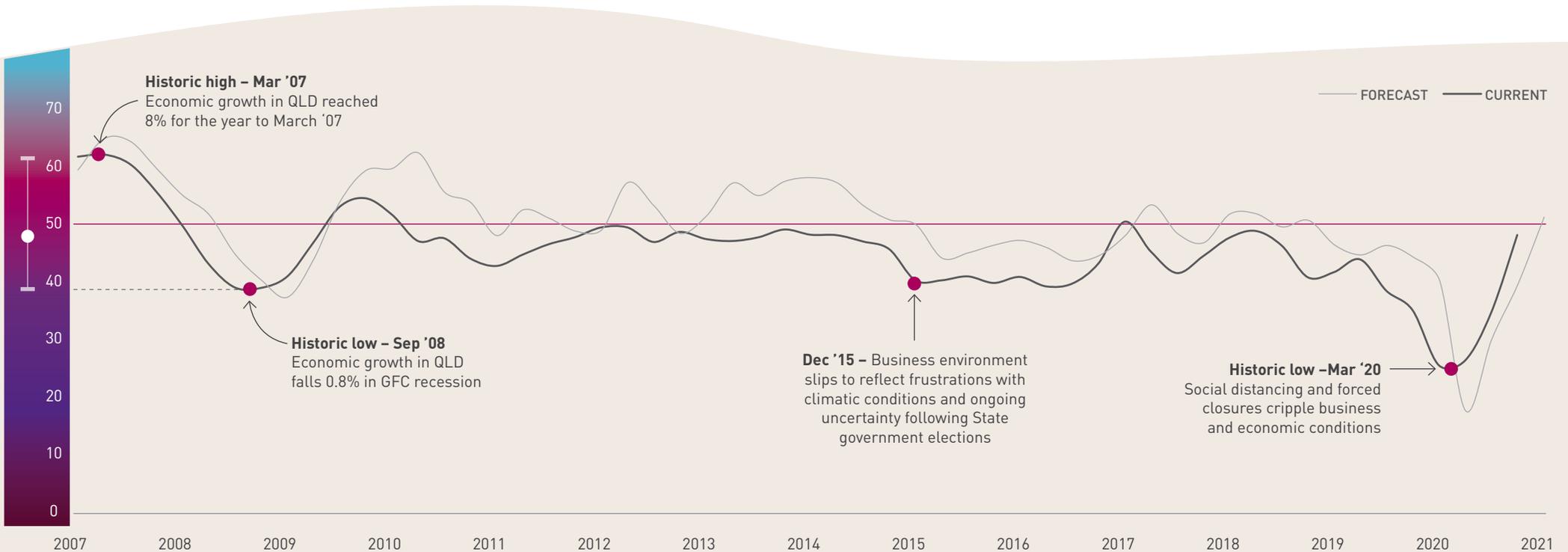
LAST QUARTER (SEPT '20) **40.1** POOR



FORECAST (MAR '21) **49.9 (+1.9)** SATISFACTORY



WEAKER SAME STRONGER



# SALES AND REVENUE

The trend of strengthening turnover continued in the December quarter following the collapse of the index during the March lockdown (2020). The PBI for sales and revenue gained an additional 3.7 points to 49.6 to reflect successful pre-Christmas trade and community support for small business. Seasonally adjusted data for retail turnover in Queensland supports this growing business sentiment (ABS 8501.0). Not only did consumers spend an additional \$1.5 billion in October and November compared to the two months prior, but retail trade was also up 13% on the same period last year. Even more, 60 per cent of the growth was attributable to discretionary sectors that suffered the worst of the downturn in the latter half of the 2020 FY. This supports business feedback regarding an observed shift in discretionary spending away from interstate or overseas holidaying.

Queensland businesses anticipate further growth over the next three months, albeit at a much slower rate than experienced in the December quarter. The PBI is forecast to grow by 0.9 points to a neutral reading of 50.5. Plateauing momentum reflects the consensus that trade will slow in the March quarter as stimulus support slows, and as business/ consumer spending patterns normalise.

- “ We are a local community-based business and believe that many locals are looking to support other locals where possible which has had a positive impact on us and our operations – Far North Queensland
- “ Domestic travel and tourism improved significantly in recent months. The Somerset region is far enough away from the primary effect area at this time, but anxiety still exists – Sunshine Coast
- “ There has been a lag in COVID conditions coming through the business pipeline. We have a long sales cycle, so I am only just starting to feel the effects of COVID instead of retail and tourism who felt it much more swiftly – Brisbane

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

TODAY (DEC '20) **49.6 (+3.7)** SATISFACTORY



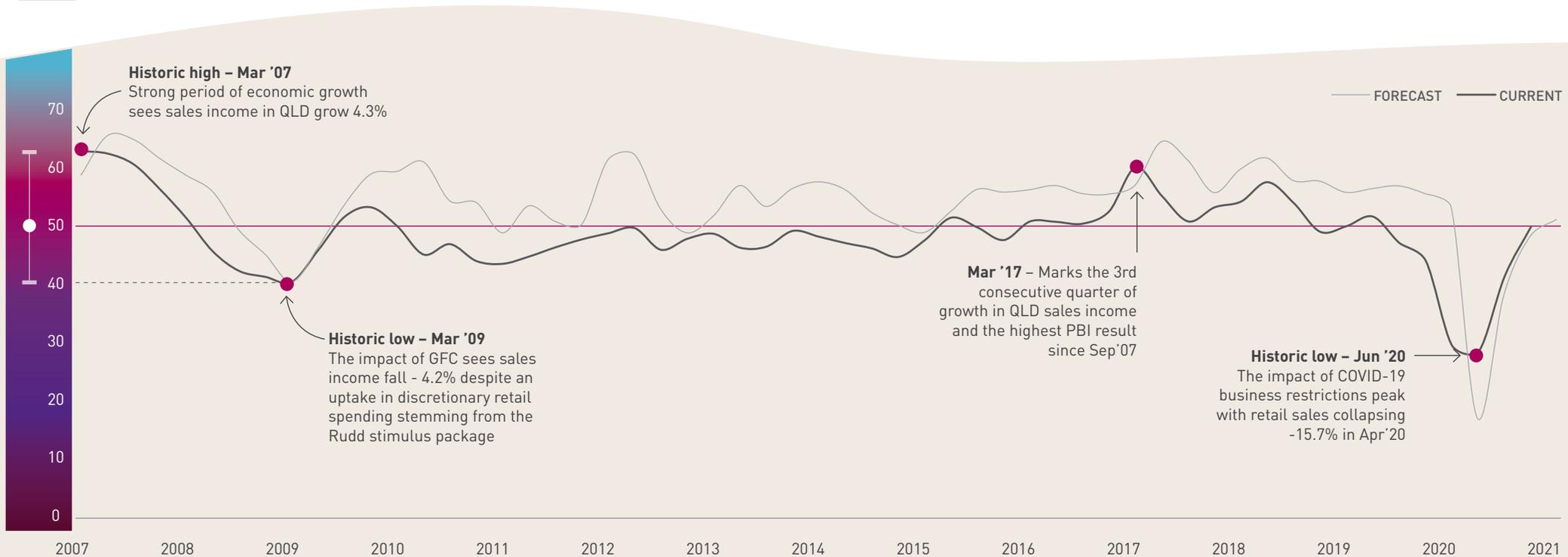
LAST QUARTER (SEP '20) **45.9** SATISFACTORY



FORECAST (MAR '21) **50.5 (+0.9)** - SATISFACTORY



DECREASED
  SAME
  INCREASED



Source/s: ABS 5676.0 Business Indicators, Queensland (seasonally adjusted), ABS 8501.0 Retail Trade, Queensland (seasonally adjusted)

# OPERATING COSTS

Businesses reported higher operational costs such as rent, electricity and insurance premiums during the December quarter. The PBI grew by 6.0 points to 60.6 after the absolute majority of businesses reported equal or greater costs (95%). Qualitative evidence echoes the September quarter findings where operational cost burdens are growing while business support is being reworded. Additionally, regional businesses continue to emphasise issues surrounding mounting insurance premiums amidst more volatile weather events. This finding has stressed the importance of a comprehensive review of recent reports published by the ACCC and the Australian Small Business and Family Enterprise Ombudsman.

Business costs are expected to become more significant in the March quarter. This follows a forecasted growth of 3.6 points to 64.2 in the New Year. Despite being expected to remain at high levels, it is worth mentioning that an index reading of 64.2 is still 5.8 points below the quarterly average since inception. This is almost certainly a reflection of the 'new normal' where social distancing requirements and a shifting attitude toward flexible working arrangements continue.

- “ The cost of our aviation insurance tripled compared to our last annual renewal due to impacts on the aviation industry – South West Queensland
- “ The initial Government COVID support is being decreased, and there is still a lot of uncertainty regarding how COVID will continue to affect our business – Gold Coast

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

TODAY (DEC '20) **60.6 (+6.0) HIGH**



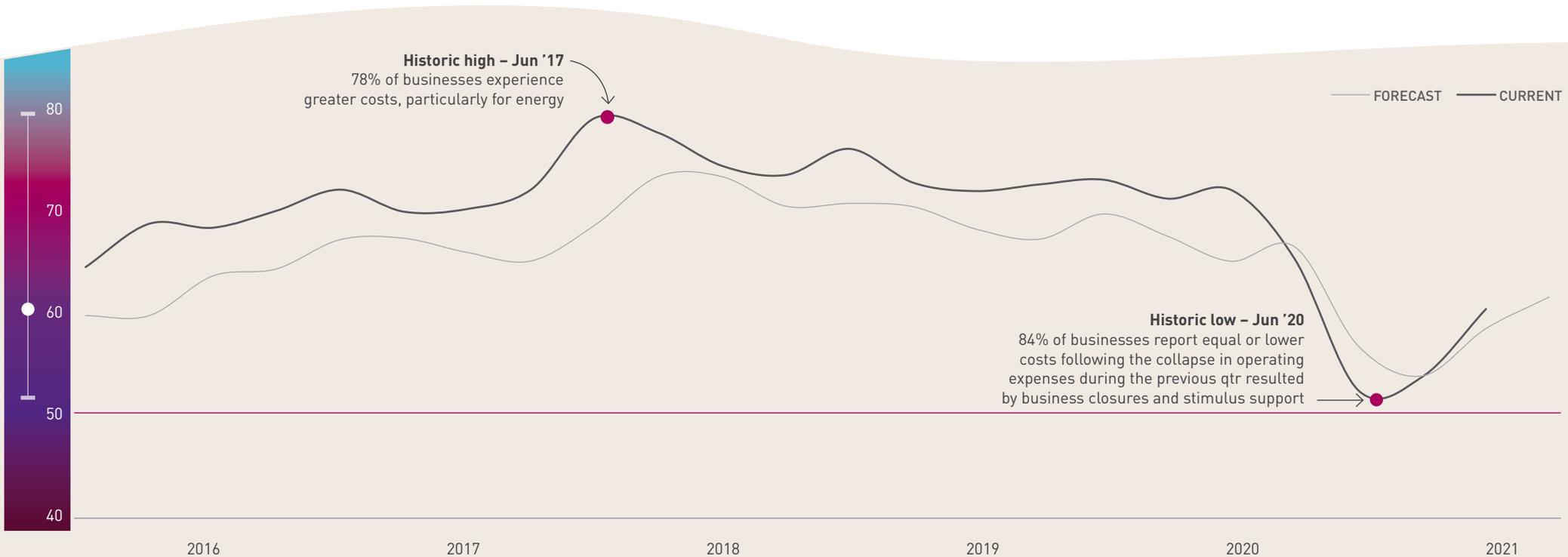
LAST QUARTER (SEP '20) **54.6 SATISFACTORY**



FORECAST (MAR '21) **64.2 (+3.6) HIGH**



DECREASED SAME INCREASED



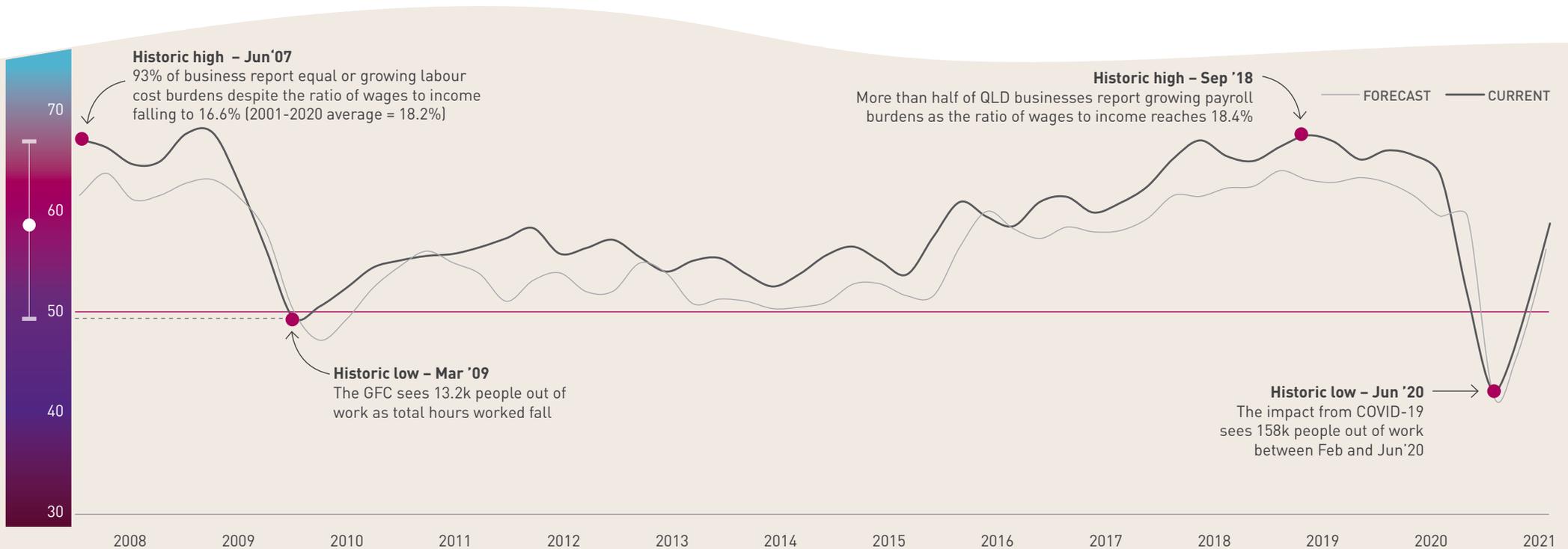
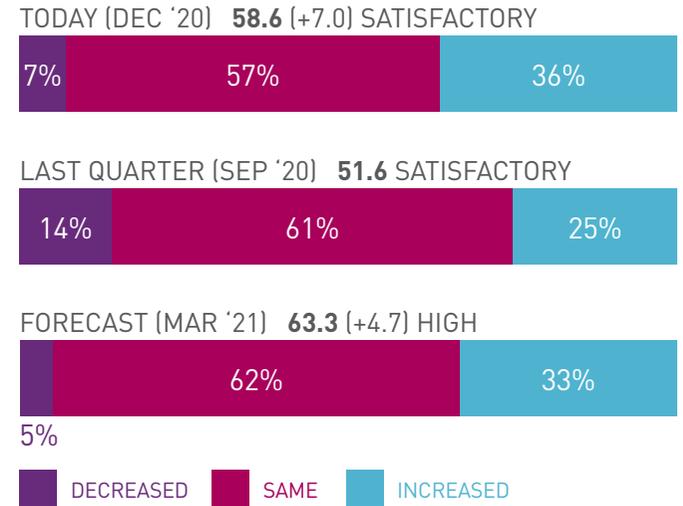
# LABOUR COSTS

Labour costs rose again during the December quarter as restrictions eased and labour recovery continued. Driven by the growing proportion of business reporting stronger wages (36%), the PBI climbed 7.0 points to 58.6. Like the September quarter, the updated index reading coincides with improved employment levels and revised JobKeeper payments that commenced on the 28th of September (2020). Interestingly, the index is now on par with the 10-year average, suggesting that relative wage cost burdens have normalised despite the JobKeeper wage subsidy still being accessible until the 28th of March 2021. It is likely that until businesses fully recover, increasing labour costs are likely to come at the expense of hours worked and economic productivity.

Businesses expect wage burdens to grow an additional 4.7 points to 63.3 during the March quarter of 2021. This is almost certainly a reflection of the final revision to the JobKeeper payment coming into effect on the 4th of January, before concluding on the 28th of March (2021).

- “ There was an increase in employment opportunities when COVID restrictions eased, and more workers were required – South West Queensland
- “ Due to the effect of wage subsidies ending in March, a recalibration will occur by employers relating to casual and full-time employment throughout the remaining 2021 – Gold Coast
- “ Because of the Christmas period, it is not easy to compare labour costs with the previous two quarters – Brisbane

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



Source/s: ABS 5676.0 Business Indicators, Queensland (seasonally adjusted), ABS 8501.0 Retail Trade, Queensland (seasonally adjusted)

# PROFITABILITY

Profitability improved slightly during the December quarter. The PBI grew by 2.5 points to 40.7, reflecting the first satisfactory result since the September quarter of 2018. Despite recovering in part from the COVID-19 crisis, the latest reading now sits above the 10-year average of consistently low index scores following the March quarter of 2009 when the GFC effects peaked. Nearly one-third (30%) of businesses in December reported stronger profitability and compares to observations over the previous decade that have averaged only 19 per cent. The PBI is expected to grow at a similar rate during the March quarter (2021) as nearly two-thirds of Queensland businesses anticipate equal or greater profits. However, with the reality of recovery not expected to be known until stimulus support is removed, it is feared that profitability may have an extended period of underperformance similar to periods following the GFC.

- “ Our business profits increased in the downtimes as customers spend more on marketing to improve their own profitability – Gold Coast
- “ The loss of the JobKeeper allowance and poor Australian relationship with China will make profits difficult for my company – Sunshine Coast
- “ It is going to be difficult for everybody to reinvent and change their way of doing business. Many were already struggling with profitability which will make it difficult for cautious businesses to invest their remaining capital – Sunshine Coast

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

TODAY (DEC '20) **40.7 (+2.5)** SATISFACTORY



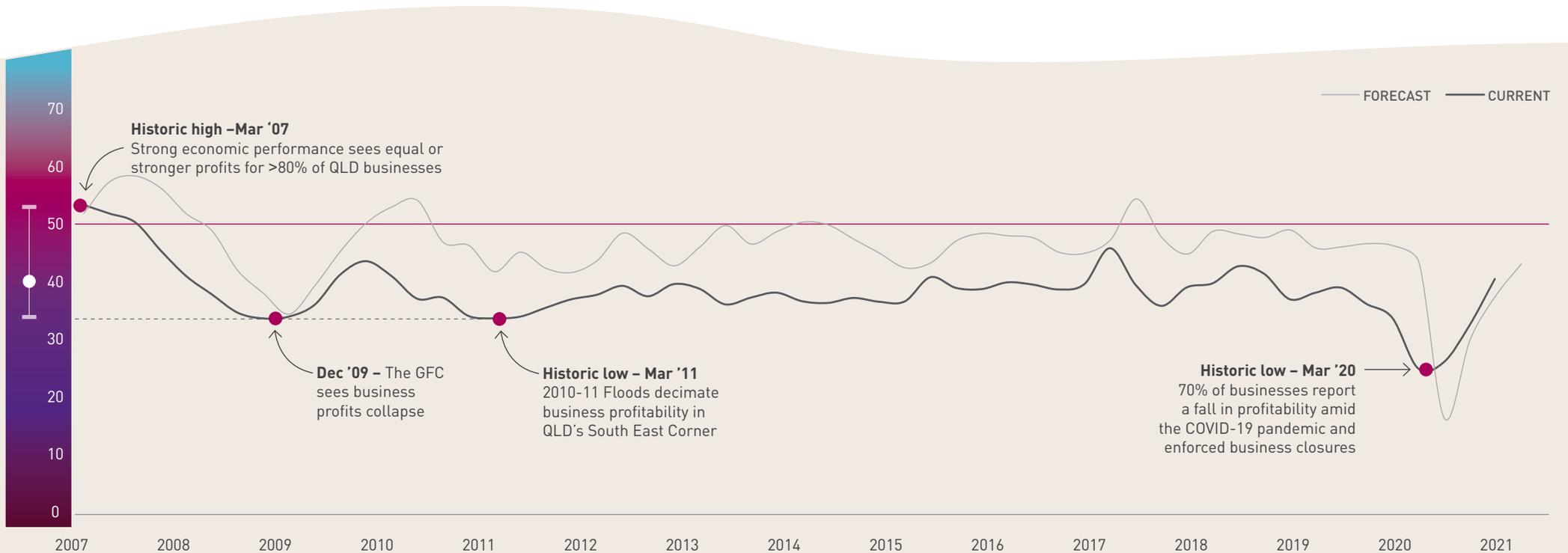
LAST QUARTER (SEP '20) **38.2 POOR**



FORECAST (MAR '21) **41.7 (+1.0)** SATISFACTORY



DECREASED SAME INCREASED



# EMPLOYMENT LEVELS

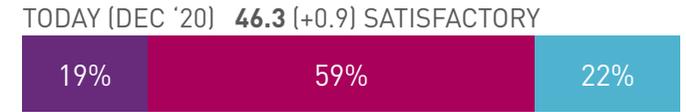
The Pulse Index for employment increased, reflecting seasonal employment and the trend of businesses re-engaging stood down workers. Despite a notable shift in the proportion of businesses reporting weaker or stronger levels, the PBI grew by only 0.9 points to 46.3. Labour force data published by the Australian Bureau of Statistics supports the recovery following an additional 41,500 Queenslanders finding work during the December quarter; compared to the improvement of 89,900 observed in September.

The PBI for employment levels will be challenged by tapering JobKeeper support and difficulties sourcing new employees. Regardless, the March quarter results are forecast to grow an additional 1.6 points to 47.9. This is primarily a reflection of fewer businesses anticipating having to decrease their workforce. However, rising employment levels will only be possible if businesses continue to experience stronger sales and an improvement in their profitability levels.

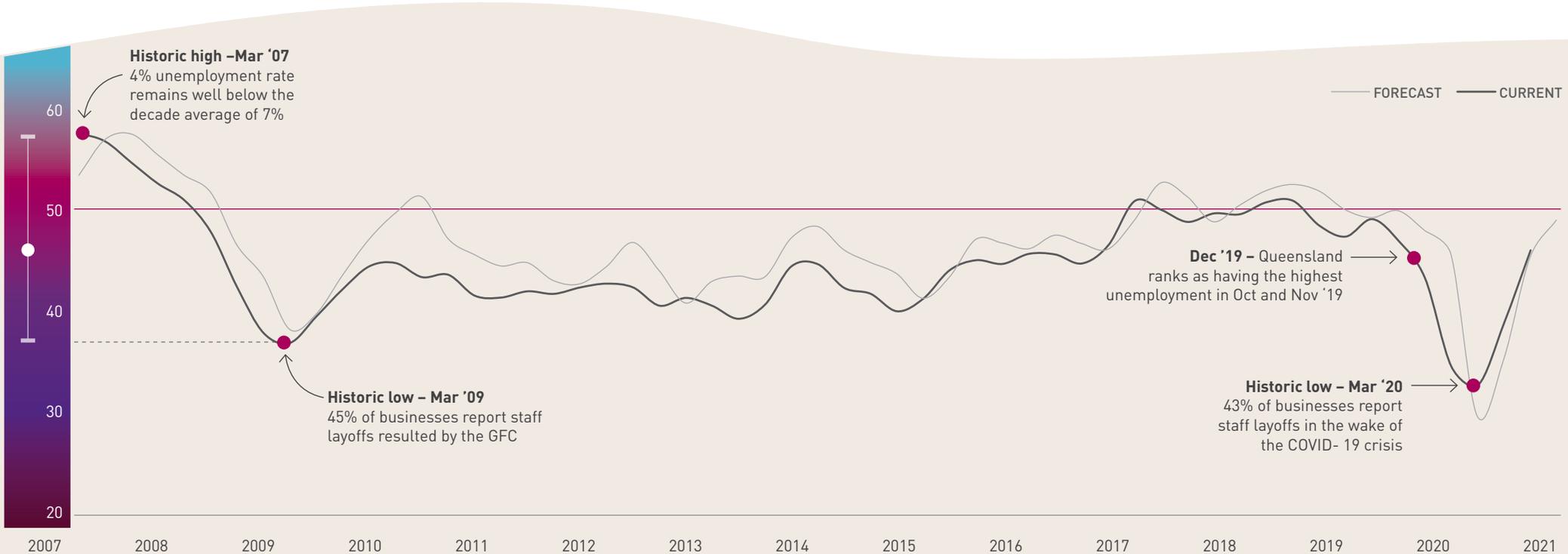
- Important Dates:**
- 1) 4th January 2021 – JobKeeper payment cut
  - 2) 28th March 2021 – JobKeeper payment ends
  - 3) 31st March 2021 – JobSeeker supplement ends

- “ People are starting to get back to work as unemployment and wage subsidy payments reduce. This has made it easier to find workers compared to previous months – Central Coast
- “ I fear that Jobkeeper is creating a false view for consumers and businesses regarding their income position. This could have a negative impact on businesses when payments end – Far North Queensland

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



DECREASED SAME INCREASED



# CAPITAL EXPENDITURE

The trend of businesses deferring capital expenditure in the wake of the COVID-19 crisis slowed again during the December quarter. Due to fewer businesses reporting weaker investment, the PBI grew 2.4 points to 46.0. Driving the momentum of business investment has been two key factors. Firstly, due to low inflation and productivity, the Reserve Bank of Australia has cut the cash rate to a new historic low of 0.10 per cent. As a result, the average interest rate for outstanding small business finance has fallen 13 per cent to 4.58% per annum. Businesses also sight a shift in project priorities as they leverage investment incentives and seek to diversify their operations. Business investment is forecast to fall slightly in the March quarter of 2021. This finding is perhaps a reflection of future uncertainty as businesses budget for the year ahead.

“ The Australian economy will be influenced by the management of Covid 19 and government stimulus encouraging investment and employment – Central Coast

“ Federal government incentives have supported business growth and investment – Brisbane

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

TODAY (DEC '20) **46.0 (+2.4)** SATISFACTORY



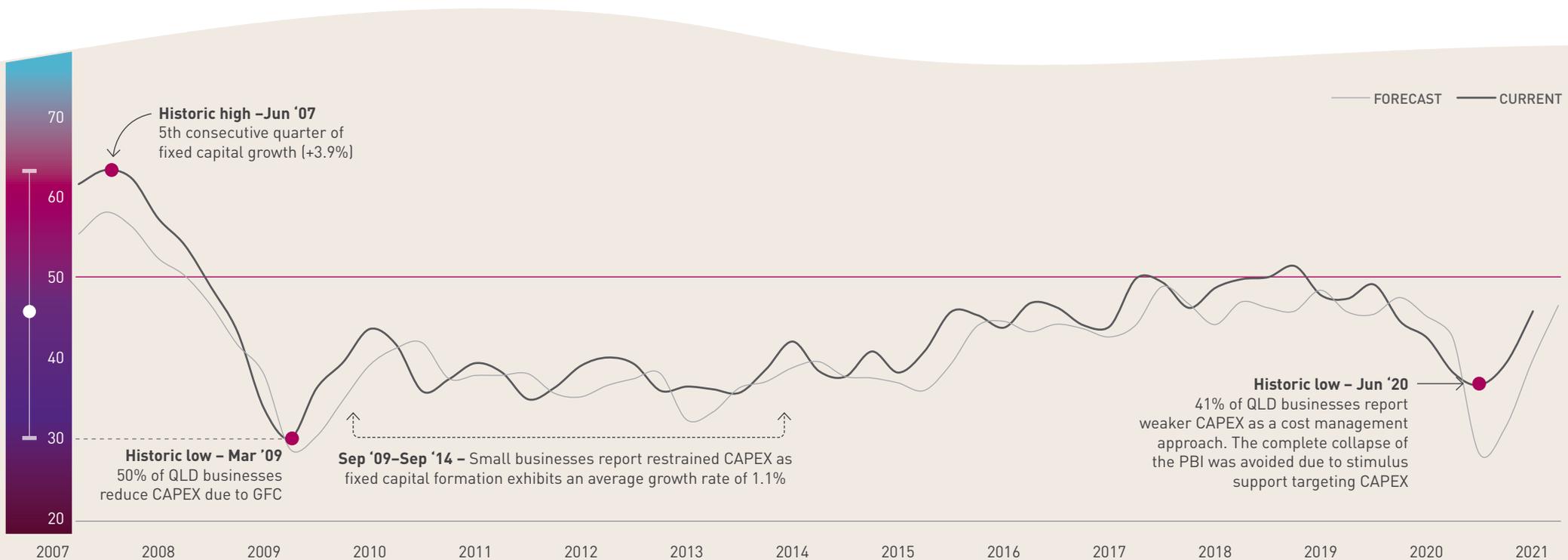
LAST QUARTER (SEP '20) **43.6** SATISFACTORY



FORECAST (MAR '21) **45.0 (-0.9)** SATISFACTORY



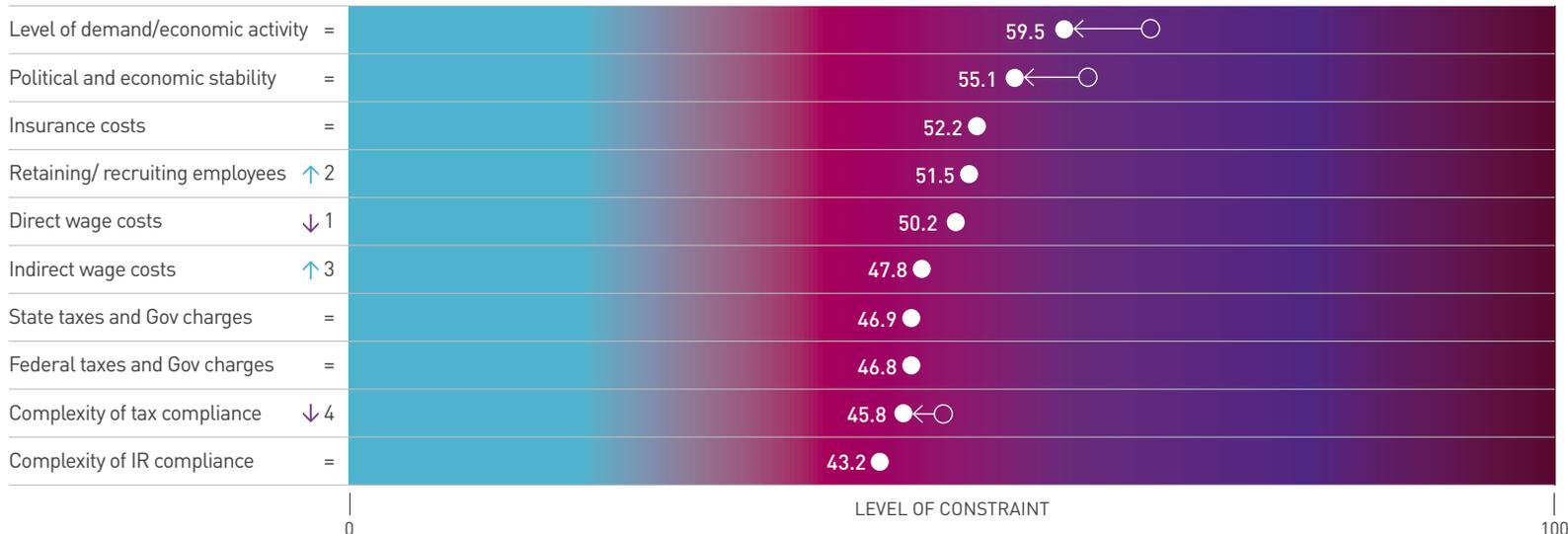
DECREASED SAME INCREASED



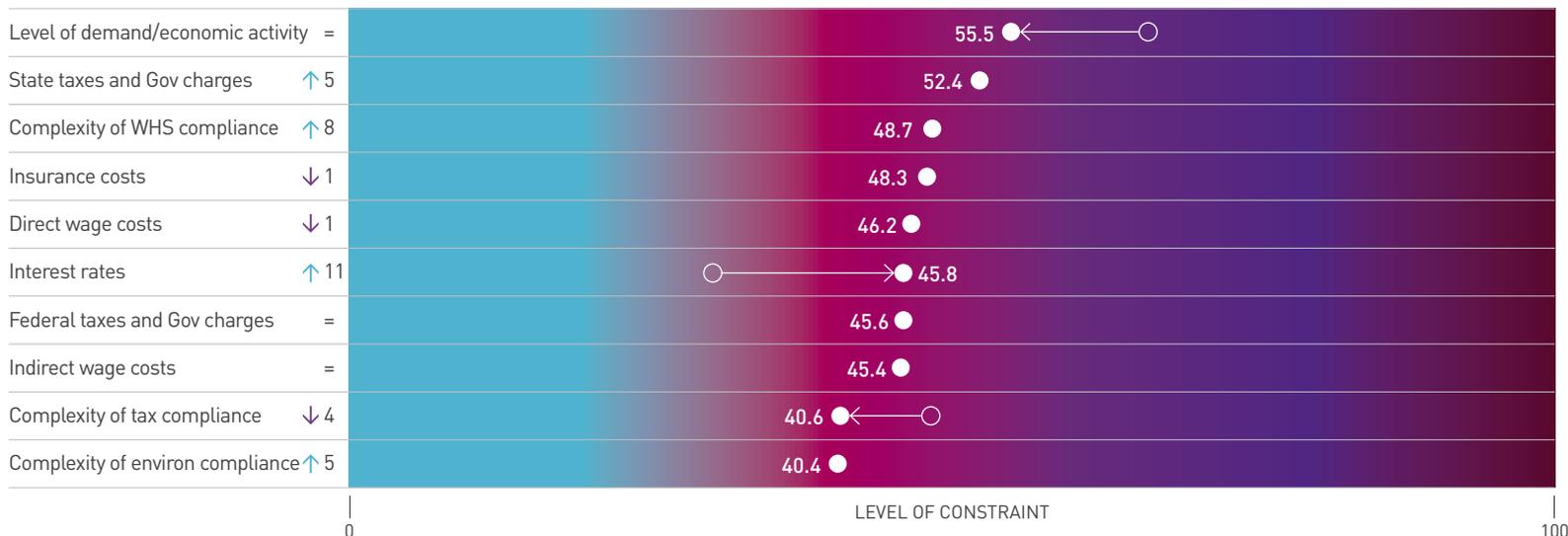
# MAJOR CONSTRAINTS ON BUSINESS GROWTH

## STATEWIDE

LEGEND:    ↑ 2    QUARTERLY CHANGE    ● CURRENT    ○ PREVIOUS



## SMALL BUSINESS



## STANDOUTS

Once again, the primary constraint on Queensland businesses is the level of customer demand for goods and services and overall economic activity. This constraint has been firmly entrenched in the top ranking since June 2019 where the index has averaged 65.6 points. Similarly, political and economic stability remains the second-highest constraint and reflects ongoing uncertainty around the economy amid the COVID-19 pandemic. This constraint is expected to continue until the pandemic is contained and global disruptions normalise. The next three constraints are in business cost areas, including insurance and employment-related expenses (see Operating Costs).

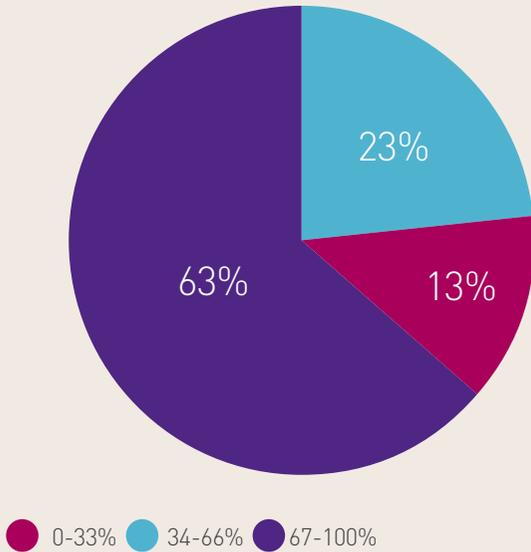
## SMALL VS LARGE BUSINESS ISSUES

The top constraint for small business was also the level of demand and economic activity. Despite remaining high, it is worth noting that the index fell 12.2 points since September to reflect improved conditions during the December quarter. Interestingly, state taxes ranked as a significantly greater constraint for small businesses and was the only other restraint ranking above the neutral baseline. This is likely a reflection of business frustrations around the inefficiencies of state taxes and transfers. Small businesses often stress that bold taxation reform will be vital in recovering from COVID-19 and stagnant productivity growth.

# HOT TOPIC SURVEY

## PROGRESS OF RECOVERY

Businesses have continued to recover from what was left of their business following the COVID-19 economic crisis. While only 14 per cent of respondents have recovered fully, nearly two-thirds have at least recovered between 67-100 per cent of their pre-COVID trade. The ongoing concern for the Queensland economy is the remaining 86 per cent of small businesses that are still being significantly impacted despite approaching the end of state and federal stimulus support.



## BUSINESS SURVIVAL WHEN GOVERNMENT STIMULUS ENDS

At the close of 2020, businesses are mostly optimistic for their ongoing sustainability when stimulus support ends. Following a mostly positive December quarter, the proportion of optimistic respondents grew to over two thirds (67%). This finding does not suggest that challenges aren't still present. There remains 32 per cent of businesses that believe their operation may cease in 2021 due to persisting challenges stemming from the COVID-19 crisis.

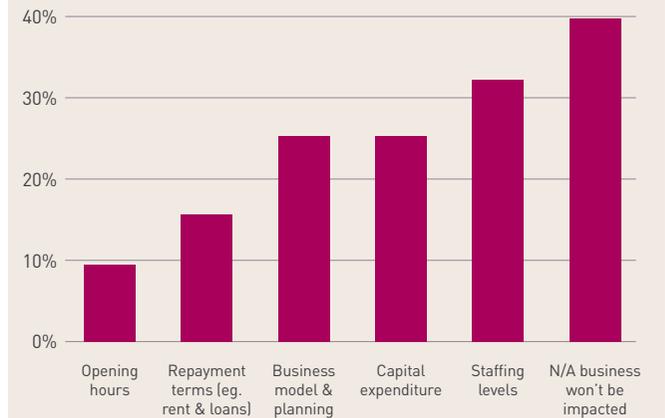
### HOW LONG CAN BUSINESSES SURVIVE WITHOUT STIMULUS SUPPORT?



## IMPACT TO BUSINESS WHEN STIMULUS SUPPORT ENDS

Queensland businesses remain cautious over any sustained recovery when government support ends. One-third of respondents forecast the need to cut staffing levels which is primarily a reflection of the JobKeeper wage subsidy ending in March. Alternatively, planned capital expenditure is also expected to slow as the private sector doubles down on recovery efforts.

### BUSINESS IMPACT (SELECT MULTIPLE)



## BUDGETING FOR BUSINESS\*

While Queensland only recently received the 2021 Budget, CCIQ is already seeking advice from businesses for what is needed moving forward. To the right are the top three small business priorities to date.

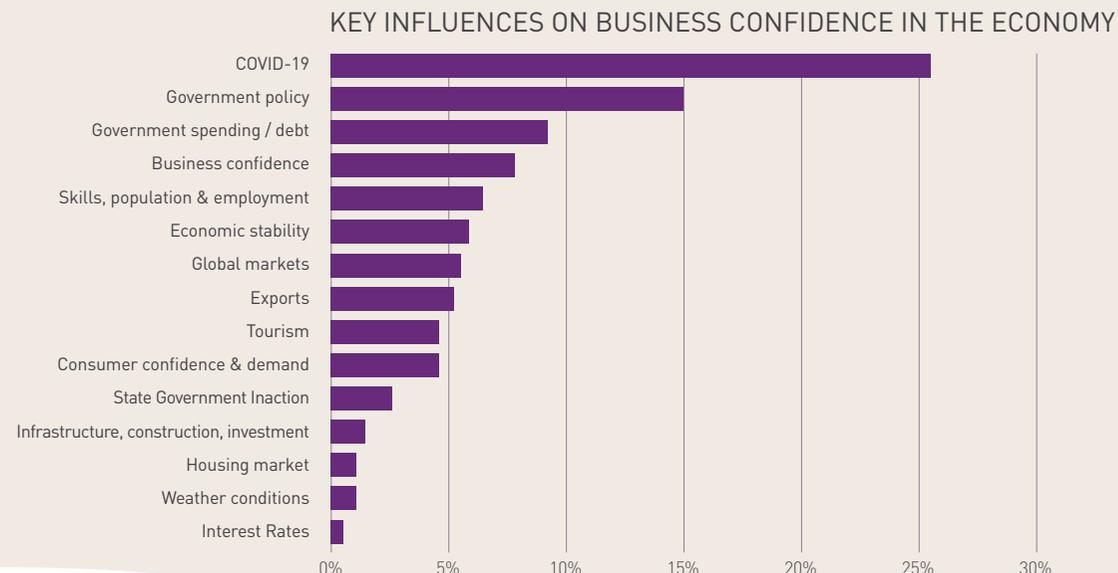
\*Percentage of businesses calling for state government action in the 2021-22 Queensland Budget

**#1 PAYROLL TAX REFORM (54%)**

**#2 INVESTMENT INCENTIVES FOR SUSTAINABLE PRACTICES (41%)**

**#3 INVESTMENT IN UPSKILLING AND RETRAINING (40%)**

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



## COVID-19 vaccine sparks hope for the return to business as (un)usual

The December quarter confirmed a full calendar year where COVID-19 led qualitative findings from small businesses (26%). While in the previous three reports, sentiment centred around the health response and global economic downturn, businesses are now cautiously optimistic for the future. This shift has been predominantly driven by announcements of a vaccine becoming available as early as February 2021. However, in no way will the vaccine be a silver bullet to reverse the global economic damage caused.



Confidence has risen on the understanding that there will be a COVID-19 vaccine in the near future. This will allow greater movement and less lockdown and assist all sectors, particularly tourism and hospitality. There will still be up and down movements in actual cash depending on the availability of discretionary spending when income support ends – Brisbane

## Businesses speculate the reality of recovery in 2021

While the initial government stimulus has been instrumental in the recovery to date, businesses are focusing on maintaining momentum without assistance. Particularly, industries fear a trend of plateauing employment growth and rising underemployment following the impending cut to JobKeeper payments before the stimulus is removed in March. Also, With select regions and industries facing a longer recovery, additional support may become necessary.



I am concerned that Government stimulus is being wound back, while public health orders are still in place. With state borders continually closing and international borders remaining closed it isn't giving much of a light at the end of the tunnel. We are now more concerned with subsidies like JobKeeper and seeker being reduced and ending in March – Far North Queensland

## Christmas border closures and the snap lockdown hurts Tourism confidence

Overall, tourism businesses reported a relatively successful quarter following the observed trend of Queenslanders opting to travel within the state. However, if there has been one takeaway from the COVID-19 crisis, it is that uncertainty has a lasting implication on travel decisions. Specifically, the border closure to areas in NSW, Queensland largest interstate tourism market, resulted in a wave of cancellations during a period of peak demand. This and the more recent Brisbane lockdown are timely reminders that COVID-19 remains a threat to any sustained economic recovery.



Constant border closures and uncertainty has resulted in a new wave of booking cancellations. When budgeting for the New Year, we now have to cancel tours because of low booking numbers – Central Queensland

## Global uncertainty peaks at the close of 2020

Whether relating to COVID-19 outbreaks, US politics or Chinese trade relationships, businesses uncertainty has peaked. Businesses are now particularly focused on reports of new trade tariffs being imposed on Queensland products at Chinese borders. Consequently, businesses are currently seeking alternative export opportunities in consultation with peak industry bodies across Australia and overseas.



We need to sort out the China trade issues asap as this has already affected our business. Exports have fallen by 30% with China now accounting for less than 10%. Provided that we can find new markets, we will be fine in the long term but will struggle in the short term. I predict that the same issue will play out for other exporters – Brisbane

# THE VOICE OF QUEENSLAND'S BUSINESS COMMUNITY



As people come off job keeper, my feeling is the economy will tighten up. We have noticed a strong desire by our customers to purchase our Australian made products; this mindset is taking momentum everywhere and should boost the local economy – **Sunshine Coast**



The continued closure of our international borders, coupled with an increase in COVID numbers, will result in the closure of state borders, and possibly even the closure of certain areas – **Wide Bay**



Due to the adaption grant, our digital visibility is now stronger which led to new enquiries received by the end of December 2020 – **Gold Coast**



I am worried about the large amount of money that both state and federal governments have borrowed throughout 2020. At some stage this will need to be paid back – **Central Coast**



Business confidence will hopefully grow as a result of the vaccine making them more comfortable to invest and employ more people – **Brisbane**



In our industry, we are dependent on the real estate market. The Gold Coast is currently booming, and therefore there will be plenty of opportunities for growth in most businesses over the next three months – **Gold Coast**



No work has meant lower operating costs, although fixed costs (utilities, rates, insurance, etc) continue to be a huge burden – **North Queensland**



Coronavirus has forced people to complete a stocktake and look at management techniques. This will positively affect our business in the long run – **Sunshine Coast**



Being in accommodation, the cancellations are killing us. Because of COVID restrictions, customers are often forced to cancel their bookings on short notice. In December, the closure came so close to Christmas that we didn't get a chance to take in new bookings. The uncertainty is the biggest problem – **South West Queensland**



We are a local community-based business and believe that a lot of locals are looking to support other locals where possible which has had a positive impact on us and our operations – **Far North Queensland**



China and its trade restrictions pose a new threat to Queensland. Provided the private sector and universities can find new markets, then we will be okay in the long term. Otherwise, the vaccine rollout should help to open up our domestic and international borders – **Brisbane**



It is concerning to think that the Coronavirus may have dampened the confidence of Queenslanders wanting to open a new business – **Central Queensland**



The Credit squeeze - although the claims are contrary, borrowers are losing interest because of the hurdles and difficulty being put in place by the big four. Often this includes demands of changes and extra securities midstream in the applications. Often solid applications are taking up to six months – **Brisbane**



Good strong policies by the state and federal government will be essential in getting the economy back stronger and faster – **Brisbane**

## COVID-19 BUSINESS RESTRICTIONS



# ABOUT PULSE

The Pulse Survey has measured Queensland business confidence and expectations for over 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 1st to 22nd of January 2021 and examined business sentiment and activity throughout the December quarter (2020). 1,450 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).**

# PULSE BUSINESS INDEX

The analysis undertaken by CCIQ in the preparation of this Pulse Survey Report is based on survey responses from Queensland business. The report uses the seasonally adjusted PBI as well as the (base) statistical data provided from the survey responses to effectively measure respondent's views as to how current or future activity (eg. three months ahead) compares with the previous quarter.

The following guide is useful in interpreting the PBI results into broad indicative performance classifications.

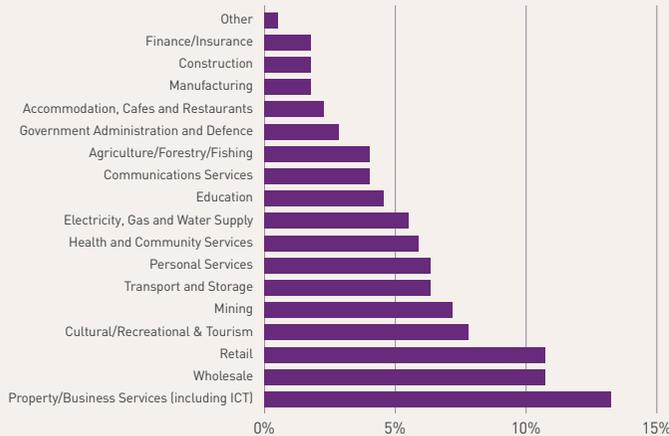
Very Weak	0 – 20
Weak	21 – 40
Satisfactory	41 – 60
Strong	61 – 80
Very Strong	81 – 100

The Pulse Business Constraints Index (BCI) measures the level of key impediments on business growth. The following guide is used in interpreting the BCI results.

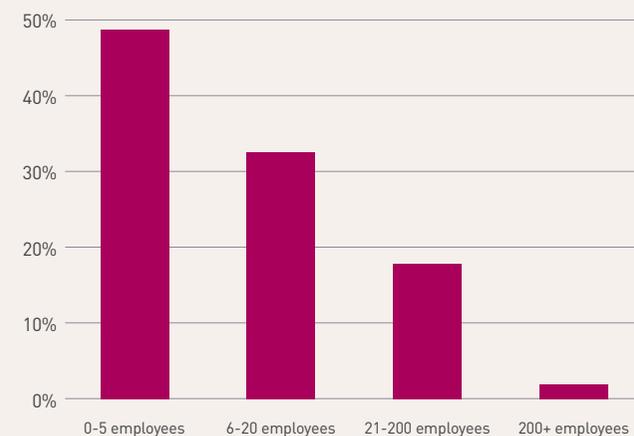
### Degree of Constraint Index

No Constraint	0 – 20
Slight Constraint	21 – 40
Moderate Constraint	41 – 60
Large Constraint	61 – 80
Critical Constraint	81 – 100

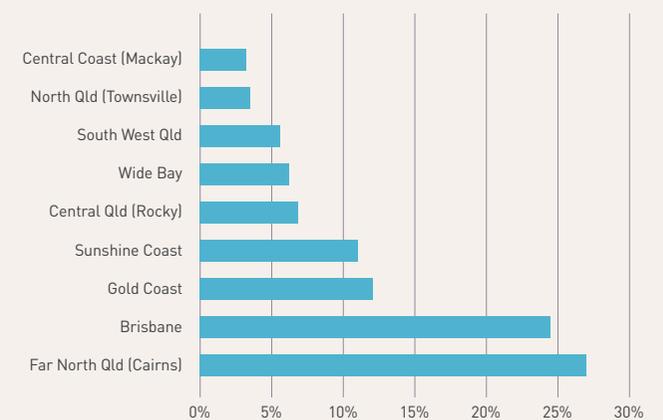
## INDUSTRY REPRESENTATION



## SIZE OF ORGANISATION



## REGIONAL REPRESENTATION



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