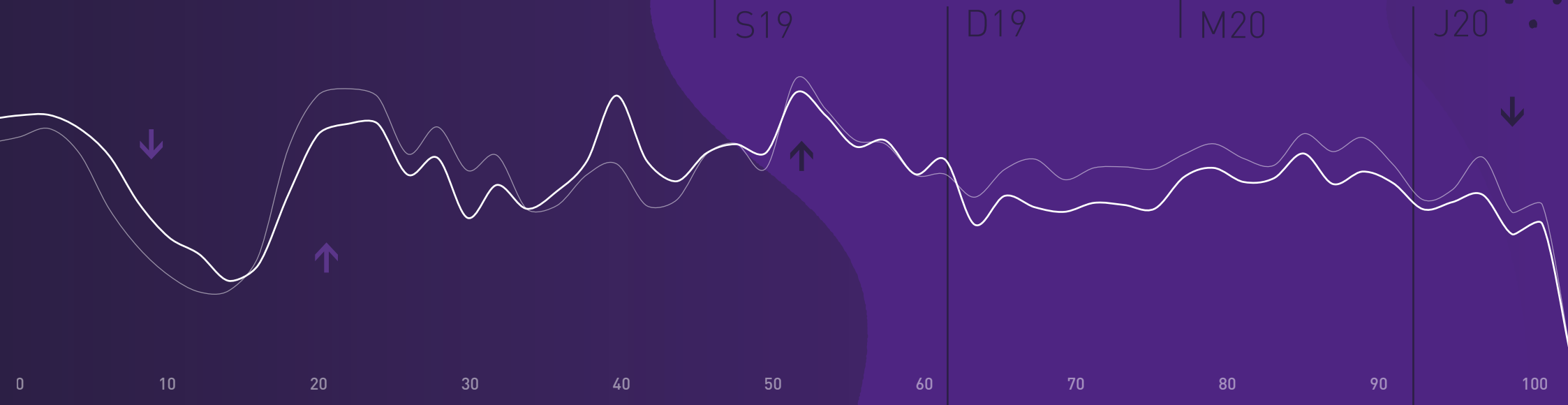


CCIQ PULSE SURVEY OF BUSINESS CONDITIONS

JUNE QUARTER 2021



JUNE QUARTER OVERVIEW

Latest results for the Pulse Survey in the June Quarter indicate that Queensland's economy and business community are not out of the woods yet and that our recovery remains in the balance.

The overall results are slightly negative but represent small changes rather than large movements and hopefully are a case of 'two steps forward with one step back' as opposed to 'one step forward with two steps back'. In short the June quarter's results indicate that Queensland's economic recovery is far from assured.

The 12 month outlook, general business conditions, total sales revenue and employment levels have all fallen in the June quarter compared to the March quarter. With the exception of employment levels they remain slightly above 50 indicating only marginal growth but are all well above this time last year and the long term 10 year trend.

There are concerns around record increases in labour costs, high operational costs that have caused profitability to deteriorate and capital expenditure to be placed on hold. There is also evidence that the recent improvement in our State's labour market may have reached a premature end.

Furthermore, expectations for the September quarter are fragile. There is re-emerging uncertainty associated with shut downs interstate associated with the delta variant of COVID-19 and slow vaccine roll out. These are undermining business confidence and in turn recovery.

This quarter's Pulse also quantifies the significant economic cost of the SEQ and Townsville shutdowns. Quite tellingly the survey results indicate that claims our business community have successfully transitioned off business assistance and stimulus measures may have proved hasty. When asked at what level businesses are currently

operating at compared to March 2020, before the COVID-19 Economic Crisis, 46.7 per cent of businesses indicated that their level of recovery is at less than 50 per cent.

It is little wonder that over two in five businesses indicate that either they as a business owner or someone within their business have experienced mental health challenges associated with COVID-19 stressors.

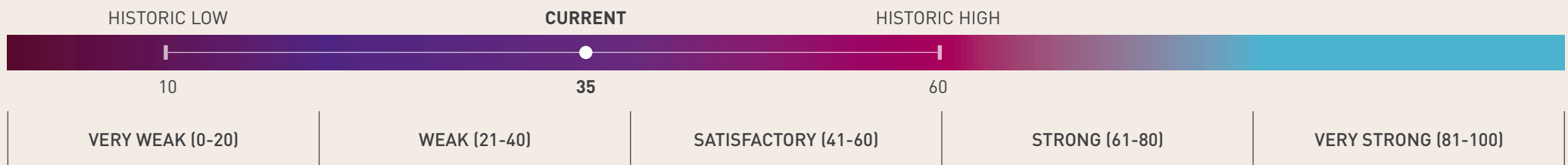
Major issues raised in this quarter's Pulse Survey include:

- COVID-19 outbreaks and the ongoing uncertainty that it creates;
- Government responses to COVID-19 including lockdowns, business restrictions and both international and domestic border closures;
- Removal of Government business support and stimulus measures;
- Lack of consensus on above issues with wide variation in business views;
- Efficiency, effectiveness and accelerated roll-out of our National vaccination program;
- General erosion of business confidence in State and Federal Government;
- Supply chain disruptions and associated rising input costs;
- Deterioration in trade relationship with China; and
- Both skilled and unskilled labour shortages across Queensland.

With over 1,000 Queensland businesses telling CCIQ their views there is no other finger on the Pulse that conveys the richness of information on business and economic performance in Queensland.

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 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 (QUEENSLAND) 55.0 (↑0.3)

SATISFACTORY

- Queensland's business confidence has plateaued but remains considerably above this time last year and the longer term trend (10 year average: 44.1).
- The 12 month outlook remains virtually unchanged with the index at 55.0 (up 0.3) indicating slightly strengthening growth prospects.
- Surprisingly Queensland businesses continue to believe the National economy will outperform the State economy over the next twelve months.

2%

38%

36%

12-MONTH OUTLOOK (NATIONAL) 58.7 (↓5.5)

SATISFACTORY

- Business confidence in the Australian economy over the next twelve months has dipped by 5.5 points to 58.7 but continues to indicate satisfactory growth prospects.
- The Index decline indicates that Australia is not yet out of the woods with lockdowns to combat the delta COVID-19 variant and slow vaccine roll out hindering confidence and in turn recovery.
- The positive takeaway is the Index remains 39 points up on this time last year and above the ten year average of 47.5.

22%

39%

39%

GENERAL BUSINESS CONDITIONS 54.4 (↓3.9)

SATISFACTORY

- The recent improvement in business conditions stalled in the June quarter largely as a consequence of sales tapering, rapidly increasing labour and operational costs squeezing business profitability.
- The latest index score of 54.4 sees a decline (-3.9) on the March quarter PBI of 58.3 but remains considerably above this time last year (26.0) and also well above its 10 year average of 44.0.
- General business conditions are expected to further ease in the September quarter with an expected PBI of 52.5.

30%

34%

36%

SALES AND REVENUE 53.3 (↓4.5)

SATISFACTORY

- The sales and revenue PBI of 53.3 is 4.5 index points down on the previous March quarter index of 57.8 and is the first reduction recorded for this indicator since the June quarter of last year.
- The tapering in sales revenue during the quarter is consistent with the progressive easing of stimulus measures coupled with re-emerging uncertainty and another 3 day lockdown in SEQ and Townsville which covered 65 per cent of the Pulse Survey sample.
- On average businesses believe they are only half way through recovering lost business activity as a result of the COVID-19 economic crisis.
- Total sales revenue is expected to remain above 50 in the September quarter, albeit only fractionally with a PBI of 51.6.

33%

29%

39%

OPERATING COSTS 68.1 (↑4.0)

HIGH

- Operating costs during the June quarter 2021 continued to rise with the PBI increasing by 4.0 index points from 64.1 in the March quarter to 68.1.
- Rent, utility and insurance costs have started to rise as a result of a cessation of assistance relief coupled with global supply chain shortages fuelling business input price rises as switching occurs to more expensive domestic suppliers but also overseas suppliers increase prices to reflect supply issues.

2%

53%

45%

LABOUR COSTS 68.2 (↑2.4)

HIGH

- Labour costs in the June quarter 2021 increased and are now at a historic high with a PBI of 68.2.
- This result is 2.4 index points above the preceding March quarter (65.8) and well above this time last year (42.1) and the ten year trend of 59.3.
- This result reflects a catch up following pay freezes, reduced pay but also businesses increasing their hours of work offered and employee headcount.

5%

48%

47%

PROFITABILITY 40.8 (↓4.4)

WEAK

- A tapering of sales coupled with compounding increases in operating and labour costs has seen profitability deteriorate in the June quarter 2021.
- The profitability PBI fell by 4.4 points from 45.2 in the March quarter to 40.8. Nearly one in two businesses indicated their profitability fell during the quarter.
- Businesses anticipate a slight improvement in their profitability in the September quarter, with the Index forecast to grow by 1.9 points to 42.7.

47%

31%

22%

EMPLOYMENT LEVELS 49.7 (↓1.6)

SATISFACTORY

- Employment levels declined in the June quarter 2021 with the PBI falling back below 50. The employment PBI reduced by 1.6 index point from 51.3 in the March quarter to 49.7.
- The PBI does however remain 16.8 index points above this time last year (32.9) and above the 10 year average (44.8).
- Employment levels are expected to remain largely unchanged in the September quarter with the employment PBI expected to increase by 0.8 index points to 50.5.

23%

57%

21%

CAPITAL EXPENDITURE 51.4 (↓0.5)

SATISFACTORY

- Declining profit levels and uncertainty in the June quarter 2021 have flowed through to a reduction in capital expenditure particularly as cash reserves have been depleted and business owners have had to reinject cash into their business.
- The capital expenditure PBI in the June quarter fell by 0.5 index points from 51.9 in the March quarter to 51.4.
- Unsurprisingly given the quarter's overall results capital expenditure is expected to dip unfortunately back below 50 and begin to weaken with a profitability PBI of 46.6 in the September quarter.

23%

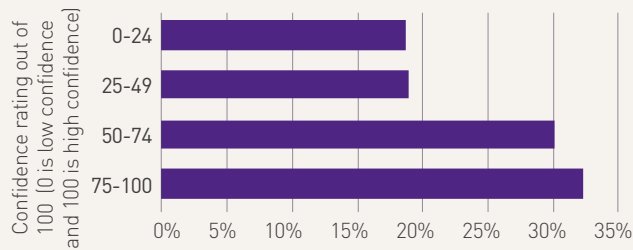
49%

28%

HOT TOPIC SURVEY – COVID-19 ECONOMIC RECOVERY

This month's Pulse Hot Topic reflects the ongoing challenging operating environment evidenced across the business indicators of this report. In short there continues to exist a great deal of uncertainty as a result of COVID-19. When asked to indicate how confident businesses are in reaching their 12 month goal - 37.6 per cent continue to give a certainty rating of less than 50 out of 100. The average score out of 100 is just 54.4

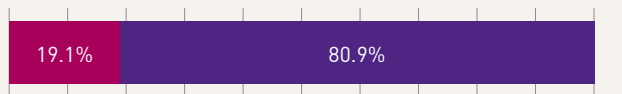
Business confidence in reaching 12 month business goal



This uncertainty is fuelled from a variety of reasons key amongst them is the prospect of widespread COVID-19 restrictions and shut downs. The recent SEQ and Townsville lockdown that commenced 29 June serves as a good illustration. Approximately 65 per cent of surveyed businesses operated in SEQ and Townsville lockdown areas. For these 64.9 per cent indicated their business had activity, turnover and operational costs impacted by the shutdown. Of those businesses operating outside of lockdown areas, 19.1 per cent still indicated their business had received a negative impact as a result of cascaded repercussions.

Impacted by COVID-19 lockdown

Outside lockdown area



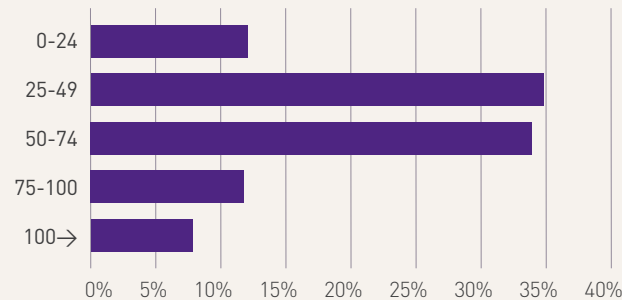
Inside lockdown area



For those businesses operating in SEQ and Townsville who had experienced impacts the average staffing costs were \$30,183, other operational costs were \$15,103, loss of perishable goods were \$1,819 and an average overall loss of trade \$137,976 (median \$20,000).

Under this scenario it has been extremely difficult for businesses to recover to pre COVID-19 levels of activity. When asked at what level their business is currently operating compared to March 2020 before the COVID-19 Economic Crisis on average businesses gave a score of only 52 per cent. That is on average businesses are only half way in their recovery to pre-COVID levels. 46.7 per cent of businesses gave a score of below 50 and only 7.7 per cent of businesses indicated that they had grown beyond their pre-COVID levels.

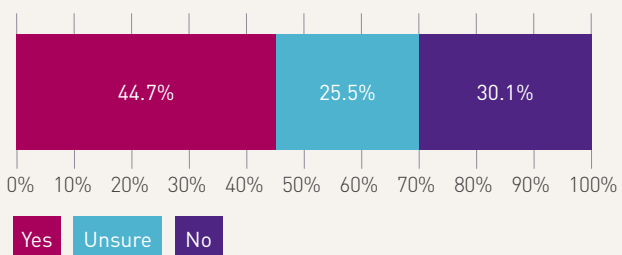
Levels at which business is operating compared to March 2020 (per cent)



As a result 41 per cent of business owners have indicated that they have had to contribute personal funds in the past 12 months due to COVID-19 disruptions. The average contribution was \$111,113 and the median \$40,000.

Accordingly it is little wonder that 44.7 per cent of business owners indicated they or someone in their business have been impacted by mental health challenges attributed to COVID-19 related stressors.

Impacted by mental health challenges which could be attributed to COVID-19 related stress



As a business owner my mental and physical well-being have been badly impacted by COVID. I have the pressure of finding money to keep staff in jobs and paid. This has gone on for so long the human body is not designed to handle this level of stress on an ongoing basis. I have put on weight, don't sleep and now have high blood pressure from the stress. Having additional health issues makes it harder to work at my best levels which is critical in the current climate and now I'm stressed and my health. – Brisbane

Every person in our company has had periods of depression and anxiety. While we have given back every cent of refunds over the last 16 months, our team have been abused and had to unwind 2 years' worth of bookings. We've done all of this for zero money and minimal Govt support. The ongoing uncertainty of resumption of proper travel has an enormous impact on our team's job security. Many are over 45 years old, have dedicated decades to this industry and are largely unemployable elsewhere. All of those factors have led to ongoing trauma which will likely haunt many in this industry for years to come. – Brisbane

I am personally struggling at the moment the trauma of covid the damage it has caused my business the damage it has done to my mental health the situation has left me and many of my friends in biz despondent & traumatized by the losses and other challenges we have experienced. – Brisbane

Many business owners and employees in the Whitsundays have been impacted by mental health challenges due to COVID-19 stressors, and psychological services are limited or non-existent. In excess of 6 months wait time for mental health support services. – Central Coast

The mental health toll for a small business owner is the most difficult challenge. Constant uncertainty combined with lack of government funding make running a business highly stressful in these times. – Sunshine Coast

12 MONTH OUTLOOK: AUSTRALIAN AND QUEENSLAND ECONOMIES

The dramatic and recent improvement in business confidence as measured by the twelve month outlooks for both the Queensland and Australian economies over the past nine months came to an end in the June quarter 2021.

Business confidence in the Australian economy for the next twelve months has dipped by 5.5 points to 58.7 but continues to indicate satisfactory growth prospects. The prevailing higher index for this indicator is propped up by expectations for the next twelve months compared with the most recent and low base 12 months.

The dip in the National 12 month outlook indicates that we are not yet out of the woods with lockdowns to combat the delta COVID-19 variant interstate and slow vaccine roll out hindering confidence and in turn recovery.

Queensland has also experienced fragility with the successful prevention of community transmission but only as a result of lockdowns in both SEQ and

Townsville. This has no doubt influenced the State's confidence plateauing – neither improving or declining as the National Index did. Queensland's economic index remains virtually unchanged at 55.0 (up fractionally 0.3).

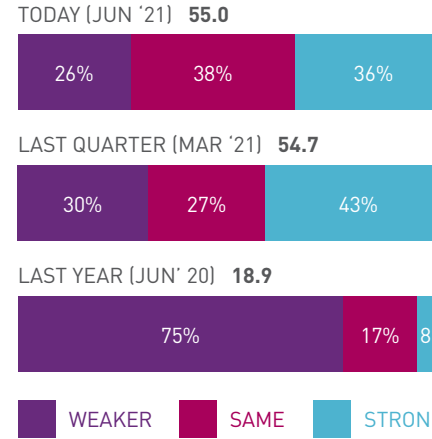
The silver lining is that both the National and Queensland indexes remain considerably above this time last year (National up +39.0 and Queensland up +36.2) and above their respective 10 year averages (National 47.5, Queensland 44.1).

Finally the Indexes have moved closer to each other as Queensland claws back ground through wins relating to suppression/eradication of community transmission. However and surprisingly, Queensland businesses continue to believe the National economy will outperform the Queensland economy over the next twelve months.

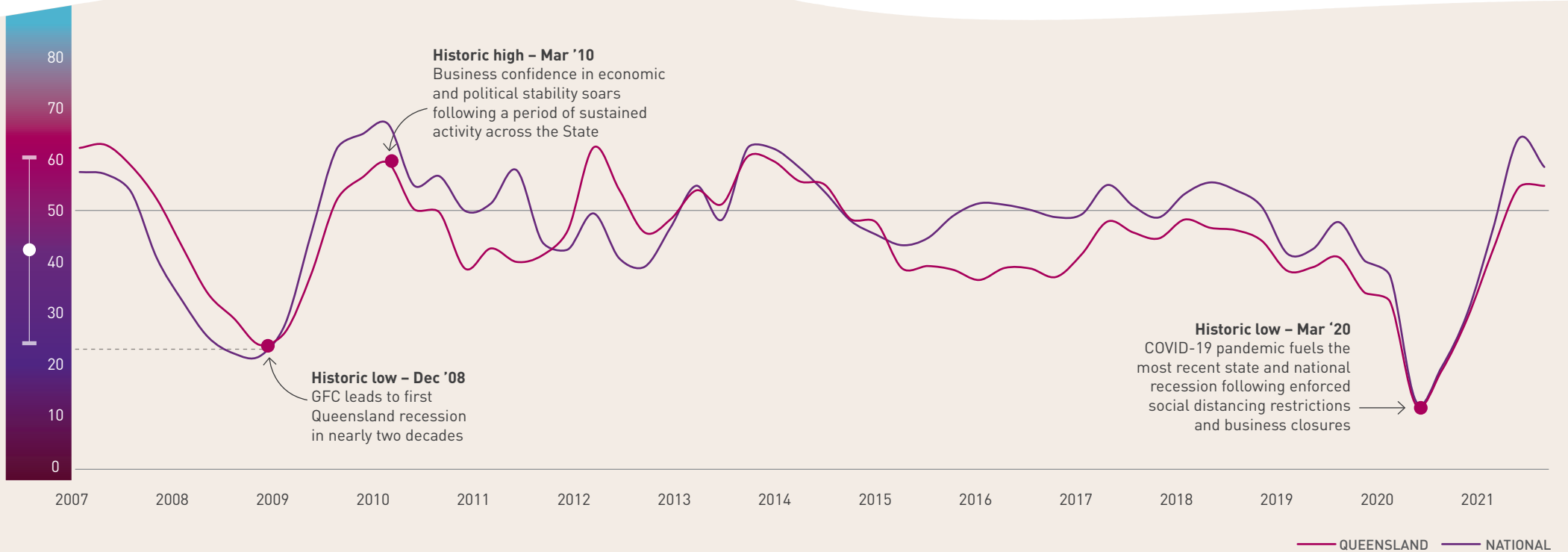
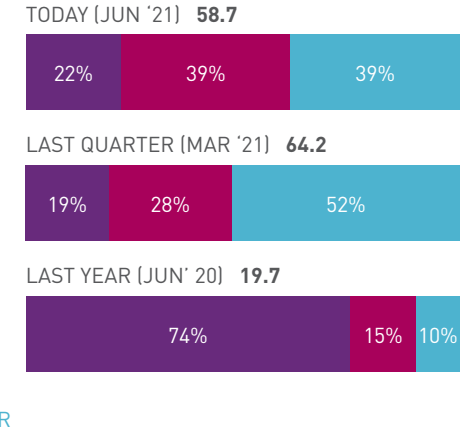
In summary, the sustainability of an economic recovery evidenced by the 12 month outlook remains fragile and in the balance.

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 plateaued in the June quarter largely as a consequence of sales tapering, rapidly increasing labour and operational costs squeezing business profitability.

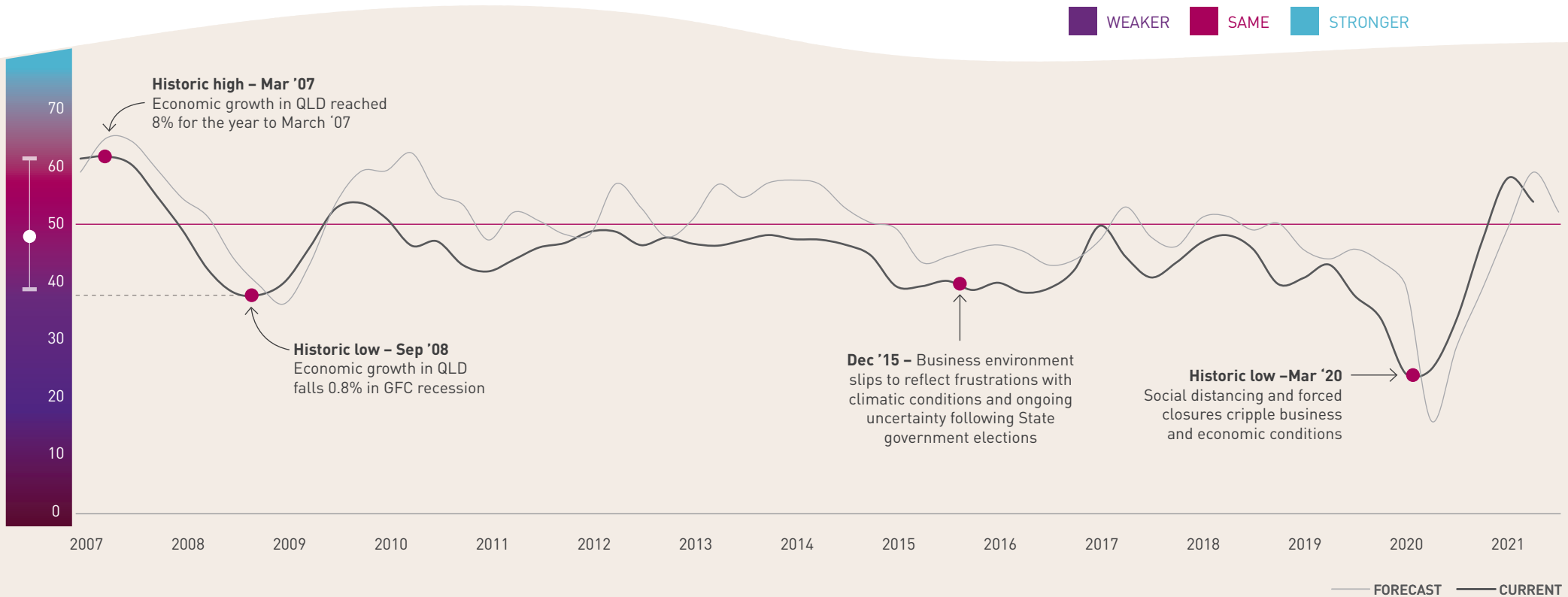
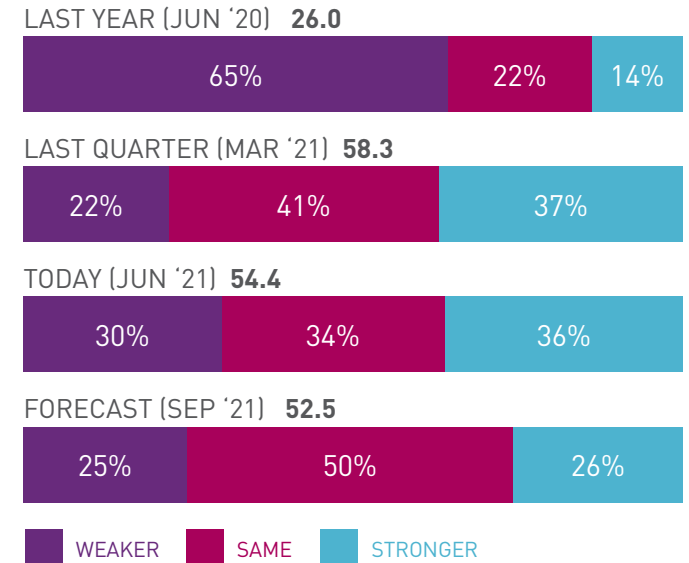
The latest index score of 54.4 sees a slight decline (-3.9) on the March quarter 2021 PBI of 58.3 but remains considerably above this time last year (26.0) and also well above its 10 year average of 44.0. The score above 50 indicates improving business conditions across the June quarter despite the shut down in SEQ and Townsville and is considered to be at a satisfactory level. Business responses to this question in the June Quarter indicate a fairly even distribution of responses across weaker, same and stronger.

However, general business conditions whilst remaining fractionally above 50 are expected to further ease in the September quarter with an expected PBI of only 52.5. The bulk of businesses believe business conditions will remain unchanged in the September quarter. If realised this will be the first reduction in the PBI for general business conditions in 18 months when it collapsed in the March quarter 2021.

“ Uncertainty and lock downs will impact some sectors. I think we will see inconsistent performance across industry sectors. Businesses that are adaptable will do well. – Central Coast

“ As more people get vaccinated, the losses from lockdowns will reduce, although likely hotspots will continue to occur. The closer we can get to the old normal the better for all business and cash movement through the economy. Where border closures occur when not absolutely necessary, the greater the frustration, the less confidence that is in the market, the greater the losses and the longer the recovery in total. – Brisbane

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



SALES AND REVENUE

Total sales revenue in the June quarter 2021 continued to remain at satisfactory levels above 50 indicating slight improvement. The sales and revenue PBI of 53.3 was down on the previous March quarter 2021 index of 57.8 and is the first reduction recorded for this indicator since the June quarter last year.

The tapering in sales revenue during the quarter is consistent with the progressive easing of stimulus measures coupled with re-emerging uncertainty and another 3 day lockdown in SEQ and Townsville which covers 65 per cent of the survey sample. For example, for businesses impacted by the lock-down the median loss in trade is \$20,000.

The sales and revenue PBI despite the decline remains well above the historic low recorded this time last year (27.7) and also above the 10 year average (48.5).

Total sales revenue is expected to remain above 50 in the September quarter, albeit only fractionally with a PBI of 51.6 - a reduction of 1.7 index points on the June quarter. The majority of businesses (42 per cent) believe their total sales will remain unchanged during the September quarter.

“ We have had a number of clients reduce their spend with us as their own revenue has not met budgets or decreased. In some instances this is due to the ongoing effects of COVID. – Sunshine Coast

“ We believe that people travelling locally and spending locally will enhance the QLD economy. – South West Queensland

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

LAST YEAR (JUN '20) **27.7**



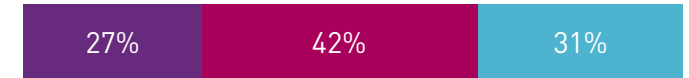
LAST QUARTER (MAR '21) **57.4**



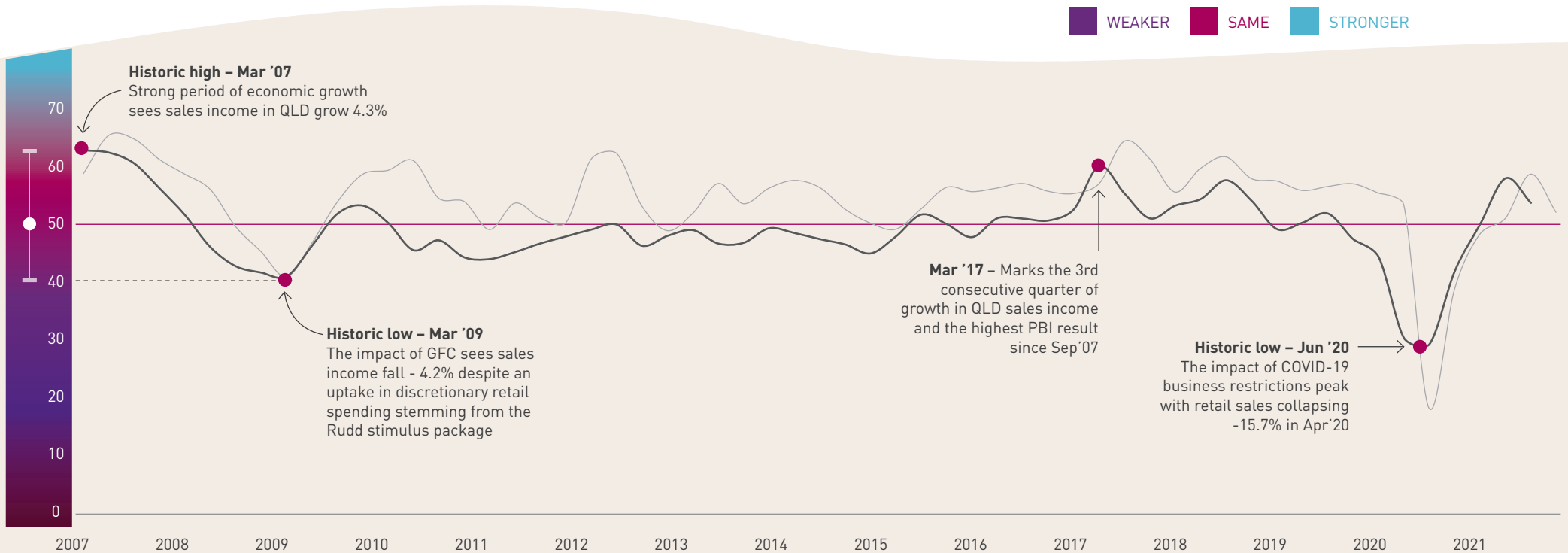
TODAY (JUN '21) **53.3**



FORECAST (SEP '21) **51.6**



WEAKER SAME STRONGER



OPERATING COSTS

Operating costs during the June quarter 2021 continued to rise with the PBI increasing by 4.0 index points from 64.1 in the March quarter to 68.1. 45 per cent of businesses recorded an increase in their operating costs as rent, utility and insurance costs start to rise with the cessation of assistance relief.

Global supply chain shortages have also fuelled price rises as switching to more expensive domestic suppliers occurs but also overseas suppliers increase prices to reflect supply issues. In addition for those businesses forced to shut as a result of the 3 day lock down average operational costs were estimated at \$15,000 and lost perishables estimated at \$1,800.

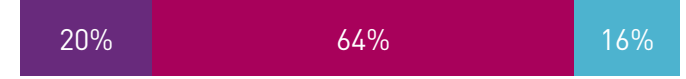
The PBI now nudges closer to the ten year average PBI of 69.7 and is now 15.7 index points above this time last year. The significant escalation in operating costs is hopefully expected to temper in the September quarter with three in five businesses expecting costs to remain unchanged with a PBI anticipated at 64.6.

As an importer, getting goods from our suppliers has been a nightmare due to shipping issues eg. lack of air travel for air freighting. Delay in production due to lack of materials etc. Increased costs due to these issues too. For most items turnaround from order to receipt can be close to 15 weeks. – Brisbane

The impact of covid 19 is still the biggest threat on the state and national economy. Our industry, building and construction (homes) has been lucky to receive government stimulus and strong buyer demand. However others have not. The impact however has caused supply shortages and now super inflation across our markets. We expect hyper inflationary scenarios across the globe over the coming 12-24-36 months. – Gold Coast

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

LAST YEAR (JUN '20) **52.4**



LAST QUARTER (MAR '21) **64.1**



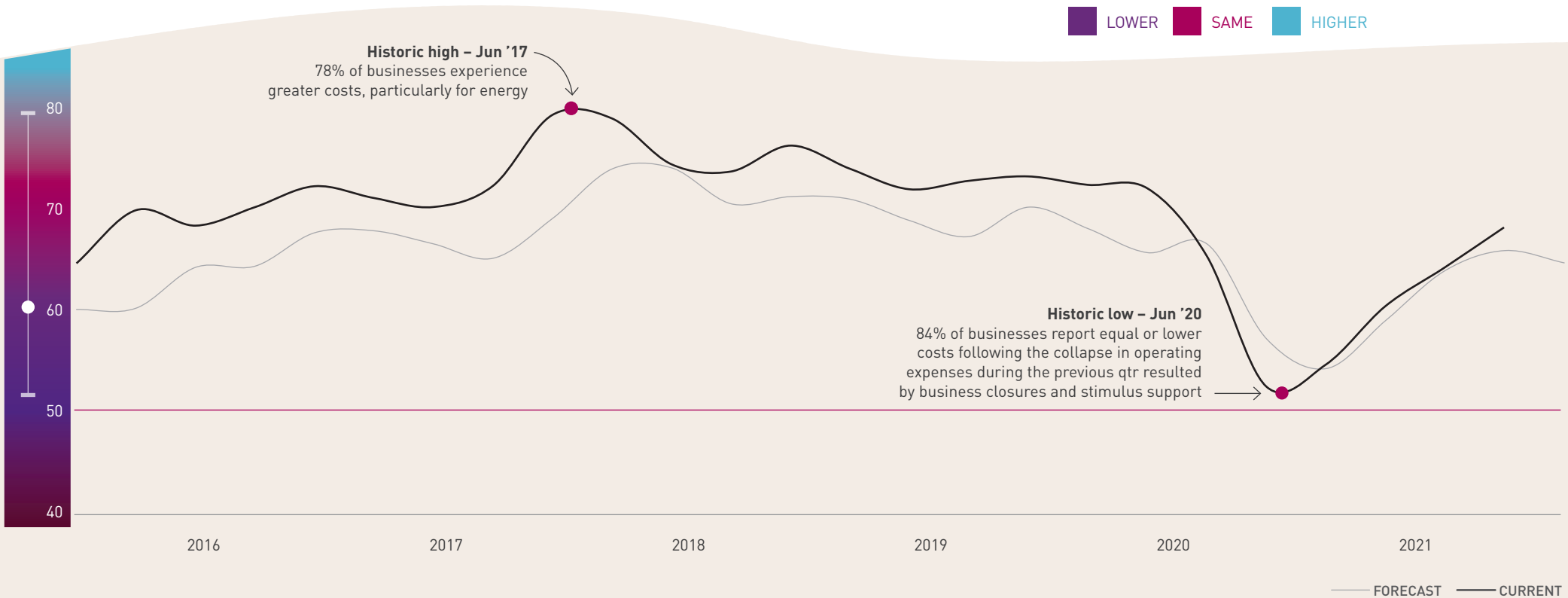
TODAY (JUN '21) **68.1**



FORECAST (SEP '21) **64.6**



LOWER SAME HIGHER



LABOUR COSTS

Labour costs in the June quarter 2021 increased and are now at a historic high with a PBI of 68.2. This result is 2.4 index points above the preceding March quarter PBI of 65.8 and well above this time last year (42.1) and the ten year trend of 59.3.

Nearly one in two businesses increased their labour costs during the June quarter as catch up in wage increases occurs following pay freezes, reduced pay but also as businesses increase their hours of work offered and employee headcount to respond to more normalised economic conditions that occurred in the first half of 2021.

The Fair Work Commission's increase to the Federal Minimum Wage and 122 modern awards of 2.5 per cent and an employer superannuation increase from 9.5 to 10 per cent will see the labour cost PBI remain at elevated levels during the September quarter. 95 per cent of all businesses believe labour costs will either stay the same or increase during the September quarter.

“ Finding suitably qualified staff and increased costs with wages & superannuation. – Central Coast

“ Absolutely impossible to find and hire any employees, qualified or not qualified. Above award wages and conditions have always been on offer. – South West Queensland

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

LAST YEAR (JUN '20) **42.1**



LAST QUARTER (MAR '21) **65.8**



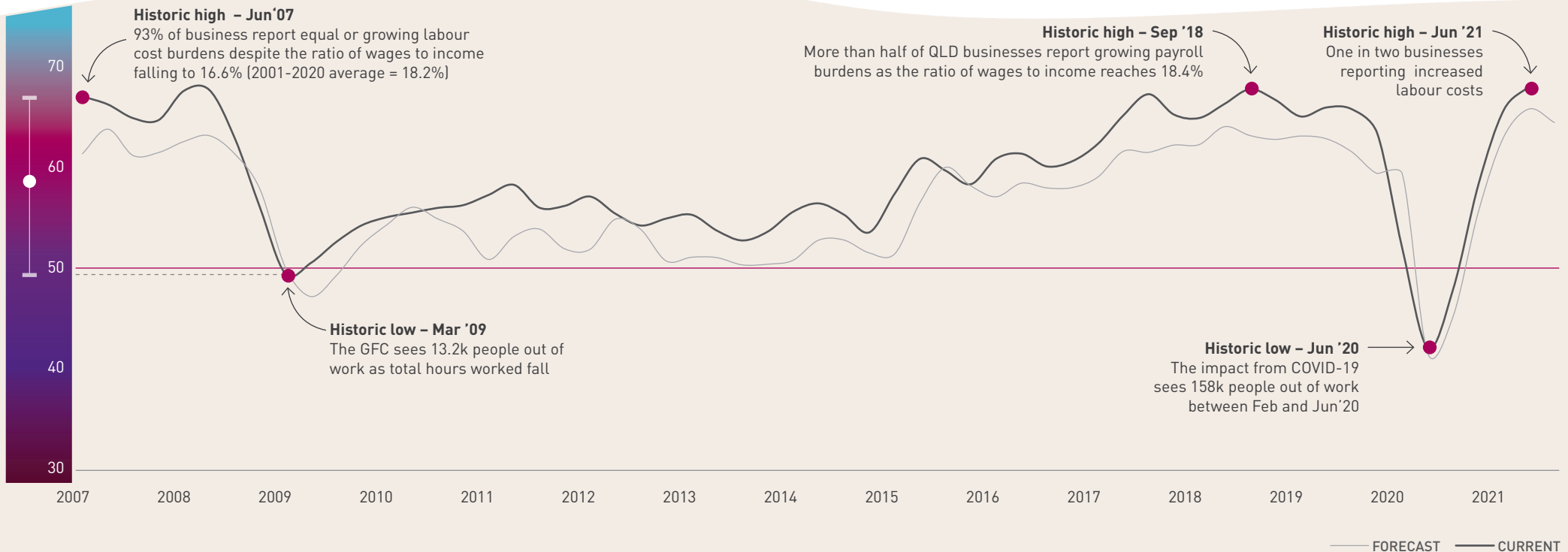
TODAY (JUN '21) **68.2**



FORECAST (SEP '21) **64.6**



LOWER SAME HIGHER



PROFITABILITY

Unsurprisingly, with a tapering of improvement in sales coupled with compounding increases in operating and labour costs, profitability deteriorated in the June quarter 2021. The profitability PBI fell by 4.4 points from 45.2 in the March quarter to 40.8. Nearly one in two businesses indicated their profitability fell during the quarter.

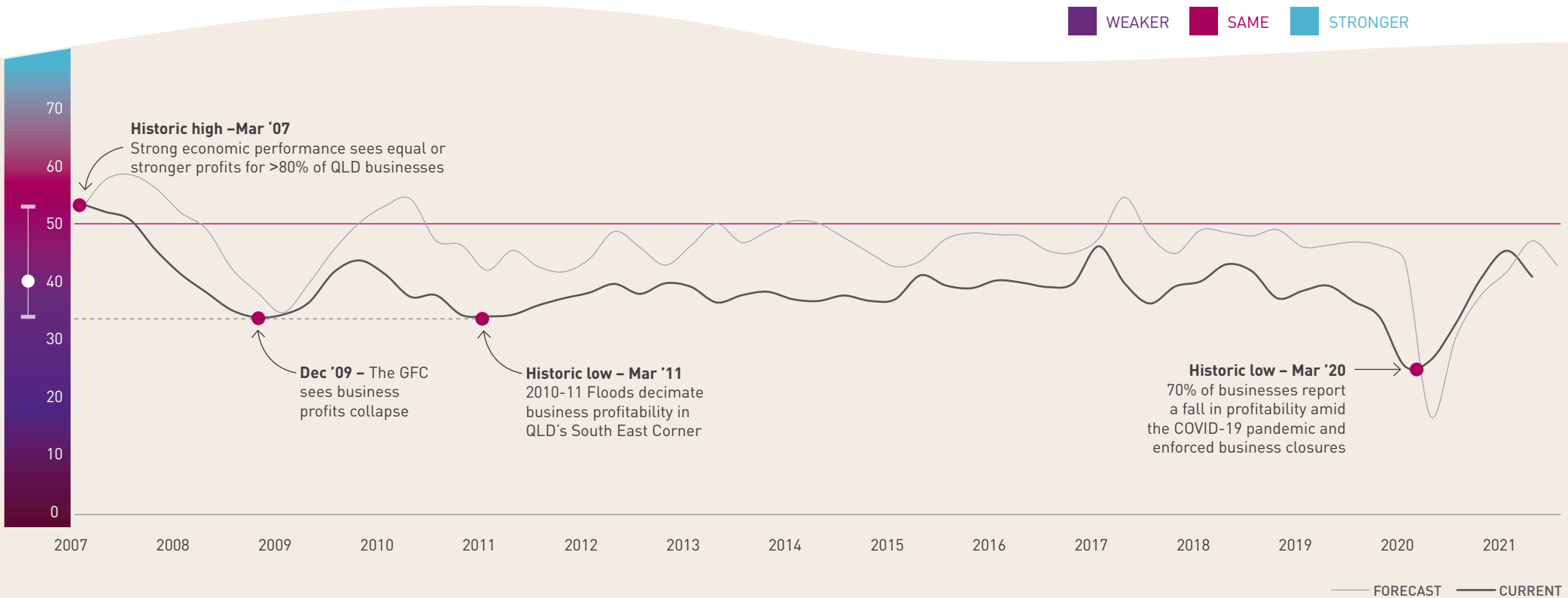
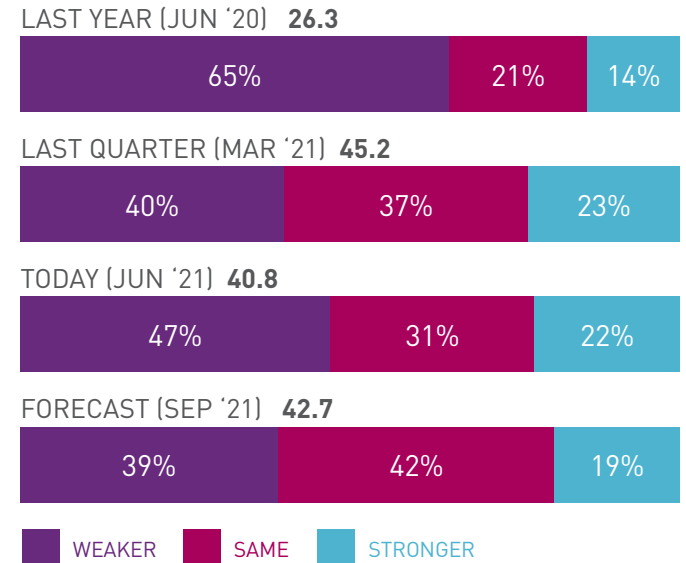
Despite the fall the profitability PBI remains 14.5 index points up on this time last year and is also above the ten year average for this indicator (38.0).

Businesses anticipate a slight improvement in their profitability, with the Index forecast to grow by 1.9 to 42.7. This result reflects fewer businesses (39%) expecting their profitability to weaken than the most recent quarter. This indicator is not anticipated to improve meaningfully until changes occur 'above the line' with revenue growing by more than operational costs.

Prevailing and subdued profitability is entirely consistent with the overall sentiment expressed in hot topic section that on average businesses believe they are only half way through recovering lost business activity as a result of the COVID-19 economic crisis.

- “ Delays in supply of parts, both Australian and imported have held up our manufacturing processes and also our profitability. – South West Queensland
- “ Have needed to reduce average sales price to make projects move forward, although in some cases have been able to increase profitability. Many customers still holding back on decision making and interstate projects remain

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



EMPLOYMENT LEVELS

Employment levels declined in the June quarter 2021 with the PBI falling back below 50. The employment PBI reduced by 1.6 index point from 51.3 in the March quarter to 49.7 in the June quarter and is no doubt a partial reflection of the discontinuation of the JobKeeper initiative. However it is also certainly and paradoxically a reflection of skill and labour shortages.

The PBI remains 16.8 index points above this time last year (32.9) and above the 10 year average (44.8). Three in five businesses indicated that their employment levels remained unchanged during the quarter. Employment levels are expected to remain largely unchanged in the September quarter with the employment PBI expected to increase by 0.8 index points to 50.5.

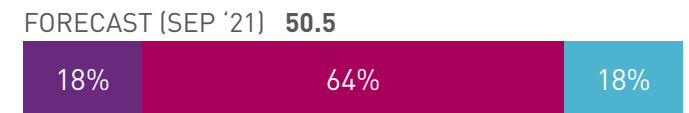
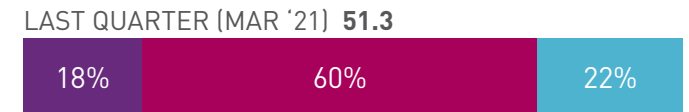
Recent Pulse survey employment levels have closely aligned with ABS data indicating strong employment growth, returning hours of work and decreasing unemployed persons, underemployed persons and a reduced unemployment rate.

However the Pulse survey result for both the June and September quarters highlight that the improvement in Queensland's labour market may now be coming to end at least until either Australian Government assistance is reactivated for businesses experiencing COVID-19 shutdowns and restrictions or these unfortunate events are well behind us.

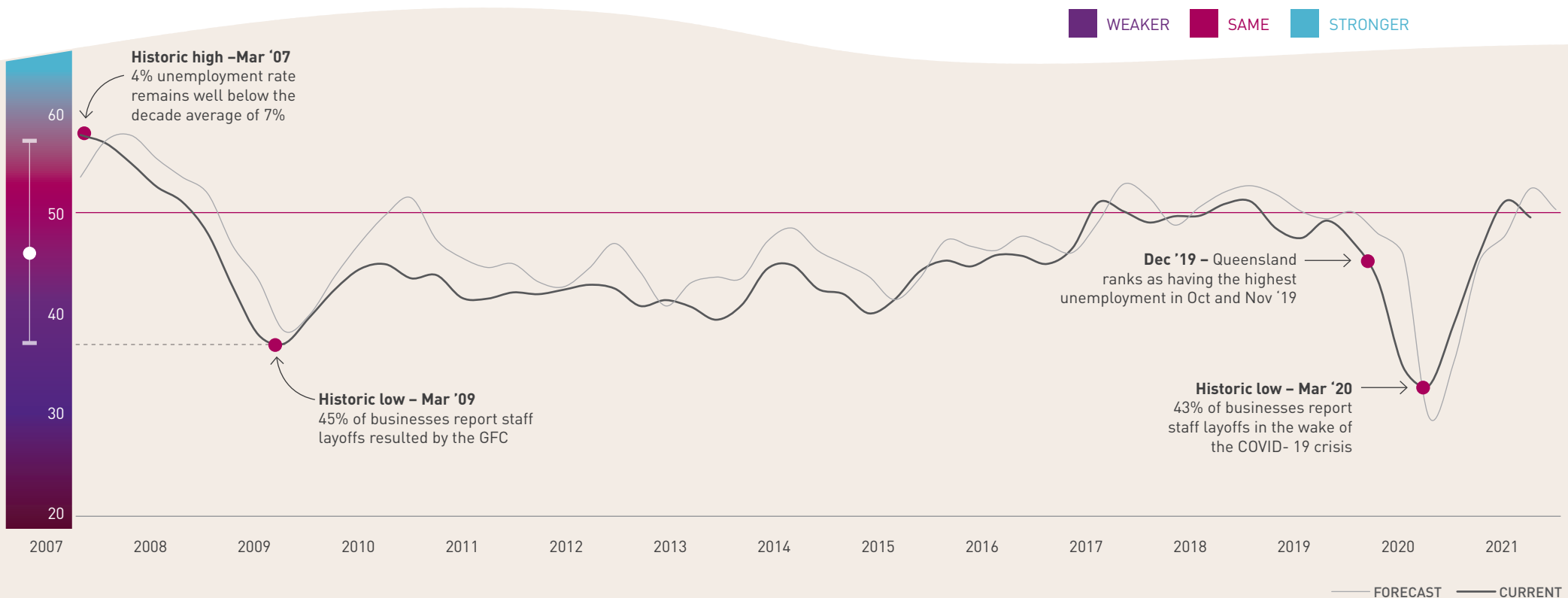
Unable to hire new staff due to the unwillingness of people to engage in new employment. – Townsville

Uncertainty in offering staff long time sustainable employment. – Brisbane

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



WEAKER SAME STRONGER



CAPITAL EXPENDITURE

Historically the Pulse survey has indicated a very strong correlation and causation between profit levels and capital expenditure. Declining profit levels and growing uncertainty in the June quarter 2021 have flowed through to a reduction in capital expenditure particularly as cash reserves have been depleted and business owners have had to reinject cash into the business as indicated in the hot topic section.

The capital expenditure PBI in the June quarter fell by 0.5 index points from 51.9 in the March quarter to 51.4 which indicates relatively unchanged investment. This is consistent with one in two businesses leaving their capital expenditure unchanged during the quarter.

Consistent with other indicators the level of capital expenditure is up on this time last year (36.9) and the ten year average (43.5).

However this appears to potentially be for only a short period of time. Unsurprisingly given the quarter's results capital expenditure is expected to dip below 50 and begin to weaken with a profitability PBI of 46.6 in the September quarter.

“ Ongoing actual lockdowns and border closures; as well as the potential for such actions which will dampen confidence to invest in growth or expansion. – Central Queensland

“ The uncertainty surrounding lockdowns / border closures and loss of business due to the lack of confidence in people making advanced bookings and related due to the regularity of cancellations etc. This then reduces business confidence to invest for the future. – Brisbane

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

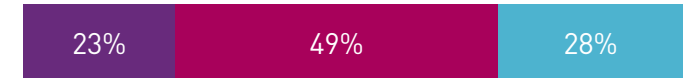
LAST YEAR (JUN '20) **36.9**



LAST QUARTER (MAR '21) **51.9**



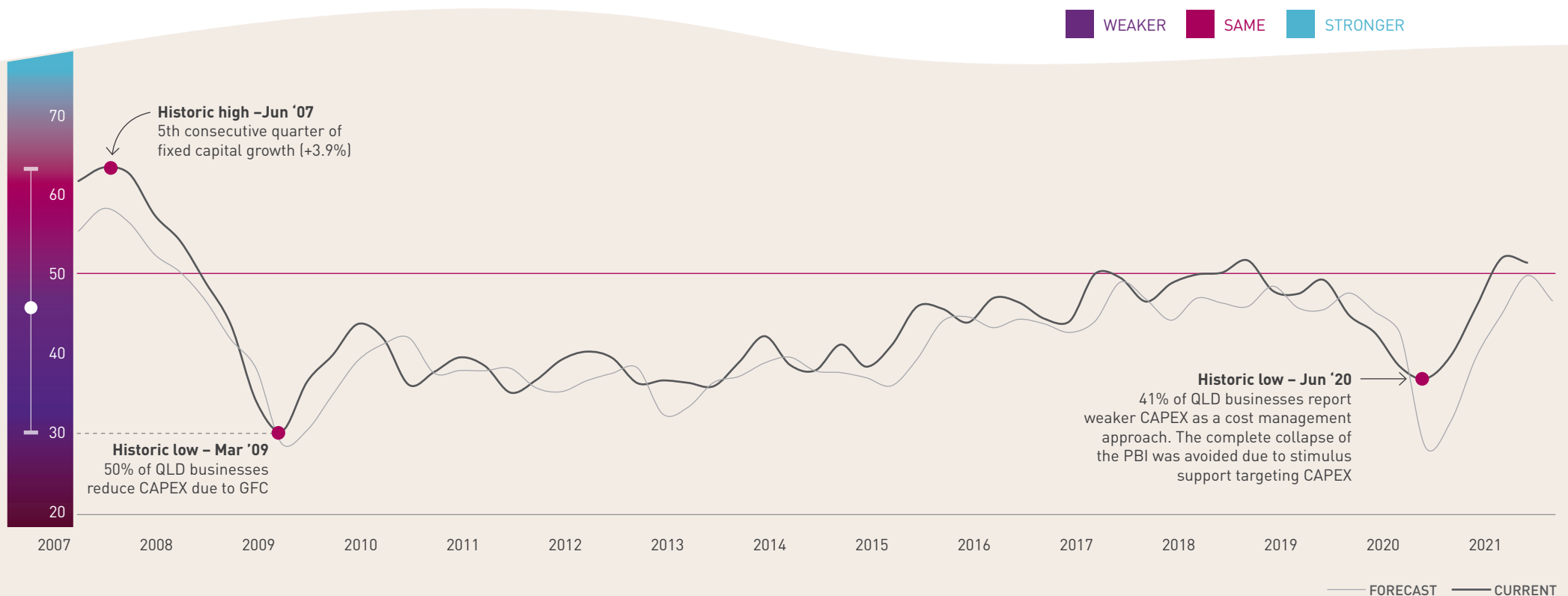
TODAY (JUN '21) **51.4**



FORECAST (SEP '21) **46.6**



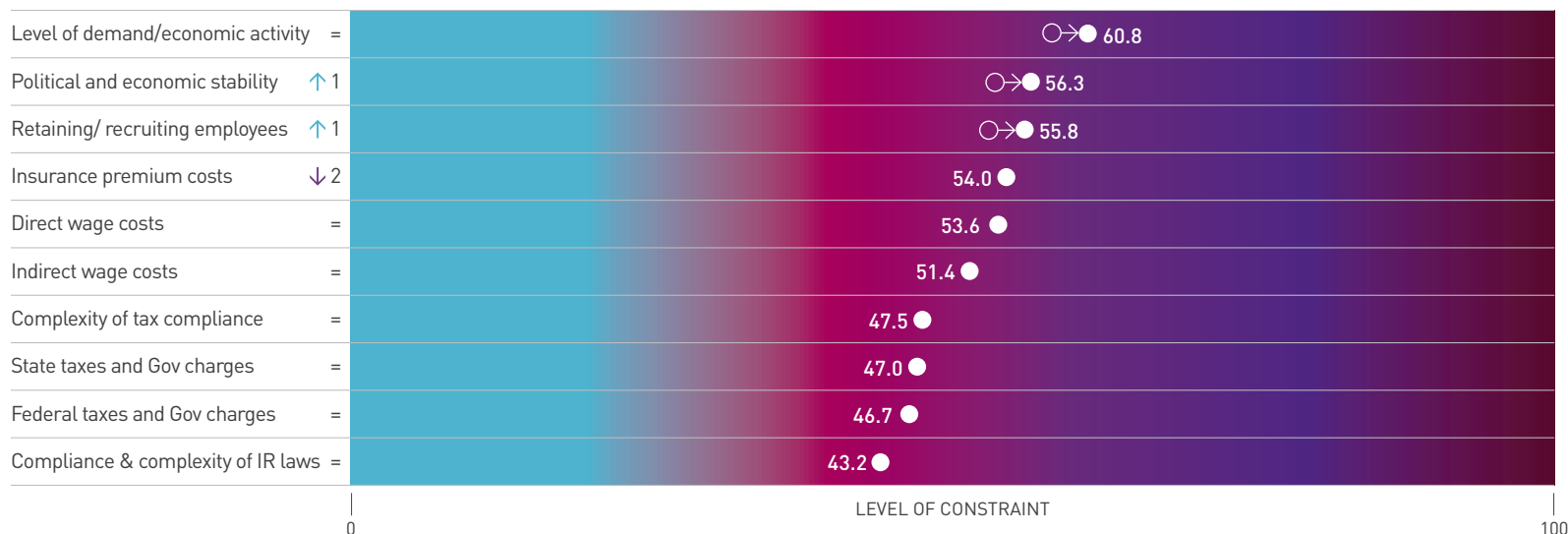
WEAKER SAME STRONGER



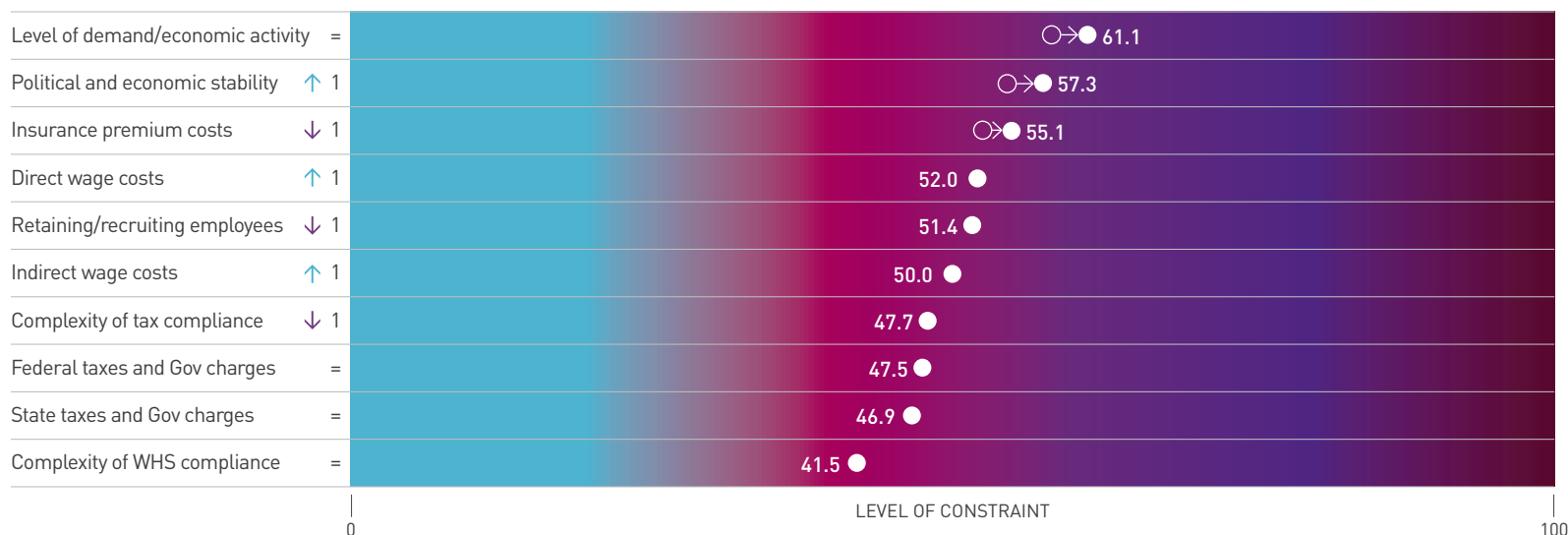
MAJOR CONSTRAINTS ON BUSINESS GROWTH

STATEWIDE

LEGEND: ↑ 2 QUARTERLY CHANGE CURRENT ● ○ PREVIOUS



SMALL BUSINESS



STANDOUTS

The level of demand and economic activity (60.8) remains the number one constraint at present for Queensland businesses and is consistent with feedback that there is a long way to go in our economic recovery. Improvements have been from a low base and whilst very welcome have clawed back only part of Queensland's domestic economic activity. This index score increased by 3.8 index points to 60.8 and is consistent with the plateauing and reduction in business performance during the quarter.

Political and economic stability has increased as a constraint up 3.6 index points to 56.3 and comes as the delta variant of COVID-19 takes foot interstate and a slow roll out of vaccinations causes realisation that our economic recovery is far from assured and we remain in the thick of severe economic challenges.

Paradoxically many Queensland businesses are reporting that retaining and recruiting employees remains a challenge. This constraint increased by 3.6 index points to 55.8 and is a result of international migration collapsing, a lack of geographical mobility for employees and government initiatives (JobKeeper and Job Seeker) that disincentivised employees from applying for jobs - only recently removed.

SMALL VS LARGE BUSINESS ISSUES

Small medium and large businesses consistently cite 'level of demand and economic activity' and 'political and economic stability' as the two stand out constraints. Where small and large businesses differ is that for smaller businesses operational costs such as insurance and wage costs are higher constraints for them whilst for larger businesses accessing employees is of higher significance for them.

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 outbreaks and the ongoing uncertainty that it creates



Continual living in uncertainty of lock downs which impacts travel and general trading especially in tourism & hospitality. It also impacts consumer spending with people uncertain of the strength of the economy & businesses in the future. – Brisbane



Continued uncertainty over COVID, including lack of congruence of National and State strategies to combat COVID, the lack of confidence in border management and lockdowns and the blatant politicising of the “crisis”. – Brisbane

Government responses to COVID-19 including lockdowns, business restrictions and both international and domestic border closures.



COVID Lockdowns are creating uncertainty for businesses as customers are suddenly driven away to hide inside. The lack of consistency in how the States handle vaccines, advice and lockdown/border closures is starting to create uncertainty and a lack of trust in the advice. This means people are less confident to spend their money as freely as they are acting more cautiously with their discretionary spending. The older customers are still very nervous about coming in for their health check-ups. – Brisbane



COVID Lockdowns affect business because there is less money in consumer pockets since pay is lowered; this leads to lower turnover the consequence of this constant nibble at profitability will lead to more business closures. – Sunshine State

Removal of Government business support and stimulus measures



There was a, somewhat, false economy created by the federal stimulus packages. These packages were very much needed and appreciated however now that they have been removed I feel that the bubble may pop. I feel that we may see businesses having to stand down staff as federal loans become due. Add to this People will have returned to their “normal” wage or are caught up in the closing or scaling back of work I feel that household spending may decline. – Brisbane



The Stimulus policies in place are very targeted and there are winners and losers for instance only the few biggest builders are benefiting from the new home bonus scheme the rest cannot obtain labour or supplies and many will not survive The only strategy for them will be to refuse all new orders and sack most staff and hibernate until things improve. – Brisbane

Lack of consensus on above issues with wide variation in business views



This issue is evidenced by over 2,205 quotes from individual businesses with sometimes consensus but also wide ranging and disparate views on the adjacent COVID-19 related issues. – CCIQ

Efficiency, effectiveness and accelerated roll-out of vaccination program



The country not being to open up to the rest of the world due to lack of people willing to have the vaccine. – Brisbane



The main item to affect performance is the uptake of the Covid 19 Vaccine, and allowing tourism to recommence. It could potentially be negative as Australians may choose to travel overseas and spend money there which might be more than the number of overseas travellers coming to Australia. – South West Queensland

General erosion of business confidence in State and Federal Government



Politics. The amount of finger pointing and blaming going on over the vaccine rollout is despicable - we really are a disgrace to ourselves. We need international borders open, but this will not happen before the next federal election, so it is not a decision based on what Australia needs but about who can fearmonger the most and get power ...dreadful. – FNQ



Taxation, lockdowns, vaccines and political decisions rather than good decisions will continue to hurt our economies, and impact our businesses, regardless of if we are in lockdown areas or not. Our state govt is out of touch with business and has no idea of the pain they cause, as long as it keeps them in power! Message to the Premier - Your arrogance is showing! – Wide Bay

Supply chain disruptions and associated rising input costs



COVID - and supply chains. Depending on whether we can keep covid out or not will dictate the economy and material supply on a cost and availability. Cost for steel has gone up 21% in three months, aluminium 8% in two months but these cost cannot be recouped so profits margins are highly stressed. Yes we are working but there is no margin in anything due to continual inflation. Second is material supply, we are already having difficulty getting product in the signage industry due to lack of supply and waiting times of up to 8 plus weeks before materials arrive. – Gold Coast



Interest rates have to go up. Our supply chain has raised costs by 11-67% on most items. The consumer will pay more. – Gold Coast

Deterioration in trade relationship with China



Possible reduction in coal and iron ore sales to China will impact State and Federal economic performance. – Sunshine Coast



The ongoing situation with China may well escalate into open hostility especially when the joint naval exercises occur later in the year. – Sunshine Coast



Whether China continues to use Australia as an example of what happens when it is displeased. – Brisbane

Both skilled and unskilled labour shortages across Queensland



Skills shortages meaning Qld businesses can't get back to pre-COVID productivity. – Townsville



We are having to turn down work/large contracts due to lack of available workforce. Spending huge amounts of time and resources on recruitment but our sector is competing with hospitality, administration and other trades. We all seem to be in a similar position with multiple roles advertised and little to no uptake. This has had a huge flow on effect throughout our company with existing team members working more overtime, with no back up workers to cover sick and annual leave. As owners we're back operating in our business to ensure we're able to fulfil our service promise to our clients. 70+ hours per week each whilst raising a family with no support (family can't travel to help due to COVID) the strain is being seen throughout the business on all levels. – Mackay

COVID-19 BUSINESS RESTRICTIONS

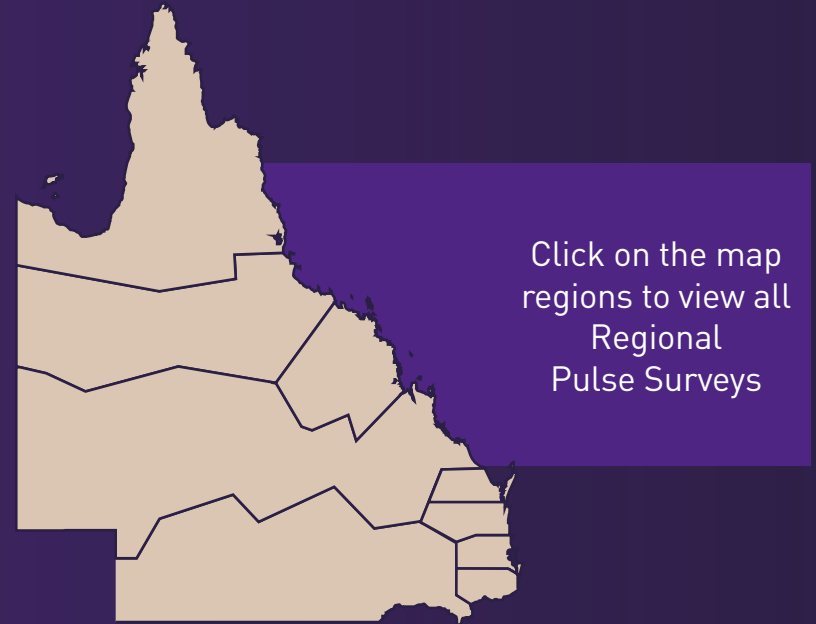
- **23 March 20:** Qld business closures and interstate travel bans commence
- **1 May 20:** JobKeeper commences (\$1,500)
- **15 May 20:** Stage 1 easing of restrictions
- **1 June 20:** Stage 2 easing of restrictions
- **3 July 20:** State 3 easing of restrictions
- **10 July 20:** State border reopened but not for 'Hot Spots'
- **28 September 20:** JobKeeper 2.0 commences (\$1,200/ \$750)
- **1 October 20:** Stage 4 easing of restrictions
- **1 November 20:** Stage 5 easing of restrictions
- **1 December 20:** Stage 6 easing of restrictions
- **21 December 20:** NSW Hot Spot declared
- **4 January 21:** JobKeeper 2.1 (\$1,000/ \$650)
- **8 January 21:** Greater Brisbane lockdown and additional restrictions
- **29 March 21:** 3 day lockdown for Greater Brisbane and additional restrictions
- **28 March 21:** JobKeeper finished
- **29 June 21:** SEQ and Townsville 3 day lockdown

ABOUT PULSE

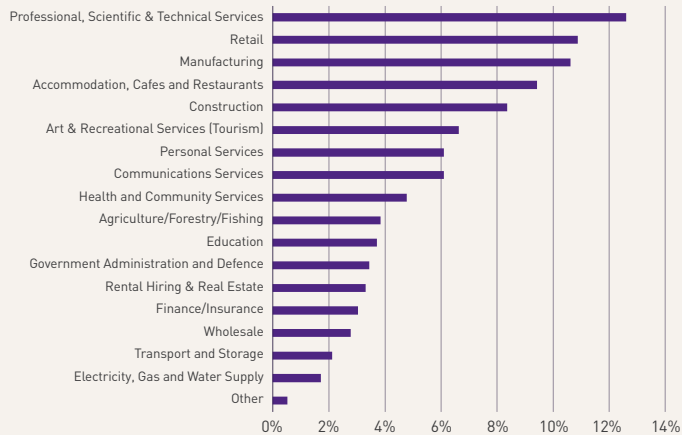
The Pulse Survey has measured Queensland business confidence and expectations for over 25 years. The survey publishes results quarterly from key questions put to the Queensland business community. The survey is unchallenged in terms of being the most authoritative, timely and comprehensive snapshot of 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 7th to the 16th of July 2021 and examined business sentiment and activity throughout the June quarter (2021). 1,042 businesses responded to the survey.

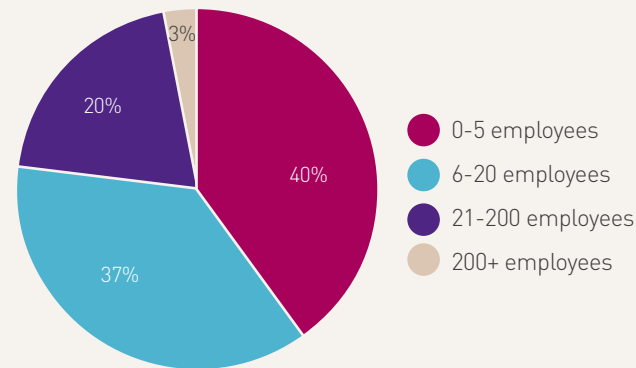
To find out more about Pulse, please contact Chamber of Commerce and Industry Queensland on 1300 731 988 or at cciqadvocacy@cciq.com.au.



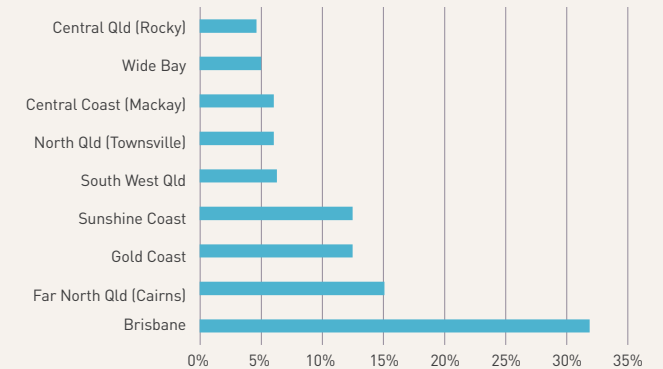
INDUSTRY REPRESENTATION



SIZE OF ORGANISATION



REGIONAL REPRESENTATION



Chamber of Commerce & Industry Queensland

Industry House, 375 Wickham Terrace, Spring Hill, Qld 4000
 Telephone 1300 731 988
www.cciq.com.au