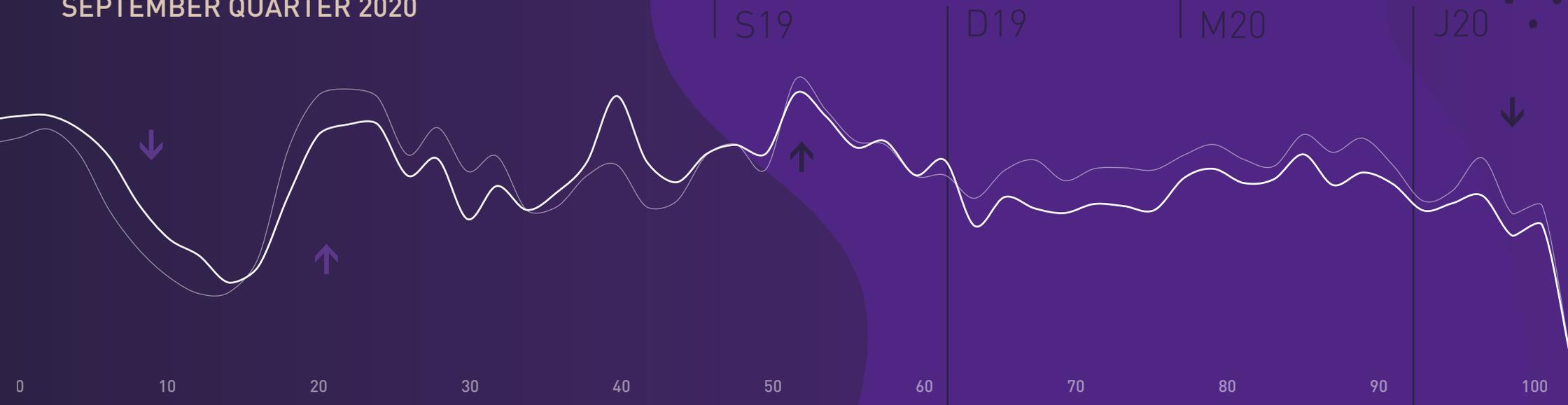


SUNCORP GROUP CCIQ PULSE SURVEY OF BUSINESS CONDITIONS

SEPTEMBER QUARTER 2020



SEPTEMBER QUARTER OVERVIEW

“The slow grind of recovery continues for Queensland businesses as the State enters election mode.”

The September Pulse Survey has pleasingly recorded another improvement that builds on the slow recovery experienced in the June quarter. However, business sentiment is forecast to plateau before the new year with a significant period of uncertainty still to be overcome. Namely, during the same quarter where Queenslanders vote on the future of the State’s leadership, businesses have begun to turn their attention to the cessation or relaxation of existing stimulus support.

The results for the September quarter indicate that Queensland is entering the next phase of the COVID-19 crisis where the activity is comparatively better than earlier in the year but well short of sustainable and healthy business conditions. Currently, business performance indicators continue to remain below their 10-year averages where many have remained since September 2019; a period comparable to the GFC.

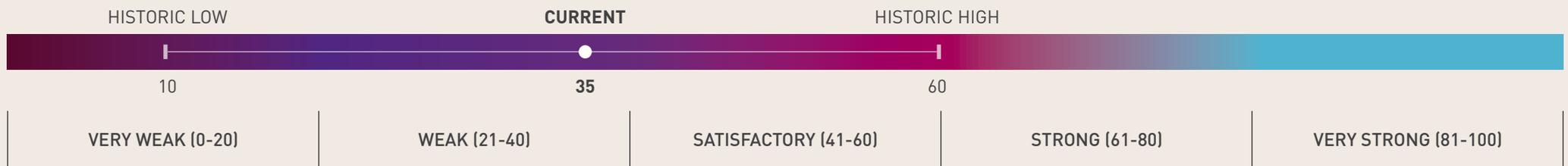
On a brighter note, the proportion of businesses indicating decreased conditions continues to get smaller with the overall results for most indicators now considerably better than first anticipated back in April and May 2020. Stimulus measures from both the Queensland and Australian Governments are no doubt critical reasons for the initially severe expectations not being realised. However, with the shelf life of many support measures scheduled for the latter half of the 2021 financial year, the angst surrounding a fiscal cliff continues to be a reality for many business owners. Appropriately, expectations for the December quarter indicate that the recent improvement will plateau well short of neutral readings. Therefore, the significance of the recovery experienced during the September quarter will be as good as it is going to get until time heals the economic wounds inflicted by COVID-19.

KEY FINDINGS

- 1 **Three in five** businesses still believe that the National and Queensland economies will deteriorate over the next 12 months
- 2 **One in four** businesses report improved business conditions compared to the June quarter
- 3 **One in three** businesses indicated an increase in their sales revenue
- 4 **One-half** of businesses continue to indicate that their profitability declined

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

Current index score Quarterly change

12-MONTH OUTLOOK (QUEENSLAND) 33.3 (↑8.3) POOR

The Pulse Index for the Queensland 12-month economic outlook increased by 8.3 index points in the September quarter to continue its recovery from the COVID-19 induced collapse. Businesses are undoubtedly more optimistic than they were during the March and June quarters where strict social distancing requirements challenged viability. However, nearly two-thirds of those surveyed are still expecting the State to perform weaker over the next year as business restrictions and border closures persist.

61% 19% 20%

12-MONTH OUTLOOK (NATIONAL) 34.0 (↑8.6) POOR

Despite the second outbreaks experienced by Victoria and New South Wales, businesses were slightly more optimistic for the 12-month outlook for the National economy compared to that of the State. Namely, the Index rose to a score of 34.0; 0.7 points higher than the Queensland outlook. Regardless of the recovery, the Index is still well below the 10-year average and indicates a pessimistic outlook with nearly two-thirds of businesses anticipating conditions to deteriorate further over the next year.

61% 18% 22%

GENERAL BUSINESS CONDITIONS 40.1 (↑9.7) SATISFACTORY

The Pulse Index for general business conditions increased by 9.7 points in the September quarter and builds on the marginal increase experienced during the June quarter to register at 40.1. The Index score is now 1.1 points higher than at pre-COVID-19 levels in the December quarter 2019 and is only the first satisfactory result since the commencement of deteriorating conditions in June 2019. This finding highlights the fragility of business conditions in Queensland, with the Index at crisis levels well before the onset of COVID-19.

45% 31% 24%

SALES AND REVENUE 45.9 (↑15.5) SATISFACTORY

The Pulse Index for sales and revenue increased sharply by 15.5 points in the September quarter to 45.9 and is now only 2.2 lower than the 10-year average of 48.1. Improved turnover coincides with a period of encouraging retail sales data released by the Australian Bureau of Statistics (ABS). Namely, total sales in August exceeded pre-COVID-19 levels and is also higher than during the same month last year. The improvements recorded during the past two quarters is expected to plateau with forecasts remaining relatively unchanged at 47.4 as consumer stimulus support begins to taper.

40% 25% 35%

OPERATING COSTS 54.6 (↑7.4) SATISFACTORY

The Pulse Index for other operating costs increased by 7.4 points to support qualitative evidence that more businesses reopened their physical premises. Also driving the Index above the neutral baseline was the recovery observed across labour force data as well as the tapering of cost relief measures. The other operating costs Index is expected to further increase in the December quarter to 55.5 as normality slowly returns.

7% 67% 26%

LABOUR COSTS 51.6 (↑8.1) SATISFACTORY

The trend of Queensland businesses being able to reduce staffing levels, reduce working hours and request cuts in salary has come to an end with the Pulse Index for labour costs increasing by 8.1 points in the September quarter to 51.6. This increase in the Index coincides with improved labour force data as well as expectations for the revised JobKeeper payment commencing on the 28th of September. Appropriately, wage costs are forecasted to further increase in the December quarter with the Index anticipated to increase by another 2.6 points to 54.2.

14% 61% 25%

PROFITABILITY 38.2 (↑7.8) POOR

The September quarter registered a further recovery in profitability with the Pulse Index increasing by 7.8 points to 38.2. While this Index reading remains at a poor level, it is now 0.7 points above pre-COVID-19 levels in December 2019 (37.5). This finding provides evidence for the damning conditions being experienced by businesses before COVID-19 with comparable results from the previous year being likened to those experienced during the Global Financial Crisis (GFC).

50% 30% 20%

EMPLOYMENT LEVELS 45.4 (↑6.1) SATISFACTORY

The Pulse Index for employment increased by 6.1 points in the September quarter and builds on the slight improvement in the previous June quarter. The Pulse Employment Index now registers at 45.4 and is broadly consistent with the 10-year average of 46.3. Driving the improvement has been increased hiring activity as businesses continue to re-engage staff. Unfortunately, the rate of improvement in employment is expected to taper off with only a 1.8 point lift forecasted for the December quarter.

26% 58% 16%

CAPITAL EXPENDITURE 43.6 (↑3.0) SATISFACTORY

The Pulse Index for capital expenditure increased slightly by 3.0 points to a satisfactory 43.6. Investment incentives made available by the State and Federal government have stimulated stronger investment levels, but only for the minority of Queensland businesses (24%). The modest improvement is expected to stall, indicating that Queensland businesses anticipate further reduced capital expenditures during the December quarter with a forecast Index of 43.4.

32% 44% 24%

12 MONTH OUTLOOK: AUSTRALIAN AND QUEENSLAND ECONOMIES

The Pulse Index for the Queensland 12-month economic outlook increased by 8.3 points in the September quarter to continue its recovery from the COVID-19 induced collapse. Despite a significant shift from earlier quarters, business sentiment has remained in the weaker territory. Additionally, the Index is still well below the 10-year average with nearly two-thirds of business respondents expecting the economy to perform weaker than the previous 12 months. Qualitative data evidences a broad range of reasons as to why weaker economic performance is expected to persist. They include the implication of the State government election on business confidence, the removal or reduction of government stimulus measures, and general uncertainty over future decisions surrounding social distancing restrictions (including border closures).

Interestingly, businesses were slightly more optimistic for the 12-month outlook for the National economy despite Queensland's ability to avert COVID-19 community transmission relative to other States. The Index rose to a score of 34.0; 0.7 points higher than the Queensland outlook and commensurate with the GFC back in September 2008. The future performance of both the National and Queensland economies continue to be dependent upon whether businesses can return to a sustainable level of trade amidst the COVID-19 pandemic. However, until the health crisis is resolved, uncertainty and low business confidence is expected to prevail.

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

QUEENSLAND

TODAY (SEP '20) **33.3 (+8.3) POOR**



LAST QUARTER (JUNE '20) **25.0 POOR**



LAST YEAR (SEP '19) **36.4 POOR**



NATIONAL

TODAY (SEP '20) **34.0 (+8.6) POOR**



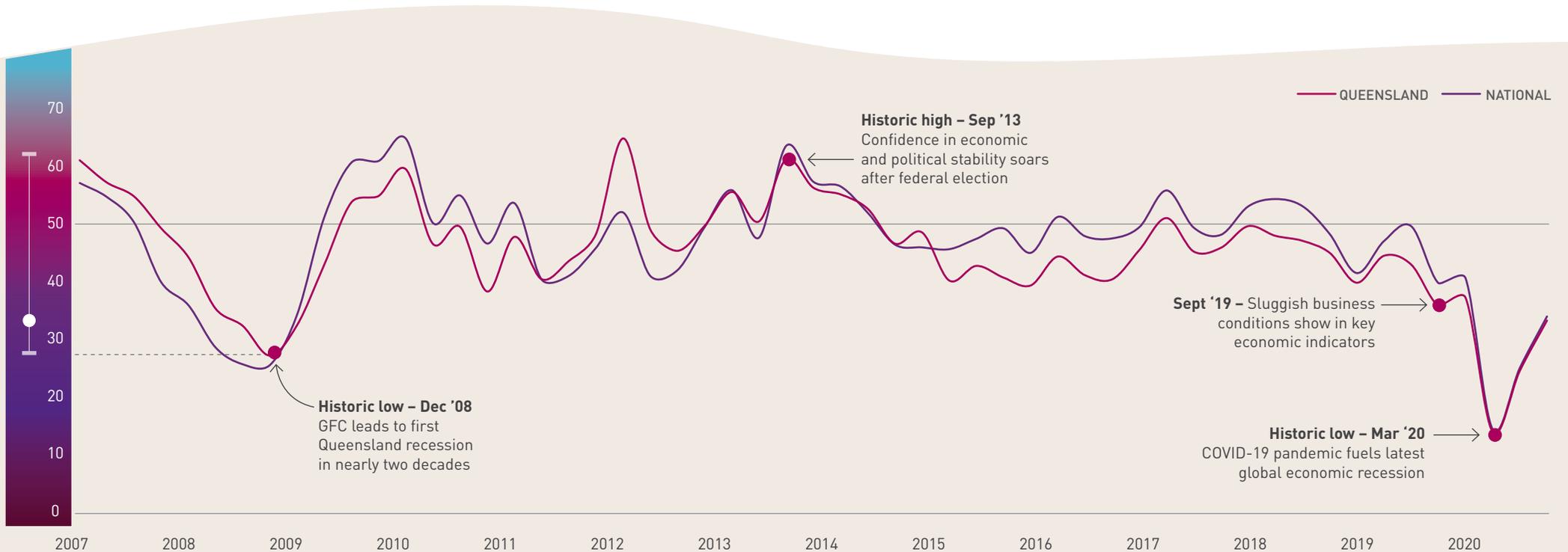
LAST QUARTER (JUNE '20) **25.4 POOR**



LAST YEAR (SEP '19) **40.2 SATISFACTORY**



WEAKER SAME STRONGER



GENERAL BUSINESS CONDITIONS

The Pulse Index for general business conditions increased by 9.7 points to 40.1 in the September quarter and built on the small increase in the June quarter. Improved conditions followed the responses from one-quarter of business respondents stating that they had experienced improved operating conditions. On the flip side, 45 per cent of businesses still reported the opposite. The Index score is now 1.1 points higher than at pre-COVID-19 levels in the December quarter 2019 and is the first satisfactory result since the commencement of deteriorating conditions in June 2019. This finding highlights the fragility of business conditions in Queensland, with the Index at crisis levels well before the onset of COVID-19.

Queensland business expectations for the December quarter increased slightly but indicate that the recovery of general business conditions will plateau below neutral levels. Only one in five businesses believe that conditions will improve further during the December quarter.

North Queensland - COVID-19 is the major issue. If the country can remain stable, we should see growth again. People are turning towards Australian made goods and services, so there is a massive market to tap into

Gold Coast - Businesses are struggling with all of the red tape, fees, permits, inspections, and over the top checks and balances that we have to provide. This all adds to the already high administration and legislative expenses expected of each and every business

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

TODAY (SEPTEMBER '20) **40.1 (+9.7)** SATISFACTORY



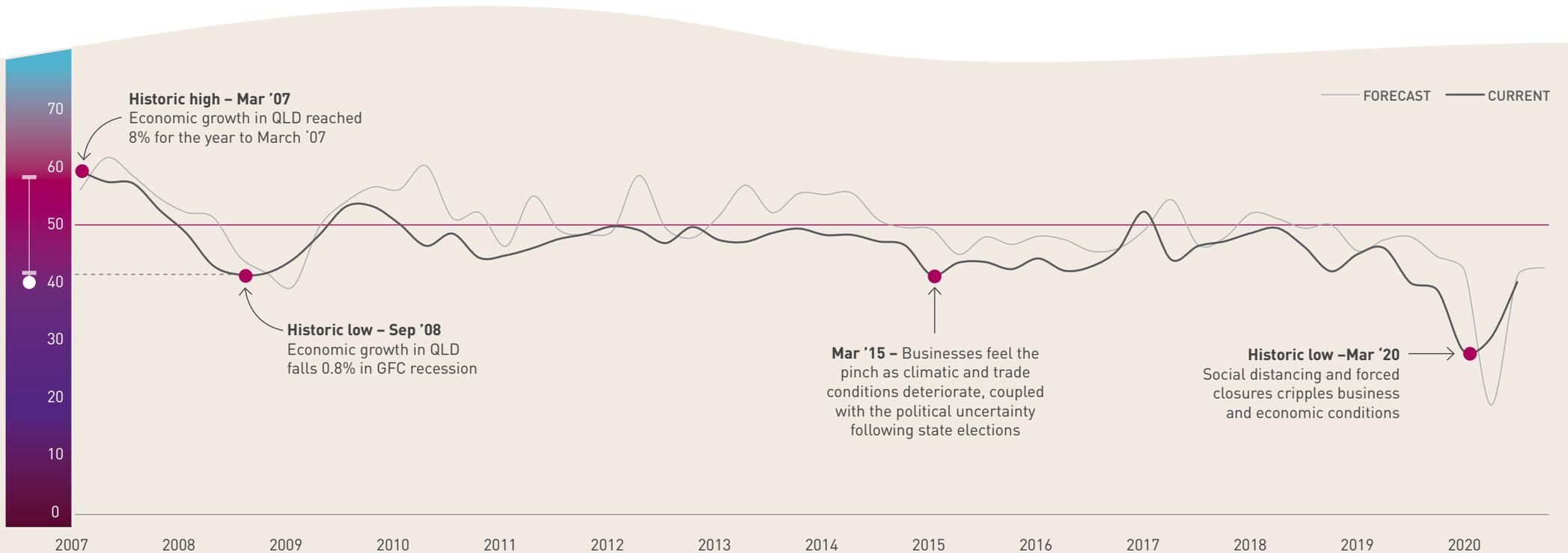
LAST YEAR (SEPT '19) **39.9 POOR**



FORECAST (DEC '20) **42.6 (+2.5)** SATISFACTORY



WEAKER SAME STRONGER



SALES AND REVENUE

The Pulse Index for sales and revenue increased by an encouraging 15.5 points in the September quarter to 45.9 and is now only 2.2 lower than the 10-year average of 48.1. Generally, the catastrophic expectations for turnover that was initially anticipated have not materialised for the majority of businesses. In fact, the improvement follows a period of strong retail sales data published by the ABS, showing that consumers spent more in August compared to the same time last year (August 2019). Hence, one in three businesses reported an increase in their sales revenue. Strong sales is almost certainly a reflection of the JobKeeper and JobSeeker support schemes, but also the ability of Queensland to avoid the additional restrictions imposed in Victoria.

The improvement that has been observed across the past two quarters is expected to plateau with the forecasted Index remaining relatively unchanged at 47.4. There are two factors worth noting for the tapering of the COVID-19 recovery. Firstly, the improvements observed in the June and September quarters stemmed from the lowest base ever recorded in March 2020. Additionally, the JobKeeper payments that were widely praised for supporting consumer spending have since been reduced. Ultimately, it will be the confidence of household and business consumers leading into the Christmas and New Year period that will determine if sales will return to viable levels.

Gold Coast - JobKeeper has certainly saved our business as more people have been able to spend. However, with it falling very soon, it has become a major concern

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

TODAY (SEP '20) **45.9 (+15.5)** SATISFACTORY



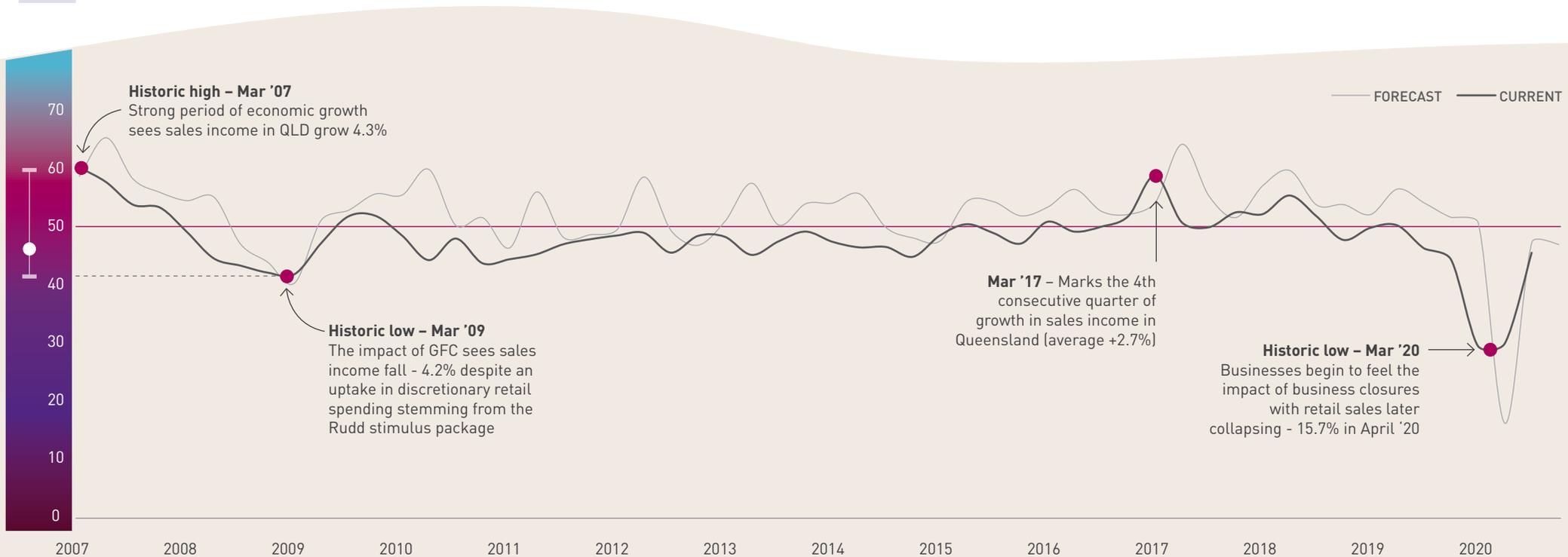
LAST YEAR (SEP '19) **46.9** SATISFACTORY



FORECAST (DEC '20) **47.4 (+1.5)** - SATISFACTORY



DECREASED SAME INCREASED



OPERATING COSTS

The Pulse Index for other operating costs such as rent, electricity and insurance increased by 7.4 to a satisfactory 54.6. Driving this increase was qualitative findings where more businesses started to reopen their physical premises and re-engage stood down workers. Additionally, the support being provided by the government, landlords and corporate Australia is now beginning to cease. Accordingly, the other operating costs Index is expected to further increase in the December quarter to 55.5. This outlook follows three in four businesses anticipating operating costs to remain largely the same, with the other quarter now expecting them to increase during the coming quarter.

Brisbane - As support is withdrawn and expenses rise due to deferred finance, rent and tax charges, SMEs will collapse

Central Queensland - Ridiculously high energy costs are crushing Queensland's manufacturing industries and impacts supply chain costs and household bills

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

TODAY (SEP '20) **54.6 (+7.4)** SATISFACTORY



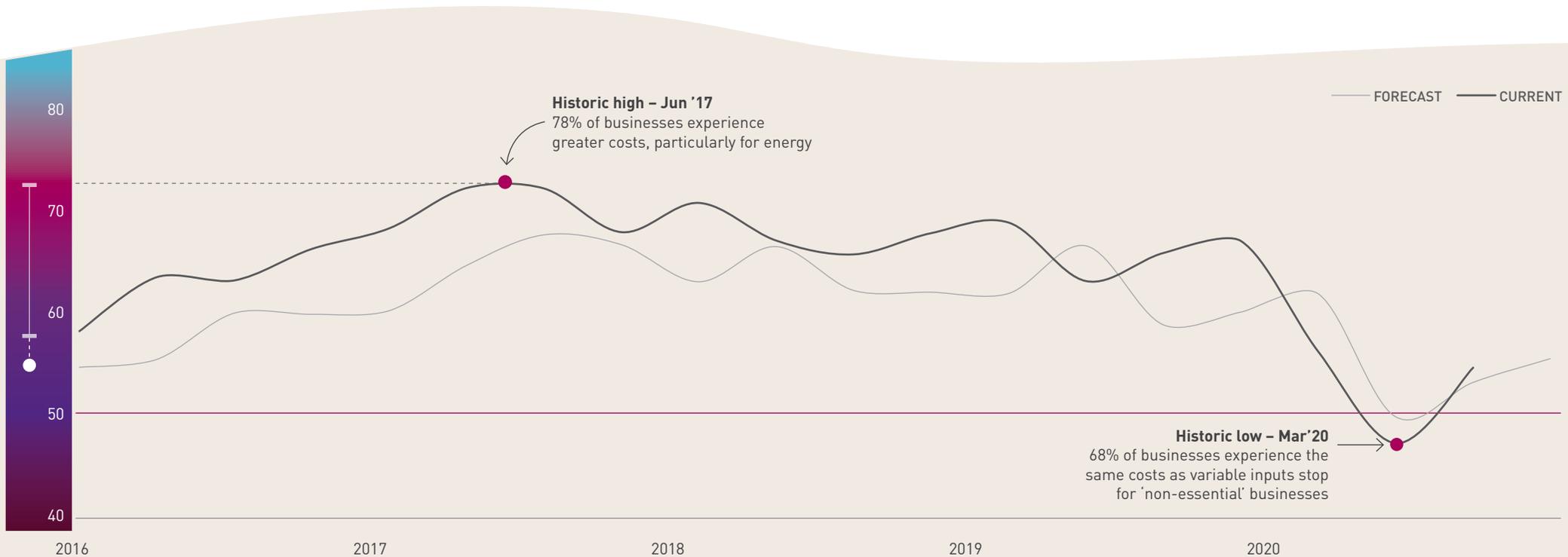
LAST YEAR (SEP '19) **66.4** GOOD



FORECAST (DEC '20) **55.5 (+0.9)** SATISFACTORY



DECREASED SAME INCREASED



LABOUR COSTS

The trend of Queensland businesses being able to reduce staffing levels and working hours, as well as requesting salary cuts, has seemingly come to an end. The Pulse Index for labour costs increased by 8.1 points in the September quarter to 51.6. This result follows 86 per cent of businesses indicating that their labour costs had either risen or stayed the same. The increase also coincides with improved labour force data as well as revised JobKeeper payments which commenced on the 28th of September. Appropriately, wage costs are forecasted to further increase in the December quarter with the Index expected to increase by another 2.6 points to 54.2. Further improvements follow one in four businesses anticipating an increase in their labour costs during the quarter. If realised, the forecasted reading will be virtually on par with the ten year average of 55.2, which is hopefully a reflection of the return to regular staffing levels for many businesses.

Far North Queensland - Jobkeeper support has allowed me to maintain my employees and continue servicing clients.

Brisbane - The reduction of JobKeeper and the continuing uncertainty of the COVID virus are threats to economic liquidity, employment levels and business confidence.

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

TODAY (SEP '20) **51.6 (+8.1)** SATISFACTORY



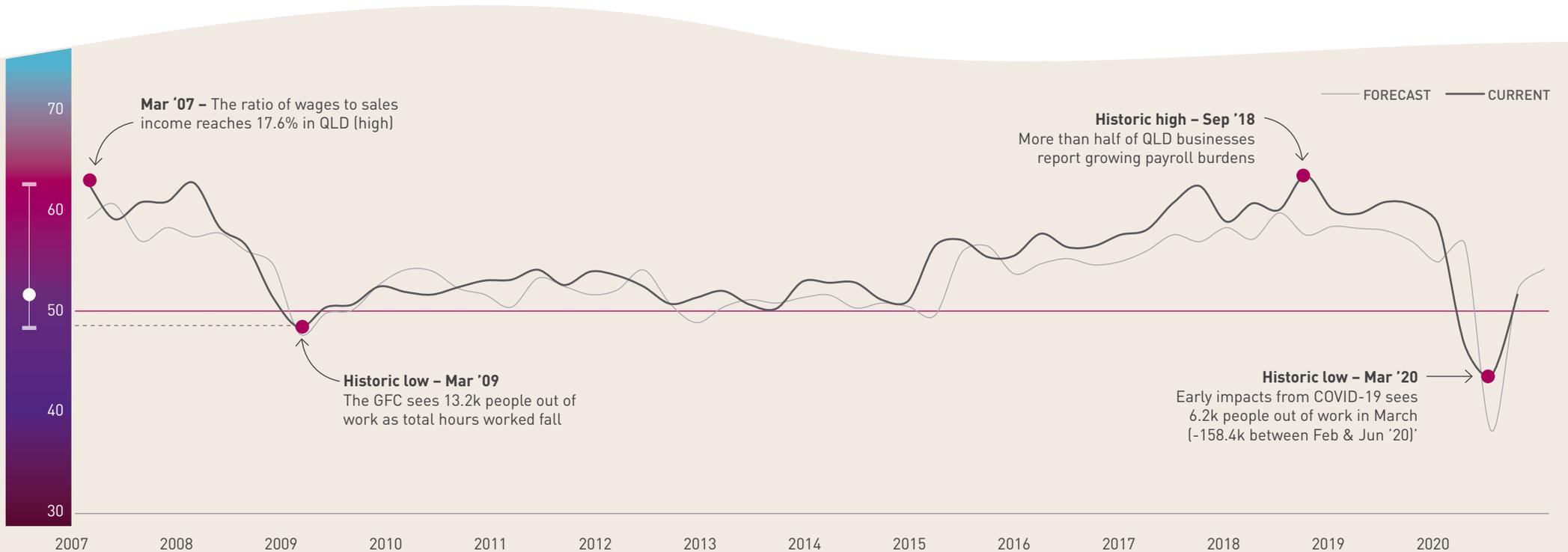
LAST YEAR (SEP '19) **60.8** GOOD



FORECAST (DEC '20) **54.2 (+2.6)** SATISFACTORY



DECREASED SAME INCREASED



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

PROFITABILITY

The September quarter registered a further recovery in profitability with the Pulse Index increasing by 7.8 points to 38.2. Despite the improvement, the reading is still at a poor level and remains below the ten year average of 40.5. While one can easily blame poor results on the COVID-19 Economic Crisis, this is not the case for many index readings such as that for profitability. The current reading of the Index is now 0.7 points higher than pre-COVID-19 levels in December 2019 when profitability had been on a sliding trend since June 2018. This unfortunate reality provides evidence for the damning conditions being experienced by businesses before COVID-19 with results from comparable periods last year being likened to the GFC downturn. Whilst the proportion of businesses indicating decreased profitability is expected to continue during the December quarter, growth in the Index is expected to slow.

Wide Bay Burnett - Political responses to COVID 19, including ongoing border closures, lockdowns, and restrictions, is limiting the ability for businesses to operate at a viable level.

Brisbane - Business profits have been largely impacted by COVID-19. My fear is that once other industries are affected by reduced stimulus support, eventually that will reflect in my own turnover. We are house cleaners, important, but not essential when you are trying to feed your family.

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

TODAY (SEP '20) **38.2 (+7.8) - POOR**



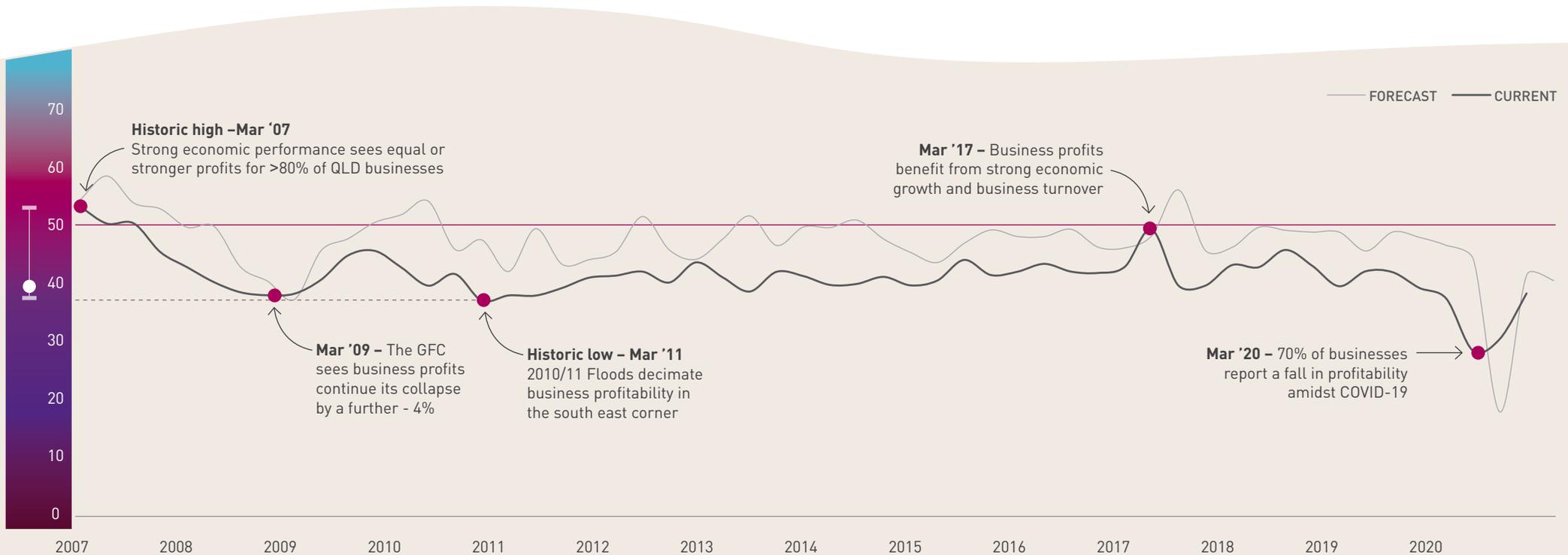
LAST YEAR (SEP '19) **39.3 POOR**



FORECAST (DEC '20) **40.5 (+2.3) SATISFACTORY**



DECREASED SAME INCREASED



EMPLOYMENT LEVELS

The Pulse Index for employment increased by 6.1 points in the September quarter and built on the slight improvement in the previous June quarter. The Index now registers at 45.4 and is broadly consistent with the ten year average of 46.3 points. Driving the progress has been increased hiring activity as businesses continue to re-engage staff. Specifically, labour force data released by the ABS evidences the fact that an additional 89,900 have been employed during the September quarter. Support measures from both the Queensland and Australian Government are no doubt critical reasons for the severity of initial expectations not being realised. However, with these same measures expected to end in 2021, businesses must be able to stand on their own two feet if employment levels are to be sustainable. Unfortunately, the rate of improvement in employment is expected to taper off with only a 1.8 point lift to 47.2 forecasted by businesses. This finding is particularly alarming as there remain 45,000 fewer people employed and 56,000 more unemployed as at September compared to pre-COVID-19 levels in March 2020.

🗣️ **North Queensland** - Many businesses will fail, not because there are not people willing to spend money, but because they CANNOT recruit employees. We have had job ads up for months, and not one person has attended work. JobSeeker is destroying businesses as there is now no incentive to work.

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

TODAY (SEP '20) **45.4 (+6.1)** SATISFACTORY



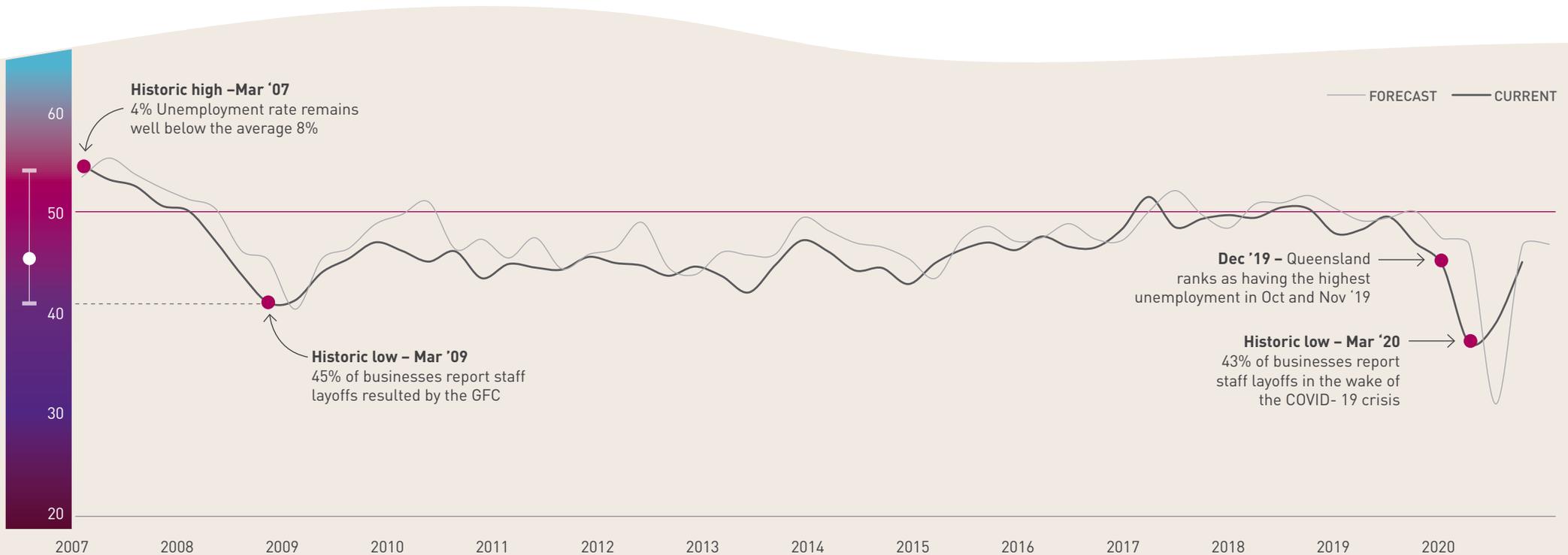
LAST YEAR (SEP '19) **47.7** SATISFACTORY



FORECAST (DEC '20) **47.2 (+1.8)** SATISFACTORY



DECREASED SAME INCREASED



CAPITAL EXPENDITURE

Ongoing and extremely poor profitability and an absence of cash reserves for businesses in Queensland across 2019 and the first half of 2020 continue to cause subdued capital expenditure. Hence, as they have done in previous quarters, many businesses have been forced to prioritise viability by withholding capital expenditures. Appropriately, the Pulse Index for capital expenditure increased slightly by 3.0 points to 43.6 as a result of more businesses maintaining the same level of reduced investment. This reading is now broadly in line with the ten year average of 44.3. The modest improvement is expected to stall with Queensland businesses indicating that they anticipate further reduced capital expenditures during the December quarter.

Wide Bay Burnett - If lending returns to pre-2007 levels where borrowers are responsible (i.e. the return of Low Doc loans), business owners in SME will find it easier to borrow and stimulate the economy. We did well in the 2002-2007 era and could repeat our investment strategies. However, the current lending regime is too restrictive and too difficult even to contemplate.

Brisbane - There is a fear of not enough money being available to go around from both the Federal and State Governments. Also, foreign investment could be meagre because of the uncertainty of the third coronavirus wave, and no certainty that we will have a successful vaccine.

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

TODAY (SEP '20) **43.6 (+3.0)** SATISFACTORY



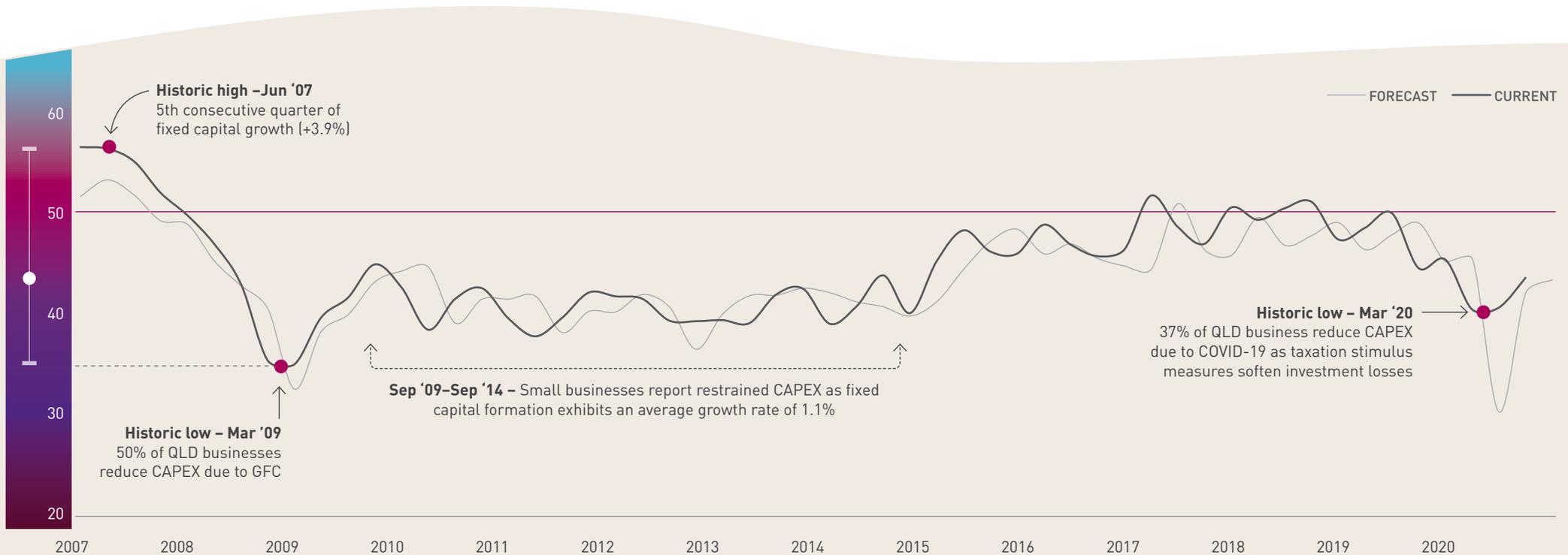
LAST YEAR (SEP '19) **44.5** SATISFACTORY



FORECAST (DEC '20) **43.4 (-0.2)** SATISFACTORY



DECREASED SAME INCREASED



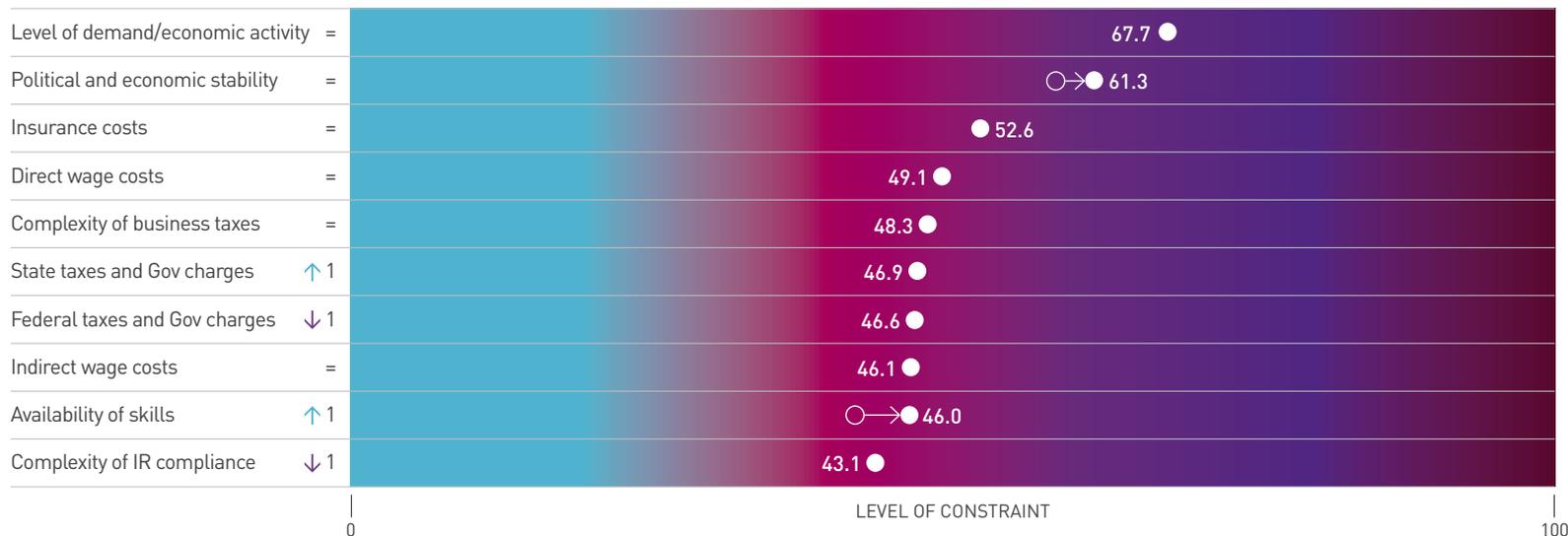
MAJOR CONSTRAINTS ON BUSINESS GROWTH

STATEWIDE

LEGEND: ↑ 2 QUARTERLY CHANGE CURRENT ● ○ PREVIOUS



SMALL BUSINESS



STANDOUTS

The primary constraint on Queensland businesses continues to be the level of customer demand for goods and services and overall economic activity. This constraint remained unchanged in severity in the September quarter at 67.1 index points and is firmly entrenched in number one spot. Similarly, political and economic stability remains in number two spot. It will continue to be a prominent constraint until such time as the global pandemic is contained and the State Election is behind us. The next three constraints are in business cost areas including insurance and wage cost and tax compliance, all steady in their respective places.

SMALL VS LARGE BUSINESS ISSUES

Once again, the September quarter continues the trend of small businesses recording the severity of constraints as more acute than larger businesses. The only noticeable difference is that larger businesses and agricultural businesses are now citing labour and skill shortages as becoming a constraint. Qualitative responses suggest that this is becoming an increasing challenge due to border closures and JobKeeper disincentives for casual workers.

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

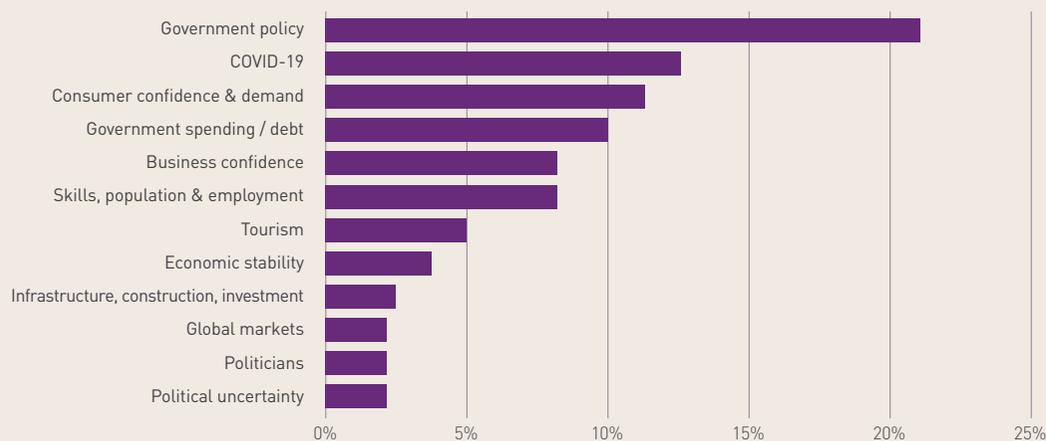
Open-ended qualitative questions within the Suncorp-CCIQ Pulse Survey enable small businesses to provide commentary about factors that have or will influence economic activity over the next 12 months. The September quarter marks the third consecutive survey where COVID-19, including the response to the crisis, has dominated business sentiment. Approaching the December quarter, businesses are mostly confident in the containment of the health crisis. However, of greater interest is the need for ongoing support to push businesses through the continuing economic slump.

Not dissimilar to the June quarter, 21 per cent of respondents indicated government policies such as the JobKeeper stimulus as having a significant impact on economic performance. While JobKeeper has been instrumental in supporting business cashflow and employment,

its implementation has challenged certain employers. Namely, Queensland businesses have expressed their struggle to provide adequate incentives to employees that are content with collecting JobKeeper payments without having to work. Businesses are hopeful that the recent amendments to the payment will aid in resolving this challenge.

Otherwise, while poor business and consumer confidence continue to loom over Queensland, there is significantly more optimism for the future compared to previous quarters. This was reflected by more businesses benefiting from relaxed COVID-19 restrictions and a greater level of discretionary spending by consumers. Many businesses also stated that the ongoing pandemic had forced them to accelerate planned diversification efforts and cost-cutting to secure future sustainability.

KEY INFLUENCES ON BUSINESS CONFIDENCE IN THE ECONOMY



THE VOICE OF QUEENSLAND'S BUSINESS COMMUNITY

Multiple issues are impacting the economy. 1) Lack of demand and economic growth. 2) An over-reliance on Jobkeeper - Currently, it is tough to employ factory staff such as process workers and other unskilled labour because they prefer to collect the Government support rather than working. 3) Too much talk about new infrastructure projects to generate growth and not enough action. 4) Rising business costs, especially Professional Indemnity insurance – **Brisbane**

Organisations are now more aware of the need to plan for business resilience through better risk management and realistic threat assessments – **Gold Coast**

Real unemployment is down as opposed to the figures that the government is giving us. As JobKeeper payments reduce so will available money for consumers to spend. COVID-19 was a convenient way for the governments of the world to hide behind their incompetence and short term thinking. Now they will have a scapegoat for the recession, and our citizens will be none the wiser. I dread to think that more people will go broke and suicide than would ever die from COVID – **South West Queensland**

We are fortunately able to continue trading and have seen a slight increase as more people are travelling closer to home. The cash flow boosts from Federal Government from PAYG rebate, and the apprenticeship support have been major benefits – **Central Coast**

The future will depend on how well businesses transition off JobKeeper, and whether more jobs are shed, sending confidence in a downward spiral. Businesses need a cooperative relationship between the Federal and State Government to get the economy going again – **Brisbane**

People are unsure of the future and are frustrated and angry by what they see to be a disruption to their day to day lives caused by the government's decisions or lack thereof – **Brisbane**

THE VOICE OF QUEENSLAND'S BUSINESS COMMUNITY



The State Government needs to get serious about cutting red tape to take the noose off businesses necks. With all of the regulations that you now have to go through, you certainly would not start a business today when you see the rot that is involved – **Brisbane**



The State election in October will be a great influencer on the State economy. We were in a poor position before COVID-19, and need our elected government to get serious about small businesses and the economy – **Central Queensland**



There should be access to free advice for businesses suffering financial distress to make better decisions to save or kill the business – **Brisbane**



Getting business back to work must be our sole focus. Without it, we are in a heap of trouble; we cannot support this huge public service and the state debt. COVID-19 and mismanagement have also blown out the Federal deficit. Government needs to be run like a business – **Central Queensland**



The government supporting businesses during the hardship of COVID-19 gave me an opportunity to restructure the direction of my business to suit the changing economic conditions. Also, the employment incentives allowed me to employ another valued staff member – **Central Coast**



No students are returning to campus and there is only 1/3 or less staff – **South West Queensland**



Finding stock has become an increasing issue, particularly for packaging. There has also been an unexpected and unanticipated price increase on stock which has added salt to the wound – **Far North Queensland**



The future of my business depends on COVID-19 and the restrictions currently in place – not to mention the possibility for more in the future. If these restrictions are not taken seriously by the general public and regularly reviewed by the government, then the economy will not improve any time soon – **Brisbane**



Many businesses have utilised the COVID-19 pandemic to reinvigorate their brand by bringing the focus back to local suppliers. With fewer businesses being able to rely on supply chains from China and other countries, sales have improved – **Brisbane**



Nothing is worse than it was three months ago but obviously, access across the border to northern NSW clients still provides some challenges. Interstate transport can be tough to obtain at a reasonable price at short notice, meaning that some inputs are still in short supply or facing large delays – **Central Coast**



COVID-19 and widespread misuse of the JobKeeper and JobSeeker funding is impacting businesses wanting to retain or hire more staff. I personally know of three businesses who lost staff that refused to work so that they didn't lose their fortnightly payment – **Central Queensland**



COVID-19 will have an impact on the economy at a local, state and federal level. While Queensland has faced these types of issues before with widespread weather events, the difference with COVID-19 is the fact that there is no foreseeable end date. I imagine businesses able to withstand closures would not cope with ongoing closures and a reduction in trade due to household financial hardship – **Far North Queensland**

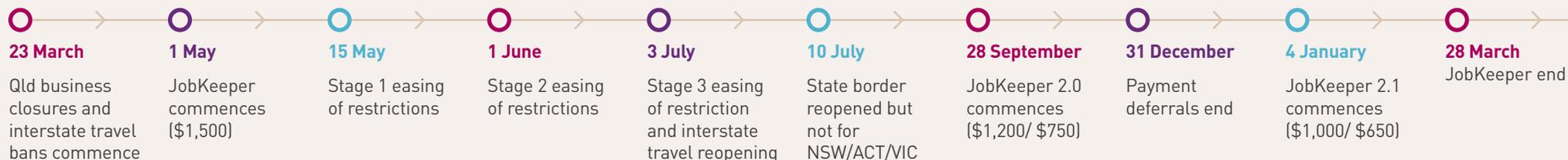


There is a domino effect taking place due to a lack of tourism and an inability to sell marine products (fish/prawns etc.). The flow-on impact makes all smaller businesses in the supply chain suffer, especially when payments become slower at the top end of town – **Far North Queensland**



COVID-19 Rules are not uniform and not managed by the government departments properly. Each person has a different interpretation of the rules and should trained on best practice, not slapped with a fine that they can't afford to repay. A restaurant is treated differently to a Hotel but do the same job – **South West Queensland**

COVID-19 BUSINESS RESTRICTIONS



ABOUT PULSE

The Pulse Survey has been measuring Queensland business confidence and expectations for over 20 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 22nd of September to the 5th of October 2020 and examines business sentiment and activity throughout the September quarter 2020. 1,307 participants responded to the September quarter 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.

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.

A Pulse Index reading of above 50 indicates conditions have grown over the previous quarter. A reading of 50 indicates that conditions have remained the same, and less than 50 shows conditions have fallen.

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

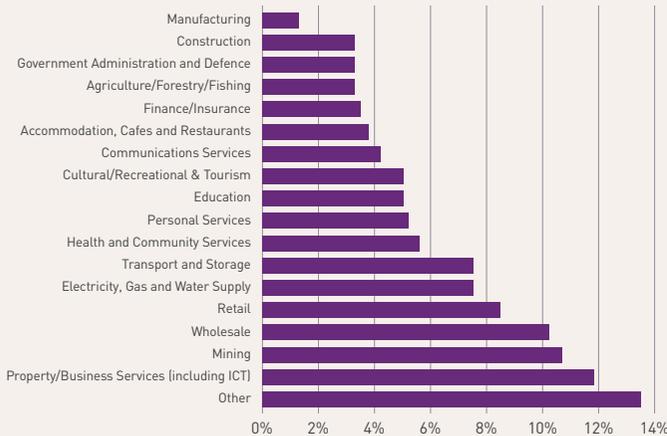
Very Weak	0 – 20
Weak	21 – 40
Satisfactory	41 – 60
Strong	61 – 80
Very Strong	81 – 100

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.

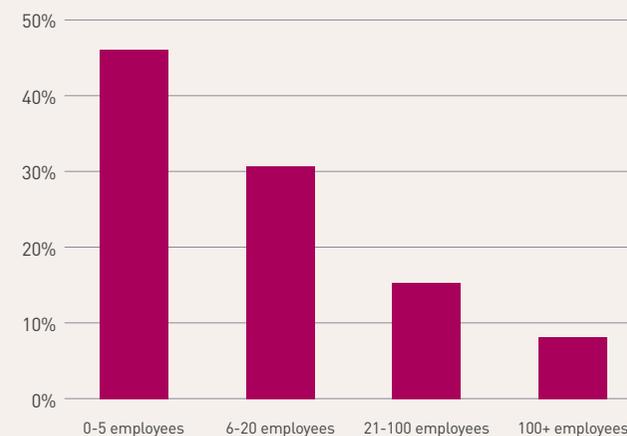
Degree of Constraint Index

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

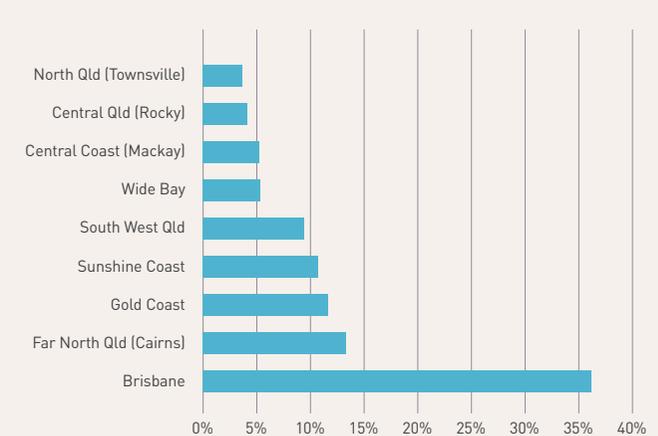
INDUSTRY REPRESENTATION



SIZE OF ORGANISATION



REGIONAL REPRESENTATION



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