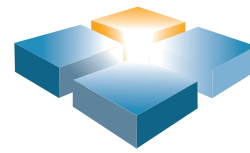


Invigorating Business



CHAMBER OF
COMMERCE &
INDUSTRY
QUEENSLAND

Impact of the Queensland floods on business

CCIQ survey | February 2011



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www.cciq.com.au

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1.0 Introduction and Summary

- 1.1 December 2010 and January 2011 saw floods on a scale that were unprecedented in Queensland. This event saw three quarters of the state declared a disaster zone, affecting thousands of residents, visitors and businesses.
- 1.2 The Chamber of Commerce and Industry Queensland (CCIQ) undertook a survey of Queensland businesses for the week commencing the 18/01/2011 until the 25/01/2011. Demographics of the 555 survey respondents are included in Appendix A.

Key findings include:

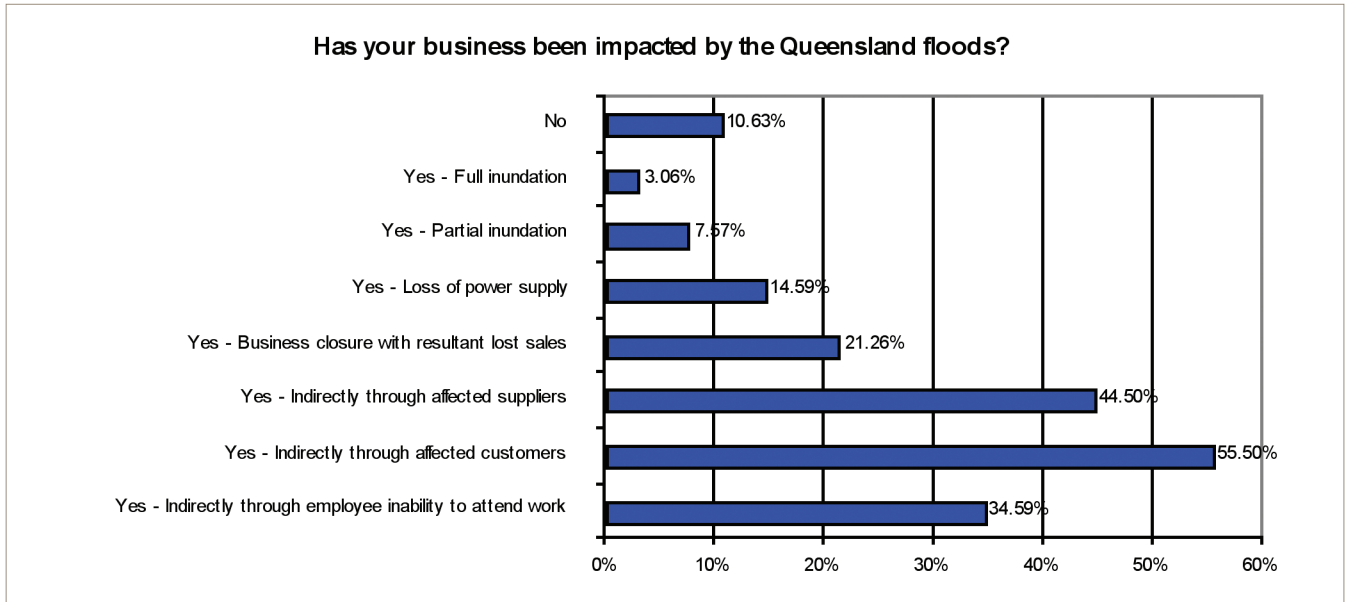
- > One in five businesses in Queensland has had to close as a result of the floods due to full or partial water inundation, loss of power or cut off from their business.
 - > The average number of days business were forced to close was eight (median of 4 days).
 - > The average number of days before their business returns to normal operations is 31 days (median of 10 days).
 - > The loss to property including plant and equipment, stock, buildings and motor vehicles to those businesses directly affected by the floods was on average \$589,000 (median of \$40,000).
 - > Business directly affected by the floods on average expect to lose in total \$908,000 or approximately 11% of their annual turnover (median was \$50,000 or 7% of annual turnover).
 - > Unfortunately most businesses are currently unsure what their insurance covers them for with many businesses reporting difficulty in getting clear positions on where they stand.
 - > Many businesses have also been indirectly impacted by the floods through affected customers, affected suppliers, through employee inability to attend work or through loss of appeal of Queensland as a tourism destination.
 - > Unsurprisingly 22% of all businesses within Queensland have indicated that the floods have had a major to critical impact on their businesses' viability with the very real threat of job losses.
- 1.3 When asked what assistance is needed a clear picture emerges:
- > Financial assistance with cash flow and concessional loans from Government to help business meet their immediate debtor obligations;
 - > A marketing campaign highlighting that Queensland is open for business and as a tourism destination is unscathed;
 - > Deferral of tax and bank debt;
 - > Flood proof infrastructure;
 - > More effort to buy and holiday locally;
 - > Higher priority for business in power restoration; and
 - > Reduced red tape for businesses to get back up and running.



2.0 Businesses impacted by the Queensland floods

2.1 The CCIQ survey found that:

- > One in ten businesses had either been fully or partially inundated by flood water;
- > One in five businesses had been impacted through forced business closures with resultant lost sales;
- > 15% had been impacted through the loss of power;
- > Many businesses had been impacted by the floods indirectly through affected customers (55.5%), affected suppliers (44.5%) or through employee inability to attend work (34.59%)



Source: CCIQ survey on impact of Queensland floods on businesses, January 2011

2.2 In addition to the above, other impacts that have been experienced by Queensland businesses include:

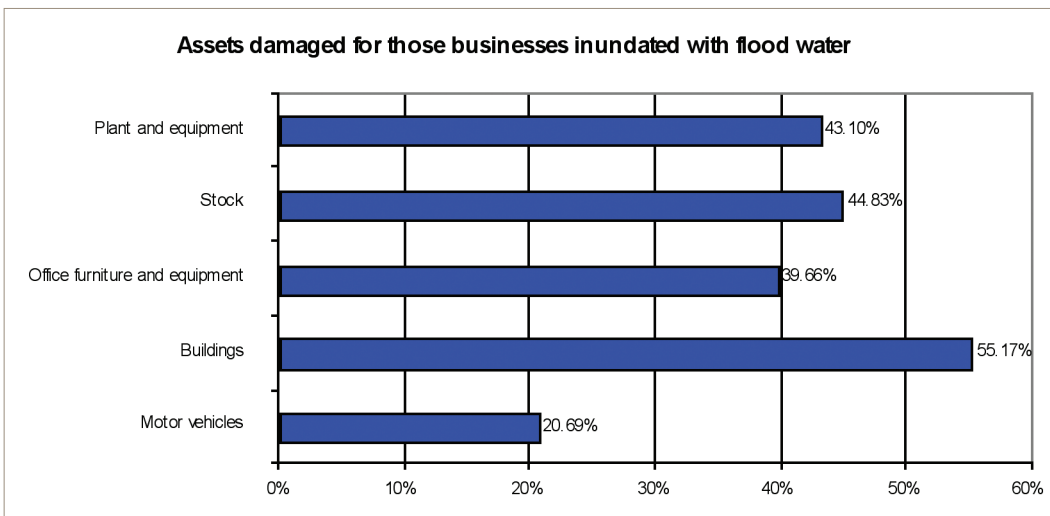
- > Road closures and other impacts on transport infrastructure, including weight limits on roads;
- > Perceptions that all businesses/Queensland has been impacted, particularly driven through the negative portrayal of some areas by the media;
- > Cancellation of bookings/business services and reduced sales;
- > Reduced tourist numbers;
- > Business/customers/suppliers isolated by water;
- > Unable to move/receive freight by road or ports;
- > Impact of the weather conditions on normal business activities, ie unable to get to clients, ground too wet to drill, unable to harvest crops etc;
- > Loss of stock/crops etc;
- > Clean up activities taking longer than expected, or businesses sending their staff to assist others;
- > Loss of communication networks ie internet, connections to servers, telecommunications etc;
- > Moving stock/furniture out of business and then moving it back;
- > Loss of office records;
- > Increased prices of some goods ie fresh produce.

2.3 A few businesses also reported increases in sales/business due to stock they had that others did not or through increased traffic in their area.



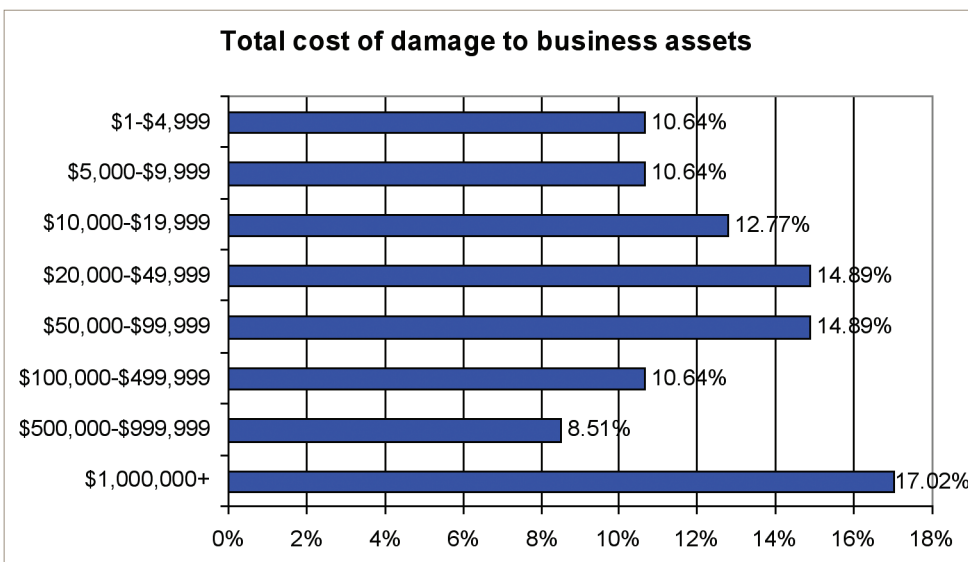
3.0 Impact on businesses directly affected by water damage

- 3.1 More than half of the businesses (55.17%) who indicated that they had been fully or partially inundated by flood water had buildings affected. Many also had plant and equipment (43.10%) and stock (44.83%) affected. Two in five businesses had office furniture and equipment affected and one in five had motor vehicles affected.
- 3.2 Other assets that businesses identified had been affected by water damage included:
- > Entry roads to the business and carparks;
 - > Communication links;
 - > Land ie grazing paddocks, vineyards;
 - > Office records;
 - > Loss of stock stuck on freight vehicles;
 - > Fences.
- 3.3 Some businesses also lost stock that was stored at customer premises, who were subsequently inundated with flood water.



Source: CCIQ survey on impact of Queensland floods on businesses, January 2011

- 3.4 Of those businesses that had either been fully or partially inundated by flood water, or had lost power supply as a result of the floods, 17% indicated the total cost of damage was more than \$1 million. About 30% indicated that the damage bill would be between \$10,000 and \$50,000.



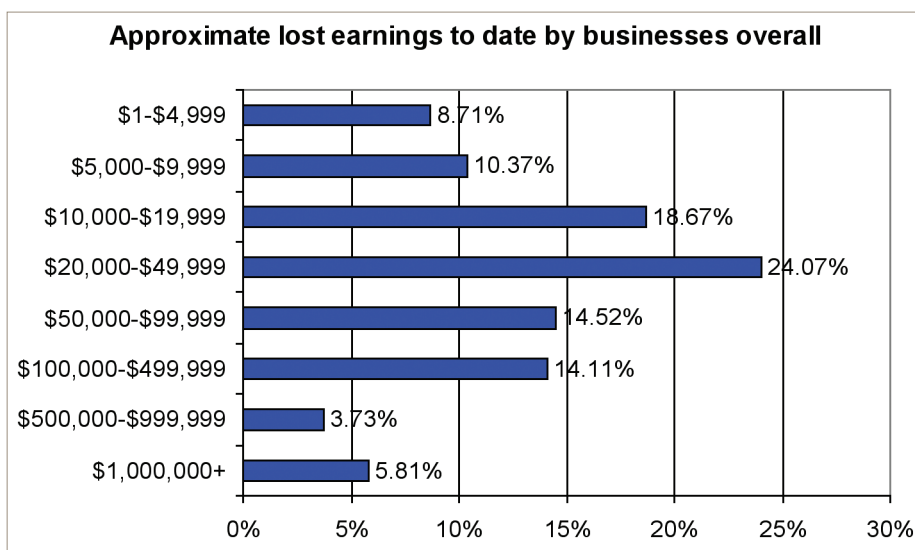
Source: CCIQ survey on impact of Queensland floods on businesses, January 2011

- 3.5 The total asset damage bill for respondents that had either been fully or partially inundated by flood water, or had lost power supply as a result of the floods, was \$27.7 million, representing an average bill of \$588,689. However, given a relatively small number of very high damage bills, the median bill for damage to business assets was \$40,000.



4.0 Lost earnings experienced by businesses to date

- 4.1 Of those businesses that had experienced financial losses, around one in five businesses indicated that they had lost less than \$10,000 in earnings to date as a result of the floods. 42.7% of businesses indicated that they had lost between \$10,000 and \$50,000 in earnings to date. Around 5% have lost more than \$1 million.
- 4.2 The total lost earnings to date by survey respondents was \$58.2 million (average lost earnings to date was \$247,901). Again, the average was distorted by some very high losses to a relatively small number of businesses. Accordingly, the median total lost earnings to date was \$28,000.



Source: CCIQ survey on impact of Queensland floods on businesses, January 2011

- 4.3 The lost earnings to date are substantially higher for those businesses that were directly impacted by the flood (ie were fully or partially inundated by flood water, had loss of power supply or forced business closure) compared to those who were indirectly impacted (ie through affected suppliers, customers or through employee inability to attend work). Just over 30% of directly affected businesses had lost more than \$100,000 to date compared to 15% for businesses who were indirectly affected. The median lost earnings to date for businesses directly affected by the flood was \$35,000 compared to \$20,000 for those indirectly affected.

Approximate lost earnings to date

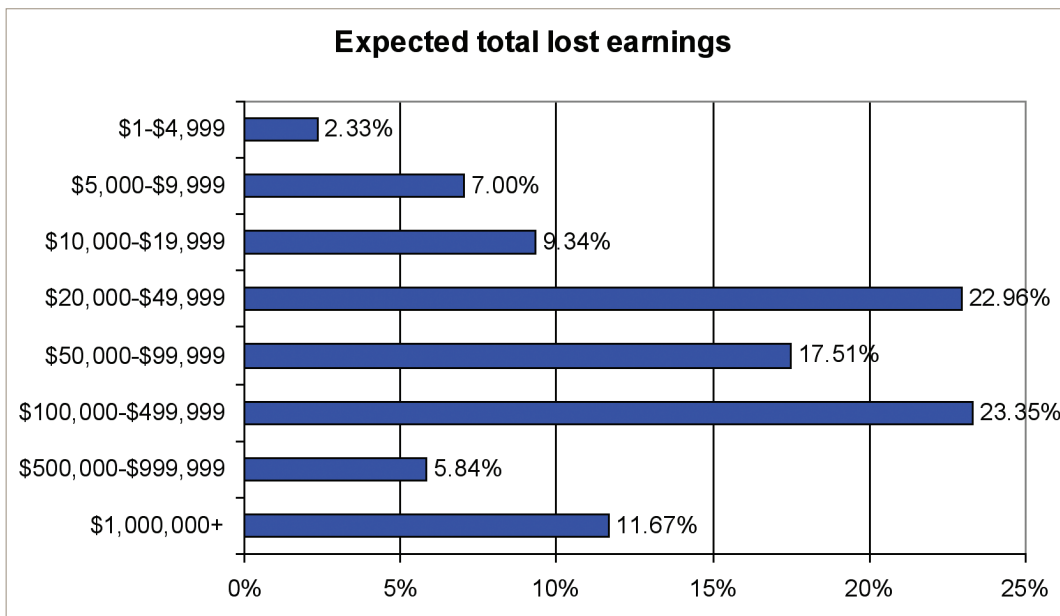
Lost earnings	Overall	Directly affected businesses	Indirectly affected businesses
\$1-\$4,999	8.71%	8.47%	8.62%
\$5,000-\$9,999	10.37%	9.32%	11.21%
\$10,000-\$19,999	18.67%	13.56%	25.00%
\$20,000-\$49,999	24.07%	24.58%	23.28%
\$50,000-\$99,999	14.52%	12.71%	16.38%
\$100,000-\$499,999	14.11%	19.49%	8.62%
\$500,000-\$999,999	3.73%	2.54%	4.31%
\$1,000,000 +	5.81%	9.32%	2.59%
Total lost earnings to date	\$58,254,740	\$44,347,840	\$13,906,900
Average lost earnings to date	\$247,901	\$375,829	\$119,887
Median lost earnings to date	\$28,000	\$35,000	\$20,000

Source: CCIQ survey on impact of Queensland floods on businesses, January 2011



5.0 Expected total lost earnings by businesses

- 5.1 Of those businesses experiencing losses, around 40% expect to lose between \$20,000 and \$100,000 in lost earnings over the full duration of the flood and recovery period. A further 23% expect to lose between \$100,000 and \$499,000. One in ten businesses expect to lose more than \$1 million, with one large business in Brisbane indicating that they expect to lose \$30 million.
- 5.2 The total expected lost earnings by survey respondents totals \$147.8 million, with an average of \$600,349. The median total expected lost earnings however is \$50,000.



Source: CCIQ survey on impact of Queensland floods on businesses, January 2011

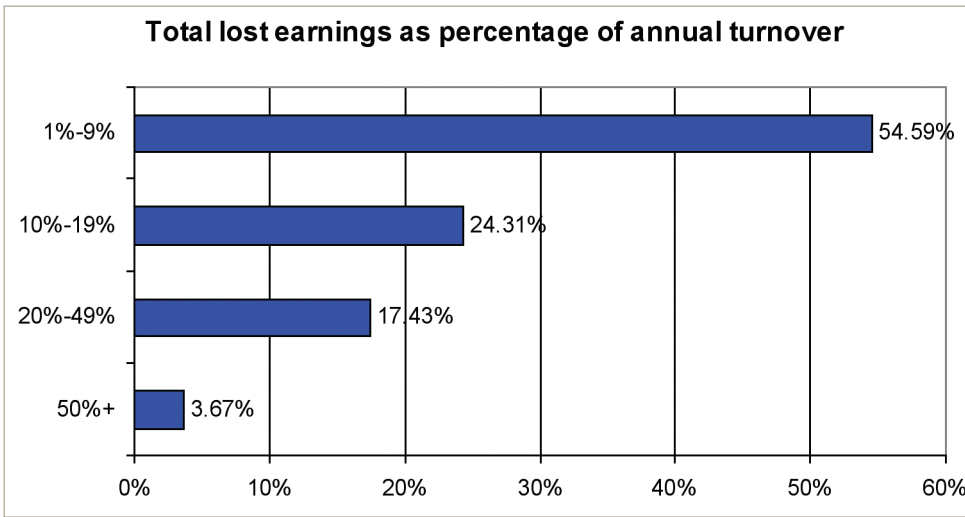
- 5.3 The estimated total lost earnings are substantially higher for those businesses that were directly impacted by the flood (ie were fully or partially inundated by flood water, had loss of power supply or forced business closure) compared to those who were indirectly impacted (ie through affected suppliers, customers or through employee inability to attend work). One in two businesses directly affected by the flood estimated their total lost earnings as more than \$100,000 compared to one in three business who were indirectly affected. The median estimated total lost earnings for businesses directly affected by the flood was \$70,000 compared to \$45,000 for those indirectly affected.

Estimated total lost earnings

Lost earnings	Overall	Directly affected businesses	Indirectly affected businesses
\$1-\$4,999	2.33%	1.82%	2.33%
\$5,000-\$9,999	7.00%	9.09%	5.43%
\$10,000-\$19,999	9.34%	2.73%	14.73%
\$20,000-\$49,999	22.96%	20.00%	27.13%
\$50,000-\$99,999	17.51%	17.27%	17.05%
\$100,000-\$499,999	23.35%	25.45%	23.26%
\$500,000-\$999,999	5.84%	8.18%	3.88%
\$1,000,000 +	11.67%	15.45%	6.20%
Total lost earnings	\$147,787,080	\$108,970,480	\$38,816,600
Average lost earnings	\$600,349	\$908,087	\$300,904
Median lost earnings	\$50,000	\$70,000	\$45,000

Source: CCIQ survey on impact of Queensland floods on businesses, January 2011

- 5.4 The majority of businesses (54.59%) who will experience losses as a result of the floods, indicated that the total lost earnings would be less than 10% of their annual turnover. One in four businesses indicated that the lost earnings would represent between 10% and 20% of their annual turnover. The average percentage of annual turnover that businesses expected to lose in total earnings was 11%. The median was 7%.



Source: CCIQ survey on impact of Queensland floods on businesses, January 2011

5.5 The estimated percentage of annual turnover expected to accrue in lost earnings for those businesses that were directly impacted by the flood is substantially higher than those who were indirectly impacted. The median percentage for those businesses directly affected by the flood is 7% compared to 5% for those businesses who were indirectly affected.

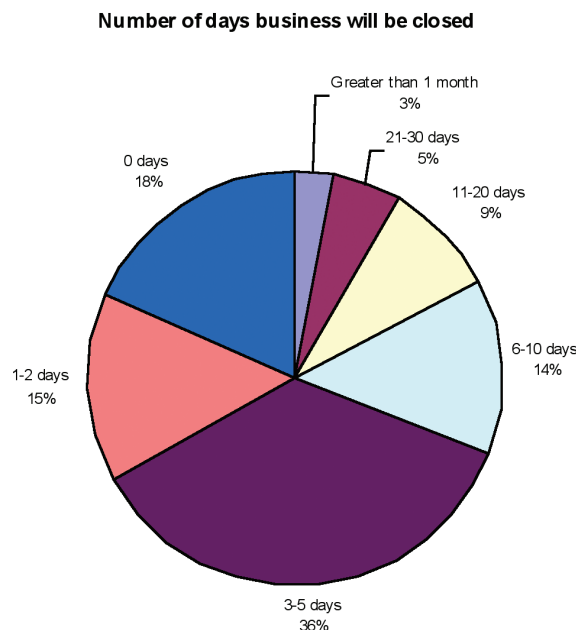
Total lost earnings as a percentage of annual turnover

Percentage of annual turnover	Overall	Directly affected businesses	Indirectly affected businesses
1-9%	54.59%	53.61%	56.25%
10%-19%	24.31%	25.77%	22.32%
20%-49%	17.43%	13.40%	20.54%
50% +	3.67%	7.22%	0.89%
Average percentage	11%	13%	10%
Median Percentage	7%	7%	5%

Source: CCIQ survey on impact of Queensland floods on businesses, January 2011

6.0 Business closures due to floods

6.1 For those businesses that were forced to close due to the floods, the majority (51%) were closed for five days or less. The average number of days that businesses were forced to close due to floods was 8 days, with a median of 4 days.



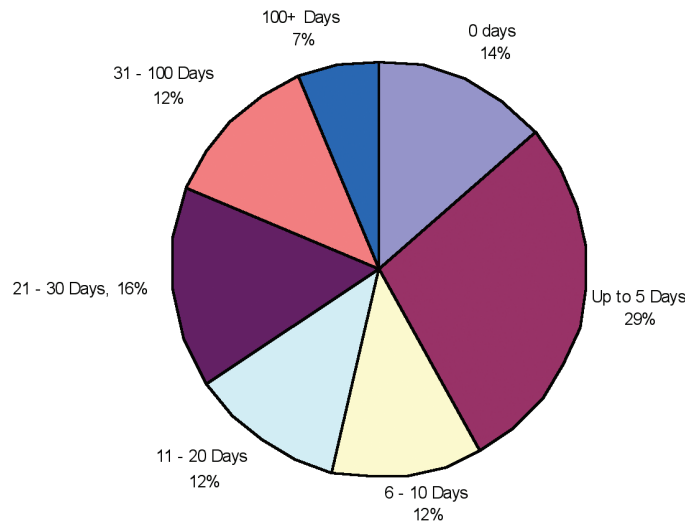
Source: CCIQ survey on impact of Queensland floods on businesses, January 2011



7.0 Return to normal operations

7.1 While the majority of businesses (43%) indicated they would be back to normal business operation within 5 days of the flood, and a further 12 per cent within 10 days, it will be vitally important that the remaining 45 per cent of businesses taking longer than 2 weeks to return to normal business operation are supported appropriately. The average number of days indicated by survey respondents until their business is back to normal operations was 30 days, with a median of 10 days.

Number of days after the flood that business will be back to normal operations



Source: CCIQ survey on impact of Queensland floods on businesses, January 2011

7.2 There were similar results across those businesses directly affected by the floods compared to those who were indirectly affected by the floods in terms of getting back to normal operations. This indicates the significant impact of the Queensland floods on all businesses.

Business days following the flood until back to normal operations

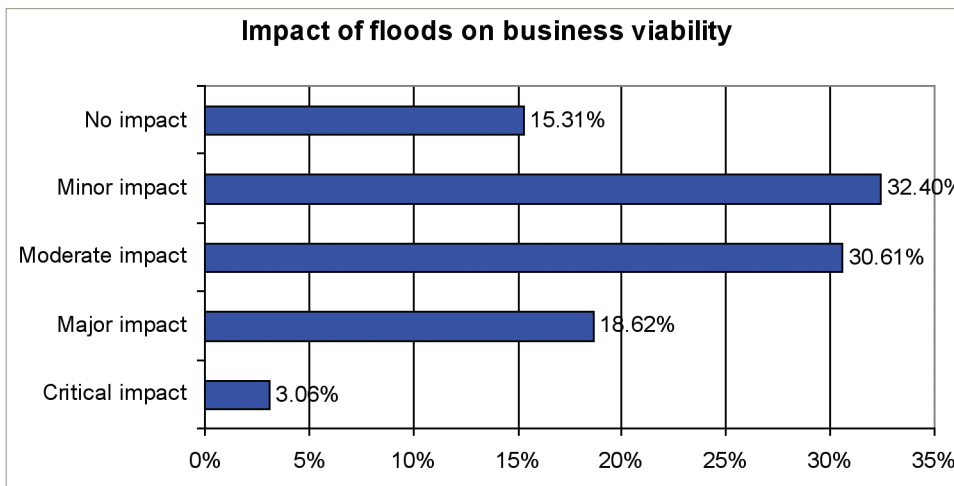
Business days	Overall	Directly affected businesses	Indirectly affected businesses
0 days	14%	8%	21%
Up to 5 days	29%	34%	21%
6 – 10 days	12%	13%	11%
11 – 20 days	12%	11%	14%
21 – 30 days	16%	17%	13%
31 – 100 days	12%	10%	13%
100 + days	7%	7%	7%
Average days until back to normal	30 days	31 days	30 days
Median days until back to normal	10 days	9 days	10 days

Source: CCIQ survey on impact of Queensland floods on businesses, January 2011



8.0 Business viability

8.1 The majority of businesses (63%) indicated that the floods would have a minor to moderate impact on the viability of their business. One in five businesses indicated that it would have a major to critical impact.



Source: CCIQ survey on impact of Queensland floods on businesses, January 2011

9.0 Insurance

9.1 Many businesses were currently unsure of what their insurance company would cover them for, with some businesses losing paperwork in flooded buildings or have not yet received confirmation from their policy issuer. Feedback gathered from businesses on interactions with their insurance provider to date included:

- > Some insurance providers have provided businesses with useful information and provided valuable assistance to progress claims;
- > Other businesses are having difficulties getting clear positions on where they stand;
- > Claims and inquires are moving along at a slow pace;
- > Many businesses have made a claim only to realise they are not covered for the damage that has occurred;
- > Difficulties in getting cover / compensation for certain things including loss of income and business interruption;
- > Differing definitions of flood, flash flooding and storm damage between providers;
- > If businesses are not covered for flood damage and the property is flooded, it negates claims for other things including business interruption, power loss etc.

Quotes from businesses relating to insurance have included:

"Our insurers have advised that the only claim we could make is in relation loss of power supply, however, as flood was the root cause, we will not be covered."

"We have "comprehensive" insurance cover on all major assets, but the fine print shows we do not have comprehensive cover as flood is excluded."

"Advised our broker and he has liaised with us and advised on what action and procedures to follow."

"We have found we are grossly under-insured, however we do have substantial business interruption insurance but the Insurance company can't or won't explain how I access this money and what it actually entails."

"The insurance provider has stated that we have no claim for business interruption because water did not breach our doors. There has to be a trigger for business interruption to come into effect."

"Flooded stock in transit is not covered by our business's flood insurance nor by the carrier's insurance so we have had to write it off at cost."

"Have lodged a claim but there appears to be some debate as to what type of flood it was. We are covered for water backing up through drains which is the claim we made, but there is debate as to whether it was this water that caused the damage or river water."



10.0 Assistance required by business

Assistance needed by businesses has been outlined in the table below:

Priority	Type of Assistance	Time-frame	Quotes
19.5%	Financial Assistance with Cash flow	Short Term (ST)	<p>"Financial support to retain skilled workers, provide cashflow due to lost revenue, compensate for debtors who are unable to pay pre-existing accounts due to being flood affected."</p> <p>"Financially we have had a significant loss of trade due to forced closure during the flood crisis and prior to that for the whole of 2010. We are having major difficulty meeting our obligations to our creditors, as we have EXTREMELY limited cash flow."</p> <p>"Income support to supplement the losses suffered thus far. We will not be able to pay our rent this month and this will continue for some time. We also need advertising and incentives for people to come and visit."</p>
5.5%	Concessional Loans	ST	<p>"Interest free loan to ensure business cash flow can sustain this disruption to business."</p> <p>"Low interest loans or government grants for income loss to help keep paying employees until we are earning again."</p> <p>"Small short term loan for cash flow until Clients can pay accounts, clients include Government agencies."</p>
3.1%	Rental assistance	ST	
28.1%			
12.5%	Message Queensland is Open	ST	<p>"Advertising to say that most accommodation businesses in Queensland are still open for business."</p> <p>Tourism - need to get the message across that people need to come to Brisbane for holidays still and not cancel bookings. There have been indications that even Gold Coast has lost bookings because overseas visitors don't know the difference."</p>
8.6%	Customers	ST	"Marketing support advertising that the Qld holidays destinations have NOT been affected.....and this includes the Sunshine Coast."
3.1%	Tourism Promotion	ST	"Marketing internationally and domestically to bring tourists to Australia, Qld and the Whitsundays in particular."
1.6%	More Accurate Media Portrayal	Long term (LT)	<p>"Media letting people know not ALL of Qld is flooded and encouragement to get people to continue with their travel plans."</p> <p>"A clear message through media that we are open and trading as normal."</p>
25.8%			
7.8%	Deferral of Taxes / Tax Relief	ST	<p>"Assistance in the form of means tested (review of P&L) program that enables simple and immediate access to concessions (grants, tax breaks etc) is immediately required."</p> <p>"Queensland business needs support from government items such as payroll tax are an unbearable burden not only is your business taxed because you employ more Australians but this nasty tax is not even indexed to profit its payable come what may. Then there is Workcover and all the other obstacles we need tax relief in desperate times and less governing obstacles."</p> <p>"Tax breaks - deferred BAS payments due to reduced cash flow."</p>
3.9%	Deferral of Bank Loan Repayments	ST	<p>"Bank assistance with regards to postponement of monthly loan payments and extending overdraft facility."</p> <p>"Defer Loan Repayments to enable cash flow and pay wages/accounts."</p>
1.6%	Deferral of Creditor Payments	ST	"Time from the ATO and Banks to get cash flow back to order."
13.3%			



Priority	Type of Assistance	Timeframe	Quotes
6.3%	Flood Proof Infrastructure	LT	"A highway that is not flood affected for freight services."
6.3%	Opened Transport Routes	ST	"Get the major transit routes open to heavy vehicles." "Road infrastructure repairs so we can get supplies into and finished goods out of the business"
12.6%			
3.9%	Buy Local	ST	"Ensuring local tradesmen get the repair jobs and not fly in tradies Insurance companies, govt must spend their money locally to help local communities recover. Insurance companies in many cases will supply goods out of Sydney or other major capital cities & local govt is becoming the same."
3.9%	Affected Customers back up and running	ST	"My business relies on my customers to have healthy businesses that are operating. I need my clients to recover as quickly as possible." "Our clients suppliers and customers to be back in full operation as soon as possible."
3.1%	Earlier power restoration	ST	"Resupply of power by supplier. Delay of several days since electrical switchboard certified OK." "We need to be able to get some reliable information from Energex as to why our business is not connected when it has been ready since Monday. There has not been major flooding in our building. We cannot get any information from Energex as to when we can have the power switched on or have a generator to power the building. The building next door has an Energex generator."
0.8%	Abolish Stamp Duty on Insurance	Medium Term (MT)	"Deleting stamp duty on all insurance policies would a) encourage all to take out insurance & thus reduce cost of policies indirectly, and b) it would immediately reduce the cost of taking out insurance for each individual. Insurance is a huge cost for my business, so any govt changes that encourage everyone to have a policy & ditching stamp duty would reduce the cost for everyone."
0.8%	Reduced Red tape	ST / MT	"Government and federal government assistance to process building approvals quickly."
Other			
2.3%	Physical assistance with Site restoration	ST	
2.3%	Understanding from Clients	ST	
1.6%	Purchase of Equipment – Deferred Payment	ST	
0.8%	Alternate Accommodation	ST	
0.8%	Future disaster planning	LT	

10.2 Other issues identified by businesses included:

"Being a non for profit that solely fundraisers in Queensland, we will be in vital need of funding support / supplement. We are unable to compete for funds while everyone is either donating to the flood relief appeal or affected by the floods. It is hard to continue to provide support to people with a disability through community engagement and education, sport and healthy activity while our funding is seriously affected."

"Exposure to companies who will benefit from government funded training opportunities to help focus on rebuilding their businesses. It is critical that we acknowledge that the skills of our people are the best guarantee of future prosperity in our organisations and the Government Funding that our courses attracts can help cover the full cost relieving budget constraints for businesses."

"Pressure on Banks for assistance and review of strict lending criteria."



11.0 Further quotes from Queensland businesses

"A few of our suppliers have had to delay deliveries, our photocopier supplier was off line for a week, which was inconvenient as our copier broke down and future suppliers of timber may have resource issues over the coming months, although this hasn't been confirmed or denied as yet."

"A lot of our clients were affected - either directly or indirectly, this has caused a knock on effect. We are now having major supply issues, we had problems with staff not being able to get to work either because of transport or other flood related problems, this meant we had to shut down as we had no staff to do the work that was required."

"Accounts that were outstanding pre-floods will remain outstanding. Clients have cancelled appointments that have not been rescheduled. Staff have little to do. Cash-flow effects will be problematic for 3 months."

"Affected clients and may affect their ability to pay me."

"Many of our customers are understandably focussing on their recovery / restoration work and discretionary spend will be significantly reduced for an extended period of time. There will be a number of industries such as building and retailers of furniture and white goods who will undoubtedly be impacted in a positive way however discretionary retailers such as mid to high end fashion will be feeling it for some time."

"Approximately 50% or more of our bookings come from the local drive market, that being Brisbane and Toowoomba. As these areas have been through the worst, we have lost and will continue to lose business from those areas affected."

"Before the floods even started the landscape and construction industry was hurting from the rain since September. Once the flood came, everyone realised there was nothing that could be done."

"Being a manufacturing jewellery store in a coal mining industry town near Emerald, our business has been affected due to jewellery being the last thing on peoples minds and also we had no mail for 5 weeks. Customers had to wait for pre-ordered items. A major portion of our hand made jewellery items is for customers in Emerald who at this stage cannot afford to pay for items ordered due to flooding of their homes/businesses."

"Currently there is no assistance available. We have had to delay several jobs due to clients losing homes and building materials being undeliverable. The main affect is immediate cashflow. We have gone from a production quantity in January of 8 boats to 1.5 boats meaning a loss of turnover of \$58500. We are lucky enough that we will be able to make this up over the next 6 months but it has had a major impact on short term trading."

"Biggest impact is on our customer base."

"Cancelled existing bookings and uncertainty regarding whether to make future bookings."

"Clients due to pay invoices since 07/01/11 have been delayed, I am concerned at how long payment delays will be and if this money will be absorbed into keeping their businesses alive."

"Destroyed cash flow, harmed suppliers ability to service and maintain equipment, could lead to business closure when banks foreclose due to missed payments, will have to lay off staff in the next week."

"Devastated sales. While we had no direct flooding in our town, we have been effectively cut off from the outside world, especially Brisbane, which is where the bulk of our visitors come from. Sales are down approx 75-85%, making our business unviable at present."

"Devastated. It will be years before the business can be in the same state it was prior. All our plans for expansion have had to be put on hold to survive!"

Due to road closures and negative publicity about flooding in Qld visitor numbers to the Whitsundays have been drastically reduced over what should have been a busy Christmas holiday season. This means we don't have the cash flow we need to carry our business over the normally quiet time of year, i.e. February/March. We are owner/operators and can't afford to close our business as it is our only form of income, but it is seriously affecting our ability to pay bills and we have had to convert all full time staff to casual staff and put off much overdue repairs and maintenance. Depending on how long it takes for tourists to start visiting us, we may have to look at closing down our business temporarily and get a job somewhere else to pay our bills until business picks up."

"I am a photographer and my business relies on my clients to have healthy, outward looking businesses. Therefore, if my clients are focused internally on their recovery then photography, advertising and stock cataloguing is not a priority of theirs, and will not be for at least three, up to 12 months after they have recovered, if they have insurance. If they have no insurance, this could be years."

"I think for us, like many others, it is the unknown factor. We are in the professional services (recruitment) and we really are yet to find out the long term implications this will have on us in terms of companies hiring/ firing, projects delayed and candidate shortages."

"It is like the economy has stopped. Very little going on."

"Its affected our income due to suppliers being closed & roads blocked, and customers watching their pennies in case they lose jobs or have to pay for new items. As it is so draining we have had staff want to resign due to the immense pressure & stress of cleaning up and salvaging the items."

"Large mining contracts cancelled or suspended. Up to 2 months potential work lost as we have been affected by floods since early December."

"Loss of trade is the greatest impact. Firstly through lack of supplies (bread/milk) and then the lack of money in the community. In a rural area, a number of people are employed in primary production (picking/ packing) and most are casual workers. This lack of income is very severe and has a major impact on a small retail business."

"Major disruption to income generating work while experiencing additional costs. I am disappointed to find the insurance companies attitude to comprehensive business cover."

"Media has exaggerated the affect of the damage to the whole of Queensland, this has affected out business."

"Most immediate thing has been to contribute to community stability. Business levels are very low at present and general industry partners are uncertain when business will pick up again. We are expecting very subdued sales for the remainder of January and through to mid-March."



"Our business could face a critical downturn as January and February can be our biggest months and clients are laying off staff, after the GFC we could face closure."

"Our business is heavy reliant on the mining sector and regional Qld, due to the slow / stop of mining and the lack of access to most Qld mine sites the affects of the flooding could last for 6 to 12 months even though we were not directly affected."

"Our entire office went under water including records and vital information. Our workshop was flooded to the height of 2.5 meters. All of our everyday tooling, machinery and stock have been affected. Also we had approximately \$700 000.00 of customers items on our shop floor. Due to the highly specialised equipment we are afraid that the loss will be catastrophic as we have little funds to commence the clean up and entering the workshop is extremely dangerous. Shelves are collapsing and oil is a-mix with the flood water. We also lost our primary Service Vehicle."

"Our retail sales improved after a couple of days of very poor trading, long term there will be less disposable dollars and this will impact heavily on sales."

"Our revenue for the period 24/12/10 - 14/1/11 is short \$60 000 compared to the same period 2009 - 2010. Currently the floods are costing us \$20 - \$25k per week in lost revenue."

"Power went out for 52 hours- all business equipment and materials were relocated. Customer orders have been delayed. Suppliers of customers have been affected. Customers orders have slowed down. Employees homes flooded."

"Funds which could be going to infrastructure and new projects will now be channelled to rebuilding victims of floods."

"The business is up and running but not to the same level of efficiently. It will be some time before we are properly organised."

"The floods have prevented contact with our clients and has frightened investment away from the Rockhampton region due to the high risk of access issues during floods."

"The floods stalled an already depressed market."

"The main impact is through the fact that we supply service to large volumes of small, regional businesses, many of whom have been severely affected by the floods."

"Unexpected disruption meant schedules could not be kept so rework and reorganising meant lost productivity. Problem increased because other people have also become disorganised."

"We are 42% down for January alone. Bookings forward are not looking positive. We have had to let go 2 staff members. We may not be able to make our loan repayments. Tourism Industry relies on this time of year to manage through the rest of the year."

"We are an industrial supply business for Safety Equipment products and services. Our business has experienced mixed impacts from the flooding. On one hand, our regular construction customers and some of our manufacturing customers have not been able to get on site and therefore we have lost sales because their normal operations have been disrupted. On the other hand, demand for safety products for the clean up has been very strong and this has offset the loss of sales from our regular customers. Overall, we expect the floods to have a positive impact upon our business as the short term impact of the floods gives way to longer term higher economic activity through the rebuilding phase. However, it may be some time before our regular customers recover and those sales return to normal levels."

"We are subcontractors to the Building Industry. Site closure and loss of income will have the most impact. The downturn in income will present problems in trying to secure funding for cashflow to tied us over. Overall we should see an increase in business but potentially not for at least 6 months. It will be a trial to get through this time if additional borrowings are not able to be secured."

"We have been without power during and since the flood. We are a serviced office business with at least 50 businesses using our offices and services. These people, our clients, have not been run their businesses properly. We were not allowed into the building to retrieve essential items for business, for safety reasons, until Wednesday. I have people ringing me all the time asking for an update on the situation and I can't get any information to give them. Most of the buildings on Coronation Drive near us seem to be switched on but we don't know if it will be today, next week or next year."

"We have had apprentices and labour hire staff stood down as their host employer has been affected by the floods. We are continuing to pay the wages of these staff as a goodwill gesture so it is costing our organisation money and loss of income. We have been trying to provide assistance to our clients who have been affected by the floods by assisting with clean up operations."

"We were closed new years eve by police for fear of impending flooding which did not reach the predicted heights but did cut roads. 5 days later and are still closed now (20/1/11). New Years Eve is our biggest event of our year and presently we are really struggling with no thru traffic and lots of new year eve stock on hand. A quiet time ahead...we need people to get mobile again and Government to aggressively help us with marketing our small vulnerable communities. Our Town population is 9 and we are 45klms from nearest town of St George. We need help as this is the second major flood event we have had in 10 months. March last year we were inundated by our largest ever flood and our business got no assistance from Governments nor Council. Like I said we know where we stand, on our own, as we are too remote to worry about at Nindigully."

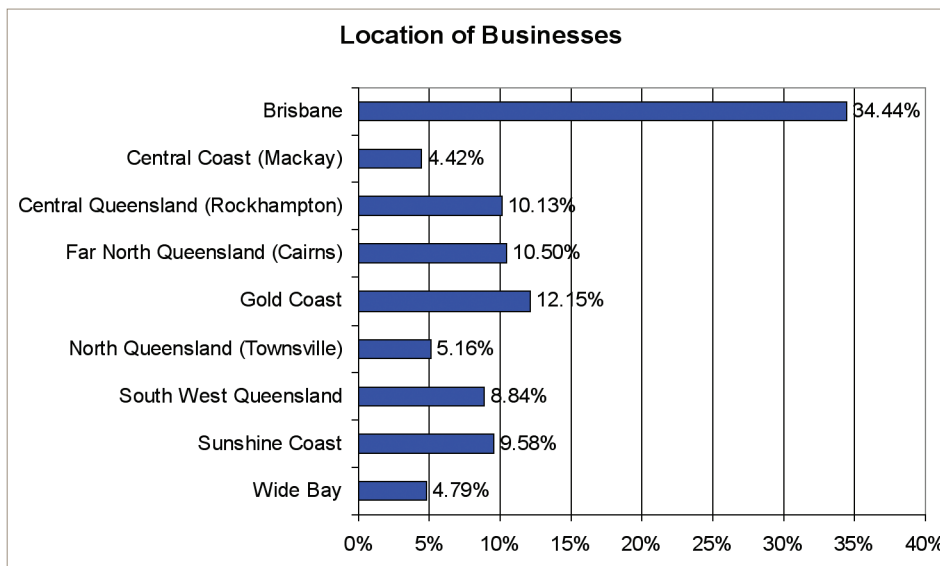
"Whilst we are nice and dry, presently 50% of moneys owed to me are from people/businesses in flood damaged areas, I am expected to show compassion (and will) but I fail to be convinced that those further back the line will. I don't want hand outs but we do need time!"

"Zero discharge site required DERM approval to handle water volumes."

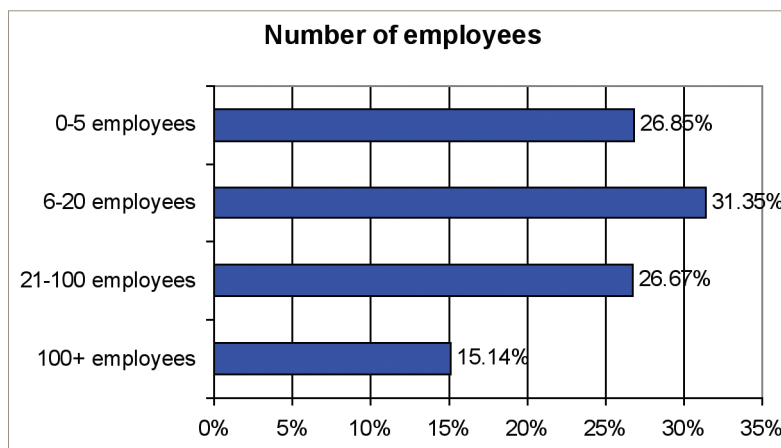


Appendix A Business Respondent Demographics

- > 555 responses were received
- > The majority of survey respondents were located in Brisbane (34.44%).
- > The majority of businesses (58.2%) had 20 employees or less, 26.67% had between 21 and 100 employees and 15.14% had more than 100 employees.



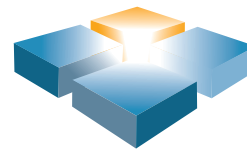
Source: CCIQ survey on impact of Queensland floods on businesses, January 2011



Source: CCIQ survey on impact of Queensland floods on businesses, January 2011



> Chamber of Commerce & Industry Queensland Profile



CHAMBER OF
COMMERCE &
INDUSTRY
QUEENSLAND

Chamber of Commerce & Industry Queensland is the state's peak industry body, representing the interests of 25,000 businesses, across all industry sectors and in all regions. We champion business to gear up for the future today with the right set of solutions for success in tomorrow's world.

Chamber of Commerce & Industry Queensland is a non-government organisation that seeks to work with Government and other groups to shape Queensland's economic and social environments in a way that promotes business growth and community prosperity.

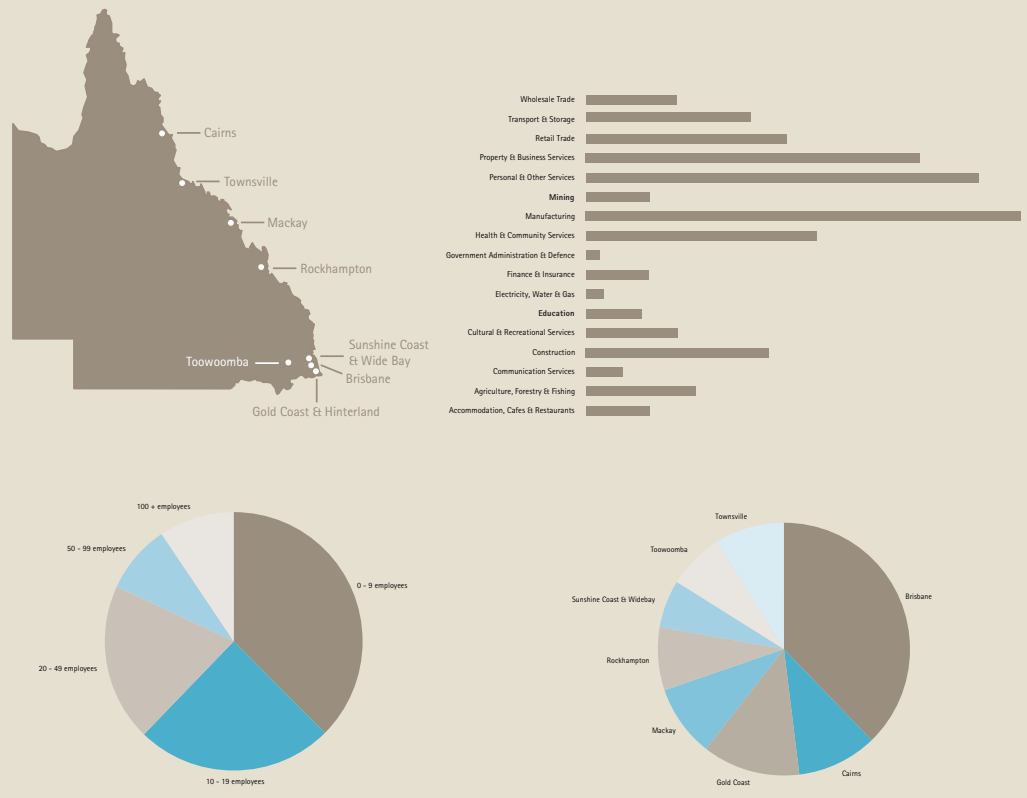
Chamber of Commerce & Industry Queensland is called upon by thousands of enterprises to deliver a broad range of business services including business representation, business compliance, business skills, business safety, business sustainability, business connections and business globally. We are commercially-minded and expertly-qualified.

Chamber of Commerce & Industry Queensland is a founding member and influential partner of the Australian Chamber of Commerce and Industry (ACCI) and part of the worldwide network of Chambers of Commerce and affiliated business service organisations.

Chamber of Commerce & Industry Queensland has in excess of 3,700 members across 8 regional offices and represents over 135 local chambers of commerce and 60 trade and professional associations.

Our vision is to invigorate business success in Queensland.

The diversification of Chamber of Commerce & Industry Queensland's membership is illustrated in the following charts:



CCIQ - Solutions for Business Success

Chamber of Commerce & Industry Queensland (CCIQ) represents over 25,000 businesses in Queensland. We are committed to ensuring our customers have the right tools to achieve real results in their business.

At CCIQ we harness the results of our research, lobbying and policy achievements to offer the best possible business support solutions to invigorate growth statewide, nationally and globally. By joining CCIQ you support the organisation that supports the Queensland business community.

Membership also ensures you are an integral part of an organisation dedicated to providing first class services to assist Queensland industry with relevant and practical business solutions. Not only is membership your connection to information, industry best practice, training and consultancy services, it also allows you to take advantage of the many benefits CCIQ offers.



Our success is success for all Queensland businesses.

Chamber of Commerce & Industry Queensland members are informed and connected business people. Whether you run a small business or form part of a large industry sector, call us today to take advantage of the opportunity to associate yourself with the CCIQ brand.



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