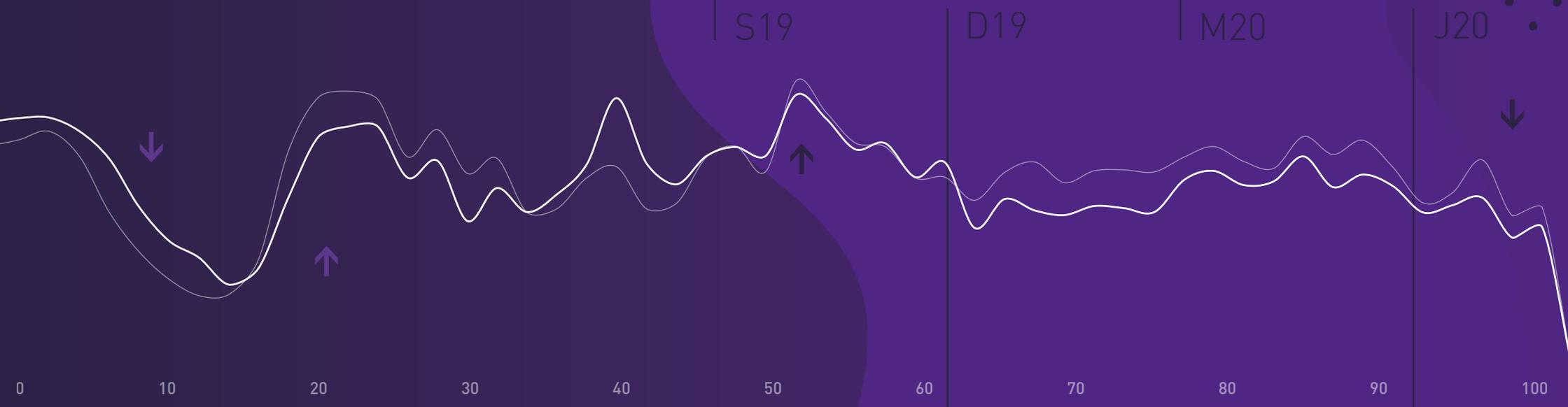


CCIQ PULSE SURVEY OF BUSINESS CONDITIONS

SEPTEMBER QUARTER 2021



SEPTEMBER QUARTER OVERVIEW

Queensland businesses: Ready to return to the norm

Latest results from CCIQ's September quarter Pulse Survey indicate Queensland's business community is ready for conditions to return to normal but in need for the for the state's economy to recover.

This quarter's key finding is a decoupling between confidence and performance. Confidence levels held in the September quarter with Queensland businesses anticipating a gradual strengthening in the national and Queensland economies over the next 12 months but business performance during the September quarter 'tanked'.

General business conditions, total sales revenue and profitability all deteriorated during the quarter. The deterioration across these three indicators is of concern given it is the second quarterly deterioration and their index levels have now returned to the same time last year when the impact of the global pandemic was more evident in Queensland. Queensland has in net terms only treaded water across the past 12 months.

Expectations for the December quarter are for a marginal improvement but when contrasted against historic expectations for what is normally a 'boom' quarter this anticipated improvement is regarded as underwhelming.

This disconnect between positive confidence but poor performance is unique and warrants explanation for its cause. Queensland businesses cite key issues including:

- COVID-19 and the ongoing uncertainty it is creating for business operations and planning;
- Government responses to COVID-19 community transmission including lockdowns and business restrictions and the impact this having on revenue and profitability;
- International and interstate border restrictions and the impact this having on revenue and profitability;
- Efficiency and effectiveness of the vaccination roll out but also vaccine hesitancy;
- Perceived politics in the management of Australia's and Queensland's response to the COVID-19 health and economic crisis;
- Supply chain disruptions and blockages and their associated impact on business input costs;
- Deterioration in trade relationship with China;
- Skilled and unskilled labour shortages across Queensland; and
- General erosion of business confidence in State and Federal Government.

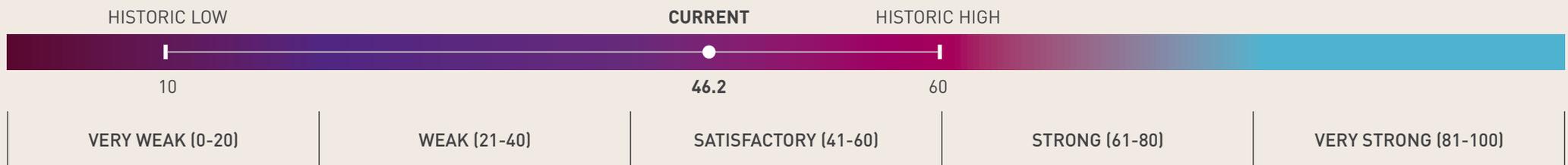
All these issues have combined to cause the September quarter to be one of the toughest quarters since the global pandemic began for Queensland businesses. Pleasingly these same Queensland businesses also believe both the national and Queensland economies will strengthen over the next 12 months. This is a reflection of both a technical outcome of comparing the forthcoming 12 months against a poorer past 12 months but also a reflection the state is now potentially entering the 'beginning of the end' of the pandemic.

Finally Queensland businesses continue to believe the national economy will outperform the Queensland economy over the next twelve months which is surprising given Queensland has been less impacted during COVID-19 compared to other states and territories. This is a reflection of more and more uncertainty over how Queensland will reopen when New South Wales and Victoria are already opening up. Accordingly whilst Queensland business hope they are nearing an end of uncertainty there are more difficulties ahead.

With more 750 Queensland businesses contributing to CCIQ's Pulse Survey, 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 performance growth has remained neutral. A PBI reading above or below 50 would suggest 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) 55.2 (↑ 0.2) SATISFACTORY

- The Queensland Index increased 0.2 points to 55.2 and indicates satisfactory growth prospects over the forthcoming 12 months.
- The relative stability in the Queensland Index over the last three quarters is reflective of 'business as usual' albeit with life under COVID-19.
- The Queensland index is considerably above this time last year (up +21.9) and is above its 10 year average (44.5).

24%

32%

44%

12-MONTH OUTLOOK (NATIONAL) 58.8 (↑ 0.1) SATISFACTORY

- Performance of the national economy over the next twelve months has stabilised after a correction in June quarter following a significant rebound in confidence in the first half of 2021.
- Business confidence in the Australian economy for the next twelve months increased marginally up 0.1 points to 58.8 and continues to indicate satisfactory growth prospects.
- The national index is considerably above this time last year (up +24.4) and above its 10 year average (47.8).

21%

31%

48%

GENERAL BUSINESS CONDITIONS 46.2 (↓ 8.2) SATISFACTORY

- General business conditions deteriorated in the September quarter as a consequence of falling sales, increasing labour and operational costs, causing business profitability to be seriously eroded.
- The September quarter index score of 46.2 represents a noticeable decline of 8.2 points from the June quarter 2021 PBI of 54.4 and is the second quarterly deterioration in a row. The index now falls below 50 indicating deteriorating business conditions across the September quarter.
- General business conditions in the December quarter are expected to reach back above 50 indicating minor improvement.

34%

38%

28%

SALES AND REVENUE 45.8 (↓ 7.5) SATISFACTORY

- Total sales revenue in the September quarter noticeably declined and have reverted back to recording weakening sales. The sales and revenue PBI of 45.8 is down (7.5) on the previous June quarter index of 53.3 and is the second quarterly reduction recorded for this indicator.
- The PBI has returned to a level similar to this time last year (45.9) during the height of the COVID-19 economic crisis. The sales and revenue PBI also now lies below the 10 year average (48.4) a benchmark of what represents 'par' performance.
- Total sales revenue are expected to remain below 50 in the December quarter with a PBI of 49.3 indicating a further weakening in sales.

37%

30%

33%

OPERATING COSTS 68.5 (↑ 0.4) HIGH

- Operating costs during the September quarter continued to rise with the PBI increasing by 0.4 index points from 68.1 in the June quarter to 68.5. More than 50 per cent of businesses recorded an increase in their operating costs.
- Global supply chain shortages and bottlenecks have fuelled significant price rises for business inputs as overseas suppliers increase prices to reflect supply issues but also as switching occurs to more expensive domestic suppliers. The PBI now nudges closer to the ten year average PBI of 69.6 and is now 16.9 index points above this time last year.
- The significant escalation in operating costs is expected to partly temper in the December quarter with three in five businesses expecting costs to remain unchanged.

3%

51%

46%

LABOUR COSTS 65.7 (↓ 2.5) HIGH

- Labour costs in the September quarter 2021 increased and remain at a 'high' level with a PBI of 65.7.
- Close to one in two businesses increased their labour costs during the September quarter and this result is well above this time last year (54.6) and above the 10 year trend of 65.7.
- 97 per cent of all businesses believe labour costs will either stay the same or increase during the December quarter 2021 and accordingly the labour costs PBI will remain at a 'high' level of 64.9.

6%

48%

46%

PROFITABILITY 34.8 (↓ 6.0) WEAK

- Significantly lower sales coinciding with prevailing high levels of operating and labour costs have caused profitability to crash in the September quarter and is now regarded as 'weak'.
- The profitability PBI fell considerably by 6.0 points from 40.8 in the June quarter to 34.8. Of concern the profitability PBI is now 3.4 index points lower than this time last year and the ten year average for this indicator (38.0).
- Queensland businesses expect a small improvement in their profitability in the December quarter, with the Index forecast to grow by the same 6.0 points the profitability index declined by in the September quarter.

50%

31%

18%

EMPLOYMENT LEVELS 46.1 (↓ 3.6) SATISFACTORY

- Employment levels declined in the September quarter, with the PBI falling 3.6 index points from 49.7 in the June quarter to 46.1. This result reflects a reduction in sales but also reflects skill and labour shortages as interstate and overseas workers have gone home but Queensland and Australia retain their border closures.
- The PBI is now at a similar level to this time last year (45.4) and the 10 year average (44.9).
- A similar PBI of 47.3 is expected in the December quarter indicating a continuation of lower employment levels

25%

57%

18%

CAPITAL EXPENDITURE 48.1 (↓ 3.3) SATISFACTORY

- The capital expenditure PBI in the September quarter fell by 3.3 index points from 51.4 in the June quarter to 48.1 indicating decreased investment.
- Capital expenditure is expected to remain below 50 and will weaken slightly in the December quarter 2021 with a profitability PBI of 46.7. There is fear the underinvestment evident across the past eighteen months could hinder Queensland's future growth.

25%

51%

24%

HOT TOPIC SURVEY – COVID-19 ECONOMIC RECOVERY

Amid unprecedented uncertainty Queensland businesses are dispersed in their confidence in realising their business goals across the next twelve months. There continues to exist a great deal of 'known unknowns' as a result of COVID-19 and its impact on consumers and in turn businesses.

In indicating how confident businesses are in reaching their 12 month goals – 35.9 per cent of Queensland businesses continue to give an certainty rating of less than 5 out of 10. The average score out of 10 is 5.5. With a lack of confidence in their success, businesses are putting key business decisions across areas including investment, employment and growth plans to the side.

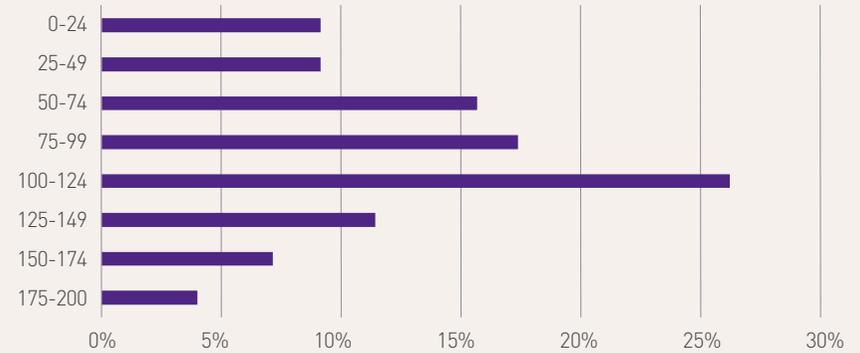
Business confidence in reaching 12 month business goal



In indicating the level their business was currently operating, compared to March 2020 before the COVID-19 economic crisis, on average businesses gave a score of 90 per cent. That is on average Queensland businesses are yet to fully recover to pre-COVID levels yet they are continuing to experience escalating input costs. This combination places Queensland businesses in an extremely difficult position.

18.2 per cent of businesses gave a score of below 50 and 48.7 per cent of businesses indicated they had grown beyond their pre-COVID levels. This result confirms Queensland businesses have significant recovery to achieve before returning to pre-COVID levels.

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



Australia will open up and business will surge when overseas travel starts again and students and foreign workers fill the employment gaps. The uncertainty and lack of planning in Queensland will impact businesses and will affect consumer confidence.
– South West Queensland



Uncertainty is the biggest negative. You cannot plan ahead for anything.
– Sunshine Coast



Opening of International Borders and State Borders once 80-90% COVID-19 vaccination rates have been achieved and lifting of lockdowns. – Logan

12 MONTH OUTLOOK: AUSTRALIAN AND QUEENSLAND ECONOMIES

Business confidence measured by expectations for the performance of the national and Queensland economies over the next twelve months has stabilised after a correction in June quarter following a significant rebound in confidence in the first half of 2021.

Business confidence in the Australian economy for the next twelve months increased marginally up 0.1 points to 58.8 and continues to indicate satisfactory growth prospects. The Queensland Index also marginally increased up 0.2 points to 55.2 and indicates satisfactory growth prospects over the forthcoming 12 months.

The relative stability in the Queensland Index over the last three quarters is reflective of a 'business as usual' despite ongoing uncertainty.

The national and Queensland indexes are both considerably above this time last year (national up +24.4 and Queensland up +21.9) and above

their respective 10 year averages (national 47.8, Queensland 44.5).

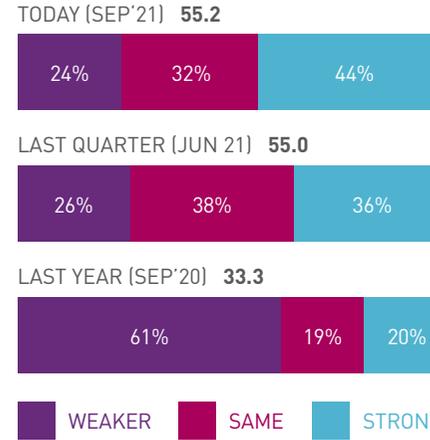
The considerably higher indexes represent expected improved performance of each economy against the past twelve months characterised during the COVID-19 economic crisis.

The Indexes have moved closer to each other as Queensland benefits from community transmission suppression. Of considerable surprise Queensland businesses continue to believe the national economy will outperform the Queensland economy over the next twelve months.

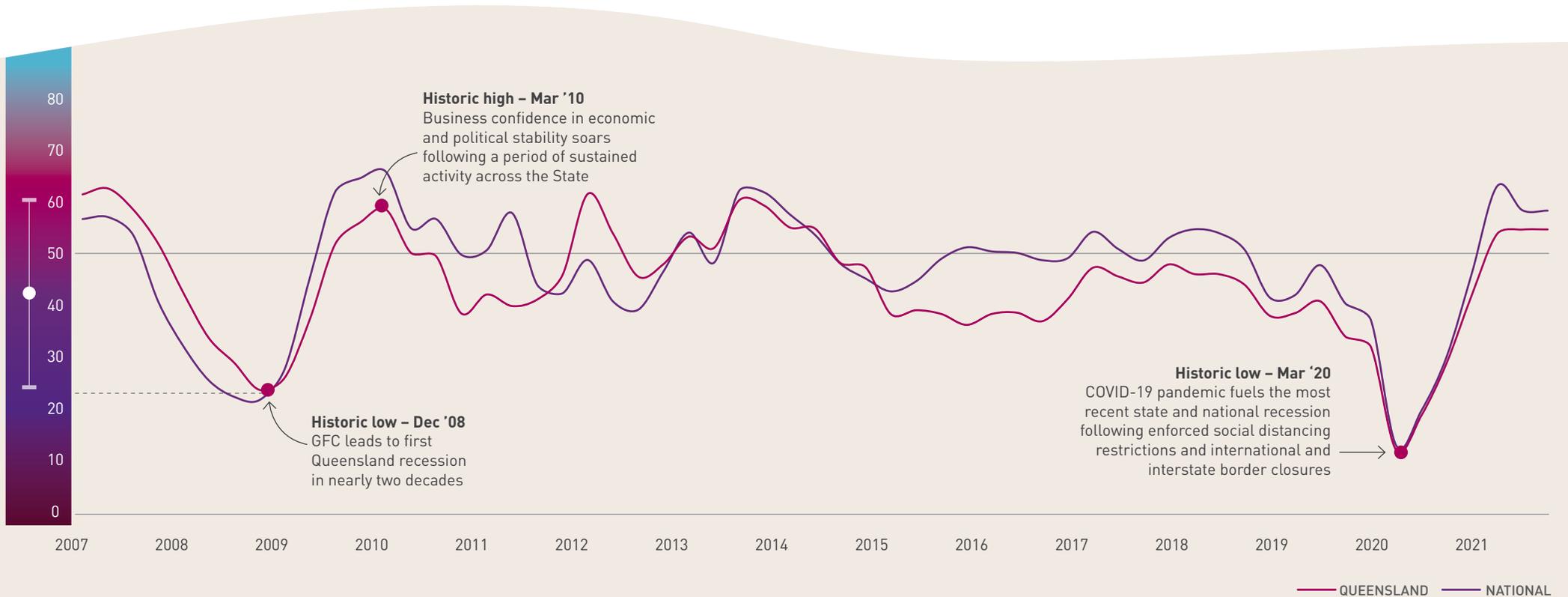
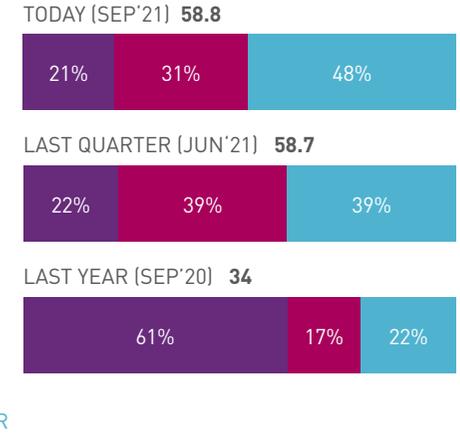
The Queensland business Index is counter intuitive given the state was less impacted during COVID-19 compared to other Australian states and territories as well as ABS indicators confirming both domestic economic activity and the labour market having performed more positively.

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

QUEENSLAND



NATIONAL



GENERAL BUSINESS CONDITIONS

General business conditions deteriorated in the September quarter as a consequence of falling sales and increasing labour and operational costs, causing business profitability to erode. The September quarter index score of 46.2 represents a noticeable decline of 8.2 points from the June quarter 2021 PBI of 54.4.

The September quarter PBI is above this time last year (40.1) and above the 10 year average (43.9) however the second quarterly deterioration in a row is of concern and the index now falls below 50 indicating deteriorating business conditions across the September quarter.

Business responses in the September Quarter reflect a falling proportion of businesses indicating conditions were stronger and shifting to either unchanged or weakening conditions.

General business conditions are anticipated in the December quarter to reach above 50 indicating improvement with an expected PBI of 50.4. The Index is only marginally above 50 and reflects the bulk of businesses believing business conditions will remain unchanged in the December quarter from the poor result in the September quarter.

“ We’re a national travel company, the lockdowns and border closures to southern states have destroyed consumer sentiment in even booking domestic travel. We still can’t get Government to agree on when to restart local cruising for locals, or to commit to having our borders open to southern states for Christmas. Hinting that it may be possible does nothing for businesses that need this commitment. By the time QLD opens its borders, the national borders for New South Wales and Victoria will be open and travellers will take their money overseas and Queensland will have missed the boat. – Brisbane

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

LAST YEAR (SEP '20) **40.1**



LAST QUARTER (JUN '21) **54.4**



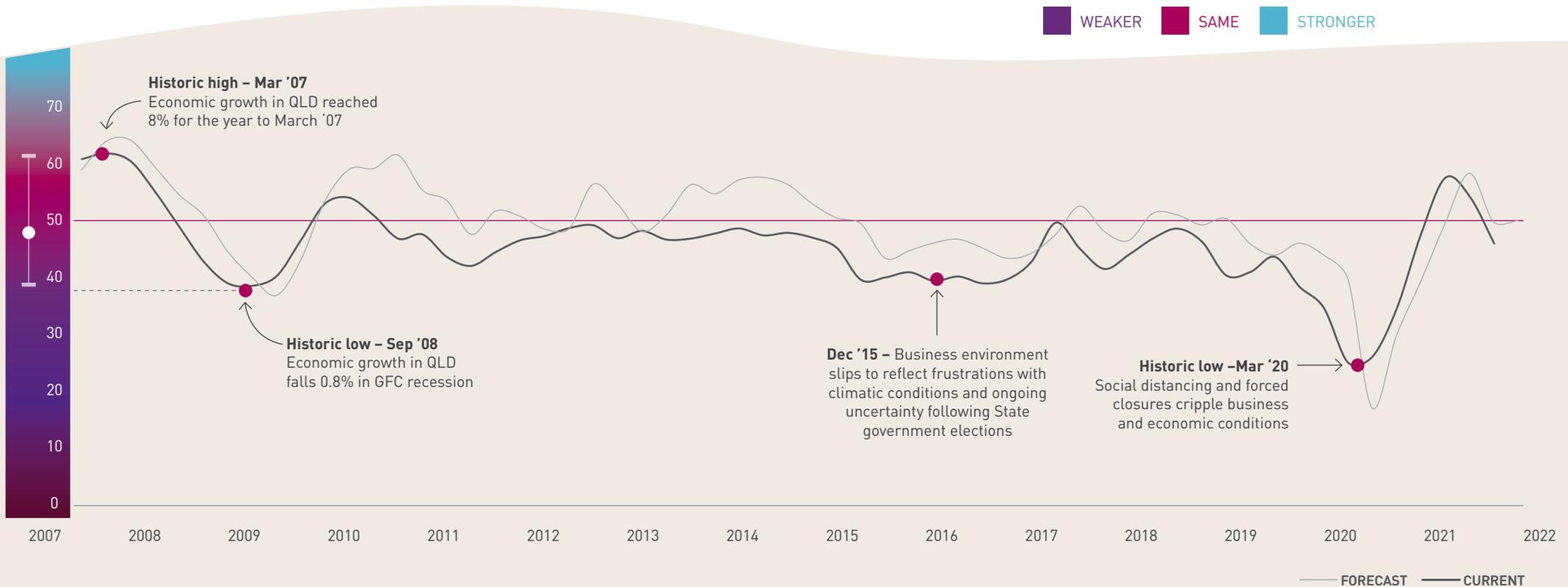
TODAY (SEP '21) **46.2**



FORECAST (DEC '21) **50.4**



WEAKER SAME STRONGER



SALES AND REVENUE

Total sales revenue in the September quarter 2021 also noticeably declined and have reverted back to recording weakening sales. The sales and revenue PBI of 45.8 is down (7.5) on the previous June quarter index of 53.3 and is the second quarterly reduction recorded for this indicator.

International and domestic border closures and other restrictions across the economy for the past 18 months have narrowed where and what money can be spent on and this rigidity means customers can only keep spending their money in the same areas for so long. Inevitably customers and businesses will want to broaden their expenditure into other areas promoting growth and responding to growth - but require certainty and timing for this to occur.

37 per cent of businesses indicated sales revenue had fallen and the PBI has returned to a level similar to this time last year (45.9) during the height of the COVID-19 economic crisis. The sales and revenue PBI also now lies below the 10 year average (48.4) a benchmark of what represents 'par' performance.

Total sales revenue are expected to remain below 50 in the December quarter with a PBI of 49.3 indicating a further weakening in sales. The majority of businesses (41 per cent) believe their total sales will remain unchanged during the December quarter which is underwhelming given a typical December quarter surge.

■ ■ The school holidays had a mass movement from the Gold Coast to other regions. There was no domestic tourism from other states; probably due to fear of lockdown which ceased before/after NRL Grand finals. The first week of August lockdown wiped out half of our monthly budget in historic earned revenue. – Gold Coast

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

LAST YEAR (SEP '20) **45.9**



LAST QUARTER (JUN '21) **53.3**



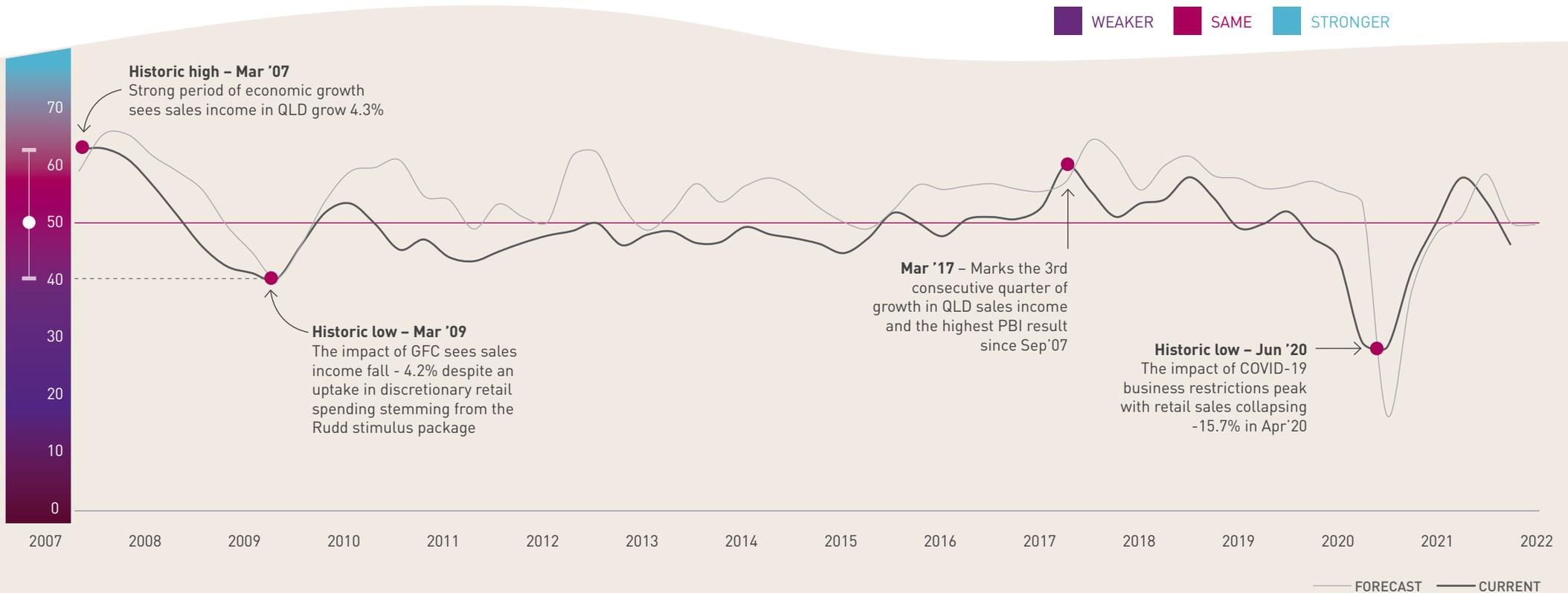
TODAY (SEP '21) **45.8**



FORECAST (DEC '21) **49.3**



■ WEAKER ■ SAME ■ STRONGER



OPERATING COSTS

Operating costs during the September quarter 2021 continued to rise with the PBI increasing by 0.4 index points from 68.1 in the June quarter to 68.5. More than 50 per cent of businesses recorded an increase in their operating costs.

Global supply chain shortages and bottlenecks have fuelled significant price rises for business inputs as overseas suppliers increase prices to reflect supply issues but also as switching occurs to more expensive domestic suppliers. These increases are in conjunction with business operational costs increases such as electricity, rents and insurance.

The PBI is closer to the ten year average PBI of 69.6 and 16.9 index points above this time last year. The significant escalation in operating costs is expected to partly temper in the December quarter with three in five businesses expecting costs to remain unchanged. However 36 per cent of businesses continue to expect operating costs to increase with the operating cost PBI remaining at a 'high' 65.5.

Opening up to national and international travel will have a huge effect. We are struggling to get labour and also to get product into the country. Due to the lack of commercial flights, there has been a shortage of options to move goods into the country which hamstringing sales and significantly increase the cost of freight. – Brisbane

In my view the biggest concerns relate to inflationary pressures due to international supply chain shortages and resining costs. Secondly I see a corporate reality checks over the next 12 months, with less than favourable reporting likely. – Brisbane

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

LAST YEAR (SEP '20) **51.6**



LAST QUARTER (JUN '21) **68.1**



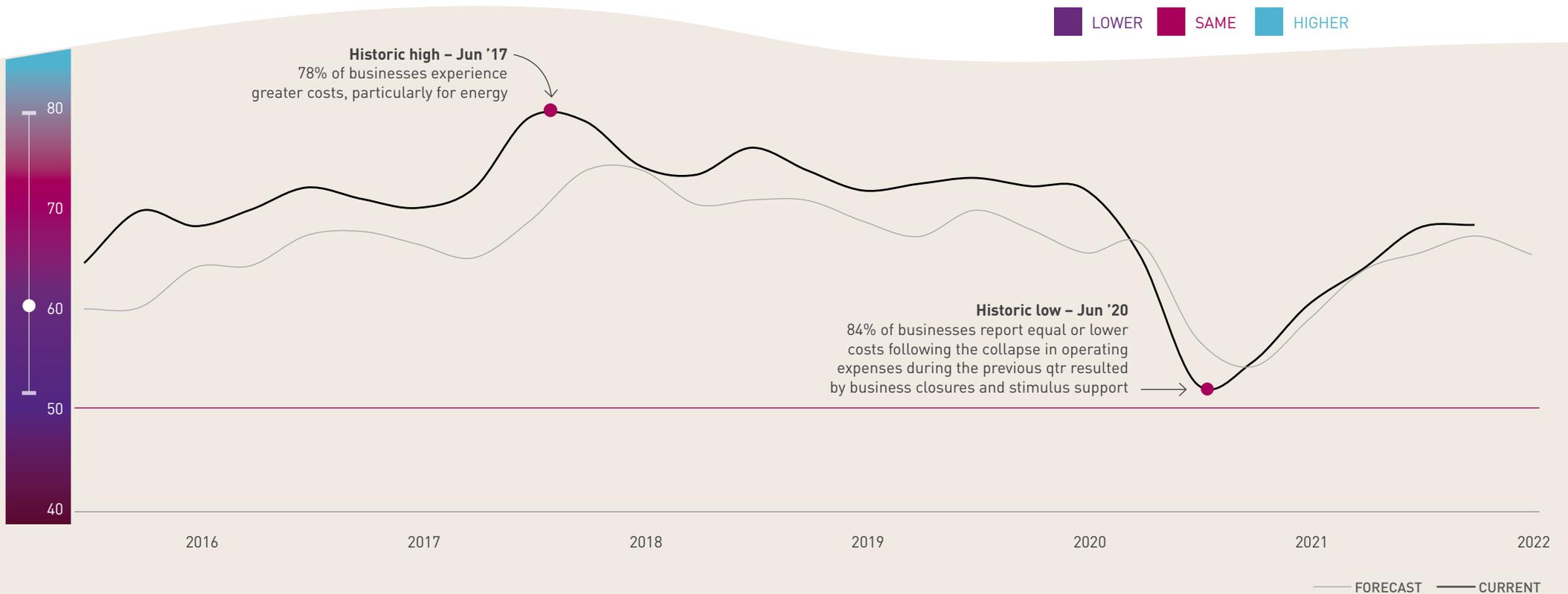
TODAY (SEP '21) **68.5**



FORECAST (DEC '21) **65.5**



LOWER SAME HIGHER



LABOUR COSTS

Labour costs in the September quarter 2021 increased and remain at a 'high' level with a PBI of 65.7.

The result reflects the Fair Work Commission's increase of 2.5 per cent to the Federal Minimum Wage and 122 modern awards and an employer superannuation increase from 9.5 to 10 per cent. It also reflects skill and labour shortages across a number of industry sectors and geographical areas of Queensland as businesses attempt to offset a reduction in overseas and interstate workers through attracting Queenslanders with higher earnings.

Close to one in two businesses increased their labour costs during the September quarter and this result is well above this time last year (54.6) and above the 10 year trend of 65.7.

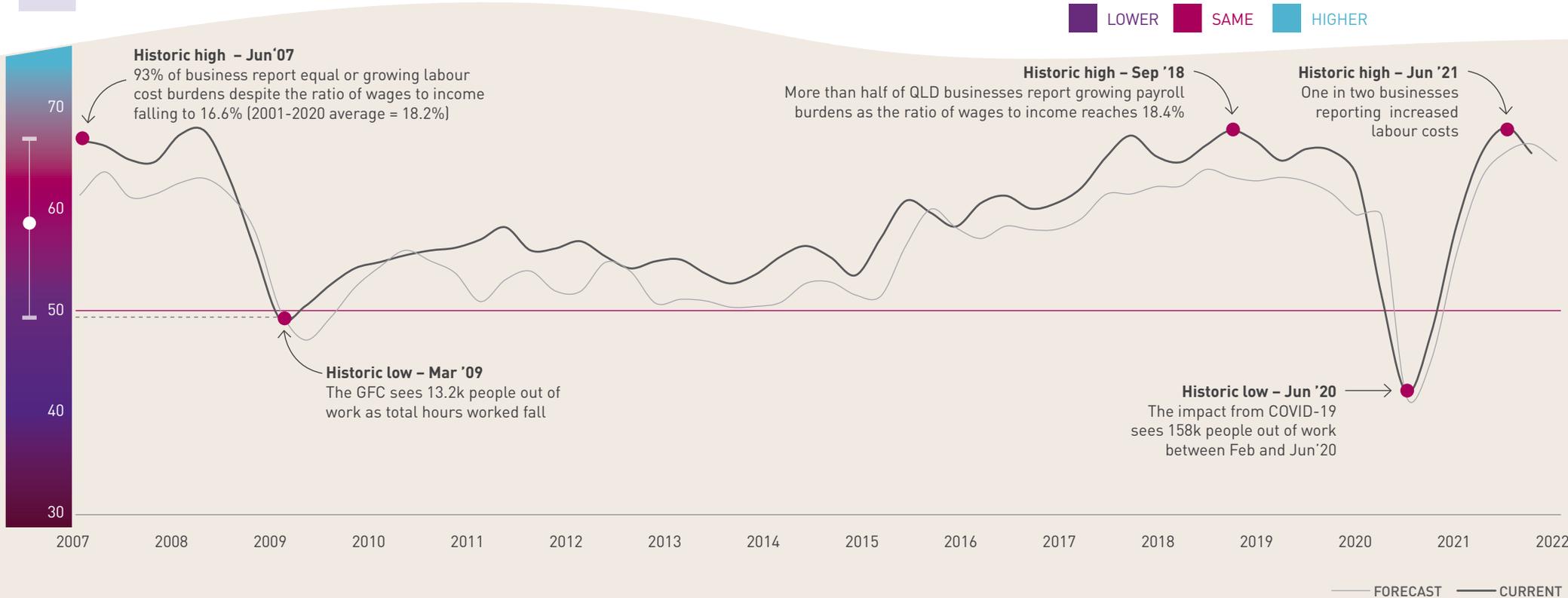
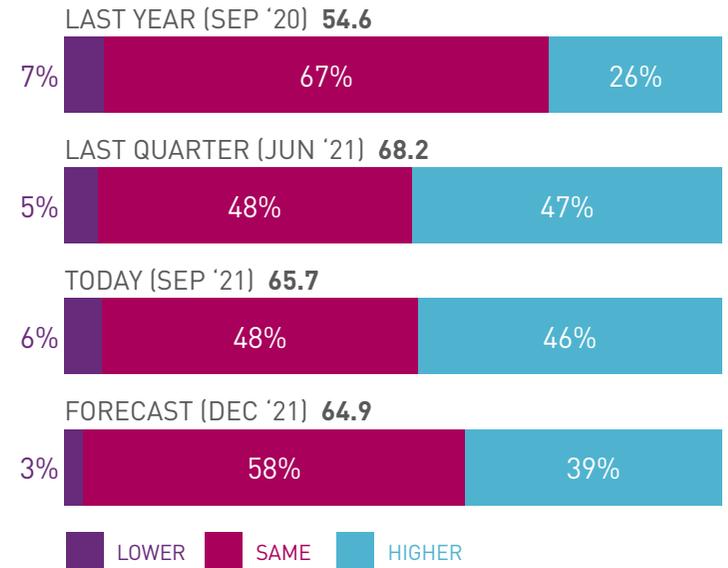
97 per cent of all businesses believe labour costs will either stay the same or increase during the December quarter 2021 and accordingly the labour costs PBI will remain at a 'high' level of 64.9.

Less qualified staff expecting higher wages. Higher costs in Workcover and Super. Sunshine Coast

Higher wages and fuel. We can't pass on the costs as many of our clients simply cannot afford it. Gold Coast

Skills shortage = increasing teams wages to keep them. North Queensland

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



PROFITABILITY

Significantly lower sales coinciding with prevailing high levels of operating and labour costs have caused profitability to crash in the September quarter 2021 and is regarded as 'weak'.

The profitability PBI fell considerably by 6.0 points from 40.8 in the June quarter to 34.8. One in two businesses indicated their profitability fell during the September quarter.

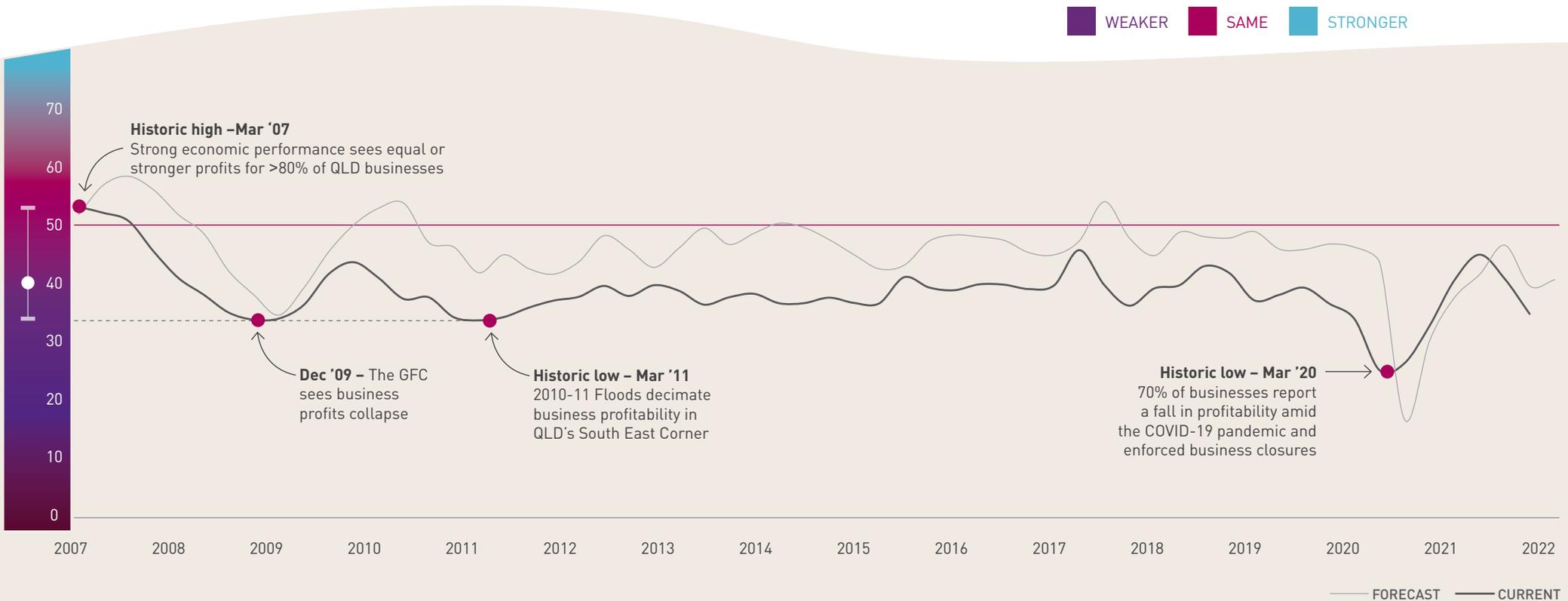
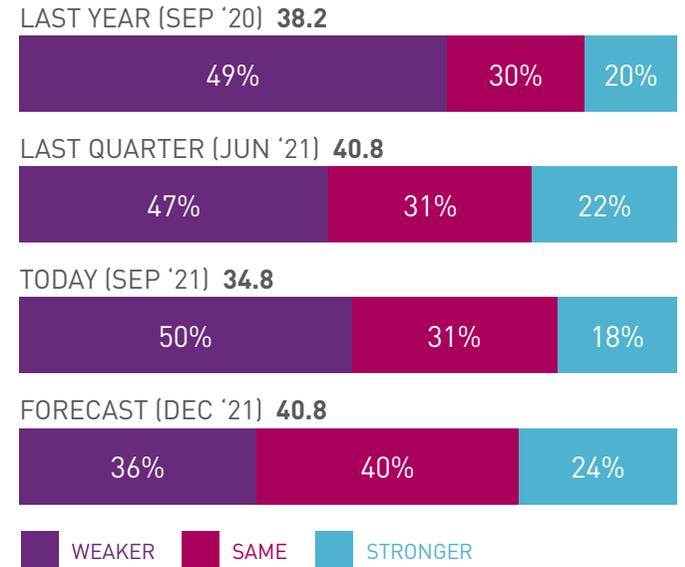
Of concern the profitability PBI is 3.4 index points lower than this time last year and the ten year average for this indicator (38.0). This is note worthy given the anticipated recovery from the COVID-19 economic crisis yet businesses are not earning enough to recoup operational expenditure.

Queensland businesses expect a small improvement in their profitability in the December quarter, with the Index forecast to grow by the same 6.0 points the profitability index declined by in the September quarter.

This indicator with a score below 50 (40.8) still continues to indicate profitability will not improve until changes occur 'above the line' with revenue growing more than operational costs.

While there are still lockdowns in any states of Australia, this will continue to have a significant effect on our individual states and our national economies. In our company we cannot find enough employees. I have owned my company for over 44 years and we have never had problems getting staff, like we are having at present. We usually have about 30 staff but at present we have only 18. We are turning so much work away at present, we are struggling to make a profit. – Gold Coast

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



EMPLOYMENT LEVELS

Employment levels declined in the September quarter 2021, with the PBI falling 3.6 index points from 49.7 in the June quarter to 46.1. This result reflects a reduction in sales but also reflects skill and labour shortages across a number of industry sectors and regions.

The PBI is at a similar level to this time last year (45.4) and the 10 year average (44.9). Three in five businesses indicated their employment levels remained unchanged during the September quarter. This result is similar to the June quarter but there has been a subtle shift (-3.0%) in less businesses indicating increased employment levels to more businesses (+2.0%) indicating decreased employment levels.

This result is consistent with expectations for the quarter that indicated the improvement in Queensland's labour market was coming to end at least until COVID-19 shutdowns and restrictions were abandoned. A similar PBI of 47.3 is expected in the December quarter indicating a continuation of lower employment levels.

Reducing our employment levels have helped reduce costs to the business and maintain viability. – Gold Coast

Unless the state and International borders open soon, lack of confidence by small business, lack of access to a customer base that provides a profitable return on investment, insufficient sales/profitability to enable businesses to employ sufficient and professional staff. – Far North Queensland

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

LAST YEAR (SEP '20) **45.4**



LAST QUARTER (JUN '21) **49.7**



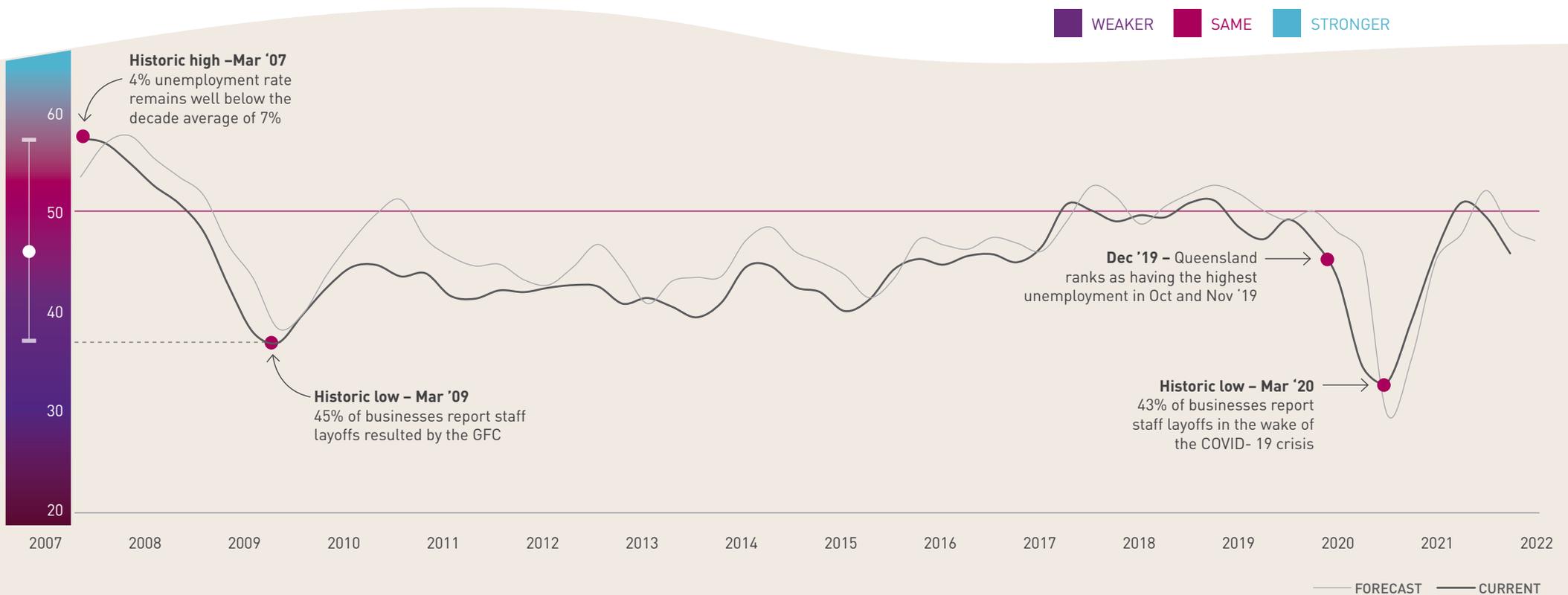
TODAY (SEP '21) **46.1**



FORECAST (DEC '21) **47.3**



WEAKER SAME STRONGER



CAPITAL EXPENDITURE

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

The capital expenditure PBI in the September quarter 2021 fell by 3.3 index points from 51.4 in the June quarter to 48.1 indicating decreased investment. One in two businesses chose to leave their capital expenditure unchanged during the quarter with one in four businesses indicating decreased investment.

Capital expenditure is expected to remain below 50 and will weaken slightly in the December quarter 2021 with a profitability PBI of 46.7. There is concern the underinvestment evident across the past eighteen months could hinder Queensland's future growth.

“ After having income flattened by the pandemic, we are short of funds to reinvest to help get new ideas to market. This will cause us to slow purchase of new equipment etc. – Sunshine Coast

“ If the respective levels of government don't stop playing politics and start acting as one country - there will be a mismatch of investment and activity. – Brisbane

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

LAST YEAR (SEP '20) **43.6**



LAST QUARTER (JUN '21) **51.4**



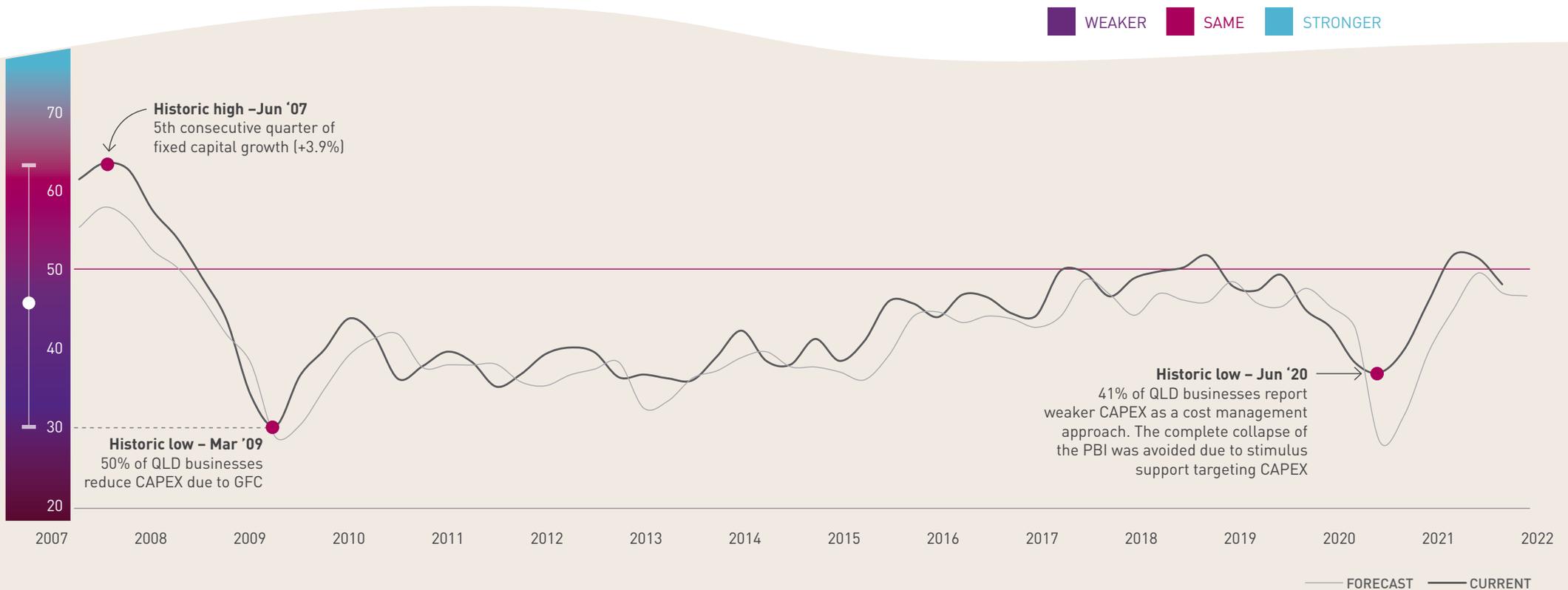
TODAY (SEP '21) **48.1**



FORECAST (DEC '21) **46.7**



WEAKER SAME STRONGER

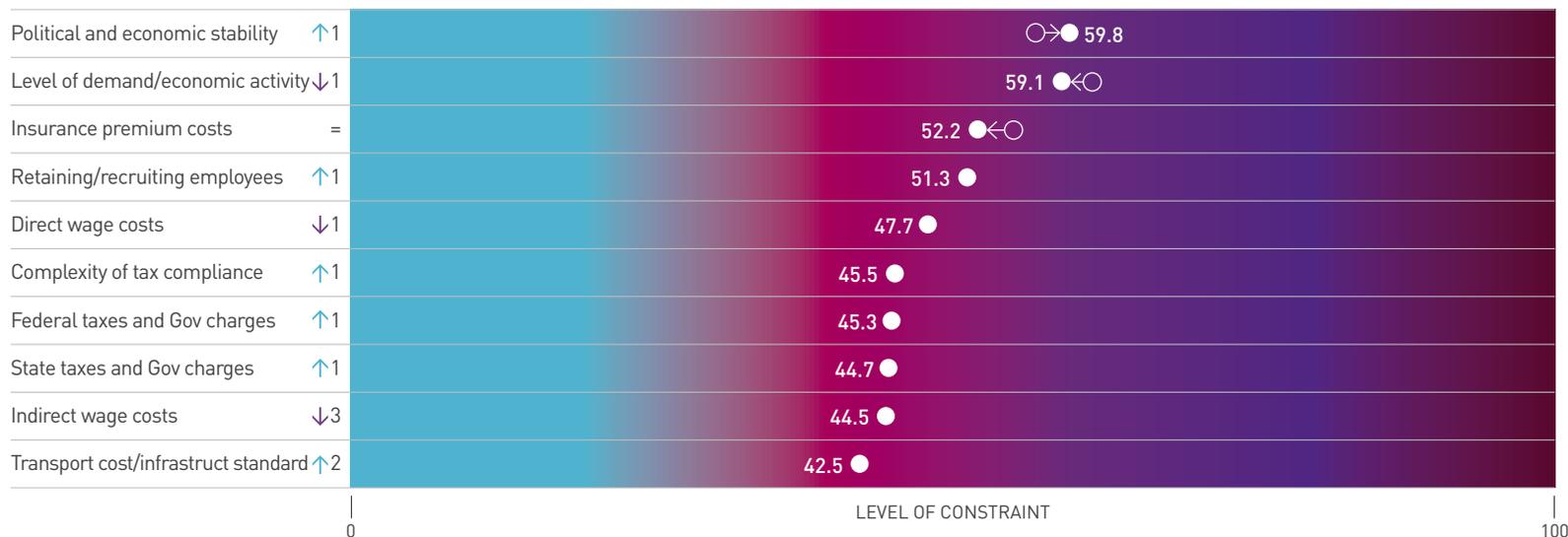


MAJOR CONSTRAINTS ON BUSINESS GROWTH

STATEWIDE



SMALL BUSINESS



STANDOUTS

The level of demand and economic activity (58.6) remains the most significant constraint for Queensland businesses and is consistent with feedback there is significant economic recovery to achieve and businesses have recovered only part of their lost economic activity (see page 3).

Political and economic stability has increased across the year as more and more uncertainty has arisen over how Queensland will exit the COVID-19 economic crisis. As a result this constraint has increased in severity up two index points.

Many Queensland businesses based on their industry sector or location continue to report retaining and recruiting employees as a significant challenge. This problem is of interest as its origin does not lie with increasing demand for labour but rather lies with a reduction in supply caused through a pause on international migration and a lack of interstate mobility for employees.

SMALL VS LARGE BUSINESS ISSUES

Small businesses believe political and economic activity is the most significant constraint as opposed to the level of demand and economic activity. Small businesses across this pandemic have experienced more profound impacts and uncertainty has weighed more heavily. Conversely small businesses cite retaining and recruiting suitably qualified employees as a lesser constraint with insurance premium costs being a greater issue 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 lockdowns for businesses and the public. People are getting angry and frustrated and people are losing their business incomes. In my view we need to transition to a more “live with” approach to COVID.

“ Uncertainty around lockdowns and domestic and international travel restrictions will continue to hinder confidence. With a clear path - the economy will not recover and more than likely we will see even more business closures, increase on mental health cases etc. Both the Federal and State governments need to be aligned and held accountable for the decisions they make as a collective.

“ Still a lot of uncertainty about what covid restrictions will be in place and to what degree people will be able to resume normal business and spending activities. a lot of southerners moving to Queensland - unknown how that will affect the economy. It should generate a lot of demand but with so many Queenslanders now being displaced from their homes and becoming homeless, there is huge impact on them personally and a drain on support services

Government responses to COVID-19 including lockdowns, business restrictions.

“ Constant border closures, unnecessary lockdowns that even if it is three to seven days takes at least a month after before any sort of normality returns, but what is normality now, each day as I go to work in my café I do everything I can think of to boost my sales, and as soon as I feel I’m starting to get somewhere there is a lock down, or boarder closure.

“ Lifting restrictions on border closures and more importantly state lock downs. If there is a hot spot (so to speak) then deal with, and concentrate on the specific area, or areas, without locking down the whole state. It is far too easy for the state to close borders than to deal with the areas concerned. By closing borders will certainly effect the state/s economies.

International and Interstate border restrictions

“ Border closures and prolonged Covid restrictions are and will keep deeply weakening the whole economy.

“ With the closure of the borders between states this is going to affect the economy greatly. Specifically when you own agriculture properties in Victoria and Qld and are unable to send the workers over from Victoria to Queensland and in wanting this is because the workers we have in Victoria are specially trained. This is going to affect all townships from missing out on growing their business.

“ Ability of people to travel - particularly into Queensland! If international borders open for New South Wales but not Queensland and Western Australia, what does that do to the Australian brand? Seriously, we need to move as one nation (destination), not a seven mini fiefdoms.

“ Australia - being left behind internationally whereby we don’t open borders quickly enough. Lack of talent pool. Queensland - strict border control

Efficiency, effectiveness and accelerated roll-out of vaccination program in Queensland

“ Vaccination rates to government required levels to allow state borders to re-open and restrictions (New South Wales and Victoria) to be withdrawn or reduced. Once the country opens back up the economy will quickly gain momentum. If lock downs continue and borders once again close then it will be a different story.

“ Vaccine rate, opening border and join the rest of Australia, eventually open the door to other countries.

“ With vaccination rates on the rise and international borders opening again, I would expect the tourism sector should see an increase in overseas people returning to holiday in Australia again.

“ Achieving at least 80% vaccination and aiming for 100% vaccination. Every overseas traveller to obtain a health visa and quarantine prior to entering a covid safe zone

Politics in management of COVID-19 health and economic crisis

- “ ‘Decision makers’ playing a heavily bias political game around borders. These politicians have no skin in the game and highlight their disconnect and ignorance from the real world by the decisions they are making.
- “ Bickering over different rules from state to state for lockdowns and lockouts relating to COVID-19.
- “ Consistent border policies - we have a large part of our economy that relies on tourism and it will remain stagnant until our leadership show they are able to keep borders open without ongoing threats of closure. They’ve had 20 months to manage the hospitals to allow for COVID in the community. If they aren’t ready at this stage they have failed in their duties.

Supply chain disruptions and blockages and its associated rise in business input costs

- “ Border closures and national building materials shortage of materials as well as the worldwide shortage of electronic components which affects supply of finished electronic equipment.
- “ Supply chain Issues in particular transport and logistic problems involving availability of space on vessels and aircraft. There is just not enough and costs have increased dramatically!
- “ Supply and demand irregularities will continue to have knock on effects for project programming and resourcing. It is vital that government expenditure on projects and infrastructure continues at a steady pace.

Deterioration in trade relationship and trade restrictions imposed by China

- “ China and the coal situation which not only affects the purchase but their supply of goods.
- “ Downturn in Chinese economy impacting our exports and Chinese investment in Australia.
- “ There is also the concern regarding China’s economy and how that may impact Australian industry and the flow on effect to smaller supporting businesses in the “chain”.

Skilled and unskilled labour shortages across Queensland

- “ Continued border closures (both domestic and international) will have a continued impact. The lack of access to international candidates and expats will slow down economic growth. Lack of a clear strategy (not a brochure) for economic recovery in Queensland will have a significant impact locally.
- “ Lack of qualified trades people across the board. Lack of government initiatives to increase training subsidies to companies that require more apprentices but are unable to cover the initial costs.
- “ Staff shortages due to lack of overseas workers spreading our existing workforce too thin.

General erosion of business confidence in State and Federal Government

- “ Federal governments lack of leadership and poor decision making: Failure to implement a 2050 zero emissions policy, failure to formalize an energy policy, failure to sensitively manage China resulting in trade obstructions, failure to give confidence that all is above board by not establishing a federal ICCAC, failure to stop pork barrelling, failure to sanction MPs that tell lies and mistruths about COVID, climate change etc, failure to take equality for women seriously, failure to encourage transition to electric cars (will spoil the Aussie weekend?), failure to manage the sub purchase in a sensitive and professional manner, failure to stop runaway house prices.
- “ Governments do not create or stimulate the economies of Australia business does, whilst the Governments (ALL) continue to turn and trade our country into a welfare dependent society our economy will never recover to where it should be.
- “ Governments trigger happy with lockdowns and restrictions on movement and association. Tell them to STOP!

Climate change

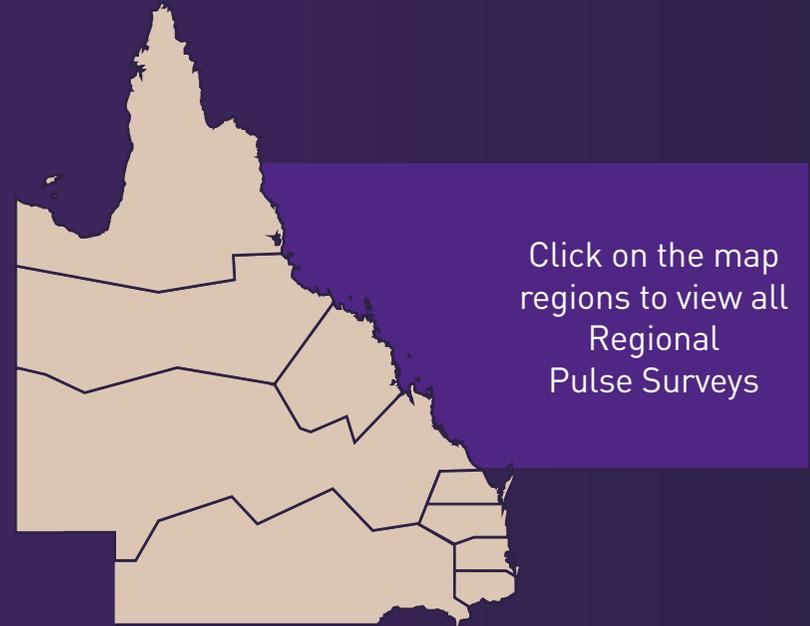
- “ Adoption of globally and nationally acceptable climate targets. If not we will be rightly subject to economic pressures from other countries who are adopting responsible targets.
- “ There is also an awareness of the importance of sustainability, along with an understanding of the combined advantages of supporting local communities, industry and manufacturing. There is also a greater appreciation and understanding of the importance of quality service and respect for the customers that previously was not always there

ABOUT PULSE

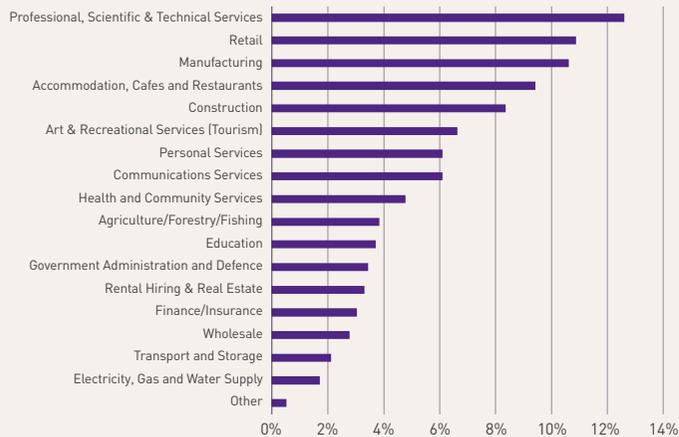
The Pulse Survey has measured Queensland business confidence and expectations for more than 25 years. The survey publishes results quarterly from key questions put to the Queensland business community. The survey is unchallenged in terms of being the most authoritative, timely and comprehensive snapshot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

The survey period was from September 6 to 18, 2021 and examined business sentiment and activity throughout the September quarter (2021). 764 businesses responded to the survey.

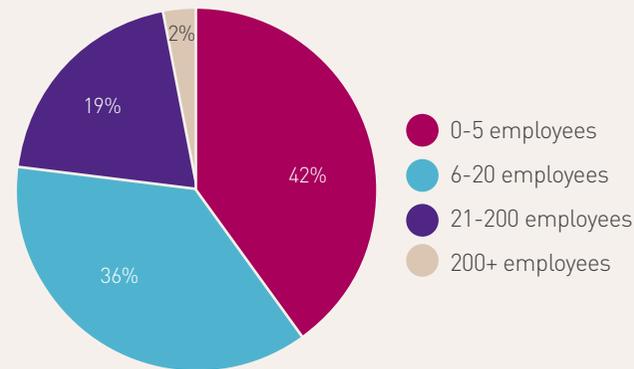
To find out more about Pulse, please contact Chamber of Commerce and Industry Queensland on 1300 731 988 or at cciqadvocacy@cciq.com.au.



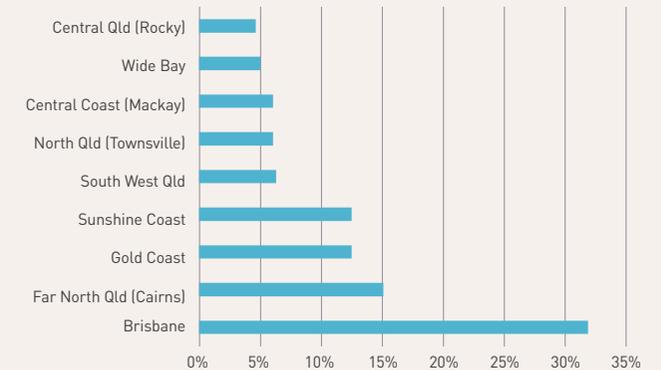
INDUSTRY REPRESENTATION



SIZE OF ORGANISATION



REGIONAL REPRESENTATION



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