

SUNCORP GROUP CCIQ PULSE SURVEY OF BUSINESS CONDITIONS

JUNE QUARTER 2019



SNAPSHOT

The Suncorp-CCIQ Pulse Business Confidence Survey for the June quarter 2019 shows that business conditions in Queensland remain subdued. The sentiment across Queensland's businesses continues to reflect soft operating conditions as well as cautious hiring and investment intentions. An operating environment fuelled by increasing costs and reduced profitability amidst continuing tepid business conditions remain key challenges facing Queensland's small business sector.

Respondent data analysed by the Chamber of Commerce and Industry Queensland (CCIQ) showed that profitability declined again across the state as rising labour and operating costs continue to disgruntle the small business sector. The index reading for wage expenses rose steeply over the June quarter to the highest level on record. This is unsurprising given that the Fair Work Commission delivered yet another three per cent increase in the minimum wage, which is incidentally double the rate of inflation in the economy. The latest hike is the third consecutive three per cent annual wage increase delivered by the Commission, adding further pressure to already financially constrained balance sheets, reduced operating margins and higher input costs.

Small business employment levels contracted slightly over the quarter, but far less dramatically than in the March quarter. The forecast measure indicates that the business community is amenable to increasing staffing levels, but it is reasonable to suspect that this is unlikely to eventuate if business conditions do not improve. Small business investment was reported flat over the quarter and is forecast to remain at similar levels during the next quarter.

The conclusion of the May Federal Election translated into a pick-up in confidence regarding the outlook for the national economy. Nevertheless, a movement in sentiment into neutral territory appears to reflect a sense of relief from the Queensland business community rather than widespread adulation. Queensland businesses are guardedly optimistic that the Federal Government's tax cuts together with the Reserve Bank's cuts to interest rates will bolster consumer spending levels and lift general business conditions across the state. Nevertheless, despite strong election campaign rhetoric about championing small business, there remains a broad sense that governments at all levels are not doing enough to help small businesses.

Economic sentiment for the outlook of the Queensland economy edged up modestly in the advent of easing payroll tax pressures, albeit sentiment in the economy continues to lag readings from 12 months ago. Moreover, while the State Government gave with one hand it took with the other, introducing a business waste levy to address interstate dumping. While remotely a South-East Queensland problem, all businesses across Queensland are expected to absorb the costs.

The common view among many businesses is that the state government must work far harder to foster private sector jobs instead of creating them and that the private sector is particularly discouraged from growing in an increasingly complex regulatory and commercial environment. Respondents cited 'stifling' levels of red and green tape, an enlarged public service and a growing state debt burden as core concerns around boosting business activity throughout the state economy. Amongst businesses polled, the government's budget position underpinned a core thematic that this was impeding the process of rolling out critical infrastructure and public spending initiatives more conducive to priming business.

The disaggregated statistics show similar readings for general business conditions and profitability levels across the state, however, there is far greater variability in the economic outlook across Regional Queensland than in the South-East. Regional Queensland reported moderate growth in employment and business investment levels, while the South-East Queensland readings showed the contrary. Similarly, turnover was reportedly stronger in the regions and weaker in the south-east corner but operating and labour cost increases were also substantially stronger in Regional Queensland.

Major constraints to business growth across the state is dominated by the level of demand and economic activity, while the level of business taxes and charges as well as local and state government red tape also rate highly. The cost of insurance continues to be reported as a significant impediment to expansion for Regional Queensland in particular.

SNAPSHOT

12-MONTH OUTLOOK

Queensland's small business confidence in the outlook for State and National economies has diverged substantially since the last quarter. The Pulse Australian Economic Outlook Index rose by 6.4 points on a seasonally adjusted basis in the June quarter to 50.9. While rising to its highest point since June 2018 this level is still 3.6 points lower than it was this time last year. On the other hand, the Pulse Queensland Economic Outlook Index level rose only marginally by 1.2 points over the quarter on a seasonally adjusted basis. At a reading of 43.6, the state index remains 4.2 points lower by annual comparison. No statistically significant differences were found between the sentiment readings for South-East Queensland and Regional Queensland at the state or national levels.

GENERAL BUSINESS CONDITIONS

The Pulse Index rose by 1.8 points to 46.2 on a seasonally adjusted basis for the June quarter as the proportion of respondents reporting stronger general business conditions rose while a smaller proportion reported weaker conditions. Nevertheless, the results show the proportion reporting weaker conditions remains substantially greater than those reporting stronger conditions and the index measure is at a level 3.5 points lower than it was 12 months ago. The Pulse Forecast Index for the September quarter is 2.5 points higher than the June measure at 48.7 points on a seasonally adjusted basis. Despite almost three quarters of respondents anticipating similar or better business conditions the sentiment remains below the neutral level as more businesses anticipate weaker business conditions than stronger conditions.

LABOUR COSTS

The Pulse Index soared 6.1 points for the June quarter to the highest index measure on record at 65.3 on a seasonally adjusted basis. Almost half of the respondents indicated an increase to salary costs over the quarter in the advent of the Fair Work Commission's wage decision to raise the minimum wage 3%, which is the third consecutive annual wage hike above the rate of consumer inflation. The Pulse Forecast Index measure is 8.5 points lower at 56.8 suggesting an expected moderation over the September quarter, which may to some degree be related to a marginal contraction in employment levels also reported over the June quarter.

OPERATING COSTS

The Pulse Index measure for costs such as rent, insurance, electricity and other utilities moderated by 0.9 points to 65.5 on a seasonally adjusted basis over the June quarter, which is 4.1 points lower than it was 12 months earlier. While a smaller proportion of respondents reported increased charges over the June quarter, almost two-thirds of respondents continue to report an increase. The Pulse Forecast Index measure for the September quarter is 3.6 points lower than June at 61.9 on a seasonally adjusted basis, suggesting that although businesses still anticipate a rise in operating costs, they also expect the growth rate of operating costs to temper somewhat over the quarter.

CAPITAL EXPENDITURE

The Pulse Index measure for capital expenditures rose by 1.8 points to a neutral 50.2 as a substantially smaller proportion of respondents reported decreasing their capital expenditure since the March quarter. As observed with employment levels, Regional Queensland reported positive investment levels while the South-East reported lower levels of investment. The Pulse Forecast Index measure for September shows an equally benign reading of 49.4 points on a seasonally adjusted basis, indicating that businesses do not intend to increase investment levels over the quarter.

PROFITABILITY

The Pulse Index measure edged up by 0.6 points to 42.1 on a seasonally adjusted basis for the June quarter, but remains 3.9 points lower than it was 12 months ago. It is again disappointing that almost one half of respondents continue to report a quarterly decrease in profitability. The Pulse Forecast Index measure for the September quarter is 6.8 points higher at 61.9 on a seasonally adjusted basis. While the September reading reflects a decrease in the proportion of respondents anticipating a decrease in profits over the quarter, the reading remains below a neutral reading 50.

SALES AND REVENUE

The Pulse Index rose 1.5 points to 50.9 on a seasonally adjusted basis as a greater proportion of respondents reported increased turnover activity in the June quarter than in March raising. However, the index measure remains 5.2 points lower than it was 12 months ago. The Pulse Forecast Index measure is 5.0 points higher than the June reading at 55.9 on a seasonally adjusted basis, indicating that businesses anticipate a marked improvement to turnover over the quarter due to recent tax cuts, recent wage hikes and a lower interest rate environment.

EMPLOYMENT LEVELS

The Pulse Index rose 1.5 points to 50.9 on a seasonally adjusted basis as a greater proportion of respondents reported increased turnover activity in the June quarter than in March raising. However, the index measure remains 5.2 points lower than it was 12 months ago. The Pulse Forecast Index measure is 5.0 points higher than the June reading at 55.9 on a seasonally adjusted basis, indicating that businesses anticipate a marked improvement to turnover over the quarter due to recent tax cuts, recent wage hikes and a lower interest rate environment.

INTRODUCTION

The CCIQ Suncorp Pulse Survey of Business Conditions is the largest survey of the state's 435,000 small and medium size businesses and serves as a leading indicator of business confidence across Queensland's diverse business community. Pulse is unique and aims to measure the sentiment of business owners and managers across the state, providing critical insights into current, planned and latent business activity. It is therefore a barometer of optimism and concern regarding key matters that are important to Queensland's small and medium size enterprises and provides a platform for their collective voice to be heard.

Sentiment measures for the June quarter, 2019 portray a resilient small business community dealing with languid operating conditions. It is discouraging that again almost half of Queensland businesses continue to report declining profitability over the quarter. The index reading for staffing cost increases over the quarter escalated to the highest level on record, while the reading for operating costs such as rent, electricity and utilities remains elevated.

Turnover conditions improved and the forecast reading is showing a spark of cautious optimism for better sales and business conditions more generally as businesses anticipate a rise in consumer spending due to income tax cuts together with a downward movement in interest rates. Businesses are ambivalent about the latest

hike in the minimum wage; some are sanguine that it will boost disposable income and increase consumer spending, while others are tentative about businesses ability to afford the new wage level in the first instance. While there has been a marked improvement in the outlook for the economy at the national level, the reading for the State economy remains at its lowest level since 2015. If not disillusioned, the forecast readings reflect a business community that is guardedly optimistic about forward operating conditions in the economy, at least in the near term.

Respondents continue to express frustration that it is becoming too expensive and too difficult to run a business in Queensland. Governments at each level clearly need to do more to improve local business conditions and make it easier to do business in the state. In particular, the small business community continue to implore the state and local governments to act and remove redundant and unnecessary regulation that is discouraging investment and employment as well as the plethora of business taxes and levies that are crushing business margins. Moreover, it is becoming increasingly critical that government expedite the commencement of infrastructure projects to lift construction activity throughout the state which is critical to improved trading conditions and economic growth.



The QLD government needs to move faster on its investment in infrastructure projects and other job creation initiatives to ensure real jobs are available for the QLD workforce

Brisbane



Green and red tape is killing small business. Policies by government do not help small businesses employ people

South West Queensland



The state front has absolutely no business focus, introducing more red tape and not removing existing red tape to allow business to grow faster and quicker and be more competitive

Brisbane



The new Qld State Waste Levy is going to affect a lot of businesses within the construction industry, both commercial and residential. This huge tax is going to be responsible for many small businesses from demolition, to building, to skip bins, and cause them to really struggle financially with the possibility of closing

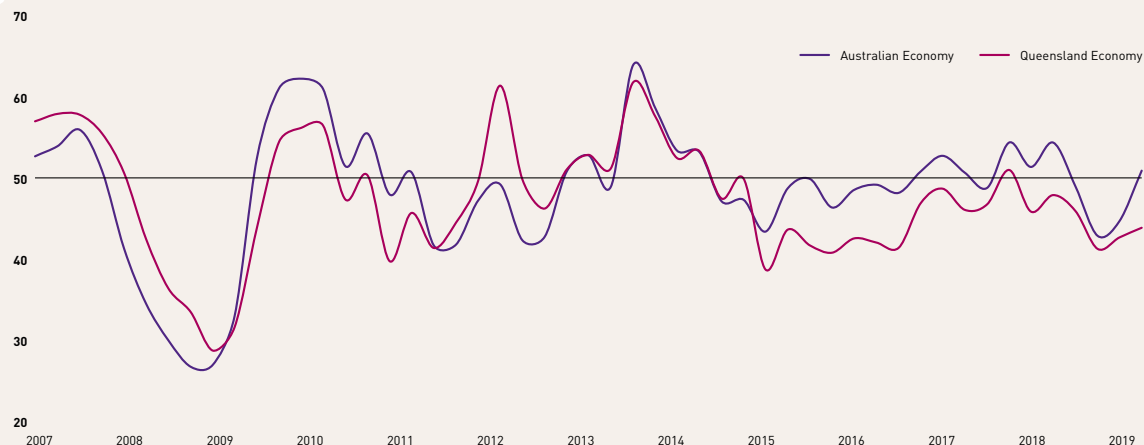
Logan

12 MONTH OUTLOOK: AUSTRALIAN & QUEENSLAND ECONOMIES

The Pulse Index measure of the economic outlook for Queensland over the next twelve months rose by 1.2 points in the June quarter to 43.6 on a seasonally adjusted basis but remains 4.2 points lower than 12 months ago. The original statistics showed 8 in 10 businesses expect similar or weaker conditions in the state despite there being a 4% increase in respondents indicating a stronger outlook and a 2% decrease in those expecting a softer state economy. The results of an analysis of variance indicates there is no statistically significant difference between the mean response scores when compared with this quarter and the previous March quarter. However, the mean score for June last year is statistically different from zero at the 5% significance level, indicating sentiment around the Queensland economy has deteriorated since last year.

On the other hand, the Pulse Index measure for the national economic outlook level rose by 6.3 points to 50.9 on a seasonally adjusted basis. While this elevates the sentiment above the neutral level of 50 points, it remains 3.6 points lower by annual comparison. The statistics show that there has been a significant improvement in sentiment at the national level as 7 in 10 respondents anticipate stronger or similar economic conditions, which is up from over 6 in 10 last quarter. Along with a reported 12% increase in the proportion of businesses expecting the national economy to grow stronger there was a 9% decrease in those expecting it to weaken over the next 12 months. The differences between the mean response scores for this quarter and the previous March and June quarters are each statistically different from zero.

Comparing responses from regional Queensland and the south-east corner showed that 77% of businesses in Regional Queensland and 81% of those in South-East Queensland anticipate similar or weaker economic conditions at the state level. The national outlook is somewhat less grim, as 66% of regional businesses and 70% in the south east expect similar or weaker economic conditions. Albeit, given the variability in responses, the analysis of variance indicates that the difference between the mean response scores for each region is not statistically different from zero with over 90% chance the differences occurred by chance alone.



Notes: Seasonally adjusted. Scale – An Index level above 50 indicates that growth prospects are strengthening, while an Index level below 50 indicates that growth prospects are weakening.

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

	Queensland Outlook			Australian Outlook		
	Jun-18	Mar-19	Jun-19	Jun-18	Mar-19	Jun-19
Mean response ¹	3.12	3.34	3.28	2.85	3.26	2.99
Standard error ²	0.06	0.04	0.04	0.05	0.04	0.04
Significance ³ : prob =	2%	0%		4%	0%	
Weaker (%)	30	42	40	17	39	30
Same (%)	46	42	40	50	42	39
Stronger (%)	24	16	20	33	19	31
Index (original)	47.0	41.7	42.9	53.9	43.4	50.3
Index (seasonally adjusted)	47.8	42.4	43.6	54.5	44.6	50.9

	SEQ		Australian Outlook	
	SEQ	Regional QLD	SEQ	Regional QLD
Mean response ¹	3.29	3.28	2.98	2.98
Standard error ²	0.05	0.07	0.05	0.07
Significance ³ : prob =	90%		99%	
Weaker (%)	38	45	28	33
Same (%)	43	32	42	33
Stronger (%)	19	23	30	34
Index (original)	42.8	43.0	50.5	50.4

1. Coded 1 – 5: [1-Much stronger; 2-Somewhat stronger; 3-About the same; 4-Somewhat weaker; 5-Much weaker]

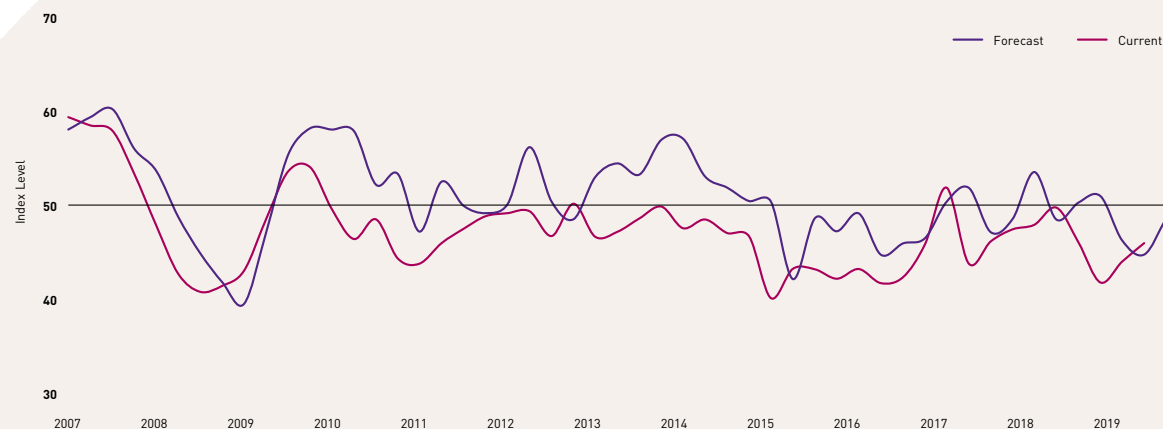
2. There is a 95% probability that the true mean lies within a range of two standard errors above and two standard errors below the mean response score.

3. Difference in mean response scores relative to June 2019. Level of significance: prob = probability that the observed difference between the mean response scores occurred by chance alone. A probability value of 5% represents a 1 in 20 chance and a value less than 5% is a conventional significance level to reject the null hypothesis that there is no statistical difference between the mean scores.

GENERAL BUSINESS CONDITIONS

Two-thirds of businesses reported similar or better conditions in the June quarter, however, the proportion reporting weaker conditions remains substantially greater than those reporting stronger conditions. Considering there was an increase in the proportion of respondents reporting stronger general business conditions and a smaller proportion weaker conditions the Pulse Index lifted 1.8 points to 46.2 on a seasonally adjusted basis. Nevertheless, the index measure remains at a level 3.5 points lower than it was 12 months ago. The statistics indicate that the difference in the mean score for the June quarter is statistically different from March and from June last year.

The Pulse Forecast Index for the September quarter is 2.5 points higher than the June measure at 48.7 points on a seasonally adjusted basis. Despite 74% anticipating similar or better business conditions, sentiment remains below a neutral level as more businesses anticipate weaker business conditions than better conditions. Moreover, the statistics indicate that the difference in the mean scores for the June and September quarters is statistically different from zero. The results of a regression analysis show that the correlation between the original raw and forecast index measures is 0.68 and the R² value is 46%.



Notes: Seasonally adjusted. Scale – An Index level above 50 indicates that growth prospects are strengthening, while an Index level below 50 indicates that growth prospects are weakening.

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

General Business Conditions				
	Jun-18	Mar-19	Jun-19	Sep-19 (Forecast)
Mean response ¹	3.04	3.32	3.18	3.06
Standard error ²	0.06	0.04	0.04	0.04
Significance ³ : prob =	5%	1%		2%
Weaker (%)	24	42	34	26
Same (%)	53	41	46	51
Stronger (%)	23	17	20	23
Index (original)	49.0	41.8	45.5	48.6
Index (seasonally adjusted)	49.7	44.4	46.2	48.7

1 Coded 1 – 5: (1-Significantly increase; 2-Increase; 3-Stay the same; 4-Decrease; 5-Significantly decrease)

2 There is a 95% probability that the true mean lies within a range of two standard errors above and two standard errors below the mean response score.

3 Difference in mean response scores relative to June 2019. Level of significance: prob = probability that the observed difference between the mean response scores occurred by chance alone. A probability value of 5% represents a 1 in 20 chance and a value less than 5% is a conventional significance level to reject the null hypothesis that there is no statistical difference between the mean scores.



Optimism is returning but it could be hype

Townsville



Unless the government creates an environment where small business can thrive especially in rural and regional areas, business will not get any better anytime soon

Cairns



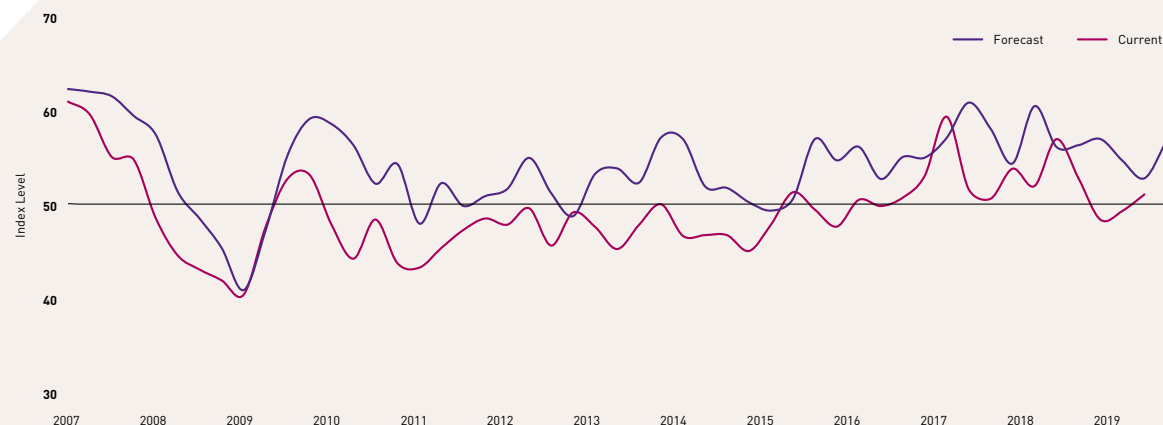
There is a lack of confidence in the economy and people are not spending at all. There needs to be more money spent on infrastructure to create more jobs

Sunshine Coast

SALES AND REVENUE

A greater proportion of respondents reported increased turnover activity in the June quarter raising the Pulse Index 1.5 points to a positive reading of 50.9 on a seasonally adjusted basis. While a positive outlook represents a welcome improvement, the index measure remains 5.2 points lower than it was 12 months ago. The statistics indicate that the difference in the mean score for the June quarter is statistically different from March and from June last year.

The forward outlook to September indicates that businesses anticipate a further improvement to turnover over the quarter, with the Pulse Forecast Index measure 5.0 points higher at 55.9 on a seasonally adjusted basis. The statistics indicate that the difference in the mean score is statistically different from the June quarter. The anecdotal responses suggest that businesses are sanguine about a boost to consumer demand from recent tax cuts coupled with wage hikes and a lower interest rate environment. The results of a regression analysis show that the correlation between the original raw and forecast index measures is 0.73 and the R² value is 53%.



Notes: Seasonally adjusted. Scale – An Index level above 50 indicates that growth prospects are strengthening, while an Index level below 50 indicates that growth prospects are weakening.

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

Sales and Revenue				
	Jun-18	Mar-19	Jun-19	Sep-19 (Forecast)
Mean response ¹	2.77	3.13	2.98	2.75
Standard error ²	0.06	0.05	0.04	0.04
Significance ³ : prob =	1%	2%		0%
Decreased (%)	19	38	32	18
Same (%)	41	33	34	39
Increased (%)	40	29	35	43
Index (original)	55.8	46.5	50.6	56.1
Index (seasonally adjusted)	56.1	49.4	50.9	55.9

1 Coded 1 – 5: (1-Significantly increase; 2-Increase; 3-Stay the same; 4-Decrease; 5-Significantly decrease)

2 There is a 95% probability that the true mean lies within a range of two standard errors above and two standard errors below the mean response score.

3 Difference in mean response scores relative to June 2019. Level of significance: prob = probability that the observed difference between the mean response scores occurred by chance alone. A probability value of 5% represents a 1 in 20 chance and a value less than 5% is a conventional significance level to reject the null hypothesis that there is no statistical difference between the mean scores.

Expecting more discretionary spend available from tax reduction and wage increases

Wide Bay

Customers are just not spending

Sunshine Coast

We are currently experiencing a slight improvement in trade, but the residual effect of spending very cautiously remains

Brisbane

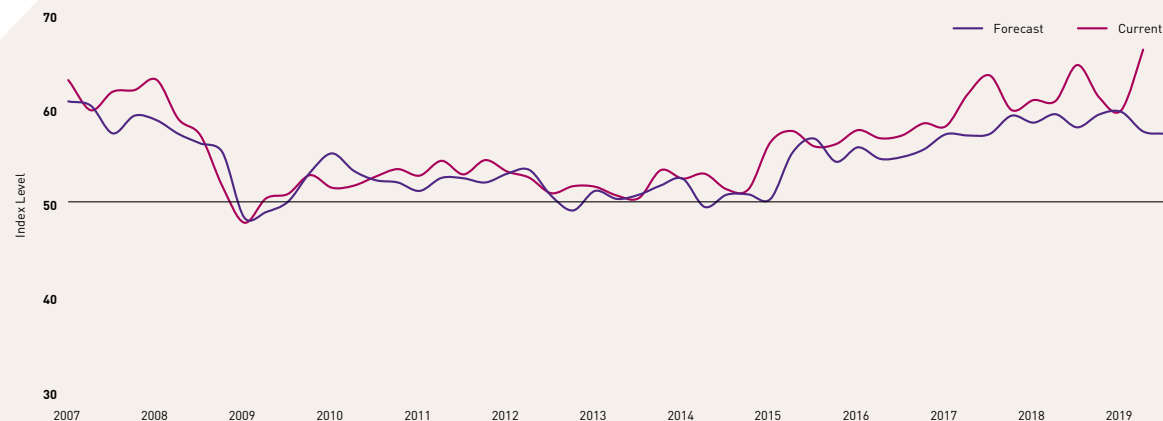
Small business is struggling due to people holding off on spending money on things that aren't necessary, causing customer base to shrink

Cairns

LABOUR COSTS

The Pulse Index measure of labour costs rose steeply by 6.1 points for the June quarter to 65.3 on a seasonally adjusted basis. The statistics indicate that the difference in the mean score for the June quarter is statistically different from March but not from June last year. The June reading is the highest index measure on record as almost half of the respondents indicated an increase to salary costs over the quarter. The June measure comes as the Fair Work Commission signalled another 3% increase in the minimum wage - the third consecutive annual wage hike above the rate of consumer inflation.

The Forecast Index shows an expected moderation in labour costs over the September quarter with the Pulse Forecast Index measure 8.5 points lower at 56.8. The statistics indicate that the difference in the mean score for the September forecast measure is statistically different from June quarter. Coincidentally, the Pulse Index measure for employment levels in June recorded a marginal contraction in staffing levels. The results of a regression analysis show that the correlation between the original raw and forecast index measures is 0.88 and the R² value is 78%.



Notes: Seasonally adjusted. Scale – An Index level above 50 indicates that growth prospects are strengthening, while an Index level below 50 indicates that growth prospects are weakening.

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

Labour Costs				
	Jun-18	Mar-19	Jun-19	Sep-19 (Forecast)
Mean response ¹	2.59	2.68	2.56	2.66
Standard error ²	0.05	0.03	0.03	0.03
Significance ³ : prob =	61%	1%		3%
Decreased (%)	5	7	6	6
Same (%)	53	55	46	56
Increased (%)	42	38	48	39
Index (original)	60.3	58.4	65.5	58.5
Index (seasonally adjusted)	60.1	59.2	65.3	56.8

1 Coded 1 – 5: (1-Significantly increase; 2-Increase; 3-Stay the same; 4-Decrease; 5-Significantly decrease)

2 There is a 95% probability that the true mean lies within a range of two standard errors above and two standard errors below the mean response score.

3 Difference in mean response scores relative to June 2019. Level of significance: prob = probability that the observed difference between the mean response scores occurred by chance alone. A probability value of 5% represents a 1 in 20 chance and a value less than 5% is a conventional significance level to reject the null hypothesis that there is no statistical difference between the mean scores.



Penalty rates and excessive responsibilities lugged onto small businesses have caused a slowdown

Brisbane



Labour costs in the mining sector have been adjusted, combined with historic low interest rates and a reasonable employment rate, this is good news for big business in particular who have the financial capital to inject into the supply chain and for the benefit for regional areas

Rockhampton



The constant battle with Fair Work and Unions over rates and penalty rates keeping retail and hospitality from expanding and the impact of tax-free internet selling

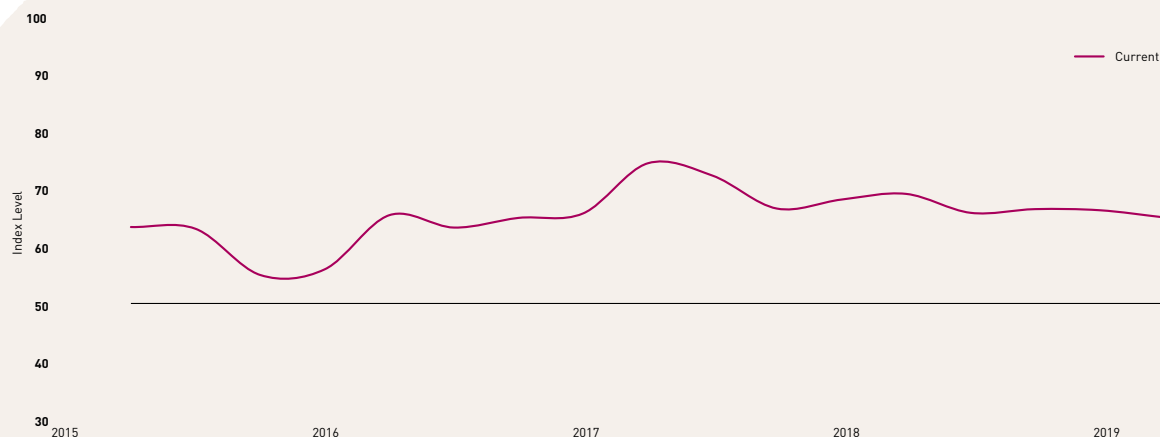
Gold Coast

OPERATING COSTS

The Pulse Survey started monitoring the Other Operating Costs indicator in the March Quarter, 2015. While an Index has been developed, only original estimates are presented with a seasonally adjusted index to be made available in the future once a sufficiently large number of observations has been collected.

Almost two-thirds of respondents continue to report increased operating costs such as rent, insurance, electricity and other utilities, though there was an increase in the number reporting the same over the June quarter. The Pulse Index measure for other operating costs moderated by 0.9 points to 65.5 on a seasonally adjusted basis as a smaller proportion reported increased charges over the June quarter. The index measure is 4.1 points lower than it was 12 months ago, with the statistics indicating that the difference in the mean score for the June quarter is statistically different from June last year but not from the previous March quarter.

The Pulse Forecast Index measure for the September quarter is 3.6 points lower than June at 61.9 on a seasonally adjusted basis. The forecast reading indicates that, while businesses still anticipate a rise in their operating costs, they also expect a further cooling in the growth rate of operating costs over the quarter. The statistics indicate that the difference in the mean score is statistically different from the June quarter.



Notes: Seasonally adjusted. Scale – An Index level above 50 indicates that growth prospects are strengthening, while an Index level below 50 indicates that growth prospects are weakening.

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

Other Operating Costs				
	Jun-18	Mar-19	Jun-19	Sep-19 (Forecast)
Mean response ¹	2.21	2.34	2.38	2.52
Standard error ²	0.05	0.03	0.03	0.03
Significance ³ : prob =	0%	32%		0%
Decreased (%)	2	3	1	2
Same (%)	30	37	42	51
Increased (%)	68	60	57	47
Index (original)	69.6	66.4	65.5	61.9

1 Coded 1 – 5: (1-Significantly increase; 2-Increase; 3-Stay the same; 4-Decrease; 5-Significantly decrease)

2 There is a 95% probability that the true mean lies within a range of two standard errors above and two standard errors below the mean response score.

3 Difference in mean response scores relative to June 2019. Level of significance: prob = probability that the observed difference between the mean response scores occurred by chance alone. A probability value of 5% represents a 1 in 20 chance and a value less than 5% is a conventional significance level to reject the null hypothesis that there is no statistical difference between the mean scores.



Business stagnation and low growth. Battling with increased government charges especially for increased urban services (water/sewer/garbage) and electricity charges

Brisbane



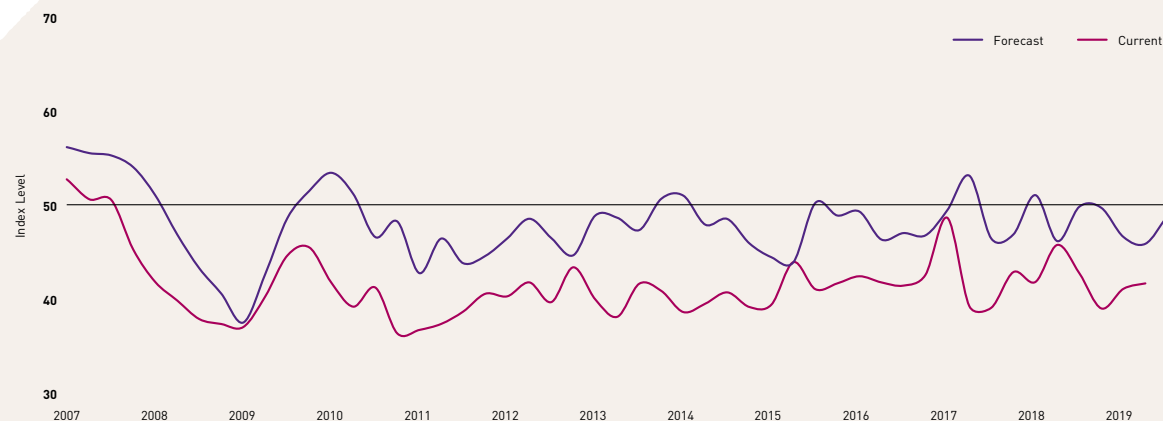
Costs of operating a business i.e. wage increases on top of power costs, fuel, insurance, payroll tax, land tax, stamp duty and other government charges impact on anyone who is trying to improve and grow their business

South West Queensland

PROFITABILITY

Concerningly, almost one half of respondents reported a decrease in their profitability over the quarter. Nevertheless, the Pulse Index measure for profitability edged up by 0.6 points to 42.1 on a seasonally adjusted basis as a smaller proportion reported a decrease in June. The index measure remains 3.9 points lower than it was 12 months ago, with the statistics indicating that the difference in the mean score for the June quarter is statistically different from June last year but not from the previous March quarter.

The Pulse Forecast Index measure for the September quarter is 6.8 points higher than June at 61.9 on a seasonally adjusted basis. The forecast reading shows that a smaller proportion of respondents anticipate a decrease in profits over the quarter, however, the reading remains below a neutral reading 50. The statistics indicate that the difference in the mean score is statistically different from the June quarter. The results of a regression show that the correlation between the original raw and forecast index measures is 0.55 and the R² value is 30%.



Notes: Seasonally adjusted. Scale – An Index level above 50 indicates that growth prospects are strengthening, while an Index level below 50 indicates that growth prospects are weakening.

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

Profitability				
	Jun-18	Mar-19	Jun-19	Sep-19 (Forecast)
Mean response ¹	3.19	3.41	3.35	3.07
Standard error ²	0.06	0.04	0.04	0.04
Significance ³ : prob =	4%	25%		0%
Decreased (%)	37	51	47	28
Same (%)	41	33	36	48
Increased (%)	21	16	17	24
Index (original)	45.2	39.3	41.4	48.3
Index (seasonally adjusted)	46.0	41.5	42.1	48.9

1 Coded 1 – 5: (1-Significantly increase; 2-Increase; 3-Stay the same; 4-Decrease; 5-Significantly decrease)

2 There is a 95% probability that the true mean lies within a range of two standard errors above and two standard errors below the mean response score.

3 Difference in mean response scores relative to June 2019. Level of significance: prob = probability that the observed difference between the mean response scores occurred by chance alone. A probability value of 5% represents a 1 in 20 chance and a value less than 5% is a conventional significance level to reject the null hypothesis that there is no statistical difference between the mean scores.



Many businesses will not be able to absorb the losses and they will dissolve

Gold Coast



The constant increases in costs including wages, insurance, regulatory/licence fees, electricity, fuel, and the waste levy but customers do not expect an increase in my fees to them. This is unsustainable

Cairns



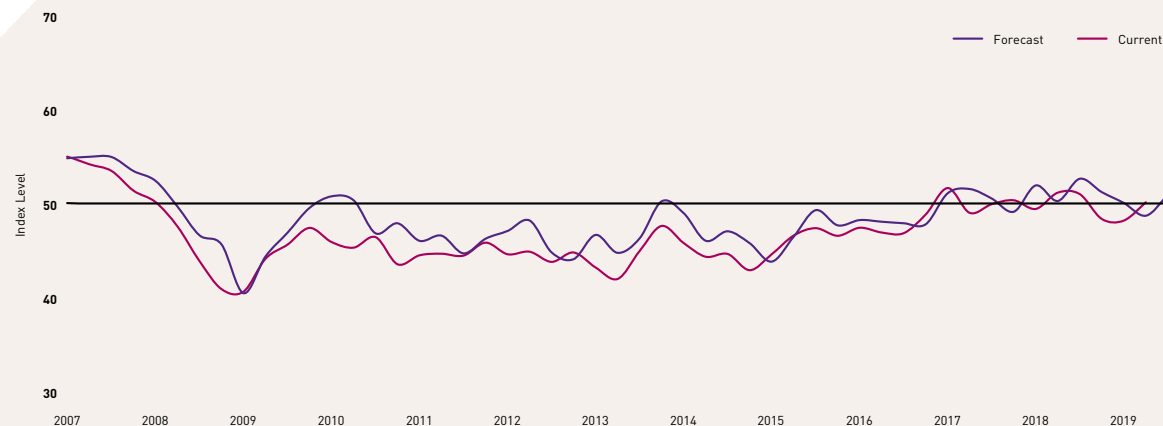
Businesses are doing it tough and closing down like never before

Brisbane

EMPLOYMENT LEVELS

Job creation declined marginally over the June quarter arresting the rather substantial slump in jobs creation reported during the previous March quarter. A greater proportion of respondents indicated that they had decreased employment levels than those increasing levels. Nevertheless, taking the seasonal adjustment into consideration the Pulse Index rose marginally by 1.8 points to a neutral level of 50.1. The statistics indicate that the difference in the mean score for the June quarter is statistically different from the previous March quarter but not from June last year.

The Pulse Forecast Index measure for the September quarter is 0.7 points higher than June at 50.8 on a seasonally adjusted basis. While the forecast reading is encouraging, showing that a slightly larger proportion of respondents are amenable to increasing their staffing levels over the quarter. However, the statistics indicate that the difference in the mean score for September is not statistically different from the June quarter. The results of a regression show that the correlation between the original raw and forecast index measures is 0.64 and the R² value is 40%.



Notes: Seasonally adjusted. Scale – An Index level above 50 indicates that growth prospects are strengthening, while an Index level below 50 indicates that growth prospects are weakening.

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

Employment levels				
	Jun-18	Mar-19	Jun-19	Sep-19 (Forecast)
Mean response ¹	2.97	3.11	3.01	2.98
Standard error ²	0.05	0.03	0.03	0.03
Significance ³ : prob =	51%	3%		42%
Decreased (%)	17	23	19	16
Same (%)	64	62	63	66
Increased (%)	20	15	18	19
Index (original)	50.7	47.4	49.7	50.6
Index (seasonally adjusted)	51.1	48.3	50.1	50.8

1 Coded 1 – 5: (1-Significantly increase; 2-Increase; 3-Stay the same; 4-Decrease; 5-Significantly decrease)

2 There is a 95% probability that the true mean lies within a range of two standard errors above and two standard errors below the mean response score.

3 Difference in mean response scores relative to June 2019. Level of significance: prob = probability that the observed difference between the mean response scores occurred by chance alone. A probability value of 5% represents a 1 in 20 chance and a value less than 5% is a conventional significance level to reject the null hypothesis that there is no statistical difference between the mean scores.



The resultant work from the Townsville floods has increased demand for skilled workers and provided some work for our business

Townsville



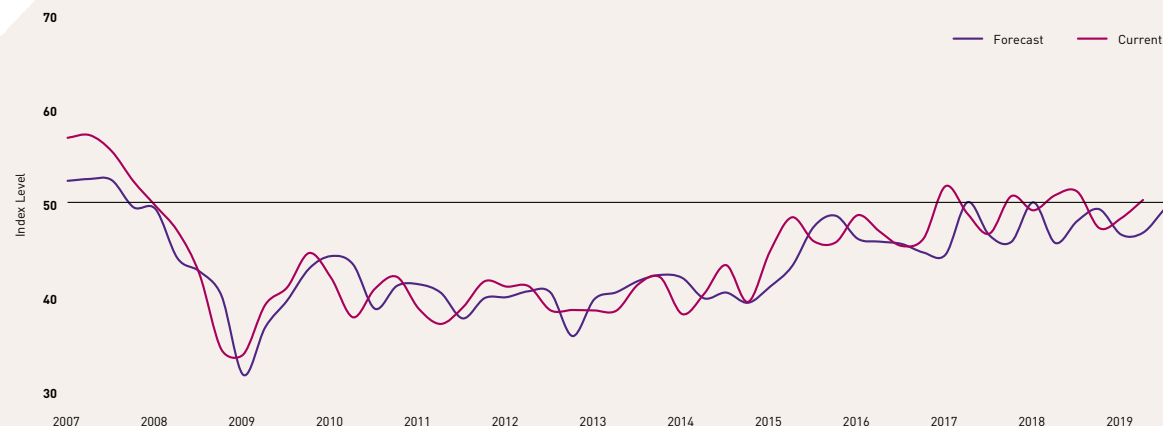
Low consumer confidence is leading to less opportunity for businesses to increase staff numbers

South West Queensland

CAPITAL EXPENDITURE

The June quarter Pulse Index measure for capital expenditures edged up 1.8 points to a neutral 50.2 as a substantially smaller proportion of respondents reported decreasing their capital expenditure since the March quarter. Respondents indicating that they had decreased. The statistics indicate that the difference in the mean score for the June quarter is not statistically different from June last year and is only statistically different at the 6% confidence level from the previous March quarter.

Similarly, the Pulse Forecast Index measure for the September quarter shows a neutral reading of 49.4 points on a seasonally adjusted basis. The forecast reading shows that an equal proportion of respondents anticipate increasing business investment levels as do those decreasing levels over the quarter. The statistics indicate that the difference in the mean scores for the September and June quarters is not statistically different from zero. The results of a regression analysis show that the correlation between the original raw and forecast index measures is 0.75 and the R² value is 56%.



Notes: Seasonally adjusted. Scale – An Index level above 50 indicates that growth prospects are strengthening, while an Index level below 50 indicates that growth prospects are weakening.

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

Capital Expenditure				
	Jun-18	Mar-19	Jun-19	Sep-19 (Forecast)
Mean response ¹	3.01	3.13	3.02	3.04
Standard error ²	0.06	0.03	0.06	0.03
Significance ³ : prob =	81%	6%		66%
Decreased (%)	23	31	23	19
Same (%)	50	47	53	62
Increased (%)	27	22	24	19
Index (original)	49.9	46.9	49.4	48.9
Index (seasonally adjusted)	50.7	48.4	50.2	49.4

1 Coded 1 – 5: (1-Significantly increase; 2-Increase; 3-Stay the same; 4-Decrease; 5-Significantly decrease)

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Drought is leading to a lack of harvest and no spending on repairs, maintenance or new investment in vehicles, plant or mobile equipment (eg cropping equipment)

South West Queensland



We have been focusing on the core business and doing work properly after expending a lot of investment on training

Brisbane



Investment in software and offshoring skills to reduce costs and in turn protect profit margin

Cairns

REGIONAL ANALYSIS

The disaggregated statistics show similar readings for general business conditions and profitability levels across the state. Regional Queensland reported moderate growth in employment and business investment levels, while the South-East Queensland readings were to the contrary. Similarly, turnover was reportedly stronger in Regional Queensland and weaker in the South-East corner, but this was accompanied by stronger operating and labour cost increases in the regions. While there is not a discernible difference apparent in the headline index numbers regarding the economic outlook, there is substantially greater variability in the economic outlook of respondents across Regional Queensland than in the South-East.

JUNE QUARTER 2019

Current June 2019 (Original)	South-East QLD				Regional QLD			
	South-East QLD	Weaker (%)	Same (%)	Stronger (%)	Regional QLD	Weaker (%)	Same (%)	Stronger (%)
National economy	50.5	28	42	30	50.4	33	33	34
Queensland economy	42.8	38	43	19	43.0	45	32	23
General business conditions	44.6	36	46	18	46.5	31	48	21
Sales & revenue	49.3	36	30	34	52.4	26	38	36
Profitability	41.5	47	35	16	41.2	48	35	16
Labour costs	59.9	6	49	44	62.7	6	41	53
Other operating costs	64.0	1	46	53	68.4	1	34	66
Employment Levels	48.7	21	63	16	51.1	16	62	22
Capital expenditure	48.7	24	53	23	50.5	21	53	26

Forecast June 2019 (Original)	QLD	South-East QLD (Index)	Mean response ¹	Standard error ²	Regional QLD (Index)	Mean response ¹	Standard error ²	Significance ³ prob=
National economy	50.3	50.5	2.98	0.05	50.4	2.98	0.07	99%
Queensland economy	42.9	42.8	3.29	0.05	43.0	3.28	0.07	90%
General business conditions	45.5	44.6	3.22	0.05	46.5	3.14	0.07	35%
Sales & revenue	50.6	49.3	3.03	0.06	52.4	2.91	0.07	19%
Profitability	41.4	41.5	3.34	0.05	41.2	3.35	0.07	87%
Labour costs	61.1	59.9	2.61	0.04	62.7	2.49	0.06	11%
Other operating costs	65.5	64.0	2.44	0.04	68.4	2.27	0.05	15%
Employment Levels	49.7	48.7	3.05	0.04	51.1	2.96	0.06	0%
Capital expenditure	49.4	48.7	3.05	0.05	50.5	2.98	0.07	38%

¹ Coded 1 – 5: {1-Significantly increase; 2-Increase; 3-Stay the same; 4-Decrease; 5-Significantly decrease}

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³ Difference in mean response scores relative to June 2019. Level of significance: prob = probability that the observed difference between the mean response scores occurred by chance alone. A probability value of 5% represents a 1 in 20 chance and a value less than 5% is a conventional significance level to reject the null hypothesis that there is no statistical difference between the mean scores.

REGIONAL ANALYSIS



There seems to be no thinking on how to get the state out of debt ... whereas on the national scene there is a plan to bring in surpluses to move toward reducing debt. At both levels, the debt is far too high

Brisbane



Our customers do not appreciate price rises for the goods that they are purchasing. We cannot afford to increase our margins; therefore, we cannot afford to give pay rises. Rents are also rising for retail stores

Gold Coast



Queensland's drought affected areas is still a very real concern and interest rates going down again isn't instilling confidence in the marketplace

Logan



Wastage of government funds and not paying down debt will impact the State economy even though mining royalties will continue to rise

Brisbane



The concentration of spending that goes into Brisbane is purely because of the number of seats up for grabs. Regional Queensland misses out, farmers in particular. But where will Brisbane people get their food and milk in 20 years?

Sunshine Coast



The most devastating influence on manufacturing is the constant rises in fees, compliance costs, energy costs, water costs and now the waste levy as well as a current fuel levy on interstate transport costs

Logan

FORECAST SEPTEMBER QUARTER 2019

Current September 2019 (Original)	South-East QLD				Regional QLD			
	South-East QLD	Weaker (%)	Same (%)	Stronger (%)	Regional QLD	Weaker (%)	Same (%)	Stronger (%)
General business conditions	49.1	25	51	24	47.5	29	49	22
Sales & revenue	56.3	19	36	45	55.5	17	44	39
Profitability	48.8	27	47	26	47.2	30	50	20
Labour costs	58.0	6	58	36	59.6	6	50	44
Other operating costs	60.9	1	55	44	63.1	2	44	54
Employment Levels	50.1	16	67	17	50.3	16	66	18
Capital expenditure	48.4	19	65	17	48.7	22	58	20

Forecast September 2019 (Original)	QLD	South-East QLD (Index)	Mean response ¹	Standard error ²	Regional QLD (Index)	Mean response ¹	Standard error ²	Significance ³ prob=
General business conditions	48.6	49.1	3.04	0.05	47.5	3.10	0.06	42%
Sales & revenue	56.1	56.3	2.75	0.05	55.5	2.78	0.06	70%
Profitability	48.3	48.8	3.05	0.05	47.2	3.11	0.06	41%
Labour costs	58.5	58.0	2.68	0.04	59.6	2.62	0.05	34%
Other operating costs	61.9	60.9	2.56	0.04	63.1	2.47	0.05	89%
Employment Levels	50.6	50.1	3.00	0.04	50.3	2.99	0.05	13%
Capital expenditure	48.9	48.4	3.06	0.04	48.7	3.05	0.06	87%

1 Coded 1 – 5: (1-Significantly increase; 2-Increase; 3-Stay the same; 4-Decrease; 5-Significantly decrease)

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THE VOICE OF QUEENSLAND'S BUSINESS COMMUNITY

THE VOICE OF THE CITY – KEY RESPONSES FROM SOUTH-EAST QUEENSLAND

“ Australian economy needs structural reform to reduce cost of business and cost of living. The cost of government services is not aligned to other business or costs; we need a more productive and business-proactive public service

Brisbane

“ The government have promised tax cuts but have not delivered to the small businesses... With all the MyGov regulations and reporting now small business do not have the infrastructure in place. A lot of small businesses need help

Gold Coast

“ Decline in building is one area that will affect Australian economy. Our manufacturing industry will experience slowdown in the Australian economy from the customer base market consolidation in the beef, supermarket, retail industries

Logan

“ Queensland economy is languishing under debt, profligate spending and inept management. National economy is better managed, but lack of clear direction on climate policy is a major detractor

Sunshine Coast

“ There is a lack of state government projects outside SEQ

Brisbane

“ There's a lack of growth in the Australian economy particularly in Queensland due to poor government planning and inability to get the key drivers right

Brisbane

“ The performance of the economy will improve if there is less unemployment by creating a supportive government to help small businesses

Gold Coast

“ Lower interest rates should also stimulate demand for property, however not as much as it could, given the red tape surrounding lenders

Logan

“ Having a newly elected federal government brings stability to the economy. The Queensland State Government does not seem to be doing much at present, so I don't expect this economy to accelerate

Brisbane

“ Owners are having to work more hours for less money therefore they are saving whilst also getting rent reductions to survive

Brisbane

“ It appears the State economy is weak and will get weaker if action is not taken on projects to invest in the economy

Sunshine Coast

THE VOICE OF THE REGIONS – KEY RESPONSES FROM REGIONAL QUEENSLAND

“ Political stagnation and lack of long-term vision for the sake of short-term political decision making is harming our business

Mackay

“ In Queensland, the State Government must put some money into the provincial and rural sector and not just focus on SEQ

Wide Bay

“ Although we are regional and have costs that come with it, we are expected to compete with city-based business who clearly have advantaged with freight cost & turnaround, higher store traffic due to population

South West Queensland

“ When governments continue to support exporting of our raw resources and won't support manufacturers and tariffs to create a level playing field, it's time we seriously reviewed our politicians and their lack of commercial understanding of what basic business fundamentals actually help underpin healthy economies

Townsville

“ Governments have tied themselves up with "green tape" bureaucracy. Tax burdens are stripping incentive for business and de-motivating the economy

South West Queensland

“ Governments are allowing unregulated disruptive industries to thrive which take away business from legitimate small businesses. Our voice is not heard or considered. Uber, Ubereats, Airbnb, Airtasker are just some examples

Mackay

“ There are too many public service jobs in Queensland as well as excessive state union involvement that is reducing productivity and driving up costs

Cairns

“ Drought has a massive effect on regional economies... People will (and are) reducing investment and spend generally due to a lack of confidence. Qld governments single biggest victory has been to stop people using plastic bags

South West Queensland

“ The state economy is struggling because of the difficulty mines are facing in their efforts to open new mines from the government and red tape as well as all of the increased charges and taxes from our state government

Mackay

MAJOR CONSTRAINTS ON BUSINESS GROWTH

Queensland

Rank	Constraints	Jun-18	Mar-19	Jun-19	Quarterly Change
1	Level of demand/economic activity	59.8	69.3	64.0	↑ 1
2	Political and economic stability	57.2	64.5	58.0	↓ 1
3	Direct wage costs	48.1	55.9	56.8	↑ 1
4	Level of business taxes and government charges (State and Local)	49.9	54.4	56.7	↑ 2
5	Compliance and complexity of business taxes and government charges	52.5	54.4	55.9	=
6	Insurance premium costs	50.8	54.1	54.3	↓ 3
7	Level of business taxes and government charges (Federal)	49.9	53.5	52.8	=
8	Retaining and recruiting suitably qualified employees	56.3	53.4	51.2	↑ 2
9	Indirect wage costs (Superannuation, Workers Compensation etc)	47.5	51.5	50.8	=
10	Energy costs and standard of infrastructure	53.5	50.7	49.2	↓ 2

↑ Rank order rose from previous quarter; = unchanged from previous quarter; ↓ decreased from previous quarter.

South East Queensland

Rank	Constraints	Index	Quarterly Change
1	Level of demand/economic activity	64.4	↑ 1
2	Political and economic stability	57.1	↓ 1
3	Direct wage costs	56.3	↑ 2
4	Level of business taxes and government charges (State and Local)	55.7	=
5	Compliance and complexity of business taxes and government charges	54.0	↓ 2
6	Level of business taxes and government charges (Federal)	52.1	=
7	Insurance premium costs	50.9	↑ 1
8	Indirect wage costs (Superannuation, Workers Compensation etc)	49.4	↓ 1
9	Retaining and recruiting suitably qualified employees	47.6	↑ 3
10	Compliance and complexity of IR laws (awards, agreements, unfair dismissal)	46.7	=

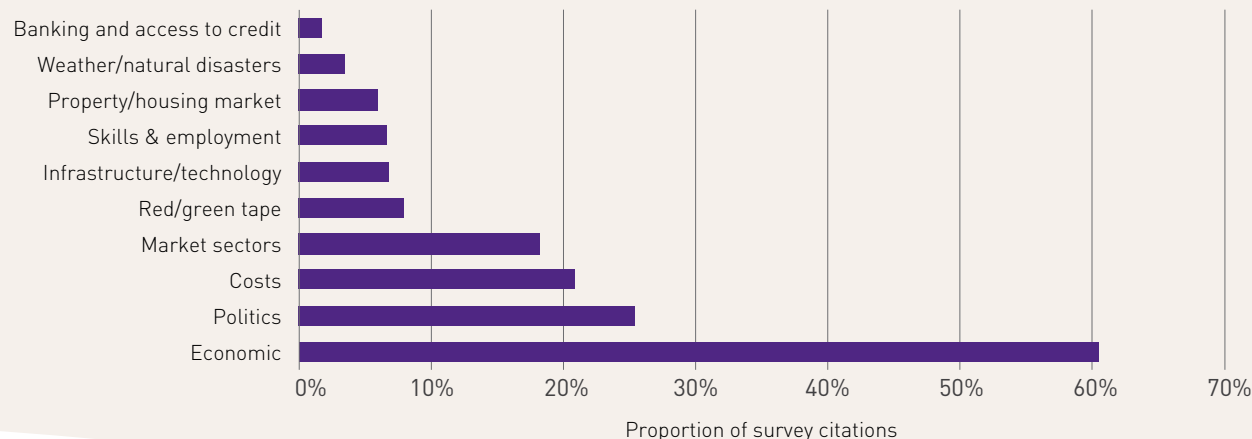
Regional Queensland

Rank	Constraints	Index	Quarterly Change
1	Level of demand/economic activity	63.7	↑ 1
2	Political and economic stability	59.1	↓ 1
3	Insurance premium costs	58.9	=
4	Compliance and complexity of business taxes and government charges	58.4	↑ 3
5	Level of business taxes and government charges (State and Local)	57.6	↑ 2
6	Direct wage costs	57.3	↓ 1
7	Retaining and recruiting suitably qualified employees	57.0	↓ 1
8	Level of business taxes and government charges (Federal)	53.8	↑ 1
9	Energy costs and standard of infrastructure	52.8	↓ 5
10	Compliance and complexity of IR laws (awards, agreements, unfair dismissal)	51.5	↑ 2

INFLUENCES ON BUSINESS CONFIDENCE

Open-ended qualitative questions within the Suncorp CCIQ Pulse Survey enable small businesses to provide commentary about issues and matters specific to their own businesses. Respondents noted that the key factors influencing their confidence in the economy and their outlook over the next 12 months was predominantly the level of demand in the economy – or the lack there of – followed by political issues, business costs, red and green tape and infrastructure projects across the state. The small business community.

Key Influencers on Business Confidence in the Economy



FEDERAL POLITICS



After the election, there were lots of casual remarks from “the quiet Australians” who weren’t being as quiet as past elections, not trusting a union-run government to not interfere with their lives, jobs and income

Brisbane



Only the national government will have the economic and fiscal management skills to lead to a balanced financial outcome

South West Queensland



Stronger performance will be based on election promises, particularly around new infrastructure, tax incentives and services support

Rockhampton



I think that, federally, there is a much better picture to sell the tax cuts that will certainly add some much-needed confidence as well as some certainty

Brisbane



Greater confidence as a result of the federal election result. We dodged a bullet, and can now move on

Brisbane

STATE AND LOCAL POLITICS



Queensland economy has been struggling with no direction or impetus coming from government and likely to continue to struggle

Brisbane



The Australian economy needs structural reform to reduce business costs and cost of living. The cost of government services is not aligned to other business or costs. We need a more productive, proactive and business-friendly public service

Brisbane

INFLUENCES ON BUSINESS CONFIDENCE



Far too many public servants are doing jobs that are not meaningfully productive. What is the benefit to anyone of a local authority paying money to the State Government for the right to destroy a very small amount of protected grass in order to build a bike/walkway. This is rubbish work and a complication that produces a negative result

Rockhampton



Give more encouragement to primary producers, encourage "Australian made" and indeed where possible use local labour for local government projects and purchases

Gold Coast



State-wise I think there is far too much debt, a leader that is only existent when it is a positive photo opportunity and a complete lack of future planning for the state. Its anti-coal mining stance is an oxymoron as the state needs to royalties for further investment

Brisbane

ECONOMIC ISSUES



There is a lack of action, head in sand behaviour from Australia Government - ignoring the strenuous signals from RBA. We need spending and stimulus not useless surpluses as the economy contracts

Brisbane



Our exports must be competitive. Give more encouragement to primary producers. Encourage "Australian made" and indeed where possible use local labour for local government projects

Gold Coast



We need continued relationship management with the US, China, UK and Europe to ensure Australian interests are protected from tariffs or trade policy risks

Brisbane



Lower interest rates may stabilise property prices in major Australian cities and stimulate some growth in property sales in cheaper, regional markets but lack of confidence in the job market and no wages growth will probably continue to undermine overall confidence in the economy

South West Queensland



RBA has no room to move, national debt likely to curtail infrastructure spend to support economy

Brisbane

BUSINESS COSTS



Locally with the introduction of the Qld waste levy, this will slow things for a period of time

Brisbane



The most devastating influence on manufacturing is the constant rises in fees, compliance costs, energy costs, water costs and now the waste levy as well as a current fuel levy on interstate transport costs of 31%

Logan



The high level of tax and charges levied by all level of government coupled with the labour costs will make exports more expensive and imported products cheaper, putting more pressure on companies which contribute to government income

Rockhampton



State economy will be negatively impacted by a raft of cost increases that will especially impact manufacturing. This includes increased power pricing from removal of legacy tariffs and other state imposts including waste levy and land tax

Sunshine Coast



Increases in State charges especially land tax & levies may cripple our business. We have had an 116% increase in our land tax alone

Brisbane



A downturn in the state economy is a particular concern with rising costs of employing staff and generally running a business

Gold Coast

MARKET SECTORS



The continued recovery of the resources and commodities sector is also positive news for our local area as well as the national economy

Rockhampton



There is a general feeling of growth slowing internationally, which will have a flow on effect to us here in Australia, especially across the tourism, resources and construction sectors

Brisbane



The most devastating influence on manufacturing is the constant rises in fees, compliance and energy costs

Logan

INFLUENCES ON BUSINESS CONFIDENCE



The mining sector is one of the state's biggest contributors - when mining does well, we all do well. Uncertainty leading up to the next State election will be the biggest drag

Rockhampton



Poor performance in the retail sector and the housing sector due to debt issues

Townsville



Low consumer confidence is affecting the retail sector

Brisbane



Excessive imports, and not enough manufacturing jobs in food value add and associated areas - we send too much overseas to be processed and then sent back

Cairns

WEATHER AND NATURAL DISASTERS



It stopped raining

Townsville



Drought has a massive effect on regional economies... People will (and are) reducing investment and spend generally due to a lack of confidence

South West Queensland



Continuation of the current drought and government's lack of vision to resolve this ongoing issue

Brisbane



The flood heavily impacted our economy due to poor disaster management of local government, however our business has benefited due to a shortage of rentals available in the market but at the expense of 3000 unfortunate residents who are now left in serious financial difficulty

Townsville

BANKING AND ACCESS TO CREDIT



Tight lending policies with the major banks is impacting the ability to borrow funds - whether it is an individual or a business. If businesses can't secure funding, then they don't employ people

Rockhampton



Our RBA cash rates dropping will cause issues for retirees trying to live off their savings and it also confirms that the government has a stalling economy. Banks have huge derivative bubbles of exposure that will come back to haunt us sooner rather than later

Townsville

PROPERTY AND THE HOUSING MARKET



The end of national discussion regarding the removal of negative gearing will increase confidence in the property market, which will affect the building industry positively

Logan



The new Qld State Waste Levy is going to affect a lot of businesses within the construction industry, both commercial and residential. This huge tax is going to be responsible for many small businesses from demolition to building to skip bins to really struggle financially with the possibility of closing

Brisbane



Unemployment is increasing and people aren't spending money on discretionary items and mainly focusing on debt reduction ... this is slowing the economy down coupled with concerns of property bubbles bursting in Sydney and Melbourne

Rockhampton

INFRASTRUCTURE AND TECHNOLOGY



Lack of infrastructure spending leading to low growth and reduction in interest rates

Cairns



It appears that the state economy is weak and will get weaker if action is not taken on project to invest in the economy

Sunshine Coast



We need nation building projects in this low interest rate environment to stimulate work as the building construction sectors have slowed

Brisbane



Infrastructure spending (eg inland rail, regional hospital upgrades) should be used in a targeted way to support communities effected by drought or other decline in regional populations

South West Queensland

RED/GREEN TAPE



Red tape around business is going to sink many; too many persons without any private business experience making unnecessary rules for those few who are trying to promote small to medium businesses

Sunshine Coast

INFLUENCES ON BUSINESS CONFIDENCE



There are more and more government charges and paperwork which slow down or stop anything positive

Rockhampton



I don't think the state's economy will improve much until job opportunities are made. As a small business owner, I could take on more work and employ some staff, but the paperwork, liabilities and industrial relations red tape make it too difficult and not worth the risk

Townsville



Excessive taxing of small business and in turn a reduction in jobs growth in the State and nationally. Red tape - this seems to be growing rather than decreasing. ATO's combative approach to SME's - why would anyone be in business

Cairns



Inaction or slow action on mining approvals, and too much red tape

Rockhampton



Penalty rates and excessive responsibilities lugged on to small business

Brisbane



All in all, the government is doing a good job; but more must be done to reduce red tape

Gold Coast



Something needs to happen about the increasing health & safety and industrial relations red tape. The current Queensland Government is now bringing in rules that we must have a separate bank account for every job, holding enough funds to cover payments to contractors, as well as having to issue payment schedules to everyone who invoices us for payments. This is just ridiculous and ties us up doing paperwork when we should be out being productive

Townsville

SKILLS AND EMPLOYMENT



Regarding training, I think it is going to come to light soon the lack of level/knowledge trades people hold that are being rushed through apprenticeships currently

Wide Bay

OPTIMISM AND POSITIVITY



If we could achieve some positivity in the market through media rather than all the doom and gloom they keep reporting, this could definitely help

Brisbane



To be honest, I believe it is the way people think. So many people I speak to are negative about so many things. Personally, our business grew by over 50% the last financial year and I put this down mostly to the attitude we instil in our staff and the positivity we show to our customers. It really works

Brisbane

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 is for 1st July to 21st July 2019 and examines business sentiment through the June Quarter 2019. 590 businesses provided responses to the survey.

To find out more about Pulse, please contact Dr Marcus Smith, Chief Economist, 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 Pulse Business Index (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 improved over the previous quarter. A reading of 50 indicates conditions have remained the same and less than 50 indicates conditions have deteriorated.

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

Very Poor	0 – 29.99 Points
Poor	30 – 49.99 Points
Satisfactory	50 – 64.99 Points
Good	65 – 74.99 Points
Very Good	75 – 84.99 Points
Excellent	85 – 100 Points

The state-wide PBI results have been seasonally adjusted.

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.

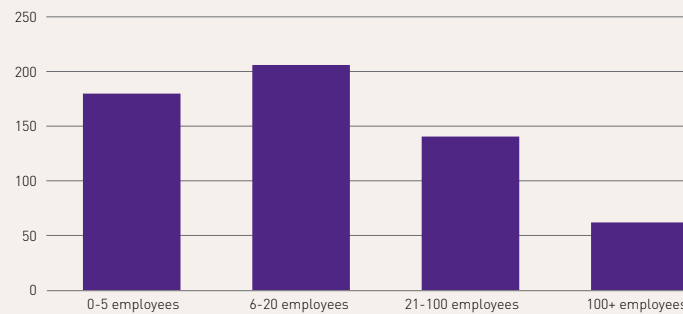
DEGREE OF CONSTRAINT INDEX

Critical	70 – 100
Large	50 – 69.99
Moderate	40 – 49.99
Slight	30 – 39.99
No Constraint	0 – 29.99

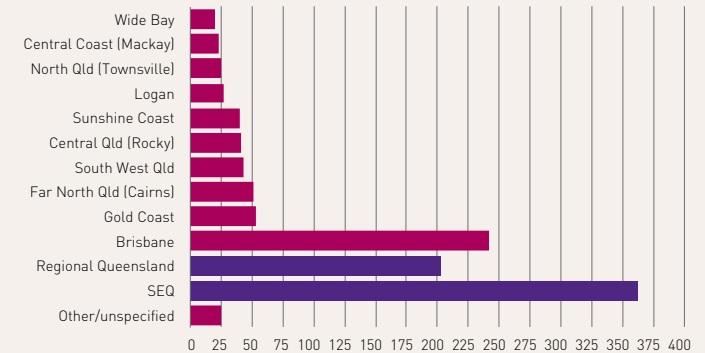
Industry Representation



Size of Organisation



Regional Representation



Chamber of Commerce & Industry Queensland

Industry House, 375 Wickham Terrace, Spring Hill, Qld 4000
Telephone 1300 731 988

www.cciq.com.au

