

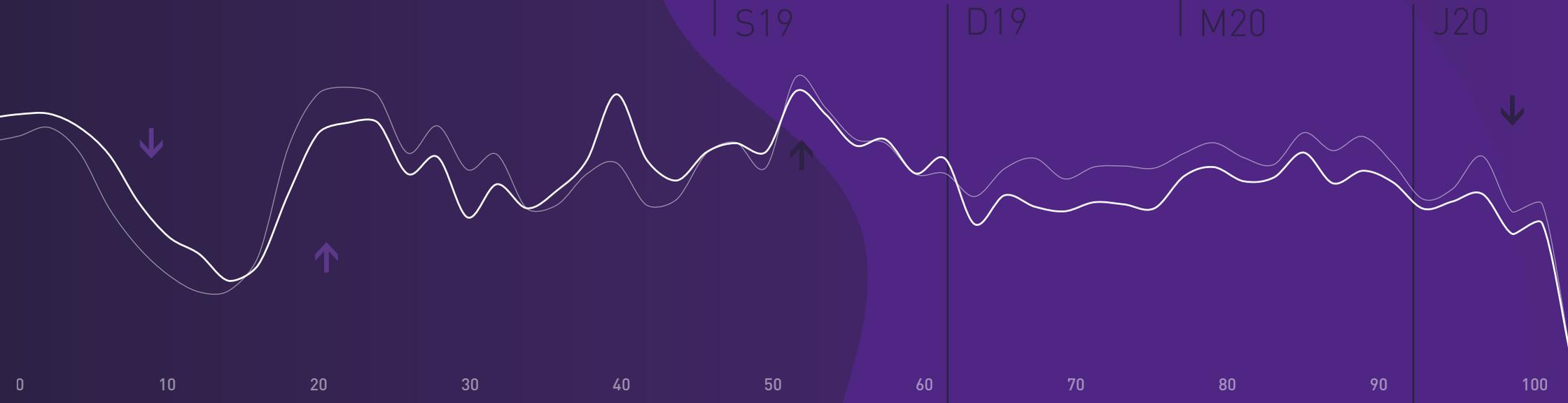
# CCIQ PULSE SURVEY OF BUSINESS CONDITIONS

MARCH QUARTER 2022

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# MARCH QUARTER OVERVIEW

## Improved outlook on the horizon for Queensland businesses

Latest results for the Pulse Survey in the March Quarter indicate that Queensland's business community has potentially turned a corner with an improved outlook on the horizon. Noting that this improvement comes from a low base and actual business performance continues to remain well short of where needed.

Confidence improved in the March quarter with Queensland businesses anticipating a gradual strengthening in the national and Queensland economies over the next 12 months but business performance during the March quarter, while improved, is yet to reflect actual growth.

General business conditions and total sales revenue improved during the quarter. However, considerable increases in business operating costs coupled with rising labour costs offset this improvement and as a result business profitability only marginally improved and is not yet at profitable levels.

Actual growth is anticipated to occur in the June quarter with expectations for general business conditions, sales and employment all registering strengthening PBIs above 50 index points. However, it will take longer to see substantially improved profitability.

In summary, this quarter's results, whilst reflecting volatility, are promising in that they signal a consistent pathway towards an improved economic outlook for Queensland. The challenge will be Queensland businesses' ability to navigate through an extremely complex array of issues as indicated by Pulse businesses including:

- Uncertainty emerged with the upcoming Federal Election;
- Direct and indirect loss of trade and physical damage from the Queensland floods;
- The labour shortage of skilled and non-skilled employees; exacerbated by ongoing housing and accommodation crisis;
- Continuing supply chain disruptions leading to stock and material shortages, compounded by geopolitical uncertainty especially in Russia and China;
- The re-emergence of inflation and the expected rising interest rates that may impact consumer confidence and spending, as well as business costs and contracts;
- Rising fuel prices that are increasing business costs and also impacting customer budgets; and
- The lingering effects of COVID-19 on events tourism;

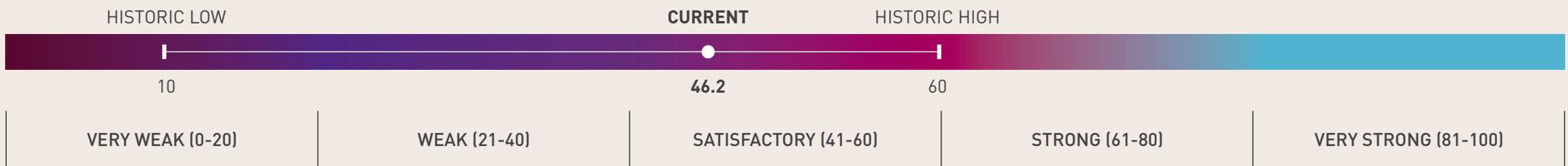
However there are also favourable influences:

- The large scale winding back of COVID-19 restrictions;
- The re-opening of interstate and international borders which will have meaningful impacts on tourism but also population growth and skill shortages;
- Favourable commodity prices for Queensland exports; and
- Emerging post COVID-19 positivity across businesses and the community.

A better economic outlook is clearly evident in these results with greater improvement in business confidence of achieving business goals and the easing of many business constraints, particularly around economic demand and activity.

## 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.



# SNAPSHOT

WEAKER

SAME

STRONGER

Current index score

Quarterly change

## 12-MONTH OUTLOOK (QUEENSLAND) 48.9 (↑ 10.5) SATISFACTORY

- Business confidence for the Queensland economy over the next twelve months has improved after a sharp contraction in the December quarter associated with Omicron strain of COVID-19.
- The Queensland index increased by 10.5 points to 48.9 but continues to indicate slightly weakening growth prospects over the forthcoming 12 months.
- The Queensland index is also below this time last year (-5.6 point) but is above its 10 year average (43.9).
- The latest index score indicates slightly weaker growth prospects over the coming 12 months than for the national economy.

28%

37%

35%

## 12-MONTH OUTLOOK (NATIONAL) 52.7 (↑ 10.4) SATISFACTORY

- Business confidence in the Australian economy for the next twelve months improved a significant 10.4 points to 52.7 and indicates a strengthening economy over the next 12 months.
- Whilst the national index is below this time last year (-11.0 points), it is now above its 10 year average (47.9).
- The latest national index score continues to indicate better growth prospects over the coming 12 months compared to that of the Queensland index.

26%

35%

39%

## GENERAL BUSINESS CONDITIONS 45.0 (↑ 6.2) SATISFACTORY

- The March quarter general business conditions PBI of 45.0 represents a noticeable increase of 6.2 points from the December quarter (38.8).
- The March quarter PBI however remains below this time last year (57.9) and is just above its 10 year average (43.6). The index remains below 50 indicating deteriorating business conditions across the March quarter.
- General business conditions are anticipated to reach back above 50 in the June quarter indicating growth with an expected PBI of 53.6.

37%

35%

28%

## SALES AND REVENUE 46.9 (↑ 8.1) SATISFACTORY

- Total sales revenue in the March quarter improved but continues to indicate weakening sales.
- The sales and revenue PBI of 46.9 is up (8.1) on the previous December quarter index of 38.8 and continues the directional volatility between quarters that has occurred over the past year.
- Whilst improving in the March quarter, the sales and revenue PBI is below its level at this time last year (57.4) and its 10 year average of 48.2.
- Total sales revenue is expected to further strengthen in the June quarter with the PBI set to jump 9.1 index points to 56.0.

37%

32%

31%

## OPERATING COSTS 74.2 (↑ 6.3) HIGH

- Operating costs during the March quarter continued to rise with the PBI increasing by 6.3 index points from 67.9 in the December quarter to 74.2.
- The PBI is now well above the long term average PBI of 69.7 and is now a full 10.1 index points above this time last year and trending towards its historical high of 79.0 recorded in June 2017.
- The significant escalation in operating costs is not expected to temper in the June quarter, with the PBI increasing by a further 3.1 index points to 77.3.

2%

30%

68%

## LABOUR COSTS 71.4 (↑ 5.6) HIGH

- Labour costs in the March quarter increased significantly and are now at a record high of 71.4.
- More than one in two businesses increased their labour costs during the March quarter and the PBI score is well above this time last year (65.7) and above the ten year trend of 60.1.
- The labour costs PBI will increase even further in the June quarter up 2.1 points to 73.5.

4%

40%

56%

## PROFITABILITY 34.1 (↑ 3.9) WEAK

- The profitability PBI increased by 3.9 points from 30.2 in the December quarter to 34.1. However more than one in two businesses indicated their profitability fell during the quarter and overall it remains at a 'weak' level.
- The profitability PBI is 10.9 index points lower than this time last year and remains below the ten year average (37.8).
- Queensland businesses expect another improvement in their profitability in the June quarter, with the index forecast to grow by 7.7 points up to 41.8.

55%

30%

16%

## EMPLOYMENT LEVELS 43.4 (↑ 2.9) SATISFACTORY

- Employment levels increased in the March quarter with the PBI up 2.9 index points from 40.5 in the December quarter to 43.4.
- Despite the improvement the PBI remains below this time last year (51.2) and the 10 year average (44.9). Three in five businesses indicated their employment levels remained unchanged during the March quarter.
- A further improvement is expected with the employment PBI up 8.9 points to 52.3 in the June quarter. One in four businesses anticipate lifting their employment levels during the quarter.

24%

60%

16%

## CAPITAL EXPENDITURE 51.3 (↑ 6.7) SATISFACTORY

- The capital expenditure PBI in the March quarter increased by 6.7 index points from 44.6 in the December quarter to 51.3 indicating slightly increased investment. Three in ten businesses lifted their capital expenditure during the quarter.
- The current March quarter PBI is broadly consistent with this time last year and is above the 10 year average of 44.1.
- Capital expenditure is expected to remain above 50 in the June quarter 2022 with the PBI up another 2.2 points to 53.5.

23%

49%

28%

# HOT TOPIC SURVEY – COVID-19 AND SEQ FLOODS

The easing of the COVID-19 economic crisis and the SEQ natural disaster were key economic events for Queensland in the March quarter.

In relation to COVID-19, the majority of businesses has now indicated that they have experienced net growth, with 51% now operating at levels greater than that of March 2020. On average, back in December 2021, businesses were operating at levels comparable to 90.1% of March 2020 levels, but now are operating at a higher average of 96.5%.

COVID-19 continues to impact availability of staff; is a constraint on sourcing goods and services and the supply chain; and is impacting on business operational hours and service delivery. However feedback indicates businesses are becoming increasingly confident about their 12 month goals, with 47% of Queensland businesses reported a certainty rating of more than 7 out of 10. In contrast, the average score out of 10 in the December quarter was 5.5 and this has now risen to 6.0 in the March quarter.

While there is some easing of COVID-19 impacts, businesses are still facing continuous mental health effects attributed to COVID-19 stressors. 54% reported mental health challenges attributable to COVID-19 had impacted them or their staff, down from 63% in December 2021. While the conditions have improved, it is important to note the significance of these prolonged effects from COVID.

Offsetting this easing of the COVID-19 burden was the impact of the SEQ floods in February 2022. Of the businesses surveyed, 68% were either directly or indirectly disaster impacted.

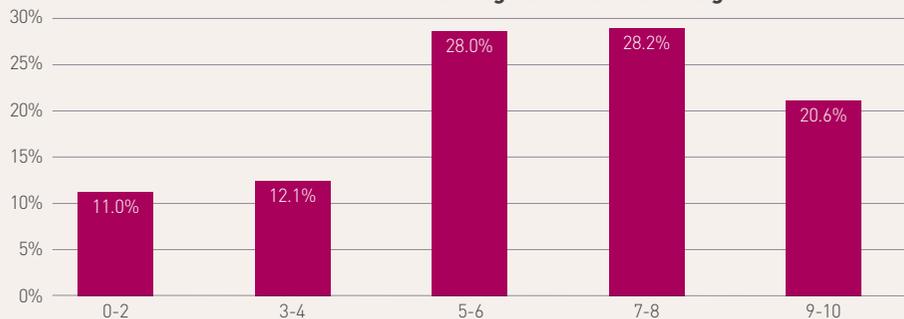
## How businesses have been impacted by the March 2022 Queensland floods



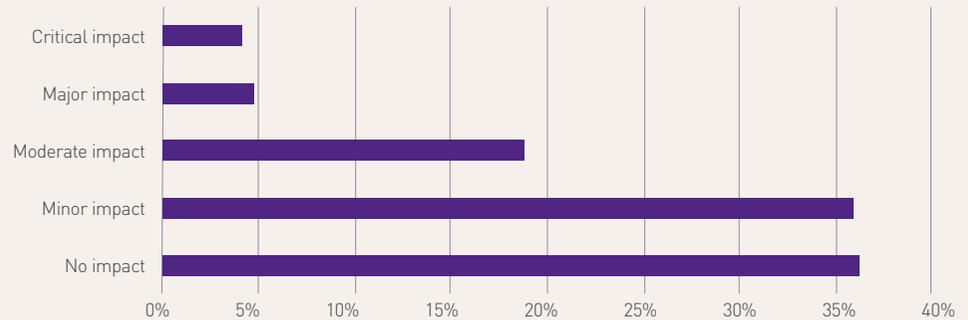
## Level at which business is operating compared to March 2020 (per cent)



## Business Confidence in reaching 12 month business goal



## Impact of the floods on business viability



The results also indicated businesses did not have to be directly flooded to be impacted, with many experiencing a loss of trade caused by employee unavailability, affected customers, affected suppliers, loss of power or street closures.

“The floods have both positively and negatively impacted our performance with a lot of local support for our business due to being in the floods. COVID restrictions have positively impacted our business in the way that people spend their money. People are spending more on luxuries and gifts which is the industry our florist business is in. – Sunshine Coast

“The Floods have impacted the last part of this quarter and we are going to feel the impact to our business for some time. – Sunshine Coast

# 12 MONTH OUTLOOK: AUSTRALIAN AND QUEENSLAND ECONOMIES

Business confidence for the performance of the national and Queensland economies over the next twelve months has improved after a sharp contraction in the December quarter associated with Omicron strain of COVID-19.

Business confidence in the Australian economy for the next twelve months improved 10.4 points to 52.7 and again indicates a strengthening economy over the next 12 months. The Queensland index also increased 10.5 points to 48.9 but continues to indicate slightly weakening growth prospects over the forthcoming 12 months.

While the national and Queensland indexes are both below this time last year (national 11.0 points lower and Queensland 5.6 points lower) they are now above their respective 10 year averages (national 47.9, Queensland 43.9).

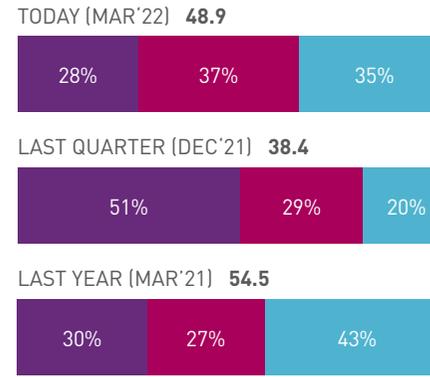
The latest Index scores continue a difference range between 3.6 to 3.9 points over the past twelve months with the national index indicating better growth prospects over the coming 12 months than for the Queensland index.

Confidence and re-establishment for those businesses affected by 2 years of COVID and then the recent floods. – Brisbane

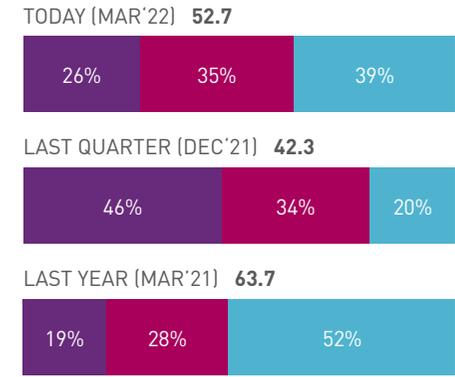
The Australian economy is already performing much better than expected after COVID, even with many people still not working and housing and rental prices continually rising. The Queensland situation is affected by the recent floods, where the full effect has not yet been felt in the economy. – Brisbane

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

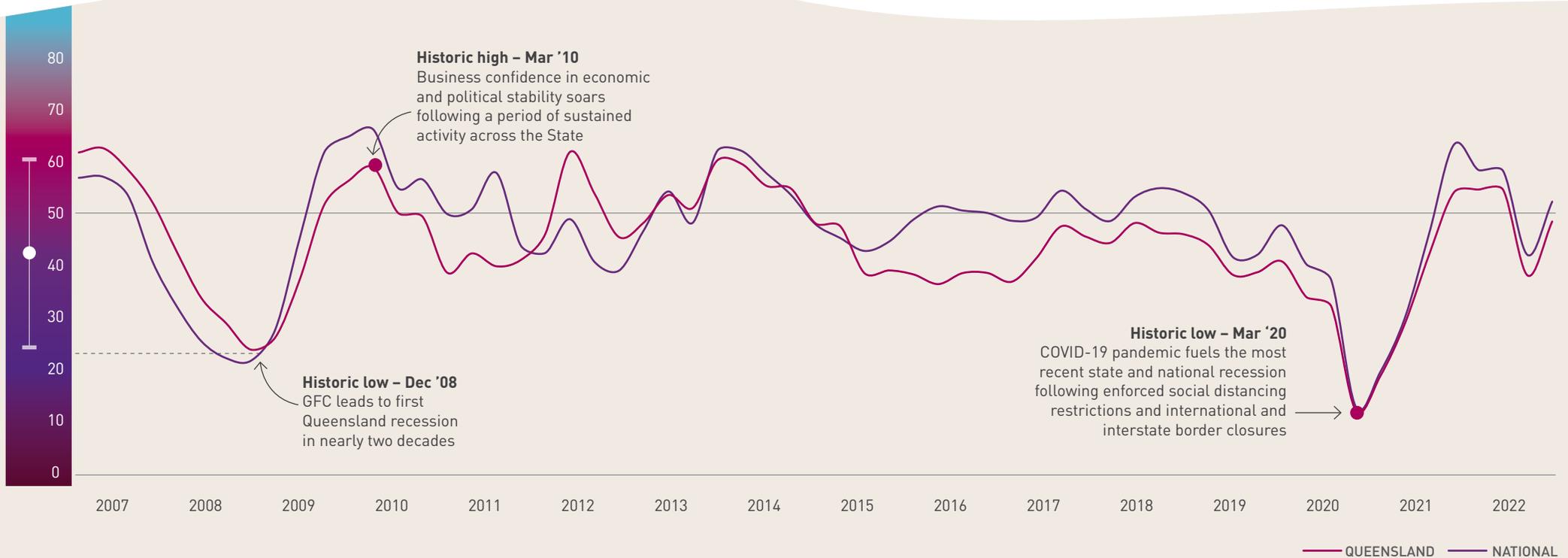
### QUEENSLAND



### NATIONAL



WEAKER SAME STRONGER



# GENERAL BUSINESS CONDITIONS

General business conditions improved in the March quarter as a consequence of better sales leading to partly improved business profitability. The March quarter index of 45.0 represents a noticeable increase of 6.2 points from the December quarter PBI of 38.8.

The March quarter PBI however remains below this time last year (57.9) and is only just above its 10 year average (43.6). The index remains below 50 indicating deteriorating business conditions across the March quarter.

Business responses in the March quarter reflect a falling proportion of businesses indicating conditions were weaker and shifting to either unchanged or stronger conditions which is encouraging.

General business conditions in the June quarter are anticipated to reach above 50 indicating improvement with an expected PBI of 53.6.

Consumer reluctance... with all the weather, covid, border closures, vax status etc our clients/customers are still very reluctant to Book events. I usually am booked out for the months ahead but yet I am still fielding calls and sending quotes with clients not wanting to commit to anything just in case the government changes the status/vax etc. With the floods we had a few of our events cancel and not able to move facilities due to the late notice. – Brisbane

Continued return to more normal conditions regarding borders and outbound/inbound tourism. I think the high fuel prices will have a wide ranging impact. Flood recovery work will increase pressure on trades availability and material availability and costs. – Central Coast

Still general economic uncertainly and therefore caution on spending. – Gold Coast

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

LAST YEAR (MAR '21) **57.9**



LAST QUARTER (DEC '21) **38.8**



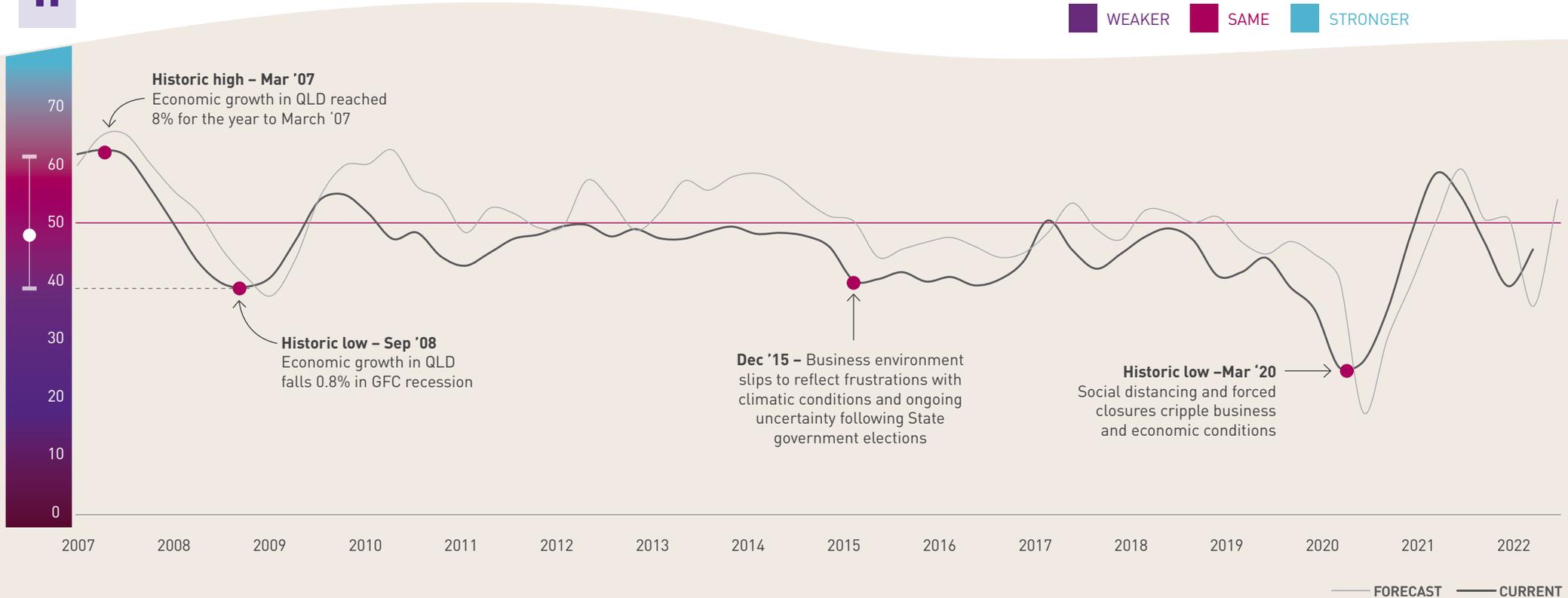
TODAY (MAR '22) **45.0**



FORECAST (JUN '22) **53.6**



WEAKER SAME STRONGER



# SALES AND REVENUE

Total sales revenue in the March quarter also improved but continued to indicate weakening sales. The sales and revenue PBI of 46.9 is up (8.1) on the previous December quarter index of 38.8 and continues the directional volatility between quarters that has occurred over the past twelve months.

Total sales revenue appears to have been influenced favourably by the progressive relaxation of COVID-19 restrictions and interstate and international border openings but at the same time have been negatively impacted by staff shortages, floods and continuing supply chain disruption and resulting stock availability.

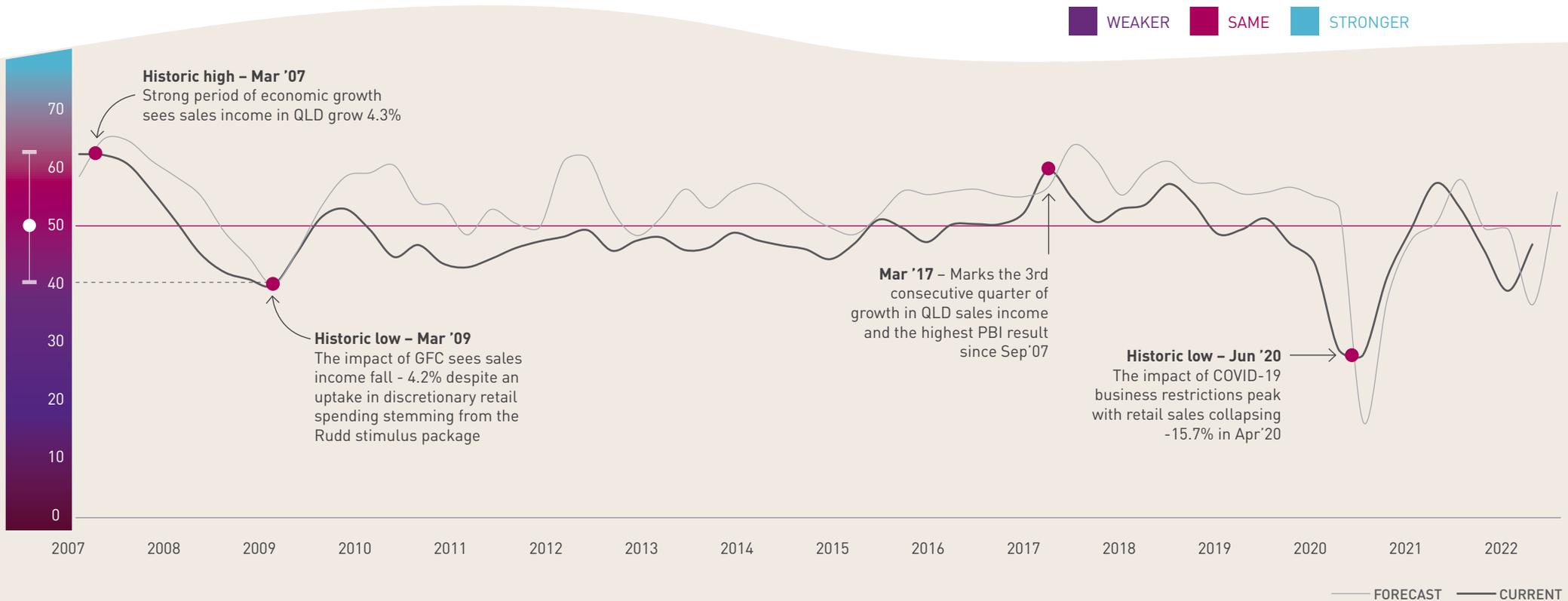
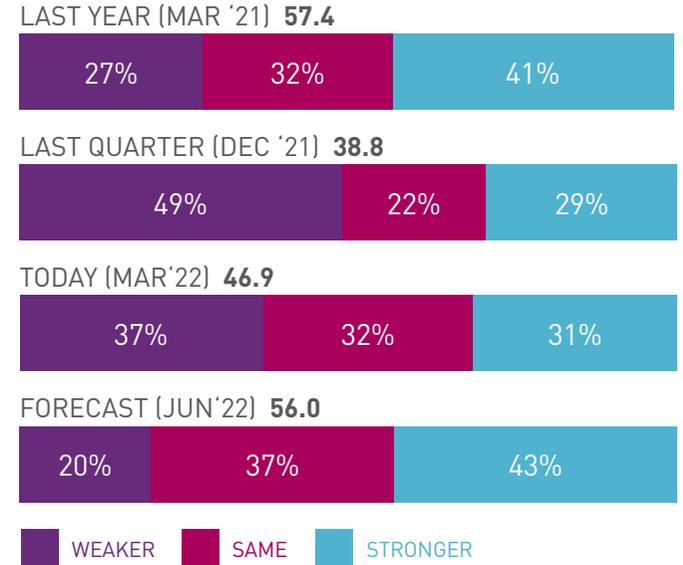
Whilst improving in the March quarter the sales and revenue PBI is below this time last year (57.4) and the 10 year average of 48.2; a benchmark of a longer term trend.

Total sales revenue are expected to further strengthen in the June quarter with the PBI increasing 9.1 index points to 56.0. The majority of businesses (43 per cent) believe their total sales will increase during the June quarter.

International tourism is yet to recover and La Nina weather events closing operations, leading to revenues still running at only 45% of pre-COVID revenues. – Brisbane

Customers will be apprehensive to spend. Whilst there is low unemployment, the confidence in the market will lead to people 'saving for a rainy day'. This will have a knock on effect for businesses who will find it harder to sell their services and products. – Far North Queensland

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



# OPERATING COSTS

Operating costs during the March quarter continued to rise with the PBI increasing by 6.3 index points from 67.9 in the December quarter to 74.2. Close to seven in ten businesses indicated an increase in their operating costs during the quarter.

Global supply chain disruption combined with rising fuel prices have led to significant price rises for business inputs. These increases are combined with other business operational costs increases such as rents and insurance.

The PBI is now well above the long term average PBI of 69.7 and is now a full 10.1 index points above this time last year and trending towards its historical high of 79.0 recorded in June 2017. The significant escalation in operating costs is not expected to temper in the June quarter with the PBI anticipated to increase by a further 3.1 index points to 77.3.

- “ The cost of doing business. Rent increase, materials increase, freight in costs increased, Inflation in general. general competition keeping average sell prices down. – Brisbane
- “ Cost of inputs will be the driver of downturn. Agriculture will see a huge decrease in profit and building will see less projects or jobs due to high costs. – North Queensland
- “ High fuel prices , high wages , paint ,materials building products price increase, around 20% over the last 12 months. – Central Queensland

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

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



LAST QUARTER (DEC '21) **67.9**



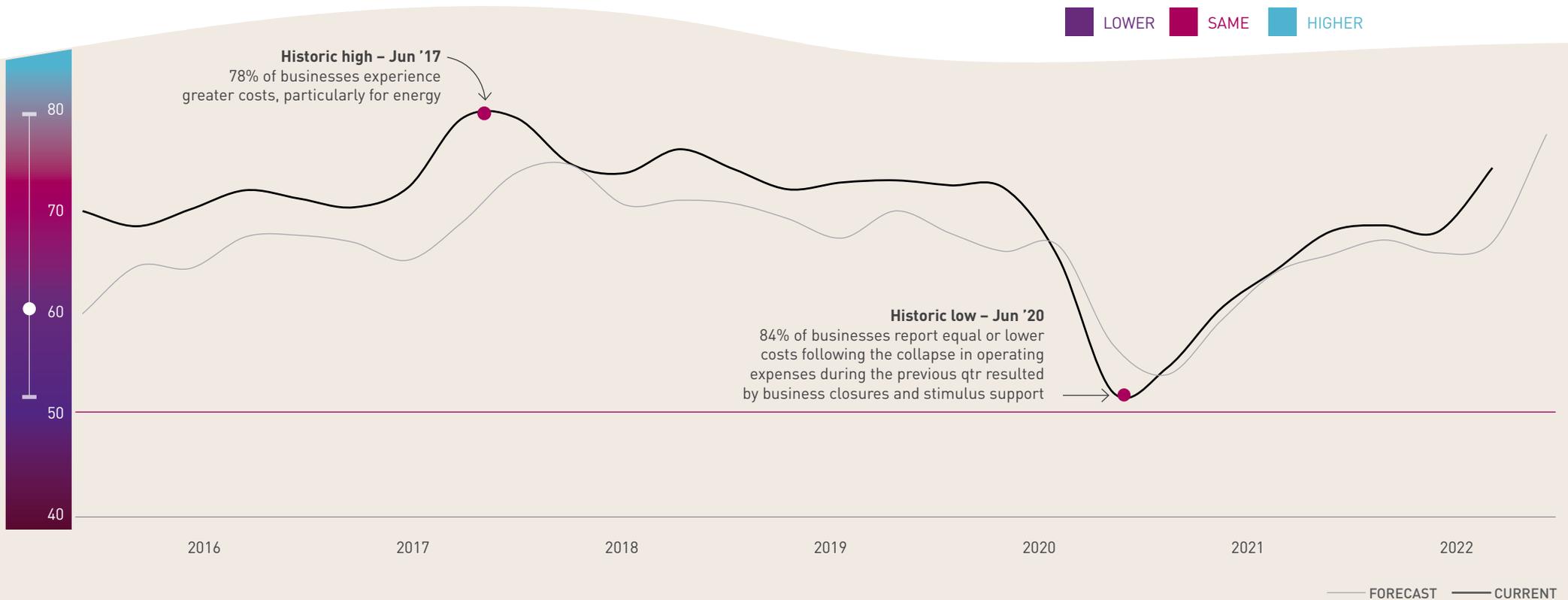
TODAY (MAR '22) **74.2**



FORECAST (JUN '22) **77.3**



LOWER SAME HIGHER



# LABOUR COSTS

Labour costs in the March quarter 2022 increased significantly and are now at a record high of 71.4.

The result reflects widespread staff and skill shortages across Queensland associated with lag effects from both international and interstate border closures but also greater economic activity with businesses struggling to meet new demand and offering higher wages to retain and attract employees.

More than one in two businesses increased their labour costs during the March quarter and the PBI score is well above this time last year (65.7) and above the ten year trend of 60.1.

The labour costs PBI will increase even further in the June quarter up 2.1 points to 73.5.

“ We need overseas qualified people so our Business can survive. If not my business can not grow or expand due to NO STAFF in Townsviile. – Townsville

“ Higher wage demands will necessitate increased costs in the logistics industry that will have to be passed on to customers. While margins will also be affected as a result of customers looking for the cheapest way to get their products to market. – Gold Coast

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

LAST YEAR (MAR '21) **65.7**



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



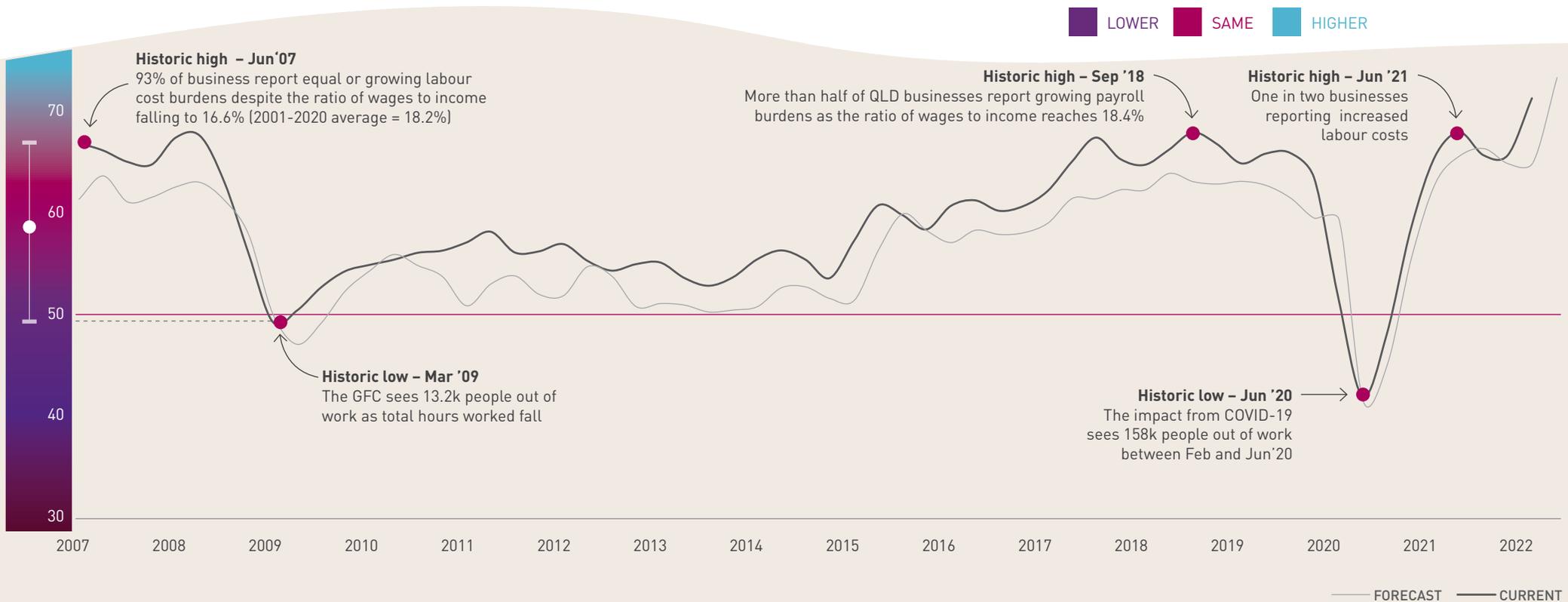
TODAY (MAR '22) **71.4**



FORECAST (JUN '22) **73.5**



LOWER SAME HIGHER



# PROFITABILITY

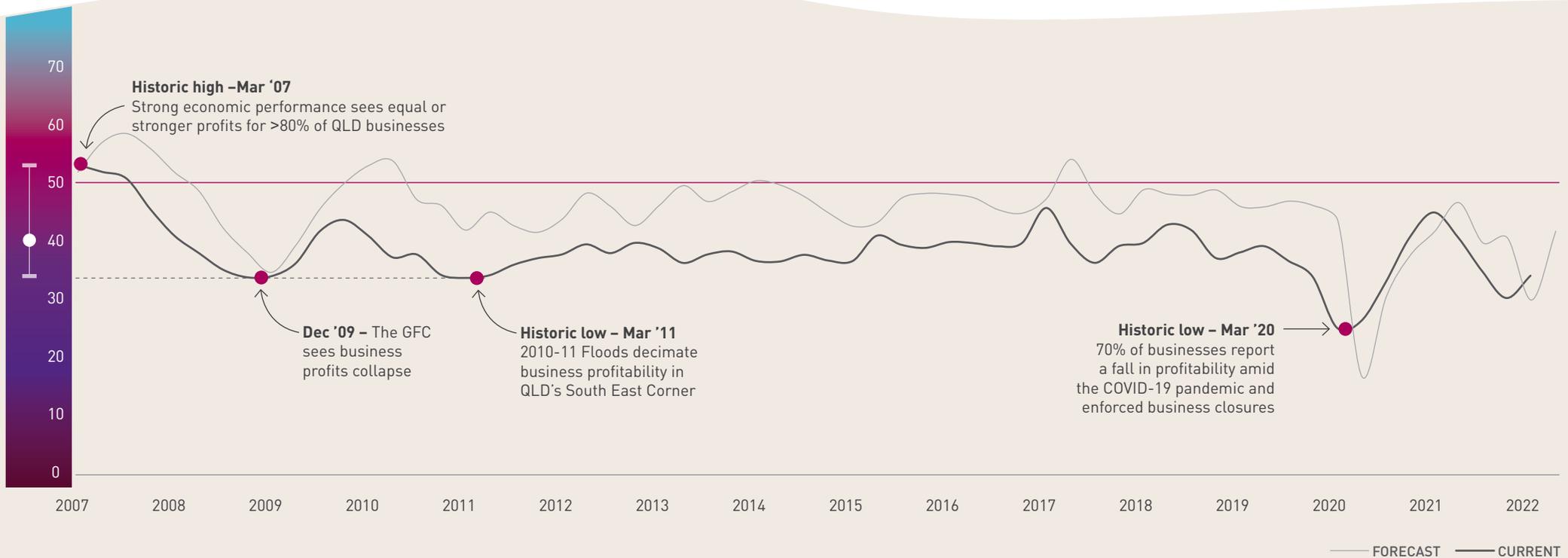
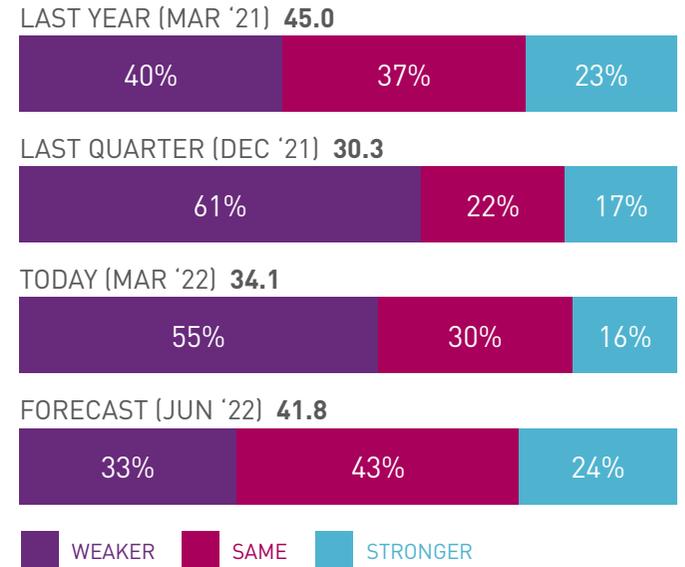
Higher sales have caused profitability to partly improve during the March quarter but at the same time both rising operational and labour costs have acted as a drag for greater improvement.

The profitability PBI increased by 3.9 points from 30.2 in the December quarter to 34.1. However more than one in two businesses indicate their profitability fell during the quarter. The profitability PBI remains 10.9 index points lower than this time last year and remains below the ten year average (37.8).

Queensland businesses expect another improvement in their profitability in the June quarter, with the index forecast to grow by 7.7 points up to 41.8. However this indicator with a score below 50 still continues to indicate profitability is not strengthening and it will take both a combined improvement in sales and also a moderation in business costs to occur.

- “ Because of the tremendous activity in the real estate market, and we are furniture removalists, we have been booked out almost every day. – Gold Coast
- “ Skilled labour shortage is the number one negative that has affected the performance of the business. Combine that with Covid, supply shortages, cost of resources and you have a perfect combination for poor performance of the company. – Central Coast
- “ More reliability without COVID restrictions. Inflation is going to hurt. Supply chains should start to improve. Worried that the boom we experienced when people couldn't spend their money overseas will be reversed soon - and our customers will be making up for lost time with a boom in international travel and less money leftover for our services. – North Queensland

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



# EMPLOYMENT LEVELS

Employment levels increased in the March quarter with the PBI up 2.9 index points from 40.5 in the December quarter to 43.4. This result reflects an overall increase in economic activity across Queensland but from a low base and skill and labour shortages across a number of industry sectors and regions.

Despite the improvement the PBI remains below this time last year (51.2) and the 10 year average (44.9). Three in five businesses indicated their employment levels remained unchanged during the March quarter. This is no doubt a reflection on the availability of suitably qualified employees.

A further improvement in this indicator is expected with the employment PBI expected to be up another 8.9 points to 52.3 in the June quarter. One in four businesses anticipate lifting their employment levels during the quarter.

“ We are desperate for qualified beauticians in Townsville and qualified hairdressers. We have Plenty overseas employees waiting to come to Townsville to increase the population and large vacancy we have in Townsville but the Government are so behind in processing visas we already have a few that have been waiting for 9 to 12 months. If no qualified staff are allowed in Townsville I'll have to close some more salons. – Townsville.

“ Being able to employ 2 new people - where no one has applied for work the past 2 years due to being able to get the COVID money. – Wide Bay

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

LAST YEAR (MAR '21) **51.2**



LAST QUARTER (DEC '21) **40.5**



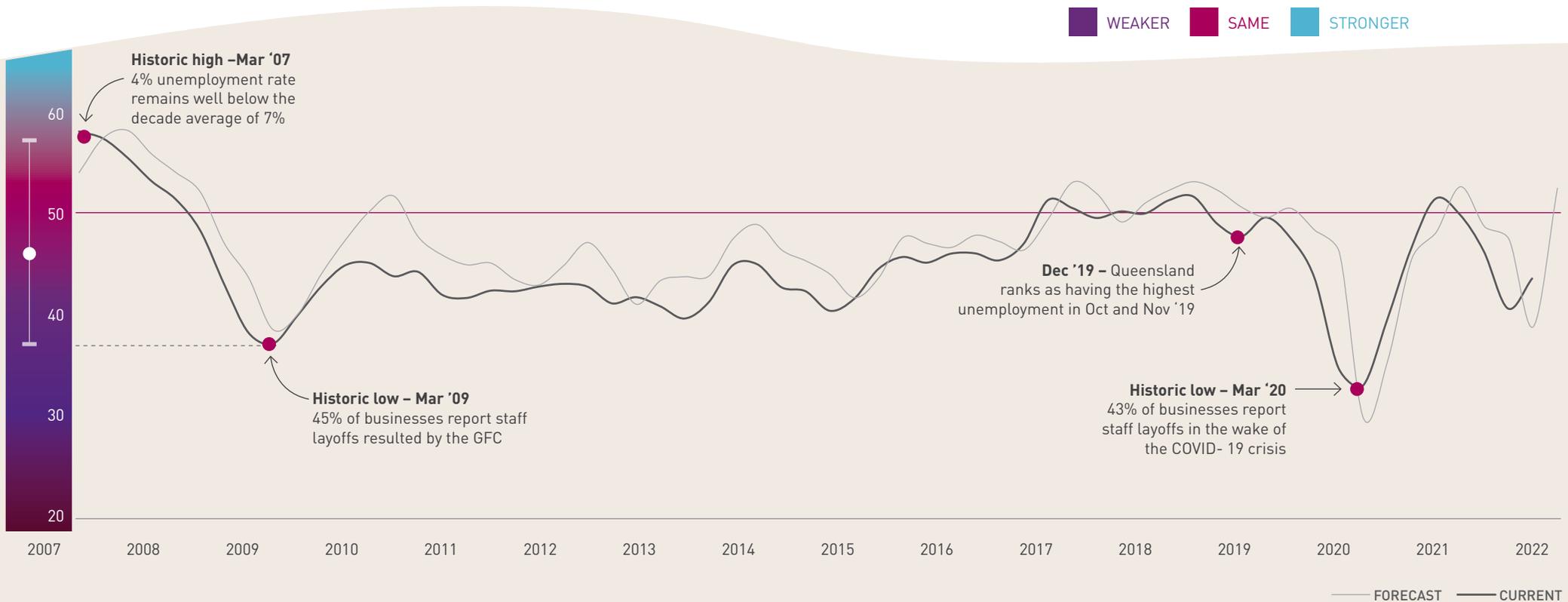
TODAY (MAR '22) **43.4**



FORECAST (JUN '22) **52.3**



WEAKER SAME STRONGER



# CAPITAL EXPENDITURE

After an extensive period of under-investment among Queensland businesses a directional change in outlook is appearing.

The capital expenditure PBI in the March quarter increased by 6.7 index points from 44.6 in the December quarter to 51.3 indicating increased investment. Three in ten businesses increased their capital expenditure during the quarter. The current March quarter PBI is broadly consistent with this time last year and is above the 10 year average of 44.1.

Capital expenditure is expected to remain above 50 in the June quarter with the PBI up another 2.2 points to 53.5.

Major issue is sea ports berth shortages. Since last 2 years ships are waiting outside Brisbane awaiting a berth. This additional cost is paid by us. Why has the government not built additional berths. COVID is not the issue, there are no vacant berths at any times and ships wait for min 2- 15 days. Qld and Australian industry is paying a heavy price which will seriously affect our competitiveness. – Brisbane

Governments stuffing around with capital expenditures - they just need to get the projects out the door and cut back on all the red, green and black tape. Also, major businesses need to start investing in the Australian economy rather than just creaming off margins on service activities. – Brisbane

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

LAST YEAR (MAR '21) **51.8**



LAST QUARTER (DEC '21) **44.6**



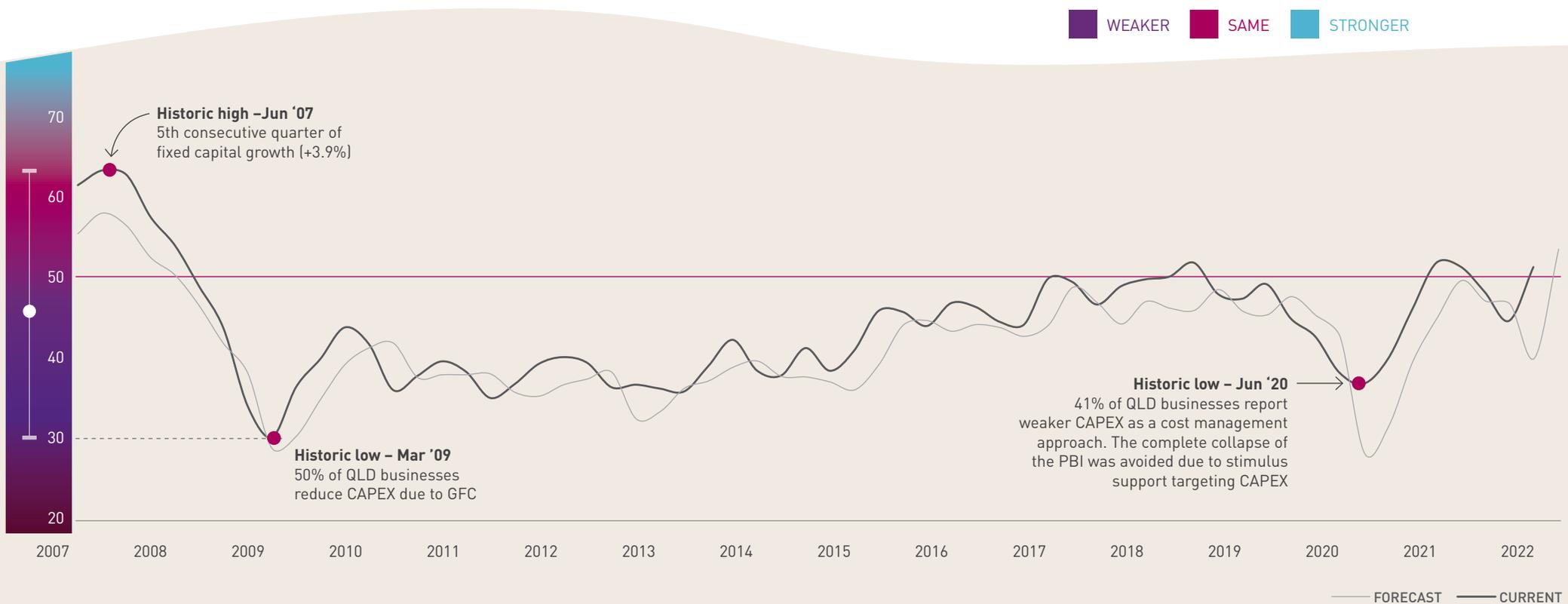
TODAY (MAR '22) **51.3**



FORECAST (JUN '22) **53.5**



WEAKER SAME STRONGER



# MAJOR CONSTRAINTS ON BUSINESS GROWTH

## STATEWIDE

LEGEND: ↑ 2 QUARTERLY CHANGE    CURRENT ●    ○ PREVIOUS



## SMALL BUSINESS



## STANDOUTS

Recruiting and retaining suitably qualified employees (60.1) is now the highest constraint on business. Many Queensland businesses, based on their industry sector or location, are indicating staff shortages, resulting from lagged effects of international and interstate border restrictions continue compounding by the pickup in economic demand.

The level of demand and economic activity (58.2) as a constraint decreased (down 5.9 index points) but remains the second largest constraint for Queensland businesses. This is consistent with sales revenue increasing and other evidence is an improvement in outlook.

With a federal election underway, political and economic stability (57.9) is the third most significant constraint for businesses, given the growing uncertainty over the future conditions of the Australian Government.

## SMALL VS LARGE BUSINESS ISSUES

In contrast, small businesses indicated slightly different top three constraints, with the level of demand and economic activity being the highest constraint. The severity of this constraint however is broadly similar between small business and all Queensland businesses. Queensland small businesses rate political and economic stability as the second highest constraint, with insurance premium costs in third place. Notably, retaining and recruiting suitably qualified employees is not as big a problem for SMEs as it is for medium and larger sized businesses, only being rated the fifth most significant constraint in this survey.

# KEY INFLUENCES ON BUSINESS CONFIDENCE AND ISSUES AFFECTING THE PERFORMANCE OF THE NATIONAL AND STATE ECONOMIES OVER THE NEXT 12 MONTHS – HAVE YOUR SAY

## POSITIVE

### The large scale winding back of COVID-19 restrictions

“ Increase in public confidence and reduction of COVID restrictions. We are also now reaping the benefits of efforts we made during lockdown to increase the visibility of Coolangatta and build desire to visit the area. – Gold Coast

“ Interstate visitors and overseas visitors returning plus the end of the Mandates have made a big difference to our business. – Far North Queensland

### The re-opening of interstate and international borders and the impact on tourism, population growth and skill shortages

“ Easing of all Government COVID restrictions (state and federal). A lot have people have now had COVID without much side effects and so are less worried about going out etc. Opening of overseas borders has meant stock will become easier to access again. – Brisbane

“ Borders open, tourists n students coming in spending money, business travel can continue, working visas resume to get more staff. – Gold Coast

“ Opening of borders, lowering of restrictions, increased travel will see an injection of capital into the economy. Especially ours in holiday travel. The flow on effect into the Townsville economy will be quite beneficial I believe. – North Queensland

### Favourable commodity prices for Queensland exports

“ Due to floods in the southern region crops are worth more money especially summer legumes. – North Queensland

“ Increase in some commodity prices has resulted in a few exploration companies looking to get some work done by us. – Gold Coast

“ Iron ore and coal, gas demand remain strong and prices are good as they are for many other Australian mined commodities. Wheat, canola, olive farmers should see better prices due to Russia/Ukraine disruption. QLD will benefit from post-flood construction boom. – Brisbane

## Emerging post COVID-19 positivity across businesses and the community

“ End of restrictions, Increasing consumer confidence and resulting demand, continued low interest rates - although I too expect them to rise but not significantly in the short to medium term. – Brisbane

## NEGATIVE

### Uncertainty created by the current federal election and the possibility of minority government

“ A change in government on May 21, it always has, small business confidence always evaporates when the government changes. – Sunshine Coast

“ Election will impact on economy as it always does - people don't like to spend when election due. – Sunshine Coast

### Direct and indirect loss of trade and physical damage from the SEQ floods

“ The Floods have impacted the last part of this quarter and we are going to feel the impact to our business for some time. – Sunshine Coast

“ Extreme weather event loss of income for a week but as not damaged no insurance or Govt income. – Sunshine Coast

### The availability or shortage of skilled and non-skilled employees needed to cater to increased demand

“ Mental health of our Director and all employees is significantly impacted. Staff absence due to COVID and not being able to recruit more qualified electricians is driving mental health challenges to an almost unmanageable level. The Director is having to work on the tools during the day and then run a full time job on the workflow and invoicing at night. – Far North Queensland

“ The greatest effect on business will be the ability to recruit staff. Staff shortages and the need for people of close COVID-19 contact to stay away from businesses for 7 days will dramatically effect the performance of businesses. – Gold Coast

### Continuing supply chain disruptions that are causing stock and material shortages

“ Freight - charges and international freight forward is out of control - one parcel of cleaning cloths from China sent by TNT/ Fed Ex - 3 weeks ago hasn't left China yet. A shipment of 7 cartons of product going to a new customer in the US - by the same took 3 weeks to deliver 5 cartons (normally 4 or 5 days). The other two cartons, one is in Memphis and the another in Alaska. – Gold Coast

“ Materials supply delays - construction materials. Transport - lack of available transport e.g. hire cars at reasonable cost. Rising costs of fuel & food reducing capacity to spend on other things

### The re-emergence of inflation and the erosion of the value of money and contracts

“ CPI and interest rate increases will make doing business more expensive. Plus, the money spent by governments to keep the economy going during COVID will have to be paid back at some stage.

“ Everything is becoming more expensive, materials to make our product are increasing each month, we've had 2 price increases already this year yet no prices increases for over 7 years prior that, it's crazy. Meat is so expensive now, we don't eat it anywhere near as much as what we used to. I spend more time now shopping between stores to try to save money on our food budget each week too. – Brisbane

“ High cost of living resulting in low retail and related spending. – Sunshine Coast

### Rising interest rates that may impact improvement in consumer confidence and spend

“ Rising interest rates are going to have an impact. The ongoing concern over fuel prices is also affecting consumer Confidence. – Brisbane

“ Higher interest rates and rising inflation if not managed well will curtail consumer spending and mortgage stress may play a significant part in lower economic growth than expected. – Gold Coast

### Rising fuel prices that are increasing business costs and also impacting customer budgets

“ The cost of fuel will also be a major factor for the logistics industry. Increasing government charges/fees also impact SME's. – Gold Coast

“ Our company cannot find enough truck drivers even though we are paying team members to get licenses. One other big factor will be fuel charges. – Gold Coast

“ Sky rocketing prices of fuel, food, transport rental, obtaining necessary equipment and supplies and their increasing cost. Overall inflation and fear people have about these issues. – Brisbane

### The potential for any further COVID-19 restrictions associated with new strains

“ If the Border stays open and COVID Restrictions are not reintroduced the Queensland economy will continue to get stronger. – Gold Coast

### Global geopolitical uncertainty e.g. Russia and China

“ Geopolitical challenges with China/Russia will push Australia further away from the Asian markets, with agriculture supplies impacted most. – Far North Queensland

“ War in the European sphere, which influences supply/demand/shipping. Undue influence by media outlets and biased reporting. – Central Coast

### Lingering or lag effects of COVID-19 on events tourism

“ The change in the border opening didn't have the positive flow on we had hoped for. People have learned to go elsewhere and are not returning to their old ways, inflation is putting a break on spending and new business is now costing in these inflationary pressures and driving expectations for discounts. – Gold Coast

“ Customers not committing as they don't wish to lose deposits or have dates moved if things go sideways. Consumer confidence is low, customers not wanting to book if the weather is still very wet and outdoor events get cancelled due to flooded parks. Corporate clients, who were once our money earners during the week as events are mainly on weekends...are no longer placing orders as most of their staff are still working from home and they don't wish to have staff gathering in case someone has COVID. – Brisbane

### Housing, rental and accommodation affordability and availability crisis

“ Increased demand for tenants seeking somewhere to live. The shortage of housing for tenants has reached a crisis point, and people are panic stricken. – Brisbane

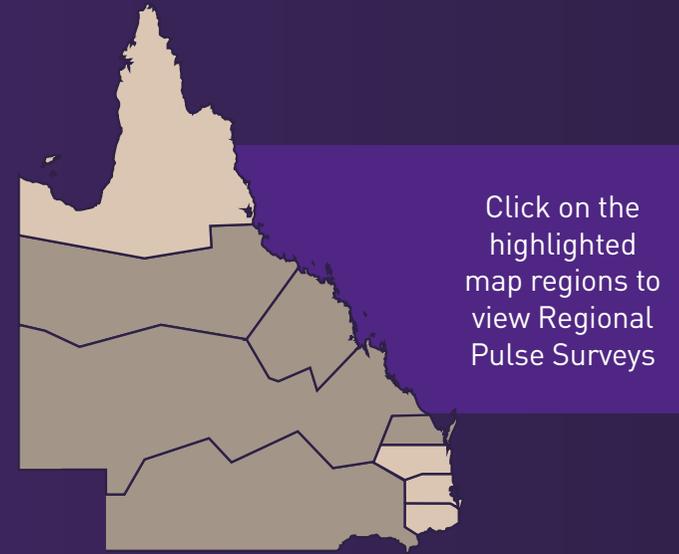
“ Interest rates must go up to help stop the unsustainable pricing growth in real estate - people cannot afford to rent in some regional areas including Noosa. – Sunshine Coast

# ABOUT PULSE

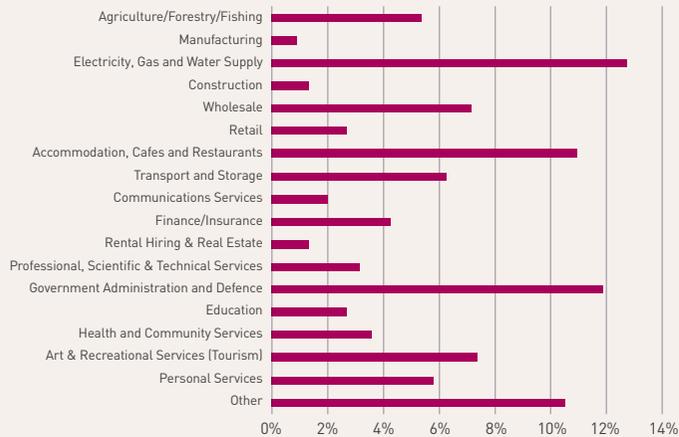
The Pulse Survey has measured Queensland business confidence and expectations for more than 25 years. The survey publishes results quarterly from key questions put to the Queensland business community. The survey is unchallenged in terms of being the most authoritative, timely and comprehensive snapshot 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 the 4th to the 27th of April 2022 and examined business sentiment and activity throughout the March quarter (2022). 465 businesses responded to the survey.

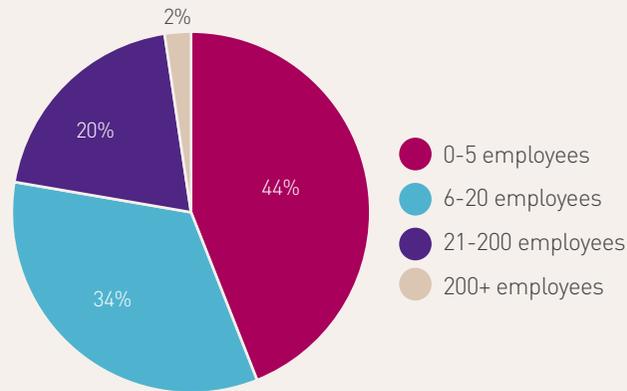
**To find out more about Pulse, please contact Chamber of Commerce and Industry Queensland on 1300 731 988 or at [cciqadvocacy@cciq.com.au](mailto:cciqadvocacy@cciq.com.au).**



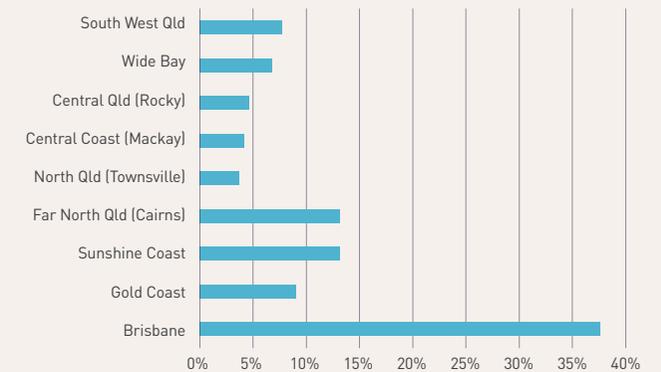
## INDUSTRY REPRESENTATION



## SIZE OF ORGANISATION



## REGIONAL REPRESENTATION



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