



TASMANIAN SURVEY OF BUSINESS EXPECTATIONS

2023 QUARTER 2

The TCCI is pleased to present the results of the Tasmanian Survey of Business Expectations (TSBE) quarter two for 2023.

The TSBE is Tasmania's longest running survey of business expectations. The survey is conducted quarterly and captures the general sentiment of business confidence and their expectations for that period.

AUSTRALIAN AND TASMANIAN ECONOMIC PERFORMANCE

This quarter has seen a slight increase in business confidence in comparison to the previous quarter with 12 percent of businesses expecting a stronger Australian economy. This is up from 10 percent the previous quarter. Those anticipating the economy to stay the same has stayed the same at 36 percent. Less businesses expect the Australian economy to be weaker this quarter with 52 percent of respondents, compared with 54 percent the previous quarter.

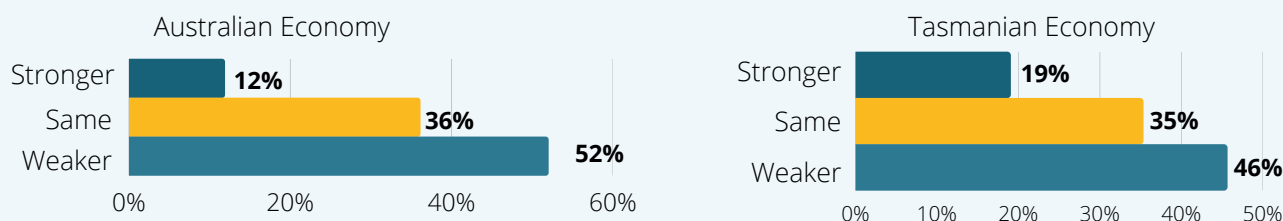
↑ Australian economy - 2 percentage point shift toward a stronger economy from a weaker economy.

Expectations for the Tasmanian economy have seen a decrease in business confidence in comparison to the previous quarter. Those expecting a stronger economy have slightly decreased down to 19 percent from 20 percent last quarter.

The most significant change is the increase in businesses that believe the Tasmanian economy will be weaker and a decrease in businesses that expect economic conditions in Tasmania to stay the same. Last quarter these were an equal 40 percent each. This quarter the number of businesses who think the Tasmanian economy will weaken has increased by 6 percentage points and those who believe economic conditions in Tasmania will stay the same has decreased by 5 percentage points.

↓ Tasmanian economy - 6 percentage point shift toward a weaker economy from the same economy.

PERFORMANCE EXPECTATIONS OF ECONOMIES OVER THE NEXT 12 MONTHS IN COMPARISON TO THE LAST 12 MONTHS



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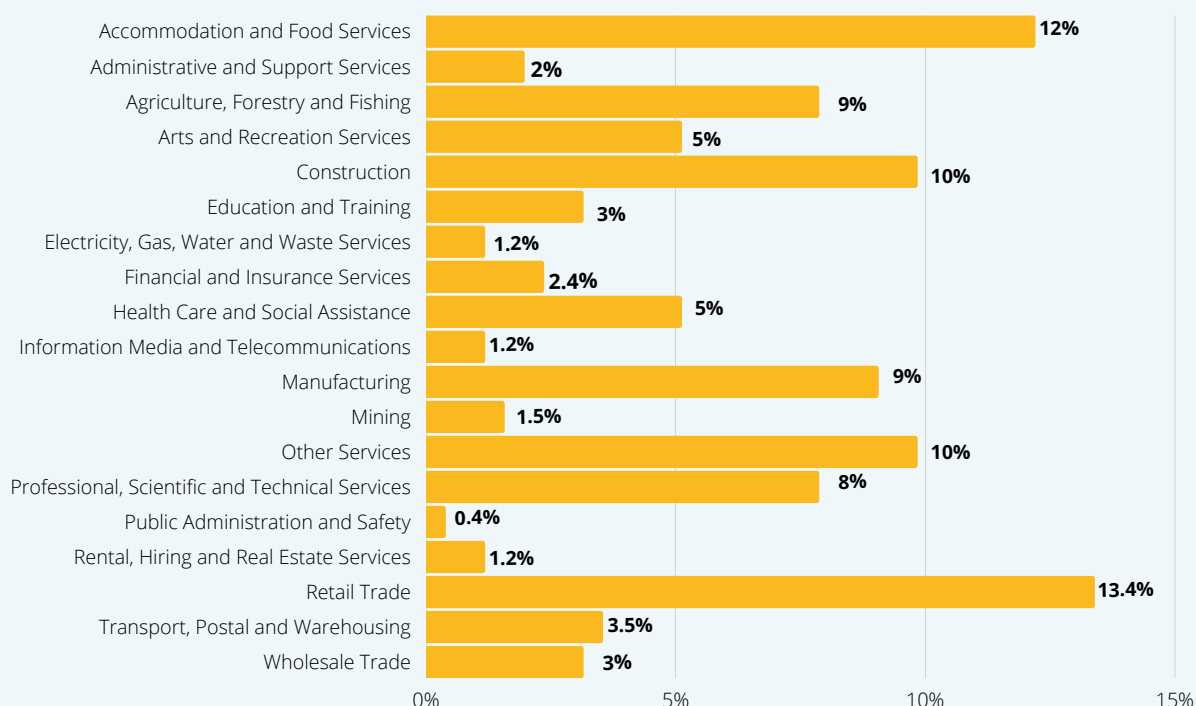
ABOUT THE RESPONDENTS

All regions of the state were well represented based on business density by region, with 48 percent of respondents' businesses based in the south, 21 percent in the north, 20 percent in the north-west and 11 percent state-wide. All industry sectors were represented.

Of the respondents, 92 percent own or operate a business in Tasmania with the remaining 8 percent representing industry bodies.

In relation to business size, 61 percent of respondents employ between 1 and 19 employees, 16 percent employ between 20 and 99, 8 percent employ over 100 and 15 percent indicated that they did not have any employees.

RESPONDENTS BY INDUSTRY SECTOR



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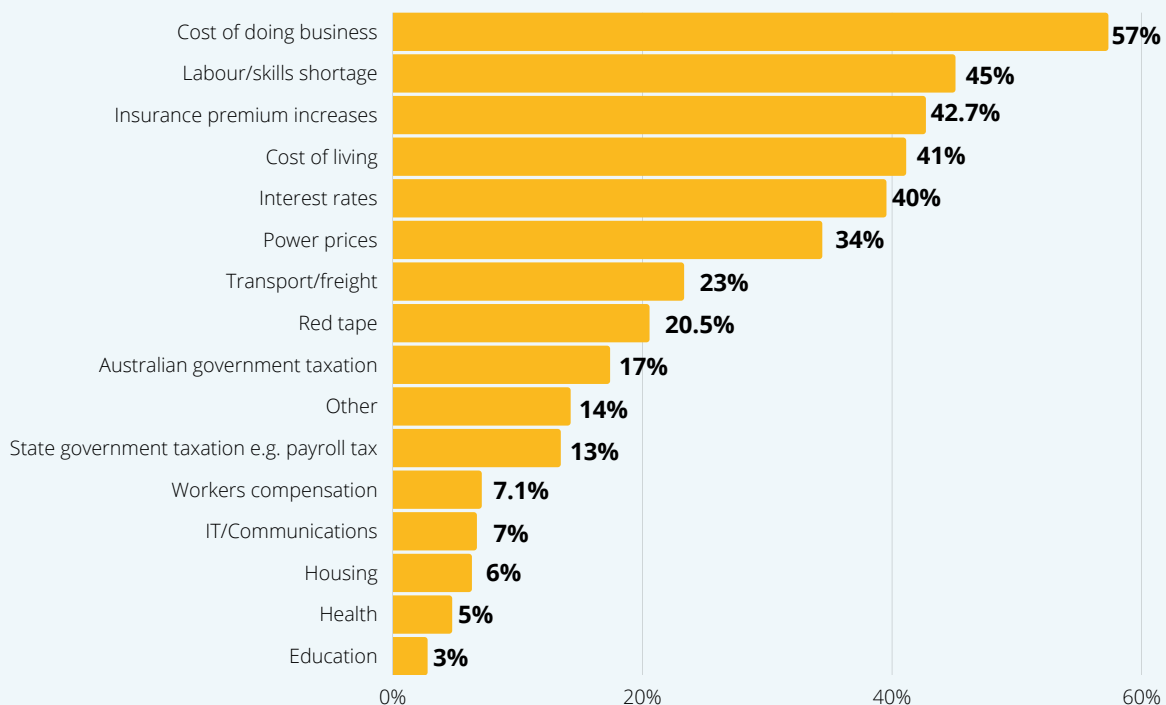
TOP ISSUES AFFECTING BUSINESS RIGHT NOW

This quarter has seen the cost of doing business overtake labour and skills shortages as the key issue affecting business right now. 57 percent of respondents noted the cost of doing business as the biggest issue affecting their business right now, up from 54 percent last quarter. Labour and skills shortages have dropped to 45 percent this quarter, down from 56.5 percent last quarter.

Insurance premium increases remains the third biggest issue affecting business right now at 42.7 percent up from 41.3 percent last quarter.

The other key changes on last quarter include:

- ⬆ Power prices: a 10 percentage point increase, up from 24 percent to 34 percent
- ⬆ Interest rates: a 7.4 percentage point increase, up from 32.6 percent to 40 percent
- ⬆ Cost of living: a 4 percentage point increase, up from 37 percent to 41 percent



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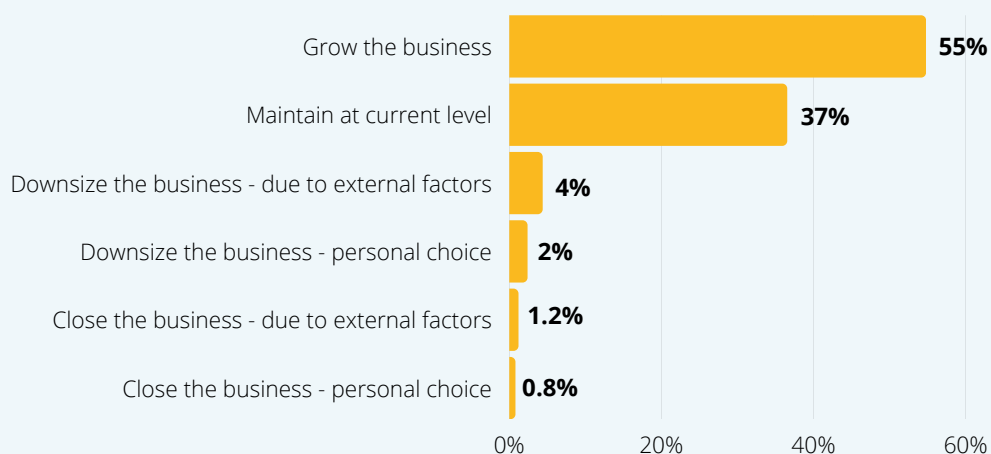
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INTENTIONS FOR BUSINESS OVER THE NEXT SIX MONTHS

Despite a reduction in expectations in Tasmania for the coming 12 months, pleasingly 55 percent of businesses still intend to grow their businesses over the next six months. This is down 2 percentage points on last quarter.

Maintaining current levels remain the same this quarter, with the main shifts towards downsizing and business closures.

- ↓ 1.4 percentage point decrease in downsizing due to external factors
- ↑ 2 percentage point increase in downsizing due to personal choice
- ↑ 1.2 percentage point increase in closure due to external factors
- ↑ 0.8 percentage point increase in closure due to personal choice.



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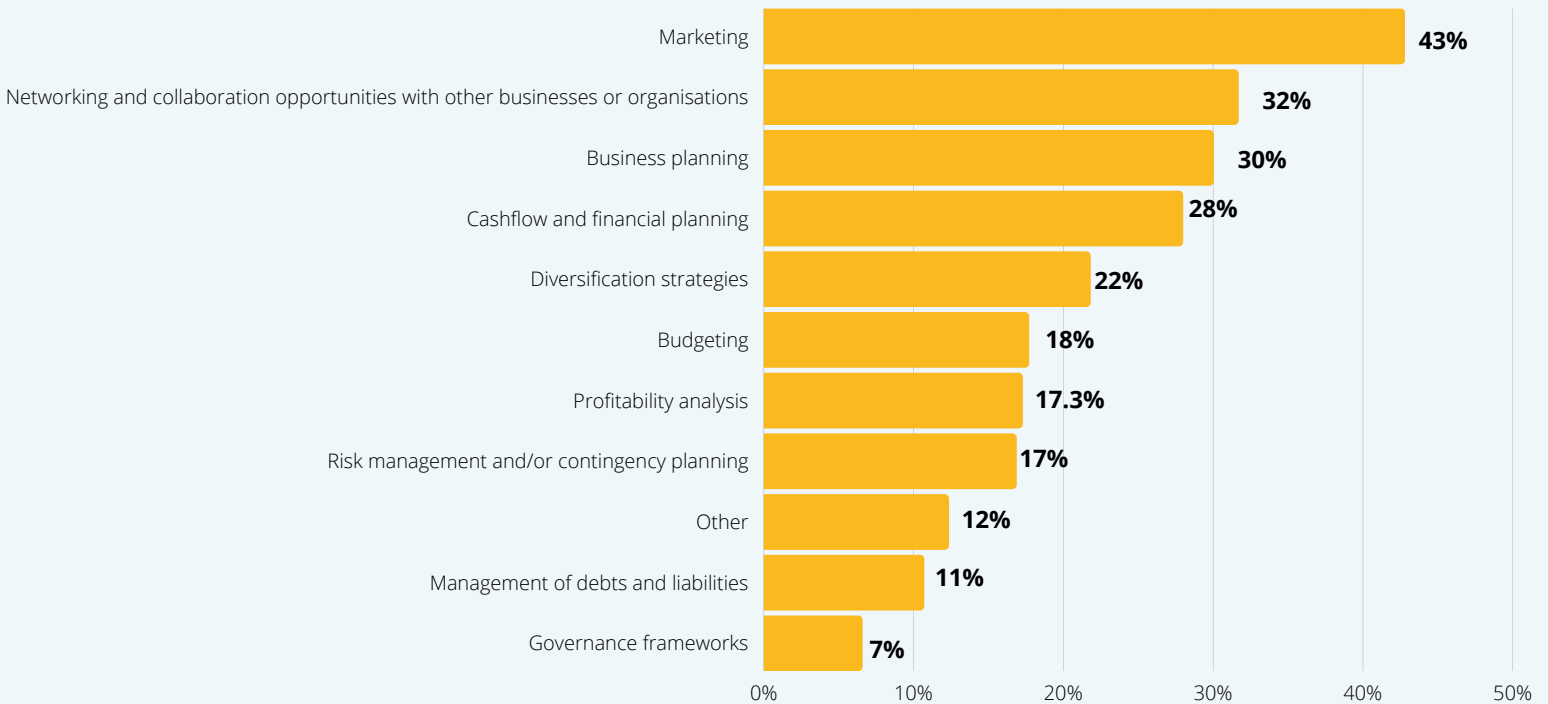
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BEST SUPPORT FOR YOUR BUSINESS TO IMPROVE RESILIENCE OVER THE NEXT SIX MONTHS

Consistent with last quarter, a large percentage of respondents (43 percent) would be best supported to improve business resilience in the coming six months through marketing support.

Again this quarter, this is followed by networking and collaboration opportunities at 32 percent. This has decreased 10 percentage points on last quarter.

Business planning remains in third position with 30 percent of respondents rating this as a support to improve resilience. The main shift on last quarter was an increase of 10 percentage points for support related to cashflow and financial planning.



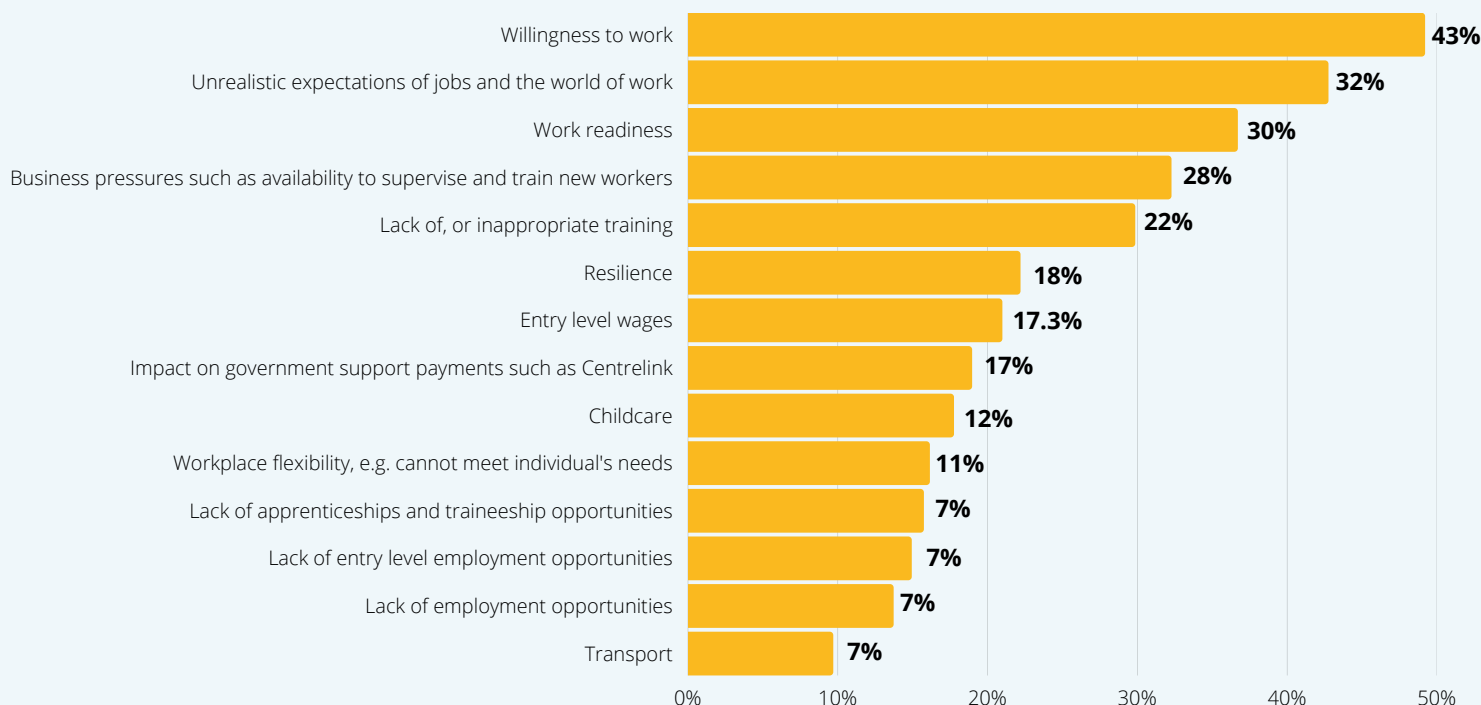
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WHAT DO YOU CONSIDER TO BE THE BARRIERS FOR PEOPLE ENTERING THE WORKFORCE

With labour and skills shortages the biggest issue affecting businesses last quarter, feedback was sought this quarter on what businesses consider to be the barriers for people entering the workforce.

Interestingly, a large percentage of respondents (43 percent) have the perception that there is a lack of willingness to work.

This is followed by an individual's preparation for work with unrealistic expectations of jobs and the world of work (32 percent) and work readiness (30 percent) identified by businesses as key barriers.



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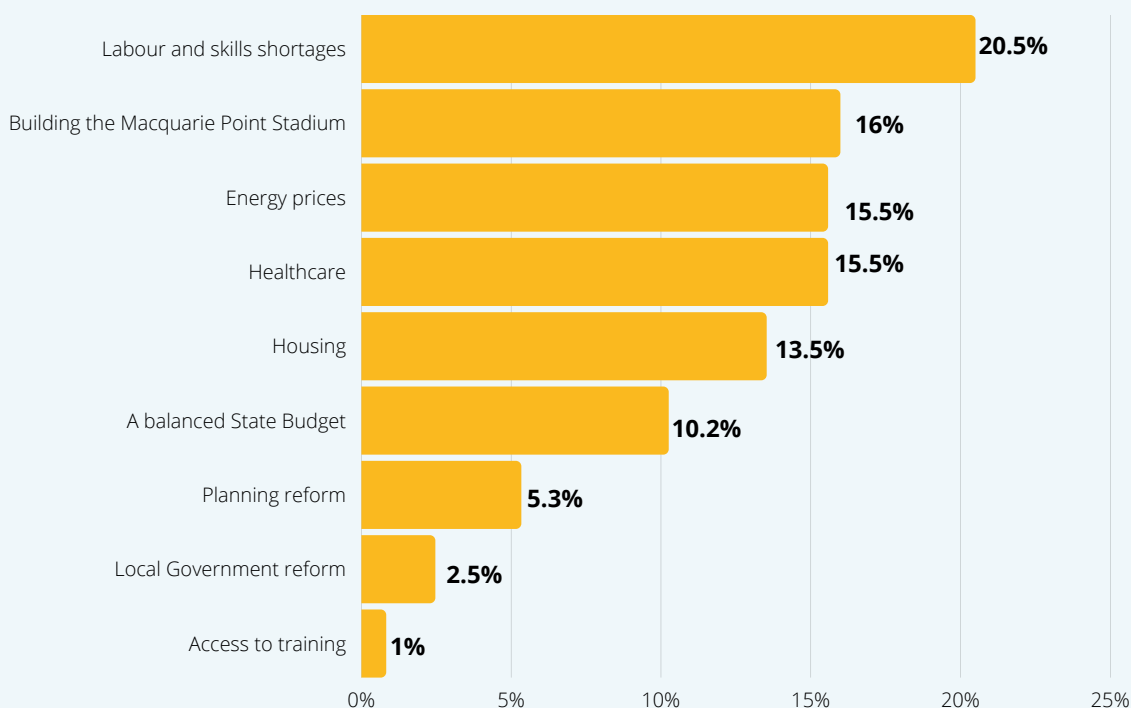


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IF A TASMANIAN STATE ELECTION WAS HELD TOMORROW, WHAT WOULD YOUR NUMBER ONE PRIORITY BE?

Consistent with issues affecting businesses right now, labour and skills shortages is the top priority for businesses if a State Election was called.

This is followed by building the Macquarie Point Stadium, energy prices and healthcare all a priority for around 16 percent of respondents.



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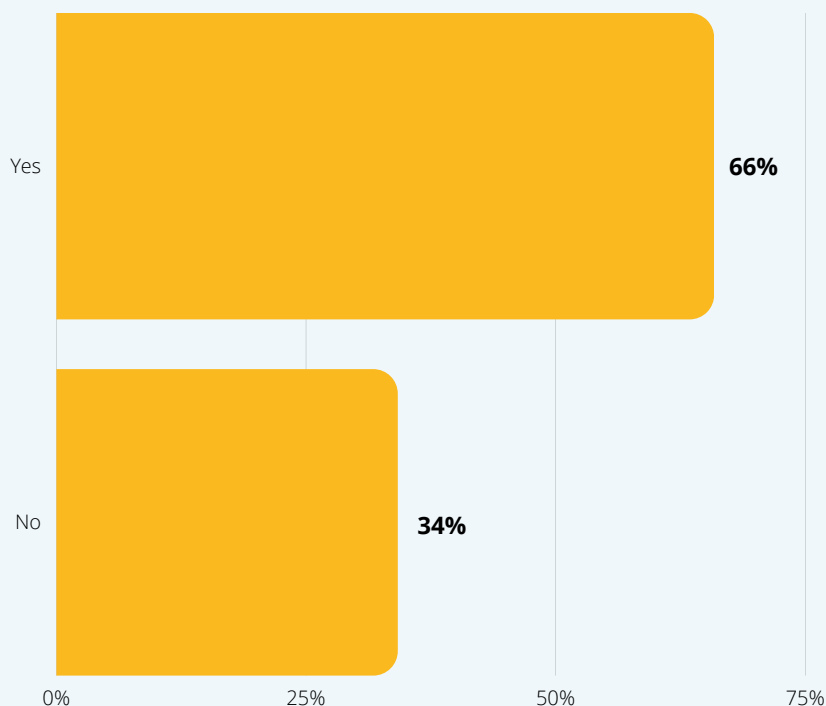


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DO YOU SUPPORT THE CONSTRUCTION OF MARINUS LINK?

Two-thirds of respondents support the construction of Marinus Link with the remaining third unsupportive.

Interestingly, both supportive and unsupportive respondents identified that they do not know what the benefits of Marinus Link will be for Tasmanians.



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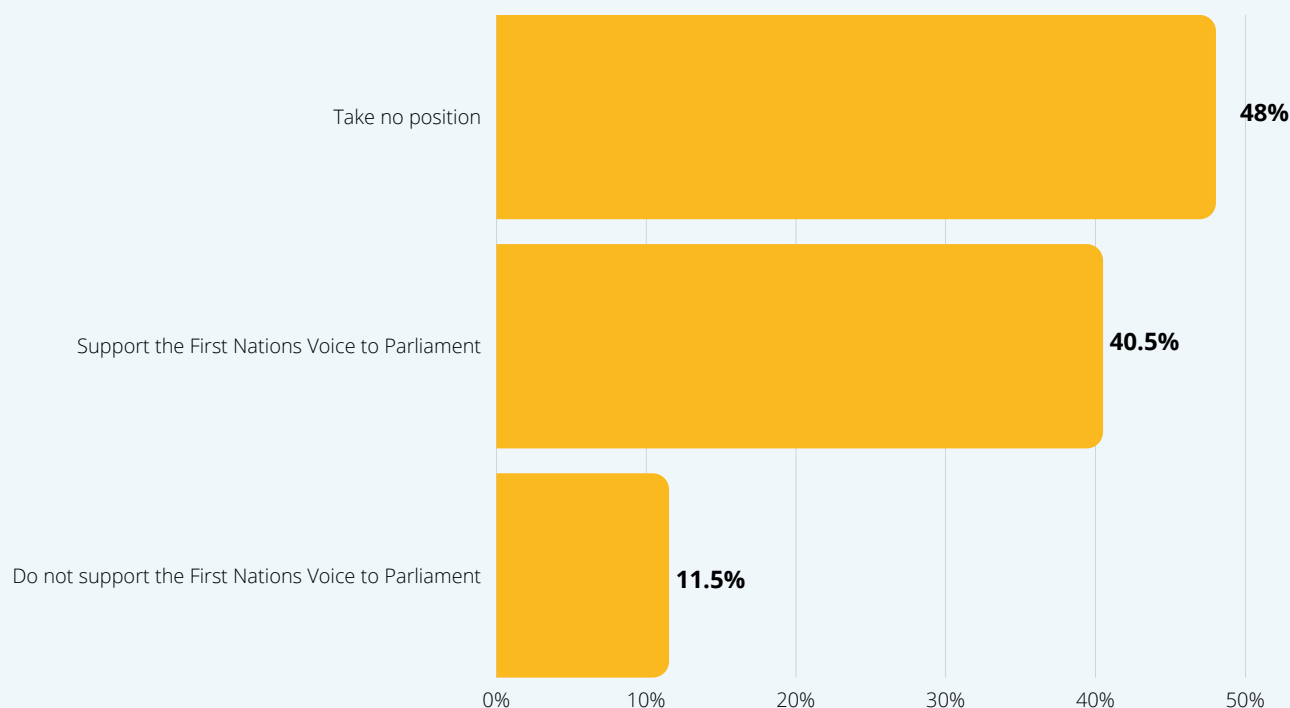


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WHAT DO YOU THINK TCCI'S POSITION ON THE FIRST NATIONS VOICE TO PARLIAMENT SHOULD BE?

Consistent with TCCI's approach, nearly half of respondents think TCCI should take no position of the First Nations Voice to Parliament.

A further 40.5 percent think the TCCI's position should be to support the First Nations Voice to Parliament and 11.5 percent think the TCCI should not support this.



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