



TASMANIAN SURVEY OF BUSINESS EXPECTATIONS

2023 QUARTER 3

The TCCI has released the Q3 2023 results of the Tasmanian Survey of Business Expectations (TSBE). This survey is Tasmania's longest running survey of business expectations and is conducted quarterly to capture the general sentiment of business confidence and expectations for that period.

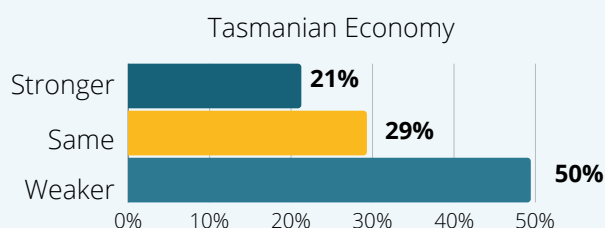
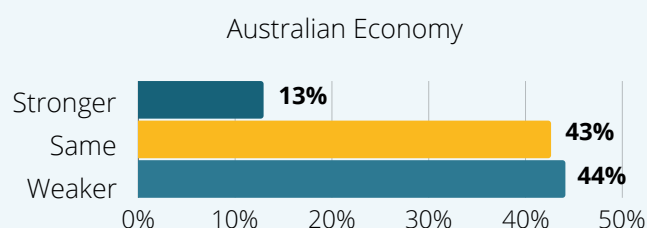
AUSTRALIAN AND TASMANIAN ECONOMIC PERFORMANCE

Business Confidence in Australia and Tasmania for the Current Quarter

Compared to the previous quarter, there has been a slight uptick in business confidence with regard to the Australian economy. Of the respondents, 13 percent anticipate a stronger economy, up from 12 percent last quarter. Meanwhile, 43 percent expect growth, compared to 44 percent who predict weaker results. The shift is a positive one percentage point toward a stronger economy.

However, the Tasmanian economy has seen a decline in business confidence over the same period. While 21 percent of respondents are optimistic about growth, up from 19 percent, the number of businesses that expect weaker economic conditions in Tasmania has risen by 3 percentage points. Furthermore, those who believe that economic conditions will remain the same in Tasmania has decreased by 6 percentage points. The shift in the Tasmanian economy is a negative 3 percentage point shift toward a weaker economy.

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



THE TASMANIAN SURVEY OF BUSINESS EXPECTATIONS IS SUPPORTED BY THE TASMANIAN GOVERNMENT

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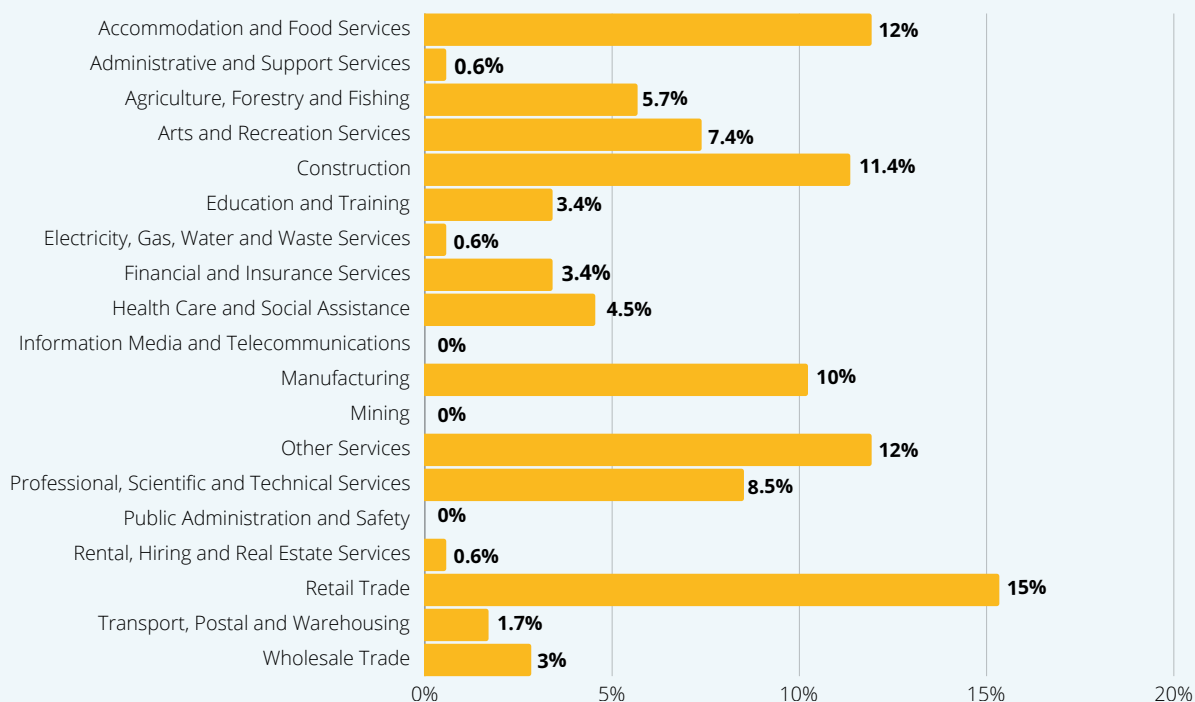
ABOUT THE RESPONDENTS

All regions of the state were well represented based on business density by region, with 46 percent of respondents' businesses based in the south, 22 percent in the north, 17 percent in the north-west and 15 percent state-wide. Almost 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, 62 percent of respondents employ between 1 and 19 employees, 20 percent employ between 20 and 99, 8 percent employ over 100 and 10 percent indicated that they did not have any employees.

RESPONDENTS BY INDUSTRY SECTOR



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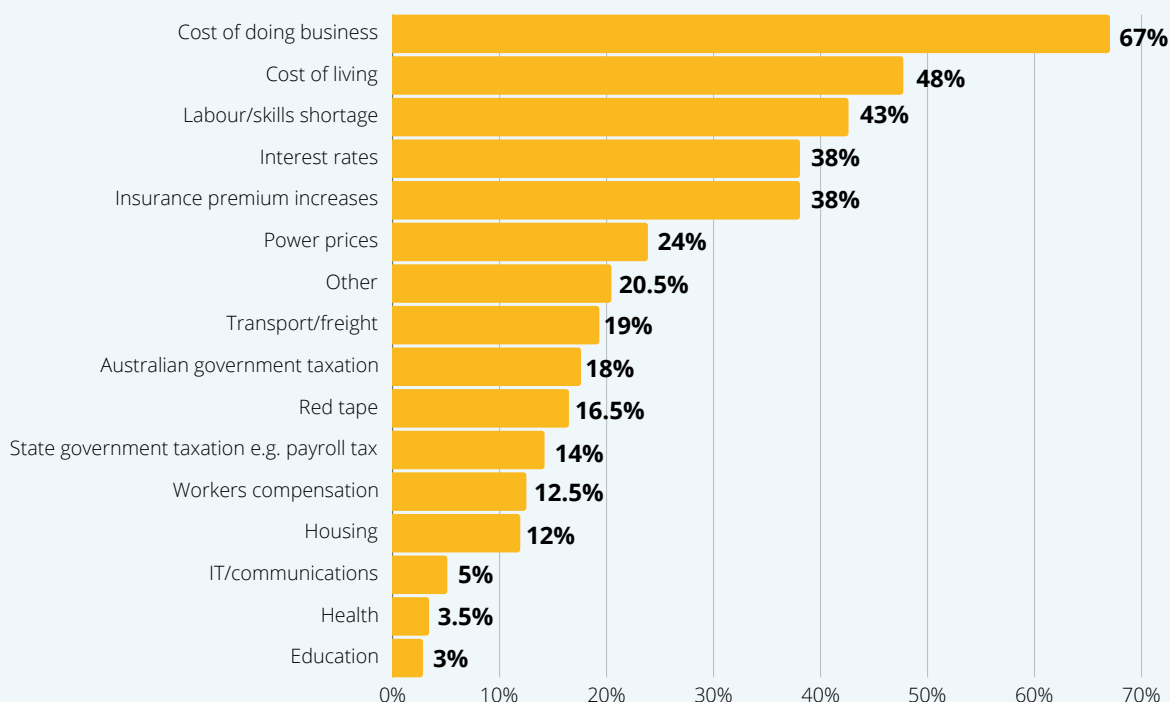
TOP ISSUES AFFECTING BUSINESS RIGHT NOW

This quarter has seen the cost of doing business as the biggest issue affecting 67 percent of the respondents, up from 57 percent last quarter. Cost of living has overtaken labour/skills shortages as the second biggest issue affecting business right now with 48 percent, up from 41 percent last quarter.

Labour and skills shortages have dropped to 43 percent this quarter, down from 45 percent last quarter.

The other key changes on last quarter include:

- ↓ Power prices: a 10 percentage point decrease, down from 34 percent to 24 percent
- ↓ Interest rates: a 2 percentage point decrease, down from 40 percent to 38 percent
- ↓ Insurance premium increases: a 4.7 percentage point decrease, down from 42.7 percent to 38 percent



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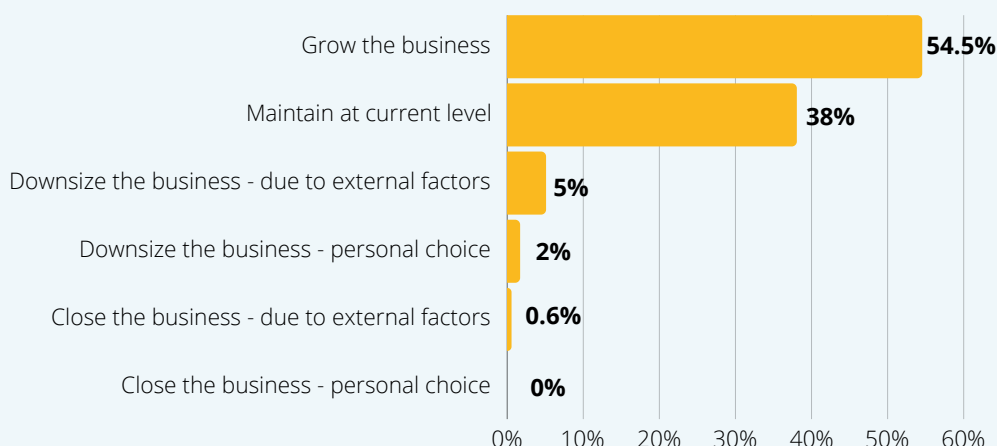
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INTENTIONS FOR BUSINESS OVER THE NEXT SIX MONTHS

Despite a reduction in expectations for the Tasmanian economy for the coming 12 months, pleasingly 54.5 percent of businesses still intend to grow their businesses over the next six months. However, this is down 0.5 percentage from last quarter.

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

- ↑ 1 percentage point increase in downsizing due to external factors
- ➡ 0 percentage point increase or decrease in downsizing due to personal choice
- ↓ 0.6 percentage point decrease in closure due to external factors
- ↓ 0.8 percentage point decrease in closure due to personal choice.



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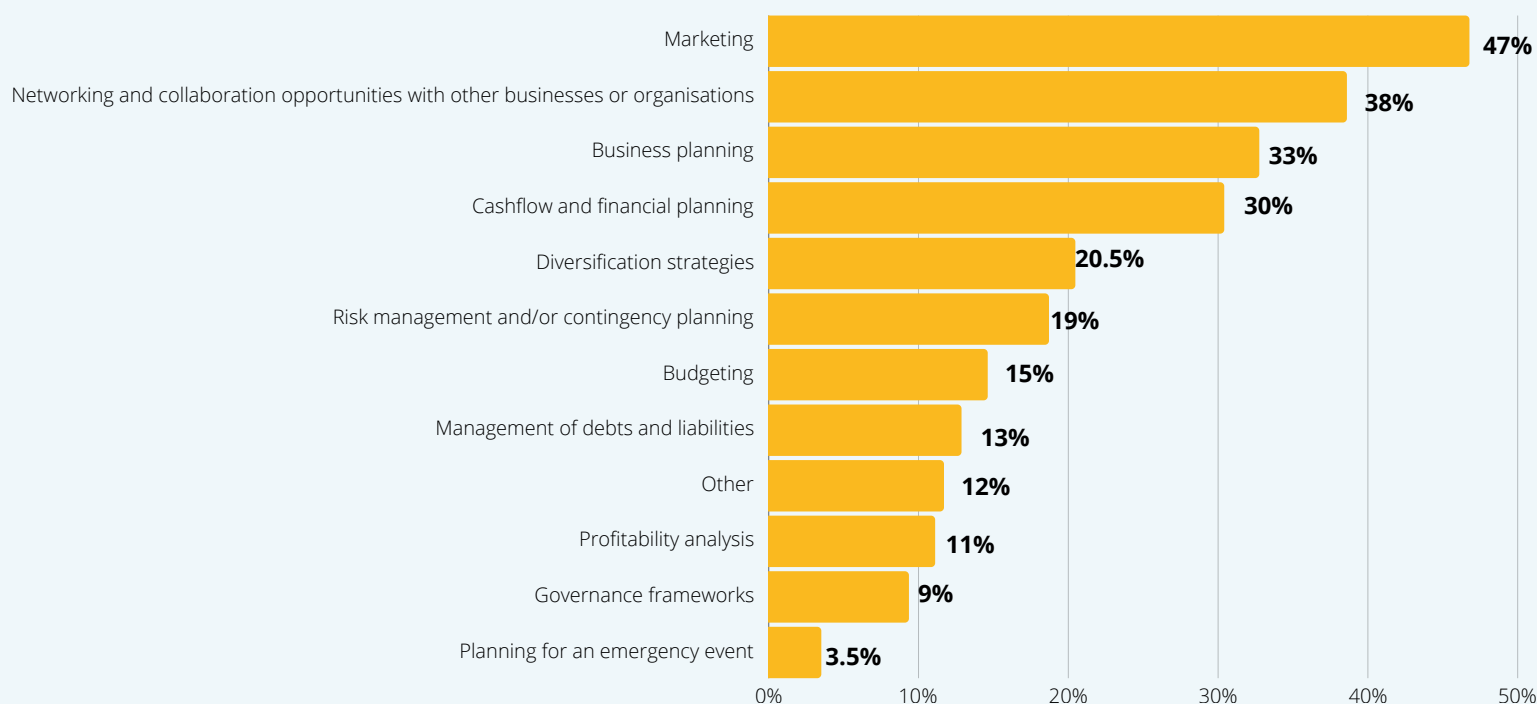
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BEST SUPPORT FOR YOUR BUSINESS TO IMPROVE RESILIENCE OVER THE NEXT SIX MONTHS

Consistent with last quarter, the majority of respondents, 47 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 38 percent. This has increased 6 percentage points on last quarter.

Business planning remains in third position with 33 percent of respondents rating this as a strategy to improve resilience.



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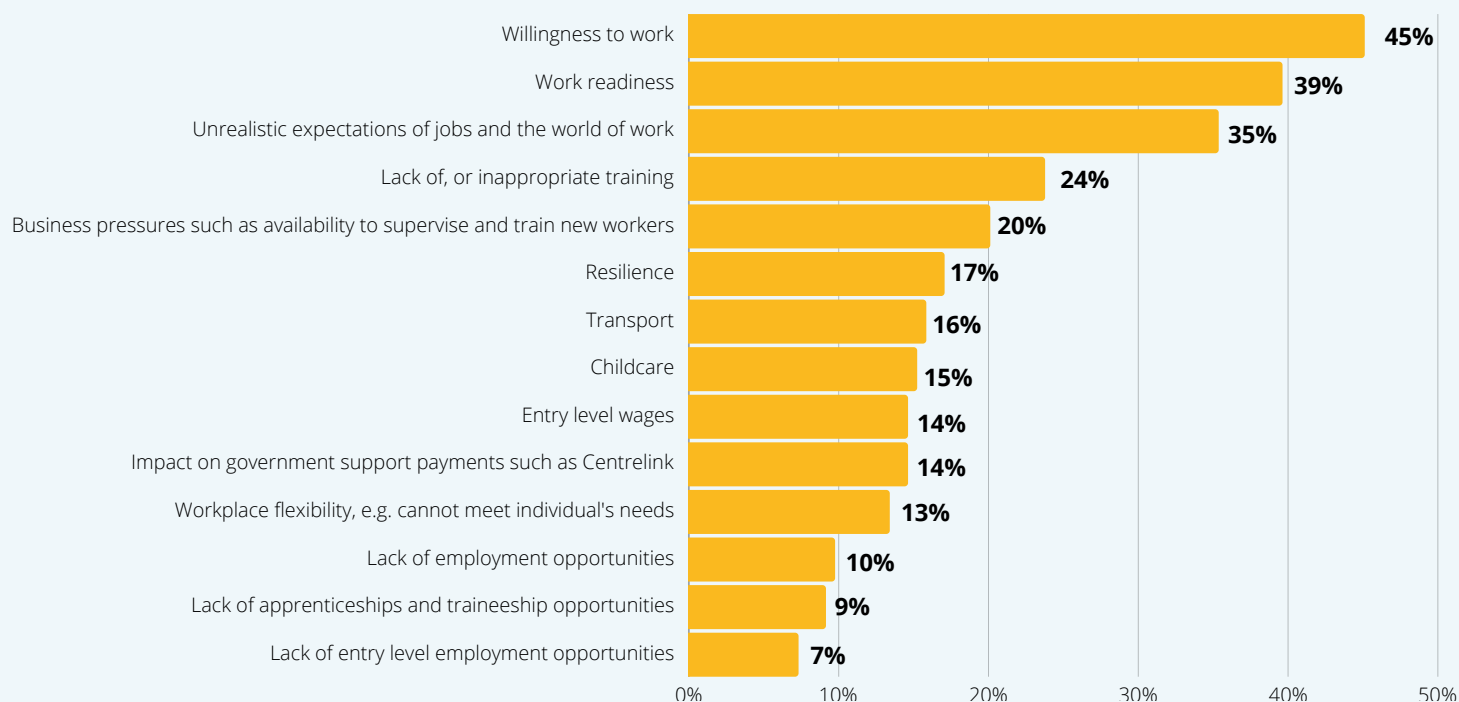
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WHAT DO YOU CONSIDER TO BE THE BARRIERS FOR PEOPLE ENTERING THE WORKFORCE

A majority of respondents (45 percent) have the perception that there is a lack of willingness to work.

This is followed by a lack of work readiness (39 percent) and an individual's preparation for work, with unrealistic expectations of jobs and the world of work, (35 percent) identified by businesses as key barriers to entering the workforce.



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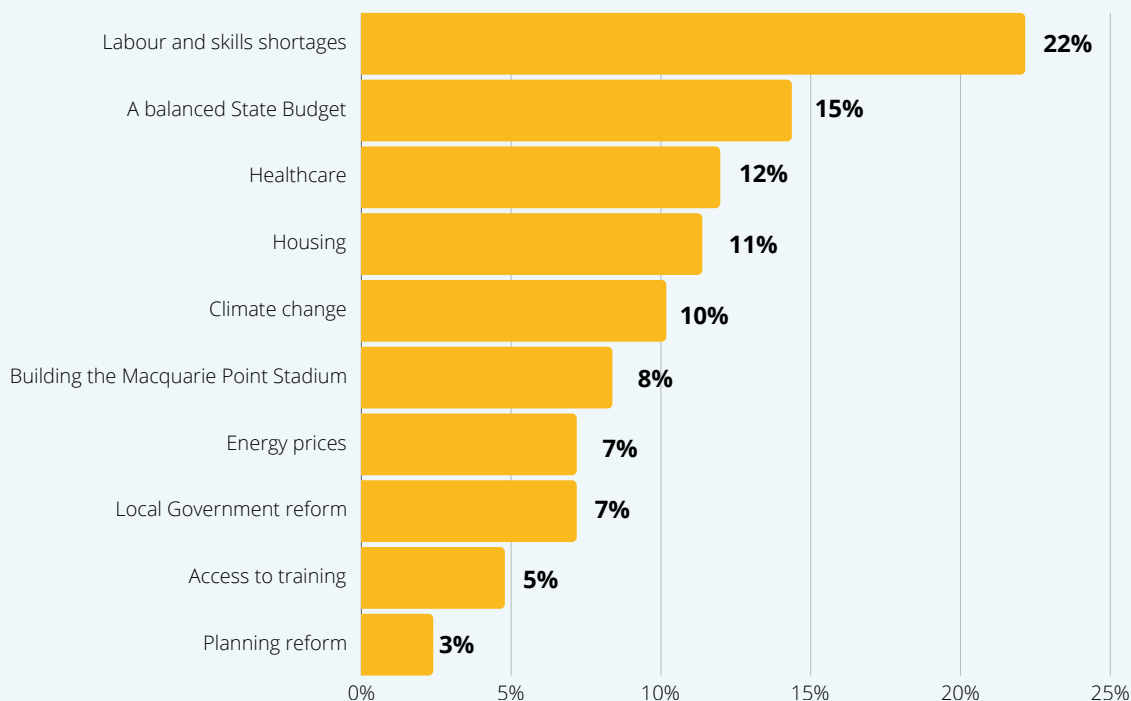


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IF A TASMANIAN STATE ELECTION WAS HELD TOMORROW, WHAT WOULD YOUR NUMBER ONE PRIORITY BE?

Election priorities include addressing labour and skills shortages, followed by a balanced State Budget, healthcare and housing.

Access to skilled labour is a recurring theme with businesses unable to fill vacancies for new and existing roles. This challenge is further exacerbated with a lack of affordable housing impacting most regions across Tasmania.



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