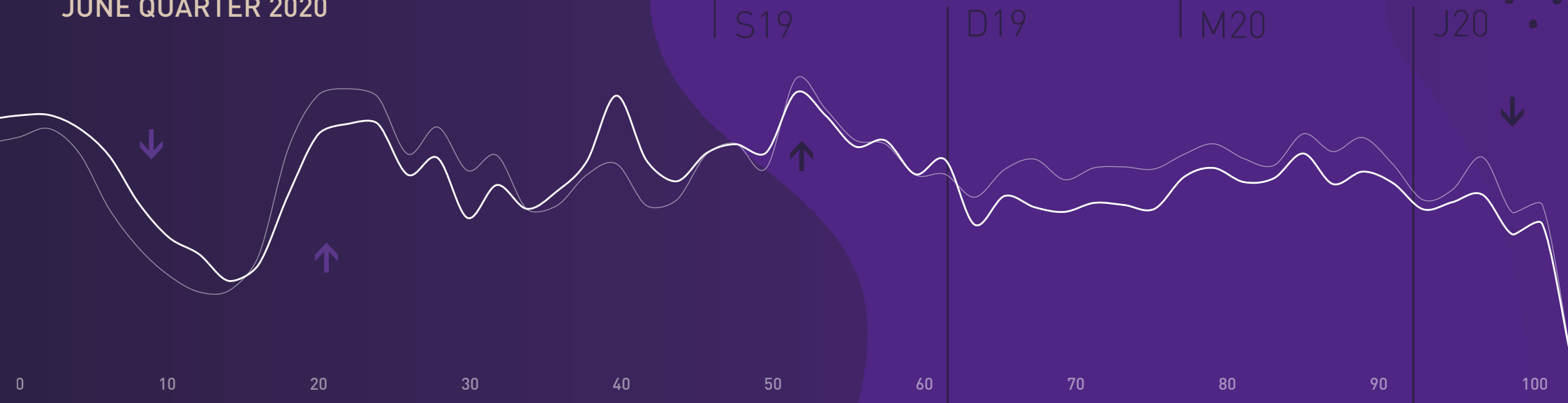


# SUNCORP GROUP CCIQ PULSE SURVEY OF BUSINESS CONDITIONS

JUNE QUARTER 2020



# JUNE QUARTER OVERVIEW

“Slight improvement recorded as the toughest period ever encountered by businesses continue.”

**The latest results from the Suncorp CCIQ Pulse Survey for the June quarter 2020 have indicated a slight improvement on the March quarter despite conditions and performance continuing to remain very poor.**

The results for the June quarter continue to reflect the devastating impact that COVID-19 has had on Queensland businesses during the March quarter 2020. General business conditions and trading performance have been impacted by business restrictions (commencing 18th of March) which prevented viable trade for the majority of Queensland businesses during the June quarter. Especially in April, during the height of the social distancing guidelines and forced business closures, business revenues collapsed.

The latest Pulse results for the June quarter reflect the easing of restrictions that commenced on the 15th of May 2020, leading to a marginal improvement over the March quarter. While recording improvements, it comes from the lowest base ever recorded in the Survey's history and indicates the toughest economic period experienced by the Queensland business community. For comparison, the results are still lower than their ten year averages and those levels recorded during the most recent economic crisis (the Global Financial Crisis). Presently, all indicators are at their second-lowest recorded level and would be at their lowest recorded level if not for the devastating March quarter.

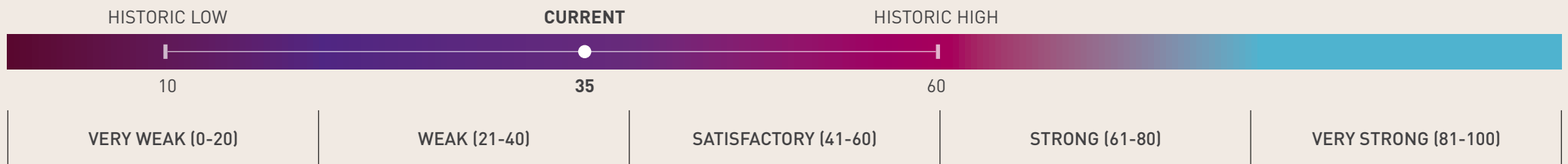
Notwithstanding the sobering outcomes, the economic conditions in Queensland have not recorded the level of deterioration that would have otherwise occurred without Federal and State Government assistance measures. Most notably, JobKeeper payments stand out clearly in qualitative responses as delivering the greatest support to businesses and consumer demand. Moving forward, expectations for the September quarter indicate a further improvement for all indicators. Whether this improvement is realised comes down to if Stage 3 easing of restrictions continues in light of the second wave of COVID-19 that has emerged in Victoria and New South Wales (NSW). A second wave in the Southern States run the risk of extending the slow, drawn-out recovery for Queensland's business community.

## KEY FINDINGS

- 1 **Three in four businesses (74 per cent)** believe that the Queensland and National economies will deteriorate over the next 12 months.
- 2 **Two in three businesses** indicated their sales revenue had fallen during the June quarter.
- 3 **Two in three businesses** reported that their profitability had declined during the quarter.
- 4 **Nearly 20 per cent** of businesses cited government policies, most notably the outcome for JobKeeper stimulus payments, as having the greatest influence on business confidence and economic performance moving forward.

## WHAT IS THE PULSE BUSINESS INDEX?

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 that performance growth has remained neutral. On the other hand, a PBI reading above or below 50 would suggest that performance across the indicator has grown or fallen, respectively. The following scale is useful in interpreting the performance of the PBI indicator:



# SNAPSHOT

WEAKER SAME STRONGER

Current index score Quarterly change

## 12-MONTH OUTLOOK (QUEENSLAND) 25.0 (↑11.7) POOR

The Queensland Economic Outlook Index increased by 11.7 points to 25.0 off the back of phase one and two easings of restrictions and anticipation of borders reopening in July. Despite this marginal improvement from the lowest recorded reading in the March quarter (2020), three in four businesses still believe that the state economy will deteriorate over the next 12 months.

75% 17% 8%

## 12-MONTH OUTLOOK (NATIONAL) 25.4 (↑11.9) POOR

The National Economic Outlook Index increased by 11.9 points during the June quarter to 25.4. This reading still indicates a poor outlook with a similar proportion (74%) of Queensland businesses expecting the national economy to weaken over the next 12 months. Both Indexes have now converged to a near-identical level with businesses seeing very little difference in the prospects for the micro or macroeconomy.

74% 15% 10%

## GENERAL BUSINESS CONDITIONS 30.4 (↑2.8) POOR

Two in three businesses (65%) indicated that business conditions during the June quarter had deteriorated. As a result, the Index for General Business Conditions crept up by 2.8 points to 30.4, continuing to indicate a weak outlook. Business outlook for the September quarter increased with a Forecast Index score of 42.0. However, despite the improvement, the Index continues to evidence generally weak and deteriorating conditions with only one in five businesses believing conditions will improve during the quarter.

65% 22% 14%

## SALES AND REVENUE 30.4 (↑1.0) POOR

Two-thirds of Queensland businesses indicated that sales revenue had fallen during the June quarter amidst the social distancing measures implemented by the State and Federal government. This saw the Sales and Revenue Index increase only one point to 30.4 representing an equally weak outlook as in the March quarter 2020. Queensland businesses are more optimistic that sales will increase in the September quarter with the Forecast index rising by 18.7 points to 49.1. However, the fact remains that this reading follows the lowest base recorded in the Survey's history, leaving businesses with much to recover from during the new financial year.

65% 16% 19%

## OPERATING COSTS 47.2 (↓7.2) SATISFACTORY

The Other Operating Costs Index fell by another 7.2 points over the June quarter to 47.7. This is the first time the Index has fallen below 50 and indicates that business costs are decreasing, providing essential cost relief for businesses forced to close. Unfortunately, this trend appears to be a once-off with the Index forecast to increase during the September quarter by 6.5 points to 53.7 as businesses become more able to increase trade.

20% 64% 16%

## LABOUR COSTS 43.5 (↓2.8) SATISFACTORY

The Labour Cost Index closed 2.8 points lower at 43.5 in the June quarter as one-third of Queensland businesses were forced to decrease their quarterly payroll under forced closures. This reading is the lowest index score in the Survey's history and is only the third time where it has been below 50. The results indicate that labour costs have eased, primarily due to wage subsidy stimulus and rising unemployment. Wage costs are expected to start growing again in the September quarter with the Forecast Index increasing by 8.9 points to 52.4. This follows just over one in four businesses anticipating having to increase their labour costs during the quarter as rehiring increases.

33% 51% 16%

## PROFITABILITY 30.4 (↑2.4) POOR

Two in every three businesses (65%) reported that their profitability had declined during the June quarter. This reading is only slightly better than the March quarter, causing the Profitability Index to increase by 2.4 points to 30.4 while remaining at an unprecedented poor level. Businesses are anticipating an improvement in their profitability as restrictions continue to ease, seeing the Forecast Index up 11.9 points to 42.3 in the September quarter.

65% 21% 14%

## EMPLOYMENT LEVELS 39.3 (↑2.3) POOR

Employment levels increased by 2.3 index points in the June quarter to 39.3 as two in every five businesses reported reduced staffing. While improving, the reading for June is the second-lowest ever recorded and follows the historic low observed in the previous quarter (March 2020). Queensland businesses anticipate employment levels to improve further during the September quarter with the Forecast Index rising 8.1 points higher at 47.4. This result follows the majority of Queensland businesses (62%) anticipating having to keep employment levels steady during the quarter.

40% 51% 9%

## CAPITAL EXPENDITURE 40.6 (↑0.3) SATISFACTORY

Capital expenditure remained virtually unchanged, increasing by only 0.3 points to 40.6. Businesses indicate having to further reduce capital expenditures during the September quarter with the Forecast Index remaining low at 42.4.

41% 39% 20%

# 12 MONTH OUTLOOK: AUSTRALIAN AND QUEENSLAND ECONOMIES

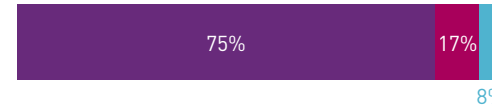
The Pulse Index for the Queensland 12 month economic outlook increased by 11.7 index points to 25.0, following the easing of COVID-19 restrictions and anticipation of borders reopening in July. This reading remains significantly lower than the ten-year average of 45.3 and is 2.7 points below its previous low in December 2008. Similar results were observed for the National 12-month economic outlook, which increased by 11.9 index points over the June quarter to 25.4. Again, this reading is well below the ten-year average of 47.5 and is 0.5 points lower than the previous historic low in September 2008 during the Global Financial Crisis (GFC). This improvement delivers little relief to Queensland businesses, with three in four (74%) reporting that the national economy will deteriorate further over the next 12 months. Regardless of the improvements in the index score, three in four businesses still foresee the State and National economy performing weaker over the forward 12 months.

The future performance of both the Queensland and National economies are undoubtedly dependent upon how soon businesses can return to regular trade. Presently, businesses across Queensland are still limited by COVID-19 restrictions which specify the number of customers that retailers and service providers can host while adhering to extensive COVID Safe Plans.

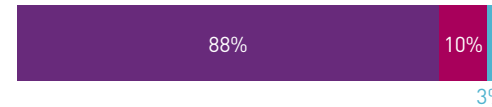
## How do you expect the economy to perform over the next twelve months in comparison to the last twelve months?

### QUEENSLAND

TODAY (JUNE '20)



LAST QUARTER (MARCH '19)

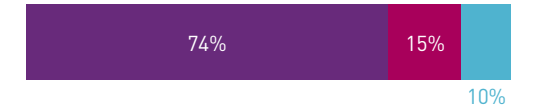


LAST YEAR (JUNE '19)

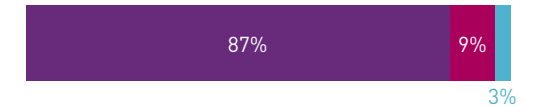


### NATIONAL

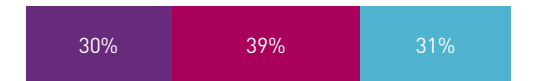
TODAY (JUNE '20)



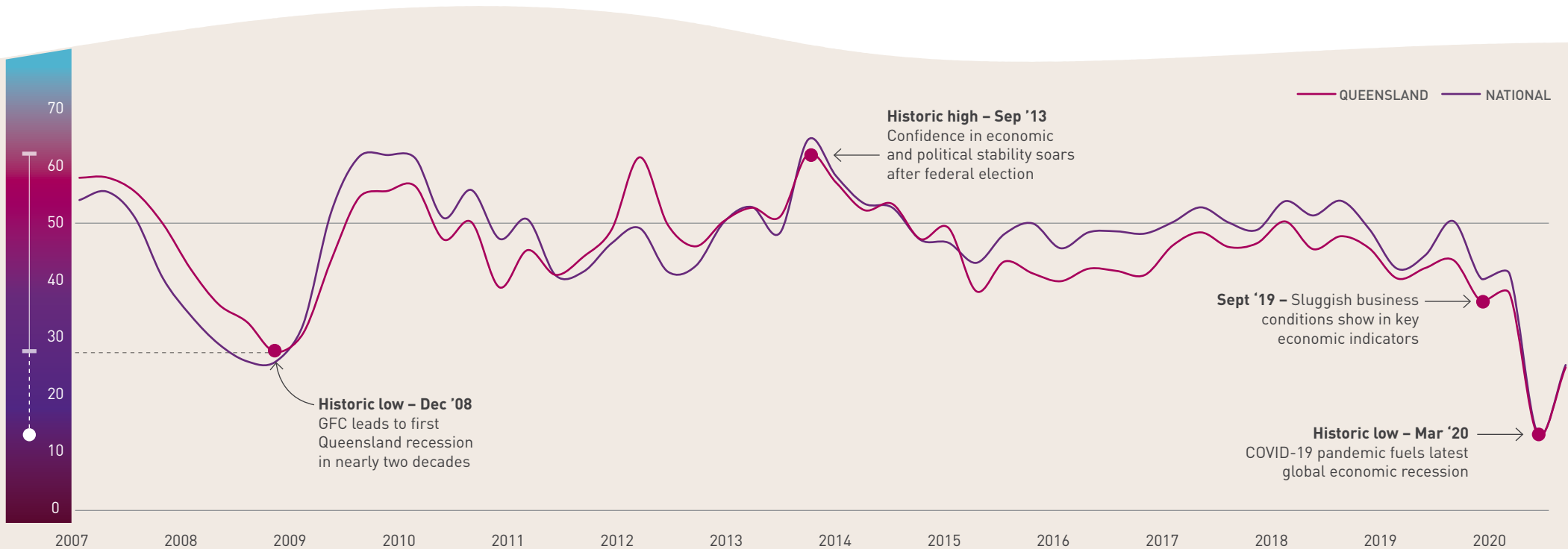
LAST QUARTER (MARCH '19)



LAST YEAR (JUNE '19)



WEAKER SAME STRONGER



# GENERAL BUSINESS CONDITIONS

Business conditions were impacted by government restrictions (commencing 18th of March) which limited viable trade for many small and medium-sized enterprises (SMEs) during the June quarter. Accordingly, the General Business Conditions Index increased by 2.8 points in the June quarter to 30.4. Despite the marginal improvement, the Index remains 14.8 points lower than the ten-year average and continues to indicate that poor conditions remain. One in five businesses are optimistic that business conditions will improve during the September quarter, reporting a satisfactory level as the Forecast Index climbed to 42.0.

**Brisbane** - Discretionary spending will reduce, due to either redundancy, layoffs, withheld promotions or living within JobSeeker means. The expectation is that 'necessary business', including mandatory products or services we need to live (still somewhat comfortably) will do fine, industry's that would be considered a discretionary spend will suffer.

**South West Queensland** - It all hinges on the Covid pandemic and how we survive in the next few months with contracting Government support of Job Keeper and other stimulus measures.

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

### OUTLOOK (SEPT '20)



### TODAY (JUNE '20)

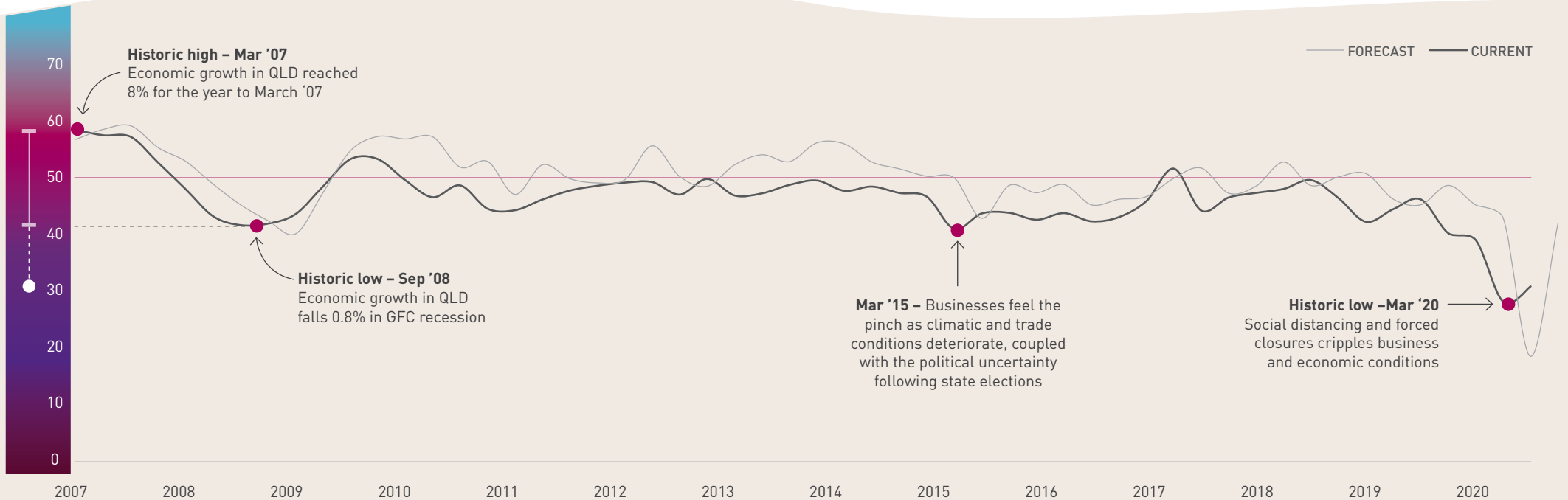


### LAST YEAR (JUNE '19)



WEAKER SAME STRONGER

### LAST YEAR (JUNE '19)



# SALES AND REVENUE

Two in every three businesses indicated their sales revenue had fallen during the June quarter. Consequently, the Sales and Revenue Index increased by only one point over the June quarter to 30.4. This reading is 18.1 points lower than the ten-year average of 48.5 and is 11.2 points below the historic low observed during the most recent economic crisis in March 2009 (GFC). The one in five businesses indicating an increase in their turnover is almost certainly a reflection of the support to consumer spending provided by the JobKeeper and JobSeeker schemes as well as the Stage one and two easings of restrictions.

Queensland businesses are expecting sales to increase in the September quarter with the Forecast Index rising by 18.7 points to 49.1. It is noted, however, that this increase stems from the lowest base recorded in the Survey's history. Whether this improvement is actualised comes down to if the Stage three easing of restrictions continue in light of the second wave of COVID-19 that has emerged in Victoria and NSW.

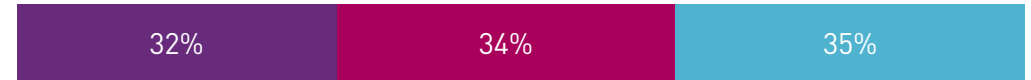
**Far North Queensland** - People are afraid to spend after having to dip into their savings. Travel restrictions and a lack of tourism are only adding to the impact on small businesses.

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

TODAY (JUNE '20)



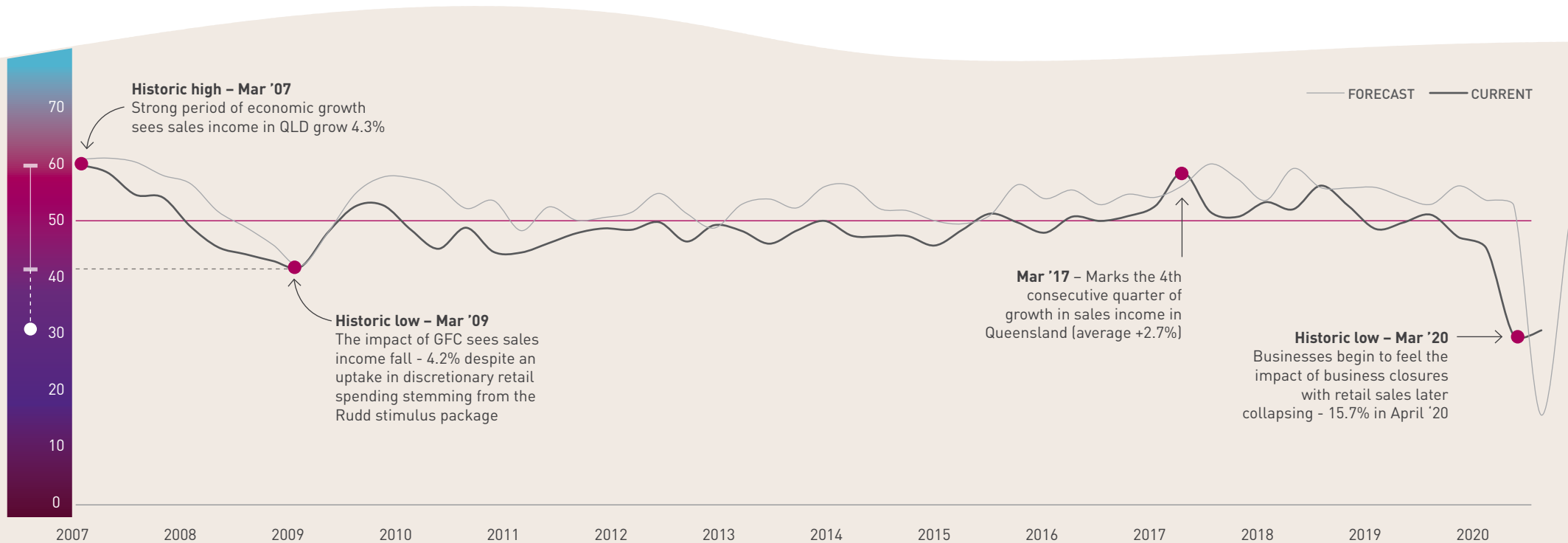
LAST YEAR (JUNE '19)



OUTLOOK (SEPT '20)



DECREASED SAME INCREASED



Source/s: ABS 5676.0 Business Indicators, Queensland (seasonally adjusted), ABS 8501.0 Retail Trade, Queensland (seasonally adjusted)

# OPERATING COSTS

The Other Operating Costs Index, reflecting expenses such as rent, electricity and insurance, fell by another 7.2 points over the June quarter to 47.7. This reading is the first time the Index has fallen below 50 and indicates that business costs are decreasing. In reality, this result is reflective of savings that have been realised by businesses forced to close their physical premises as a consequence of social distancing requirements. Additionally, businesses will have also benefited from cost relief from utility providers, banks, corporate Australia, government and landlords.

Unfortunately, this trend appears to be a once-off with the Index forecast to increase by 6.5 points to 53.7 in the September quarter. In line with earlier commentary, there will be expenses associated with businesses reopening under the easing of Stage three restrictions and also the sustainability or limitation of cost relief measures moving forward.

**Far North Queensland** - The largest impact will occur once Govt assistance through JobKeeper comes to an end at the same time the Banks will all start looking for loan repayments to recommence. The "Cliff" will push SME's to the limit with many falling over. The majority of us are trading on the back of stimulus support. Once these measures end, it will cause a reduction in staff to maintain either a cost-neutral position or minimal loss scenario to keep the business open. This will only be possible if the marketplace improves quickly. Otherwise, we will call it a day.

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

TODAY (JUNE '20)



LAST YEAR (JUNE '19)

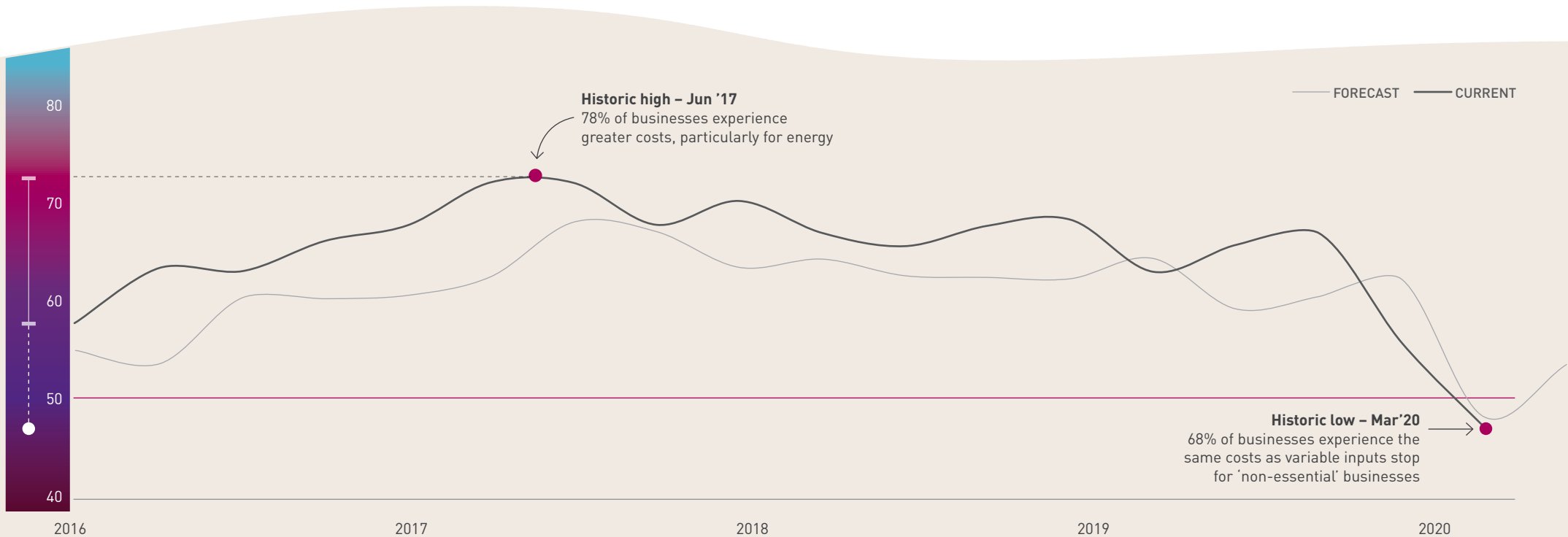


1%

OUTLOOK (SEPT '20)



DECREASED SAME INCREASED



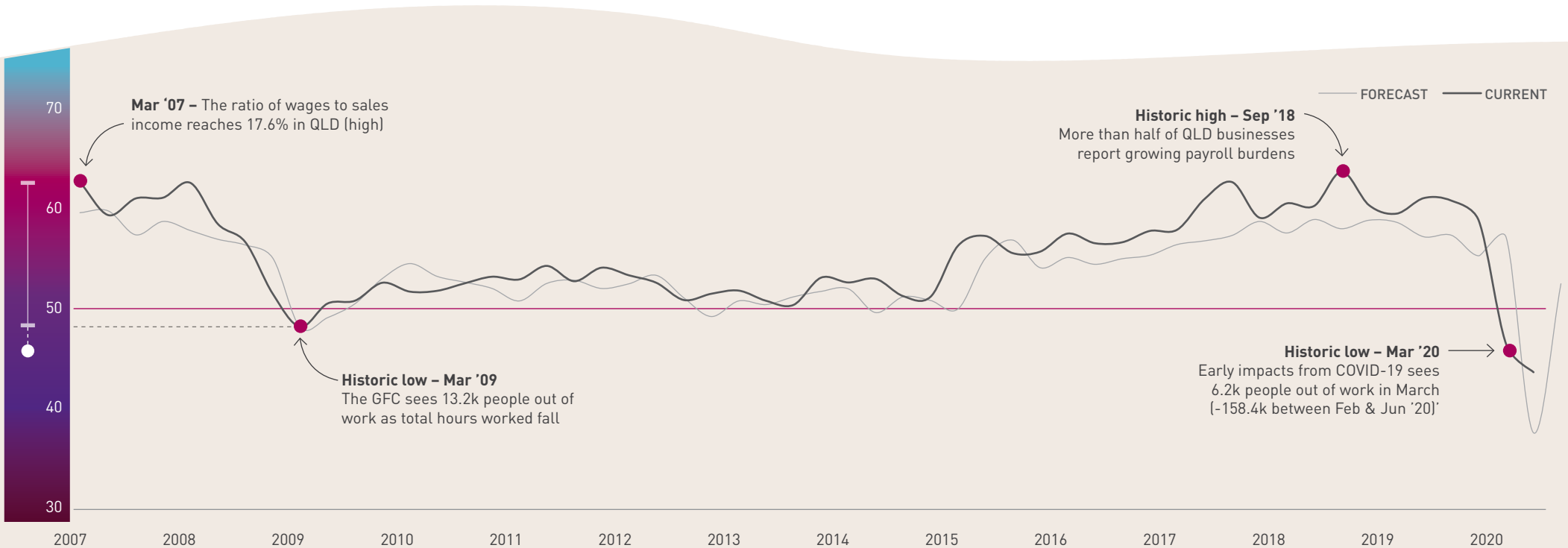
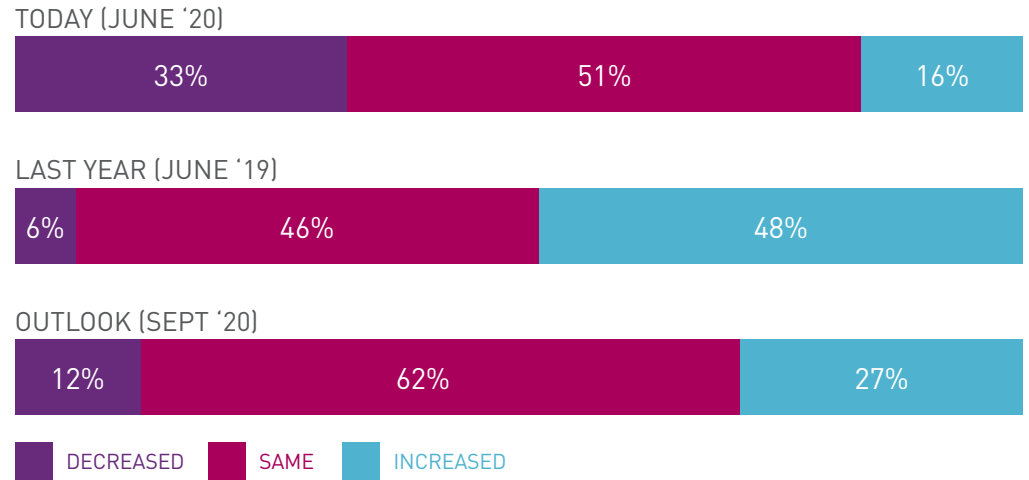
# LABOUR COSTS

Queensland businesses have been forced to ensure their viability by reducing staffing levels and working hours as a result of the impacts stemming from COVID-19. The Labour Costs Index fell by another 2.8 points in the June quarter to 43.5. This reading is 11.7 points lower than the ten-year average of 55.2, representing the lowest index score in the Survey's history and only the third time where the Index has been below 50 (indicating reducing labour costs). This result is also a reflection of rising unemployment and the JobKeeper wage subsidy program commencing during the quarter. Presently, the Australian Bureau of Statistics (ABS) labour force data indicates that 158,000 Queenslanders have lost their jobs since February 2020, with an estimated 160,000 Queensland businesses registering for the scheme for the April fortnights.

Queensland businesses anticipate wage costs to start rising again in the September quarter with the Forecast Index increasing by 8.9 points to 52.4. This finding follows just over one in four businesses budgeting to increase their labour costs during the September quarter.

**Brisbane** - There is fear that new waves of COVID-19 affecting other states will cause further restrictions and potential lockdown, causing further loss of jobs. The outcome for government funded payment incentives such as JobKeeper will also affect businesses being able to keep staff on in such uncertain times.

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



Source/s: ABS 5676.0 Business Indicators, Queensland (seasonally adjusted), ABS 8501.0 Retail Trade, Queensland (seasonally adjusted)



# PROFITABILITY

The June quarter saw a slight uptick in profitability with the Pulse Index increasing by 2.4 points to 30.4. Despite this improvement, profits remain at an unprecedented low which is 10.2 points below the ten-year average and 7.4 points below the historic low during the December quarter in 2010 following the GFC. This reading follows a sharp collapse in sales and revenue during the quarter, coupled with only a limited capacity to reduce business costs. More specifically, two in every three businesses (65%) reported that their profitability had declined during the quarter, adding to the 70 per cent of businesses already coping with falling profits from the prior quarter (March 2020).

Businesses anticipate a slight improvement in their profitability with the Forecast Index increasing by 11.9 points to 42.3. This result reflects a greater proportion of businesses (22%) expecting their profitability to improve compared to the 14 per cent experienced in the June quarter.

**Sunshine Coast** - Poor consumer confidence, coupled with ongoing compliance cost from all levels of government has meant that business costs have remained high despite income falling. Red Tape, Green Tape, forced competitive price cuts, and having to do work for others for free, means that no profits have been retained.

**Far North Queensland** - In Far North Queensland, businesses are being left to deal with a significant downturn in profits from the summer and autumn months. Now we are entering the low months with no profits or savings.

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

TODAY (JUNE '20)



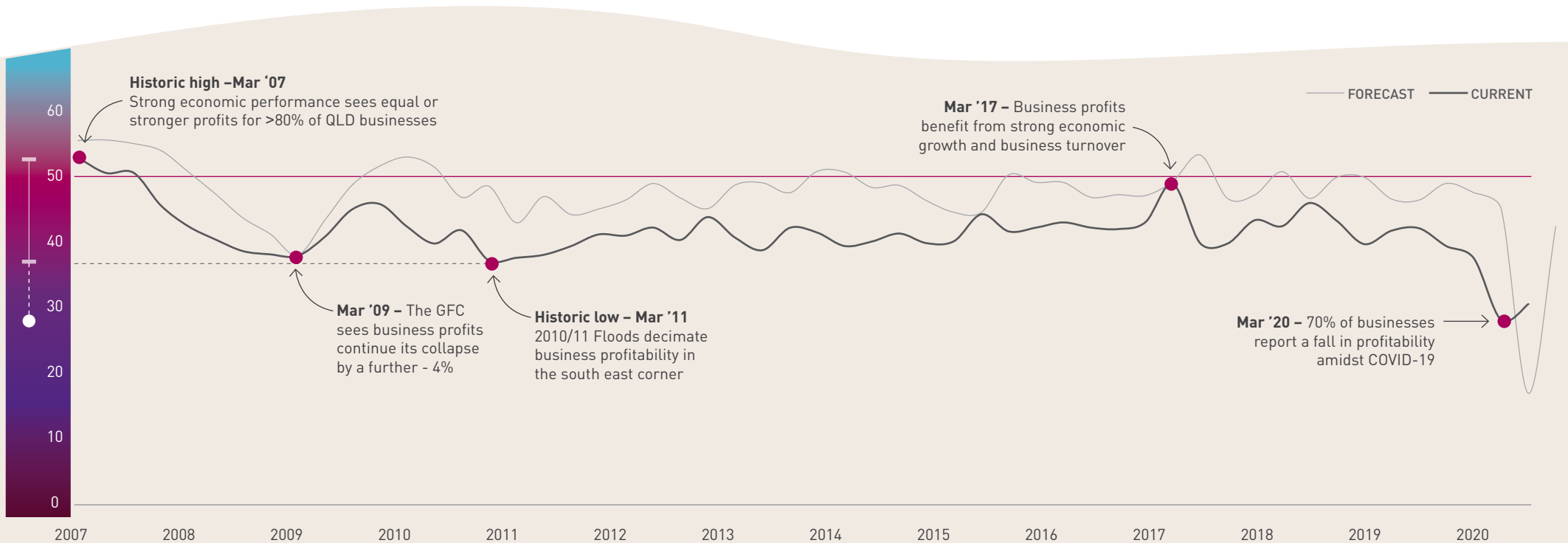
LAST YEAR (JUNE '19)



OUTLOOK (SEPT '20)



DECREASED SAME INCREASED



Source/s: ABS 5676.0 Business Indicators (seasonally adjusted)

# EMPLOYMENT LEVELS

The Employment Levels Index increased by 2.3 points in the June quarter to 39.3, showing that employment intentions are improving from the historic low in the March quarter (2020). This finding is consistent with ABS data indicating an additional 53,000 Queenslanders finding a job during the month of June. Despite this, employment levels state-wide continue to be down by 158,000 since February 2020 as the unemployment rate of 7.7 per cent still exceeds the national average (7.4%) on a seasonally adjusted basis. The Index is 7 points lower than the ten-year average of 46.3 and is 2 points below its historic low during the GFC in the March quarter of 2009. Despite these outcomes, this indicator has not recorded the level of deterioration that would have otherwise occurred without Federal Government assistance schemes like JobKeeper.

There is greater optimism for increasing employment levels during the September quarter with the Forecast Index 8.1 points higher at 47.4. Despite this, the majority of Queensland businesses (62 per cent) are still anticipating employment levels to remain steady from the low base reported during the March and June quarters (2020).

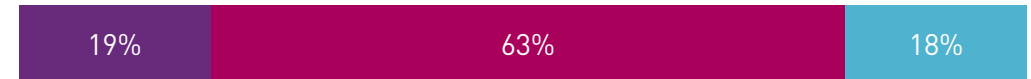
**Brisbane** - Reduced consumer spending due to higher unemployment will lead to reduced business spending and investment. This will then lead to further unemployment which will be very hard to get out of the spiral.

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

TODAY (JUNE '20)



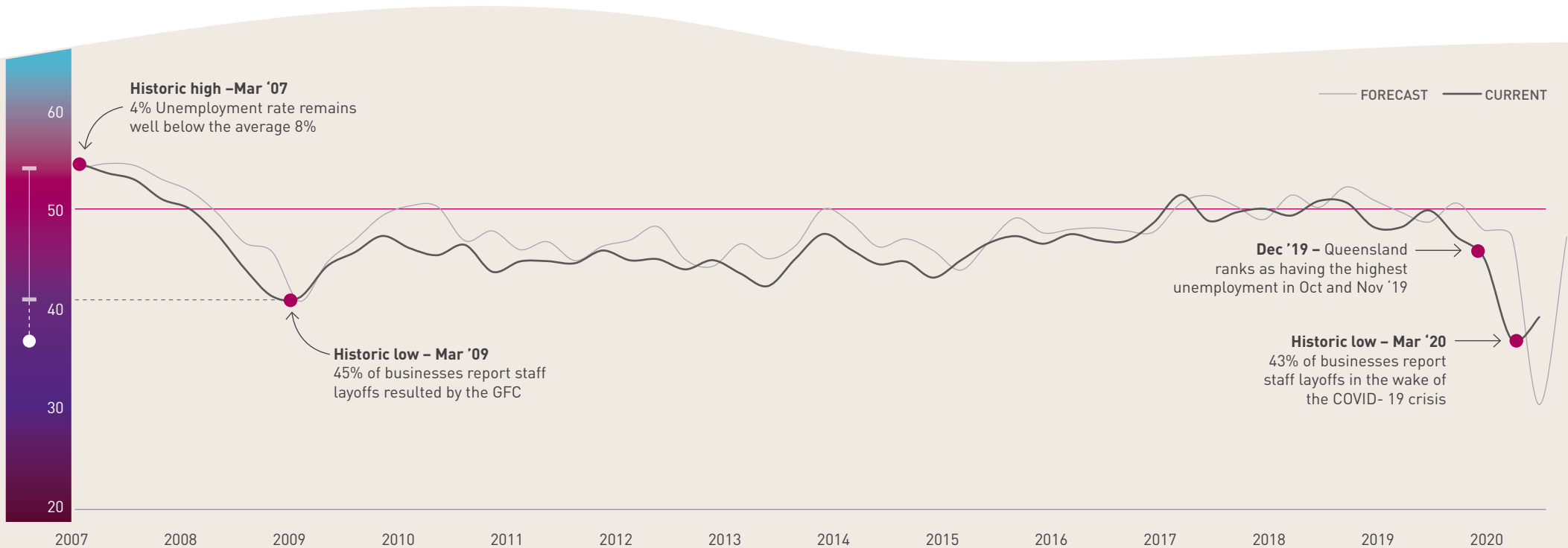
LAST YEAR (JUNE '19)



OUTLOOK (SEPT '20)



DECREASED SAME INCREASED



Source/s: ABS 6202.0 Labour Force (seasonally adjusted)

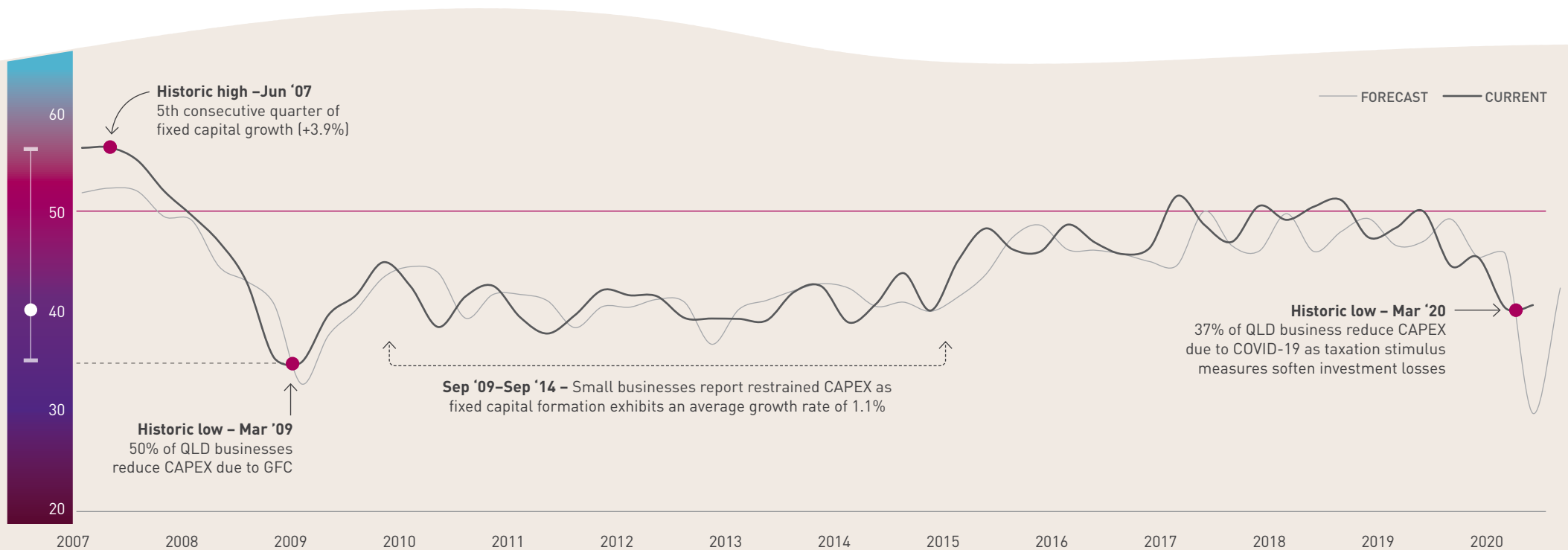
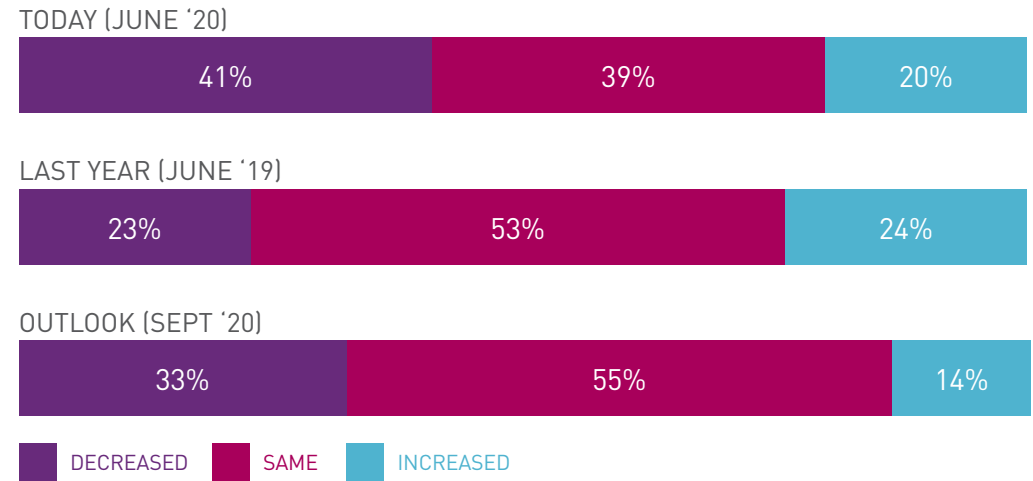
# CAPITAL EXPENDITURE

The Capital Expenditure Index remained virtually unchanged, increasing by only 0.3 points to 40.6. This reading follows from extremely poor profitability and an absence of cash reserves caused by extended periods of poor trading conditions across 2019, resulting in a continued contraction of capital expenditure. The Index reading is 3.7 points lower than the ten-year average of 44.3, but has remained above the lows experienced in the previous economic crisis in 2008/09. A small portion of businesses have leveraged investment incentive schemes (instant asset write-off and accelerated depreciation) to lower their taxable income while boosting productivity, but these remain the exception.

During the September quarter, businesses indicated that they anticipate having to further reduce capital expenditures during the September quarter with the Forecast Index remaining below a neutral reading of 50.0 (climbing 1.8 points to 42.4).

**Brisbane** - Material contraction in confidence and business investment due to COVID will have a serious impact on the future performance of the economy

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

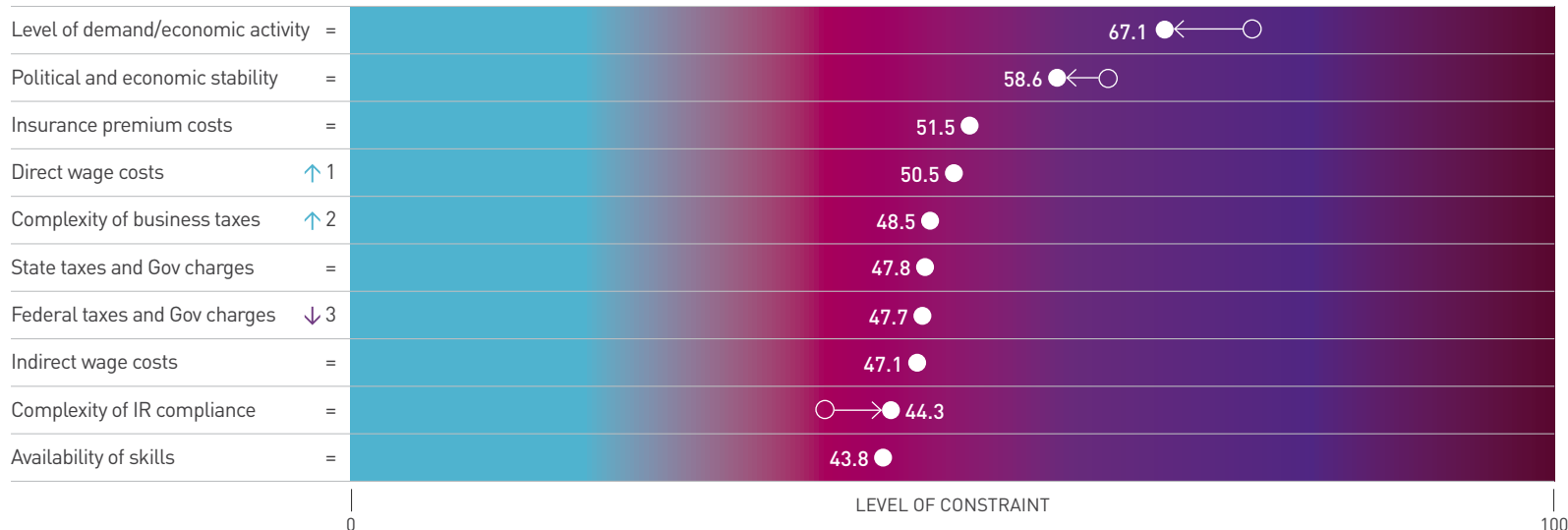


Source/s: ABS 6202.0 Labour Force (seasonally adjusted)

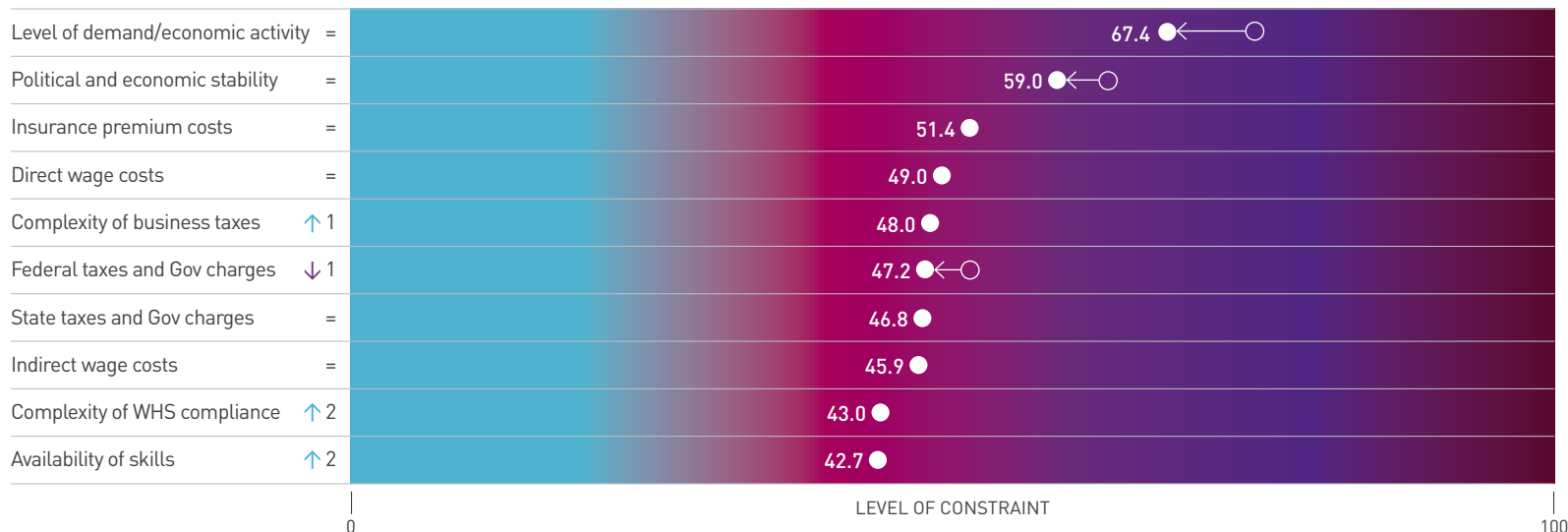
# MAJOR CONSTRAINTS ON BUSINESS GROWTH

## STATEWIDE

LEGEND: ↑ 2 QUARTERLY CHANGE    CURRENT ●    ○ PREVIOUS



## SMALL BUSINESS



## STANDOUTS

The absolute standout constraint on Queensland businesses at present continues to be the level of consumer demand/spending and overall economic activity. This constraint has eased in severity during the June quarter, consistent with the Stage one and Stage two easings of restrictions that occurred in May and June 2020. Political and economic stability remains in the number two spot and will continue to be a prominent constraint until the global pandemic is contained. The next three constraints are all in business cost areas including insurance, wage cost and tax compliance.

### SMALL VS LARGE BUSINESS ISSUES

The June quarter continues the trend of the severity of constraint being felt more acutely by small businesses than larger enterprises. However, both small and large-sized businesses reported the lack of demand and economic activity more severely than medium-sized businesses in Queensland at present. This finding is likely a reflection of the industries that these businesses are exposed to concerning business restrictions and general household spending.

### REGIONAL VS METRO BUSINESS ISSUES

While the level of economic demand and activity ranked as the most significant constraint for regional businesses, those in the northern regions were particularly affected. The largest discrepancy between regional and metro constraints was for the level of business taxes and government charges, which ranked as the second-highest constraint for regional businesses compared to 5th for the latter. Otherwise, the areas of compliance and complexity, particularly that involved in workplace health and safety (WHS) and environmental regulations continue to be a significant burden for business growth outside of the South East Corner.

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

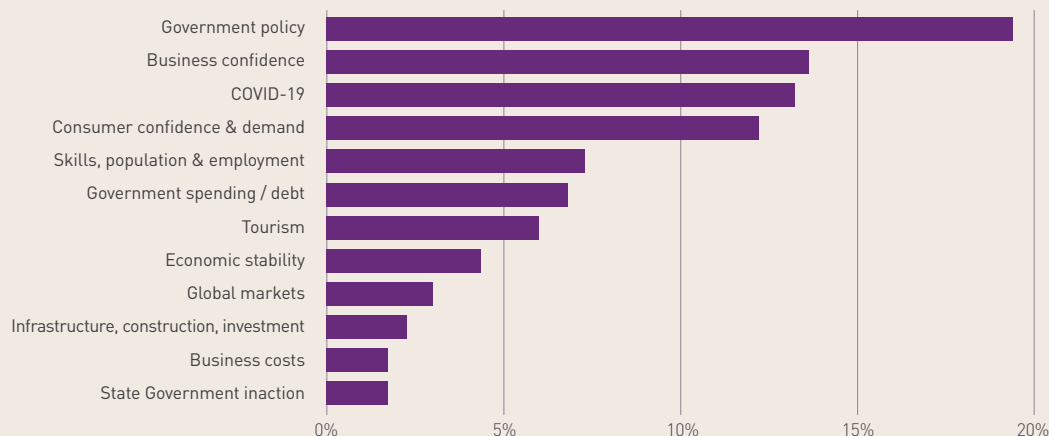
Open-ended qualitative questions within the Suncorp CCIQ Pulse Survey enable small businesses to provide commentary about issues and matters specific to their businesses as well as factors that have or will affect economic activity over the next 12 months. Unsurprisingly, COVID-19 continues to be at the forefront of nearly all Queensland businesses' minds – either in the context of policies to address the economic fallout of the pandemic or the poorer economic conditions more generally.

During the June quarter, nearly 20 per cent of respondents sighted government policies as having the most significant economic impact on businesses. This finding follows a large volume of businesses currently utilising JobKeeper/JobSeeker payments and the concerns around

viability and growing unemployment if these subsidies cease at the end of September 2020.

Otherwise, poor business and consumer confidence continue to be a key factor as the COVID-19 pandemic transpires. Interestingly, businesses had differing opinions about the impacts of consumer confidence and demand. Namely those that were able to pivot their service offering (e.g. online retail and fast food hospitality) saw a strong return to consumer spending. In contrast, business to business services and wholesalers continue to suffer from delayed business spending. Moving forward, the longevity of consumer spending will depend on the continuance of JobKeeper and other Government assistance measures in the months following September 2020.

### KEY INFLUENCES ON BUSINESS CONFIDENCE IN THE ECONOMY



## THE VOICE OF QUEENSLAND'S BUSINESS COMMUNITY

“ **Brisbane** – There is continued uncertainty regarding COVID-19 and the ability of both state and federal governments to add enough stimulation to see businesses through. Although I believe the lack of international travel for Australians could allow us to revert back to investing within our own economy seeing greater internal cash flow which has the possibility of giving us a softer landing.

“ **Brisbane** – The recession and lack of consumer confidence will impact all economies.

“ **Sunshine Coast** – Many businesses will not recover from the COVID-19 crisis/shutdown and will either have closed completely or will be trading at a much reduced level. This has resulted in job losses and reduced incomes, not to mention reduced taxes for our budget. Other businesses will be able to resume at full levels of activity, with some increasing due to less competition and government stimulus providing their customers with an incentive to spend. Overall the economy will be down but barring further major events.

“ **Far North Queensland** – The future will depend on businesses ability to bounce back. Business and consumers are fragile. Business owners will be averse to risk, and consumers will be holding onto their wallets causing spending to decline considerably. This will significantly affect retail sales, housing prices and tourism.

“ **South West Queensland** – Continuing impacts of COVID-19 and social distancing. Suppliers having delays and backorders due to international manufacturers shut-downs as well as limited transport options internationally (fewer flights/ships).

“ **Brisbane** – Recovery stimulus will be strong, but the lack of international travellers will be a headwind. Australian tourism and hospitality needs to gear up for the domestic customer. Operators need to price their services accordingly and not gouge Australian customers. Moving forward, we need to think in terms of long-term sustainability of businesses, not a short one-off sugar hit. There is a massive opportunity to build a strong economic base if operators and the government think this way.

# THE VOICE OF QUEENSLAND'S BUSINESS COMMUNITY

“ **Brisbane** – I have no idea how the economy will perform at the moment. Once JobKeeper finishes and the true unemployment rate is stated, businesses and consumers will be spooked. Therefore, all spending is being limited to essentials only.

“ **Brisbane** – State economies will probably be strongly impacted by Federal funding for infrastructure. Queensland will be particularly impacted by the election result as well as mining and resource prices. Otherwise, the performance of the Australian economy will be affected by businesses surviving the shutdowns.

“ **Far North Queensland** – The effects of COVID-19 reaching grassroots level businesses. Federal, State and Local governments will not have the money to spend on the long term and ongoing infrastructure projects. Concerns are that superficial and low-level maintenance projects that do not engage or have limited engagement of private sector businesses will become more prevalent.

“ **Central Queensland** – It is going to take 12 months or more to get the flow of money back into the businesses. This is made worse by people holding their funds out of fear and because they won't have the spare funds to spend.

“ **Wide Bay Burnett** – There are many people out of work. Therefore, there is less money to spend or travel. People are worried about the economic future, so are not spending like they usually would.

“ **Brisbane** – The ability for businesses to adapt post-COVID-19 will be detrimental. Organisations now have higher debt following, so more businesses will fail - cash flow management will be critical. On the other hand, many businesses will become more efficient and digital savvy. Organisations will be forced into a period of innovation and efficiency improvements. In the short term, the economy will struggle, but in the medium to long-term, the economy will be more productive.

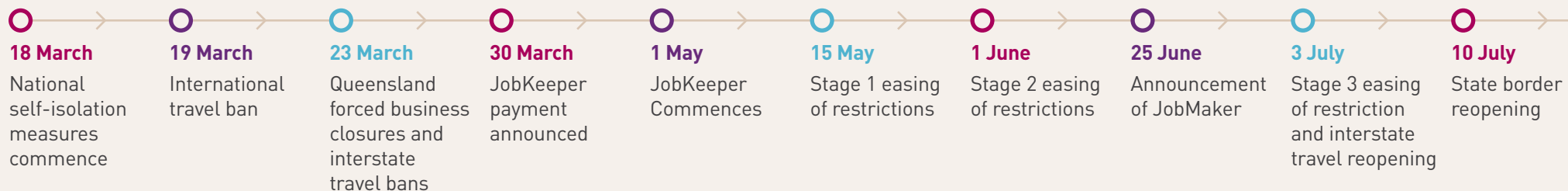
“ **Wide Bay Burnett** – If coronavirus can be contained and a vaccine developed soon, I believe the Australian economy will improve with many now holidaying at home and local manufacturing increasing.

“ **Sunshine Coast** – Being a very small part of the tourism industry in my area I have noticed the past few months have been hard on other tourism businesses. However, as restrictions have lately eased on travel, there has been quite a noticeable change for the better, and I feel that tourism wise, things will soon return to normal or possibly better.

“ **Brisbane** – How quickly businesses return their staff to the work environment. Particularly in the CBD areas. Most of the service and retail businesses in the CBD rely on offices to be fully tenanted and not working from home to survive. Therefore, how soon conditions return to normality will be crucial for us to survive.

“ **North Queensland** – The financial consequence of COVID-19 will have an impact on the economy at a local, state and federal level. However, Queensland has faced these types of issues before with widespread weather events. The difference with COVID-19 is that there is no foreseeable end date, so the return to some kind of regular trade will be much slower. I imagine businesses able to withstand weeks or months of closure would not cope with ongoing closures and reduced trade due to the fact the customers also are experiencing financial hardship. So, it is the unknown end date of this current crisis which will affect us all at all levels over the next 12 months plus.

## COVID-19 BUSINESS RESTRICTIONS



# ABOUT PULSE

The Pulse Survey has measured Queensland business confidence and expectations quarterly for over 20 years. It 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 range of the business community.

The survey period was from the 1st to 15th of July 2020 and examines business sentiment and activity throughout the June quarter 2020. 1,167 participants 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).**

# PULSE BUSINESS INDEX

The analysis undertaken by CCIQ in the preparation of this Pulse Survey Report is based on survey responses from Queensland businesses.

The report uses the seasonally adjusted Pulse Business Index 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 grown over the previous quarter. A reading of 50 indicates conditions have remained the same and less than 50 indicates conditions have fallen.

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

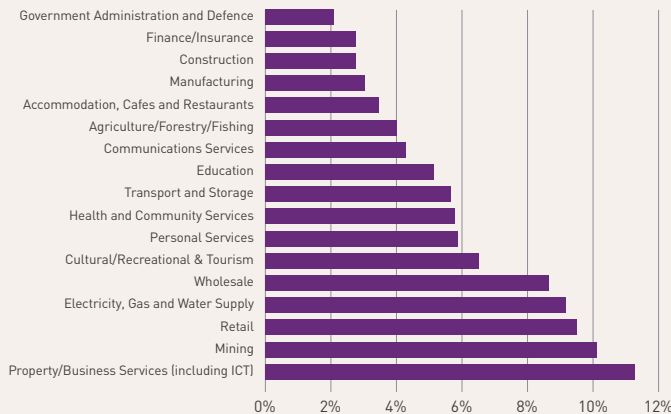
Very Weak	0 – 20
Weak	21 – 40
Satisfactory	41 – 60
Strong	61 – 80
Very Strong	81 – 100

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.

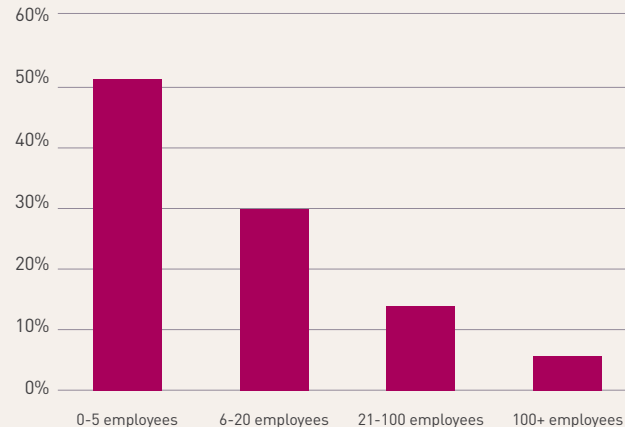
### Degree of Constraint Index

No Constraint	0 – 20
Slight Constraint	21 – 40
Moderate Constraint	41 – 60
Large Constraint	61 – 80
Critical Constraint	81 – 100

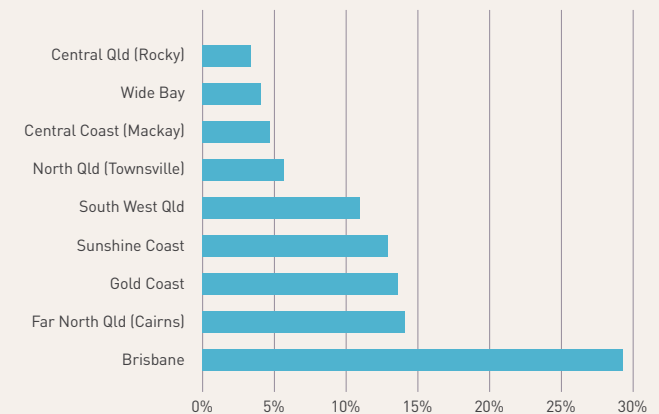
## INDUSTRY REPRESENTATION



## SIZE OF ORGANISATION



## REGIONAL REPRESENTATION



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