



TASMANIAN SURVEY OF BUSINESS EXPECTATIONS

2023 QUARTER 1

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

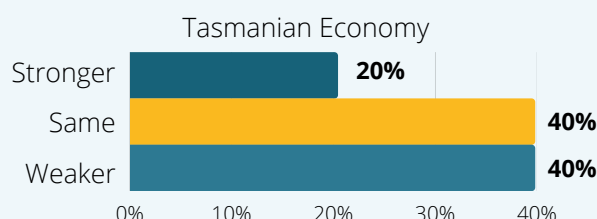
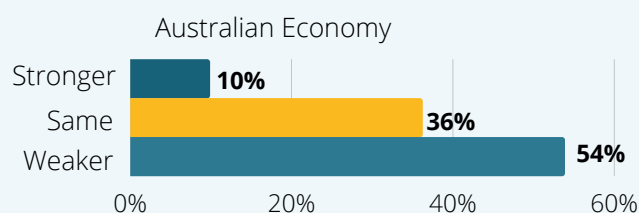
The TSBE is Tasmania's longest running survey of business expectations. The survey is conducted quarterly and captures the general sentiment of business confidence and their expectations for that period.

AUSTRALIAN AND TASMANIAN ECONOMIC PERFORMANCE

This quarter has seen a flattening in business confidence in comparison to previous quarters with only 10 percent of businesses expecting a stronger Australian economy. This is down from 16 percent the previous quarter. Expectations for the economy to stay the same have decreased from 40 percent last quarter to 36 percent this quarter. More businesses expect the Australian economy to be weaker with 54 percent of respondents, compared with 44 percent the previous quarter.

Expectations for the Tasmanian economy have followed a similar trend with only 20 percent of respondents expecting a stronger economy, down from 24 percent last quarter. Those anticipating the economy to stay the same has not increased or decreased, staying at 40 percent. The declining optimism of business can be seen with an increase in the number of businesses expecting the economy to be weaker over the next twelve months, 40 percent, up from 36 percent last quarter.

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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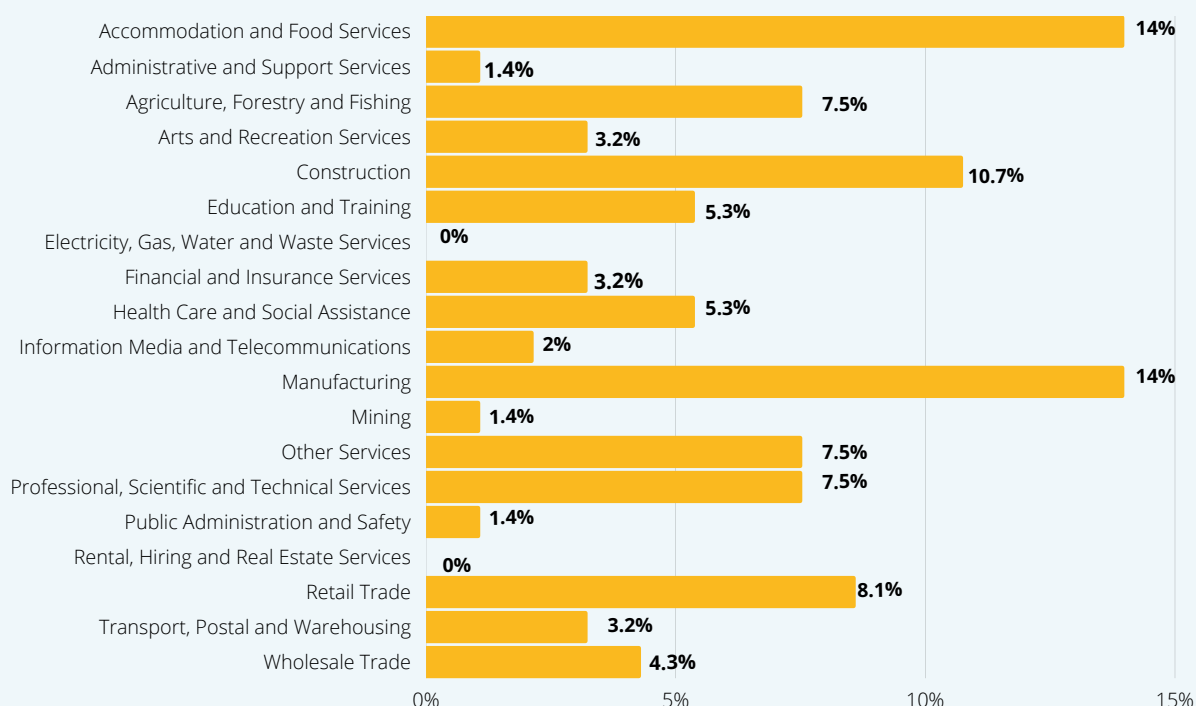
ABOUT THE RESPONDENTS

All regions of the state were well represented based on business density by region, with 52 percent of respondents' businesses based in the south, 17.5 percent in the north, 9.5 percent in the north-west and 21 percent state-wide. All industry sectors were represented.

Of the respondents, 93.5 percent own or operate a business in Tasmania with the remaining 6.5 percent representing industry bodies.

In relation to business size, 55 percent of respondents employ between 1 and 19 employees, 16 percent employ between 20 and 99, 16 percent employ over 100 and 13 percent indicated that they did not have any employees.

RESPONDENTS BY INDUSTRY SECTOR



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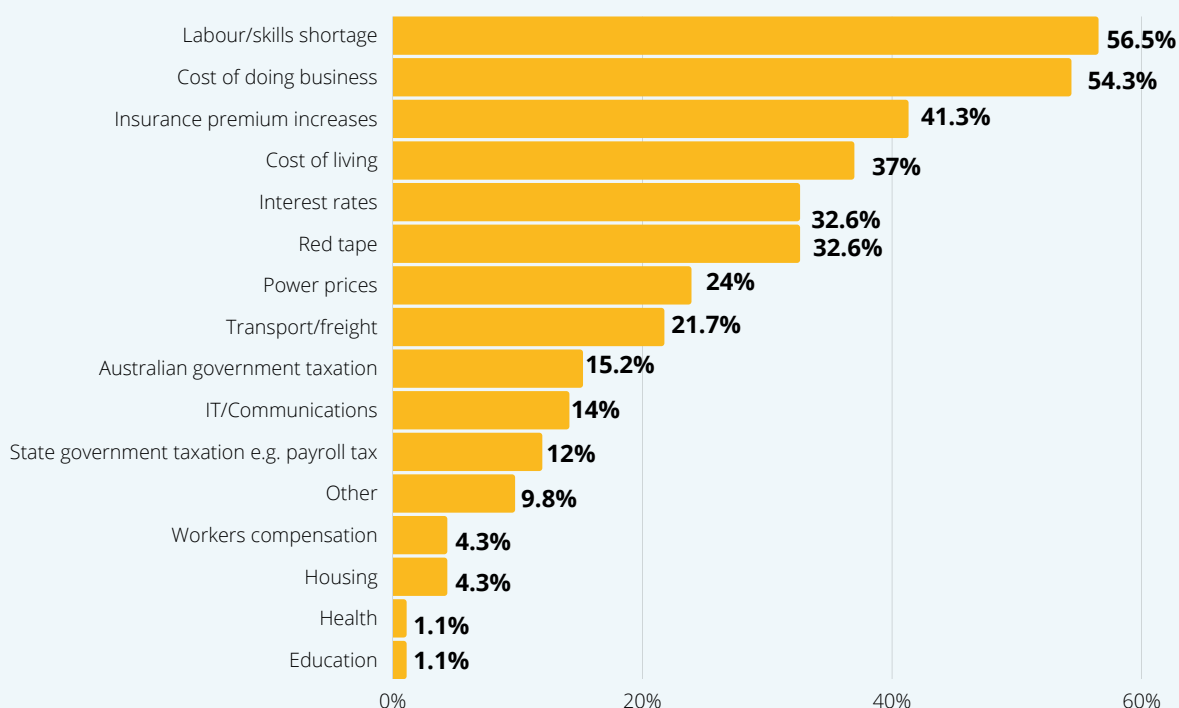
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TOP ISSUES AFFECTING BUSINESS RIGHT NOW

Over half of respondents (56.5%) noted labour and skills shortages as the biggest issue affecting their business right now. This was followed closely by the cost of doing business at 54.3%. Insurance premium increases are also a top issue affecting a significant percentage of businesses, 41.3%.

Over a third of respondents listed key issues affecting their business as cost of living, 37%, along with interest rates and red tape both a key issue for 32.6% of respondents.

The remaining key issues generally fell into the broad category of the cost of doing business, such as power prices 24%, transport/freight 21.7% and taxation (State and Federal).



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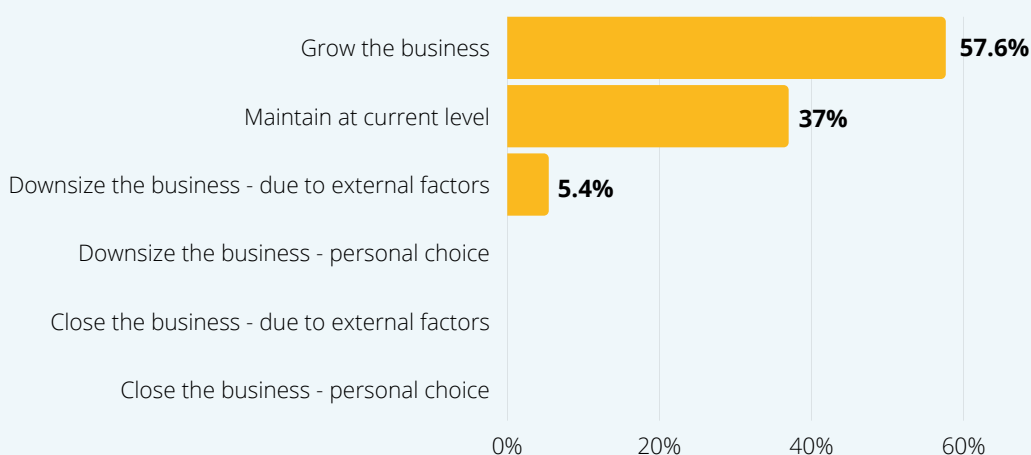


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INTENTIONS FOR BUSINESS OVER THE NEXT SIX MONTHS

Despite respondents this quarter expecting both the Australian economy (up 10 percentage points) and the Tasmanian economy (up 4 percentage points) to be weaker over the coming 12 months, pleasingly just under 60 percent of businesses intend to grow their businesses over the next six months. This is congruent with the key issue for respondents being access to labour and skills.

A further 37 percent of respondents plan to maintain current business levels with the remaining 5.4% intending to downside due to external factors.



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

Nearly half of the respondents (44.6%) would be best supported to improve business resilience in the coming six months through marketing support. This was followed closely by networking and collaboration opportunities, 42.4%. Business planning (37%) and diversification strategies (21.7%) also rated highly for respondents. The remaining supports identified, largely related to business and financial management.



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