



TASMANIAN SURVEY OF BUSINESS EXPECTATIONS

2023 QUARTER 4

The TCCI has released the Q4 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.

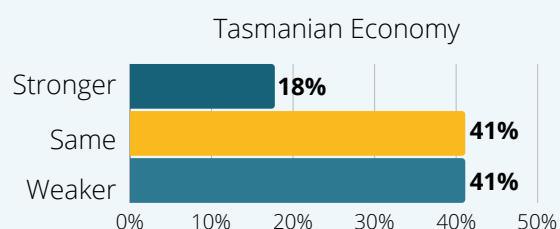
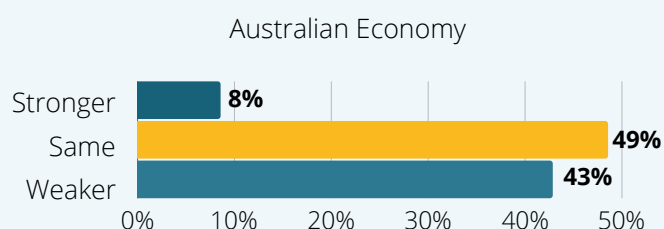
AUSTRALIAN AND TASMANIAN ECONOMIC PERFORMANCE

Business Confidence in Australia and Tasmania for the Current Quarter

Compared to the previous quarter, there has been a slight decrease in business confidence with regard to the Australian economy. Of the respondents, 8 percent anticipate a stronger economy, down from 12 percent last quarter. Meanwhile, 49 percent expect it to stay the same, compared to 44 percent who predict weaker results.

The Tasmanian economy has seen a decline in business confidence over the same period. While 18 percent of respondents are optimistic about growth, down from 21 percent, the number of businesses that expect weaker economic conditions in Tasmania has decreased by 9 percentage points. Furthermore, those who believe that economic conditions will remain the same in Tasmania has increased by 22 percentage points.

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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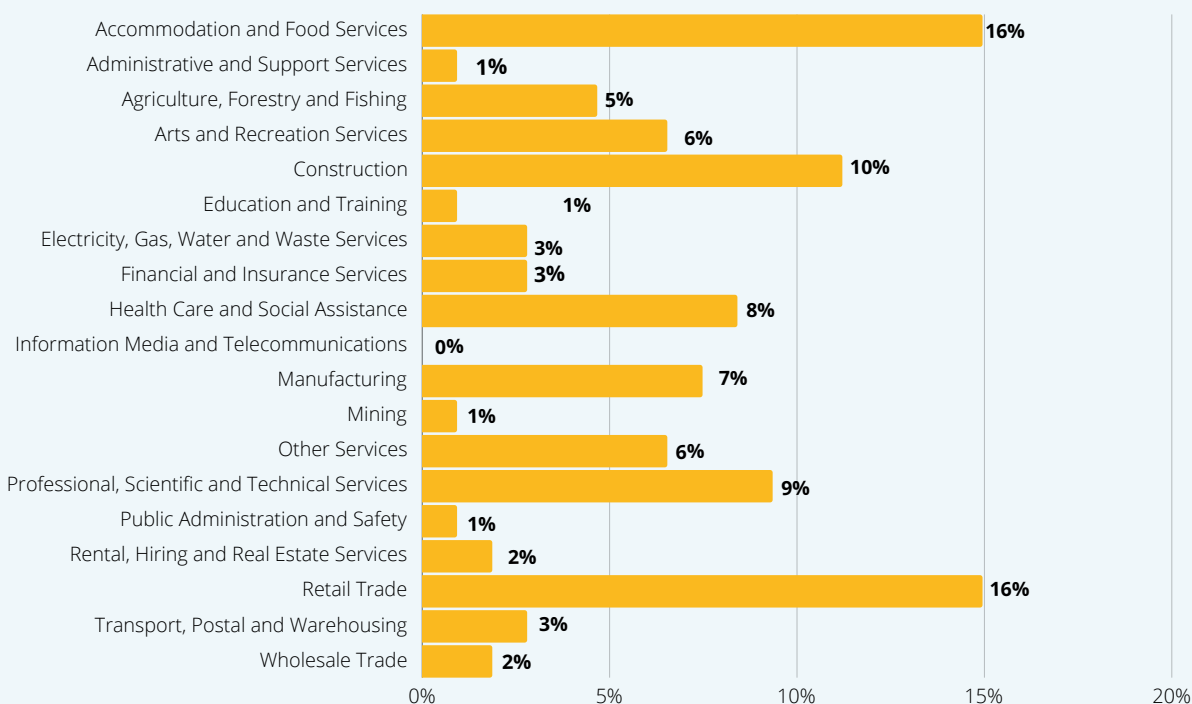
ABOUT THE RESPONDENTS

All regions of the state were well represented based on business density by region, with 41 percent of respondents' businesses based in the south, 26 percent in the north, 20 percent in the north-west and 13 percent state-wide. Almost all industry sectors were represented.

Of the respondents, 93 percent own or operate a business in Tasmania with the remaining 7 percent representing industry bodies.

In relation to business size, 57 percent of respondents employ between 1 and 19 employees, 26 percent employ between 20 and 99, 6 percent employ over 100 and 11 percent indicated that they did not have any employees.

RESPONDENTS BY INDUSTRY SECTOR



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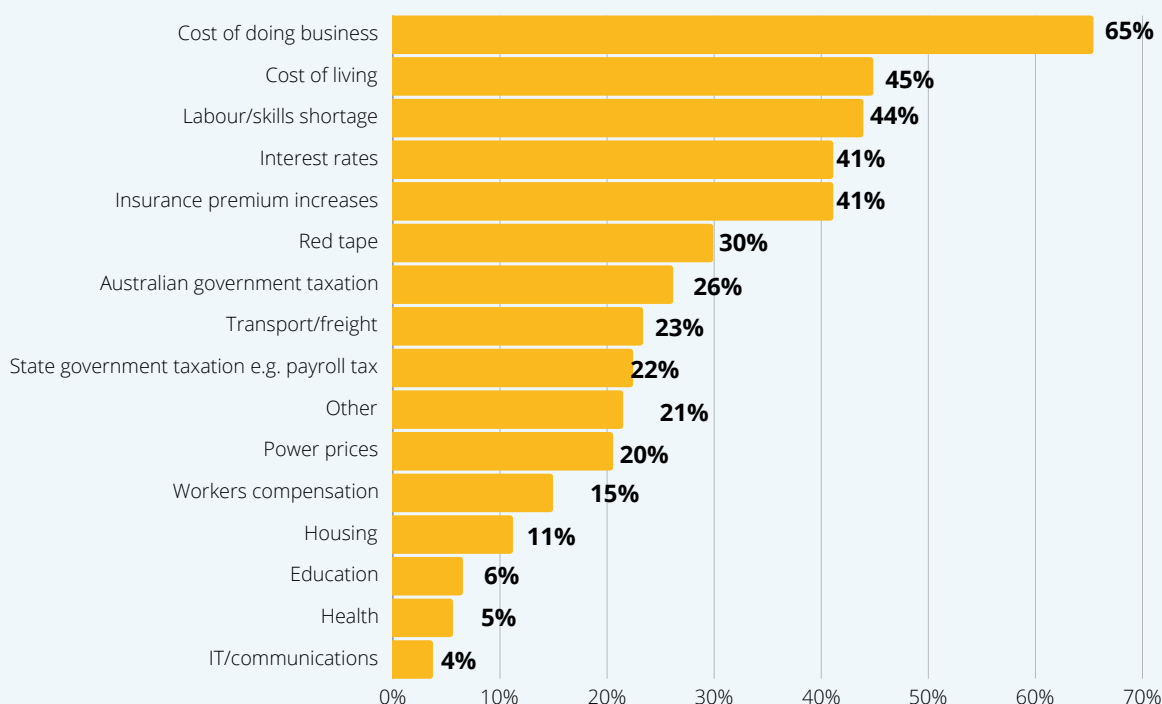
TOP ISSUES AFFECTING BUSINESS RIGHT NOW

This quarter has seen the cost of doing business as the biggest issue affecting 65 percent of the respondents, down from 67 percent last quarter. Cost of living is the second biggest issue affecting business right now with 45 percent, up from 48 percent last quarter.

Labour and skills shortages has increased to 44 percent this quarter, up from 43 percent last quarter.

The other key changes on last quarter include:

- ↑ Interest rates: a 3 percentage point increase, up from 38 percent to 41 percent
- ↑ Insurance premium increases: a 3 percentage point increase, up from 38 percent to 41 percent
- ↑ Red tape: a 13.5 percentage point increase, up from 16.5 percent to 30 percent



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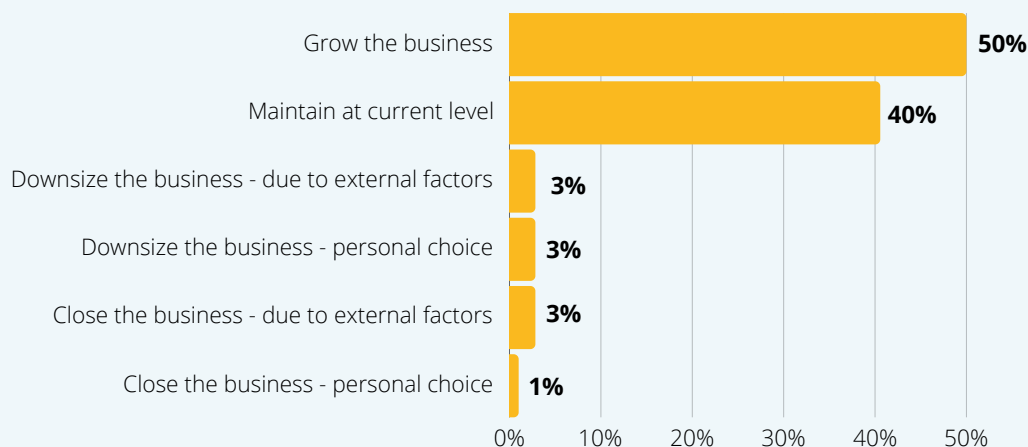
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INTENTIONS FOR BUSINESS OVER THE NEXT SIX MONTHS

Despite a reduction in expectations for the Tasmanian economy for the coming 12 months, pleasingly 50 percent of businesses still intend to grow their businesses over the next six months. However, this is down 4.5 percentage from last quarter.

Maintaining current levels has increased this quarter, up from 38 percent to 40 percent. The main shifts is towards downsizing and business closures.

- ↓ 2 percentage point decrease in downsizing due to external factors
- ↑ 1 percentage point increase in downsizing due to personal choice
- ↑ 2.4 percentage point increase in closure due to external factors
- ↑ 1 percentage point increase in closure due to personal choice.



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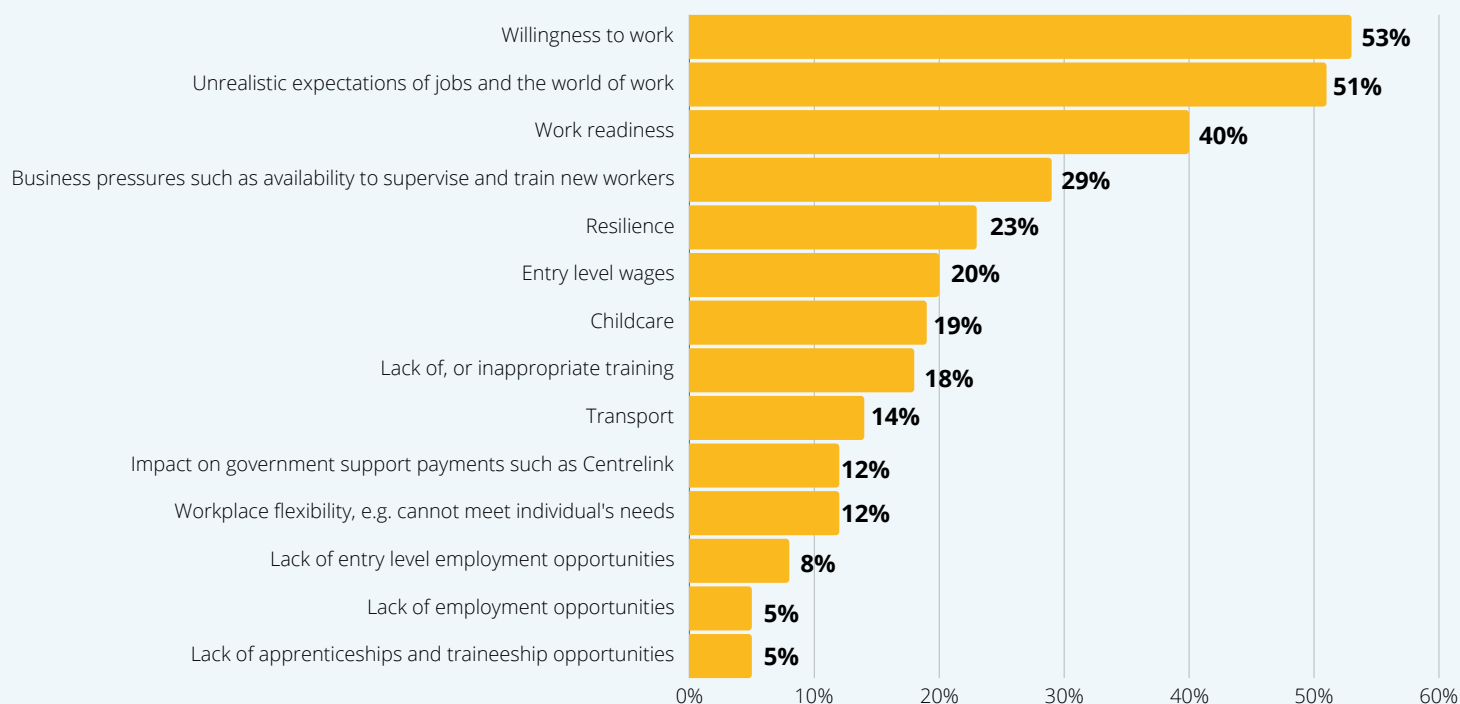


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WHAT DO YOU CONSIDER TO BE THE BARRIERS FOR PEOPLE ENTERING THE WORKFORCE

Consistent with last quarter, a majority of respondents (53 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, (51 percent), and a lack of work readiness (40 percent) identified by businesses as key barriers to entering the workforce.



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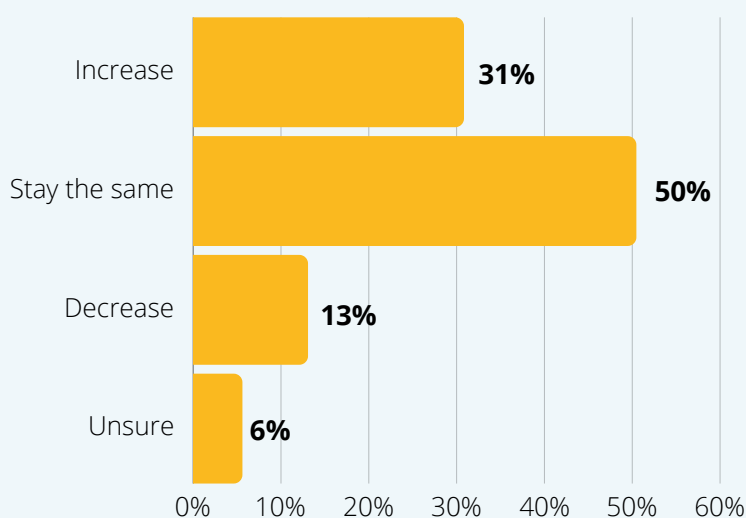
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INTENTIONS FOR YOUR WORKFORCE OVER THE NEXT TWELVE MONTHS

Of the respondents, 31 percent of businesses intend to increase their workforce in the upcoming twelve months.

The majority of participants, however, intend to maintain their current workforce, with 50 percent indicating they will stay the same.

13 percent of participants have expressed their intention to decrease their workforce, while the remaining 6 percent remain unsure.



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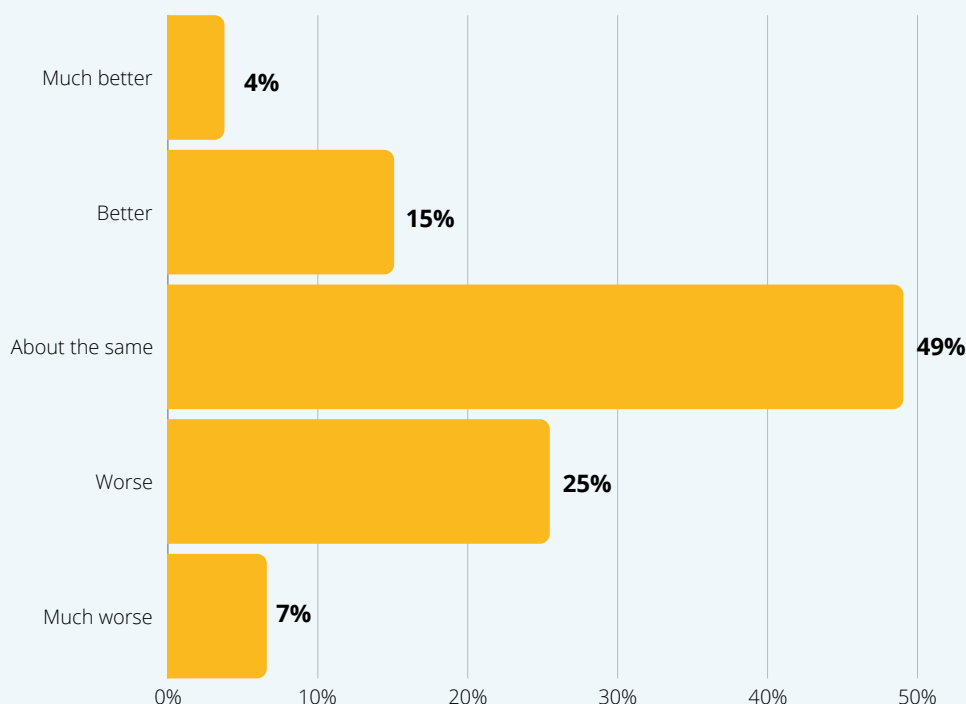
THIS YEAR'S CHRISTMAS/NEW YEAR'S TRADING COMPARED TO LAST YEAR

The survey shows that 4 percent of businesses believe that the Christmas/New Year's trading was much better compared to last year.

15 percent of businesses believe that it was the better compared to last year.

Almost half of the businesses perceive trading to be about the same to the previous year.

25 percent of participants have expressed it was a worse for trading, while the remaining 7 percent believe that it was much worse.



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