



TASMANIAN SURVEY OF BUSINESS EXPECTATIONS

2025 QUARTER 1

The TCCI is pleased to present the results of the Tasmanian Survey of Business Expectations (TSBE) quarter one for 2025.

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

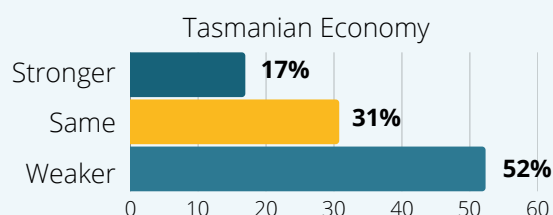
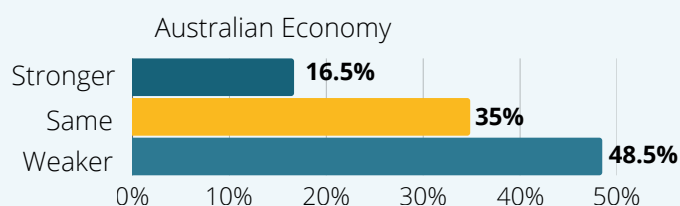
Australian Economy

In 2025 Q1, 48.5% of respondents expect the Australian economy to perform weaker over the next 12 months, an increase from 43% in 2024 Q4. Only 16.5% anticipate it will become stronger, a decline from 24% in the previous quarter. The percentage expecting it to remain the same slightly from 33% to 35%.

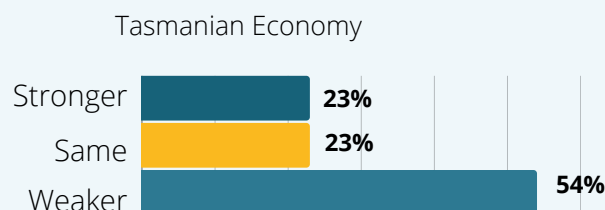
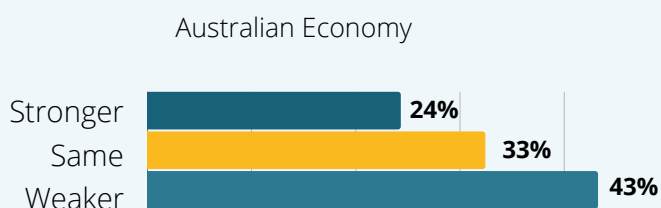
Tasmanian Economy

Perceptions of the Tasmanian economy have also shifted. In 2025 Q1, 52% believe the economy will be weaker, compared to 54% in 2024 Q4, indicating a slight improvement in outlook. The share of respondents who think it will remain the same increased from 23% to 31%, while those expecting a stronger performance decreased from 23% to 17%.

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



2024 QUARTER 4 PERFORMANCE EXPECTATION OF ECONOMIES



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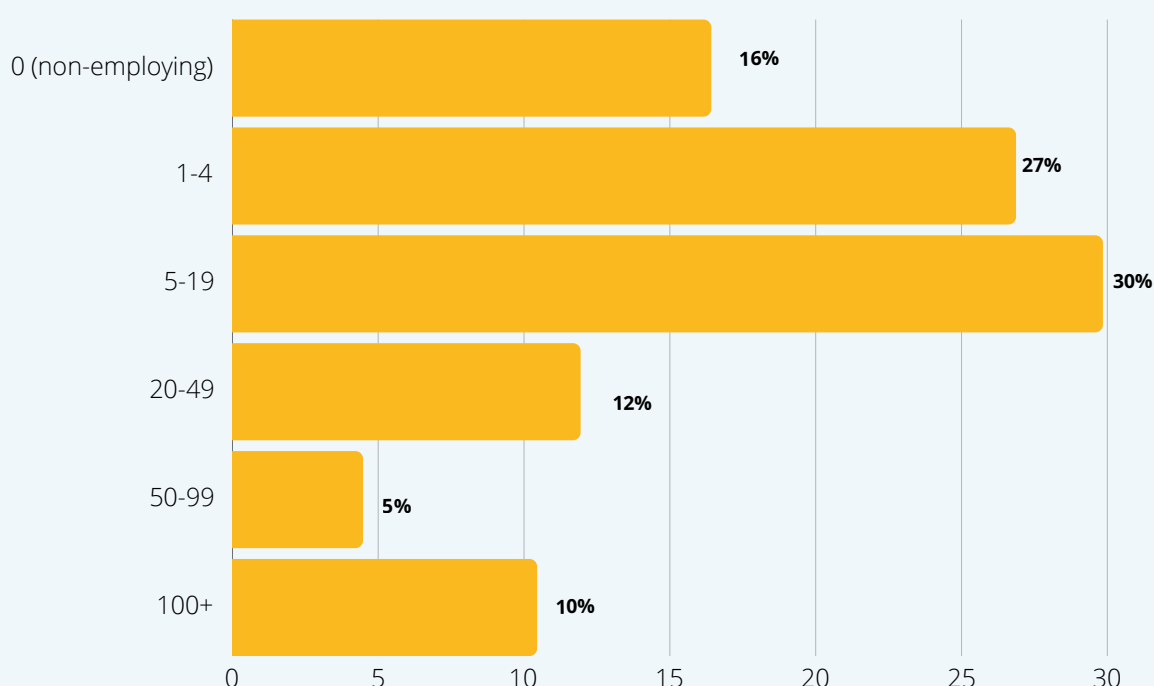
TASMANIAN SURVEY OF BUSINESS EXPECTATIONS

BUSINESS SIZE BY NUMBER OF EMPLOYEES

The majority of survey respondents operate small to medium-sized businesses. The largest group (30%) employ between 5 and 19 people, followed by 27% who have between 1 and 4 employees.

Non-employing businesses accounted for 16% of respondents. Businesses with 20 to 49 employees made up 12%, while 10% have over 100 employees. Only a small portion (5%) of businesses surveyed employ between 50 and 99 staff.

Number of Employees in Business



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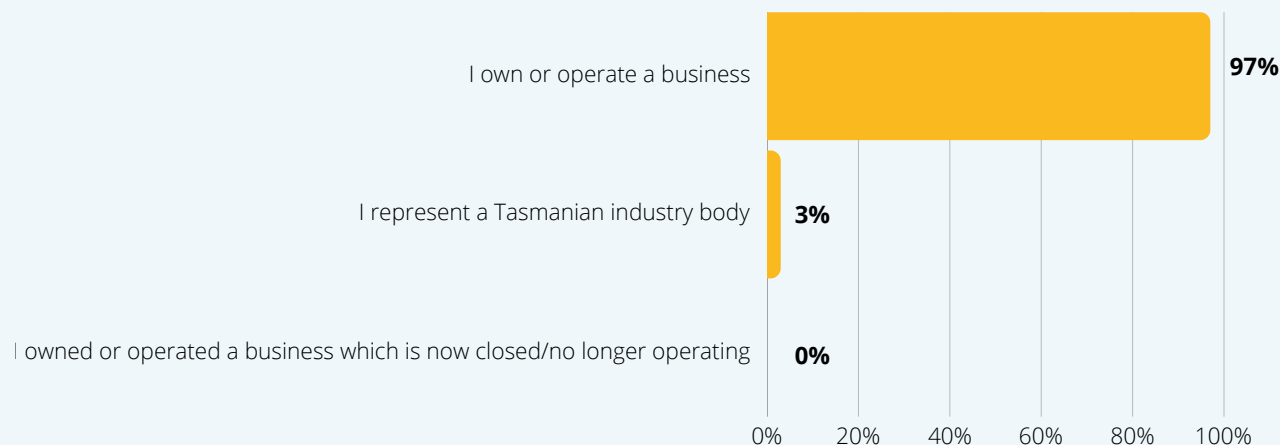


TASMANIAN SURVEY OF BUSINESS EXPECTATIONS

RESPONDENT CLASSIFICATION: WHICH OPTION BEST DESCRIBES YOU?

The vast majority of survey participants (97%) identified as business owners or operators within Tasmania. A small proportion (3%) represented a Tasmanian industry body.

None of the respondents indicated that they previously owned or operated a business that is now closed or no longer operating. This highlights that the survey results primarily reflect the views of active business operators currently engaged in the Tasmanian economy.



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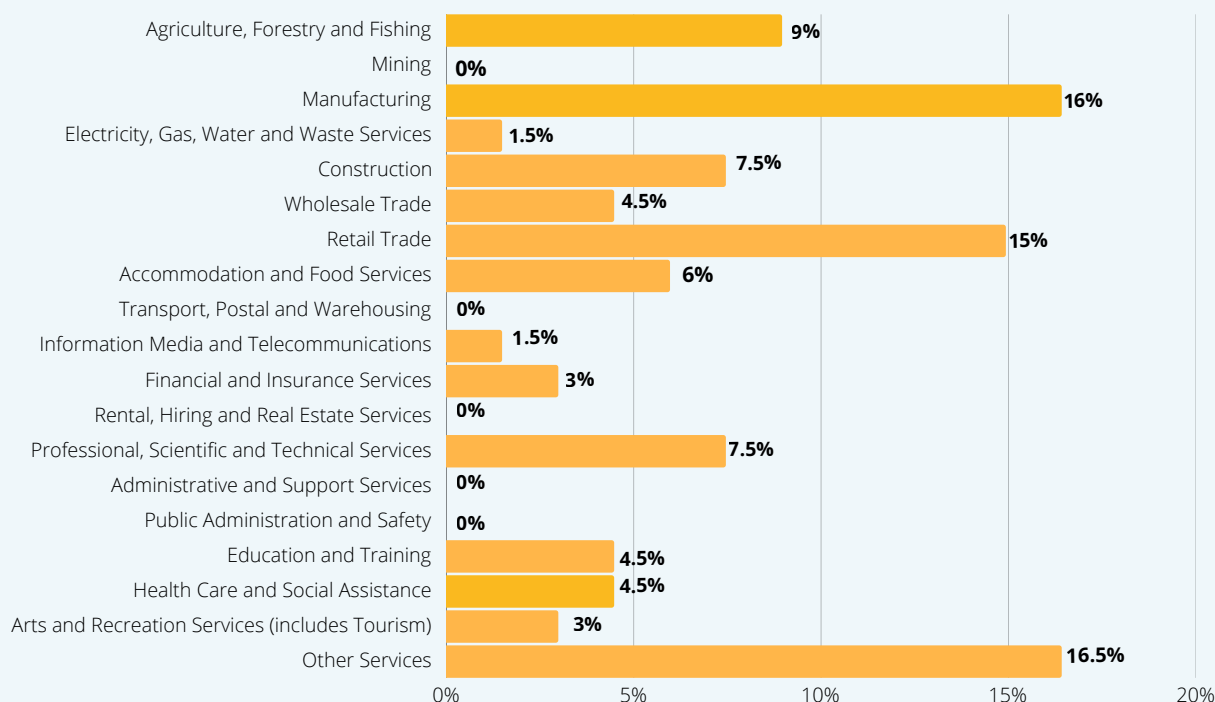
WHICH INDUSTRY BEST DESCRIBES YOUR BUSINESS

The highest proportion of respondents identified Other Services as their main business activity (16.5%), followed by Manufacturing (16%) and Retail Trade (15%).

Construction and Professional, Scientific and Technical Services each accounted for 7.5% of responses, while Accommodation and Food Services represented 6% of the total.

Several sectors such as Transport, Postal and Warehousing, Rental, Hiring and Real Estate Services, Administrative and Support Services, and Public Administration and Safety recorded no responses.

RESPONDENTS BY INDUSTRY SECTOR



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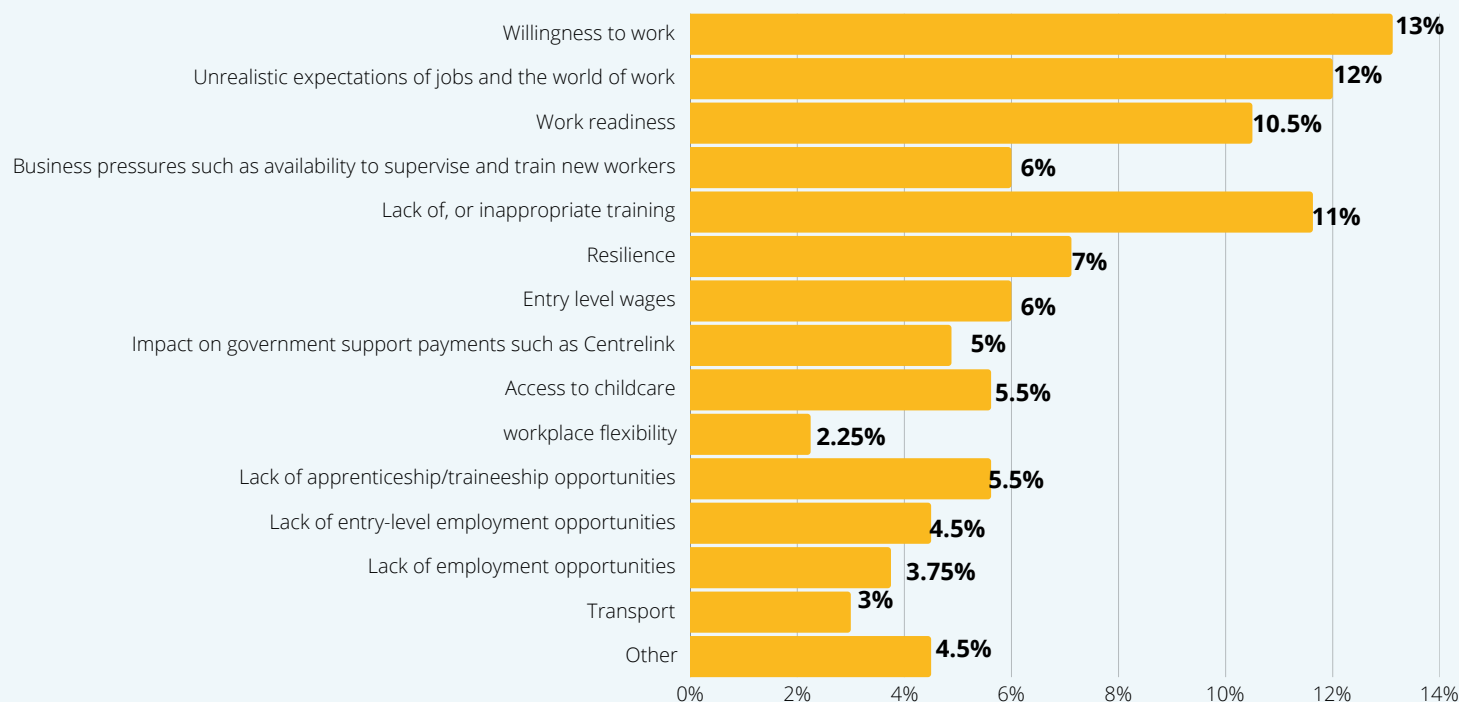
TASMANIAN SURVEY OF BUSINESS EXPECTATIONS

KEY BARRIERS TO WORKFORCE PARTICIPATION IN TASMANIA

The most prominent factor was willingness to work, cited by 13% of responses. This was followed by unrealistic expectations of jobs and the world of work (12%) and lack of, or inappropriate, training (11%), reflecting concerns about attitudes and preparedness among job seekers.

Work readiness accounted for 10.50%, suggesting that many individuals may lack the practical skills or mindset required for employment. Other significant barriers included resilience (7%), business pressures such as supervision and training capacity (6%), and entry-level wages (6%).

Less frequently cited barriers included transport (3%), lack of employment opportunities (3.75%), and workplace flexibility (2.25%), indicating that while structural issues do exist, employability factors are viewed as more pressing concerns overall.



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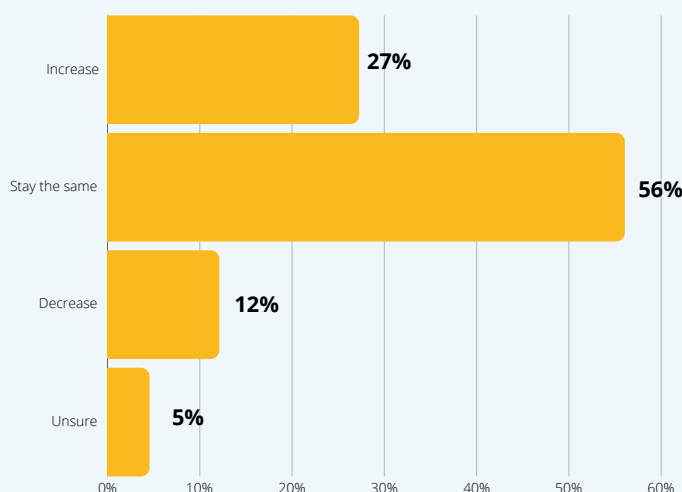
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WORKFORCE PLANNING INTENTIONS FOR THE NEXT 12 MONTHS

The majority of respondents (56%) indicated that they plan to maintain their current staffing levels.

Approximately 27% of businesses expect to increase their workforce, suggesting some confidence in future growth or demand. In contrast, 12% of respondents anticipate a decrease in staff, while a small portion (5%) remain unsure about their workforce plans.

These results indicate a generally stable employment outlook, with more businesses planning to grow or maintain staff levels rather than reduce them.



Respondent Commentary:

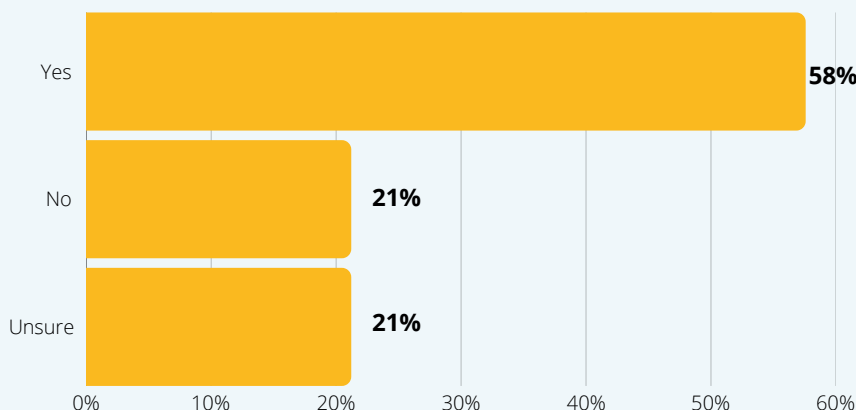
- Until the governments are forced to unhitch from the corporates then more businesses will close. Bell Bay Aluminium, Nystar, Health Scope and many already closed businesses is only the tip of the iceberg.
- Need to amend zoning in rural areas of Rural Municipalities.
- The direction of the economy is going I don't see us expanding
- Quitting my job and will be taking a (small) wage from my sole trader business, which has been a 'side hustle' up until this point
- US Tariff concerns
- We have just hired and imagine that we will aim to maintain our current team over the next 12 months.
- Being a small business costs so much - staff, insurance, tax , running costs , fuel etc
- This will be if we do not see too big a drop off in demand
- My business is quite busy and is constant
- If additional funding can be sourced. The need to expand our organisation is quite obvious, and requests for our service outweigh current funding.
- If anyone leaves, we won't replace them.
- Build staff levels back up and maybe add 1-2 additional workers.

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ACCESS TO TIMELY AND RELEVANT WORKFORCE TRAINING

A majority of respondents (approximately 58%) indicated that they can access appropriate training when needed, suggesting that most businesses are satisfied with current training availability. However, around 21% reported that they cannot access training at the right time, while another 21% were unsure, highlighting that nearly half of respondents face uncertainty or challenges regarding timely workforce development.

This data indicates that while training accessibility is generally positive, there remains a significant proportion of businesses that may benefit from improved support or clearer pathways to training resources.



Respondent Commentary:

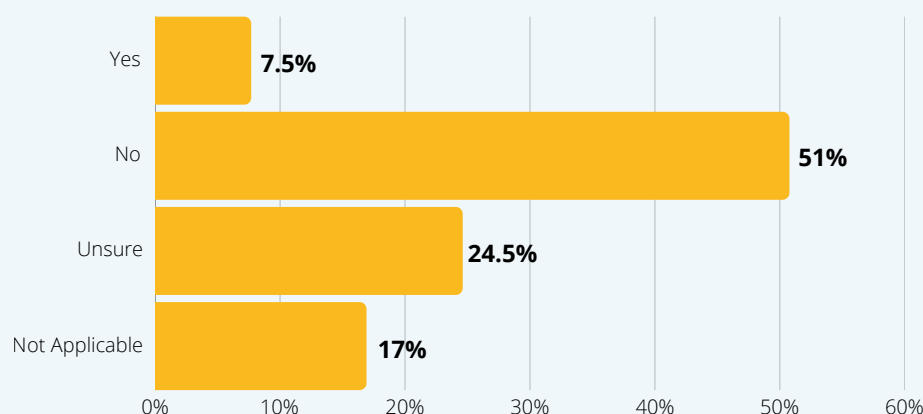
- We seem to have to do most training in house
- Currently there is a lack of Government support for training relevant to our industry. We'd like to see the Government Improve the Skills funding that provided small to medium business with training funding. We are a not for profit, and our specific training needs include forklift, medium rigid training, test and tag, manual handling, fire warden training, working at heights, white card, then also management training
- Train them myself
- I do not think it is as good as it should be, and we do a lot of in-house training

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BUSINESS SATISFACTION WITH THE CURRENT FREIGHT EQUALISATION SCHEME

A majority of respondents (51%) believe the scheme is not satisfactory, indicating widespread concern or dissatisfaction. Only 7.5% of participants responded yes, suggesting the scheme meets the needs of a small proportion of businesses.

Additionally, 24.5% of respondents were unsure, while 17% selected not applicable, possibly reflecting businesses not directly impacted by the scheme.



Respondent Commentary:

- Freight Costs are a significant cost of our business
- Absolutely NO! As a retailer having to purchase stock from the mainland, I (and my customers) am at a distinct disadvantage, as we have to bear higher freight costs than my competitors on the mainland. This affects profitability, which impacts business sustainability.
- The Port Authority seems to be moribund. Stuck in the 19th century. Why is it not pushing for more throughput? Trying to help exporters and importers?
- Need to address high density products penalty and set the same as general freight.
- We could always do with more but realise there are other demands for funds. We need to have more Primary jobs in this country to be able forward.
- Total claim was worth \$132.19. Total I paid for these 4 pallets to Brisbane and Melbourne - \$2,258.30. That is only 5.85% of equalisation.
- This support is sufficient when freighting a semi-trailer but not when it is a pallet load.
- We are looking in to more export of e-waste and the cost of freight prohibits us from doing it currently. We'd like to see more support in this space.
- I don't believe we can expect much better. We choose to do business from Tasmania.

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