



Canberra Business Chamber

Business Beat 30 September 2023

A QUARTERLY SURVEY OF BUSINESS SENTIMENT

Mixed business outlook for Canberra businesses.

The inaugural Canberra Business Beat survey shows that the majority of Canberra businesses are meeting their performance targets, but fewer than half are expecting their businesses to grow over the next 12 months.

BUSINESS SENTIMENT POSITIVE TO UNCERTAIN

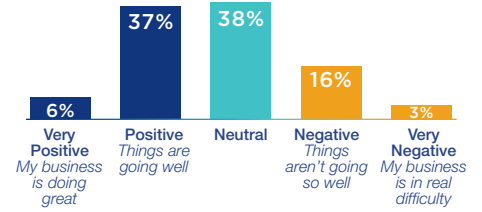
Just under two-thirds of businesses met their targets in the first quarter of the financial year. **Only 43 per cent of businesses report feeling positive about the present business situation.**

This reflects a challenging economic situation, reduced customer demand, the increased cost of doing business, and challenges in attracting and retaining staff.

Overall, has your business met its targets over the last quarter?



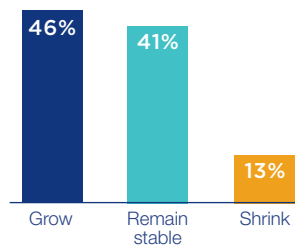
Overall level of business confidence at the present time



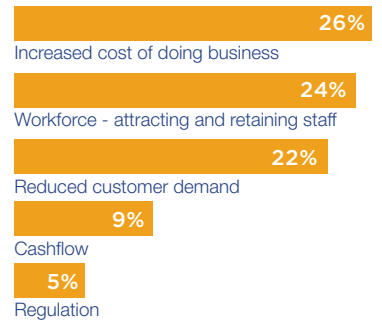
GROWTH PROSPECTS ARE UNCERTAIN

Looking ahead, **46 per cent of respondents expect their business to grow over the next 12 months, with a similar proportion expecting business to remain stable (41 per cent).** Only 13 per cent of respondents expect their businesses to shrink over the next year. A number of factors are impacting this, but the top issues are the increased costs of doing business, workforce issues, and reduced customer demand. The Federal Government's stated desire to move away from using consultants to support Government activity was also identified by respondents as a substantial issue, reflecting the number of consulting businesses operating in the ACT and the importance of the Commonwealth Government as a client.

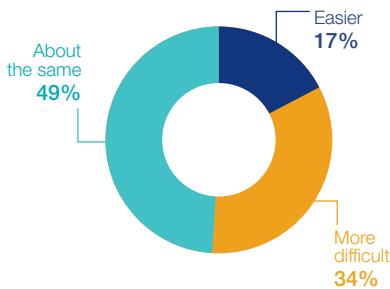
Are you expecting your business to grow, remain stable, or shrink, over the next 12 months?



The top five 'single biggest issues' facing business at the present time



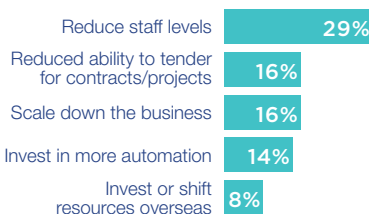
How do you find doing business inside the ACT compared to other jurisdictions?



A THIRD SAY IT'S HARDER TO DO BUSINESS IN THE ACT

60 per cent of respondents to our survey operated their businesses in both the ACT and other states and territories as well. We asked how businesses found doing business in the ACT compared to other jurisdictions and most found it about the same. However, **a third of respondents said that it was more difficult to do business in the ACT, because of regulatory red-tape, and a lack of customer focus and urgency from Territory Government agencies.** Key issues identified have included higher payroll taxes in the ACT, the cost of ACT rates, portable long-service leave arrangements, difficulty in accessing local procurement opportunities; planning and development approval delays; and extra costs from new silica dust awareness training requirements for employees who will never visit sites where they are at risk. More positively, a number of respondents noted that one advantage of doing business in Canberra is proximity to the Federal Government and its multiple agencies.

What would you be forced to do in response?



FEDERAL INDUSTRIAL RELATIONS CHANGES SEEN AS DAMAGING

In this survey we also included a number of questions about the Commonwealth Government's proposed industrial relations reform. **A significant proportion of respondents (35 per cent) believe they would be damaging to their business.** A further 18 per cent are unsure of the impacts at this stage. The proposed reforms are viewed as damaging, with nearly a third considering a reduction in staff levels as a result.