



# Business Beat to 31 March 2024

A QUARTERLY SURVEY OF BUSINESS SENTIMENT

Canberra  
Business Chamber

## Worsening conditions for business in Canberra at start of election year.

The quarterly Canberra Business Chamber Business Beat survey shows a decline in confidence and tough conditions for business at the start of the election year.

### BUSINESS CONFIDENCE AND GROWTH CONTINUE DOWNWARDS TREND.

65 per cent of respondents to the Business Beat survey reported that their businesses **did not meet targets in the first three months of 2024**. This is a concerning increase from 49 per cent last quarter.

Business conditions are worsening with **44 per cent of businesses reporting feeling negative or very negative** about the present business situation. This is an increase on 29 per cent last quarter and 19 per cent for the quarter before that.

Both Territory and Federal elections will be held this year, and these traditionally create uncertainty which is not good for business. In addition, ongoing economic and geopolitical uncertainty will be contributing to negative business confidence levels.

The costs of all aspects of doing business **continues to increase**, while interest rates remain stubbornly high, making it a very tough environment for running a sustainable business.

### BUSINESSES ALSO MORE PESSIMISTIC ABOUT THE NEXT 12 MONTHS

Looking ahead, **30 per cent of respondents are expecting their businesses to shrink over the next 12 months**, a slight increase on the previous quarter. 34 per cent of respondents expect their businesses to grow.

A number of factors is impacting this, but the top issue this quarter was **reduced customer demand**. 25 per cent of respondents listed this as their top issue, compared to just 17 per cent last quarter.

The increasing cost of doing business is a close second, with 21 per cent of business owners saying that this is the **single biggest issue for them**.

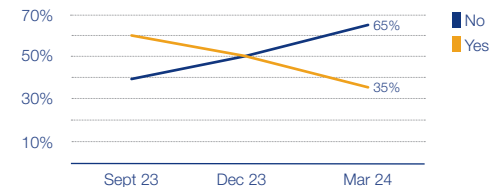
Interestingly, attracting and retaining staff is affecting much fewer businesses this quarter. Just 8 per cent say this is the biggest issue for them, compared to 18 per cent last quarter. This likely reflects a reduction in hiring intentions as a result of economic conditions.

### THE RIGHT TO DISCONNECT

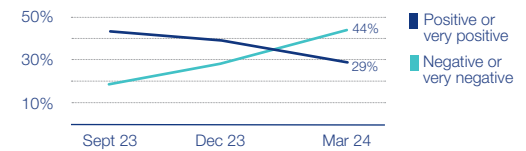
The so-called 'right to disconnect' that has been brought into Federal law has generated a lot of public conversation. 41 per cent of respondents believe that **at least some of their employees** will make use of the new right.

However, 53 percent of business owners **do not believe that employees will need or use this new right**. 33 per cent said some workers do work outside scheduled hours but were unlikely to exercise a right to disconnect provision, while a further 21 per cent of businesses employees do not perform work outside of scheduled working hours.

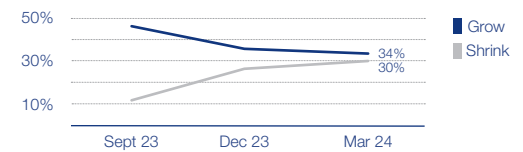
#### Overall, has your business met its targets over the last quarter?



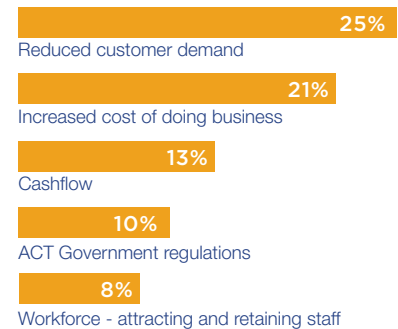
#### Overall level of business confidence at the present time



#### 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 moment



#### Do you think any of your employees will seek to use the new right to disconnect?

