



# Business Beat to 31 December 2024

A QUARTERLY SURVEY OF BUSINESS SENTIMENT

Canberra Business Chamber

## Business malaise continues in Christmas quarter.

Business conditions in Canberra remained gloomy at the end of 2024, with many businesses continuing to underperform.

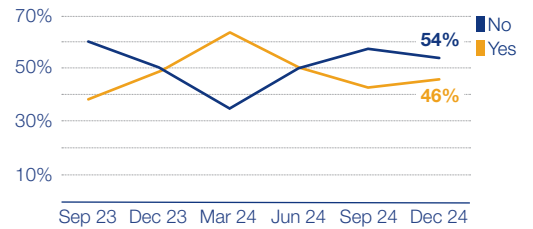
There was little to no change to business conditions in the last quarter of 2024, with 54 per cent of respondents to the Business Beat survey reporting that they did not meet their business targets in the last quarter of 2024 (to 31 December).

Consistent with previous reports, the top issue affecting businesses in Canberra again this quarter is the increasing cost of doing business. 65 per cent of respondents said this issue was either restricting or severely restricting their business from operating at its full potential. This, coupled with reduced customer demand affecting 50 per cent of respondents, creates a difficult environment for business.

31 per cent of respondents report a negative or very negative view of business confidence at the present time (a small improvement on the 33 per cent recorded last quarter).

Looking ahead, 33 per cent are expecting their businesses to grow over the next 12 months (down from 34 per cent last quarter), and 26 per cent expect their firms to shrink over the next quarter (up slightly from 24 per cent).

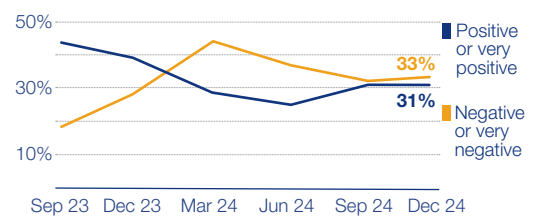
### Overall, has your business met its targets over the last quarter?



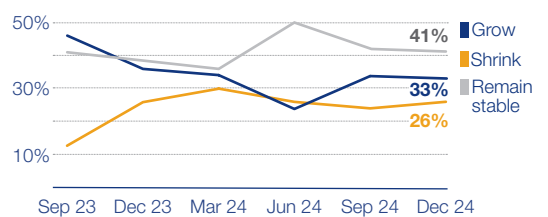
### Top issues restricting business from operating at its full potential



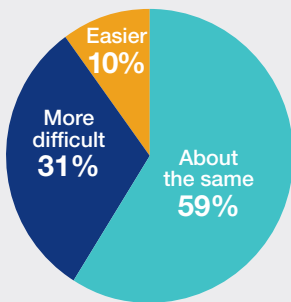
### Overall level of business confidence



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



### A THIRD SAY BUSINESS IS HARDER IN THE ACT



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

31 per cent of respondents who operate across the country say it's harder to do business here in the ACT compared to other jurisdictions, consistent with when we last asked this question in September 2023.

Key issues identified by respondents include the relatively high cost of doing business here, including complying with Government red tape; a lack of scale in many businesses, perceived lack of responsiveness with the Territory Government; and complexity of procurement at both a Territory and Federal level. The cost of the Workers' Compensation Insurance continues to be singled out as a key barrier to business in the ACT (see below).

### WORKERS' COMPENSATION INSURANCE

Evidence suggests that the Workers' Compensation scheme in the ACT is more costly than equivalent schemes in other jurisdictions.

This is a key pain point for business, driven by the uncapped nature of potential liability here, and the lack of time limits for lodging claims. These factors appear to lead to higher costs - with cross-border businesses reporting that their ACT workers' compensation insurance costs 47 per cent more than in New South Wales.

47% higher cost of Workers' Compensation Insurance in the ACT