# The Business SA Survey of Business Expectations

*now in its 43rd year*

JUNE
QTR 2023

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ACCOUNTANTS & ADVISORS

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and Industry South Australia

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# Contents

# The Economy

## BUSINESS CONFIDENCE

South Australian business confidence dropped abruptly in the June quarter with sharply rising interest rates finally taking their toll.

**77.3 pts**

**South Australian Confidence Index**
**Down from 96.9 in March**

**68.4 pts**

**National Business Confidence Index**
**Down from 83.7 in March**

For context, the average figure for South Australian confidence over the last twenty years is 90 points.

Business SA's Business Confidence Index measures how South Australian businesses expect the state and national economies to perform over the next 12 months.

A score of 100 is neutral, with 33 the lowest and 166 the highest.

Our respondents' forecast for the Australian economy is even more stark. Their confidence has dropped 15.4 points to 68.4 points — excluding peak-COVID, this is the lowest recording since March 2009 at the height of the Global Financial Crisis.

At the time of our March 2023 quarter survey, the data indicated that South Australian businesses had resiliently withstood the (then) ten consecutive interest rate rises. The Reserve Bank's (RBA) measures to fight inflation (following another two interest rate rises and the passage of time) is now significantly affecting business operators and households alike. At the time of reporting, most commentators believe the cash rate has now either peaked or will peak after one more hike, which will still hurt but may bring much needed stability to the economy. The sheer pace of interest rate rises has been a major impediment to business confidence, as we shall visit later. With inflation still well above target and national unemployment still very low[1], interest rates may well remain above 4% for the foreseeable future.

Business operators commented throughout the survey that they, and their customers, had far less disposable income in the June quarter, leading to reduced spending. Household discretionary spending falling for three consecutive months[2] and falling retail sales volumes for three straight quarters[3] confirms this. These conditions are likely to be a feature of the economy well into 2024. Coupled with retail energy price increases of up to 29.8 per cent from 1 July[4] and a 5.75% award wage increase[5], it will be a difficult period for many South Australian businesses.

On 15 June, the South Australian Treasurer handed down the State Budget for 2023/24. In his speech he announced it was “a time when the state’s economy has never been stronger” and the “South Australian labour market is breaking records; in March recording the lowest ever unemployment rate, highest ever number of people in work, and highest participation rate since monthly records commenced in 1978”.[6] All true and encouraging, at the time.

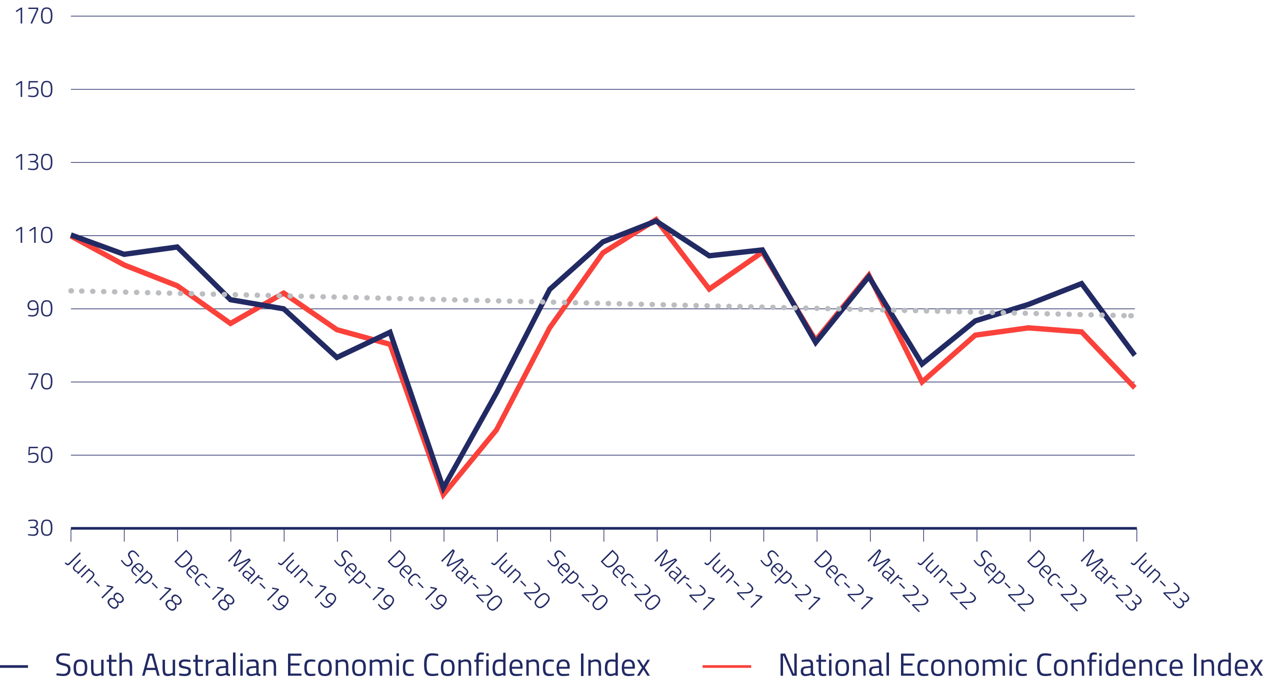
Such strong results for the economy are in no small part due to the effort of South Australian businesses during trying times. Despite this, most budget measures focused on cost-of-living relief for households, with little support for the average business. The State Budget was a missed opportunity for the government to deliver appreciable long-term policy shifts to improve the ease of doing business in South Australia.

On 9 May, the Federal Government presented its 2023/24 Budget and encountered even greater fiscal health; with June figures showing a $19 billion surplus, nearly $15 billion more than was forecast when the budget was initially handed down[7]. This represents the first surplus in 15 years on account of very high levels of employment and high commodity prices doing wonders for tax revenue. Despite this, it was a modest budget where SA businesses were concerned.[8] Besides substantial investment in the Hydrogen Headstart Program in Whyalla, there was a paucity of initiatives to stimulate economic growth, increase productivity, or manage long-term energy supply and transition.

With economic conditions tightening, and the costs and complexity of doing business growing exponentially - especially for small to medium enterprises - the absence of fiscal relief or policy initiatives at a state or federal level has no doubt been a key contributor to the decline in confidence levels in South Australia.

Chart 1

**SA & National Economic Confidence Indices**



**CASE STUDY**

BYRNE
VINEYARDS

# "We've had the hardest 12 months, but we're still crushing it"

Article by Anthony Caldwell - Manager, Marketing, Media, Communications – Business SA.

The Riverland's Byrne Vineyards, like most, has had one of the most difficult years in recent times but is intent on 'crushing it' in its sixtieth year, and well into the future.

Petria Byrne, third-generation CEO of the vineyard and wine business, says recent floods, red wine oversupply and severe inflationary pressures have been challenging for the family business.

"I can't recall a time when doing business was so all-consuming," she said.

"Although our sales projections have materialised, and demand for our products has remained strong, our margins continue to shrink".

This issue isn't unique to Byrne Vineyards. According to findings in the Business SA, William Buck June quarter survey of business expectations, both business confidence and conditions have seen a sharp and severe decline. Respondents attribute this concerning trend to the cumulative impact of interest rate hikes, which are finally taking their toll on the economy.

Byrne operates out of an office on Norwood Parade, with their certified sustainable vineyard near the Riverland township of Morgan, 165 kilometres from Adelaide which produces their vegan-friendly wines. The property runs along the Murray River, with Byrne conserving the natural wetlands within its boundaries.

Byrne serves as the master brand for its subsidiaries: Calcannia, Criminal Minds, Flavabom, Glamper, and Sidney Wilcox. These distinct product lines, championed by the family-owned vineyard, enhance brand diversity within a burgeoning market.

Petria says, "With such a diverse range of wines, not all could be accommodated under the Byrne label. This is how our brands developed, ensuring we have a wine suitable for every segment."

The portfolio of wines demonstrates a market eager for choice in Australia and abroad.

"We have been exporting our produce all over the world for the last 25 years.

"Exports account for 65% of our turnover. We send our wine to around 15 countries, with Germany and Denmark commanding a significant market share.

"We managed to avoid a catastrophic decline in export sales when we lost the China market, which only accounted for 8% of our sales, by maintaining our diverse export strategy."

The brand diversity Byrne offers is a key point of difference for the business, with some international distributors like South Korea where they have multiple, provide them with the ability to showcase all six of their core brands.

"We cater for everyone - for some, the story of the product matters, for others, it's all about the aesthetics of the label, and others are seeking wines with a rich history much like what Byrne, our family brand is known for," she said.

The wine industry is changing. According to a study conducted by drinks market research firm IWSR, global wine consumption deteriorated by 3% in 2022 due to a general decrease in alcohol consumption.

In Australia, wine remains the country's favoured beverage with around 8.9m consumers nationally but saw a 1.7% decline in the 12 months to June 2022. Beer and spirits saw similar declines, losing ground to a growing market of RTDs (Ready to Drink) promoting options seen to be lower in calories and sometimes lower in alcohol.

For Petria, the changing landscape of wine consumption in Australia and broader alcohol trends looms as a primary concern, highlighting the business's long-term sustainability will rely on constant evolution to align with shifting consumer needs.

"We know Australians are drinking less, and we don't see that as bad, so we need to adapt to the times.

"This year in celebration of our sixtieth anniversary, we will launch some fresh branding which is currently undergoing market testing. We are also looking into lower alcohol wines and how they will play a part in Byrnes' future".

IWSR, a global leader in alcohol data and analysis, highlights the market value of non and low-alcohol alternatives surpassed $11 billion in 2022, surging from $8 billion in 2018. Notably, millennials aged between 27 and 42 constitute the largest consumer segment for these products.

"We want our business to be as viable in the future as it is today. We now have a fourth-generation Byrne working in the family business, and with this, our legacy of sustainability and regeneration will continue," Petria concluded.

# Business Conditions

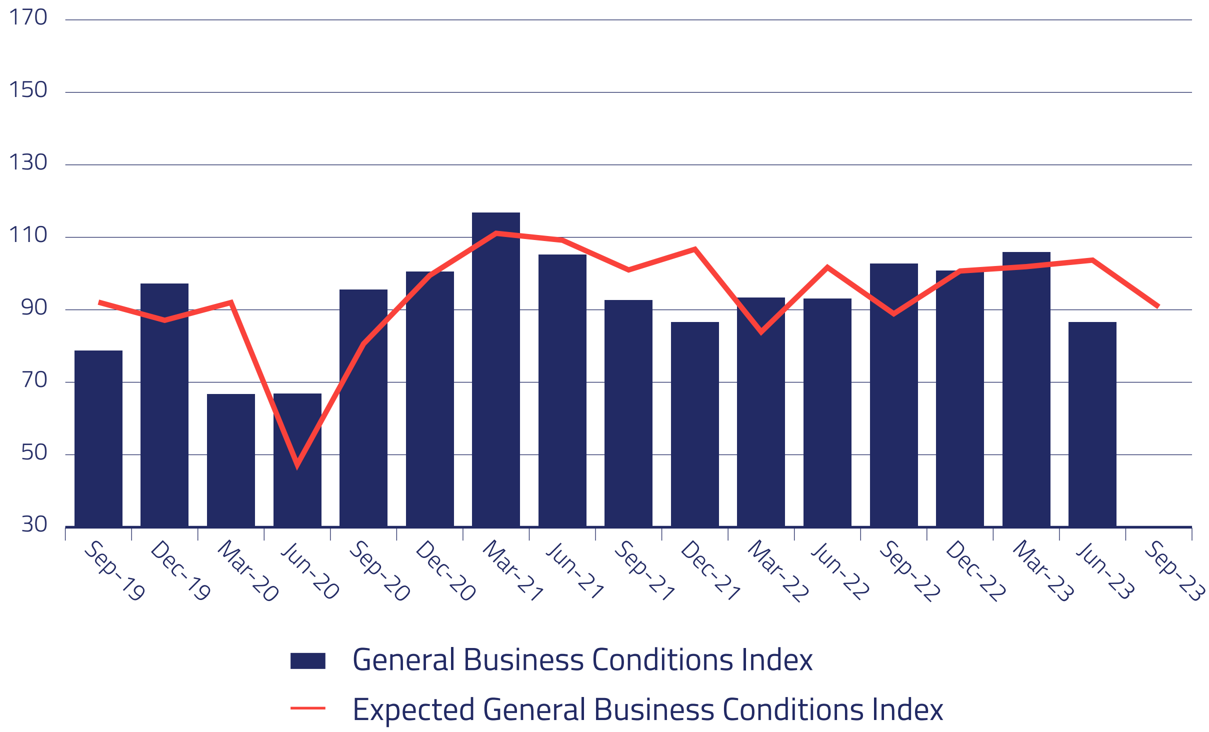
## CONDITIONS INDEX

General Business Conditions have taken a hit in the last three months, dropping 19.3 points from 105.9 to 86.6 points, having been above 100 for the preceding three quarters. This index has not been lower since June 2020 (66.9 points). The fluctuations between negative and positive sentiment over the past few years underlies the difficulty business operators face in operational and strategic planning.

**86.6 pts**
General Business Conditions Index

**96.9 pts**
Total Sales/Revenue Index

Chart 2
**General Business Conditions**




**General business conditions**

**19.3**
points down from March quarter 2023

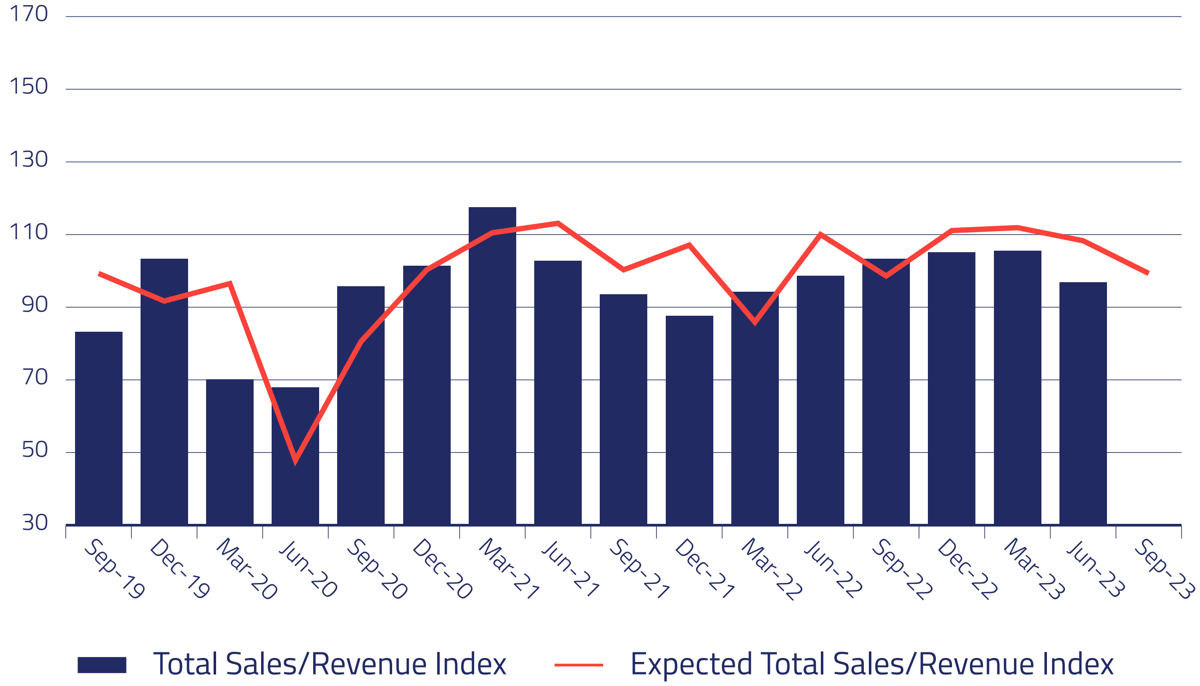
**90.8**
points expected for September quarter 2023

## TOTAL SALES/REVENUE

South Australian businesses reported June quarter sales/revenue at 11.4 points below what was anticipated when asked for projections last survey. Similar forecasts made regarding other indices (orders received; average selling price; employment levels; profitability) perhaps now appear overly optimistic considering the actual results for the June quarter — confirming the rapid slowing of the economy and how quickly business conditions have deteriorated.

Chart 3

**Total Sales/Revenue**




According to survey results, both General Business Conditions and Total Sales/Revenue are expected to improve over the next quarter: perhaps signalling the ability of business operators to quickly adapt to changing conditions.

**Total Sales/ Revenue**

**8.6** points down from March quarter 2023

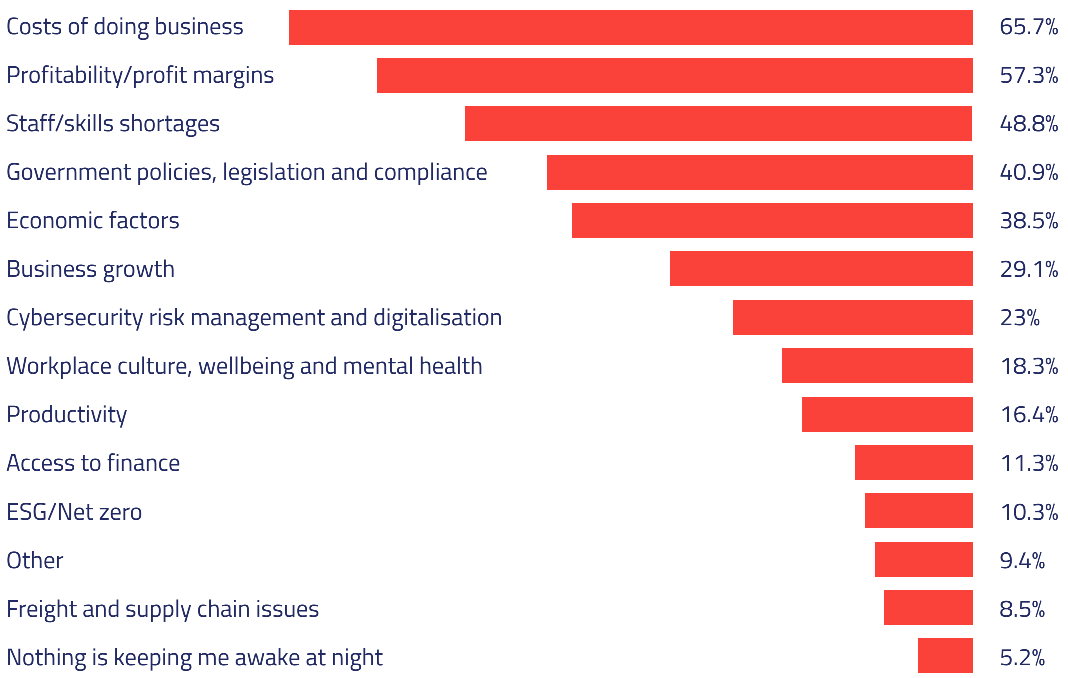
**99.3** points expected for September quarter 2023

# WHAT'S KEEPING YOU AWAKE AT NIGHT?

We introduced this new core question into our survey this quarter to determine, at a point in time, the single biggest issue for South Australian businesses. Respondents could choose up to five issues.

Chart 4

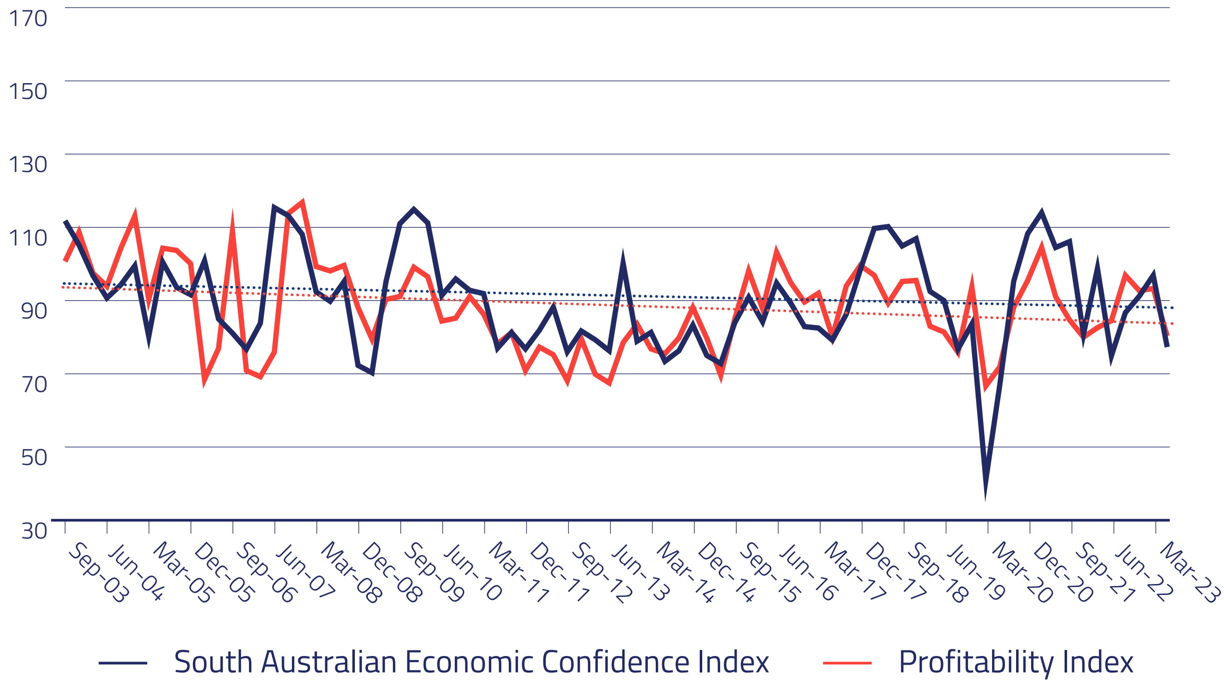
## What's keeping you awake at night?




Nearly two thirds (65.7%) of businesses pointed to the costs of doing business as among their most pressing issues. This is unsurprising given the current state of wage growth, low unemployment and energy price increases. These same trends likely explain the second most prominent issue: profitability/profit margins. Increased costs are making many business margins ever thinner, a significant problem for many and especially for those operating with fixed contracts or in sectors most impacted by changes in discretionary spending.

Chart 5

**Economic Confidence & Profitability Indices**




South Australian businesses are finding it more challenging to operate profitably in present conditions. There is little evidence to suggest this trend will reverse any time soon and may impact future investment levels, productivity, economic growth, and entrepreneurship.

Staff and skills shortages remain prominent, as has been the case since the onset of the pandemic. While 60% of businesses reported labour/skills shortages, an increase of 5.1% from March, levels of employment have declined according to our data. Interestingly, in a time of increasing interest rates, only 11.3% businesses are predominantly worried about accessing finance.

### What has been keeping you awake at night?

***Payroll tax - being pinched between labour shortages and higher rates of pay and then paying payroll tax on those increased wages - our interstate competition win jobs and employees over us due to this factor. We are currently forced to decrease our workforce and work product to maintain profitability***

Mining, 20-49 employees

***Our power has risen over 30%, off peak 50%. Transport/delivery costs close to 100%, this impacts our every day. Small business pain has increased and reserves following 2 years of COVID19 are really depleted and business resilience continues to deplete.***

Agricultural, Forestry and Fishing, 1-19 employees

***Government indecision and government making employment relations more and more in favour of the employee. Makes it hard to make the decision to employ new people***

Professional, Scientific and Technical Services, 1-19 employees

## COSTS OF DOING BUSINESS

Supply chain issues, inflation and high energy costs have been a constant in Australia in the wake of the pandemic and have occupied a lot of ink in previous Business Now reports. We have collated data from the last 20 years of surveys and the findings reveal the striking extent of recent cost increases.

Chart 6

## How have your costs of materials changed in the last three months?

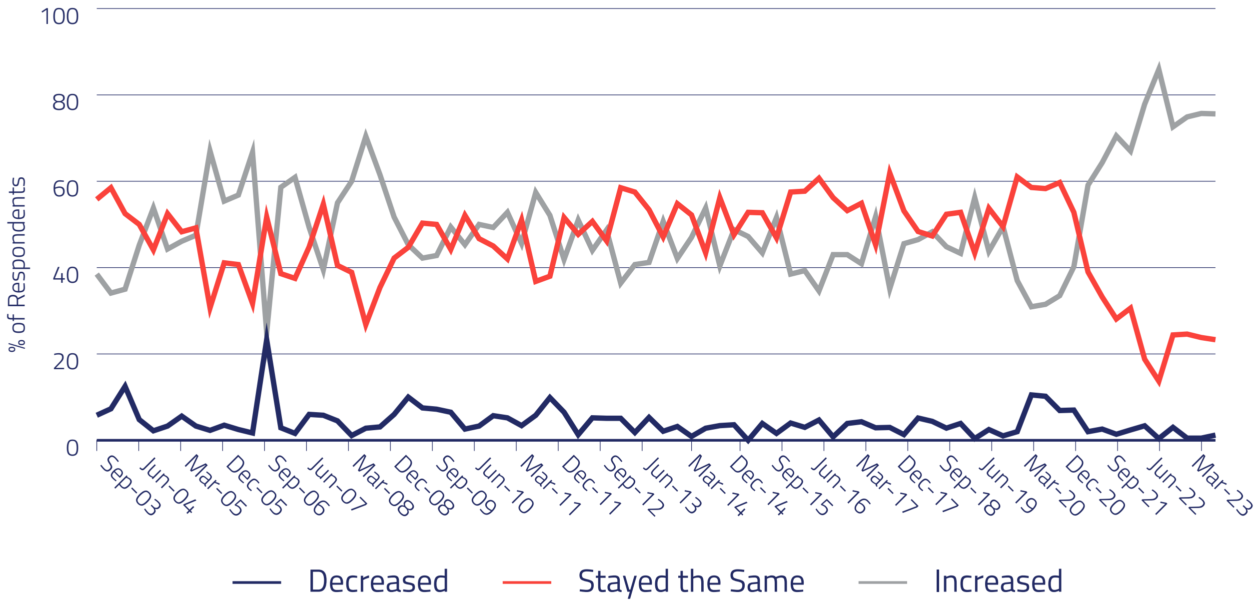
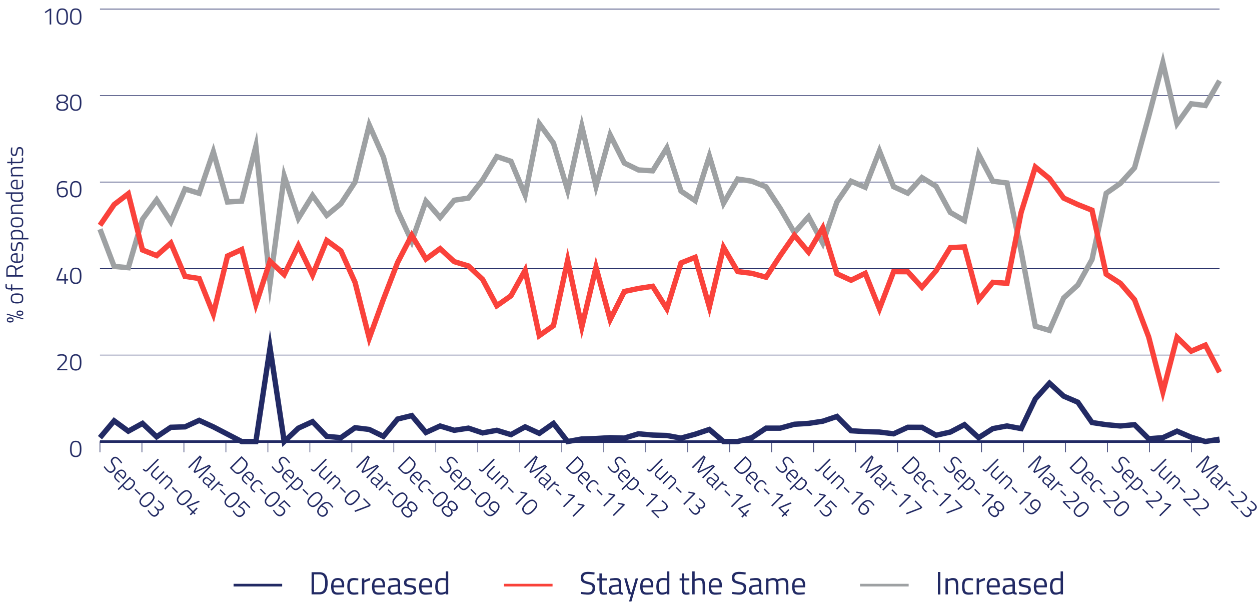



Chart 7

## How have your costs of overheads changed in the last three months?




Recent survey responses have shown a significant switch to costs increasing and this trend dwarfs any other in the last 20 years. A key factor to reduce inflation is through business input costs being sustainable and not swiftly rising as we see above.

# ECONOMIC EXPECTATIONS

| | Decrease (%) | Same (%) | Increase (%) |
|---|---|---|---|
| **Interest rates** | 1.5 | 28.9 | 69.5 |
| **Inflation rate (CPI)** | 20.3 | 35.5 | 44.2 |
| **Unemployment rate** | 7.6 | 46.7 | 45.7 |
| **Value of $A (against $US)** | 37.1 | 53.8 | 9.1 |

Respondents overwhelmingly share the sentiment of most commentators tipping that interest rates will stay the same or rise a further in the next quarter. Interestingly, despite recent interest rate holds, more respondents (69.5%) believe interest rates will rise over the next quarter compared to those tipping rises in the previous survey (59.4%).

Views on future inflation have not shifted greatly from the previous quarter, with 44.2% of respondents in this survey believing it will continue to rise. Only 1 in 4 believe inflation will decline in the next three months, despite the Federal Treasurer predicting that "inflation has passed its peak" in late April, and arguably gives weight to the warnings from commentators that inflation expectations may become engrained.

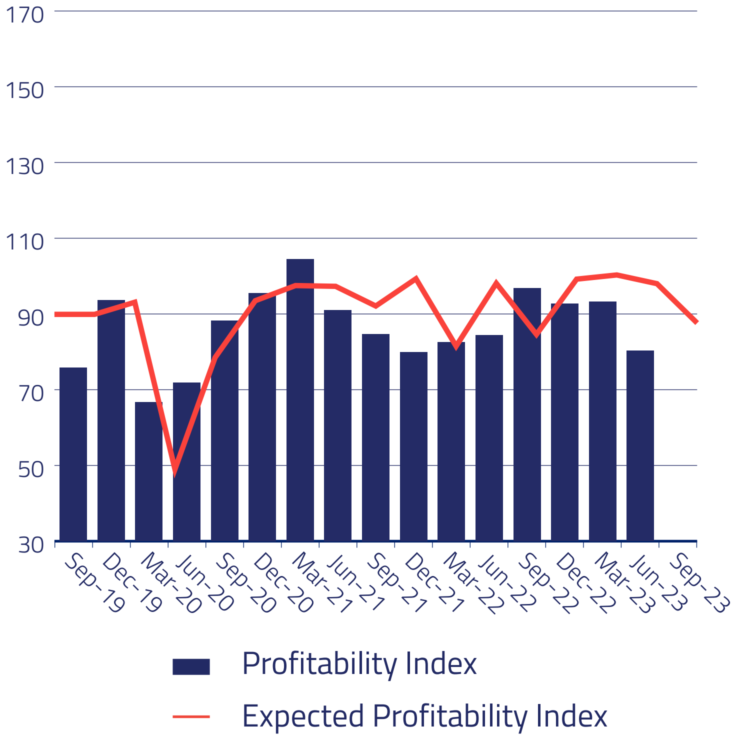
Nearly half of all respondents (45.7%) believe unemployment will rise in the next three months, a significant increase over last quarter's result (31.8%). Our survey data shows employment levels in the June quarter well below what was expected, perhaps indicating the beginning of a modest increase in unemployment rates as is forecast by most commentators.

# Business Performance Indicators

For the following indices 33 is the minimum score, 100 is average, 166 is the highest possible score.

Chart 8

**Profitability**




**80.3 pts**

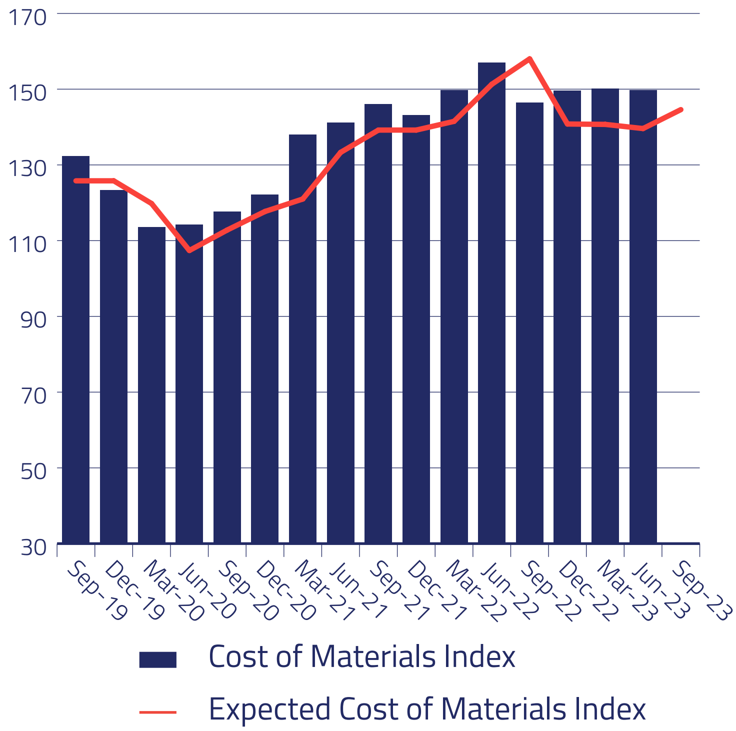
**Profitability Index for the June quarter 2023**

**87.6 pts**

**expected for the September quarter 2023**

Well over half of respondents (57.3%) identified profitability/profit margins as a main issue keeping them awake at night – and survey results over three consecutive quarters show Profitability lower than forecast at the start of the quarter. For June, actual Profitability was 17.7 points lower than the expected figure from our March survey. An indication of margins being squeezed sharply, the Orders Received and Average Selling Price indices also declined. Nevertheless, survey respondents expect profitability to improve by 7.3 points in the following quarter.

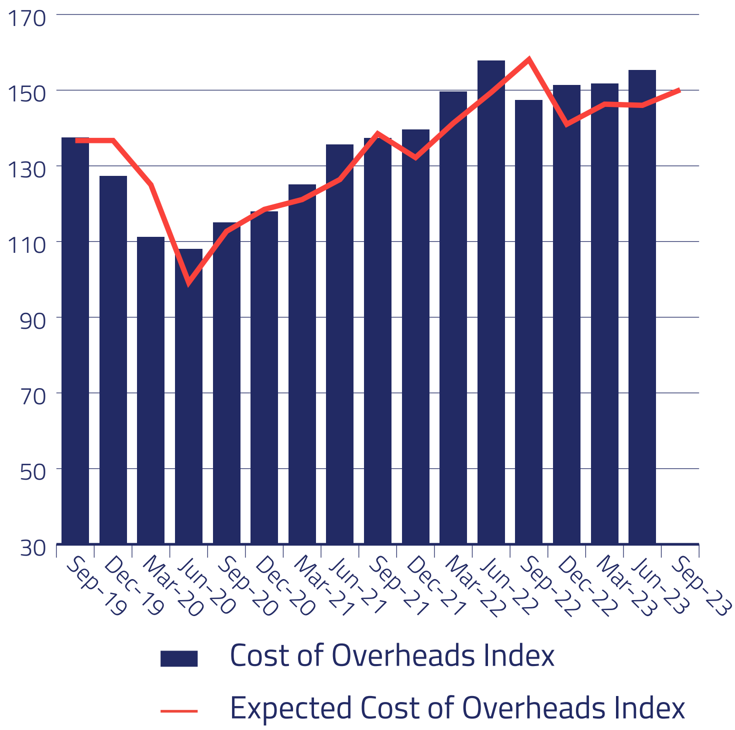
Chart 9
## Cost of Materials




**149.7 pts**
Cost of Materials Index for the June quarter 2023

**144.6 pts**
expected for the September quarter 2023

Chart 10
## Cost of Overheads

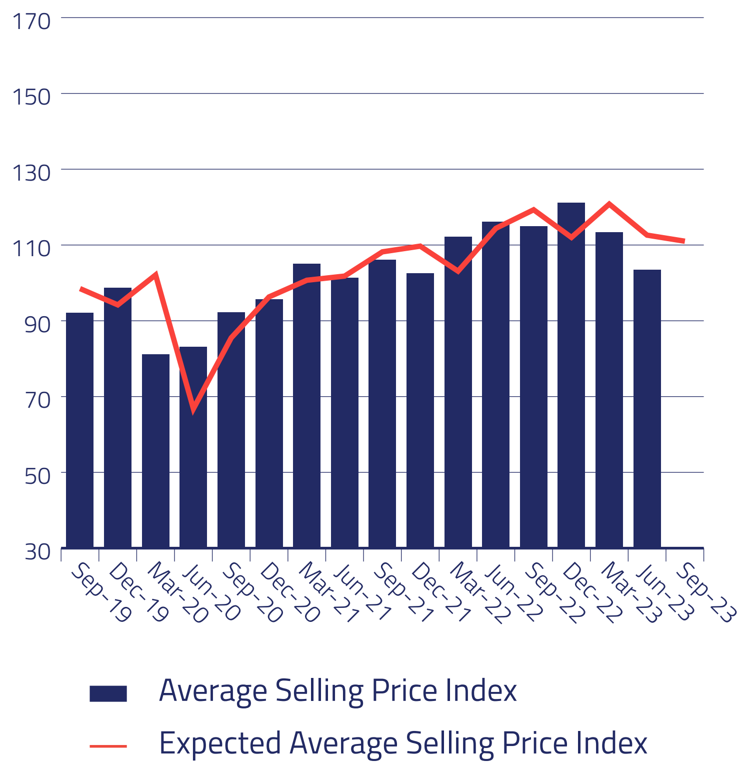



**155.3 pts**
Cost of Overheads Index for the June quarter 2023

**150.1 pts**
expected for the September quarter 2023

Chart 11

## Average Selling Price




**103.5 pts**

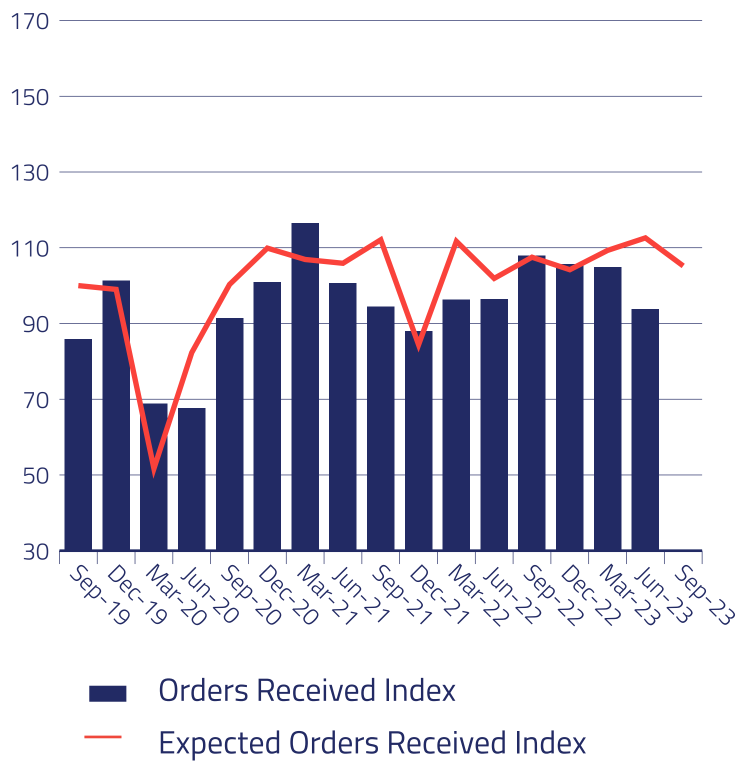
Average Selling Price Index for the June quarter 2023

**111.0 pts**

expected for the September quarter 2023

Chart 12

## Orders Received




**93.8 pts**

Orders Received Index for the June quarter 2023

**105.2 pts**

expected for the September quarter 2023

Chart 13

## Export Sales


**97.5 pts**

Export Sales Index for the June quarter 2023

**98.7 pts**

expected for the September quarter 2023

Chart 14

## Average Wages


**133.1 pts**

Average Wages Index for the June quarter 2023

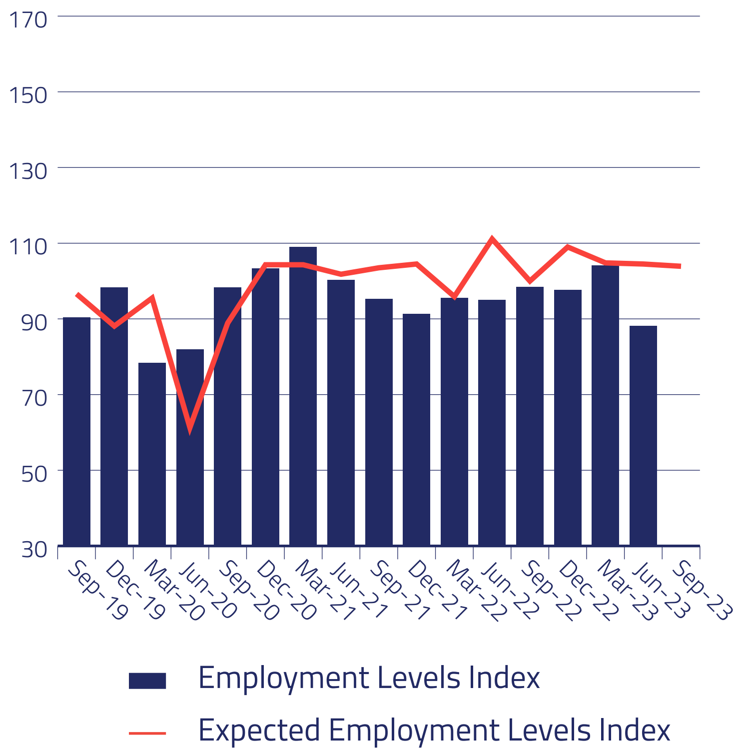
**138.2 pts**

expected for the September quarter 2023

Given the ruling of 2 June to increase national award wages 5.75%, the largest increase in history, it is unsurprising that respondents predict average wages to climb steeply. With simultaneous drops in employment levels, profitability, and business confidence in the June quarter, we will likely see businesses cost-cutting wherever possible.

Chart 15

**Employment Levels**




**88.1 pts**

**Employment Levels Index for the June quarter 2023**

**103.9 pts**

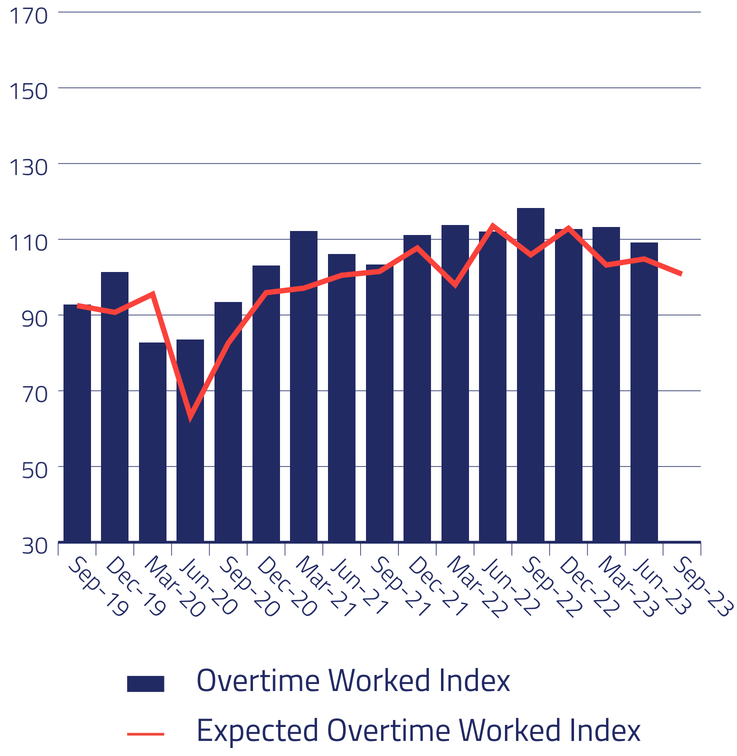
**expected for the September quarter 2023**

When questioned on the unemployment rate for the September quarter, 46.7% of respondents predict an increase, with only 7.6% forecasting a decrease. This prediction is supported by the actual employment levels for the June quarter which decreased 16 points from the previous quarter.

Despite this, our respondents appear bullish about employing more staff in the upcoming quarter, perhaps further evidence of business operators' adaptability to challenging and changing economic conditions.

Chart 16

## Overtime Worked




**109.1 pts**

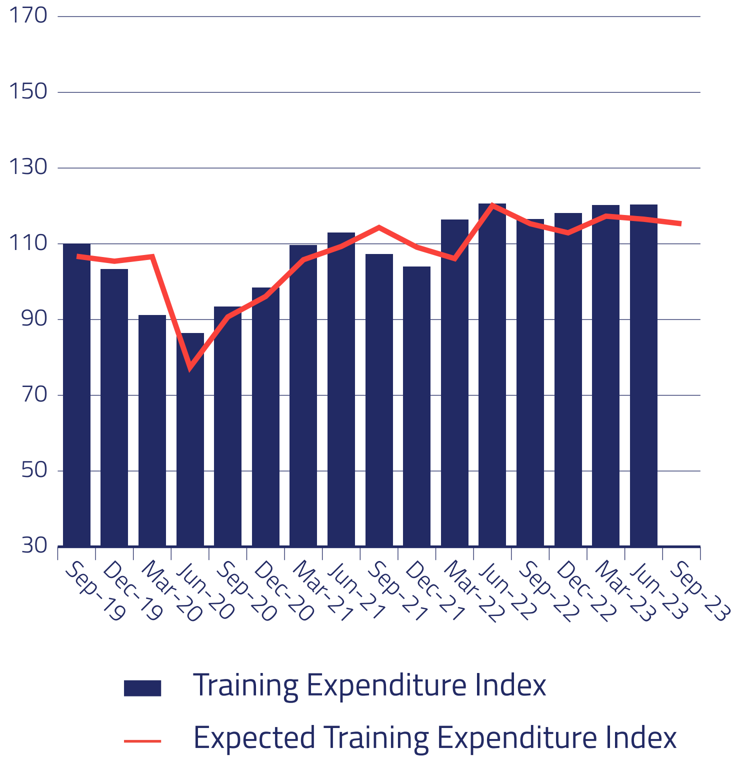
Overtime Worked Index for the June quarter 2023

**100.8 pts**

expected for the September quarter 2023

Chart 17

## Training Expenditure




**120.4 pts**

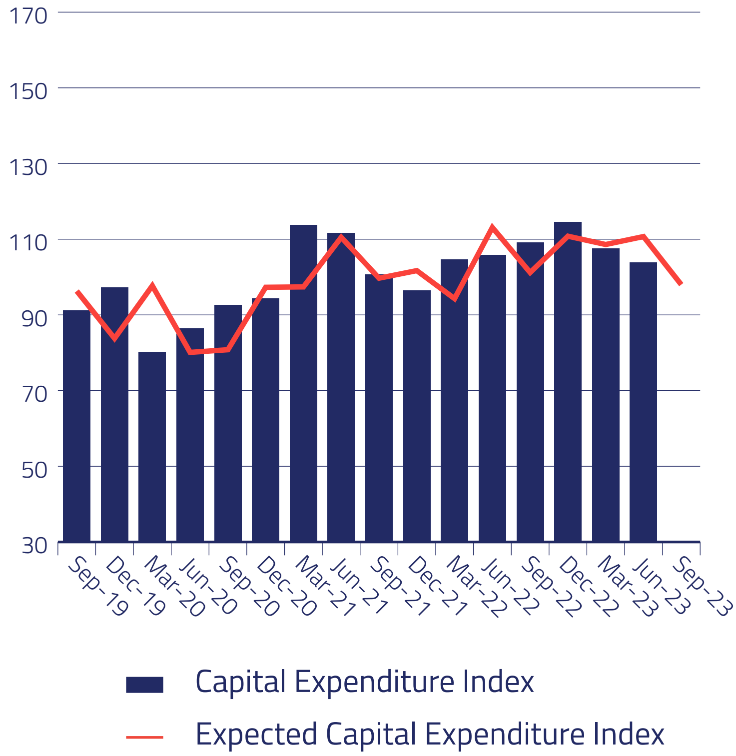
Training Expenditure Index for the June quarter 2023

**115.3 pts**

expected for the September quarter 2023

Chart 18

## Capital Expenditure




**103.9 pts**

**Capital Expenditure Index for the June quarter 2023**

**98.0 pts**

**expected for the September quarter 2023**

## PAYROLL TAX

Business SA's submission to the State Government prior to the 2023/24 State Budget included recommendations to:

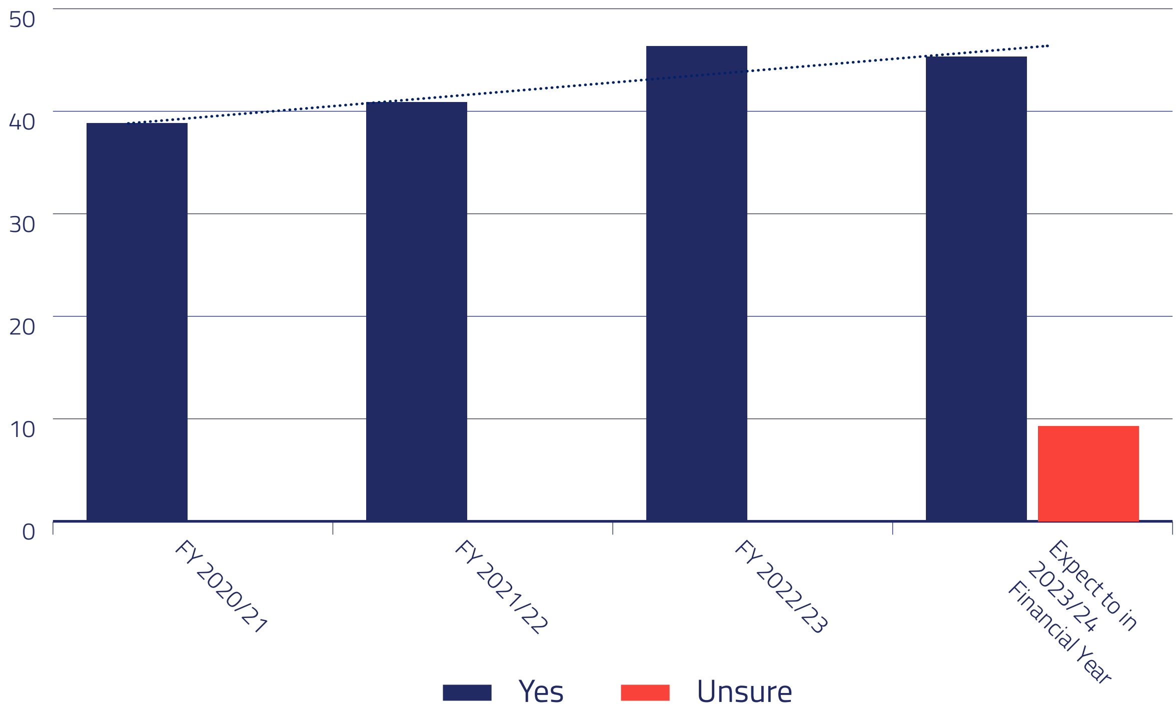
a. Increase the payroll tax threshold for South Australian businesses to reflect rising wages and increases to superannuation

b. Introduce a 50% payroll tax discount for regional South Australian businesses to encourage investment in the regions and increase competitiveness, especially for businesses operating near the Victorian border.

Given rapid wage growth, record low unemployment, and recent increases to superannuation, we wanted to understand the impact to South Australian businesses and their payroll tax liability. Currently in South Australia, a business whose annual wages (including superannuation) reach the $1.5 million annual payroll threshold is liable for payroll tax on sliding scale to the full rate of 4.95% when its annual wages exceed $1.7 million.

Chart 19

## % of Businesses Reporting Paying Payroll Tax




When asked if their business had paid payroll tax in any of the previous three financial years and if they expected to this financial year, respondents confirmed the payroll tax bracket creep we expected. Growing from 38.9% in 2020/21 to 46.4% in 2022/23, the upward trend is obvious.

Payroll tax revenue accounts for around 6-7% of the State Government's total revenue. The 2021/22 State Budget estimated payroll tax revenue for 2024/25 at $1597 million[9], with recently adjusted estimates for 2024/25 increasing to $1769 million[10].

Respondents' general comments on payroll tax were telling. It remains a significant impost on their operations, with many saying it inhibits their employment of more staff, curtails expansion and impacts wage decisions.

> ***It is the single largest factor which will decrease our employment, investment into our business and staff and turnover as we plan to downsize in an attempt to return to profit. This will make us vulnerable long term to our competitors, mean that we lose our depth of skill and must decrease the services provided. However, if we do not do this we will not survive in the market long enough to see the long term effects.***
>
> Mining, 20-49 employees

***Payroll tax inhibits our business to provide a higher hourly rate to our low wage earners. We operate in a fixed price market and are unfairly disadvantaged in our sector by having to pay payroll tax as a private organisation. We provide the same services at a higher standard than NFP's in our sector who do not have to pay payroll tax and still providing substandard services to our vulnerable community without being held to account.***

Health Care and Social Assistance, 200+ employees

***You don't have enough space for my thoughts on payroll tax. Hospitality sector is at a huge disadvantage in this regard. High cost of wages (40% of turnover at a minimum), increasing super costs, high penalty rates, coupled with low profit margins see our payroll bill close to 40% of our net profit. A disgusting tax on employing staff.***

Hospitality, 20-49 employees

***This is in my opinion a very silly tax - it makes businesses consider keeping wages low by not employing people.***

Manufacturing, 1-19 employees

***Get rid of it! It's a terrible tax that discourages businesses from employing local South Australians. Combined with all the other difficulties that employers have to contend with post Covid. Employing Australian workers is only becoming harder and more expensive forcing SMEs to shift to exploring alternatives.***

Information Media and Telecommunications, 1-19 employees

***Our business is always "just above the threshold". Strongly support the discount for regional SA - it will encourage regional businesses to recruit higher skilled staff.***

Electricity, Gas, Water and Waste Services, 20-49 employees

***We are a growing business nearing the threshold. We will limit employing new staff and giving pay rises for as long as possible to avoid the tax. This will limit our growth, productivity, and availability of services to South Australians (we're a disability service provider).***

Health Care and Social Assistance, 1-19 employees

***Payroll tax should be abolished. There is no incentive to engage new employees in the business and grow our team. It is an unnecessary cost that cripples growth and eats away into operational profit that could be spent and reinvested into the business. We pay enough company tax, and this should cover our obligations.***

Retail Trade, 20-49 employees

# ENERGY

As of 1 July, the Australian Energy Regulator increased the default market offer which could see electricity bills increase in South Australia by up to 28.9%. The impact of this further cost increase on businesses will be profound as evidenced by respondents' comments:

***The Government needs to get on top of the energy market, with long term plans to build a reliable and low cost environment. The past projects have increased costs, not decreased them.***

Accommodation, 1-19 employees

***There will be a substantial impact. We have a significant solar system, however solar rebates are not increasing but the cost of electricity is rising. 23FY expenses were more than double what we budgeted, and we expect 24FY to continue in a similar fashion.***

Health Care and Social Assistance, 100-149 employees

***Nothing to worry about, our Prime Minister has promised bills will go down by $275.00***

Manufacturing, 1-19 employees

***Our increased costs will impact negatively on future investment in staff and on profit***

Health Care and Social Assistance, 1-19 employees

***Greatly reduce the profitability and viability of the Business. The current plan is to close down in 2024/25 year, due to the lack of a prosperous outlook for the future***

Accommodation, 1-19 employees

***May erode profit margins and stifle further investment. May consider moving out of the CBD and shift operations to remote working longer term.***

Information, Media and Telecommunications, 1-19 employees

# INFLATION AND INTEREST RATES

There is strong support from the business community for the RBA to bring inflation back to 2-3% per annum. Many respondents preferred gradual rate increases and contractionary fiscal levers to work in conjunction with monetary policy. Numerous respondents also believed current Federal Government policy priorities were working against the goals of the RBA.

There appears to be real concern among South Australian businesses that the speed of interest rate changes has been overdone by the RBA.

Chart 20

**Do you agree that it should be the Federal Government and RBA's policy to reduce inflation back to target levels?**

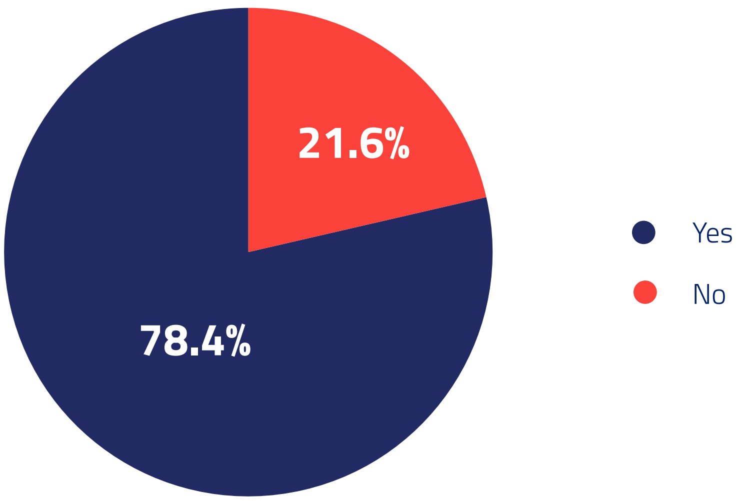
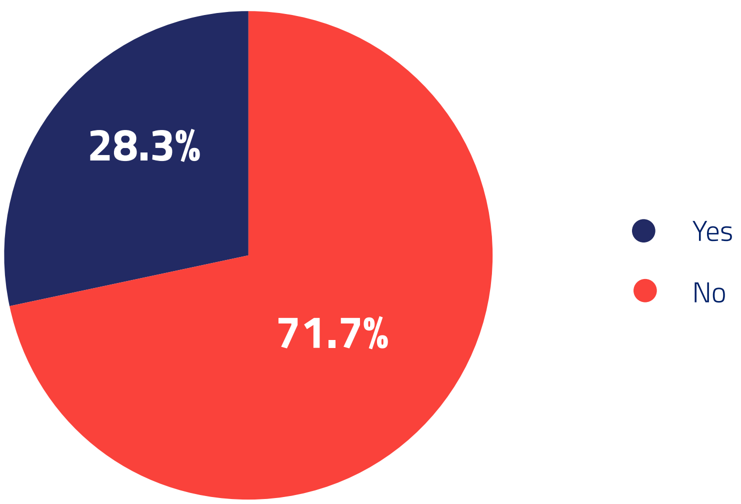



Chart 21

**Do you agree with the pace and policies being implemented by the RBA and Federal Government?**



***Government needs to control its fiscal expenditure, and not by cutting infrastructure expenditure***

Financial and Insurance Services, 20-49 employees

***I think the cross purposes of Federal Government trying to off-set the 'cost of living' is countering the efforts of the reserve bank***

Construction, 50-99 employees

***They shouldn't over inflate the money supply in the first place. They shouldn't be the fire brigade and the arsonist at the same time.***

Retail Trade, 50-99 employees

***It is a sound economic policy - I support it despite the pain we will all have to endure***

Automotive, 200+ employees

***They took too long to initially raise interest rates but now have gone way too hard too quickly***

Health Care and Social Assistance, 20-49 employees

***CPI levels led to us being forced to apply an 8.6% increase to staff wages, but our government funding income increased by less than 1%. Further, we have this week had to close a joint venture that was working towards an Australian-first all-access health and wellbeing centre, as inflation meant that quotes and budgets from when the project commenced were no longer applicable, and the project was not financially viable.***

Health Care and Social Assistance, 100-149 employees

## ENDNOTES

[1] National: 3.7%. SA: 4% - Labour Force, Australia, Australian Bureau of Statistics, <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>

[2] Household spending slows further in June, Australian Bureau of Statistics, 8/8/23, <https://www.abs.gov.au/media-centre/media-releases/household-spending-slows-further-june>

[3] Retail volumes fall for third straight quarter, Australian Bureau of Statistics, 3/8/2023, <https://www.abs.gov.au/media-centre/media-releases/retail-volumes-fall-third-straight-quarter>

[4] AGL and Origin confirm electricity price rises of up to 30 per cent, Matthew Elmas, <https://indaily.com.au/news/2023/06/13/agl-and-origin-increase-electricity-prices-by-up-to-30-per-cent/>

[5] Annual Wage Review 2022-23 – Announcement of Decision, Fair Work Commission

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## A WORD FROM WILLIAM BUCK

**Martin Hill**
**Director, William Buck Australia**

# Businesses are saying enough is enough

The Business SA and William Buck June quarter survey of business expectations show a sharp decline in business confidence that hasn't been apparent in previous surveys.

With the Reserve Bank focusing on curbing inflation through interest rate hikes to a large extent the results are to be expected but the change in confidence has been stark.

The sudden downturn in confidence could be attributed to heightened optimism during the March quarter, following a strong Christmas and festival period. This is further reinforced by state confidence at the time, sitting 13.2 points above the national confidence index.

The June results shed light on a situation where business owners confront increased stress and heavier workloads, yet these efforts are yielding diminished returns. Businesses report that the cost of operations, profitability, profit margins, as well as staff and skills shortages, are the primary concerns that keep them awake at night.

These concerns are reinforced by high-interest rates, elevated input costs, labour shortages, and declining sales. As a result, business confidence and conditions resemble those experienced during the global financial crisis.

This quarter's analysis makes it evident inflationary pressures are significantly impacting businesses. Among the respondents, 31% say inflation has a substantial effect on their operations, while 46% acknowledge a moderate impact.

It's worth noting smaller businesses are disproportionately affected by these conditions. Those most severely impacted are often those who can least afford it, while businesses with more financial resilience continue to operate on narrower profit margins.

Industries reliant on discretionary spending, like retail, hospitality, and entertainment, bear the brunt of these measures. Even non-discretionary businesses face related challenges due to rising wages, energy costs, rent hikes, and growing insurance premiums.

Importantly, business owners should take comfort in the current conditions being transitory. How they navigate through this turbulence could significantly influence their performance as the economy gradually stabilises.

It is important for business owners to make allowances with their time to truly understand their business. This means gaining a deeper understanding of their financials, and emphasising strategy development. I understand that this transition is indeed easier said than done, especially when 49% of business owners reveal that staff and skills shortages are keeping them awake at night.

I encourage businesses contemplating changes or exploring 'quick fixes' during tough times to approach them with a long-term strategic lens.

When considering discounts or price cuts to weather the economic storm, it's essential to evaluate their potential long-term impacts.

For those facing financial constraints, or anticipating them, exploring adjustments to business loans, such as reduced repayments or extended terms, could be viable options.

Importantly, this advice holds true even in more favourable economic circumstances. Focusing on strategy becomes even more critical during good times and can serve as a buffer when challenges inevitably arise.

Present conditions are essentially lingering effects of the COVID-19 pandemic. It's critical for businesses to maintain the optimistic outlook they have upheld in recent years.

While it's difficult to acknowledge, the economic challenges faced today indicate the current strategies aimed at healing the post-COVID economy are yielding results. Although it might take some time for the RBA to monitor for effect certainty, the current downturn demonstrates that brighter days are on the horizon.

*The full results and economic analysis of this quarter's Business SA, William Buck survey of Business Expectations can be found at* ***business-sa.com/businessnow***

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Business SA
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# About Business SA

Business SA is SA's largest membership-based employer organisation, representing employers and business owners across 19 different industry sectors. Our purpose is to help you grow your enterprise and create a stronger South Australia.

Like you, we believe in the important roles that business and commerce play in creating a vibrant, dynamic and sustainable society.

We back the job makers and risk-takers.

We back the creators, the innovators and the entrepreneurs.

We back the people who chase their dreams, follow their passions and put it on the line .

We believe that businesses are the engine room of our economy. Businesses like yours generate new ideas, deliver new services and propel us forward. Businesses like yours create jobs, attract new investment and pay taxes. Businesses like yours put food on tables and create wealth for many.

As the independent, representative voice for employers and business owners across South Australia, we want to create the best possible environment for you to succeed. We do this by providing you with knowledge, advice, connection and advocacy. We have been doing this for over 180 years, without fear or favour.

We're proud of our long history, and our sustainability is assured by our future-focus, our strong leadership and our intent to stay ahead of the pack. To serve you better, we constantly seek to answer that enduring question: 'what's next?'

If you are not already a member, please call or email our membership team on
(08) 8300 0000 or email
customerservice@business-sa.com

Business SA
Chamber of Commerce
and Industry South Australia

Level 1,
136 Greenhill Road
Unley SA 5061

T. (08) 8300 0000
policy@business-sa.com

**business-sa.com**

ABN 14 725 309 328