

Pulse Survey of Business Conditions

June Quarter 2025



**Business
Chamber**
QUEENSLAND

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business
matters.

Overview

June Quarter overview

Business confidence in the Queensland economy at the highest level since 2013.

The Pulse Survey for the June quarter demonstrates another lift in confidence in the Queensland economy following a series of micro and macro economic condition improvements in 2025.

The 12 month outlook is now at its highest level since the resources boom in 2013. It's only the third occasion in the past 20 years business confidence in the Queensland economy has been this high: immediately after the Global Financial Crisis in 2008 and the resources boom in 2013.

General business conditions, sales, profitability, capital investment and employment also increased while labour and other costs are trending down.

Key issues influencing the June quarter Pulse results include:	
Interest rates and inflation	Interest rate softening has and is expected to continue to significantly impact consumer spending and real estate investment. Alongside this, reducing inflation and costs for essentials like groceries, fuel, and electricity are projected to buoy discretionary spending for many households.
US tariffs and global trade uncertainty	Businesses see US tariff increases, global trade uncertainty as significant risks. These policies create uncertainty in global trade, potentially shifting focus to Asian markets and affecting import and export prices, thereby impacting Australia's economy both positively and negatively.
Government policies, regulations, and taxes	Businesses are concerned about State and Federal Government policies, including taxes, red tape, and unrealistic fair work regulations that are seen as detrimental to businesses and overall productivity.
Energy policies and costs	The Federal Government's renewable energy agenda and aims to reduce coal mining are identified given coal's significant contribution to national income and Queensland's economy. High electricity prices are a recurring concern.
Housing market, population growth and immigration	Rising migration, particularly to Queensland, is driving increased demand for housing, which boosts construction but also strains affordability and services. This influx, coupled with accumulated household debt from house purchasing and a housing crisis, is contributing to an increased cost of living.
Global economic conditions and China's economy	A potential global recession linked to excessive spending in the US, combined with China's slowing economy and Europe's potential slowdown, is expected to impact global demand for Australian exports and overall economic stability. General international uncertainty and geopolitical influences are major drivers of Queensland's economic performance.
Commodity prices and resource sector performance	Queensland's economy is highly reliant on mining and agriculture, making it vulnerable to fluctuations in global prices for key resources like coal and LNG. A decline in export volumes and prices for minerals could lead to an overall decline in economic activity.
Brisbane 2032 Olympics and infrastructure spending	Projects related to the 2032 Olympics is anticipated to significantly boost Queensland's construction industry, supporting economic growth and creating jobs. This strong public investment and infrastructure spending accompanied by policy settings encouraging private sector leadership in development, are expected to help Queensland outperform the national average in economic growth.
Labour market, wages, and productivity	While Australia has a strong labour market, the construction industry faces a shortage of skilled workers. Continued restriction in the labour market and wage growth will support consumption but also contribute to inflationary pressures and increasing labour costs for businesses. Weak productivity due to red tape and regulations is a noted challenge for both economies.
Climate and extreme weather events	Extreme weather events such as floods, bushfires, and cyclones pose significant risks to key sectors like agriculture, insurance, and infrastructure, particularly in Queensland. These events have the potential to increase fiscal expenditure and slow economic recovery.



In Queensland there is slightly stronger growth than national average, supported by resources, population growth, and infrastructure spending, but highly exposed to global commodity trends and housing pressures.

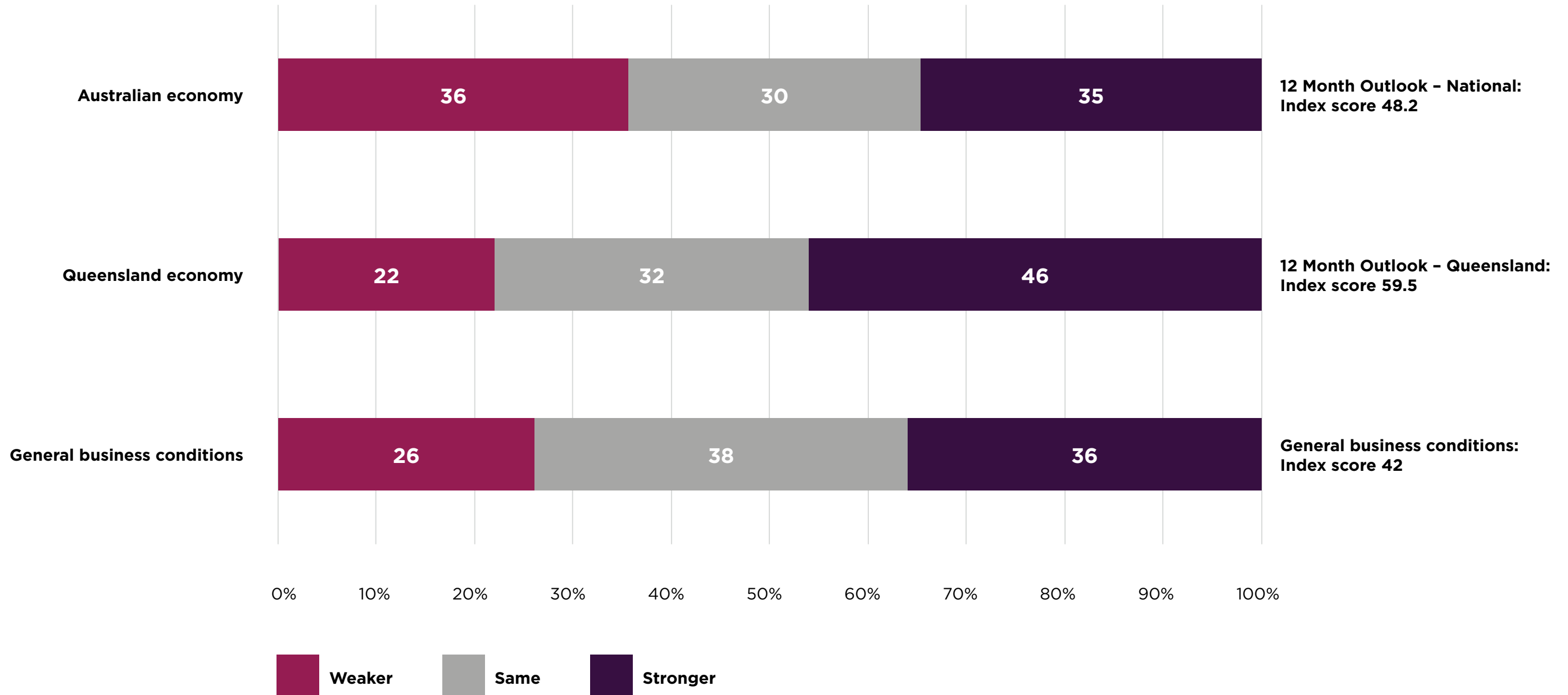
Small Manufacturing business, Brisbane



Changes to [the] world economy, stock availability and tariff changes are making businesses cautious.

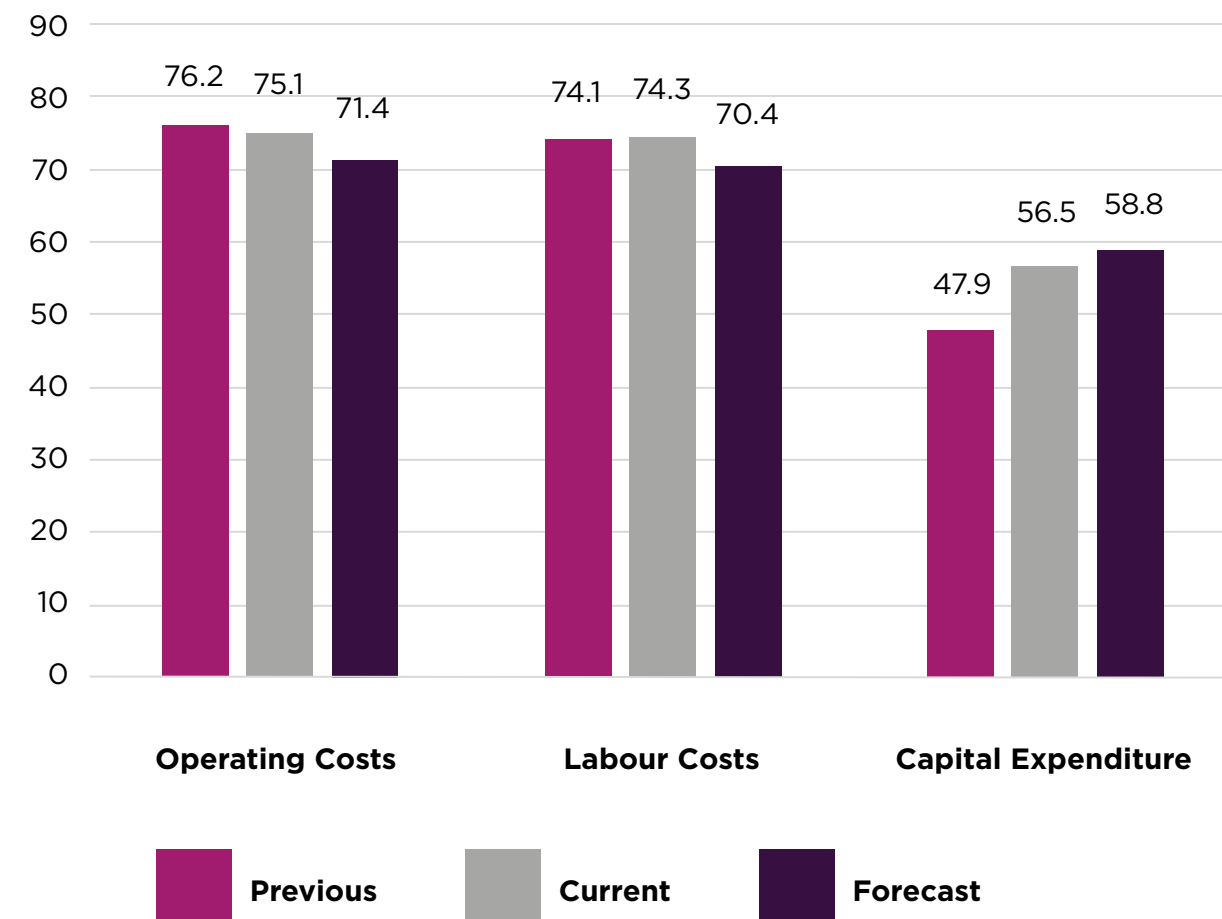
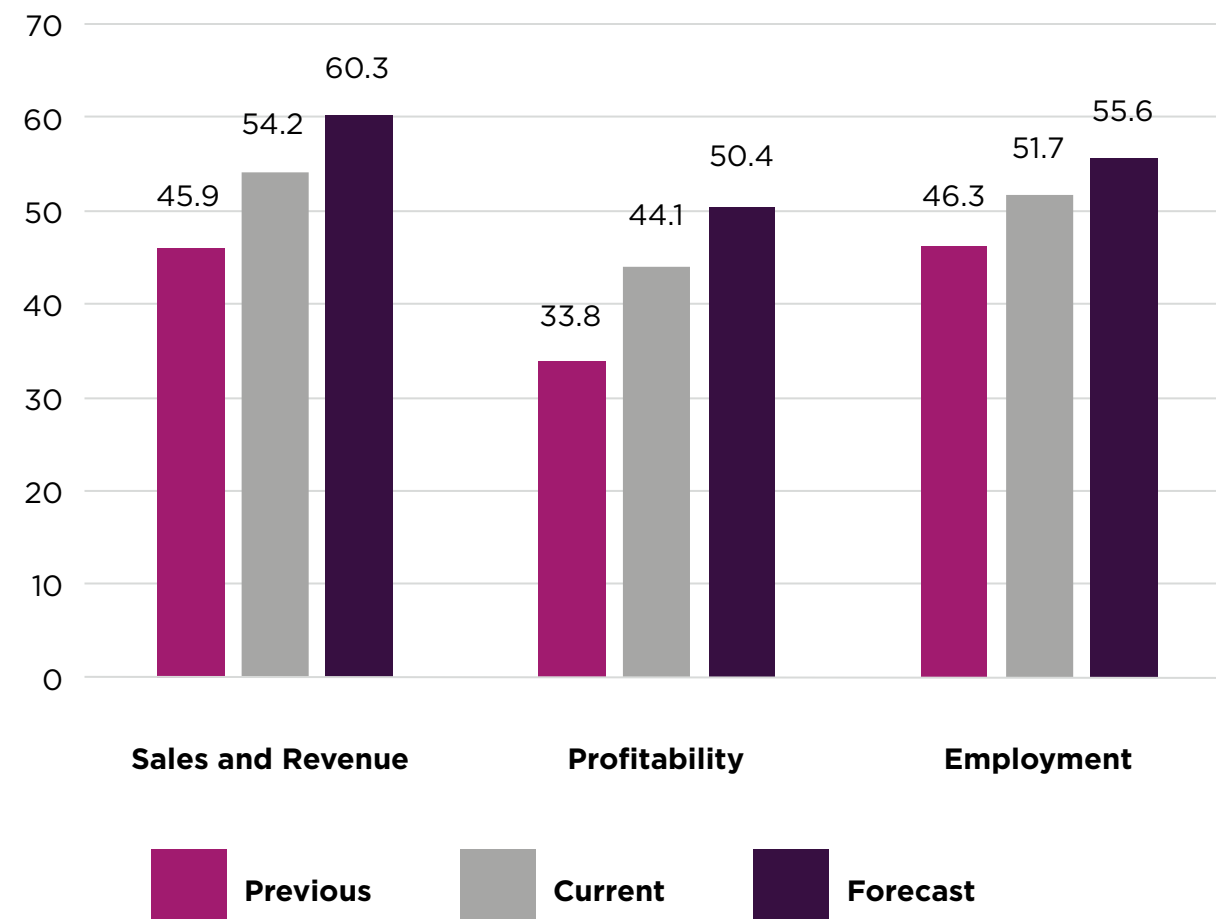
Small information, media and communications business, Townsville

Outlook over next 12 months



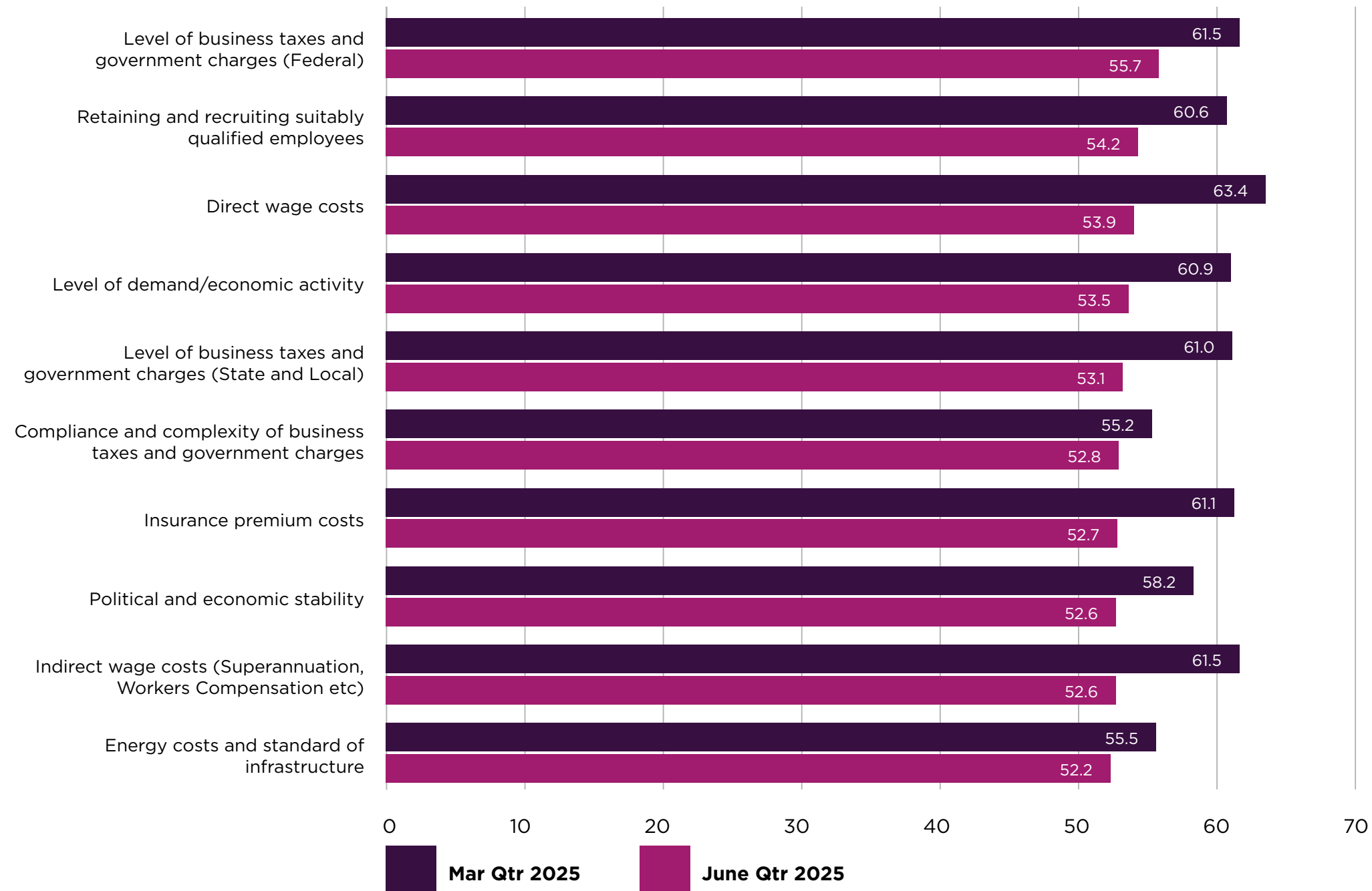
Key indicators

- Business performance measures such as sales and revenue, profitability and employment all improved in the June quarter and are satisfactory. Expectations are for all the indexes to go above 50, indicating good improvement - for profits in particular. These indicators are now all above their 10 year averages.
- At the same time operating costs and labour costs are slowly moderating.



Constraints

Constraints continue to fluctuate but the most noticeable change is the severity of constraint indexes continues to lessen. As an example, the average of top 10 constraints in the March quarter was 59.9 and this has now fallen to 53.3.



For Queensland, the ongoing infrastructure spend leading to the 2032 games should keep performance moving forward.

Small finance/ insurance business, Brisbane



Olympics should start to ramp up, general decline in Australia's confidence.

Medium construction business, Toowoomba

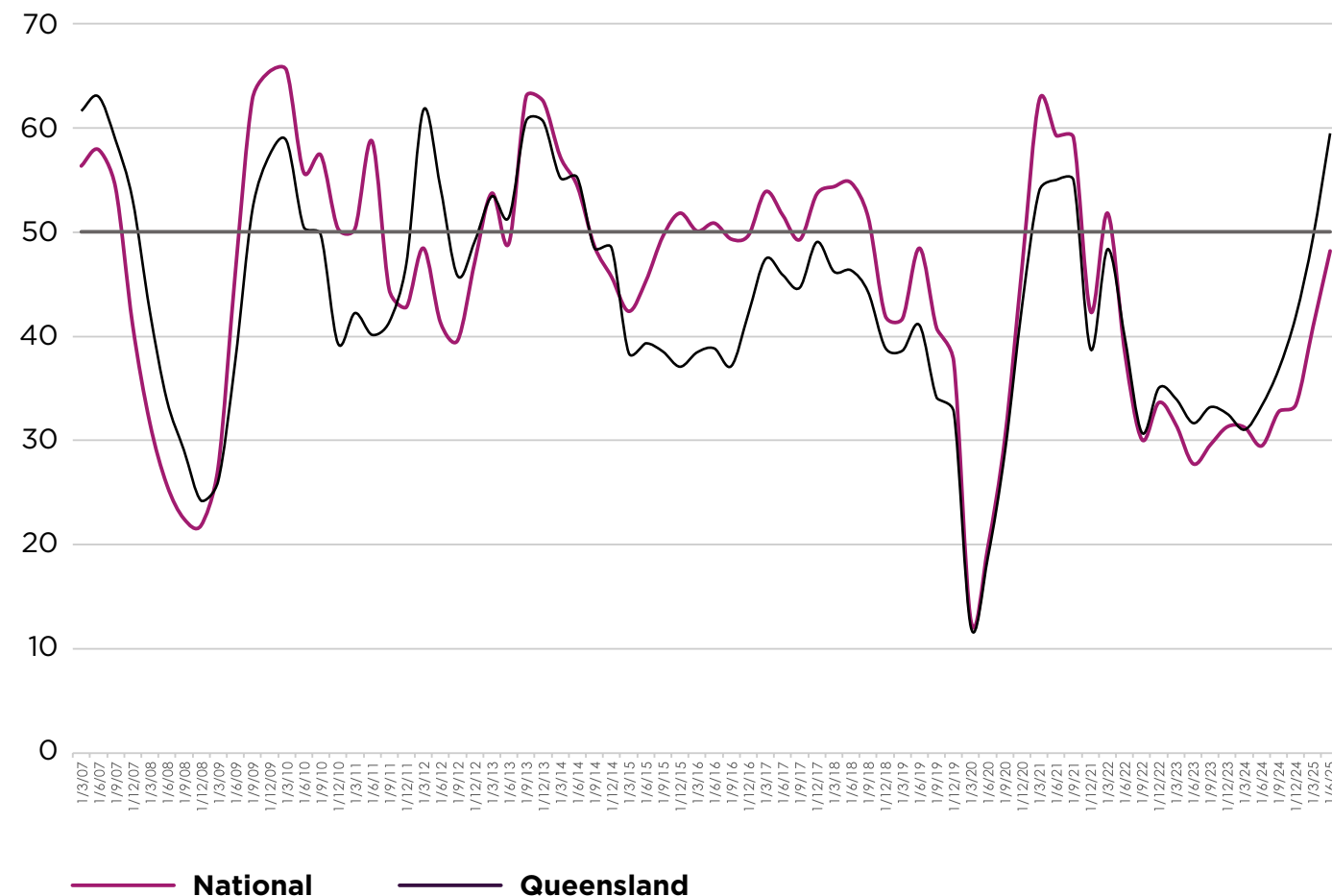
Business confidence

Overall business confidence for the Queensland economy now positive.

June quarter Pulse data indicates business confidence for the Queensland economy over the next twelve months improved for the fifth consecutive quarter.

Business confidence is now reflecting an improvement in sales and profitability and slowly moderating operational and labour costs. This result is a reflection of recent interest rate cuts and expectations of further reductions; reducing inflation and strong economic policy and an ambitious infrastructure plan, particularly for the 2032 Brisbane Olympic and Paralympic Games.

Confidence in the Queensland economy now indicates the economy will strengthen across the remainder of FY26. It is the highest level of confidence since the state was benefiting from the resources boom.



More people moving from the southern states into Queensland appears to also have an impact. Once regional communities getting their first Woolies or bigger towns are now boasting multiple Woolies, Coles, Aldis and Bunnings within a 30 min drive. If these big box brands didn't feel like consumers were not spending more in an area, they wouldn't invest there. As they say "follow the money".

Small professional, scientific and technical services business, Sunshine Coast



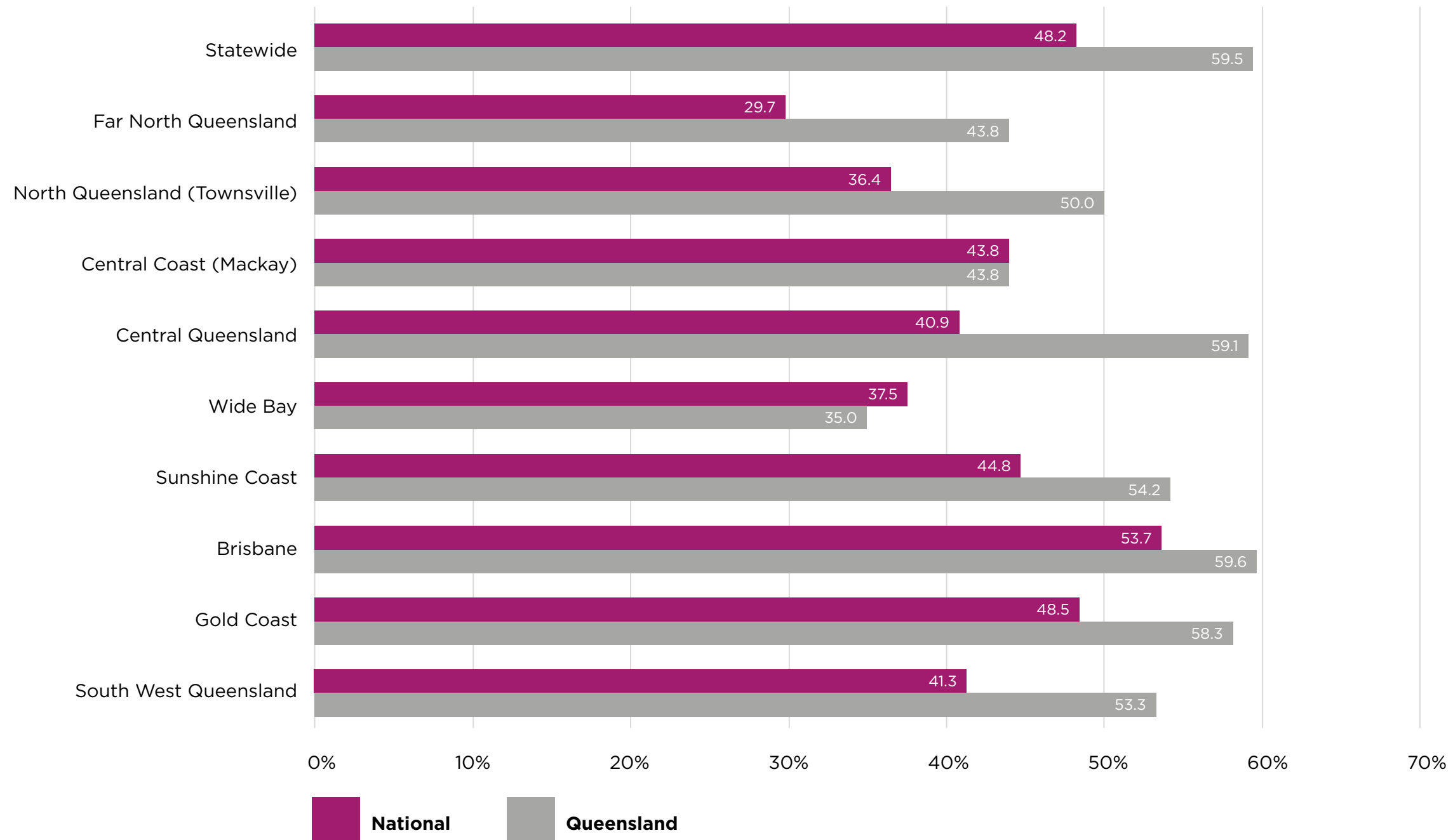
Nationally the biggest drivers are interest rates, inflation trends and China's demand for resources. For Queensland, population growth, housing pressure, and the strength of tourism/resources will be decisive.

Small professional services business, Far North Queensland

Confidence by region

While both Queensland and national business confidence are showing signs of improvement, Queensland businesses are considerably more optimistic about the state's economic outlook. This is largely due to specific state-based factors like infrastructure spending related to the Olympics and political direction. Nationally, the recovery is more fragile.

Business confidence for the Queensland economy is now above 50 indicating strengthening prospects for all regions across Queensland with the exception of Wide Bay, Mackay and Far North Queensland.



12 month outlook - Queensland

- Business confidence in the Queensland economy for the next twelve months increased by 10.0 points to 59.5. The improvement is the seventh largest in the survey's history with the top three all occurring when the state was coming out of the COVID-19 lock downs. The improvement is the fifth quarterly rise in a row.
- The Queensland index is also up 26.1 points on this time last year (33.4) and is now well above the 10 year average of 39.7. The Queensland economy is expected to grow significantly over the next twelve months.

12 month outlook - National

- Business confidence in the Australian economy for the next twelve months also improved up 7.3 points to 48.2. The national index is up on this time last year (29.5) and is now above the 10 year average of 42.6. Confidence in the national economy is satisfactory.
- The difference between the indexes continues to widen to 11.3 points and Queensland businesses continue to be more optimistic about the Queensland economy over the next twelve months than the national economy. It is the fourth highest gap ever recorded.



Over the next year, Queensland's economy will be driven by a few big things. More people are moving here, which means more demand for housing, construction, and services. Tourism is picking up again too, especially from overseas, which is great for local businesses. On the other hand, things like high living costs and interest rates might make people spend less. Plus, our big export industries like coal, gas, and agriculture depend a lot on global prices and weather, so there's some uncertainty there.

Medium transport and storage business, Brisbane



Both economies suffer from weak productivity due to red tape and increasing government regulations. The Qld economy is suffering from low coal prices.

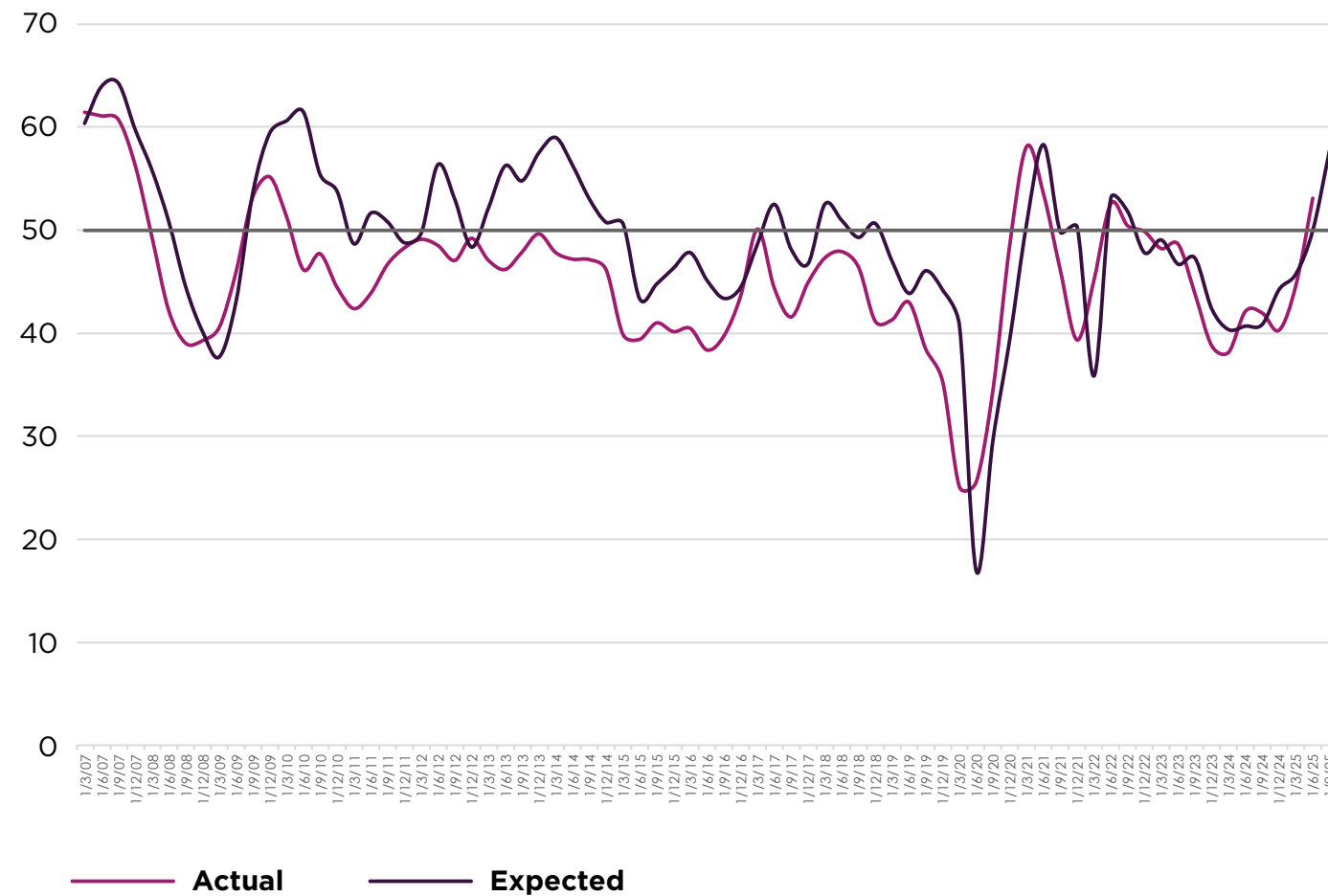
Medium professional services business, Central Queensland

General business conditions

General business conditions in the June quarter improved up 8.5 index points to 53.1. This result reflects businesses recording increased sales and an improvement in profitability.

General business conditions are satisfactory and the June quarter index score of 53.1 is above this time last year (42.1) and is also well above the 10 year average (43.3). It is the first time the index score has been above 50 since early 2022 and indicates improving business conditions for the state.

General business conditions are expected to again improve up 4.6 points to an index of 57.7.



At the state level, the new government has started sorting out a heap of legacy issues that were dragging the state down, confidence has picked up and it finally feels like some positive direction is happening after years of stagnation and excuses.

Small electricity, gas and water supply business, Brisbane

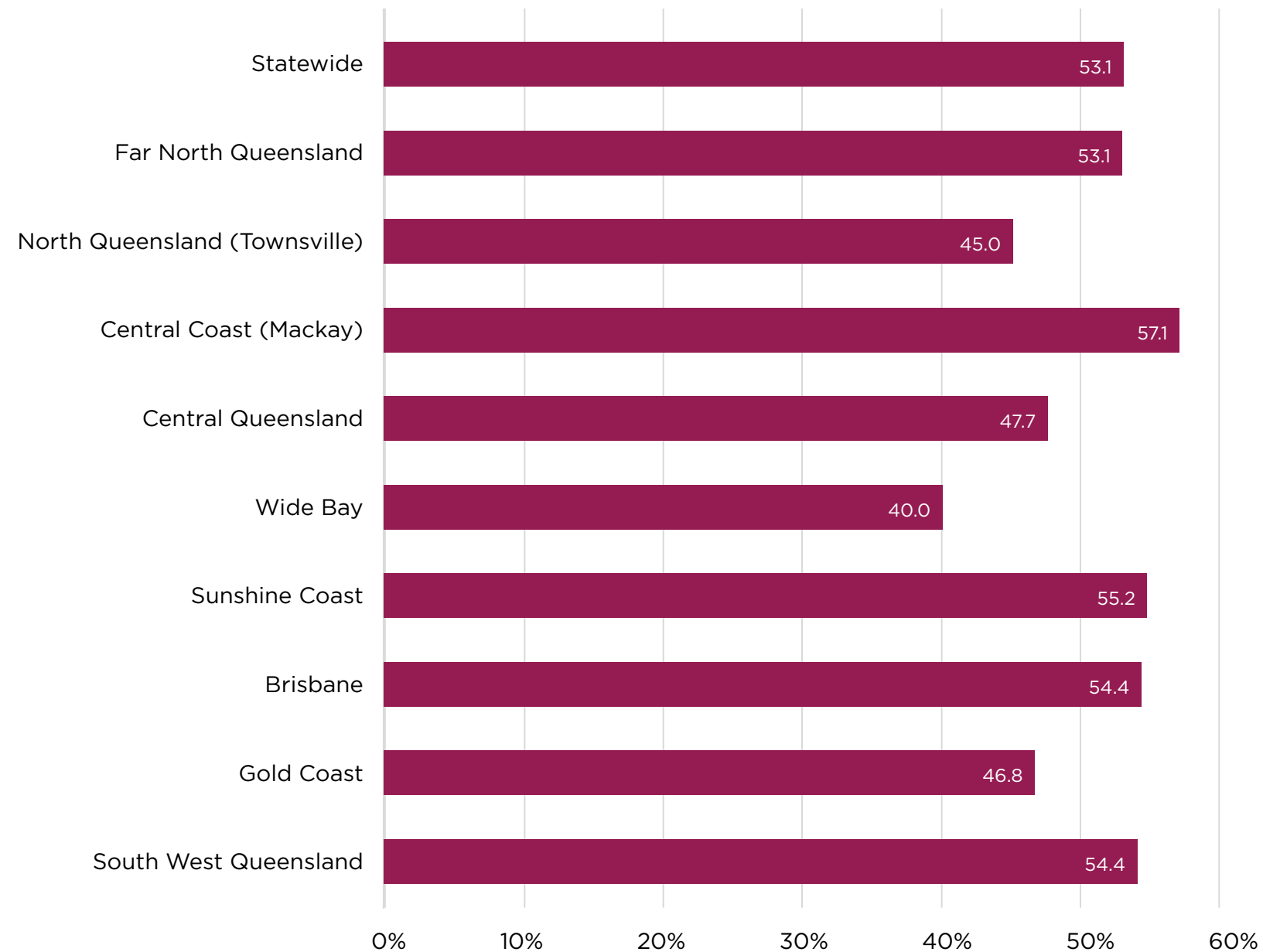


Will depend on a balance between domestic policy settings (especially interest rates and government spending), global demand, resource prices, and how well the country manages persistent cost-of-living pressures and labour market constraints.

Small tourism business, Central Coast (Mackay)

Conditions by region

Strongest business conditions were recorded in Mackay (57.1), Sunshine Coast (55.2), South West Queensland (54.5) and Brisbane (54.4). Weakest conditions were recorded in Wide Bay (40.0), North Queensland (45.0) and Gold Coast (46.8). All regions now have satisfactory general business conditions.

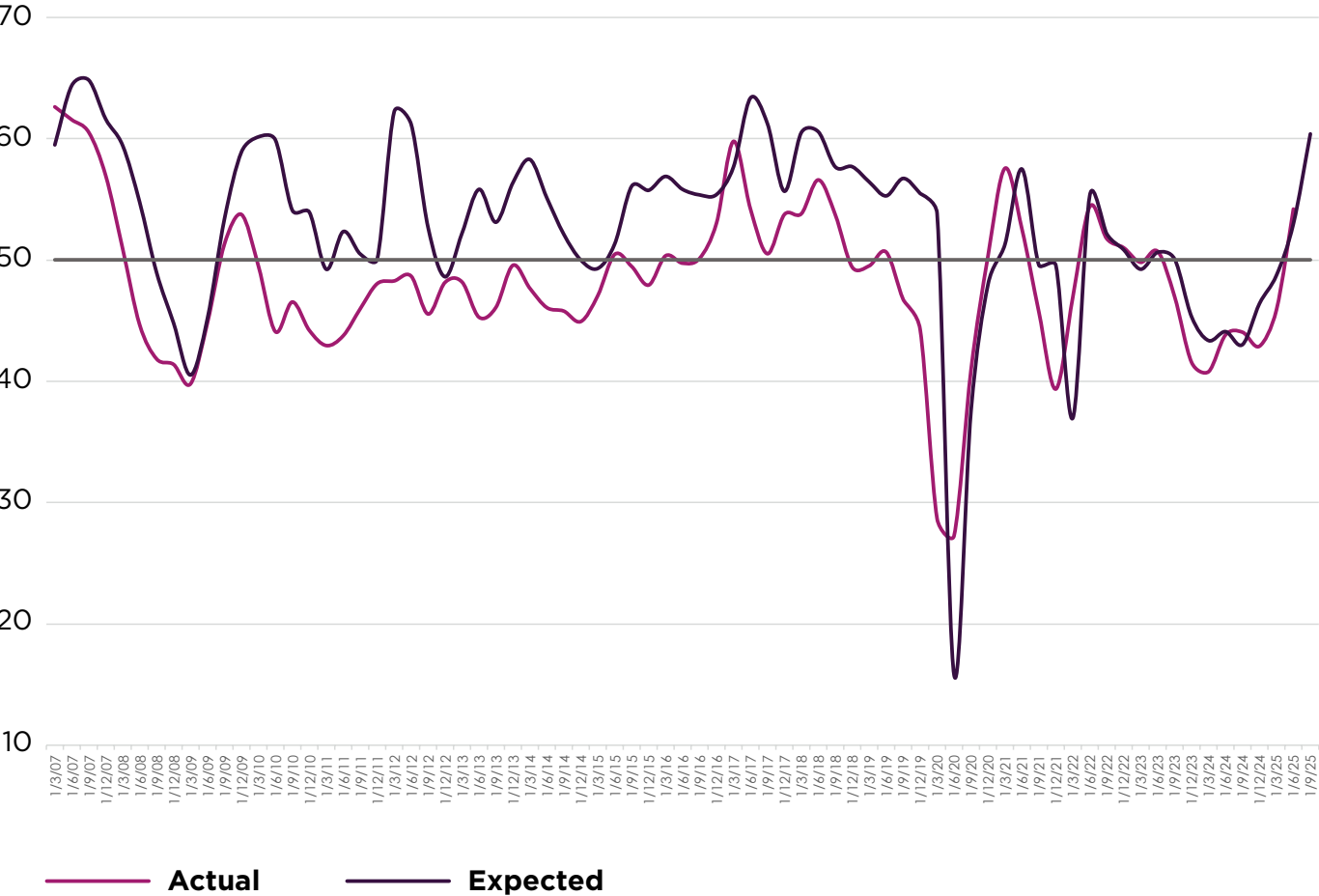


The global demand for resources will impact our State and Federal economy, the biggest driver will be the tariffs.

Medium education and training business, Wide Bay

Sales revenue

- Total sales revenue in the June quarter also improved. The sales and revenue index of 54.2 is up 8.3 points on the March quarter index of 45.9 and is now also above the 10 year average (48.3). An index score above 50 shows Queensland businesses indicated sales grew during the June quarter.
- Three rate reductions across 2025 have impacted business to consumer and business to business sales for many Queensland businesses.
- The result is above this time last year (43.9) and anticipation of further rate reductions this year are influencing the expectations sales will continue to rise - up another 6.1 index points to 60.3. If realised this level of sales will be strong.



A drop in interest rates will increase spending.

Small administrative and support services business, Logan



The launch of related projects for the 2032 Olympics will boost the construction industry, but extreme weather (such as cyclone season) and supply chain disruptions remain risks. Additionally, the State Government's support for mining and new energy may create new demand.

Medium construction business, Brisbane

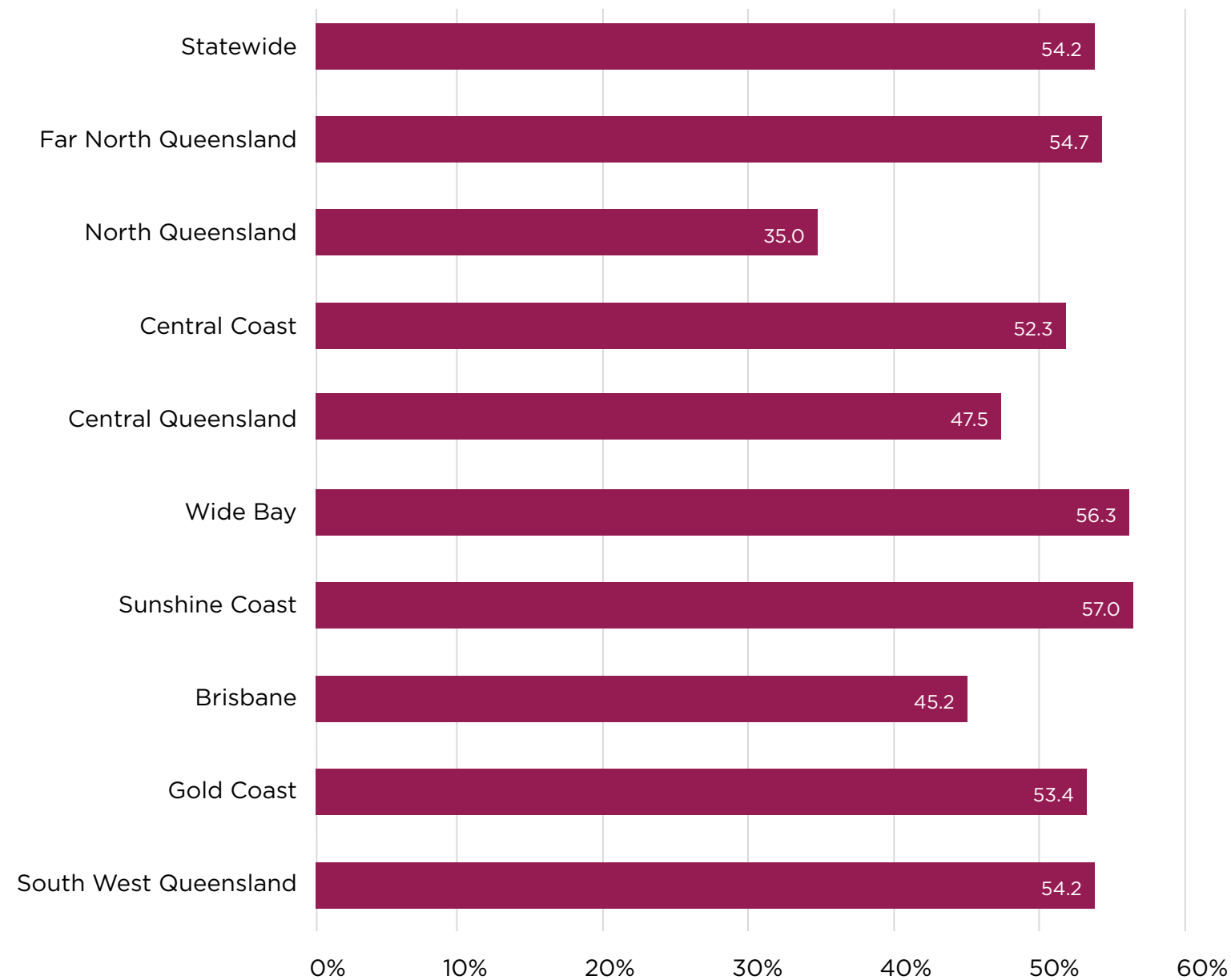


Mining Royalties have played a huge part in the downturn of the mining industry. It is affecting small businesses like ours dramatically.

Small manufacturing business, Mackay and Central Coast

Sales revenue by region

- Strongest sales were recorded in Sunshine Coast (57.0), Wide Bay (56.3) and Far North Queensland (54.7).
- Weakest conditions were recorded in North Queensland (35.0) which still has weak sales. All other regions now have satisfactory sales levels.



Steady decreases in interest rates will increase disposable incomes but it will still take quite some time for consumers to open up.

Large manufacturing business, SWQ

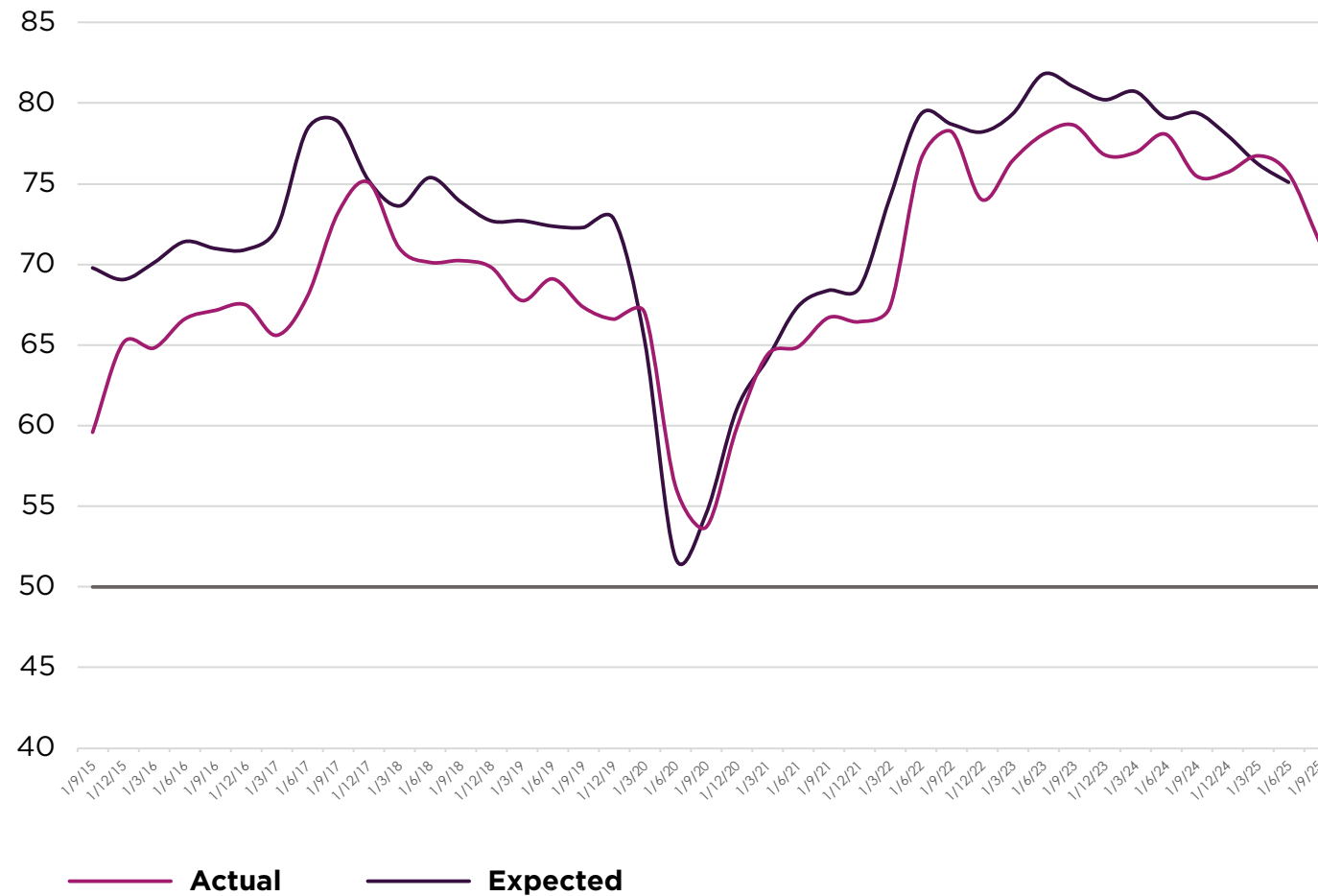


Decisions by the Reserve Bank of Australia on interest rates in response to inflation will directly impact household spending, borrowing, and investment.

Medium construction business, SEQ

Operating costs

- While cost pressures across leasing, insurance, electricity and fuel prices continued to moderate in the June quarter, they remained high with an index of 75.1 and above the 10 year average (72.9).
- However costs again decreased another 1.1 points on the March quarter and this time last year (79.1).
- Operating costs are expected to continue tempering with the operating cost index falling another 3.7 points to 71.4 in the September quarter.



The construction industry continues to face issues such as rising material costs and a shortage of skilled workers.

Medium construction business, Brisbane



Global situation: inflation is fuelling cost of servicing, vehicle repairs, wages, superannuation and Work Cover, office expenses etc.

Small education business, Cairns

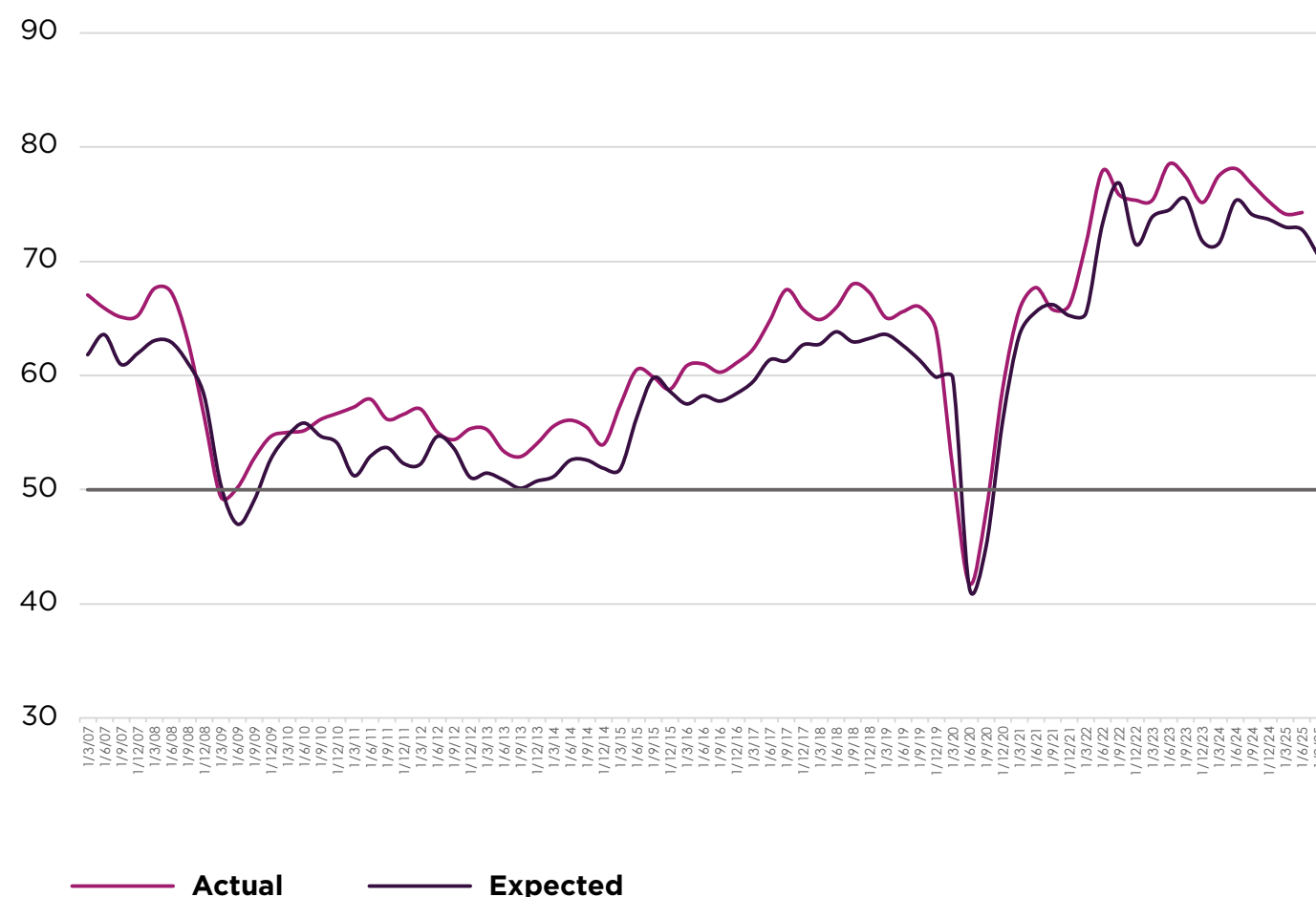


We saw a massive, positive change post election and in alignment with interest rate changes.

Small professional services business, Sunshine Coast

Labour costs

- Labour costs in the June quarter remained at a similar level to the March quarter (74.1) with an index of 74.3. The index increased marginally (0.2 points) and remains above the 10 year average (66.9) but is down from this time last year (78.1).
- As a constraint on business it continues to be in the top three. The labour cost index is expected to further moderate in the September quarter and if realised will see the index fall a further 3.9 points to 70.4.



The unemployment rate is unsustainable, business cannot grow if there are no staff available to employ.

Small health and community services business, Cairns



Labour costs and everything is becoming more expensive - we are losing customers due to our increasing costs.

Small manufacturing business, Gold Coast



No labour disruption on job sites. Still plenty of government projects out there.

Medium manufacturing business, Toowoomba

Profitability

- Profitability improved again in the June quarter reflecting an increase in sales and revenue and a slow moderation in high operational and labour costs. The profitability index increased 10.3 points to 44.1, up on this time last year (30.5) and above the 10 year average of 36.3.
- Profitability will continue improving in the September quarter with the index up 6.3 points to 50.4. Profitability is now satisfactory and if expectations are realised will be above 50 for the first time since before the Global Financial Crisis.



The build-up to the Olympics will generate employment in certain areas of the economy particularly infrastructure.

Small professional, scientific and technical services business, Brisbane



There is a degree of international instability - however we seem to be tracking in the right direction.

Small professional services business, Mackay

Average selling price

Average selling prices remain sticky and increased 3.9 points to 57.7. This indicator has been consistent in a band within 4 index points for more than a year. The index is moderate and broadly in line with the longer term trend of 56.9.

The index is expected to increase in the September quarter up 3.5 index points to 61.2. If realised this will be the highest index since 2022.



Continued tightness in the labour market and wage growth may support consumption but also add to inflationary pressures.

Medium agriculture, forestry, fishing business, SEQ



At the commercial and industrial level there exists a willingness to move spending and projects forward finally. Green shoots, and not on fire by any means, but there.

Small electricity, gas, and water supply business, Brisbane

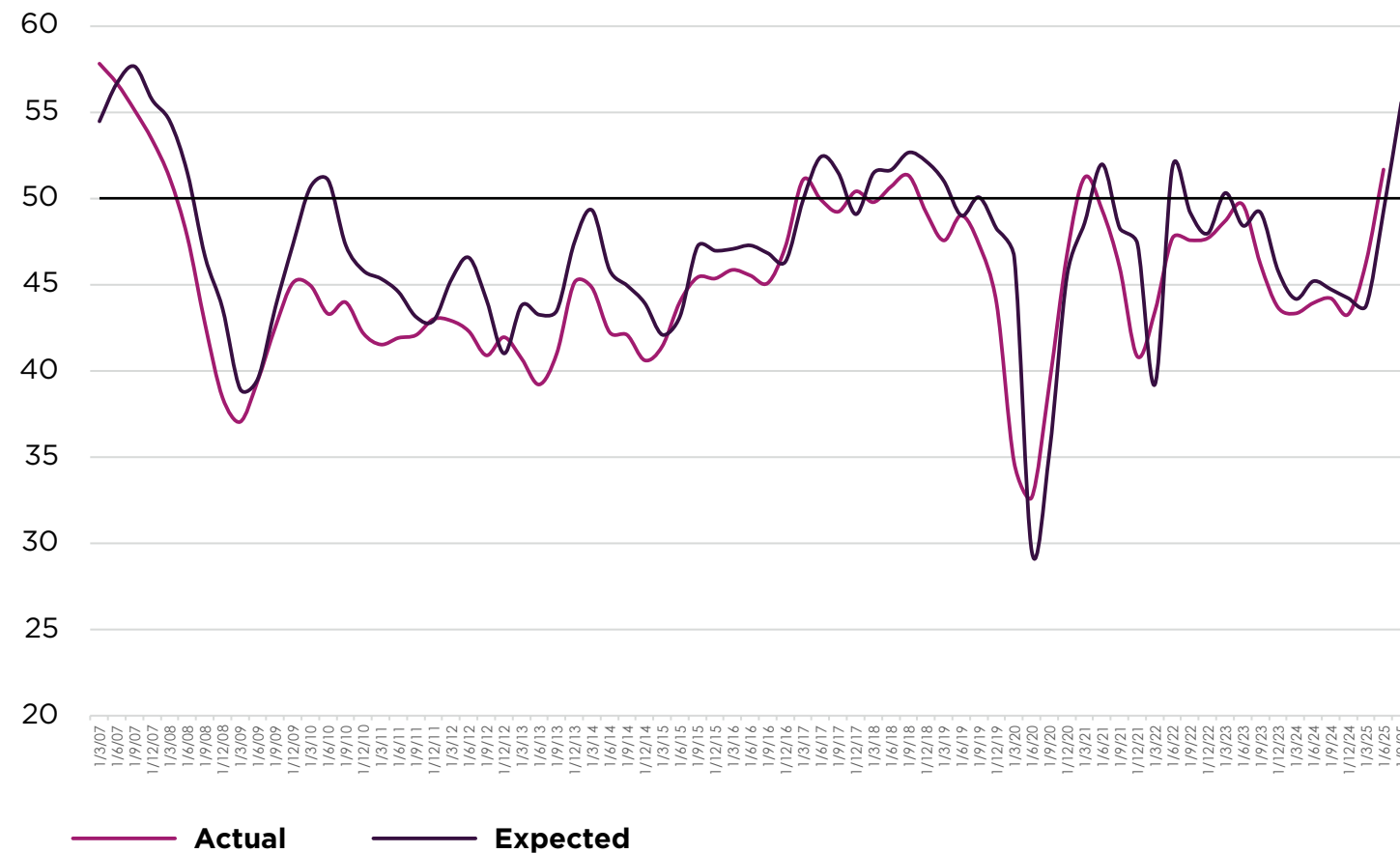


For Qld, the ongoing infrastructure spend leading to the 2032 games should keep performance moving forward.

Small finance business, Moreton Bay

Employment levels

- Employment levels increased in the June quarter, with the index up 5.4 index points from 46.3 in the March Quarter to 51.7. This is the second quarterly increase and follows a period where employment levels had been marginally deteriorating. The employment index is 7.8 points up from this time last year (43.9) and compares against the ten year average of 46.3. Employment levels will increase again in the September quarter up 3.9 points to 55.6.



Queensland's economy is heavily reliant on mining and agriculture. Fluctuations in global prices for resources such as coal and LNG will significantly affect state revenue and employment.

Medium agriculture, forestry and fishing business, SEQ



Investment in major projects, including those linked to the 2032 Brisbane Olympics, will support economic growth and job creation.

Medium construction business, SEQ



Due to the downturn we have been able to recruit an experienced Boilermaker.

Central Coast (Mackay)

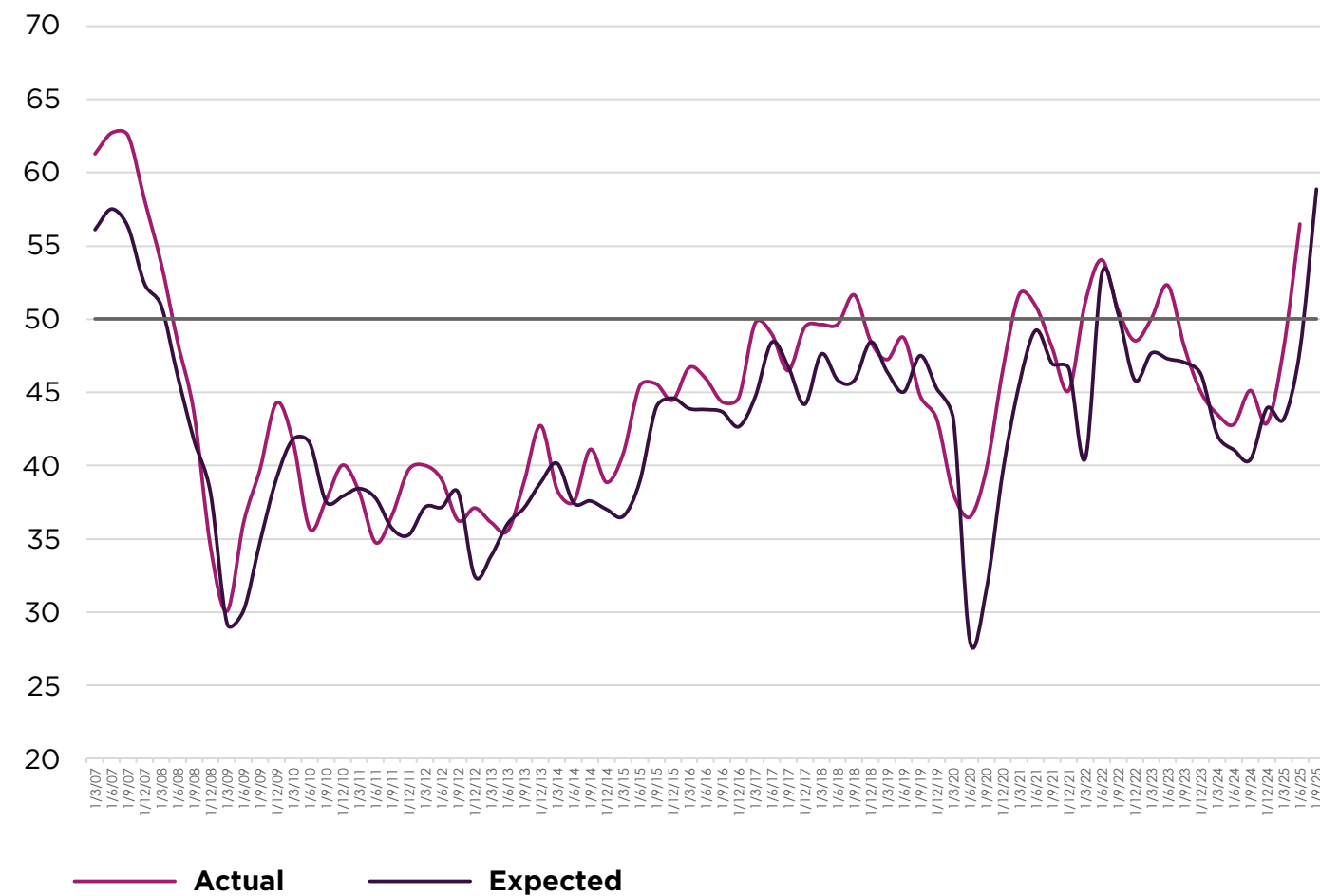


Being able to hire quality candidates from Victoria.

Medium manufacturing business, Darling Downs and South West Queensland

Capital expenditure

- Improved profit levels, better sales revenue and reduced borrowing costs are continuing to impact positively on business capital expenditure. The capital expenditure index in the June quarter increased by 8.6 index points from 47.9 in the March quarter to 56.5. The index is up a significant 13.7 points from this time last year and is now well above the long term 10 year average of 47.1 and is at its highest level since pre GFC.
- Business investment is expected to increase again in the September quarter with the capital expenditure index up another 2.3 points to 58.8.



Growth in Queensland economic activity is associated with preparations for Olympic infrastructure projects.

Medium professional, scientific and technical services business, in Brisbane



There is Olympic funding/investment, specifically in Queensland first of all. A lot of businesses are going to want to cash in on the opportunity through increased capital investment and job creation.

Small professional, scientific and technical services business, Sunshine Coast

Business constraints

The constraints on business growth ranking is continually volatile but the most noticeable change is the severity of constraint indexes continue to lessen. As an example the average of top 10 constraints in the March quarter was 59.9 and this has now fallen to 53.3.

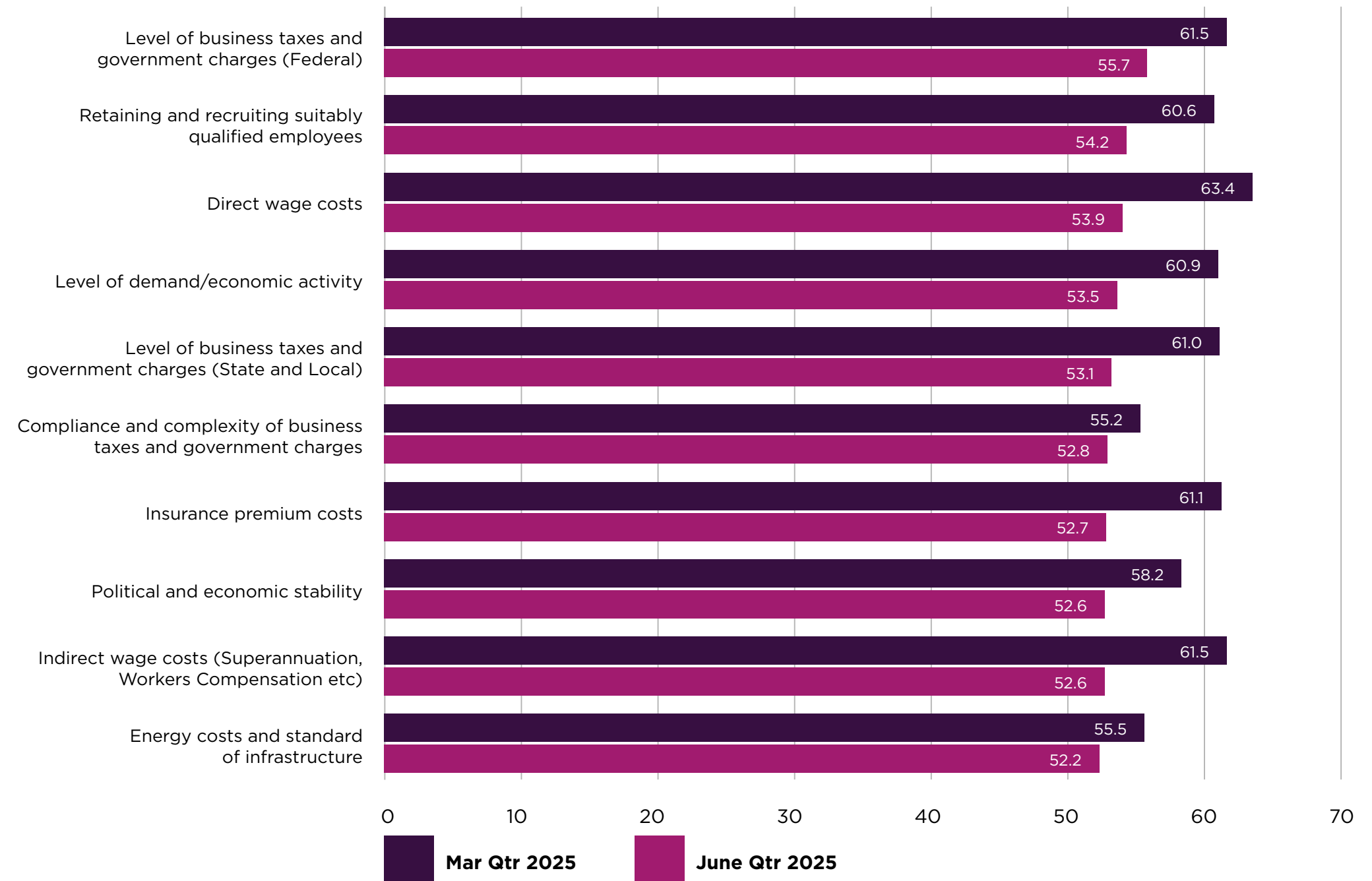
The level of federal business taxes and government charges (55.7) is the largest constraint but the index fell 5.8 points.

Retaining and recruiting suitably qualified employees represented the largest jump in constraint up from seventh to second but its index fell 6.4 points.

Direct wage costs (53.9) fell from number one constraint to round out the top three. Its index fell 9.5 points.

Level of demand and economic activity is up from sixth to fourth largest constraint but its index fell 9.4 points.

Level of business taxes and government charges (state and local) (53.1) remained in the fifth ranking with its index falling 7.9 points.



Biggest rise

- ⌘ No constraints recorded an increase in their index score.

Biggest fall

- ⌘ The largest falls in indexes were recorded for direct wage costs and level of demand and economic activity.



The Federal Government putting up taxes and unrealistic fair work regulations are killing small businesses.

Medium manufacturing business, North Queensland

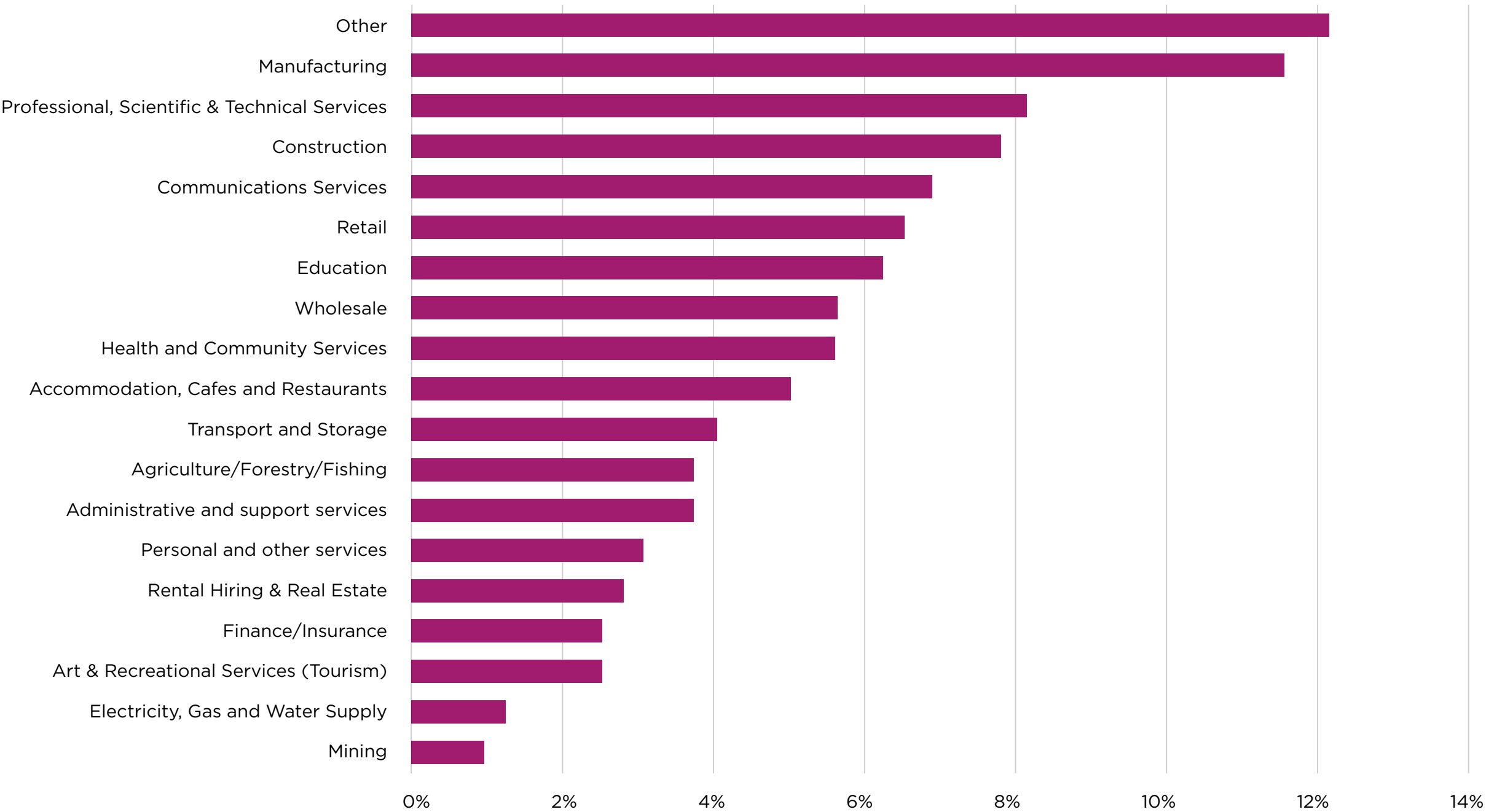


**Australia - declining interest rates, strong labour market, but impacted by uncertainty in the USA and tariffs.
Qld - Olympics, growing tourism dollars, focus on supporting parents in the workforce through free kindy.**

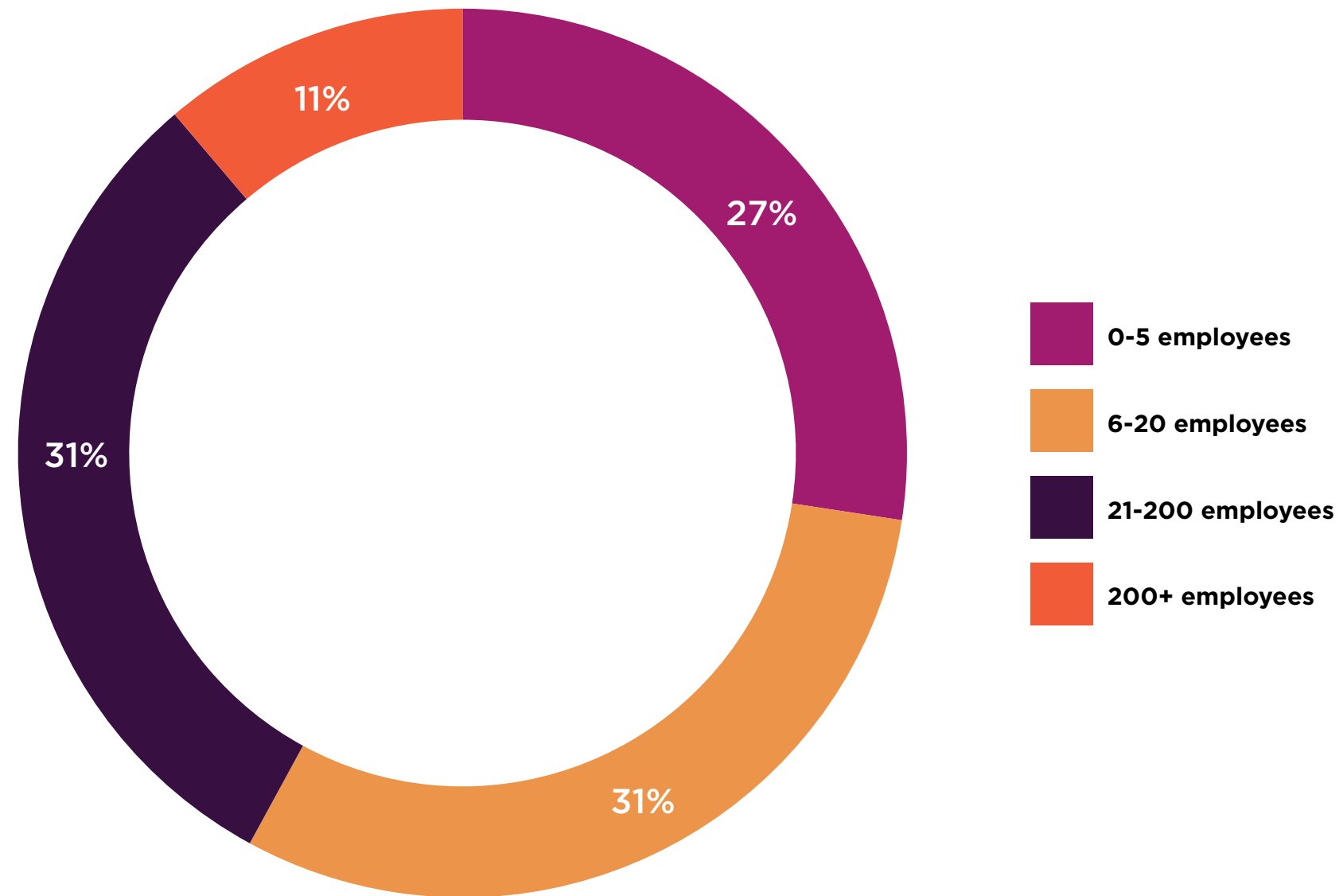
Small professional services business, Brisbane

Profile of Responses

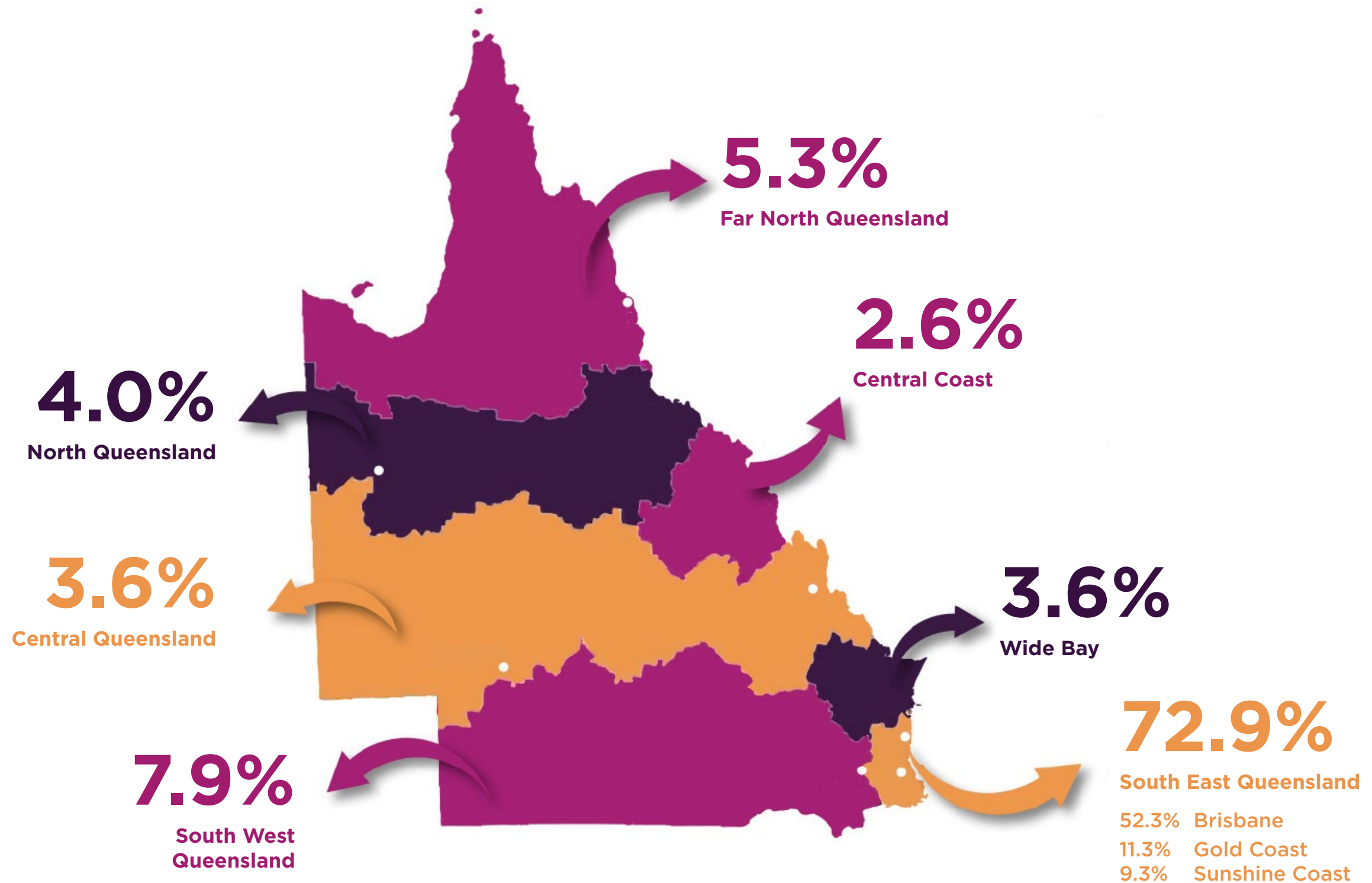
Industry



Business size



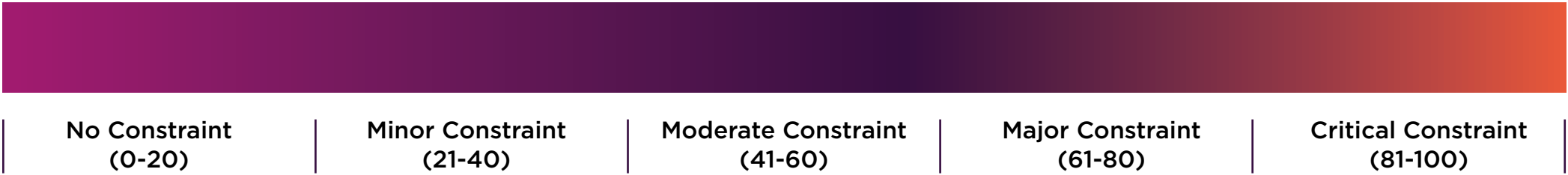
Region



Survey period and sample

- The online Pulse Survey of Business Conditions collected responses from Queensland businesses from 17 July to 19 August 2025, on business sentiment and activity for the June quarter 2025. 321 businesses responded to the survey.

How to interpret the index



- To find out more about the Pulse Survey, visit www.businesschamberqld.com.au, or contact Business Chamber Queensland on **1300 731 988**.
- Business Chamber Queensland is committed to advancing sustainability in Queensland.
- Our Pulse report is intended for digital viewing. Please minimise printing whenever possible.



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