

# GOLD COAST PULSE SURVEY REPORT

SEPTEMBER QUARTER 2021



# GOLD COAST BUSINESSES: READY AND NEEDING TO RETURN TO THE NORM

Latest results for the Pulse Survey in the September Quarter indicate that Gold Coast's business community is ready but needing for our economy and life to return to the norm.

General business conditions, total sales revenue and profitability all deteriorated during the quarter.

Expectations for the December quarter are for a marginal improvement but when contrasted against historic expectations for what is normally a 'boon' quarter this anticipated improvement rapidly becomes 'ho hum'.

Key issues cited by Gold Coast businesses include:

- COVID-19 and the ever constant uncertainty that it is creating for business operations and planning;
- Government responses to COVID-19 community transmission including lockdowns and business restrictions and the impact this having on revenue and profitability;

- International and interstate border restrictions and the impact this having on revenue and profitability;
- Efficiency and effectiveness of our vaccination roll out but also vaccine hesitancy;
- Perceived politics in the management of Australia's and Queensland's response to the COVID-19 Health and Economic Crisis;
- Supply chain disruptions, blockages and its associated impact on business input costs;
- Deterioration in our trade relationship with China;
- Skilled and unskilled labour shortages; and
- General erosion of business confidence in State and Federal Government.

All of these issues have combined to cause the September quarter to be one of the toughest quarter's since the global pandemic began for Queensland businesses.

Gold Coast businesses have noticeably lower confidence for the next twelve months than the State-wide average and performance during the September quarter was also noticeably lower.

This is no doubt a reflection of more and more uncertainty over how Queensland will successfully exit our suppression strategy as NSW and Victoria are opening up. Accordingly whilst Gold Coast businesses hope that we are nearing an end there are still difficulties ahead for them.



## PERFORMANCE RELATIVE TO THE QUEENSLAND STATE AVERAGE

### SEPTEMBER QUARTER SENTIMENT

Gold Coast

40.6

Queensland

45.8

### DECEMBER QUARTER FORECAST

Gold Coast

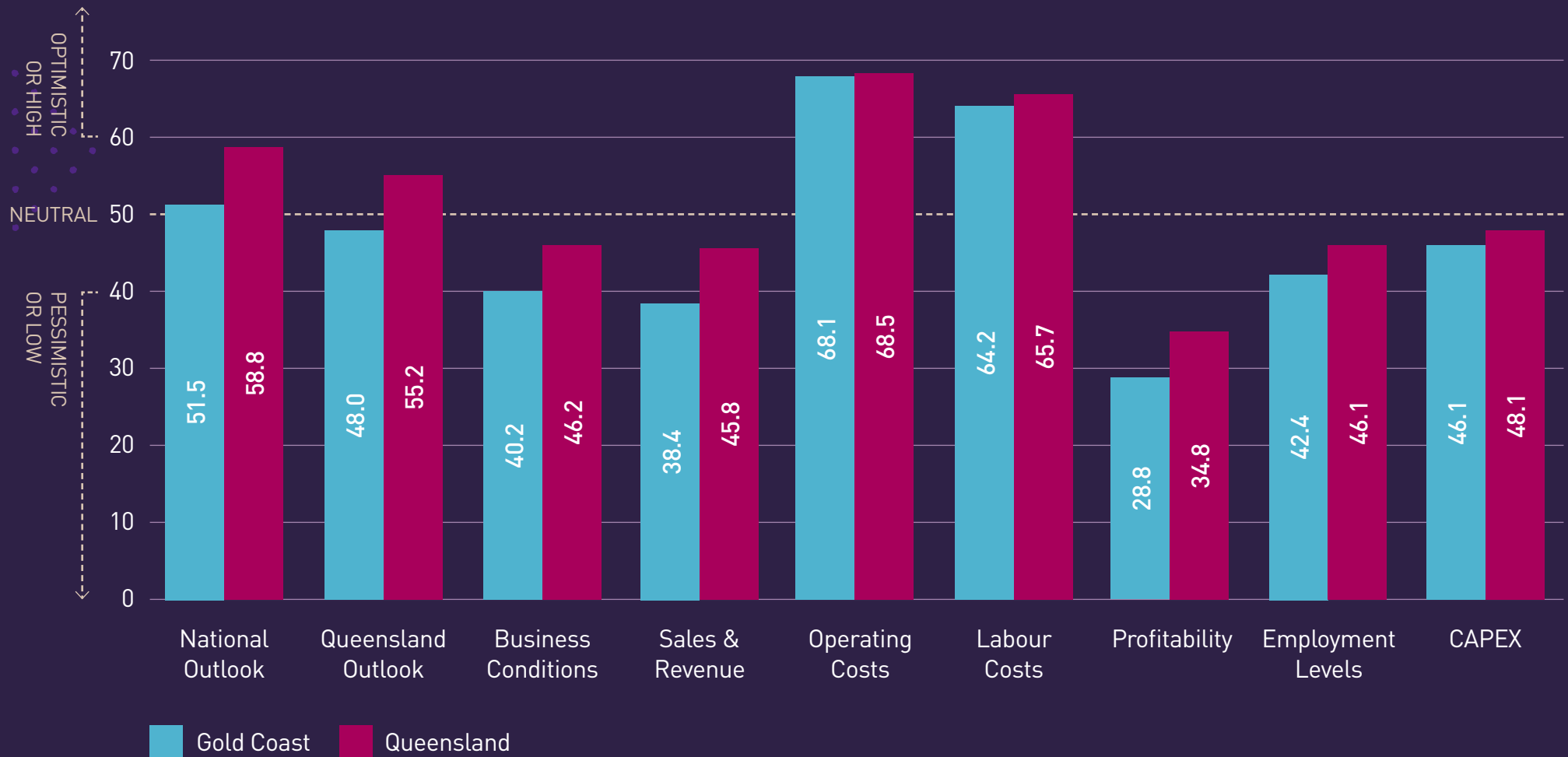
43.9

Queensland

48.3

# SNAPSHOT DATA

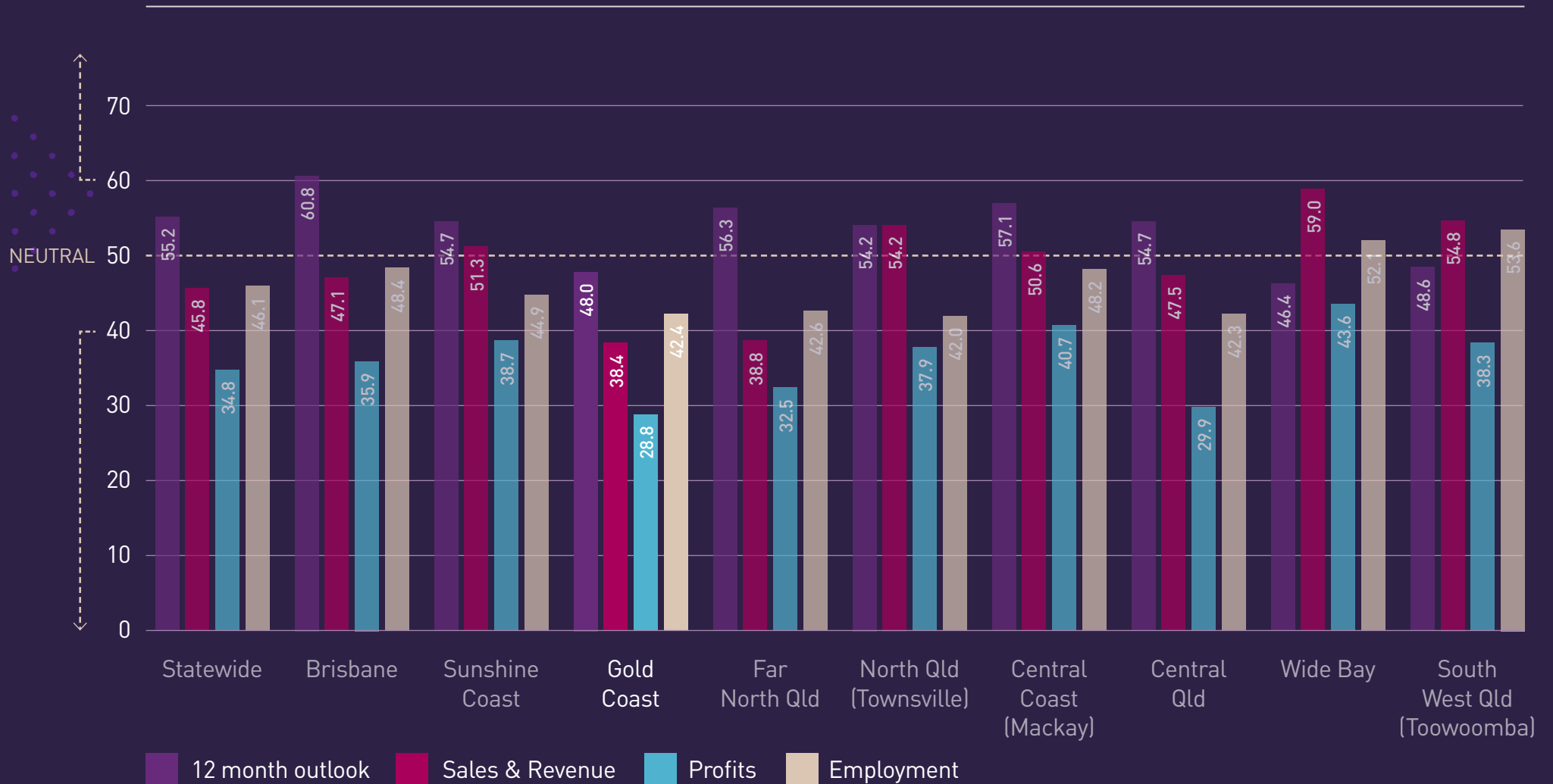
## GOLD COAST PULSE SURVEY INDEX\* RATINGS SEPTEMBER 2021



Survey Index Ratings: Very Poor = 0-19 points / Poor = 20-39 points / Satisfactory = 40-59 points / Good = 60-79 points / Excellent = 80-100 points

# SNAPSHOT DATA

## PULSE SURVEY INDEX \* RATINGS SEPTEMBER 2021



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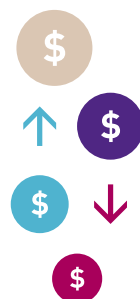


## 12-MONTH OUTLOOK

### PULSE SURVEY INDEX

Queensland Outlook = **48.0** (+1.2); Satisfactory  
National Outlook = **51.5** (-1.4); Satisfactory

The 12 month outlook increased 1.2 points to 48.0 and indicates satisfactory growth prospects over the forthcoming 12 months. The relative stability in the Index over the last three quarters is reflective of 'business as usual' albeit with life under COVID-19. Gold Coast businesses continue to believe the National economy will outperform the Queensland economy over the next twelve months and are generally less confident than the State average.

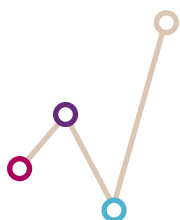


## SALES AND REVENUE

### PULSE SURVEY INDEX

September-21 = **38.4** (-10.5); Weak  
December-21 = **46.1** (+7.7); Satisfactory

Total sales revenue in the September quarter noticeably declined and records weakening sales. The sales and revenue PBI of 38.4 is down (-10.5) on the previous June quarter and also this time last year during the height of the COVID-19 economic crisis. Total sales revenue are expected to remain below 50 in the December quarter with a PBI of 46.1 indicating a further weaken in sales revenue for the Gold Coast.



## GENERAL BUSINESS CONDITIONS

### PULSE SURVEY INDEX

September-21 = **40.2** (-8.4); Satisfactory  
December-21 = **43.4** (+3.3); Satisfactory

General business conditions deteriorated sharply in the September quarter as a consequence of falling sales, increasing labour and operational costs, causing business profitability to be seriously eroded. The September quarter index score of 40.2 represents a noticeable decline of 8.4 points from the June quarter. The index falls below 50 indicating deteriorating and weak business conditions across the September quarter. General business conditions in the December quarter are expected to marginally improve (up 3.3 points).

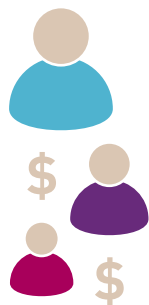


## OPERATING COSTS

### PULSE SURVEY INDEX

September-21 = **68.1** (-0.9); High  
December-21 = **61.9** (-6.2); High

Operating costs during the September quarter remained high with the PBI of 68.1. Global supply chain shortages and bottlenecks have fuelled significant price rises for business inputs as overseas suppliers increase prices to reflect supply issues but also as switching occurs to more expensive domestic suppliers. The significant escalation in operating costs is expected to partly temper in the December quarter with the PBI down 6.2 points to 61.9.



## LABOUR COSTS

### PULSE SURVEY INDEX

September-21 = **64.2** (-2.6); High  
December-21 = **63.5** (-0.8); High

Labour costs in the September quarter also remained at a 'high' level with a PBI of 64.2. This result reflects the Fair Work Commission's increase of 2.5 per cent to the Federal Minimum Wage and 122 modern awards and an employer superannuation increase from 9.5 to 10 per cent. However it also reflects skill and labour shortages across a number of industry sectors and geographical areas of Queensland as businesses attempt to offset a reduction in overseas and interstate workers through attracting Queenslanders with higher earnings. No respite is anticipated to occur in the December quarter with the labour cost PBI falling by only 0.8 index points to 63.5.



## EMPLOYMENT LEVELS

### PULSE SURVEY INDEX

September-21 = **42.4** (-5.1); Satisfactory  
December-21 = **45.7** (+3.3); Satisfactory

Employment levels declined in the September quarter, with the PBI falling 5.1 index points to 42.6. This result reflects a reduction in demand but also reflects skill and labour shortages as interstate and overseas workers have gone home but Queensland and Australia retain their border closures. The PBI is now at a similar level to this time last year (43.6). Employment levels are anticipated to improve by 3.3 index points in the December quarter with a PBI of 45.7.



## PROFITABILITY

### PULSE SURVEY INDEX

September-21 = **28.8** (-5.4); Weak  
December-21 = **34.4** (+5.6); Weak

Significantly lower sales coinciding with prevailing high levels of operating and labour costs have caused profitability to fall in the September quarter and is now regarded as 'weak'. The profitability PBI fell considerably by 5.4 points to 28.8 and is now noticeably lower than this time last year (37.6). Gold Coast businesses expect some improvement in their profitability in the December quarter with the Index forecast to grow by 5.6 points to 34.9.



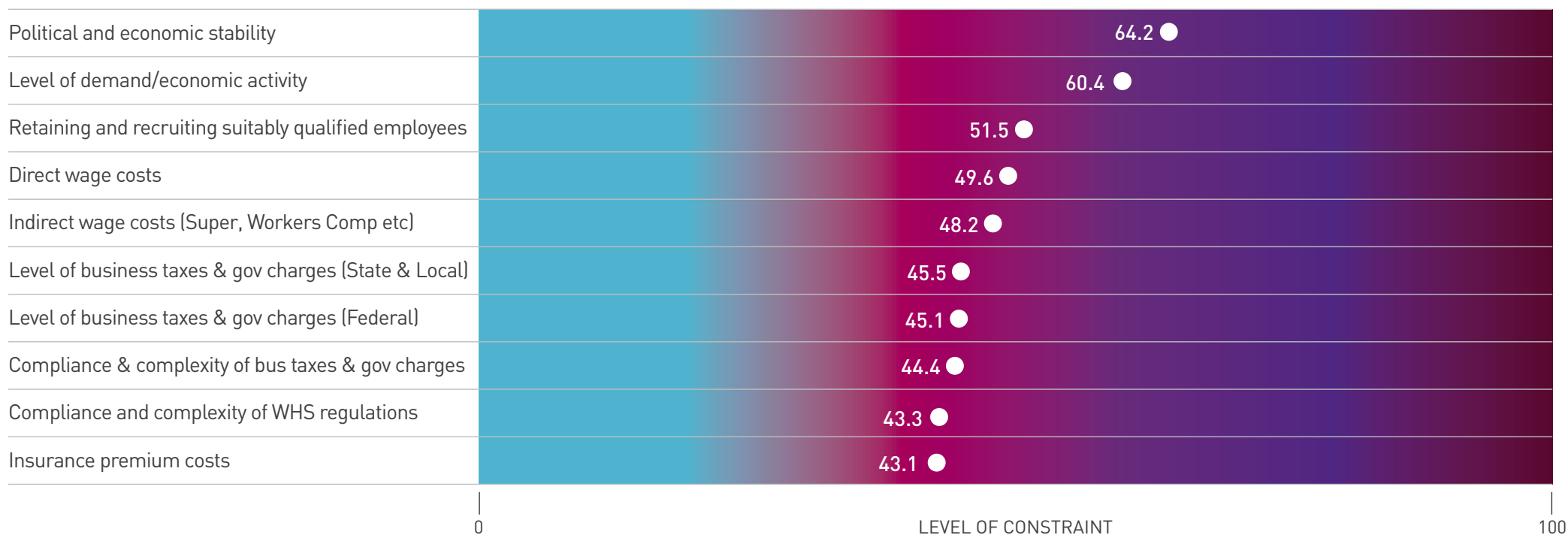
## CAPITAL EXPENDITURE

### PULSE SURVEY INDEX

September-21 = **46.1** (-5.8); Satisfactory  
December-21 = **45.5** (-0.6); Satisfactory

Prevailing weak profit levels, lower sales revenue and uncertainty continue to weigh down future business plans and capital expenditure. The capital expenditure PBI in the September quarter fell by 5.8 index points to 46.1 indicating decreased investment. Capital expenditure is expected to remain below 50 and will weaken further in the December quarter 2021 with a cap ex PBI of 45.5

# MAJOR CONSTRAINTS ON BUSINESS GROWTH



**Degree of constraint index ratings guide:** No constraint: **0-20** / Slight constraint: **21-40** / Moderate constraint: **41-60** / Large constraint: **61-80** / Critical constraint: **81-100**



Border closures are the issue we are a tourism business and relying totally on QLD visitors only with the border closed we are struggling big time as our locals who we normally rely on outside holidays are all in NSW



There is still a lot of hesitance in businesses starting new projects and expanding. Reduction in Government project funding open to small business has seen our business lose \$500k per annum in revenue. Other consolidations and cost savings has hit our service orientated company hard. A boost in funding and opening projects to small local businesses should be a priority.



Coming out of lockdowns, an increase in confidence as we overcome the worst of the pandemic, continuing improvement in the economic prospects for Qld and opening up for tourism.

# ABOUT PULSE

The Pulse Survey has measured Queensland business confidence and expectations for over 25 years. The survey publishes results quarterly from key questions put to the Queensland business community. The survey is unchallenged in terms of being the most authoritative, timely and comprehensive snapshot of Queensland business sentiment, providing critical insights into the opinions of business owners across the state. The survey contains data from a sample covering the entire breadth of the business community.

The survey period was from the 6th to the 18th of September 2021 and examined business sentiment and activity throughout the September quarter (2021). 78 Gold Coast businesses responded to the survey.

## Pulse Business Index

The analysis undertaken by CCIQ in preparing this Pulse Survey Report is based on survey responses from Queensland business. The report uses the PBI as well as (base) statistical data provided from the survey responses to effectively measure respondent's views as to how current or future activity (eg. three months ahead) compares with the previous quarter.

To find out more about Pulse, please contact CCIQ on 1300 731 988 or at [cciqadvocacy@cciq.com.au](mailto:cciqadvocacy@cciq.com.au).

The following guide is useful in interpreting the PBI results into broad indicative performance classifications.

### Pulse Business Index

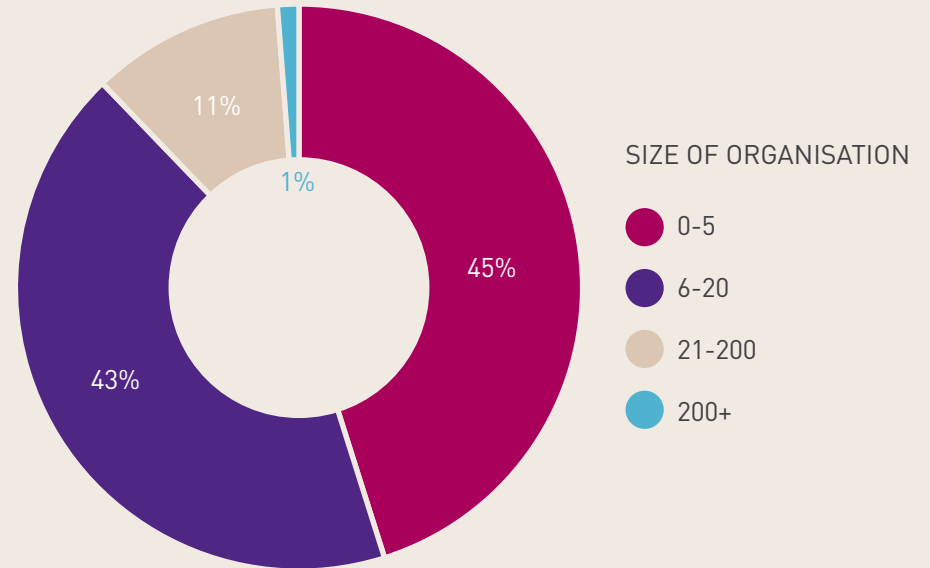
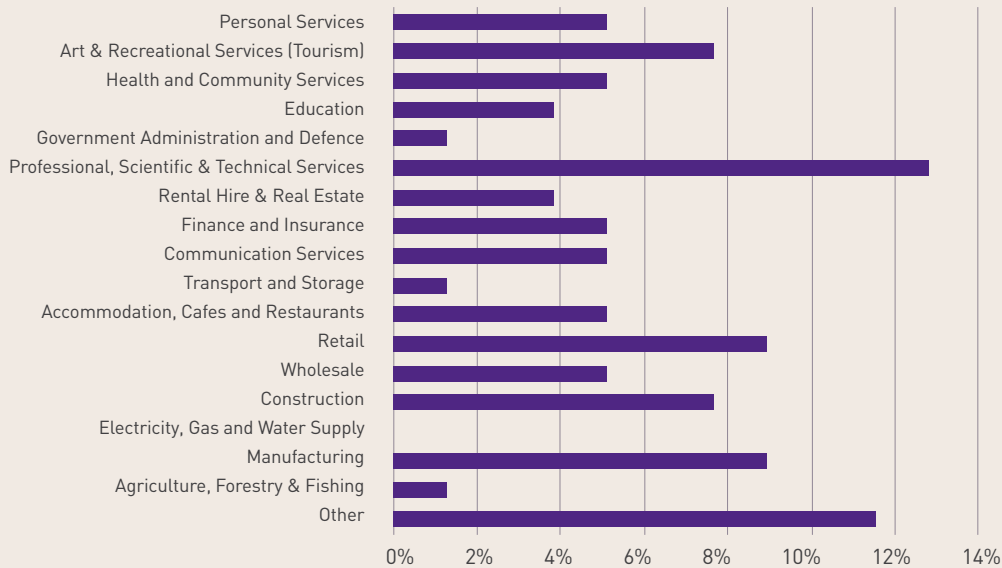
Very Poor:	0-20
Poor:	21-40
Satisfactory:	41-60
Good:	61-80
Excellent:	81-100

The Pulse Business Constraints Index (BCI) measures the level of key impediments on business growth. The following guide is used in interpreting the BCI results.

### Degree of Constraint Index

No Constraint:	0-20
Slight Constraint:	21 - 40
Moderate Constraint:	41 - 60
Large Constraint:	61 - 80
Critical Constraint:	81 - 100

## INDUSTRY REPRESENTATION



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