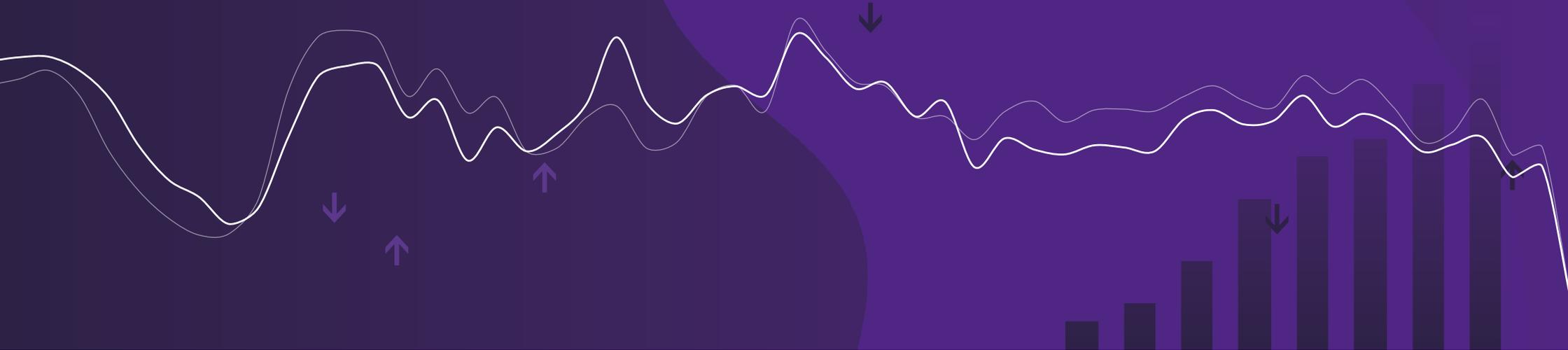
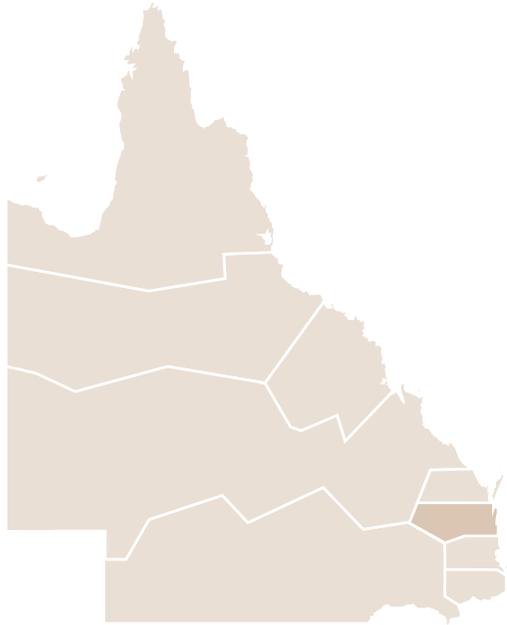


# SUNSHINE COAST PULSE SURVEY REPORT

MARCH QUARTER 2021





“The Sunshine Coast has witnessed a change to consumer behavior due to COVID-19 and the Queensland Government’s health response strategies. Some of these changes have been for the better while others have been for the worse. Currently, Federal Government initiatives to encourage business investment and productivity has helped the long term recovery. On the other hand, geopolitical instability has impacted trade for exporting businesses due to shipping constraints and interactions across borders.”

### KEY FINDINGS

- 1 Business confidence in the forward outlook of the Queensland economy is nearly **four times higher** than during the March quarter of 2020
- 2 More than **1 in 3** respondents reported declining profitability as costs continue to rise and as businesses recover from losses incurred during the financial year
- 3 The March quarter has marked the fifth consecutive quarter where the level of demand and **economic activity** has ranked as **the greatest constraint** on business growth

### KEY THEMES

- 1 Businesses call for State and Territory Governments to adopt a single approach to border declarations and treatment of COVID-19 hotspots to ease travel uncertainties
- 2 Businesses report consistently high activity easing concerns around the conclusion of JobKeeper payments from the 28th of March
- 3 Effective vaccination program becomes necessary to unlock business potential across Queensland and remove the need for business restrictions and lockdowns

OVERALL BUSINESS SENTIMENT



Survey index ratings:

Very weak (0-20 points)

Weak (21-40 points)

Satisfactory (41-60 points)

Strong (61-80 points)

Very strong (81-100 points)

## 12 MONTH OUTLOOK



**294% growth** in the Queensland 12-month outlook index compared to the March quarter of 2020

Nearly **one half** of businesses predict the national economy will perform stronger in the next 12 months

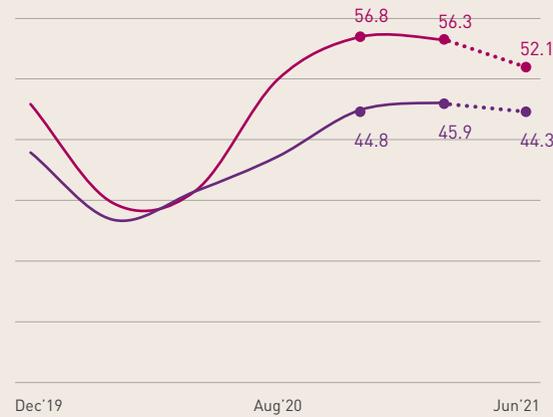
**2 in 5** businesses predict the same for the Queensland economy

**“Interest rates and government policies around infrastructure and manufacturing is helping to boost confidence in the economy.”**

## BUSINESS COSTS



## BUSINESS PROFITABILITY



Business turnover remains steady as **3 in 4** business experience equal or stronger business activity compared to the December quarter

**98%** of respondents experienced equal or greater operating costs such as utilities, rent and insurance premiums

More than **1 in 3** business report weaker profits, with the index reading remaining the lowest area of business sentiment

**“We have seen an uptick in tourism, helping to support struggling industries. However, the State still seems paralysed by COVID-19 decision making.”**

## BUSINESS PRODUCTIVITY



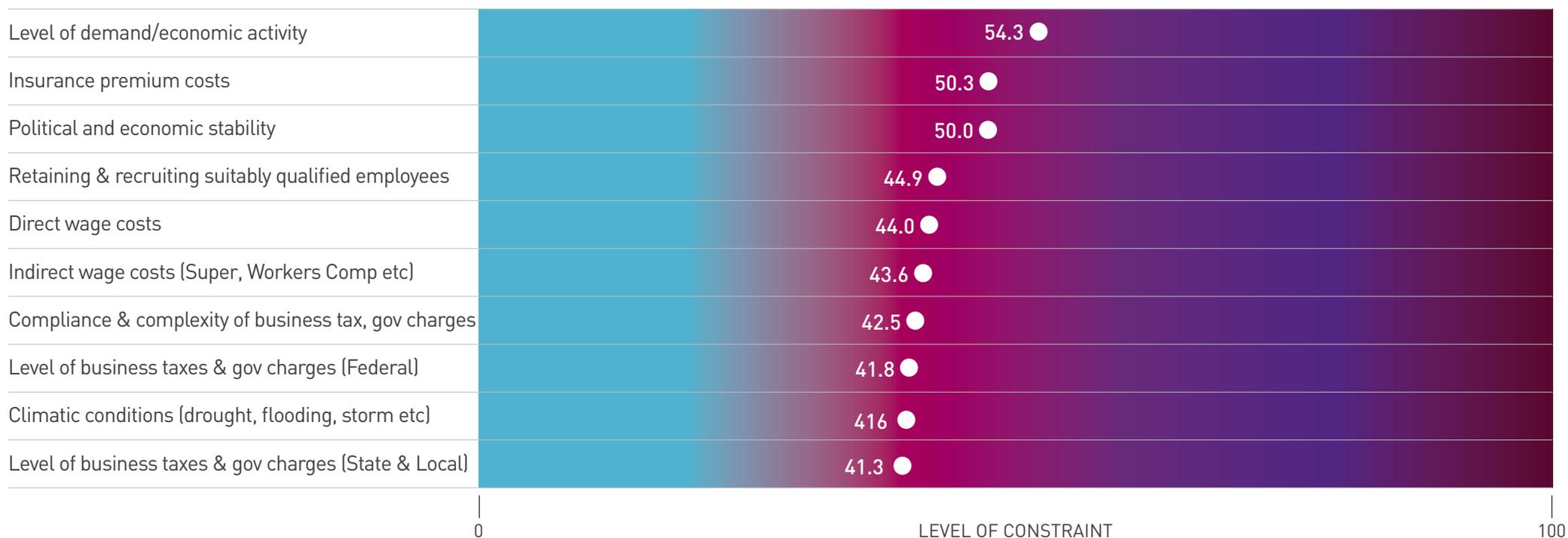
The general business conditions index has more than **doubled** since the enforced business closures in 2020

**5.5% Unemployment<sup>1</sup>** –  
-1,100 Employed; -2,600 Unemployed

The Capital expenditure index fell slightly as nearly half maintain the same level of investment activity

1. Conus/CBC Staff Selection Employment, March 2021.

# 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**



“Once again, COVID-19 shutdowns have impacted consumer confidence. We are also starting to see new challenges in our market with the housing market becoming further out of reach as interest rates remain so low. This might impact the ability to attract people to the area.”



“There has been a large wave of cash enter the economy. This has been from COVID stimulus that was handed out to a lot of Australians, but also the cash from people accessing their Superannuation. I expect that if not already, the cash will soon dry up. Many businesses and Australians may also be starting to build up significant debts on deferments, credit cards, and mortgages due to the hyper-inflated housing market. All of these factors might start pulling back the economy.”

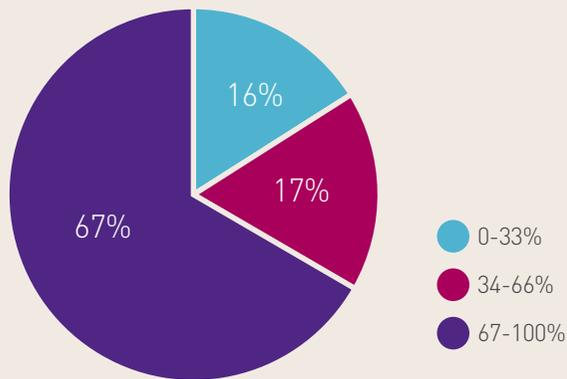


“Before the latest closure in Brisbane, there was definitely the feeling that we were returning to normal. All of the borders were open, and we were seeing people willing to travel to the Sunshine Coast and spend!”

# HOT TOPIC SURVEY

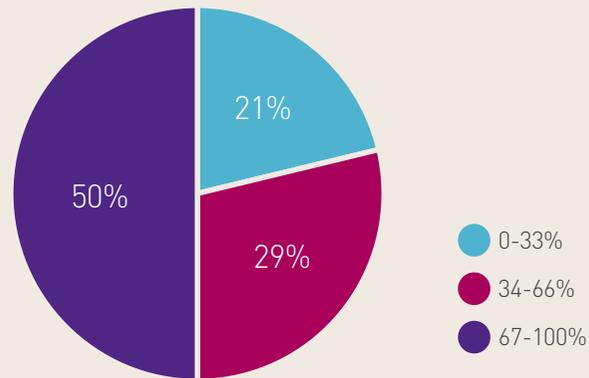
## BUSINESS RECOVERY FROM COVID-19

The recovery of businesses across the Sunshine Coast exceeded the state average during the March quarter. This finding follows more than 2 in 3 businesses reporting a recovery of between 67-100 per cent of pre-COVID-19 trade. More than 1 in 4 have reported a recovery between 91 -100 per cent, with 24 per cent operating at total capacity.



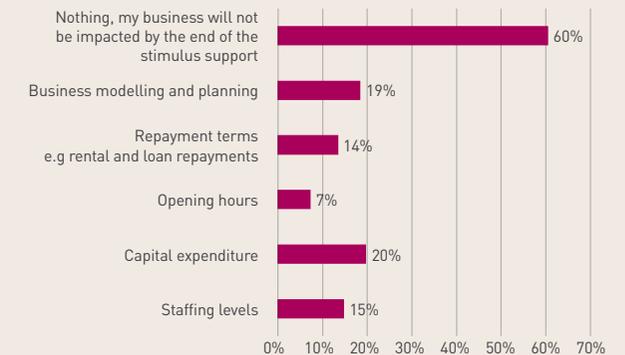
## BUSINESS CONFIDENCE IN SUCCESS

Businesses are mostly confident in reaching their 12-month goals amidst the strengthening operating conditions. While only six per cent of businesses were certain, one half responded in the top third of confidence in seeing out their goals during 2021. However, when reflecting on the March quarter, it is clear that businesses are continuing to operate under the uncertainty of further COVID-19 disruption.



## IMPACT TO BUSINESS WHEN STIMULUS SUPPORT ENDS

Thankfully, revised data suggests that most businesses across the Sunshine Coast have avoided the fiscal cliff that was previously predicted. Despite the conclusion of JobKeeper payments in March, nearly 2 in 3 respondents are not expecting to be impacted by the conclusion of stimulus support. The remaining sample has continued planning to reduce variable costs such as capital expenditure and staffing levels until normal operating conditions return.



## REVIEWING THE EFFECTIVENESS OF STATE AND FEDERAL STIMULUS

### Most Effective Stimulus

**#1 CASHFLOW INJECTION**

**#2 WAGE SUBSIDIES**

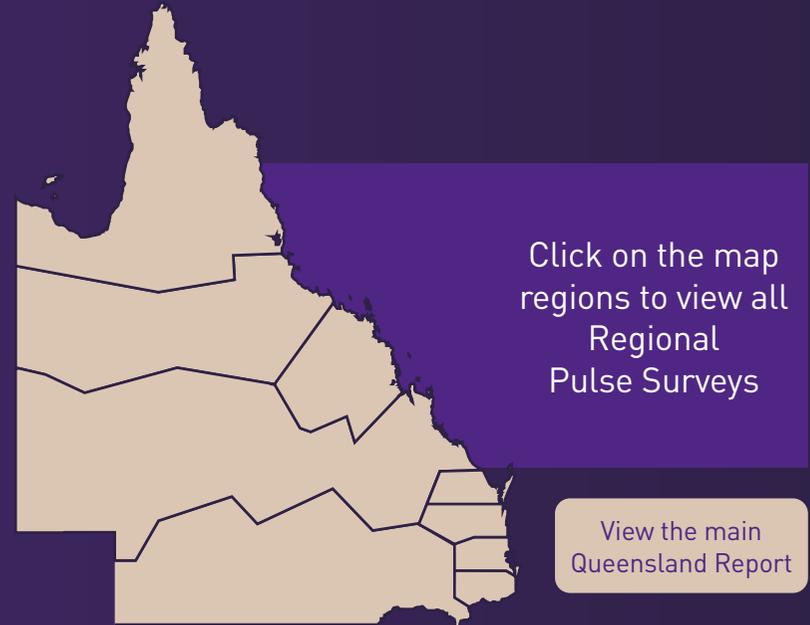
**#3 UTILITY BILL REBATES**

According to businesses on the Sunshine Coast, stimulus support that tackled immediate losses and incentivised investment were ranked highly. Specifically, the Federal Government's PAYG cashflow injection scheme and JobKeeper wage subsidies were rated as the most effective for business survival. Oppositely, with the exception of utility bill rebates, stimulus offered by the Queensland government, such as concessional loans and diversification grants, ranked least effective. This likely reflects the nature of the support measures being provided on a 'first in, best dressed' basis and largely ignoring micro-businesses most exposed to enforced closures.

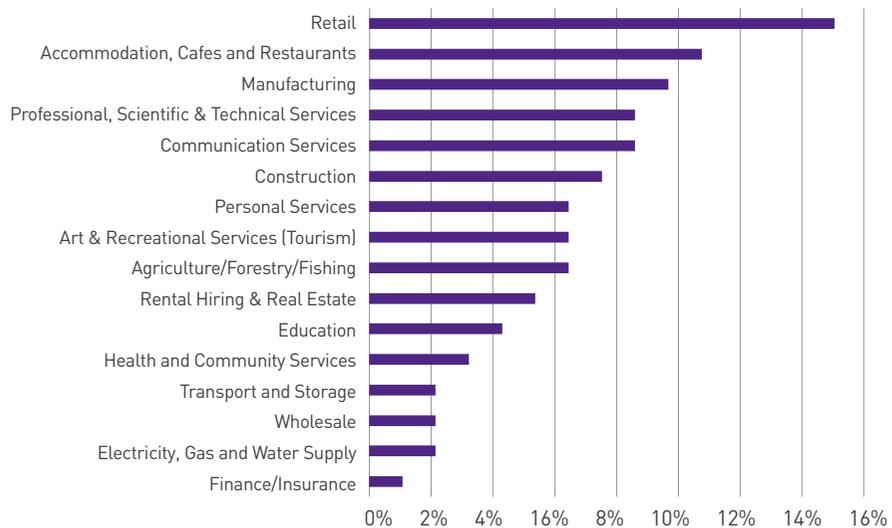
The Pulse Survey has measured Queensland business confidence and expectations for over 25 years. The survey publishes results quarterly from key questions put to the Queensland business community. The survey is unchallenged in terms of being the most authoritative, timely and comprehensive snapshot of 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 Sunshine Coast business community.

The survey period was from the 5th to the 19th of April 2021 and examined business sentiment and activity throughout the March quarter (2020). There were 1,021 respondents to the survey consisting of 122 from the Sunshine Coast (12%).

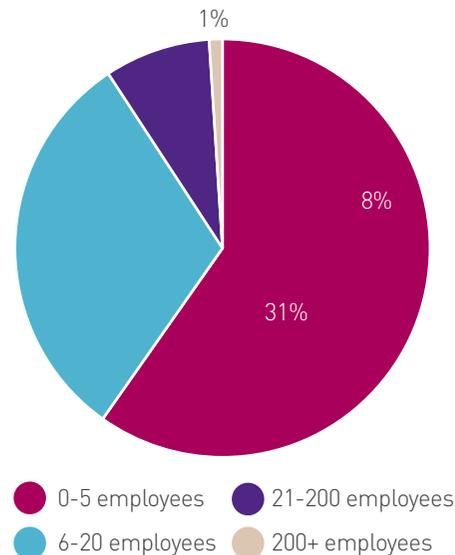
To find out more about Pulse, please contact CCIQ on 1300 731 988 or at [ciqadvocacy@cciq.com.au](mailto:ciqadvocacy@cciq.com.au)



### INDUSTRY REPRESENTATION



### SIZE OF ORGANISATION



### SAMPLE SIZE

