

WIDE BAY BURNETT PULSE SURVEY REPORT

SEPTEMBER QUARTER 2021



**BUNDABERG & DISTRICT
CHAMBER OF COMMERCE INC.**

BUSINESS OF ALL SHAPES AND SIZE

WIDE BAY BUSINESSES: READY AND NEEDING TO RETURN TO THE NORM

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

Key issues cited by Wide Bay 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 across Queensland; and
- General erosion of business confidence in State and Federal Government.

All of these issues have combined to cause the September quarter to remain tough.

Pleasingly Wide Bay businesses believe both our National Queensland economies will strengthen over the next 12 months. This is a reflection of both a technical outcome of comparing the forthcoming 12 months against a poorer past 12 months but also it is a reflection that we are now hopefully entering the 'beginning of the end' of this pandemic.

Finally Wide Bay businesses continue to believe the National economy will outperform the Queensland economy over the next twelve months which is surprising given the Sunshine State has better weathered the COVID-19 storm. 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 Wide Bay businesses hope that we are nearing an end there are still difficulties ahead.

*Due to the low sample size some care should be exercised in the interpretation of results between quarter



PERFORMANCE RELATIVE TO THE QUEENSLAND STATE AVERAGE

SEPTEMBER QUARTER SENTIMENT

Wide Bay Burnett

52.4 Queensland
45.8

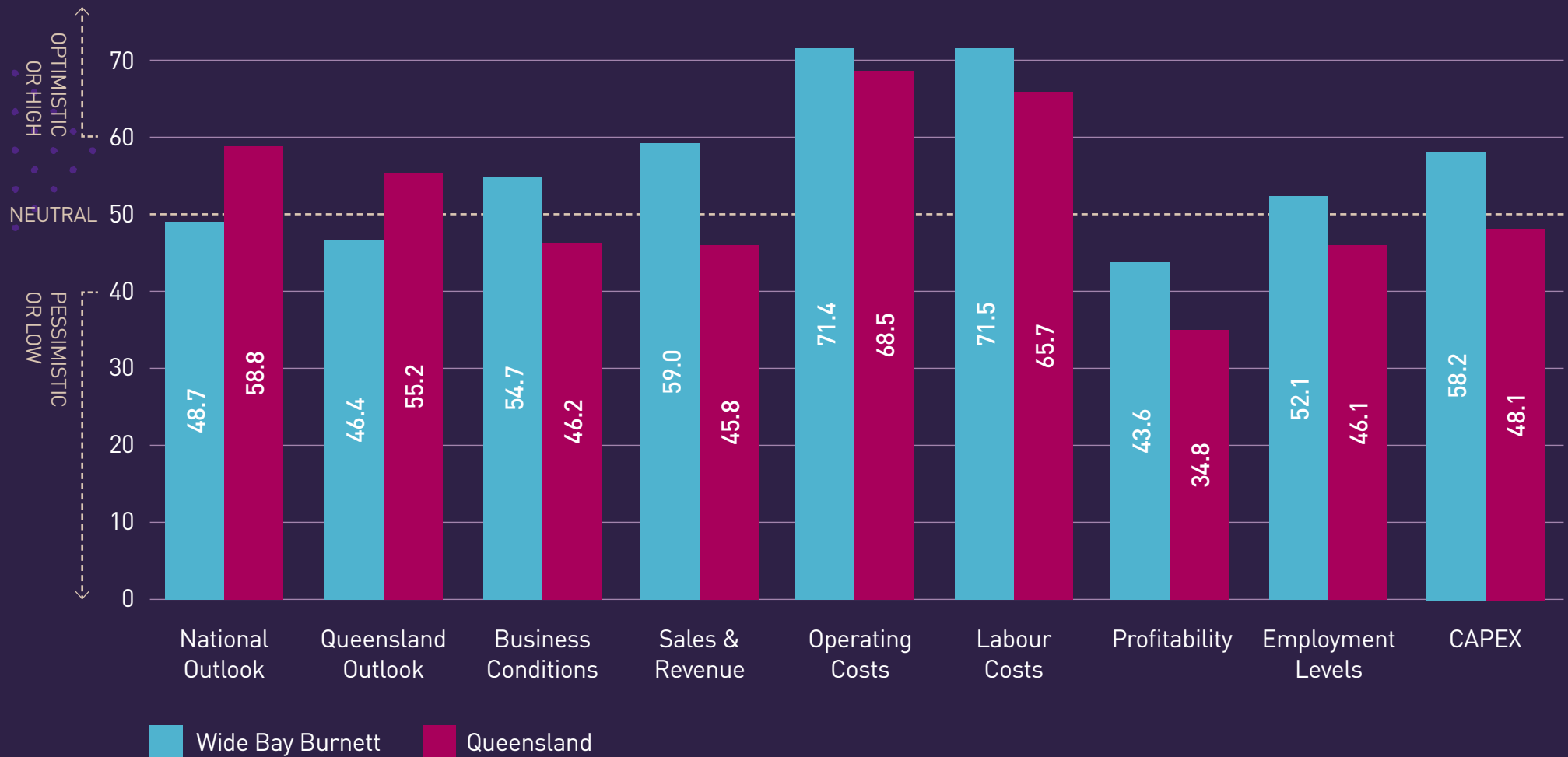
DECEMBER QUARTER FORECAST

Wide Bay Burnett

51.1 Queensland
48.3

SNAPSHOT DATA

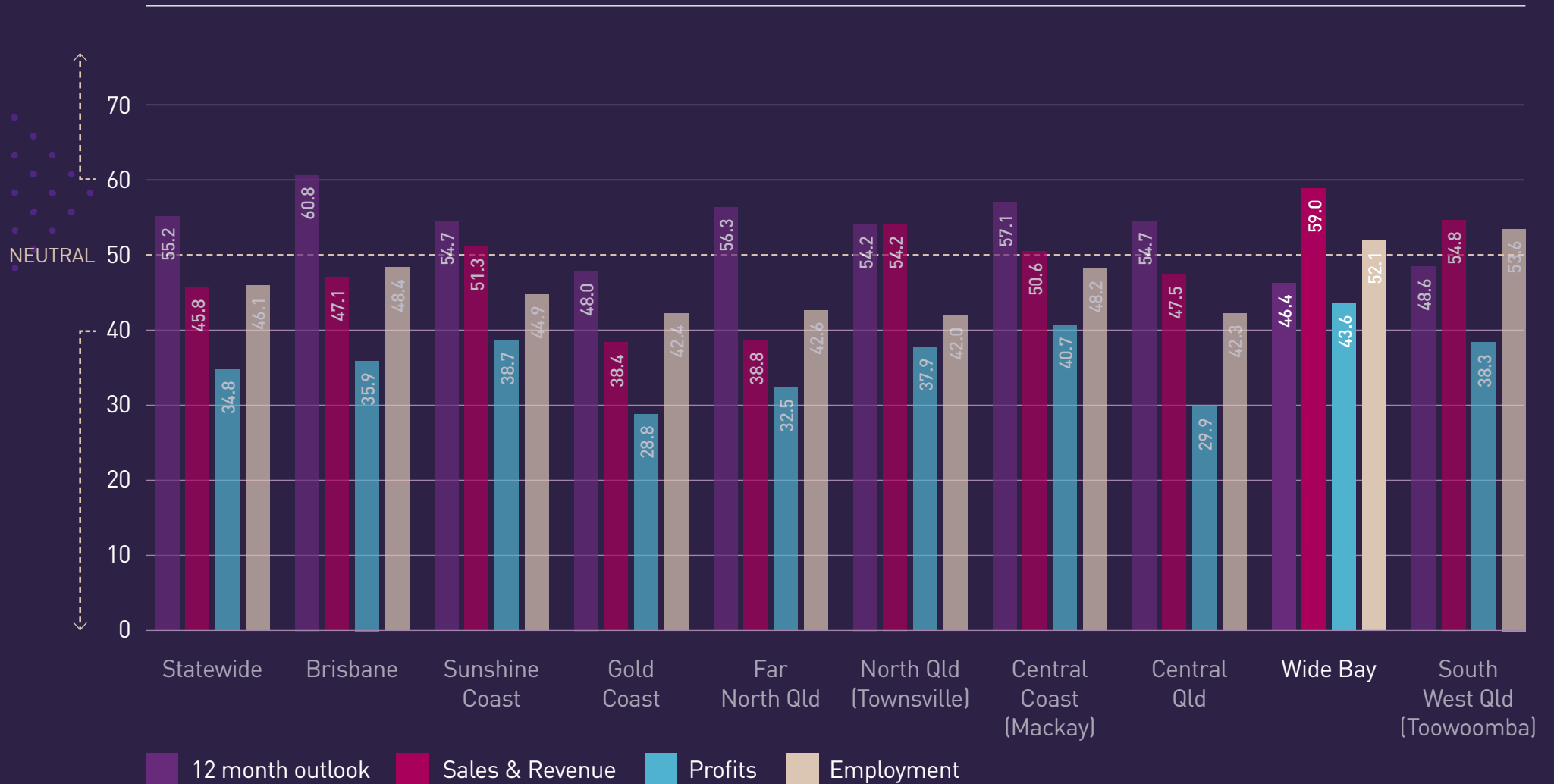
WIDE BAY BURNETT PULSE SURVEY INDEX* RATINGS SEPTEMBER 2021



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



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

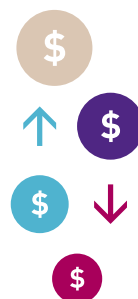


12-MONTH OUTLOOK

PULSE SURVEY INDEX

Queensland Outlook = **46.4** (-5.2); Satisfactory
National Outlook = **48.7** (-8.9); Satisfactory

The 12 month outlook for Queensland decreased by 5.2 points to 46.4 and indicates only satisfactory growth prospects over the forthcoming 12 months. Wide Bay businesses continue to believe the National economy will outperform the Queensland economy over the next twelve months.

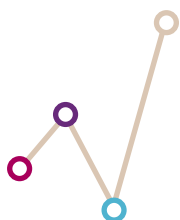


SALES AND REVENUE

PULSE SURVEY INDEX

September-21 = **59.0** (+7.7); Satisfactory
December-21 = **55.2** (-3.8); Satisfactory

Total sales revenue in the September quarter improved with the PBI up 7.7 points to 59.0 is up on this time last year (45.2). However the gains made in the September quarter will be partially lost in the June quarter with the sales and revenue PBI down 3.8 points to 55.2 but continues to indicate improving sales.



GENERAL BUSINESS CONDITIONS

PULSE SURVEY INDEX

September-21 = **54.7** (+3.4); Satisfactory
December-21 = **52.5** (-2.2); Satisfactory

General business conditions marginally improved in the September quarter. The September quarter index score of 54.7 represents an improvement of 3.4 index points from the June quarter. The index now above 50 indicates improving business conditions across the September quarter and bucks a state-wide trend. General business conditions in the December quarter are expected to marginally deteriorate (down 2.2 points).

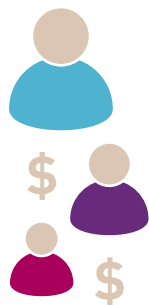


OPERATING COSTS

PULSE SURVEY INDEX

September-21 = **71.4** (+1.9); High
December-21 = **70.0** (-1.4); High

Operating costs during the September quarter remained high with the PBI of 71.4. 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 1.4 points but remains at a high 70.0.



LABOUR COSTS

PULSE SURVEY INDEX

September-21 = **71.5** (-0.8); High
December-21 = **68.9** (-2.7); High

Labour costs in the September quarter also remained at a 'high' level with a PBI of 71.5. The 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. Labour cost increases are not expected the change with the PBI remaining at 68.9.



EMPLOYMENT LEVELS

PULSE SURVEY INDEX

September-21 = **52.1** (+4.2); Satisfactory
December-21 = **54.2** (+2.1); Satisfactory

Employment levels improved in the September quarter, with the PBI increasing 4.2 index points to 52.1. The PBI is marginally higher than at this time last year (50.0). Employment levels are anticipated to increase again by a slender 2.1 index points in the December quarter with a PBI of 54.2.



PROFITABILITY

PULSE SURVEY INDEX

September-21 = **43.6** (+4.2); Satisfactory
December-21 = **46.7** (+3.0); Satisfactory

Higher sales but prevailing high levels of operating and labour costs meant that profitability only increased by a modest 4.2 index points to 43.6. Despite the increase the profitability PBI is similar to this time last year (42.0). Wide Bay businesses expect another small improvement in their profitability in the December quarter with the Index forecast to grow by 3.0 points to 46.7.



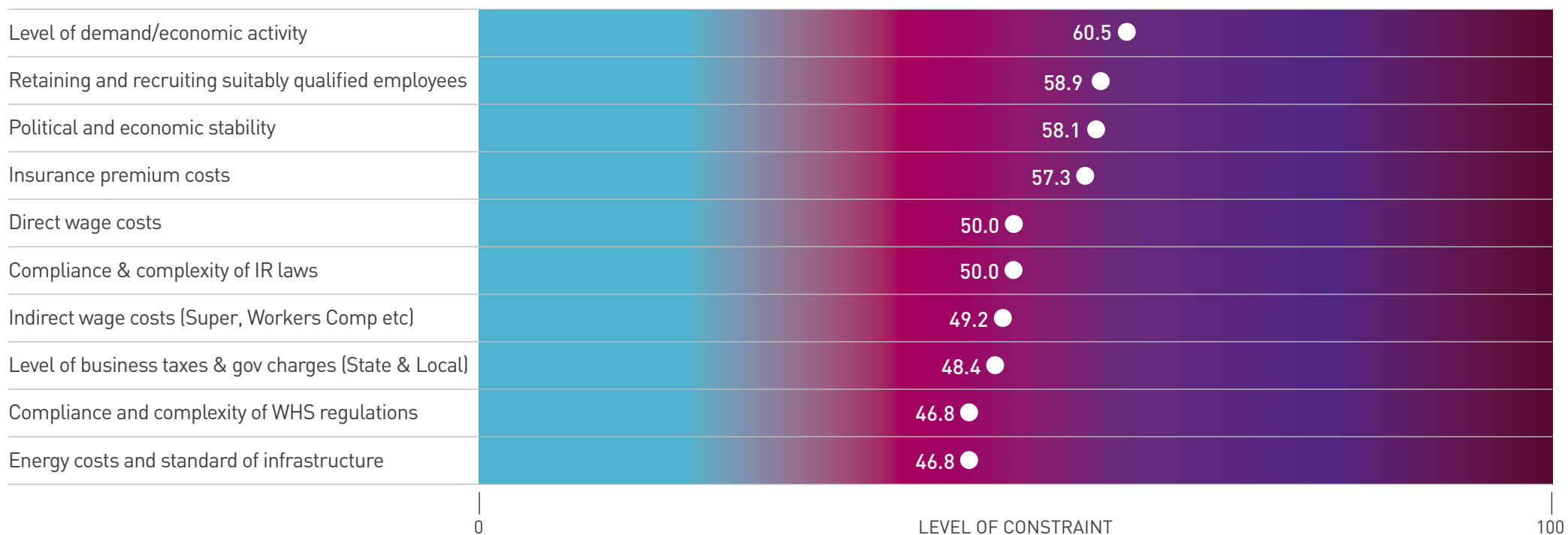
CAPITAL EXPENDITURE

PULSE SURVEY INDEX

September-21 = **58.2** (+6.2); Satisfactory
December-21 = **51.3** (-6.9); Satisfactory

The capital expenditure PBI in the September quarter rose by 6.2 index points to 58.2 indicating increased investment. However these gains will not continue with the capital expenditure PBI falling 6.9 in the December quarter to 51.3 and indicating relative unchanged investment levels by Wide Bay businesses.

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**



We are one country and we should treat it as such, not every community divorced from the next. Government officials should look at the big picture and get their ducks in a row. We do not need competition between states.



I think the Queensland economy will continue to be strong with a lot of people from the southern states relocating to Queensland. The building industry is particularly strong. The Australian economy however overall may weaken due to the extensive lock down periods in NSW and Victoria.



I suspect there will be a steady influx of population growth into Queensland from other states, especially given the impact and fatigue created by Covid-19 lockdowns. Furthermore, I suspect the tourism industry will continue to evolve to cater better for higher domestic holiday seekers.

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). 33 Wide Bay 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.

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

Pulse Business Index

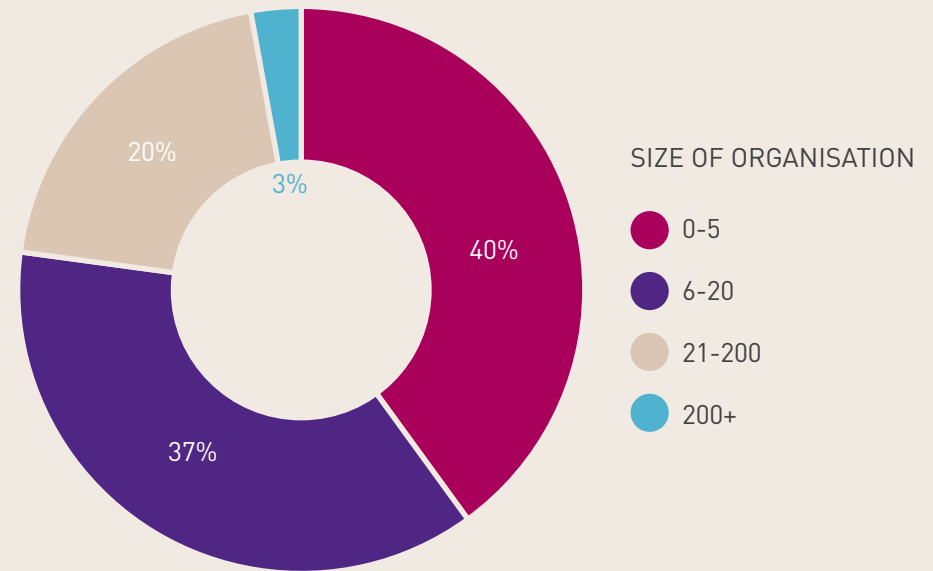
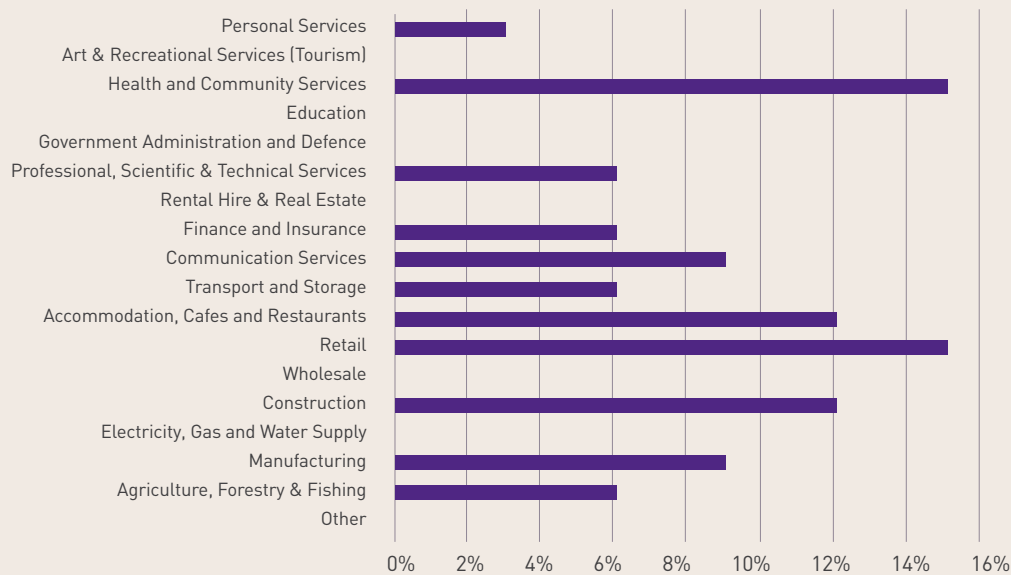
Very Poor:	0-20
Poor:	21-40
Satisfactory:	41-60
Good:	61-80
Excellent:	81-100

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



Chamber of Commerce & Industry Queensland

Industry House, 375 Wickham Terrace, Spring Hill, Qld 4000
 Telephone 1300 731 988
www.cciq.com.au