

High dollar and rotten weather pours cold water on confidence

A BOUT of business blues has hit the Gold Coast in wake of the bad weather and despite a Christmas-New Year boost in the tourism and property sectors.

The quarterly Griffith University-Gold Coast Bulletin Business Confidence Index has revealed falling confidence in all key sectors of the local economy in the next quarter.

Griffith University professor Michael Powell (pictured) said a range of factors had combined to produce a significant downturn in confidence. But while short-term business confidence had taken a hit, business leaders had a more positive long-term view.



“Everything from the weather and damage to beaches, to the impacts of the Australian dollar, the effectiveness of the new city brand,

concern about the light-rail project and the federal election are affecting confidence,” Professor Powell said.

“However, it is also significant that some business leaders hold the view that the worst has passed and the economy will make steady gains in 2013 and beyond.”

Positive responses to the poll on the general performance of the Gold

Coast economy in the quarter ahead fell by 12 per cent compared with the previous quarter; and they were down by 14 per cent for the property market; down 20 per cent tourism; the same for retail; and 5 per cent for the export market.

The poll also asked about the federal election, awareness of the new city brand and intentions on marketing expenditure in 2013.

Almost half, 48 per cent, said the September 14 federal election would have no impact on business confidence, 26 per cent thought the impact would be positive, while an equal percentage felt the impact would be negative.

While 81 per cent of respondents were aware of the new city brand, 50 per cent believed it would not produce any benefits for business; 29 per cent felt benefits would be too difficult to define; 21 per cent expected the brand to be moderately beneficial; while none expected a very beneficial impact.

Just over half, 52 per cent, plan to increase their marketing budgets in 2013, 45 per cent will maintain existing budgets and 3 per cent plan to decrease marketing expenditure.

Prof Powell said those results pointed to a positive longer-term outlook, as did a 20 per cent rise in those planning to increase staff.

Colleen Coyne, director of Colleen Coyne Property Research, said there were mixed signals for the Gold Coast economy.

“The RACV Royal Pines Resort has just won the right to host the Australian PGA Championship for the next five years, but many of our beaches have just experienced the worst erosion in decades,” she said.

“We have the Gold Coast University Hospital due to open later this year but there is uncertainty about health jobs.”

Midwood Report author Bill Morris said the high dollar was killing the Gold Coast and the cash rate needed to fall to 1.5 per cent.

could match the sales of a small boutique.

“When we started, it was just

