

MEDIA RELEASE

17 May 2010

BUSINESS CONFIDENCE ON SUNSHINE COAST DROPS

Business confidence on the Sunshine Coast has decreased over the past three months, according to the latest Sunshine Coast Business Confidence Survey results released at a function to announce Sunshine Coast TAFE as the business survey's next naming rights sponsor.

Senior economist with AEC group, Michael Campbell said the results revealed a trend from last quarter's Sunshine Coast Business Confidence Survey showing business on the Sunshine Coast remained slightly less optimistic than those across the State.

This was confirmed with the latest Commonwealth Bank/Commerce Queensland Pulse survey indicating 45 percent of businesses across the State compared to only 33 percent of businesses on the Sunshine Coast believed that the results over the next three months will be stronger than the last three months.

Mr Campbell said the results actually indicated a tempering of business results which could be due to a decrease in visitors to the region.

"The Christmas to Easter time is normally the high tourism season so results could indicate a decrease in visitors to the region which would impact many of the tourism oriented businesses," he said.

"Statistics from Tourism Queensland for the year ending December 2009 does show a minor decrease in both domestic and international visitors from the year earlier, -4 percent and -1 percent respectively."

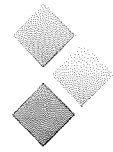
Mr Campbell said there was a significant drop (22 percent) in businesses reporting stronger results over the past three months, compared with the previous period, whilst at the same time businesses reporting weaker results increased by around 8 percent.

Fourteen percent of companies reported business had remained the same.

"Overall this can be seen as a tempering of business results instead of a significant weakening of the business climate, however the shift is note worthy," Mr Campbell said.

"In any cases the overall results still indicate a positive business climate with 70 percent of business describing the same or stronger results."

Boardroom Business survey spokesperson Steve Lawrence said the latest business confidence survey also tackled the complex issue of Industrial Relations (IR).



Mr Lawrence said businesses understanding of IR issues on the Sunshine Coast appeared relatively good, with 72 percent of respondents stating they were complying with the latest industrial awards regulations.

He said 28 percent of respondents were unsure if they were complying or not complying and of this sample 80 percent were unsure how long since they had checked the award or did not know where to find out.

Industrial relations expert Lisa Aitken from Aitken Legal said it was a relatively good result if those that said they were complying were *actually* complying.

“Whilst a number of business are being proactive with seeking advice on award compliance, for some businesses – particularly smaller ones – they either do not know about the changes or find they are just too complex to deal with,” Ms Aitken said.

She said new legislation has meant employees needed to have been complying with the terms of the modern awards and National Employment Standards since 1 January 2010 – however, the wage rates in the modern award do not commence until 1 July 2010.

“Until then, transitional provisions apply to regulate which industrial instrument sets an employee’s minimum wage and many employers may not be aware of this.

“Many businesses are continuing with what they have been doing in the past and are mistakenly believing they are complying or alternatively electing to address it when it becomes an issue,” she said.

“However this could become a costly mistake with penalties for non compliance up to \$33,000 for each offence, plus the requirement to pay employees any underpayment in entitlements which can go back as far as 6 years.”

Mr Lawrence welcomed Sunshine Coast TAFE on board as the new naming rights sponsor of the survey.

“Sunshine Coast TAFE is serious about supporting business on the Sunshine Coast and the Sunshine Coast Business Confidence survey offers them a unique tool to assist the local business community,” he said.

Mr Lawrence said the Business Confidence Survey would continue on a half yearly basis with the next survey due in October 2010 in time to assist businesses to plan for the Summer season.

For a full copy of the latest survey report go to www.boardroombusiness.com.au

ENDS

Further information: Steve Lawrence ph: 0400 028 134

Boardroom Business

c/ Commercial Precinct, Noosa Civic, Eenie Creek Rd, Noosaville 4566

t. 07 5430 6646 f. 07 5430 6677 e. info@boardroombusiness.com.au www.boardroombusiness.com.au