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ILLAWARRA BUSINESS CONFIDENCE DETERIORATES

The latest Business Conditions Survey conducted by Business NSW, the parent organisation of Business Illawarra, highlights a deterioration in business confidence across the region in the last quarter – but also shows a rebound in confidence is coming.

The [survey](#), undertaken during July amidst what was expected to be a significant COVID-19 outbreak, also set out to examine how businesses have been coping with staff shortages, rising energy prices and interest rates.

“Last quarter, Illawarra-based respondents recorded a business confidence index score of -44.9 and this quarter that has worsened to -83.7, the lowest in the state. However unlike a number of other regions, they indicated that they expected confidence to rebound in the next quarter to an index score of -77.9,” said Business Illawarra Executive Director Adam Zarth.

“What is clear through this survey is that the business community needs action and certainty on key issues like expediting material supply options, reducing the cost of energy, expediting the migration of skilled workers, and reducing taxes and charges like payroll tax.”

“While we strongly and consistently support improving training and skills for Australians, our members are clearly telling us the Australian Government needs to take immediate action on acute short-term skilled migration gaps.”

Regarding current business conditions, Illawarra businesses reported the most severe pressures on profit margins in the state with a -81.6 measure in this last survey.

The survey also gauged views of businesses on the proposed stamp duty reform announced in the NSW Budget 2022-23, with 62 per cent of respondents supportive of the NSW Government’s proposal to develop a ‘pay as you go’ style stamp duty model for first home buyers. The survey also asked respondents to explain what measures they would appreciate from the NSW Government to improve the ease of doing business, and the ongoing need to reduce unnecessary regulatory expenses was on the top of businesses’ wish lists.

For the topical matters considered in this survey, only one in three businesses believe they cannot avoid major disruptions to their business due to staff shortages. Only moderate levels of concern were expressed regarding higher energy prices and interest rates – a good sign in the current environment.

“There are challenges, but huge opportunities for businesses in the Illawarra and we are committed to working with all sides of government to ensure business owners can continue to invest and grow for a brighter future,” Mr Zarth said.

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Business Illawarra Media Contact – Adam Zarth 0404 146 829

About Business Illawarra

Formerly the Illawarra Business Chamber, *Business Illawarra* is the region’s peak business organisation, and the regional office of Business NSW responsible for the south-east of the state, including the Southern Highlands.