

5 December 2023

BUY LOCAL THIS CHRISTMAS TO SUPPORT ILLAWARRA BUSINESSES

Illawarra residents are being urged to get out and support their local businesses following a forecast 12% average drop in Christmas trade across the region.

A survey of businesses from across the region released in the latest [Business Conditions Survey](#) has revealed that a majority of Illawarra businesses surveyed are expecting Christmas trade to be down compared to last year.

Business Illawarra Executive Director Adam Zarth has today encouraged the community to support local businesses through what they expect will be a tough Christmas trading season.

“Our members are telling us that interest rate hikes have continued to impact consumer spending and business confidence, but there is hope on the horizon.”

Despite the downbeat sales predictions, the headline Business Confidence Index has improved by 17% since the previous quarter.

In addition, 61% of Illawarra businesses are predicting that they will maintain their workforce headcount for the next quarter, and also forecast that business confidence will continue to rise.

“We applaud the NSW Government for introducing business measures to help in these tough times for those with loans, including changes to procurement rules, moves to scrap the Emergency Services Levy and energy support to small and medium business,” Mr Zarth said.

“Workforce pressures remain a problem facing local businesses, and our recommendations for providing affordable housing in the right place for key workers will take time to materialise. However, the NSW Government is taking big steps in the right direction for our members whose staff are struggling to pay their rent.”

“We are very concerned that the recent interest rate rises also come at a time when the Federal Government is proposing industrial relations changes which will further increase the cost of doing business.”

The survey also revealed insurance, rental costs and energy - followed by taxes, levies and government charges - remain the top cost concerns for businesses.

Key findings:

- Christmas trading in the Illawarra is expected to fall on average 12% this year compared to 11% across NSW;
- Most Illawarra businesses (61%) intend to maintain the same staff headcount for the next three months;
- Headline Business Confidence Index has improved to -50.0 in the last quarter of 2023 and is expected to improve to -43.2 in the next quarter;
- Business insurance has been the number one issue for business in 10 of the past 16 Business Conditions Surveys since December 2019;
- 87% of businesses would love to expand their business operations, except they are constrained by a range of barriers such as the cost of doing business and skills shortages; and
- Construction and manufacturing businesses are expecting the worst continued downturns, while those in the transport, postal and warehousing and information media and telecommunications sectors are expecting to be relatively more resilient.

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About Business Illawarra

Formerly the Illawarra Business Chamber, *Business Illawarra* is the region's peak business organisation; a not-for-profit advocacy group dedicated to the economic development of the Illawarra.