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GREEN SHOOTS EMERGE IN ILLAWARRA BUSINESS SENTIMENT

Green shoots in business sentiment are emerging following a gloomy few years for local businesses according to Business Illawarra, the region's peak business organisation.

The latest [Business Conditions Survey](#), undertaken by Business NSW in collaboration with Business Illawarra, has revealed signs of an uptick in business confidence in the region.

A pause in interest rate rises and softening inflation figures seem to be easing business concerns, with the Business Confidence Index in the Illawarra rebounding to -67.3 in the third quarter of 2023, from -78 in the last quarter. Moreover, respondents were even more optimistic about what the next quarter will hold, predicting that score to rise to -46.9.

This replicated a statewide trend, where business owners in 17 of 19 industries are feeling less concerned about the next quarter than they are about the current one.

Executive Director of Business Illawarra, Adam Zarth, said that the survey also showed most Illawarra employers intended to maintain the same headcount in their businesses (63%), with a minority (16%) saying they would cut staff and a surprisingly low percentage 18% saying they intended to hire.

"This relatively cautious approach to hiring reflects the fact that businesses are still experiencing tough conditions despite the slight lift in business confidence here in the Illawarra," said Mr Zarth.

"While worries about interest rates are subsiding, consumers' reluctance to spend remains a key risk to the business outlook," he said.

"It's never been a better time to support small businesses, go out there and shop in your local community.

"It's also important to remain patient and remember that businesses are still recovering from the skills shortage nightmare during the pandemic."

Other key findings from the survey of more than 1000 businesses statewide include:

- 85% of respondents believe they would be able to raise emergency finance for their business.
- 62% intend to maintain the same headcount for the next three months, while 23% expect to cut staff and 15% expect to hire additional staff.
- 36% have experienced cyber incidents in the past 12 months; this includes unsuccessful hacking attempts.
- 50% of respondents have experienced an online scam in the past 12 months; this includes unsuccessful scam attempts.

Find the latest BCS here: <https://www.businessnsw.com/advocacy/surveys/business-conditions-surveys>

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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.