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ILLAWARRA BUSINESS CONFIDENCE FALLS AS THE END OF JOBKEEPER ARRIVES

Business confidence in the Illawarra has fallen in the first quarter of 2021, according to the region's peak business organisation, Business Illawarra, based on the latest Business Conditions Survey conducted by its parent organisation, Business NSW.

The [survey](#), conducted throughout March, showed that more Illawarra businesses viewed the economy as getting weaker (39 percent) than viewed it as getting stronger (32 percent). This reflected the fact that more were expecting profits to be down (52 percent) than up (16 percent), and that most (72 percent) were expecting staff numbers to remain the same.

"Given the data was collected from businesses in the lead up to the cessation of JobKeeper, this data from businesses across a range of sectors in our region is concerning, but not totally unexpected," said Business Illawarra Executive Director, Adam Zarth.

"Businesses across the Illawarra, the Shoalhaven and the Southern Highlands experienced a horrible 2020, first hit by the bushfires and then the pandemic-related shut-downs. The Federal Government's JobKeeper program proved to be crucial lifeline for businesses and jobs across the region."

"With positive signs of a broader economic recovery, Business Illawarra agrees that it is time to move from subsidising employment via Jobseeker and to start encouraging spending and allowing the economy to stand on its own feet."

"However, the data collected from our statewide Business Conditions Survey supports the messages we have heard from our members locally; particularly those in sectors that have been hardest hit by the pandemic, that there remain pockets of economic stress."

"About one third of businesses who received JobKeeper believed that they may have had to close their business, either on a temporary or permanent basis, when the full benefits of the program ceased on 28 March."

"Tighter restrictions and higher costs make it more difficult to stay afloat, with solvency becoming less manageable for 32 per cent of businesses, 10 per cent higher than the last quarter of 2020."

"For many businesses, 2021 will be about regrouping and re-establishing their customer base and staff capabilities."

"Business Illawarra strongly supports initiatives that assist sectors that are still struggling through no fault of their own, such as the NSW Government's Dine & Discover program, and encourages people to get out and support their local businesses and the ongoing economic growth of the Illawarra."

— ENDS —

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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.