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CONFIDENCE RETURNING ON THE BACK OF BETTER BUSINESS CONDITIONS

Emerging from over two very difficult years for business due to the pandemic, the latest Business Conditions Survey conducted by Business NSW - the parent organisation of Business Illawarra - indicates that business conditions have improved, and confidence is returning in the region.

The [survey](#), undertaken across the state during April and early May, indicates that current business conditions have improved in the Illawarra, with local businesses reporting positive upswings in the areas of capital spending, staff numbers, sales revenue and profit.

The Illawarra's overall Business Confidence Index has also rebounded from -76.1 in the previous quarter but remained in negative territory at -44.4.

For the quarter ahead, overall sentiment remained downbeat as businesses maintained a cautious view on sales, operating cost pressures and profits. The forward looking Business Confidence Index did improve however to -29.6, up from the January 2022 result of -53.3.

"These results show that local businesses no longer feel in the 'crisis mode' that gripped our economy during the Omicron scourge and it's now pleasing to see that confidence is returning following the depths of the January despair," said Business Illawarra Executive Director, Adam Zarth.

"While confidence is still classified as being in negative territory, there has been a huge uplift this quarter and greater optimism reported with the threat of lockdowns behind us."

"The NSW Government should be commended for taking swift action to deploy business support measures during Omicron and to lift self-isolation restrictions in April."

This survey explored how business expenses have changed over the past 12 months and, in the Illawarra, rising business operating costs were the main hindrance to the modest improvements in confidence.

Statewide, 97 per cent of business owners said they'd had to make changes to their business due to rising costs and two-thirds of respondents were anticipating weaker profits for their business in the current quarter compared to the last quarter, with 62 percent of respondents anticipating further weakness in profits for their business in the next quarter.

"It should be remembered as we head to the polls this weekend that there always tends to be some uncertainty for business around election time, with a number of business owners likely to be holding off on key decisions until after the result of the Federal election is known", said Mr Zarth.

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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.