

The fourth Port Macquarie-Hastings bi annual survey has revealed steady business conditions for the region with future expectations remaining strong:

- > Trading, profitability and staffing showed slight decreases. Overtime available and capital expenditure increased slightly in the January – June 2015 period.
- > Overall, businesses reported an improved level of confidence and further expectations of improvements to figures over the July – December 2015 period.

ECONOMIC CONDITIONS STEADY

Port Macquarie-Hastings net trading conditions and profitability remain healthy but the survey has revealed slight drops in overall performance.

Figure 1 shows that local trading conditions still remain strong in comparison to the National Australia Bank (NAB) business survey. Further, survey respondents expected **trading conditions** to improve for the July to December 2015 period with 59.8% of businesses expecting them to be either 'good' or 'very good'. **Profitability** for the current period remained similar to the previous period and is also expected to improve. Over 50% of businesses surveyed expect that profitability will be 'good' or 'very good' for the July to December 2015 period.

There was a slight decrease (3.6% points) in **staffing** levels for the January to June 2015 period. Businesses are expecting a slight increase in staffing over the next period from July to December 2015.

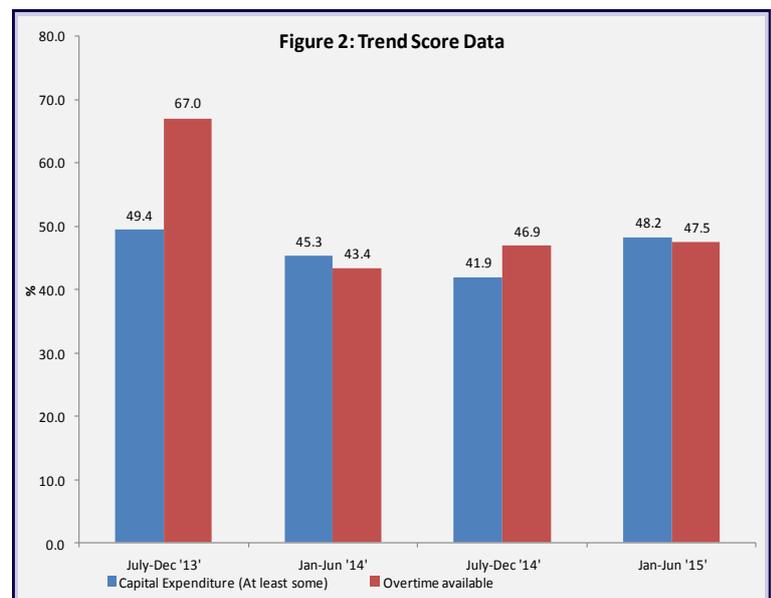
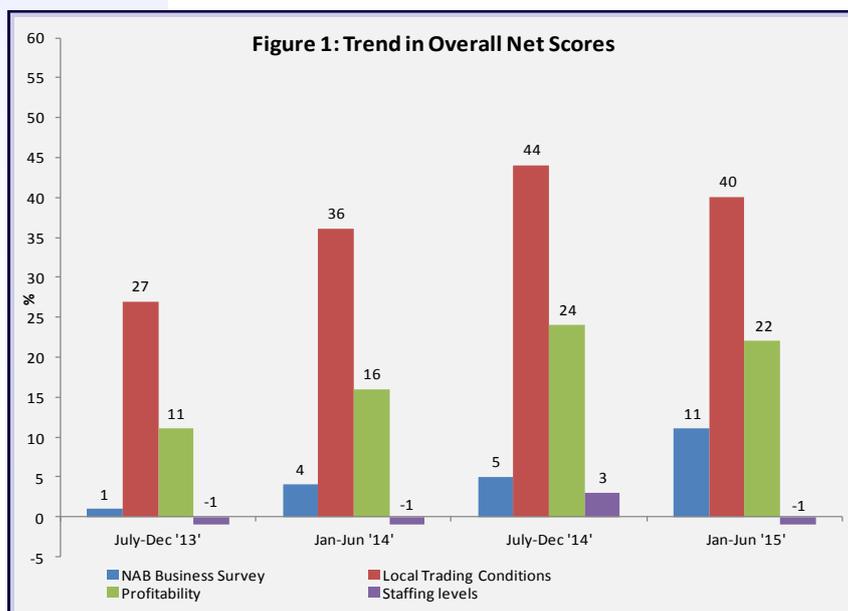


Figure 2 illustrates a slight increase in the amount of overtime work available. 47.5% of businesses surveyed indicated they were busy enough to have overtime work available. Moderate growth in overtime available is predicted for the six months to December 2015.

Businesses in the 'Construction / Transport, Postal and Warehousing / Electricity, Gas or Water' sector had the most overtime available during January to June 2015 and are the only businesses to expect a 'fair amount' or 'substantial' amount of overtime for the remainder of 2015.

Capital expenditure levels have improved slightly, with 48.2% of respondents investing in capital expenditure from January to June 2015 – an increase of 6.3% from the prior period. It is expected that this will shrink slightly for the period July to December 2015.





CURRENT LEVEL OF BUSINESS CONFIDENCE

Businesses overall reported positive levels of confidence with 57.8% describing their current level of business confidence as 'good' or 'very good'. The most confident sector was 'Construction/Transport, Postal and Warehousing/Electricity, Gas or Water', where 79.3% of businesses indicated a 'good' level of business confidence. The least confident sectors were 'Manufacturing/Mining' and 'Agriculture'.

SKILLED EMPLOYEES

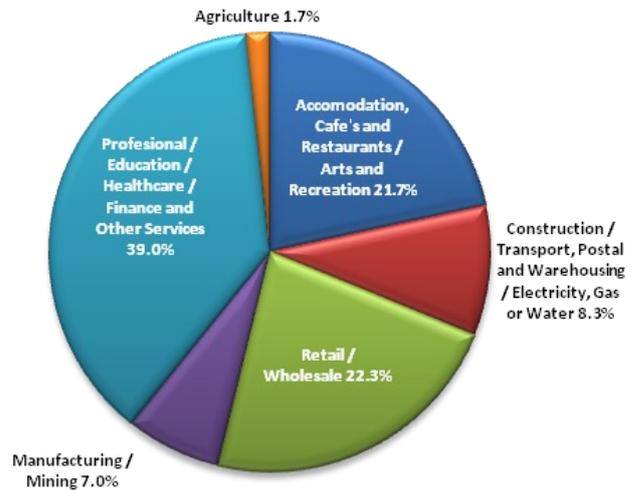
Each survey includes a targeted line of questioning. For this one it was about finding skilled employees and the impact of big ticket infrastructure.

Nearly half (48.5%) of the businesses surveyed indicated some difficulty or significant difficulty finding the skills and qualifications they seek when hiring.

The sectors with the most difficulty in finding the skills and qualifications they need when hiring are 'Construction/Transport, Postal and Warehousing/Electricity, Gas or Water' (62%) and 'Manufacturing/Mining' (57.1%). It is expected that in the next 2-5 years that 'Trades/Technical Skills/IT' and 'Professional Services/Management Skills' will be most in demand.

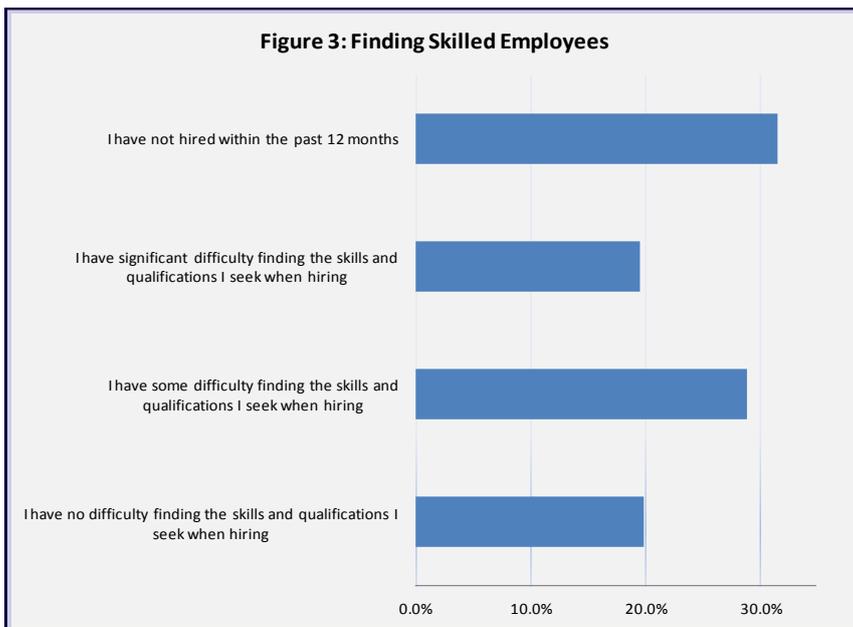
SURVEY DEMOGRAPHICS

A sample of 301 businesses were surveyed from a good cross section of industries. Surveys were conducted both online and via telephone.



Business Breakdown	
Small (1-20)	83.6%
Medium (21-99)	13.8%
Large (100+)	2.7%

Figure 3: Finding Skilled Employees



BIG TICKET INFRASTRUCTURE

Businesses were asked if they believed big ticket investment such as the Sancrox overpass, University construction or highway upgrade had impacted their business. Just under 40% of businesses believed it did. The main impacts quoted were 'New customers/increased demand for goods and services' and 'increase in local economic activity'.



For more information or the detailed survey results please call the Economic Development team on (02) 6581 8111 or email economic@pmhc.nsw.gov.au

Next survey: February 2016



PORT MACQUARIE
HASTINGS