

The sixth bi-annual Port Macquarie-Hastings business confidence survey revealed local business conditions had weakened, albeit remaining strong compared to national conditions:

- Trading conditions, profitability and overtime available saw decreases over the January to June 2016 period.
- However, levels of staffing and capital expenditure strengthened.
- Overall, firms are generally optimistic heading into July to December 2016 with conditions expected to improve.

Business Conditions Expected to Improve

Results from the sixth Port Macquarie-Hastings Council business confidence survey show trading conditions remain strong compared to results from the NAB national business confidence survey (+12). A net 55% of Port Macquarie-Hastings businesses expect trading conditions to improve heading into July to December 2016.

Profitability was down 7 points to +23 with 40.4% regarding profit levels as 'good' (28.8%) or 'very good' (11.6%). Local firms are optimistic about their outlook, with 38% expecting profitability to improve in July to December 2016.

Staffing levels continue to improve, up 2 points to +5 for the period. The standout sector remains 'Construction / Transport, Postal and Warehousing / Electricity, Gas or Water'. Overall, local businesses are anticipating increases to staffing levels during the latter part of 2016, with the expected net score of +9 for July to December 2016.

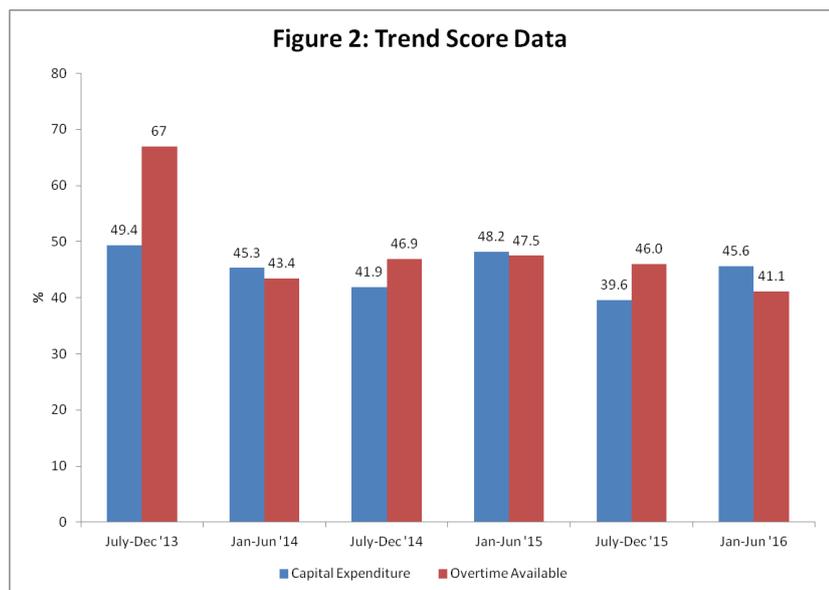
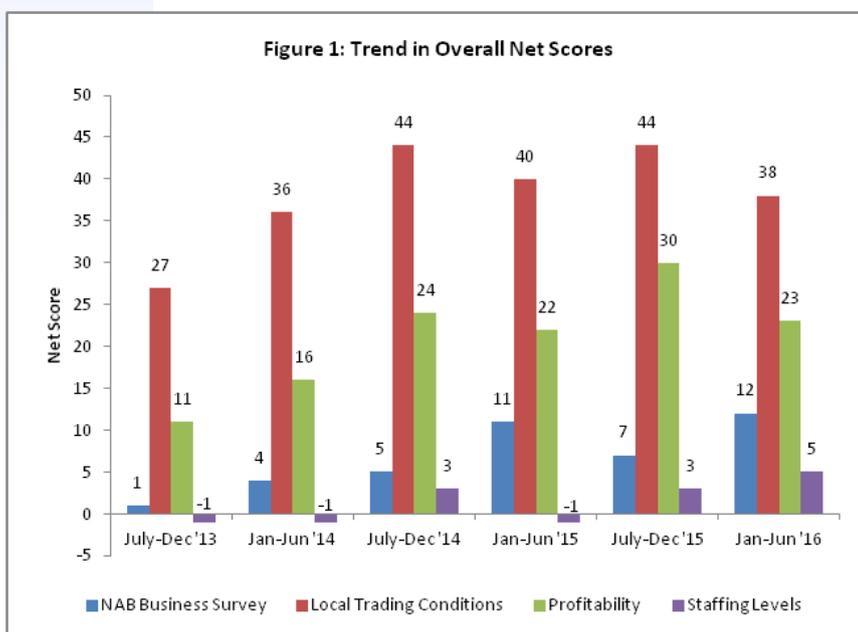


Figure 2 (above) shows the number of businesses that made 'at least some' **capital expenditure** was up 6% to 45.6%. The sector with the highest reported expenditure was 'Construction / Transport, Postal and Warehousing / Electricity, Gas or Water' (59.6%). During late 2016, local businesses expect to continue their capital expenditure, with 40.7% indicating they planned to make 'at least some' capital expenditure over the coming period.

The number of firms offering **overtime** was down 4.9% to 41.1% during the January to June period. This is expected to improve slightly, with 43.1% of businesses surveyed expecting to require overtime from staff in the latter part of 2016. The sector with the most amount of overtime available was 'Manufacturing / Mining' (63.3%).

Overall business confidence rose over the six months to June 2016 with 65.2% of local businesses reporting 'good' (46.0%) or 'very good' (19.2%) confidence. This result sits 1.6% above the July to December 2015 period (63.6%). The most confident sector was 'Manufacturing / Mining', with 81.8% indicating a good level of confidence. The least confident sector was 'Retail / Wholesale' with 11.4% describing their business confidence as 'poor' and 29.1% as 'fair'.





2013—2016 Economic Development Strategy

Each survey includes a line of targeted questions. For this survey, we started by asking businesses about the [2013-2016 Port Macquarie-Hastings Council Economic Development Strategy](#), and its objectives.

Although a large number of businesses were 'not at all familiar' with the strategy (47%), as shown in figure 3 (right) most believed the five core objectives of the strategy were at least 'very important'.

Port Macquarie-Hastings businesses were also asked to select the most important local upgrades, changes or activities for economic growth in our region. The most popular choice was 'new / updated local roads' (30.5%), followed by 'new land releases' (18.9%) and 'digital infrastructure upgrades' (18.5%).

Of those who selected 'new/updated local roads' the standout reason for their choice was the poor state of current roads (52.2%) followed by possible improvements to congestion and access (17.4%).

Figure 3: Proportion of Businesses that Consider Objective 'Very Important'



SURVEY DEMOGRAPHICS

A sample of 302 businesses were surveyed from a good cross section of industries. Surveys were conducted both online and via telephone.

Business Size (Employees)	
Small (1-20)	87.2%
Medium (21-99)	10.8%
Large (100+)	2.0%

Figure 4: Survey Demographics

