

# Port Macquarie-Hastings Business Confidence Survey Summary Report August 2017

The 2017 Business Confidence Survey builds on six previous biannual surveys undertaken since 2014. It is the first survey to be conducted under a new methodology and on an annual basis - it sets a precedent for future surveys.

The questionnaire was designed in two parts, the first to establish benchmark data about business conditions and the second to garner opinion on current, local economic conditions.

Survey outcomes represent a larger, and more diverse sample group than in previous years, yielding 447 responses from a range of industries across the Port Macquarie-Hastings Local Government Area.

## STABLE BUSINESS CONDITIONS EXPECTED TO IMPROVE

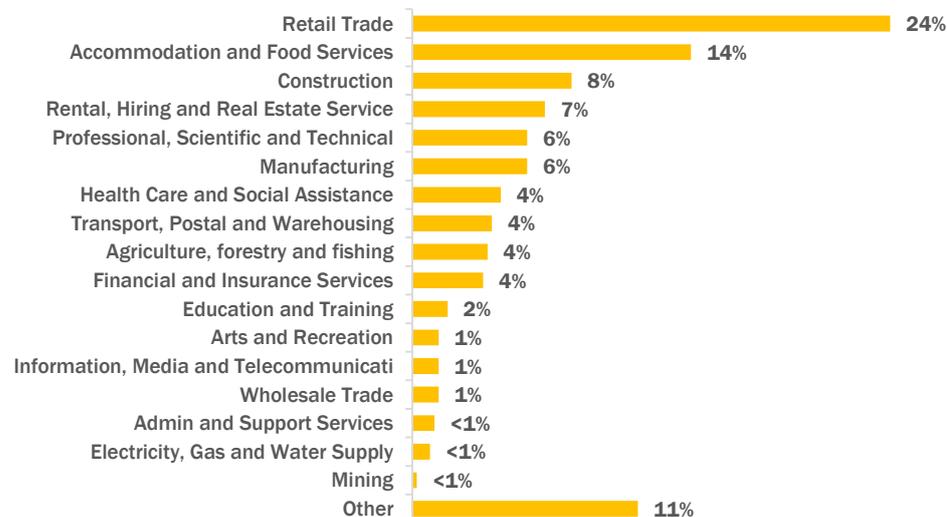
Business conditions are a measure of both actual and projected sales, profitability, capital expenditure, and staffing. In the Port Macquarie-Hastings August 2017 survey, five of these eight key indicators were the strongest they have been across all survey years.

A fall in business confidence this year, despite stable business conditions, aligns with national business sentiment as reported in the NAB August 2017 Business Survey where confidence has dropped below the long running average for the first time since July 2016, while business conditions are at their strongest since 2008.

Staffing levels and capital expenditure trends, while still on the low side, are at their strongest since the PMH Business Confidence Survey commenced in 2014 and are projected to remain so over the coming year.

Two thirds of businesses reported having hired staff over the last year, with large businesses being the most active. While these businesses reported a high degree of difficulty in finding suitably skilled and qualified staff, it didn't preclude them from hiring.

## SURVEY DEMOGRAPHIC



## 447 Businesses Surveyed

46% phone

54% online

## Time in Business

41% > 20 yrs

8% < 5 yrs

22% < 20 yrs

9% < 3 yrs

15% < 10 yrs

5% < 1 yr

## Size of Business

90%

1 - 20

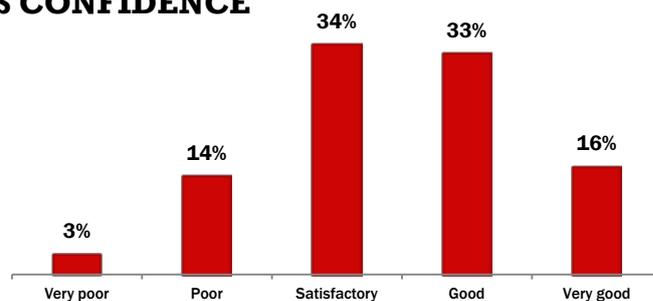
Small

2.5% > 100 Lrg

7.5%

21 - 99 Medium

## BUSINESS CONFIDENCE



### Most Confident Industries\*

Rental, Hiring + Real Estate  
Accommodation + Food Services  
Construction | Manufacturing

\*sample size >10

### Least Confident Industries\*

Healthcare + Social Assistance  
Retail  
Financial + Insurance Services

50%

Want to kept informed about  
Council + Economic Development.  
Sign up for the Newsletter [here](#)

80%

Are unfamiliar with PMHC's  
Economic Development Strategy.  
[Read it here](#)

## SALES + PROFITABILITY

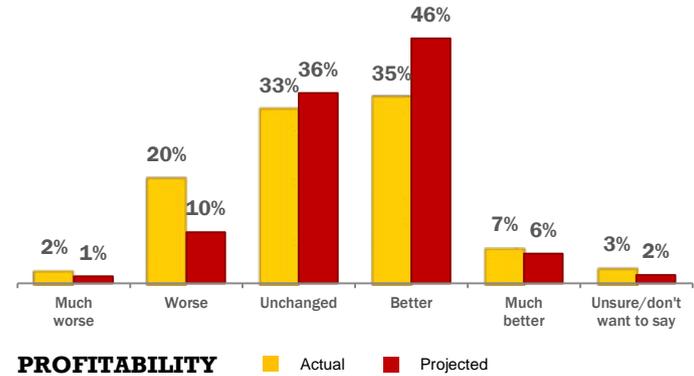
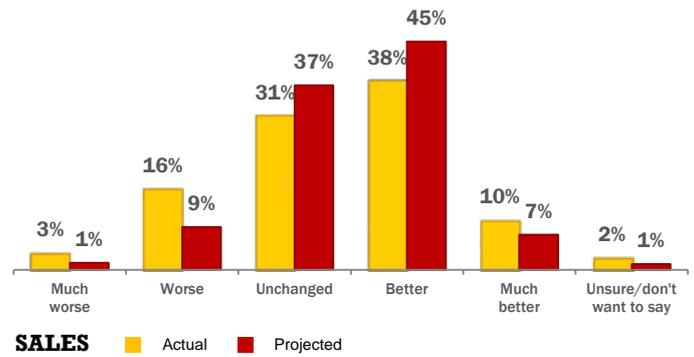
Overall business conditions are stable, with over 60% of businesses reporting actual sales and profitability to be unchanged or better when compared to last year; the same is true when projected for the 17/18 financial year.

Businesses reporting the strongest net score in actual sales, compared to the previous year, were: financial and insurance services (63%); construction (53%), and manufacturing (50%).

Actual profitability net scores were led by the following industries: professional, scientific and research (46%); construction (45%), and financial and insurance services (44%).

Retail, healthcare and social assistance reported the weakest results for these indicators - this was reflected in business confidence levels for these industries.

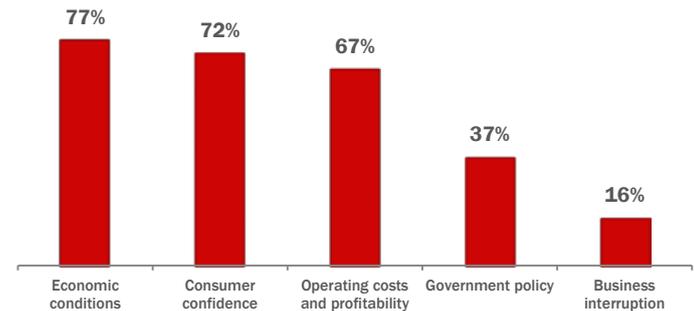
Weakening **business confidence** is tempered by a 31% net positive result and a high percentage (83%) of businesses rating their confidence as satisfactory, good or very good (see *graph overleaf*).



## BUSINESSES FEEL THE PRESSURE OF ECONOMIC CONDITIONS AND OPERATING COSTS

Economic conditions, consumer confidence, operating costs and profitability were identified by responding businesses as the key factors influencing business growth. Respondents also identified a lack of cash flow to undertake marketing campaigns and pointed to Council policy and processes as growth inhibitors.

Important regional economic growth factors were identified as jobs growth, sustainable population growth and investment in community infrastructure.

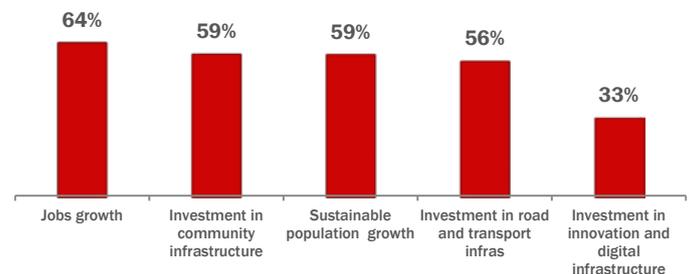


## BUSINESS FEEDBACK

Respondents were invited to provide open feedback on business and the local economy - examples are listed below.

- Infrastructure and roads need to keep up with development and population growth.
- Small businesses seek greater support from Council
- Businesses based outside of Port Macquarie seek greater inclusivity and exposure through marketing, primary producer support, and infrastructure upgrades.
- Viability is being impacted by the cost of doing business (rent, power, wages, rates and taxes).

## MOST IMPORTANT FACTORS FOR REGIONAL GROWTH



## BUSINESS SUPPORT + CONTACT

Port Macquarie-Hastings Council has online resources for businesses and links to local business networks that can offer assistance through a range of services. Go to [pmhc.nsw.gov.au](http://pmhc.nsw.gov.au) to find out more.

If you have any questions about the survey or would like a copy of the full report please email the Economic Development team. [economic@pmhc.nsw.gov.au](mailto:economic@pmhc.nsw.gov.au)