

Port Macquarie-Hastings Annual Business Confidence SURVEY 2018

AUGUST



The 2018 Port Macquarie-Hastings Business Confidence Survey is the second in what will be an annual series. Over 430 local businesses from a wide range of industry sectors participated, with results documented for all industries with more than 10 respondents.

Businesses remain confident as business conditions ease.

Business confidence remains stable, with the Net Score* (+31) for this indicator unchanged from last year; 48% of respondents feel good or very good about current business conditions.

Professional, Scientific and Technical, and Agriculture, Forestry and Fishing sectors reported the greatest increase in confidence this year. Confidence also improved in Health Care and Social Assistance, Retail, and Manufacturing sectors.

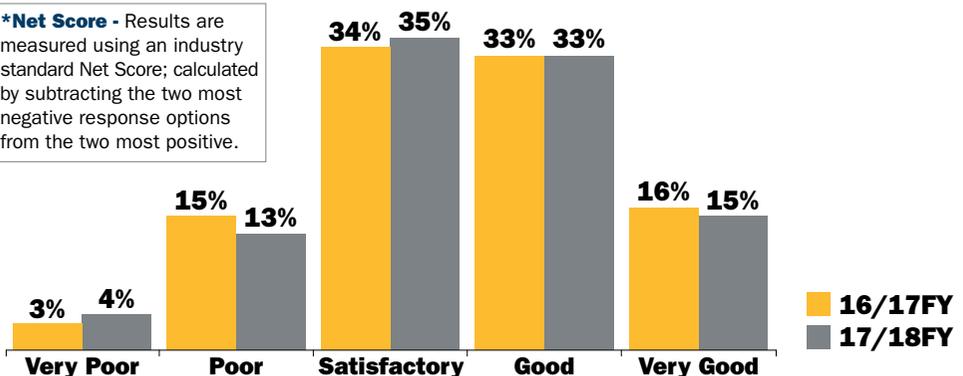
When compared to regional and state wide confidence levels (as reported by the NSW Business Chamber and NAB Monthly Business Survey), the Port Macquarie-Hastings region results indicate a stronger level of local business confidence. Business conditions

data (see table at back), however, shows some weakening when compared to 2017 conditions. That said, local businesses remain optimistic about sales and profitability with growth expected across both indicators. Further, incremental movement in actual and projected capital expenditure and staffing, points to a level of stability across these indicators.

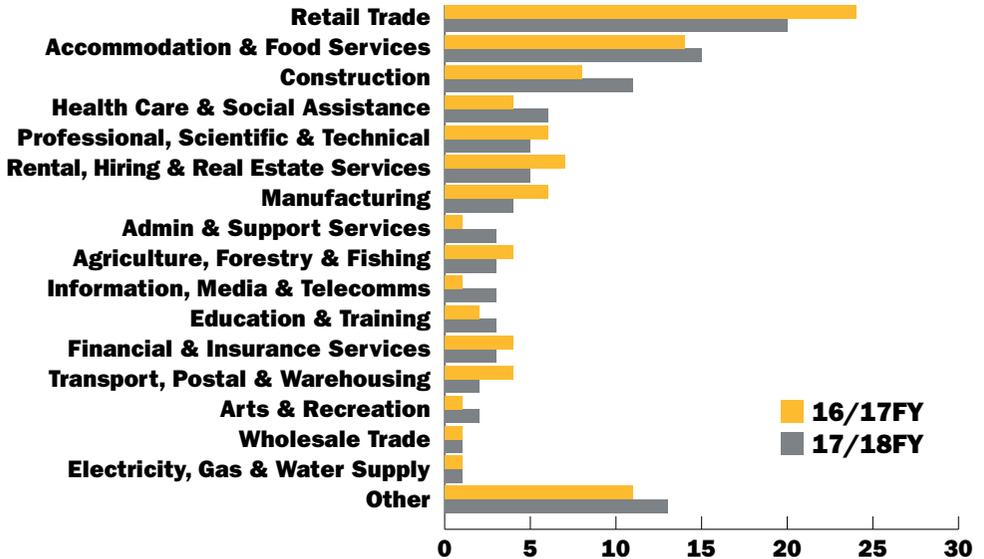
Industry sectors reporting a good or very good level of business confidence (% of respondents in each sector) are:

- Manufacturing (63%)
- Professional, Scientific + Technical (61%)
- Accommodation + Food Services (59%)
- Agriculture, Forestry + Fishing (57%)
- Construction (55%)

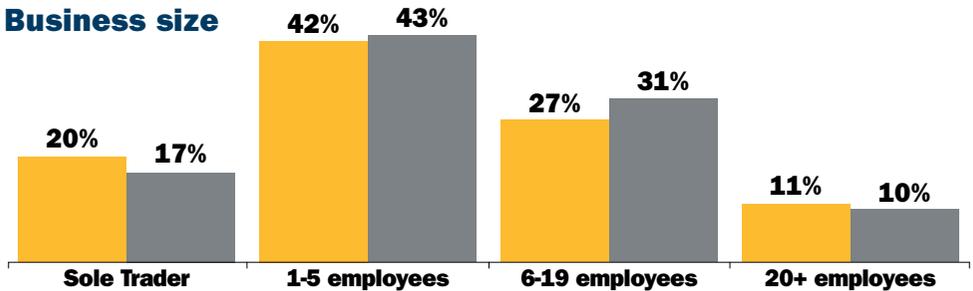
***Net Score** - Results are measured using an industry standard Net Score; calculated by subtracting the two most negative response options from the two most positive.



Survey Demographic: Industry Representation



Business size



Staffing and Capital Expenditure

20% of respondents reported employing more staff in 2017-18 when compared to the previous year. Looking forward, 77% of respondents expected no change in staffing levels, however, it is noted that medium-large business were more optimistic, with 34% of businesses employing 20 or more employees expecting to increase staff numbers next year. Sectors most likely to employ more staff in the 2018-19 year broadly align with growth sector projections for this region – with Education and Training, and Health Care and Social

Assistance projecting staff increases next year along with Transport, Postal and Warehousing. Actual capital expenditure showed little movement this year, with 56% of businesses reporting some, a fair, or substantial spend. This spend was highest among the Agriculture, Forestry and Fishing; Accommodation and Food Services; and, Health Care and Social Assistance sectors. Businesses expect to spend slightly less this year with 49% expecting some, a fair amount or substantial expenditure.

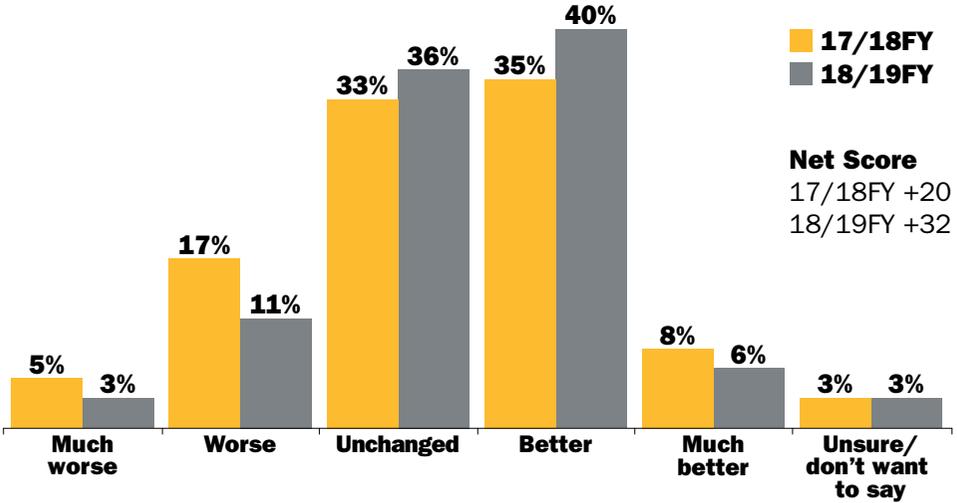
Sales and Profitability

Nearly half of responding businesses reported improved actual sales (43%) and profitability (40%) when compared to the previous year. Projections for the same indicators were slightly down when looking forward to 2018/19. However, businesses still expect

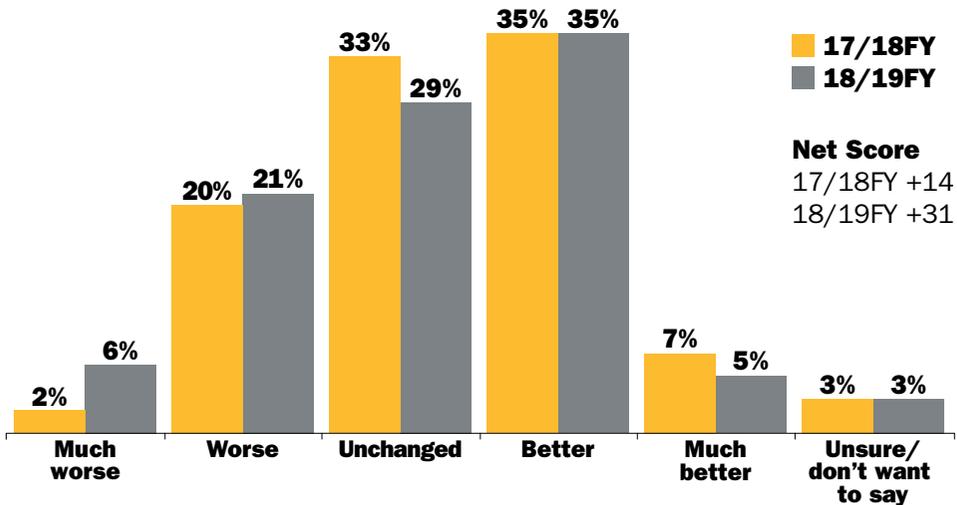
the current financial year to outperform the previous one.

Industries expecting improved profitability in 2018-19 include: Professional, Scientific and Technical; Finance and Insurance; and, Accommodation and Food Services.

Sales: Actual vs Projected



Profitability: Actual vs Projected



Business Conditions Data

Table 1: Key Indicator Trends

Indicator		Net Score* 2017	Net Score* 2018	Movement
Sales	Actual	+28%	+20%	Down
	Projected	+42%	+32%	Down
Sales Actual vs Projected		+14%	+12%	Expect growth
Profitability	Actual	+19%	+14%	Down
	Projected	+41%	+31%	Down
Profitability Actual vs Projected		+22%	+17%	Expect growth
Capital Expenditure	Actual	-14%	-12%	No change
	Projected	-21%	-28%	Down
Capital Expenditure Actual vs Projected		-7%	-16%	No Growth
Staff numbers	Actual	+5%	+4%	No change
	Projected	+13%	+6%	Down
Staff Numbers Actual vs Projected		+8%	+2%	No change

Factors Influencing Business Growth

Businesses reported that economic conditions remain the primary factor influencing business growth followed by consumer confidence, operating costs and profitability, government policy, and interruption to business.

Respondents cited jobs growth, sustainable population growth, investment in road and transport infrastructure and investment in community infrastructure as key factors

influencing economic growth in our region. Other factors deemed critical for economic growth in the region focused on both broader macro-economic policy (interest rates, housing affordability and employment levels) and local issues (roads, infrastructure and attracting more people, industries and businesses to the area).

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/Business 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