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Positive signs - trading and profitability expectations remain strong leading up to Christmas

The latest edition of the IRIS Illawarra Business Survey has shown an improvement across several key business indicators in the Illawarra region. Overall, *Trading Conditions*, *Profitability* and *Overtime* all experienced a positive shift during the September quarter.

Trading activity in the Illawarra region improved relative to the September 2014 quarter, with a net 16.9% of local firms experiencing positive trading conditions (up by 15.5% points). In the lead up to Christmas, expectations remain positive with a net 27.0% of local firms expecting improved trading conditions.

Relative profitability moved into positive territory during the three months to September with a net 4.8% of businesses recording increased profitability. Expectations for the three months to December remain strong, with a net 11.6% anticipating increased profit levels, 8.3% above the average December quarter expectation level.

The September quarter saw employment prospects strengthen for local firms as a net 1.6% increased staff levels, 4.2% above the long term September quarter average. Looking ahead, The *Future Employment Index* lifted by 2.7% pts in quarterly terms, while progressing 1.7% pts from an annual perspective.

Capital expenditure amongst Illawarra firms remained on par with this time last year. Overall, one third (33.3%) of local businesses reported purchasing 'at least some' capital during the September quarter, trending marginally upwards annually (up 0.8% pts).

The share of local businesses reported offering 'at least some' overtime to employees rose by 2.0% pts from the previous September quarter. This result falls slightly below the long term September quarter average of 34.3%. Looking to the December quarter, a similar share of firms (31.9%) expect to offer workers 'at least some' overtime.

Further comment:

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Media Release

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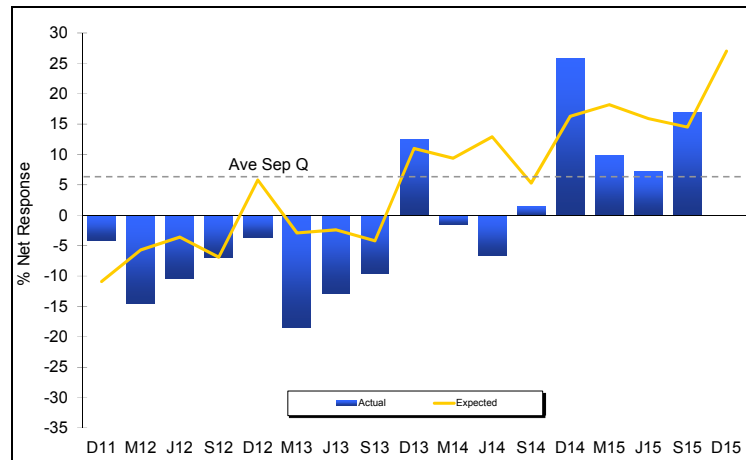
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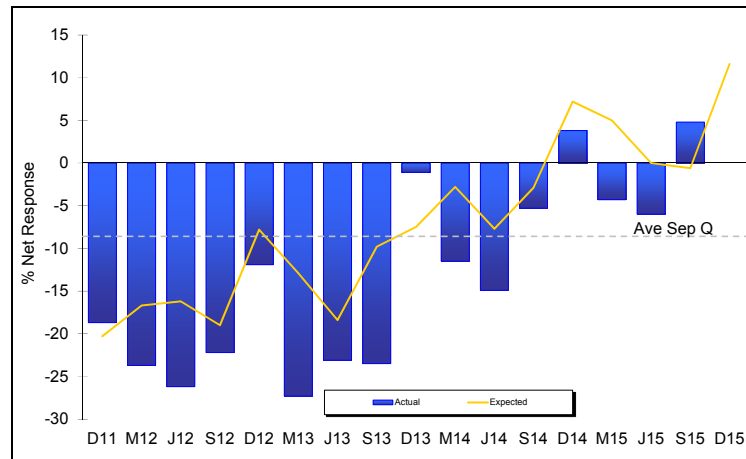
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Note: the graphs below can be provided electronically or in full page hard copy for scanning.

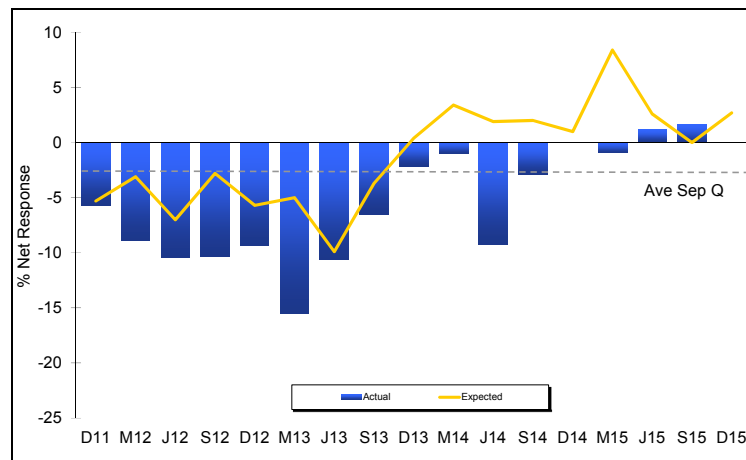
TRADING CONDITIONS



PROFITABILITY



EMPLOYMENT



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