



Illawarra Regional Information Service

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Challenging Times Still Ahead

While overall local business conditions remain weak, the June quarter edition of the *Illawarra Business Survey* revealed some improvements in the Illawarra region.

The *Trading Conditions Index* remained weak during the three months to June 2009, with a net 17.5% of businesses reporting deteriorating trading activity, up 0.2% pts from the March result of net 17.3%.

The *Profitability Index* remained in negative territory for the sixth consecutive quarter. A net 27.1% of local businesses recorded negative profitability in the June quarter, which is slightly better than the March result of net 27.6% but 18.4% pts worse than the June quarter average.

The *Employment Index* strengthened in the three months to June. A net 14.2% of local firms reported reducing staff members, which is above the June quarter average of net 1.5%.

The proportion of Illawarra businesses engaging in 'at least some' capital expenditure surged upwards, with 25.7% of companies continuing to invest, This is an increase of 6.8% pts since the March quarter.

The amount of overtime available to the region's workforce changed only marginally in June. 21.0% of local firms reported that 'at least some' overtime was available to their staff, which is a decrease of 0.8% pts on the March quarter.

Further comment:

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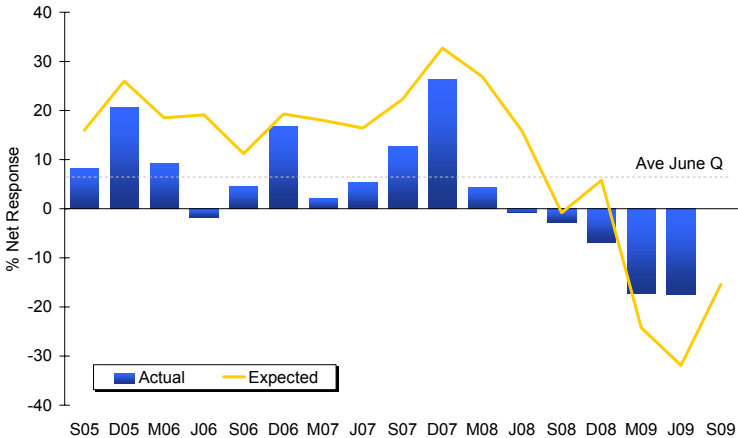
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Note: the graphs below can be provided electronically or in full page hard copy for scanning.

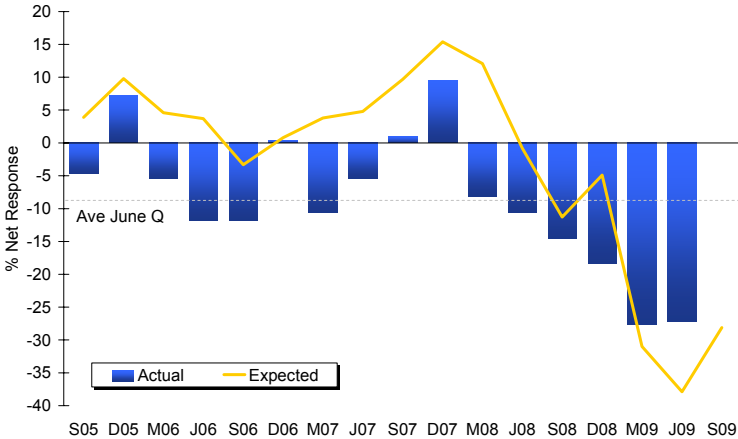
Media Release

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TRADING CONDITIONS



PROFITABILITY



EMPLOYMENT

