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CONFIDENCE IMPROVES BUT BUSINESSES STILL AREN'T HIRING

A modest rebound in confidence has failed to translate into jobs, with the latest [Business Conditions Survey](#) from Business NSW showing hiring intentions remain firmly negative.

Just 12 per cent of businesses plan to hire additional staff over the next three months, while 21 per cent expect to reduce headcount.

The outlook is even weaker in accommodation and food services, with just eight per cent planning to hire and almost one in three expecting to cut staff numbers.

The Business Confidence Index rebounded from -78.0 in May to -65.0, while forward-looking expectations rose to -47.3. Despite the improvement, both measures remain deeply negative.

Business NSW CEO Daniel Hunter said employers remained cautious about taking on staff.

"Businesses might be feeling slightly better than they were three months ago, but they're still not confident enough to take on more staff," Mr Hunter said.

"That's especially evident in customer-facing sectors such as retail, hospitality and accommodation, where employers are often the first to feel pressure when consumers start tightening their belts.

"If governments want to see businesses hiring again, they need to make it easier and more affordable to employ people. Reducing payroll tax and scrapping the Emergency Services Levy would ease pressure on employers and help restore confidence."

Sydney restaurateur Peter Papas is preparing to open a fourth Kazzi Beach Greek venue in Cronulla, adding to his restaurants in Manly, Balmoral and Bondi.

He said more venues were turning to QR code ordering systems as rising labour costs forced operators to find savings.

"Service in hospitality is becoming a dying art because venues simply can't afford the staffing levels they once had," he said.

"Rising costs are forcing us to think differently about every decision we make, including whether we can afford to hire another person.

"Increasing minimum wages, weekend and public holiday penalty rates, superannuation for working holiday visa holders, and payroll tax all combine to result in less employment within the hospitality industry."

The Business Conditions Survey also found:

- Taxes, levies and government charges remained the top-ranked cost concern for businesses for the second consecutive quarter.
- Businesses rated their prospects for the current financial year at just 5.5 out of 10, only slightly above "just enough business to survive", while one in four rated their prospects below that level.
- Nearly half (46%) of all businesses increased their Artificial Intelligence (AI) usage in the last three months.

About Business NSW

Formerly the NSW Business Chamber, **Business NSW** is the peak policy and advocacy body which has been representing businesses in NSW since 1826. We represent almost 50,000 businesses.

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