



News Release

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Contact Carl Valentine, PwC
Tel: 07 4721 8543
e-mail: carl.a.valentine@pwc.com
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Townsville's business confidence continues to gain momentum

Townsville's business confidence continues to surge recording its biggest increase for a single quarter in four years according to PwC's Townsville Business Confidence Survey for the March 2017 quarter released today.

The survey results showed that participant's overall confidence in the Townsville business community increased 5.7 points on the previous December 2016 quarter and had rallied significantly by 15.1 points since the corresponding March 2016 quarter.

PwC partner Carl Valentine said: "Townsville business confidence has been steadily increasing since June 2016 and the latest results show that it continues to gain momentum.

"This quarter's result was also the biggest single quarter increase since December 2013, and according to survey participants, the outlook for employment is the most positive we've seen since before the Global Financial Crisis," he said.

"We expect this is likely due to the business community feeling that the Townsville economy is steadily recovering, they're encouraged by investment in the major projects announced over the past 12 months and now looking at growing employee numbers," he said.

Of those surveyed, 97% said they expect employment levels to remain stable or increase over the next three months with only 3% of participants predicting employment levels to decline.

"But it should be kept in mind that at least, with respect to employment levels, we are starting from a relatively low base with many businesses having reduced employee numbers of the past couple of years. We still have a long way to go with Townsville's high unemployment and crime rate yet are hopeful that as more jobs become available we should see these numbers declining," Mr Valentine said.

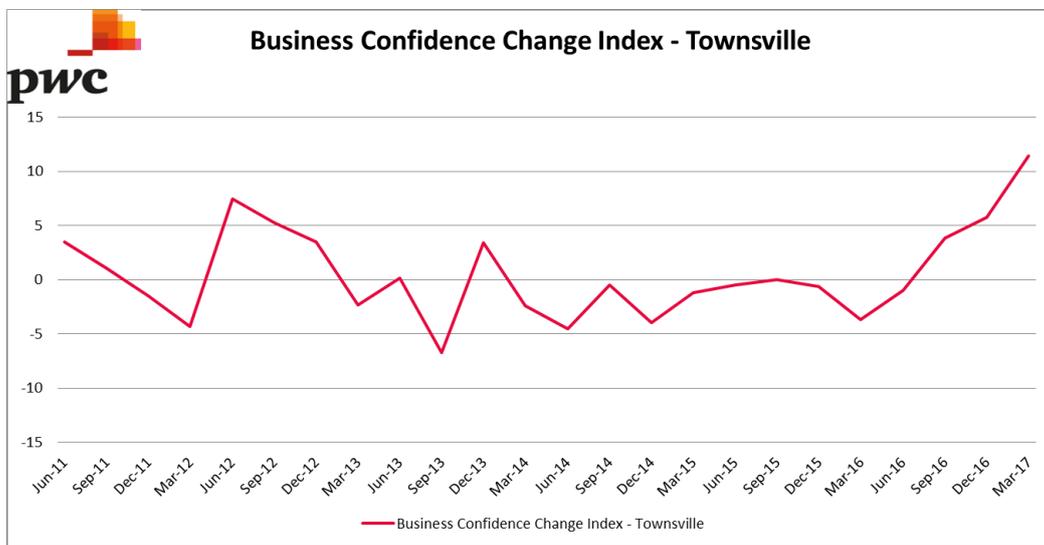
The survey results also showed that 89% of participants expect both sales and consumer demand to remain stable or increase. This compares to 88% for sales and 82% for consumer demand last quarter. The estimated business operating capacity has also continued to increase with survey respondents indicating they're operating at an average 80% capacity.

"The improved utilisation of operating capacity shows that businesses are getting busier and are more able to effectively utilise the talents of their people, equipment and other resources to grow productivity," Mr Valentine said.



This quarter signals the final PwC Business Confidence Survey following PwC's announcement in December that its Townsville business had been acquired by the current local leadership team led by Carl Valentine, Greg Peel and Andrew Whitehead.

Mr Valentine said the transition will be completed by April 2017 and will occur with as minimal disruption as possible for its people and its clients. The Business Confidence Survey provides an insightful gauge into the local Townsville economy and will continue under PVW Partners into the future.



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