

# INDUSTRY RECAP

December 2019







# KEY BUSINESS CONDITIONS



NSW Total 659 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-34.0	15.5%	34.9%	49.5%	-23.9	↓	18.1%	38.5%	43.4%	-25.3
Total Capital Spending	-17.7	22.7%	36.9%	40.4%	-15.0	↓	16.1%	46.2%	37.6%	-21.5
Total Operating Costs	33.9	44.8%	44.4%	10.9%	31.2	↑	35.7%	52.0%	12.2%	23.5
Total Sales Revenue	-25.8	20.7%	32.7%	46.5%	-13.8	↓	22.5%	36.5%	41.0%	-18.6
Total Profit	-39.9	16.6%	26.9%	56.5%	-29.4	↓	17.6%	35.3%	47.1%	-29.4
Total Staff Numbers	-8.9	14.2%	62.8%	23.1%	-5.2	↓	11.4%	67.5%	21.1%	-9.7



## Industry Categories

Primary 37 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-44.1	14.7%	26.5%	58.8%	-19.5	↓	5.9%	29.4%	64.7%	-58.8
Total Capital Spending	-43.8	15.6%	25.0%	59.4%	-27.0	↓	11.5%	30.8%	57.7%	-46.2
Total Operating Costs	34.4	43.8%	46.9%	9.4%	10.8	↑	30.8%	42.3%	26.9%	3.8
Total Sales Revenue	-50.0	12.5%	25.0%	62.5%	-33.3	↓	11.5%	30.8%	57.7%	-46.2
Total Profit	-50.0	12.5%	25.0%	62.5%	-43.2	↓	19.2%	15.4%	65.4%	-46.2
Total Staff Numbers	-30.0	16.7%	36.7%	46.7%	-13.5	↓	8.3%	45.8%	45.8%	-37.5

Population Serving 299 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-43.5	14.7%	27.0%	58.3%	-41.0	↓	17.3%	37.1%	45.7%	-28.4
Total Capital Spending	-18.9	24.3%	32.4%	43.2%	-17.8	↓	15.8%	44.7%	39.5%	-23.7
Total Operating Costs	36.7	47.2%	42.4%	10.5%	34.8	↑	34.1%	56.4%	9.5%	24.5
Total Sales Revenue	-30.6	18.8%	31.9%	49.3%	-31.6	↑	16.0%	37.4%	46.6%	-30.6
Total Profit	-42.2	14.7%	28.4%	56.9%	-45.4	↑	12.4%	37.8%	49.8%	-37.3
Total Staff Numbers	-12.7	10.5%	66.2%	23.2%	-13.1	↑	10.0%	70.3%	19.6%	-9.6

Knowledge Intensive 136 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-18.2	18.2%	45.5%	36.4%	-15.4	↓	21.7%	34.9%	43.4%	-21.7
Total Capital Spending	-13.0	21.7%	43.5%	34.8%	-18.6	↑	18.4%	52.6%	28.9%	-10.5
Total Operating Costs	22.4	37.1%	48.3%	14.7%	19.8	↑	37.9%	47.4%	14.7%	23.3
Total Sales Revenue	-16.2	23.1%	37.6%	39.3%	-0.5	↓	34.8%	35.7%	29.6%	5.2
Total Profit	-31.6	17.9%	32.5%	49.6%	-15.1	↓	27.8%	33.0%	39.1%	-11.3
Total Staff Numbers	2.6	21.7%	59.1%	19.1%	-1.1	↑	14.8%	66.1%	19.1%	-4.3



# KEY BUSINESS CONDITIONS



Industrial 131 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-30.5	15.6%	38.3%	46.1%	-17.4	↓	21.1%	45.3%	33.6%	-12.5
Total Capital Spending	-22.9	20.2%	36.7%	43.1%	-11.9	↓	15.1%	43.4%	41.5%	-26.4
Total Operating Costs	38.6	47.4%	43.9%	8.8%	41.6	↓	37.5%	50.0%	12.5%	25.0
Total Sales Revenue	-21.9	25.4%	27.2%	47.4%	-4.5	↓	24.3%	36.9%	38.7%	-14.4
Total Profit	-41.2	21.1%	16.7%	62.3%	-25.9	↓	18.0%	36.9%	45.0%	-27.0
Total Staff Numbers	-10.6	12.4%	64.6%	23.0%	2.7	↓	10.0%	65.5%	24.5%	-14.5

Health and Education 56 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-25.0	13.5%	48.1%	38.5%	6.9	↓	15.4%	40.4%	44.2%	-28.8
Total Capital Spending	9.5	28.6%	52.4%	19.0%	7.1	↑	17.1%	53.7%	29.3%	-12.2
Total Operating Costs	37.2	46.5%	44.2%	9.3%	41.4	↓	36.6%	53.7%	9.8%	26.8
Total Sales Revenue	-18.6	18.6%	44.2%	37.2%	18.2	↓	24.4%	36.6%	39.0%	-14.6
Total Profit	-39.5	14.0%	32.6%	53.5%	-3.0	↓	14.6%	36.6%	48.8%	-34.1
Total Staff Numbers	0.0	16.3%	67.4%	16.3%	7.1	↓	15.4%	74.4%	10.3%	5.1



## Industries

Accommodation & Food Services 82 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-49.4	17.7%	15.2%	67.1%	-45.6	↓	20.3%	27.8%	51.9%	-31.6
Total Capital Spending	-13.8	21.5%	43.1%	35.4%	0.0	↓	20.3%	50.0%	29.7%	-9.4
Total Operating Costs	52.2	59.7%	32.8%	7.5%	37.5	↑	42.2%	48.4%	9.4%	32.8
Total Sales Revenue	-42.6	14.7%	27.9%	57.4%	-42.1	↓	14.1%	31.3%	54.7%	-40.6
Total Profit	-52.2	11.9%	23.9%	64.2%	-48.2	↓	9.4%	29.7%	60.9%	-51.6
Total Staff Numbers	-9.0	9.0%	73.1%	17.9%	-26.3	↑	9.5%	71.4%	19.0%	-9.5

Construction 21 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	0.0	36.8%	26.3%	36.8%	-27.8	↑	10.5%	63.2%	26.3%	-15.8
Total Capital Spending	-5.9	35.3%	23.5%	41.2%	0.0	↓	6.3%	56.3%	37.5%	-31.3
Total Operating Costs	5.9	35.3%	35.3%	29.4%	38.7	↓	23.5%	58.8%	17.6%	5.9
Total Sales Revenue	-5.9	23.5%	47.1%	29.4%	-9.7	↑	17.6%	58.8%	23.5%	-5.9
Total Profit	-18.8	25.0%	31.3%	43.8%	-23.3	↑	18.8%	56.3%	25.0%	-6.3
Total Staff Numbers	-29.4	11.8%	47.1%	41.2%	0.0	↓	11.8%	52.9%	35.3%	-23.5

Financial & Insurance Services 20 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-15.8	10.5%	63.2%	26.3%	-25.7	↑	15.8%	31.6%	52.6%	-36.8
Total Capital Spending	-5.9	17.6%	58.8%	23.5%	-16.0	↑	23.5%	41.2%	35.3%	-11.8
Total Operating Costs	58.8	58.8%	41.2%	0.0%	32.1	↑	47.1%	41.2%	11.8%	35.3
Total Sales Revenue	5.9	35.3%	35.3%	29.4%	10.7	↓	29.4%	41.2%	29.4%	0.0
Total Profit	-23.5	23.5%	29.4%	47.1%	-14.3	↓	11.8%	41.2%	47.1%	-35.3
Total Staff Numbers	0.0	23.5%	52.9%	23.5%	-13.8	↑	17.6%	58.8%	23.5%	-5.9

Manufacturing 86 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-34.5	14.3%	36.9%	48.8%	-11.6	↓	19.0%	41.7%	39.3%	-20.2
Total Capital Spending	-30.1	16.4%	37.0%	46.6%	-5.3	↓	12.9%	38.6%	48.6%	-35.7
Total Operating Costs	31.2	42.9%	45.5%	11.7%	44.1	↓	39.2%	48.6%	12.2%	27.0
Total Sales Revenue	-26.0	24.7%	24.7%	50.6%	-12.3	↓	19.2%	41.1%	39.7%	-20.5
Total Profit	-44.2	19.5%	16.9%	63.6%	-34.5	↓	16.4%	35.6%	47.9%	-31.5
Total Staff Numbers	-14.3	14.3%	57.1%	28.6%	5.0	↓	8.2%	64.4%	27.4%	-19.2

Business Services 108 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-20.0	19.0%	41.9%	39.0%	-12.5	↓	21.9%	37.1%	41.0%	-19.0
Total Capital Spending	-17.8	20.0%	42.2%	37.8%	-18.7	↑	15.7%	55.1%	29.2%	-13.5
Total Operating Costs	14.3	33.0%	48.4%	18.7%	17.2	↓	34.1%	49.5%	16.5%	17.6
Total Sales Revenue	-20.7	21.7%	35.9%	42.4%	-2.6	↓	36.7%	33.3%	30.0%	6.7
Total Profit	-35.9	16.3%	31.5%	52.2%	-14.8	↓	31.1%	30.0%	38.9%	-7.8
Total Staff Numbers	3.3	21.1%	61.1%	17.8%	1.3	↑	12.2%	68.9%	18.9%	-6.7

Retail & Wholesale Trade 119 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-49.1	9.8%	31.3%	58.9%	-63.8	↑	15.2%	41.1%	43.8%	-28.6
Total Capital Spending	-20.7	23.9%	31.5%	44.6%	-45.7	↑	14.3%	47.3%	38.5%	-24.2
Total Operating Costs	42.1	50.5%	41.1%	8.4%	30.0	↑	38.3%	54.3%	7.4%	30.9
Total Sales Revenue	-27.4	21.1%	30.5%	48.4%	-54.1	↑	19.1%	34.0%	46.8%	-27.7
Total Profit	-43.0	16.1%	24.7%	59.1%	-64.8	↑	12.0%	39.1%	48.9%	-37.0
Total Staff Numbers	-15.1	7.5%	69.9%	22.6%	-26.2	↑	10.6%	71.3%	18.1%	-7.4



# KEY BUSINESS CONDITIONS



Other Industries 223 Respondents	Current						Expected			
	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-31.6	15.0%	38.3%	46.6%	-9.9	↓	17.7%	37.9%	44.3%	-26.6
Total Capital Spending	-14.5	25.9%	33.7%	40.4%	-6.7	↓	17.4%	41.9%	40.6%	-23.2
Total Operating Costs	34.1	42.4%	49.4%	8.2%	35.1	↓	31.0%	55.7%	13.3%	17.7
Total Sales Revenue	-26.0	18.9%	36.1%	45.0%	0.4	↓	21.0%	36.9%	42.0%	-21.0
Total Profit	-37.3	16.0%	30.8%	53.3%	-19.6	↓	17.7%	35.4%	46.8%	-29.1
Total Staff Numbers	-8.3	15.5%	60.7%	23.8%	2.9	↓	13.1%	66.7%	20.3%	-7.2



## PRIORITIES & THE BUSINESS ENVIRONMENT

How have the following priorities changed over the period between October 2019 to December 2019?

Response	ALL INDUSTRIES DEC 19	Primary	Population Serving	Knowledge Intensive	Industrial	Health and Education
Expanding the capacity of my business to meet demand	2.7	-8.3	4.7	14.1	-4.4	23.5
Downsizing my business	-1.5	15.0	-1.0	-17.6	-2.7	-17.4
Hiring people with the right skills/capabilities	41.1	27.3	40.7	44.0	38.8	65.5
Growing revenue	77.4	60.0	83.0	79.8	72.3	72.7
Reducing business costs	71.0	60.0	83.7	57.1	68.8	52.9

\*Index scores calculated as the percentage of respondents indicating the priority was more important minus those indicating the priority was less important. A positive number implies a priority is becoming more important whereas a negative number implies a priority is becoming less important.

How have the following factors changed over the period between October 2019 to December 2019?

Response	ALL INDUSTRIES DEC 19	Primary	Population Serving	Knowledge Serving	Industrial	Health and Education
Access to finance	-21.7	-26.3	-27.8	-14.9	-18.3	-14.8
Weather-related events (e.g. drought, floods, bushfires)	-60.1	-83.3	-64.8	-50.8	-57.8	-35.5
Business solvency (is my business staying afloat)	-4.3	-8.7	-8.9	0.0	-1.2	17.9
Regulatory environment (cost of red tape)	-37.3	-27.3	-28.8	-26.4	-20.8	-42.9

\*Index scores calculated as the percentage of respondents indicating the factor was more favourable minus those indicating the factor was less favourable. A positive number implies an improvement whereas a negative number implies a deterioration.



# BUSINESS COSTS



Cost	ALL INDUSTRIES DEC19	Primary	Population Serving	Knowledge Intensive	Industrial	Health and Education
Wages and Benefits	42.0	60.9	46.8	27.4	43.7	19.4
Other Staffing-related Costs	38.8	47.8	43.7	27.7	40.7	20.0
Energy (Gas / Electricity)	43.7	41.7	50.4	42.5	35.3	32.3
Equipment	30.1	43.5	38.7	22.9	25.6	13.8
Distribution / Transport Costs	45.0	56.5	40.4	31.4	53.6	29.2
Real Estate (Rent / Mortgage)	29.5	33.3	38.3	24.0	21.1	22.2
Government Taxes / Levies / Fees	39.0	44.0	45.9	31.4	34.9	21.4
Cost of Inputs (Goods Sold, Imports)	45.4	70.8	50.0	39.2	46.5	14.8
Finance Costs (Interest / Fees)	11.7	20.0	17.5	14.7	-5.0	20.0
Professional Services (Accountants, Legal)	33.7	34.8	35.5	33.3	22.4	34.5
Marketing / Advertising	34.9	36.4	42.9	32.2	20.0	25.8
Insurance	54.8	75.0	60.8	51.7	47.1	33.3
Repairs and Maintenance	39.2	50.0	51.2	25.9	38.4	26.7
Telecommunications	23.0	8.3	27.3	24.7	17.0	-3.1

\*Index scores calculated as the percentage of respondents indicating the cost was less affordable minus those indicating the cost was more affordable. A positive number implies increasing cost pressures whereas a negative number implies falling costs.



# TOP CAPABILITIES



## What capabilities are in demand in your business or industry?

Response	ALL INDUSTRIES SEP 19	ALL INDUSTRIES DEC 19	Primary	Population Serving	Knowledge Intensive	Industrial	Health and Education
Communication	32.1%	39.2%	50.0%	46.4%	32.4%	28.0%	43.2%
Team Work	29.9%	41.6%	38.5%	46.4%	27.5%	46.0%	45.9%
Literacy/Numeracy	9.1%	4.4%	3.8%	5.2%	6.9%	2.0%	0.0%
Problem Solving	33.8%	36.6%	38.5%	30.4%	51.0%	38.0%	24.3%
Initiative and Enterprise	24.5%	26.6%	15.4%	26.3%	24.5%	35.0%	18.9%
Planning and Organising	32.7%	36.4%	57.7%	36.1%	23.5%	43.0%	40.5%
Self-Management	27.7%	27.7%	26.9%	30.4%	21.6%	30.0%	24.3%
Learning	6.0%	4.6%	0.0%	4.1%	6.9%	3.0%	8.1%
Technology	23.3%	19.2%	15.4%	14.4%	30.4%	17.0%	21.6%
Leadership	18.2%	17.9%	23.1%	12.9%	21.6%	20.0%	24.3%
Creativity	14.5%	15.5%	15.4%	17.5%	14.7%	13.0%	13.5%

## Is your business currently experiencing a skill shortage?

		Previous September 2019*		Current December 2019				Previous September 2019*		Current December 2019	
Industry		Yes	No	Yes	No	Industry		Yes	No	Yes	No
<b>Primary</b>		61.8%	38.2%	50.0%	50.0%	Professional, Scientific & Technical Services		29.7%	70.3%	40.4%	59.6%
Agriculture, Forestry & Fishing		58.3%	41.7%	50.0%	50.0%	Administrative & Support Services		8.3%	91.7%	50.0%	50.0%
Mining		70.0%	30.0%	50.0%	50.0%	Public Administration & Safety		50.0%	50.0%	16.7%	83.3%
<b>Population Serving Industries</b>		45.1%	54.9%	47.8%	52.2%	<b>Industrial</b>		40.8%	59.2%	51.0%	49.0%
Construction		51.9%	48.1%	76.9%	23.1%	Manufacturing		21.1%	26.6%	44.1%	48.5%
Retail Trade		40.3%	59.7%	36.8%	63.2%	Electricity, Gas, Water & Waste		20.0%	80.0%	80.0%	20.0%
Accommodation & Food Services		45.5%	54.5%	49.1%	50.9%	Wholesale Trade		32.0%	68.0%	50.0%	50.0%
Arts & Recreation Services		34.6%	65.4%	28.6%	71.4%	Transport, Postal & Warehousing		50.0%	50.0%	66.7%	33.3%
Other Services		52.5%	47.5%	58.1%	41.9%	<b>Health and Education</b>		61.9%	38.1%	54.3%	45.7%
<b>Knowledge Intensive</b>		32.3%	67.7%	40.6%	59.4%	Education & Training		35.0%	65.0%	46.2%	53.8%
Information Media & Telecommunications		47.6%	52.4%	37.5%	62.5%	Health Care & Social Assistance		74.4%	25.6%	59.1%	40.9%
Financial & Insurance Services		43.5%	56.5%	43.8%	56.3%	<b>All Industries</b>		43.6%	56.4%	47.6%	52.4%
Rental, Hiring & real Estate Services		27.8%	72.2%	57.1%	42.9%						

\*Previous Business Condition Survey asked "Do you have suitably skilled staff?"

Region	Percentage
Capital Region	4.2%
Central Coast	5.2%
Central West	5.2%
Coffs Harbour - Grafton	4.9%
Far West and Orana	2.0%
Hunter Valley exc Newcastle	3.6%
Illawarra	4.9%
Mid North Coast	7.7%
Murray	7.1%
New England and North West	7.0%
Newcastle and Lake Macquarie	5.9%
Richmond - Tweed	7.1%
Riverina	4.7%
Southern Highlands and Shoalhaven	2.4%
Sydney	26.4%


Industry	Percentage
Primary	5.6%
Population Serving	45.5%
Knowledge Intensive	20.6%
Industrial	19.9%
Health and Education	8.5%

Number of Employees	Percentage
More than 200	6.1%
21 to 200	24.9%
5 to 20	38.3%
1 to 4	21.6%
Non-employing / Sole Operator	9.1%

## SURVEY NOTES

- Index figures given in this document are a calculation of the percentage of respondents who answered higher or increased conditions, minus the percentage of respondents who answered lower or decreased conditions. Index scores are either positive or negative.
- Smaller sample sizes mean that results for individual industries, regions and other categories should be treated with caution.
- Primary includes agriculture, forestry & fishing and mining.
- Population Serving includes construction; retail trade; accommodation & food services; arts & recreation services; other services and ownership of dwellings.
- Knowledge Intensive includes information media & telecommunications; financial & insurance services; rental, hiring & real estate services; professional, scientific & technical services; administrative & support services and public administration & safety.
- Industrial includes manufacturing; electricity, gas, water & waste; wholesale trade and transport, postal & warehousing.
- Health and Education includes education & training and healthcare & social assistance.
- Business Services includes information media and telecommunications; rental hiring and real estate services; professional, scientific and technical services; and administration and support services.
- Other Industries includes agriculture, forestry and fishing; arts and recreation services; education and training; electricity, gas, water and waste services; healthcare and social assistance; mining; other services; public administration and safety; transport, postal and warehousing; and unspecified industries.
- Figures presented may not align with the total percentage as respondents were able to select multiple options for certain questions.



A photograph of a modern building with a distinctive yellow and black facade. The building features two tall, yellow, angular pillars that form a central archway. The main body of the building is black with vertical slats. A white staircase with railings is visible in the foreground. The sky is a clear, bright blue.

## **NSW Business Chamber**

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### **General Enquiries**

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### **Survey Results**

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