



Industry Recap

March 2021

**BUSINESS
NSW**

Key Business Conditions

NSW Total 851 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-10.8	28.7%	31.9%	39.4%	21.2	↓	38.2%	36.1%	25.7%	12.4
Total Capital Spending	-16.7	24.5%	34.3%	41.2%	-7.0	↓	25.8%	41.0%	33.2%	-7.4
Total Operating Costs	19.0	35.4%	48.1%	16.4%	19.0	↑	33.0%	56.5%	10.5%	22.5
Total Sales Revenue	-38.6	17.1%	27.2%	55.7%	-9.8	↓	21.9%	41.2%	36.9%	-15.0
Total Profit	-48.4	13.6%	24.5%	61.9%	-20.4	↓	15.3%	38.3%	46.4%	-31.1
Total Staff Numbers	-12.8	12.1%	63.0%	24.9%	-4.3	↓	12.8%	66.4%	20.8%	-8.0

Industry Categories

Primary 28 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	16.0	40.0%	36.0%	24.0%	16.7	↓	36.0%	48.0%	16.0%	20.0
Total Capital Spending	-20.0	30.0%	20.0%	50.0%	0.0	↓	42.1%	15.8%	42.1%	0.0
Total Operating Costs	28.6	52.4%	23.8%	23.8%	13.3	↑	30.0%	60.0%	10.0%	20.0
Total Sales Revenue	-33.3	14.3%	38.1%	47.6%	-6.7	↓	5.0%	45.0%	50.0%	-45.0
Total Profit	-35.0	15.0%	35.0%	50.0%	-33.3	↓	5.0%	40.0%	55.0%	-50.0
Total Staff Numbers	-15.0	10.0%	65.0%	25.0%	-13.3	↓	11.1%	55.6%	33.3%	-22.2

Population Serving 496 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-18.4	24.8%	32.0%	43.2%	19.2	↓	34.4%	36.6%	28.9%	5.5
Total Capital Spending	-22.5	22.8%	31.9%	45.3%	-5.0	↓	24.7%	40.1%	35.2%	-10.5
Total Operating Costs	15.2	33.1%	49.1%	17.8%	28.1	↓	32.6%	55.2%	12.2%	20.4
Total Sales Revenue	-45.8	14.8%	24.6%	60.6%	-9.4	↓	18.3%	41.1%	40.6%	-22.3
Total Profit	-55.0	11.3%	22.5%	66.2%	-19.9	↓	13.6%	35.9%	50.6%	-37.0
Total Staff Numbers	-18.8	9.0%	63.3%	27.7%	-3.7	↓	11.5%	65.0%	23.5%	-12.0

Knowledge Intensive 147 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	3.0	36.4%	30.3%	33.3%	18.6	↓	45.5%	36.4%	18.2%	27.3
Total Capital Spending	-13.2	22.6%	41.5%	35.8%	-17.2	↑	21.2%	50.5%	28.3%	-7.1
Total Operating Costs	14.5	29.1%	56.4%	14.5%	-6.7	↑	30.4%	61.8%	7.8%	22.5
Total Sales Revenue	-29.6	19.4%	31.5%	49.1%	-14.6	↓	26.3%	41.4%	32.3%	-6.1
Total Profit	-31.8	19.6%	29.0%	51.4%	-27.0	↓	20.2%	39.4%	40.4%	-20.2
Total Staff Numbers	-2.8	14.2%	68.9%	17.0%	-8.0	↑	15.5%	70.1%	14.4%	1.0

Key Business Conditions

Industrial 121 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-14.8	27.8%	29.6%	42.6%	33.8	↓	41.7%	30.4%	27.8%	13.9
Total Capital Spending	-15.2	22.2%	40.4%	37.4%	-8.2	↓	30.2%	34.4%	35.4%	-5.2
Total Operating Costs	26.2	39.8%	46.6%	13.6%	24.2	↑	35.1%	56.7%	8.2%	26.8
Total Sales Revenue	-34.7	18.8%	27.7%	53.5%	0.0	↓	29.3%	40.2%	30.4%	-1.1
Total Profit	-49.0	14.7%	21.6%	63.7%	-6.6	↓	17.6%	41.8%	40.7%	-23.1
Total Staff Numbers	-6.8	19.4%	54.4%	26.2%	0.0	↓	14.7%	67.4%	17.9%	-3.2

Health and Education 59 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	17.0	39.6%	37.7%	22.6%	23.7	↓	45.3%	37.7%	17.0%	28.3
Total Capital Spending	19.1	44.7%	29.8%	25.5%	6.9	↑	28.3%	52.2%	19.6%	8.7
Total Operating Costs	39.6	52.1%	35.4%	12.5%	12.9	↑	38.3%	53.2%	8.5%	29.8
Total Sales Revenue	-12.8	27.7%	31.9%	40.4%	-20.0	↑	32.6%	41.3%	26.1%	6.5
Total Profit	-38.3	14.9%	31.9%	53.2%	-26.7	↓	18.2%	47.7%	34.1%	-15.9
Total Staff Numbers	0.0	17.4%	65.2%	17.4%	-3.6	↑	14.3%	71.4%	14.3%	0.0

Industries

Accomm. & Food Services 121 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-27.6	22.4%	27.6%	50.0%	26.6	↓	37.9%	36.2%	25.9%	12.1
Total Capital Spending	-15.2	29.3%	26.1%	44.6%	9.3	↓	22.7%	36.4%	40.9%	-18.2
Total Operating Costs	17.0	34.0%	48.9%	17.0%	31.6	↓	32.2%	56.7%	11.1%	21.1
Total Sales Revenue	-43.0	17.2%	22.6%	60.2%	-8.6	↓	15.7%	44.9%	39.3%	-23.6
Total Profit	-58.1	11.8%	18.3%	69.9%	-22.4	↓	11.2%	37.1%	51.7%	-40.4
Total Staff Numbers	-23.3	11.1%	54.4%	34.4%	3.5	↓	12.9%	56.5%	30.6%	-17.6

Construction 43 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	25.0	45.0%	35.0%	20.0%	20.6	↑	42.5%	37.5%	20.0%	22.5
Total Capital Spending	0.0	31.4%	37.1%	31.4%	-10.7	↑	15.2%	63.6%	21.2%	-6.1
Total Operating Costs	25.7	45.7%	34.3%	20.0%	17.2	↑	30.3%	54.5%	15.2%	15.2
Total Sales Revenue	-8.6	31.4%	28.6%	40.0%	6.9	↓	24.2%	45.5%	30.3%	-6.1
Total Profit	-22.9	25.7%	25.7%	48.6%	-17.2	↓	24.2%	42.4%	33.3%	-9.1
Total Staff Numbers	-2.9	20.0%	57.1%	22.9%	-3.4	↑	26.5%	58.8%	14.7%	11.8

Key Business Conditions

Financial & Insurance Services 9 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	44.4	44.4%	55.6%	0.0%	44.4	↑	33.3%	55.6%	11.1%	22.2
Total Capital Spending	-42.9	14.3%	28.6%	57.1%	-28.6	↓	0.0%	50.0%	50.0%	-50.0
Total Operating Costs	-14.3	14.3%	57.1%	28.6%	0.0	↓	16.7%	50.0%	33.3%	-16.7
Total Sales Revenue	-42.9	0.0%	57.1%	42.9%	28.6	↓	0.0%	33.3%	66.7%	-66.7
Total Profit	-28.6	0.0%	71.4%	28.6%	0.0	↓	0.0%	50.0%	50.0%	-50.0
Total Staff Numbers	-28.6	14.3%	42.9%	42.9%	33.3	↓	16.7%	16.7%	66.7%	-50.0

Manufacturing 70 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-10.8	29.2%	30.8%	40.0%	27.0	↓	47.7%	30.8%	21.5%	26.2
Total Capital Spending	-7.3	23.6%	45.5%	30.9%	0.0	↓	29.6%	37.0%	33.3%	-3.7
Total Operating Costs	29.3	44.8%	39.7%	15.5%	42.9	↓	33.3%	57.4%	9.3%	24.1
Total Sales Revenue	-21.4	25.0%	28.6%	46.4%	0.0	↓	32.0%	36.0%	32.0%	0.0
Total Profit	-38.6	19.3%	22.8%	57.9%	-8.8	↓	21.6%	45.1%	33.3%	-11.8
Total Staff Numbers	-1.8	22.8%	52.6%	24.6%	8.8	↓	17.0%	62.3%	20.8%	-3.8

Business Services 136 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	1.7	36.4%	28.9%	34.7%	16.1	↓	46.3%	35.5%	18.2%	28.1
Total Capital Spending	-12.4	22.7%	42.3%	35.1%	-16.3	↑	22.8%	50.0%	27.2%	-4.3
Total Operating Costs	16.8	29.7%	57.4%	12.9%	-7.2	↑	31.6%	62.1%	6.3%	25.3
Total Sales Revenue	-29.3	21.2%	28.3%	50.5%	-18.3	↓	28.3%	41.3%	30.4%	-2.2
Total Profit	-32.3	21.2%	25.3%	53.5%	-29.3	↓	21.7%	38.0%	40.2%	-18.5
Total Staff Numbers	-3.1	12.4%	72.2%	15.5%	-11.0	↑	15.6%	73.3%	11.1%	4.4

Retail & Wholesale Trade 119 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-19.4	25.0%	30.6%	44.4%	30.5	↓	31.5%	34.3%	34.3%	-2.8
Total Capital Spending	-26.7	19.8%	33.7%	46.5%	3.0	↓	28.1%	32.6%	39.3%	-11.2
Total Operating Costs	20.0	34.7%	50.5%	14.7%	28.2	↓	34.1%	52.7%	13.2%	20.9
Total Sales Revenue	-51.1	9.6%	29.8%	60.6%	10.1	↓	18.0%	41.6%	40.4%	-22.5
Total Profit	-60.0	7.4%	25.3%	67.4%	4.3	↓	11.2%	32.6%	56.2%	-44.9
Total Staff Numbers	-20.7	8.7%	62.0%	29.3%	0.0	↓	8.9%	72.2%	18.9%	-10.0

Other Industries 353 Respondents	Current						Expected			
	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-12.4	26.7%	34.2%	39.1%	16.1	↓	35.1%	37.3%	27.6%	7.5
Total Capital Spending	-18.9	24.6%	31.8%	43.6%	-11.9	↓	28.4%	40.0%	31.6%	-3.2
Total Operating Costs	17.9	35.5%	46.9%	17.6%	20.0	↓	34.0%	56.0%	10.0%	23.9
Total Sales Revenue	-43.5	15.1%	26.2%	58.7%	-21.1	↓	21.3%	40.3%	38.3%	-17.0
Total Profit	-52.9	11.0%	25.1%	63.9%	-29.8	↓	13.7%	38.7%	47.6%	-33.9
Total Staff Numbers	-13.2	10.2%	66.4%	23.4%	-9.9	↓	10.3%	68.3%	21.4%	-11.1

Priorities and the Business Environment

How have the following priorities changed over the past three months?												
Response	ALL INDUSTRIES		Primary		Population Serving		Knowledge Intensive		Industrial		Health and Education	
	Dec 20	Mar 21	Dec 20	Mar 21	Dec 20	Mar 21	Dec 20	Mar 21	Dec 20	Mar 21	Dec 20	Mar 21
Expanding the capacity of my business to meet demand	13.9	2.3	7.7	20.0	10.1	-8.3	10.1	12.2	5.2	10.3	44.0	33.3
Downsizing my business	4.3	17.2	16.7	-16.7	1.6	24.6	4.8	-2.9	-2.2	17.6	-5.9	-3.3
Hiring people with the right skills/capabilities	44.7	38.7	41.7	50.0	44.4	31.2	31.3	52.6	58.2	61.4	52.0	44.7
Growing revenue	79.2	79.9	66.7	81.3	74.4	77.3	77.1	78.5	72.4	84.6	69.2	88.4
Reducing business costs	61.8	70.8	64.3	52.9	62.8	79.2	53.1	46.2	55.9	72.4	69.2	55.8

*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 past three months?												
Response	ALL INDUSTRIES		Primary		Population Serving		Knowledge Serving		Industrial		Health and Education	
	Dec 20	Mar 21	Dec 20	Mar 21	Dec 20	Mar 21	Dec 20	Mar 21	Dec 20	Mar 21	Dec 20	Mar 21
Access to finance	-20.7	-24.0	-55.6	-18.2	-17.4	-28.8	-24.2	-14.5	-12.8	-8.5	-16.7	-18.8
Weather-related events (e.g. drought, floods, bushfires)	-7.4	-5.2	-57.1	-26.7	-10.3	-8.6	-6.2	-8.6	2.2	6.0	-9.5	3.3
Business solvency (is my business staying afloat)	0.5	-14.4	-30.0	8.3	-5.7	-20.6	-1.4	-9.4	0.0	-3.7	0.0	0.0
Regulatory environment (cost of red tape)	-31.9	-29.7	-53.3	-12.5	-18.8	-28.7	-9.0	-10.1	-12.1	-19.6	-20.7	-33.3

*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

How have the following costs changed over the past three months?												
Cost	ALL INDUSTRIES		Primary		Population Serving		Knowledge Intensive		Industrial		Health and Education	
	DEC20	MAR21	DEC20	MAR21	DEC20	MAR21	DEC20	MAR21	DEC20	MAR21	DEC20	MAR21
Wages and Benefits	30.9	44.9	53.8	31.3	35.0	49.0	18.7	34.9	24.6	46.2	52.0	34.1
Other Staffing-related Costs	34.3	44.1	46.2	42.9	35.1	49.2	24.3	29.9	36.8	37.8	52.0	42.5
Energy (Gas / Electricity)	30.3	33.7	50.0	29.4	34.3	35.9	13.4	21.8	29.8	24.7	30.8	30.0
Equipment	26.9	31.1	46.2	17.6	25.0	40.5	13.9	17.1	19.0	12.1	44.0	25.6
Distribution / Transport Costs	40.7	43.5	85.7	52.9	33.8	43.3	19.4	24.3	50.0	56.5	37.5	24.2
Real Estate (Rent / Mortgage)	27.1	33.6	27.3	23.1	32.0	36.6	19.4	22.0	25.0	28.4	19.0	32.4
Government Taxes / Levies / Fees	18.0	29.2	30.8	23.5	24.8	29.4	9.9	23.5	3.4	29.7	8.3	34.2
Cost of Inputs (Goods Sold, Imports)	39.8	44.6	84.6	50.0	38.0	46.1	11.9	29.7	48.2	49.5	31.8	35.1
Finance Costs (Interest / Fees)	7.0	18.8	30.0	-7.7	8.3	25.3	-6.0	0.0	5.6	10.8	4.2	21.2
Professional Services (Accountants, Legal)	30.1	36.4	72.7	40.0	35.5	43.1	23.1	23.5	17.5	25.0	28.0	39.0
Marketing / Advertising	26.8	39.6	63.6	21.4	30.3	46.7	15.0	33.3	20.7	23.9	36.0	36.6
Insurance	51.1	50.2	84.6	52.9	56.9	49.8	36.1	44.1	39.0	48.4	60.0	58.5
Repairs and Maintenance	35.1	38.9	71.4	47.1	38.7	44.0	20.8	34.1	31.0	33.3	30.8	29.7
Telecomms	23.9	26.1	57.1	17.6	22.8	27.3	11.0	16.7	22.0	11.8	36.0	43.9

*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 MAR 21	ALL INDUSTRIES DEC 20	Primary	Population Serving	Knowledge Intensive	Industrial	Health and Education
Communication	52.1%	33.3%	50.0%	52.9%	61.5%	34.6%	61.3%
Team Work	47.9%	32.4%	28.6%	51.4%	21.2%	69.2%	41.9%
Literacy/Numeracy	13.9%	8.1%	21.4%	10.5%	32.7%	11.5%	6.5%
Problem Solving	51.0%	31.6%	42.9%	42.9%	76.9%	75.0%	25.8%
Initiative and Enterprise	32.0%	22.5%	50.0%	30.0%	32.7%	44.2%	16.1%
Planning and Organising	51.8%	35.5%	35.7%	52.4%	50.0%	63.5%	38.7%
Self-Management	50.4%	30.6%	28.6%	52.9%	53.8%	48.1%	41.9%
Learning	12.8%	7.4%	14.3%	12.4%	9.6%	13.5%	19.4%
Technology	33.7%	19.4%	7.1%	28.1%	50.0%	42.3%	41.9%
Leadership	20.1%	12.3%	14.3%	16.7%	15.4%	34.6%	29.0%
Creativity	27.6%	16.9%	7.1%	31.9%	34.6%	15.4%	16.1%

Is your business currently experiencing a skill shortage?													
	Previous December 2020			Current March 2021				Previous December 2020			Current March 2021		
Industry	Yes	No	Not sure	Yes	No	Not sure	Industry	Yes	No	Not sure	Yes	No	Not sure
Primary	71.4%	28.6%	0.0%	47.1%	52.9%	0.0%	Professional, Scientific & Technical Services	30.8%	63.5%	5.8%	37.0%	53.7%	9.3%
Agriculture, Forestry & Fishing	71.4%	28.6%	0.0%	46.7%	53.3%	0.0%	Administrative & Support Services	16.7%	50.0%	33.3%	58.3%	33.3%	8.3%
Mining	-	-	-	50.0%	50.0%	0.0%	Public Administration & Safety	-	-	-	-	-	-
Population Serving Industries	47.3%	40.7%	11.9%	45.7%	44.5%	9.8%	Industrial	50.0%	39.7%	10.3%	56.5%	37.0%	6.5%
Construction	67.9%	25.0%	7.1%	60.6%	30.3%	9.1%	Manufacturing	60.6%	33.3%	6.1%	66.7%	31.4%	2.0%
Retail Trade	45.5%	41.8%	12.7%	30.6%	56.5%	12.9%	Electricity, Gas, Water & Waste	25.0%	50.0%	25.0%	40.0%	40.0%	20.0%
Accommodation & Food Services	57.4%	36.2%	6.4%	58.0%	37.0%	4.9%	Wholesale Trade	46.2%	30.8%	23.1%	47.8%	43.5%	8.7%
Arts & Recreation Services	34.2%	44.7%	21.1%	31.0%	53.4%	15.5%	Transport, Postal & Warehousing	25.0%	75.0%	0.0%	38.5%	46.2%	15.4%
Other Services	39.7%	48.3%	12.1%	48.9%	42.6%	8.5%	Health and Education	42.9%	46.4%	10.7%	47.5%	45.0%	7.5%
Knowledge Intensive	25.6%	65.9%	8.5%	38.0%	53.3%	8.7%	Education & Training	41.2%	47.1%	11.8%	31.6%	57.9%	10.5%
Information Media & Telecommunications	16.7%	66.7%	16.7%	45.5%	45.5%	9.1%	Health Care & Social Assistance	45.5%	45.5%	9.1%	61.9%	33.3%	4.8%
Financial & Insurance Services	28.6%	71.4%	0.0%	0.0%	80.0%	20.0%	All Industries	43.9%	45.6%	10.5%	46.4%	45.0%	8.6%
Rental, Hiring & real Estate Services	0.0%	100.0%	0.0%	30.0%	70.0%	0.0%							

Demography

Region	Percentage
Capital Region	5.3%
Central Coast	3.1%
Central West	4.1%
Coffs Harbour - Grafton	3.6%
Far West and Orana	1.8%
Hunter Valley exc Newcastle	4.5%
Illawarra	3.9%
Mid North Coast	4.4%
Murray	6.0%
New England and North West	5.0%
Newcastle and Lake Macquarie	4.1%
Richmond - Tweed	5.9%
Riverina	1.8%
Southern Highlands and Shoalhaven	2.8%
Sydney	43.6%
Eastern Sydney	35.4%
Western Sydney	8.2%

Industry	Percentage
Primary	3.3%
Population Serving	58.3%
Knowledge Intensive	17.3%
Industrial	14.2%
Health and Education	6.9%

Number of Employees	Percentage
More than 200	2.0%
21 to 200	14.1%
5 to 20	30.6%
1 to 4	31.7%
Non-employing / Sole operator	21.6%

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.
- Individual industries, regions and other categories with small sample sizes should be treated with caution.
- Primary industries include: agriculture, forestry & fishing and mining.
- Population Serving industries include: construction; retail trade; accommodation & food services; arts & recreation services; other services and ownership of dwellings.
- Knowledge Intensive industries include: information media & telecommunications; financial & insurance services; rental, hiring & real estate services; professional, scientific & technical services; administrative & support services and public administration & safety.
- Industrial industries include: manufacturing; electricity, gas, water & waste; wholesale trade and transport, postal & warehousing.
- Health and Education industries include: education & training and healthcare & social assistance.
- Business Services industries include: information media and telecommunications; rental hiring and real estate services; professional, scientific and technical services; and administration and support services.
- Other Industries include: 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.
- Eastern Sydney includes Eastern City, North and South districts; Western Sydney refers to Western and Central cities as designated by the Greater Sydney Commission.



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