

Industry Recap

June 2020



**BUSINESS
NSW**

Key Business Conditions

NSW Total 1165 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-70.3	9.1%	11.5%	79.4%	-34.7	↓	21.4%	29.8%	48.8%	-27.3
Total Capital Spending	-43.5	17.4%	21.7%	60.9%	-32.3	↓	16.2%	34.9%	48.9%	-32.7
Total Operating Costs	-23.6	16.8%	42.9%	40.4%	10.8	↓	25.8%	53.1%	21.2%	4.6
Total Sales Revenue	-76.9	5.5%	12.0%	82.4%	-46.4	↓	17.9%	28.4%	53.8%	-35.9
Total Profit	-77.2	5.7%	11.4%	82.9%	-53.8	↓	12.3%	26.0%	61.6%	-49.3
Total Staff Numbers	-37.3	3.4%	55.9%	40.7%	-18.9	↓	10.1%	64.3%	25.6%	-15.4

Industry Categories

Primary 30 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-38.5	23.1%	15.4%	61.5%	-34.0	↓	30.8%	26.9%	42.3%	-11.5
Total Capital Spending	-17.4	26.1%	30.4%	43.5%	-27.9	↑	27.3%	27.3%	45.5%	-18.2
Total Operating Costs	4.3	17.4%	69.6%	13.0%	13.0	↓	34.8%	56.5%	8.7%	26.1
Total Sales Revenue	-47.8	17.4%	17.4%	65.2%	-31.1	↓	26.1%	21.7%	52.2%	-26.1
Total Profit	-52.2	13.0%	21.7%	65.2%	-37.8	↓	18.2%	13.6%	68.2%	-50.0
Total Staff Numbers	-39.1	8.7%	43.5%	47.8%	-15.9	↓	20.0%	65.0%	15.0%	5.0

Population Serving 663 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-73.5	8.2%	10.1%	81.7%	-45.5	↓	20.1%	28.6%	51.3%	-31.2
Total Capital Spending	-45.2	17.8%	19.2%	63.0%	-40.2	↓	17.2%	33.2%	49.6%	-32.4
Total Operating Costs	-24.2	17.9%	39.9%	42.1%	7.0	↓	29.0%	49.5%	21.4%	7.6
Total Sales Revenue	-81.4	4.4%	9.8%	85.8%	-59.5	↓	18.0%	26.6%	55.4%	-37.5
Total Profit	-82.2	4.5%	8.8%	86.7%	-63.4	↓	11.7%	23.8%	64.5%	-52.8
Total Staff Numbers	-44.9	2.5%	50.1%	47.4%	-27.7	↓	10.0%	59.8%	30.1%	-20.1

Knowledge Intensive 216 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-65.7	10.8%	12.7%	76.5%	-23.5	↓	22.1%	32.8%	45.1%	-23.0
Total Capital Spending	-41.1	16.1%	26.7%	57.2%	-25.5	↓	11.5%	42.0%	46.6%	-35.1
Total Operating Costs	-22.0	12.4%	53.2%	34.4%	11.8	↓	15.1%	63.7%	21.2%	-6.1
Total Sales Revenue	-65.9	8.6%	16.8%	74.6%	-35.3	↓	15.1%	34.9%	50.0%	-34.9
Total Profit	-67.9	8.2%	15.8%	76.1%	-41.6	↓	12.0%	30.3%	57.7%	-45.7
Total Staff Numbers	-18.5	3.8%	73.9%	22.3%	-12.8	↓	8.1%	75.1%	16.8%	-8.7

Key Business Conditions

Industrial 154 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-69.7	9.7%	11.0%	79.3%	-23.3	↓	19.3%	31.7%	49.0%	-29.7
Total Capital Spending	-47.2	14.4%	24.0%	61.6%	-31.2	↓	15.3%	35.5%	49.2%	-33.9
Total Operating Costs	-24.6	16.2%	43.1%	40.8%	13.9	↓	24.8%	52.7%	22.5%	2.3
Total Sales Revenue	-75.4	6.2%	12.3%	81.5%	-37.0	↓	15.7%	25.2%	59.1%	-43.3
Total Profit	-72.4	7.9%	11.8%	80.3%	-52.9	↓	9.4%	27.6%	63.0%	-53.5
Total Staff Numbers	-33.1	5.4%	56.2%	38.5%	-17.5	↓	9.4%	66.1%	24.4%	-15.0

Health and Education 102 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-68.9	6.7%	17.8%	75.6%	-30.5	↓	30.0%	28.9%	41.1%	-11.1
Total Capital Spending	-39.1	20.3%	20.3%	59.4%	-13.8	↓	19.1%	30.9%	50.0%	-30.9
Total Operating Costs	-29.7	20.3%	29.7%	50.0%	22.1	↓	27.4%	52.1%	20.5%	6.8
Total Sales Revenue	-82.7	1.3%	14.7%	84.0%	-31.1	↓	24.7%	32.9%	42.5%	-17.8
Total Profit	-80.0	2.7%	14.7%	82.7%	-47.4	↓	20.5%	32.9%	46.6%	-26.0
Total Staff Numbers	-36.5	4.1%	55.4%	40.5%	5.0	↓	14.3%	65.7%	20.0%	-5.7

Industries

Accomm. & Food Services 161 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-71.0	9.0%	11.0%	80.0%	-58.8	↓	34.2%	28.4%	37.4%	-3.2
Total Capital Spending	-27.7	25.4%	21.5%	53.1%	-46.8	↑	29.1%	39.4%	31.5%	-2.4
Total Operating Costs	-13.1	28.5%	29.9%	41.6%	7.5	↓	50.4%	32.6%	17.0%	33.3
Total Sales Revenue	-80.9	4.4%	10.3%	85.3%	-71.9	↓	34.3%	24.6%	41.0%	-6.7
Total Profit	-88.0	1.5%	9.0%	89.5%	-74.3	↓	17.6%	29.8%	52.7%	-35.1
Total Staff Numbers	-51.5	6.7%	35.1%	58.2%	-39.3	↓	23.1%	50.0%	26.9%	-3.8

Construction 59 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-61.0	10.2%	18.6%	71.2%	-47.5	↓	13.6%	33.9%	52.5%	-39.0
Total Capital Spending	-45.7	15.2%	23.9%	60.9%	-39.2	↓	8.7%	37.0%	54.3%	-45.7
Total Operating Costs	-17.6	7.8%	66.7%	25.5%	-8.0	↓	14.0%	62.0%	24.0%	-10.0
Total Sales Revenue	-62.7	5.9%	25.5%	68.6%	-44.9	↓	16.3%	20.4%	63.3%	-46.9
Total Profit	-67.3	8.2%	16.3%	75.5%	-47.9	↓	14.0%	16.0%	70.0%	-56.0
Total Staff Numbers	-36.7	2.0%	59.2%	38.8%	-16.3	↓	6.5%	56.5%	37.0%	-30.4

Key Business Conditions

Financial & Insurance Services 17 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-82.4	0.0%	17.6%	82.4%	-15.8	↓	11.8%	29.4%	58.8%	-47.1
Total Capital Spending	-35.7	21.4%	21.4%	57.1%	-5.9	↓	21.4%	28.6%	50.0%	-28.6
Total Operating Costs	0.0	26.7%	46.7%	26.7%	58.8	↓	20.0%	60.0%	20.0%	0.0
Total Sales Revenue	-46.7	6.7%	40.0%	53.3%	5.9	↓	7.1%	42.9%	50.0%	-42.9
Total Profit	-71.4	0.0%	28.6%	71.4%	-23.5	↓	0.0%	35.7%	64.3%	-64.3
Total Staff Numbers	-6.7	0.0%	93.3%	6.7%	0.0	↓	21.4%	71.4%	7.1%	14.3

Manufacturing 84 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-74.1	7.4%	11.1%	81.5%	-34.5	↓	16.0%	29.6%	54.3%	-38.3
Total Capital Spending	-50.0	12.9%	24.3%	62.9%	-30.1	↓	8.8%	38.2%	52.9%	-44.1
Total Operating Costs	-25.0	15.3%	44.4%	40.3%	31.2	↓	25.4%	56.3%	18.3%	7.0
Total Sales Revenue	-75.0	5.6%	13.9%	80.6%	-26.0	↓	15.9%	26.1%	58.0%	-42.0
Total Profit	-67.1	8.6%	15.7%	75.7%	-44.2	↓	5.8%	30.4%	63.8%	-58.0
Total Staff Numbers	-38.0	7.0%	47.9%	45.1%	-14.3	↓	8.6%	68.6%	22.9%	-14.3

Business Services 198 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-64.0	11.8%	12.4%	75.8%	-24.7	↓	23.1%	33.3%	43.5%	-20.4
Total Capital Spending	-41.6	15.7%	27.1%	57.2%	-25.8	↓	10.6%	43.1%	46.3%	-35.6
Total Operating Costs	-24.0	11.1%	53.8%	35.1%	9.6	↓	14.6%	64.0%	21.3%	-6.7
Total Sales Revenue	-67.6	8.8%	14.7%	76.5%	-36.3	↓	15.8%	34.2%	50.0%	-34.2
Total Profit	-67.6	8.8%	14.7%	76.5%	-40.4	↓	13.0%	29.8%	57.1%	-44.1
Total Staff Numbers	-19.5	4.1%	72.2%	23.7%	-12.8	↓	6.9%	75.5%	17.6%	-10.7

Retail & Wholesale Trade 181 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-55.6	15.4%	13.6%	71.0%	-42.1	↓	17.3%	30.9%	51.9%	-34.6
Total Capital Spending	-40.5	19.1%	21.4%	59.5%	-40.7	↑	17.7%	30.8%	51.5%	-33.8
Total Operating Costs	-14.8	21.8%	41.5%	36.6%	9.9	↓	28.5%	48.2%	23.4%	5.1
Total Sales Revenue	-68.1	9.9%	12.1%	78.0%	-57.0	↓	10.4%	27.6%	61.9%	-51.5
Total Profit	-64.7	12.2%	10.8%	77.0%	-63.5	↓	7.5%	24.1%	68.4%	-60.9
Total Staff Numbers	-38.0	0.0%	62.0%	38.0%	-26.8	↓	6.2%	69.0%	24.8%	-18.6

Other Industries 465 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-78.5	6.1%	9.4%	84.5%	-31.6	↓	20.1%	27.9%	52.0%	-31.9
Total Capital Spending	-50.0	15.7%	18.5%	65.7%	-14.5	↓	15.7%	30.3%	53.9%	-38.2
Total Operating Costs	-32.1	14.3%	39.4%	46.4%	34.1	↓	22.6%	55.4%	22.0%	0.6
Total Sales Revenue	-86.5	2.7%	8.1%	89.2%	-26.0	↓	16.3%	28.5%	55.2%	-38.9
Total Profit	-85.8	2.7%	8.7%	88.6%	-37.3	↓	13.4%	23.9%	62.8%	-49.4
Total Staff Numbers	-41.2	2.8%	53.2%	44.0%	-8.3	↓	8.5%	62.6%	28.8%	-20.3

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	
	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20
Expanding the capacity of my business to meet demand	-35.1	-29.7	-21.6	36.4	-42.9	-37.1	-26.9	-27.0	-32.0	-30.1	-23.1	1.6
Downsizing my business	27.2	32.1	22.6	20.0	32.1	38.7	22.7	21.3	25.2	40.7	3.5	12.3
Hiring people with the right skills/capabilities	-12.2	16.2	15.6	52.6	-23.7	11.1	-5.0	22.3	-6.9	22.7	7.5	26.2
Growing revenue	57.4	76.7	43.2	78.3	55.6	72.2	52.2	75.6	54.3	74.4	49.0	60.3
Reducing business costs	78.0	81.0	78.9	82.6	84.2	85.7	72.1	72.8	79.3	82.6	72.7	63.2

*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	
	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20	Mar 20	Jun 20
Access to finance	-17.8	-28.1	-17.6	-11.1	-23.6	-33.1	-16.9	-17.7	-7.7	-17.5	-11.1	-40.4
Weather-related events (e.g. drought, floods, bushfires)	-35.7	-10.5	-2.6	8.7	-41.4	-15.7	-32.2	3.3	-34.0	-4.9	-24.7	-17.5
Business solvency (is my business staying afloat)	-30.5	-22.5	-5.4	-9.5	-38.2	-27.2	-28.2	-16.7	-18.5	-14.5	-25.0	-16.4
Regulatory environment (cost of red tape)	-29.9	-26.0	-18.6	-21.7	-25.9	-27.7	-19.3	-24.0	-11.4	-16.3	-27.2	-21.0

*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	
	MAR20	JUN20	MAR20	JUN20	MAR20	JUN20	MAR20	JUN20	MAR20	JUN20	MAR20	JUN20
Wages and Benefits	41.4	20.1	40.0	19.0	48.9	24.3	34.2	18.2	33.7	18.2	37.8	23.9
Other Staffing-related Costs	37.8	34.2	30.3	38.1	44.9	37.8	30.4	24.5	34.1	33.0	38.3	39.7
Energy (Gas / Electricity)	37.5	35.6	28.9	43.5	45.5	40.1	29.8	23.8	32.4	31.7	28.7	33.3
Equipment	29.9	30.8	34.2	38.1	35.1	35.5	23.2	20.0	26.9	26.1	30.7	42.0
Distribution / Transport Costs	35.5	36.7	33.3	43.5	36.9	36.3	23.6	20.2	41.7	45.4	22.5	31.4
Real Estate (Rent / Mortgage)	31.6	23.9	25.0	13.3	35.7	32.6	25.1	19.1	27.5	10.9	27.5	6.8
Government Taxes / Levies / Fees	34.6	8.6	30.8	-4.8	43.2	13.3	27.5	1.3	29.2	3.4	22.6	-3.0
Cost of Inputs (Goods Sold, Imports)	46.3	43.4	33.3	73.9	48.5	43.5	33.7	31.3	56.1	56.9	27.6	25.0
Finance Costs (Interest / Fees)	14.3	16.3	7.9	5.3	19.3	25.2	12.3	6.2	3.7	0.0	16.7	10.9
Professional Services (Accountants, Legal)	30.6	34.9	25.6	28.6	33.9	42.7	27.7	22.2	20.1	23.1	29.3	36.2
Marketing / Advertising	33.4	31.6	27.8	26.3	38.8	35.1	29.3	22.9	19.6	22.6	34.0	36.9
Insurance	51.1	48.1	56.4	77.3	55.0	48.3	44.9	44.8	52.8	45.1	36.0	44.1
Repairs and Maintenance	34.9	37.1	38.5	47.6	40.9	45.2	22.1	19.2	32.4	34.2	25.3	29.2
Telecomms	29.9	31.1	26.3	27.3	31.8	35.5	26.3	22.1	13.7	23.1	28.3	30.9

*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 JUN 20	ALL INDUSTRIES MAR 19	Primary	Population Serving	Knowledge Intensive	Industrial	Health and Education
Communication	39.6%	57.8%	43.5%	42.0%	40.5%	27.8%	41.2%
Team Work	38.9%	50.8%	43.5%	43.2%	26.2%	39.7%	36.8%
Literacy/Numeracy	4.7%	6.4%	4.3%	3.7%	7.1%	4.0%	7.4%
Problem Solving	29.9%	45.1%	30.4%	24.6%	47.0%	29.4%	26.5%
Initiative and Enterprise	23.1%	28.9%	21.7%	22.0%	25.0%	29.4%	14.7%
Planning and Organising	40.6%	54.9%	52.2%	42.2%	31.5%	47.6%	35.3%
Self-Management	29.1%	40.2%	13.0%	30.5%	30.4%	31.0%	17.6%
Learning	6.3%	7.7%	8.7%	6.1%	4.8%	3.2%	16.2%
Technology	24.9%	29.3%	17.4%	19.3%	35.1%	27.0%	38.2%
Leadership	17.6%	25.5%	4.3%	17.5%	13.7%	25.4%	17.6%
Creativity	20.5%	23.7%	8.7%	25.1%	19.0%	11.1%	13.2%

Is your business currently experiencing a skill shortage?*									
	Previous March 2019		Current June 2020			Previous March 2019		Current June 2020	
Industry	Yes	No	Yes	No	Industry	Yes	No	Yes	No
Primary	48.7%	51.3%	54.5%	45.5%	Professional, Scientific & Technical Services	31.4%	68.6%	21.7%	78.3%
Agriculture, Forestry & Fishing	42.4%	57.6%	52.4%	47.6%	Administrative & Support Services	31.6%	68.4%	12.5%	87.5%
Mining	83.3%	16.7%	100.0%	0.0%	Public Administration & Safety	60.0%	40.0%	-	-
Population Serving Industries	29.3%	70.7%	36.4%	63.6%	Industrial	37.3%	62.7%	45.2%	54.8%
Construction	53.3%	46.7%	46.5%	53.5%	Manufacturing	30.8%	47.9%	27.0%	27.0%
Retail Trade	29.4%	70.6%	28.9%	71.1%	Electricity, Gas, Water & Waste	37.5%	62.5%	60.0%	40.0%
Accommodation & Food Services	23.1%	76.9%	44.5%	55.5%	Wholesale Trade	29.6%	70.4%	35.5%	64.5%
Arts & Recreation Services	17.3%	82.7%	31.1%	68.9%	Transport, Postal & Warehousing	37.5%	62.5%	41.2%	58.8%
Other Services	33.3%	66.7%	33.6%	66.4%	Health and Education	43.2%	56.8%	51.6%	48.4%
Knowledge Intensive	29.5%	70.5%	25.6%	74.4%	Education & Training	30.8%	69.2%	50.0%	50.0%
Information Media & Telecommunications	28.6%	71.4%	26.3%	73.7%	Health Care & Social Assistance	51.8%	48.2%	54.2%	45.8%
Financial & Insurance Services	25.0%	75.0%	46.2%	53.8%	All Industries	32.3%	67.7%	37.2%	62.8%
Rental, Hiring & real Estate Services	19.4%	80.6%	32.1%	67.9%					

Demography

Region	Percentage
Capital Region	5.9%
Central Coast	4.1%
Central West	4.5%
Coffs Harbour - Grafton	4.2%
Far West and Orana	2.2%
Hunter Valley exc Newcastle	5.4%
Illawarra	6.6%
Mid North Coast	5.5%
Murray	4.1%
New England and North West	4.8%
Newcastle and Lake Macquarie	5.4%
Richmond - Tweed	6.0%
Riverina	2.8%
Southern Highlands and Shoalhaven	2.8%
Sydney	35.7%
Eastern Sydney	22.1%
Western Sydney	13.6%

Industry	Percentage
Primary	2.6%
Population Serving	56.9%
Knowledge Intensive	18.5%
Industrial	13.2%
Health and Education	8.8%

Number of Employees	Percentage
More than 200	2.4%
21 to 200	15.5%
5 to 20	34.9%
1 to 4	33.7%
Non-employing / Sole operator	13.7%

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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