



Industry Recap

September 2020

**BUSINESS
NSW**

Key Business Conditions

NSW Total 684 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-18.5	28.4%	24.6%	46.9%	-70.3	↑	33.0%	30.0%	37.0%	-4.1
Total Capital Spending	-19.4	23.6%	33.5%	43.0%	-43.5	↑	22.3%	43.8%	33.9%	-11.5
Total Operating Costs	2.1	27.3%	47.6%	25.2%	-23.6	↑	29.5%	54.9%	15.6%	13.9
Total Sales Revenue	-37.0	20.7%	21.7%	57.6%	-76.9	↑	22.6%	34.5%	42.9%	-20.3
Total Profit	-43.3	18.0%	20.8%	61.3%	-77.2	↑	18.0%	32.5%	49.5%	-31.6
Total Staff Numbers	-14.8	11.4%	62.4%	26.2%	-37.3	↑	12.1%	68.3%	19.6%	-7.5

Industry Categories

Primary 19 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-22.2	33.3%	11.1%	55.6%	-38.5	↑	33.3%	22.2%	44.4%	-11.1
Total Capital Spending	11.8	41.2%	29.4%	29.4%	-17.4	↑	29.4%	35.3%	35.3%	-5.9
Total Operating Costs	50.0	56.3%	37.5%	6.3%	4.3	↑	41.2%	35.3%	23.5%	17.6
Total Sales Revenue	-29.4	23.5%	23.5%	52.9%	-47.8	↑	25.0%	37.5%	37.5%	-12.5
Total Profit	-52.9	11.8%	23.5%	64.7%	-52.2	↓	18.8%	31.3%	50.0%	-31.3
Total Staff Numbers	-20.0	13.3%	53.3%	33.3%	-39.1	↑	13.3%	53.3%	33.3%	-20.0

Population Serving 394 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-13.0	31.3%	24.5%	44.3%	-73.5	↑	35.6%	28.3%	36.1%	-0.5
Total Capital Spending	-21.7	22.9%	32.5%	44.6%	-45.2	↑	21.6%	45.1%	33.3%	-11.8
Total Operating Costs	2.4	28.7%	45.0%	26.3%	-24.2	↑	31.7%	51.9%	16.5%	15.2
Total Sales Revenue	-39.1	20.9%	19.1%	60.0%	-81.4	↑	22.6%	35.4%	42.0%	-19.4
Total Profit	-46.5	18.5%	16.6%	64.9%	-82.2	↑	16.8%	32.9%	50.3%	-33.5
Total Staff Numbers	-20.3	10.6%	58.4%	30.9%	-44.9	↑	12.9%	64.7%	22.3%	-9.4

Knowledge Intensive 128 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-25.4	24.6%	25.4%	50.0%	-65.7	↑	29.9%	30.8%	39.3%	-9.4
Total Capital Spending	-32.0	16.0%	36.0%	48.0%	-41.1	↑	14.1%	42.4%	43.4%	-29.3
Total Operating Costs	-19.4	12.0%	56.5%	31.5%	-22.0	↑	13.2%	68.9%	17.9%	-4.7
Total Sales Revenue	-40.7	15.7%	27.8%	56.5%	-65.9	↑	18.8%	33.7%	47.5%	-28.7
Total Profit	-41.5	15.1%	28.3%	56.6%	-67.9	↑	16.5%	33.0%	50.5%	-34.0
Total Staff Numbers	-9.4	7.5%	75.5%	17.0%	-18.5	↑	4.8%	78.8%	16.3%	-11.5

Key Business Conditions

Industrial 94 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-29.9	19.5%	31.0%	49.4%	-69.7	↑	28.7%	34.5%	36.8%	-8.0
Total Capital Spending	0.0	33.8%	32.5%	33.8%	-47.2	↑	31.6%	39.2%	29.1%	2.5
Total Operating Costs	17.3	30.9%	55.6%	13.6%	-24.6	↑	31.3%	60.0%	8.8%	22.5
Total Sales Revenue	-29.6	24.7%	21.0%	54.3%	-75.4	↑	23.8%	28.8%	47.5%	-23.8
Total Profit	-38.8	20.0%	21.3%	58.8%	-72.4	↑	21.8%	26.9%	51.3%	-29.5
Total Staff Numbers	-6.3	17.5%	58.8%	23.8%	-33.1	↑	19.2%	64.1%	16.7%	2.6

Health and Education 49 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-21.7	30.4%	17.4%	52.2%	-68.9	↑	28.3%	34.8%	37.0%	-8.7
Total Capital Spending	-20.5	20.5%	38.5%	41.0%	-39.1	↑	27.8%	50.0%	22.2%	5.6
Total Operating Costs	7.5	37.5%	32.5%	30.0%	-29.7	↑	47.4%	39.5%	13.2%	34.2
Total Sales Revenue	-27.5	22.5%	27.5%	50.0%	-82.7	↑	29.7%	40.5%	29.7%	0.0
Total Profit	-27.5	20.0%	32.5%	47.5%	-80.0	↑	23.7%	39.5%	36.8%	-13.2
Total Staff Numbers	0.0	15.0%	70.0%	15.0%	-36.5	↑	10.3%	82.1%	7.7%	2.6

Industries

Accomm. & Food Services 109 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-12.7	34.3%	18.6%	47.1%	-71.0	↑	43.1%	22.5%	34.3%	8.8
Total Capital Spending	-14.0	29.1%	27.9%	43.0%	-27.7	↑	23.5%	42.4%	34.1%	-10.6
Total Operating Costs	10.0	37.8%	34.4%	27.8%	-13.1	↑	32.2%	46.0%	21.8%	10.3
Total Sales Revenue	-34.4	26.7%	12.2%	61.1%	-80.9	↑	24.1%	35.6%	40.2%	-16.1
Total Profit	-44.3	21.6%	12.5%	65.9%	-88.0	↑	18.8%	31.8%	49.4%	-30.6
Total Staff Numbers	-30.0	13.3%	43.3%	43.3%	-51.5	↑	19.5%	55.2%	25.3%	-5.7

Construction 33 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-6.3	31.3%	31.3%	37.5%	-61.0	↑	28.1%	43.8%	28.1%	0.0
Total Capital Spending	-6.9	31.0%	31.0%	37.9%	-45.7	↑	21.4%	53.6%	25.0%	-3.6
Total Operating Costs	0.0	24.1%	51.7%	24.1%	-17.6	↑	21.4%	75.0%	3.6%	17.9
Total Sales Revenue	-28.6	25.0%	21.4%	53.6%	-62.7	↑	22.2%	40.7%	37.0%	-14.8
Total Profit	-22.2	22.2%	33.3%	44.4%	-67.3	↑	14.8%	40.7%	44.4%	-29.6
Total Staff Numbers	0.0	17.9%	64.3%	17.9%	-36.7	↑	11.1%	74.1%	14.8%	-3.7

Key Business Conditions

Financial & Insurance Services 5 Respondents	Current						Expected			
	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	0.0	33.3%	33.3%	33.3%	-82.4	↑	33.3%	66.7%	0.0%	33.3
Total Capital Spending	-100.0	0.0%	0.0%	100.0%	-35.7	↓	50.0%	50.0%	0.0%	50.0
Total Operating Costs	33.3	33.3%	66.7%	0.0%	0.0	↑	0.0%	100.0%	0.0%	0.0
Total Sales Revenue	-33.3	0.0%	66.7%	33.3%	-46.7	↑	0.0%	66.7%	33.3%	-33.3
Total Profit	-66.7	0.0%	33.3%	66.7%	-71.4	↑	0.0%	66.7%	33.3%	-33.3
Total Staff Numbers	0.0	0.0%	100.0%	0.0%	-6.7	↑	0.0%	100.0%	0.0%	0.0

Manufacturing 57 Respondents	Current						Expected			
	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-32.1	22.6%	22.6%	54.7%	-74.1	↑	32.1%	26.4%	41.5%	-9.4
Total Capital Spending	6.7	37.8%	31.1%	31.1%	-50.0	↑	31.3%	41.7%	27.1%	4.2
Total Operating Costs	10.4	27.1%	56.3%	16.7%	-25.0	↑	27.1%	64.6%	8.3%	18.8
Total Sales Revenue	-27.1	27.1%	18.8%	54.2%	-75.0	↑	27.1%	25.0%	47.9%	-20.8
Total Profit	-33.3	22.9%	20.8%	56.3%	-67.1	↑	25.5%	27.7%	46.8%	-21.3
Total Staff Numbers	-8.3	20.8%	50.0%	29.2%	-38.0	↑	25.5%	51.1%	23.4%	2.1

Business Services 119 Respondents	Current						Expected			
	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-24.3	25.2%	25.2%	49.5%	-64.0	↑	30.6%	30.6%	38.7%	-8.1
Total Capital Spending	-30.5	15.8%	37.9%	46.3%	-41.6	↑	13.8%	42.6%	43.6%	-29.8
Total Operating Costs	-19.6	11.8%	56.9%	31.4%	-24.0	↑	14.0%	67.0%	19.0%	-5.0
Total Sales Revenue	-39.2	16.7%	27.5%	55.9%	-67.6	↑	20.0%	33.7%	46.3%	-26.3
Total Profit	-40.0	16.0%	28.0%	56.0%	-67.6	↑	17.5%	32.0%	50.5%	-33.0
Total Staff Numbers	-8.9	7.9%	75.2%	16.8%	-19.5	↑	5.1%	78.8%	16.2%	-11.1

Retail & Wholesale Trade 107 Respondents	Current						Expected			
	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-12.5	30.2%	27.1%	42.7%	-55.6	↑	28.1%	33.3%	38.5%	-10.4
Total Capital Spending	-16.7	22.6%	38.1%	39.3%	-40.5	↑	25.0%	46.3%	28.8%	-3.8
Total Operating Costs	7.0	26.7%	53.5%	19.8%	-14.8	↑	34.1%	50.6%	15.3%	18.8
Total Sales Revenue	-20.9	24.4%	30.2%	45.3%	-68.1	↑	24.4%	39.0%	36.6%	-12.2
Total Profit	-32.6	20.9%	25.6%	53.5%	-64.7	↑	15.9%	37.8%	46.3%	-30.5
Total Staff Numbers	-7.1	10.7%	71.4%	17.9%	-38.0	↑	11.3%	75.0%	13.8%	-2.5

Other Industries 254 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-19.6	27.5%	25.4%	47.1%	-78.5	↑	32.6%	29.7%	37.7%	-5.0
Total Capital Spending	-24.3	21.4%	33.0%	45.6%	-50.0	↑	22.5%	43.0%	34.5%	-12.0
Total Operating Costs	5.0	30.7%	43.6%	25.7%	-32.1	↑	35.8%	49.1%	15.1%	20.8
Total Sales Revenue	-46.6	16.9%	19.6%	63.5%	-86.5	↑	21.8%	33.5%	44.7%	-22.8
Total Profit	-53.2	14.8%	17.1%	68.1%	-85.8	↑	17.6%	30.4%	52.0%	-34.3
Total Staff Numbers	-17.9	9.7%	62.8%	27.5%	-41.2	↑	9.9%	68.8%	21.3%	-11.4

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	
	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20
Expanding the capacity of my business to meet demand	-29.7	-4.1	36.4	23.1	-37.1	-12.0	-27.0	-5.2	-30.1	4.0	1.6	5.3
Downsizing my business	32.1	13.1	20.0	-33.3	38.7	23.2	21.3	11.8	40.7	-3.3	12.3	-6.9
Hiring people with the right skills/capabilities	16.2	33.0	52.6	69.2	11.1	29.0	22.3	25.3	22.7	47.9	26.2	32.3
Growing revenue	76.7	80.7	78.3	85.7	72.2	75.5	75.6	79.0	74.4	71.1	60.3	78.9
Reducing business costs	81.0	74.3	82.6	85.7	85.7	80.4	72.8	65.0	82.6	66.7	63.2	79.4

*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	
	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20	Jun 20	Sep 20
Access to finance	-28.1	-21.7	-11.1	-36.4	-33.1	-27.7	-17.7	-19.2	-17.5	-6.3	-40.4	-27.3
Weather-related events (e.g. drought, floods, bushfires)	-10.5	-4.9	8.7	7.7	-15.7	-12.9	3.3	0.0	-4.9	7.1	-17.5	7.1
Business solvency (is my business staying afloat)	-22.5	-7.1	-9.5	15.4	-27.2	-15.0	-16.7	-4.7	-14.5	-7.6	-16.4	-5.9
Regulatory environment (cost of red tape)	-26.0	-26.2	-21.7	-40.0	-27.7	-27.0	-24.0	-6.8	-16.3	-8.2	-21.0	-26.2

*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	
	JUN20	SEP20	JUN20	SEP20	JUN20	SEP20	JUN20	SEP20	JUN20	SEP20	JUN20	SEP20
Wages and Benefits	20.1	17.5	19.0	42.9	24.3	24.3	18.2	10.0	18.2	6.6	23.9	14.7
Other Staffing-related Costs	34.2	28.4	38.1	42.9	37.8	37.2	24.5	16.1	33.0	21.6	39.7	32.4
Energy (Gas / Electricity)	35.6	30.6	43.5	33.3	40.1	36.5	23.8	26.6	31.7	17.3	33.3	27.8
Equipment	30.8	27.8	38.1	26.7	35.5	33.1	20.0	19.5	26.1	23.9	42.0	37.8
Distribution / Transport Costs	36.7	41.1	43.5	40.0	36.3	41.3	20.2	22.9	45.4	59.2	31.4	21.2
Real Estate (Rent / Mortgage)	23.9	22.1	13.3	22.2	32.6	26.5	19.1	3.4	10.9	19.4	6.8	30.3
Government Taxes / Levies / Fees	8.6	7.1	-4.8	31.3	13.3	14.8	1.3	-5.4	3.4	-6.8	-3.0	8.6
Cost of Inputs (Goods Sold, Imports)	43.4	39.7	73.9	50.0	43.5	38.1	31.3	23.8	56.9	49.3	25.0	33.3
Finance Costs (Interest / Fees)	16.3	9.3	5.3	0.0	25.2	16.7	6.2	-1.2	0.0	1.5	10.9	6.1
Professional Services (Accountants, Legal)	34.9	30.3	28.6	25.0	42.7	37.5	22.2	28.1	23.1	16.2	36.2	38.9
Marketing / Advertising	31.6	30.2	26.3	42.9	35.1	35.4	22.9	30.5	22.6	20.3	36.9	33.3
Insurance	48.1	44.6	77.3	56.3	48.3	48.8	44.8	35.0	45.1	48.1	44.1	42.9
Repairs and Maintenance	37.1	33.0	47.6	56.3	45.2	41.9	19.2	17.6	34.2	28.0	29.2	28.6
Telecomms	31.1	23.6	27.3	25.0	35.5	25.1	22.1	16.2	23.1	19.7	30.9	30.6

*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 20	ALL INDUSTRIES JUN 20	Primary	Population Serving	Knowledge Intensive	Industrial	Health and Education
Communication	43.8%	39.6%	50.0%	41.9%	57.6%	36.5%	34.2%
Team Work	40.9%	38.9%	43.8%	45.9%	20.2%	51.4%	34.2%
Literacy/Numeracy	8.0%	4.7%	0.0%	7.8%	10.1%	8.1%	7.9%
Problem Solving	30.4%	29.9%	18.8%	28.4%	36.4%	32.4%	31.6%
Initiative and Enterprise	20.7%	23.1%	31.3%	20.9%	21.2%	16.2%	21.1%
Planning and Organising	40.3%	40.6%	37.5%	40.2%	29.3%	55.4%	42.1%
Self-Management	27.5%	29.1%	31.3%	26.4%	38.4%	17.6%	26.3%
Learning	7.6%	6.3%	12.5%	8.1%	7.1%	2.7%	13.2%
Technology	23.5%	24.9%	12.5%	20.6%	37.4%	16.2%	28.9%
Leadership	16.6%	17.6%	6.3%	13.5%	14.1%	27.0%	31.6%
Creativity	19.5%	20.5%	6.3%	24.0%	16.2%	13.5%	10.5%

Is your business currently experiencing a skill shortage?*									
	Previous June 2019		Current September 2020			Previous June 2019		Current September 2020	
Industry	Yes	No	Yes	No	Industry	Yes	No	Yes	No
Primary	54.5%	45.5%	64.3%	35.7%	Professional, Scientific & Technical Services	21.7%	78.3%	21.3%	78.7%
Agriculture, Forestry & Fishing	52.4%	47.6%	61.5%	38.5%	Administrative & Support Services	12.5%	87.5%	33.3%	66.7%
Mining	100.0%	0.0%	100.0%	0.0%	Public Administration & Safety	-	-	0.0%	100.0%
Population Serving Industries	36.4%	63.6%	42.3%	57.7%	Industrial	45.2%	54.8%	53.4%	46.6%
Construction	46.5%	53.5%	48.3%	51.7%	Manufacturing	27.0%	27.0%	37.9%	28.8%
Retail Trade	28.9%	71.1%	37.5%	62.5%	Electricity, Gas, Water & Waste	60.0%	40.0%	50.0%	50.0%
Accommodation & Food Services	44.5%	55.5%	50.0%	50.0%	Wholesale Trade	35.5%	64.5%	38.9%	61.1%
Arts & Recreation Services	31.1%	68.9%	24.4%	75.6%	Transport, Postal & Warehousing	41.2%	58.8%	66.7%	33.3%
Other Services	33.6%	66.4%	45.7%	54.3%	Health and Education	51.6%	48.4%	40.5%	59.5%
Knowledge Intensive	25.6%	74.4%	28.4%	71.6%	Education & Training	50.0%	50.0%	35.3%	64.7%
Information Media & Telecommunications	26.3%	73.7%	50.0%	50.0%	Health Care & Social Assistance	54.2%	45.8%	45.0%	55.0%
Financial & Insurance Services	46.2%	53.8%	0.0%	100.0%	All Industries	37.2%	62.8%	41.8%	58.2%
Rental, Hiring & real Estate Services	32.1%	67.9%	54.5%	45.5%					

Demography

Region	Percentage
Capital Region	5.7%
Central Coast	3.9%
Central West	4.3%
Coffs Harbour - Grafton	3.0%
Far West and Orana	2.1%
Hunter Valley exc Newcastle	3.6%
Illawarra	4.3%
Mid North Coast	4.4%
Murray	5.7%
New England and North West	5.2%
Newcastle and Lake Macquarie	7.5%
Richmond - Tweed	6.9%
Riverina	3.4%
Southern Highlands and Shoalhaven	3.6%
Sydney	36.2%
Eastern Sydney	23.8%
Western Sydney	12.5%

Industry	Percentage
Primary	2.8%
Population Serving	57.6%
Knowledge Intensive	18.7%
Industrial	13.7%
Health and Education	7.2%

Number of Employees	Percentage
More than 200	2.6%
21 to 200	17.0%
5 to 20	33.0%
1 to 4	32.1%
Non-employing / Sole operator	15.2%

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.



Business NSW

Level 15, 140 Arthur Street North Sydney
NSW 2060

General Enquiries

P: 13 26 96

Survey Contact

E: thian.thiumsak@businessnsw.com

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