



Industry Recap

September 2021

**BUSINESS
NSW**

Key Business Conditions

NSW Total 1664 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-75.5	6.4%	11.7%	81.9%	11.5	↓	36.1%	26.4%	37.5%	-1.4
Total Capital Spending	-40.9	15.7%	27.7%	56.6%	2.2	↓	22.3%	39.0%	38.8%	-16.5
Total Operating Costs	-7.7	21.3%	49.7%	29.0%	40.9	↓	37.7%	49.6%	12.6%	25.1
Total Sales Revenue	-72.7	7.8%	11.8%	80.4%	-13.6	↓	33.1%	24.3%	42.7%	-9.6
Total Profit	-77.2	5.9%	11.0%	83.1%	-37.0	↓	25.8%	24.3%	49.9%	-24.0
Total Staff Numbers	-23.5	5.9%	64.8%	29.4%	-10.0	↓	13.5%	70.0%	16.6%	-3.1

Industry Categories

Primary 49 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-48.8	18.6%	14.0%	67.4%	0.0	↓	25.6%	30.2%	44.2%	-18.6
Total Capital Spending	5.4	37.8%	29.7%	32.4%	0.0	↑	32.4%	29.4%	38.2%	-5.9
Total Operating Costs	37.8	54.1%	29.7%	16.2%	44.4	↓	38.9%	47.2%	13.9%	25.0
Total Sales Revenue	-32.4	21.6%	24.3%	54.1%	20.0	↓	17.1%	37.1%	45.7%	-28.6
Total Profit	-53.8	12.8%	20.5%	66.7%	-30.0	↓	12.1%	30.3%	57.6%	-45.5
Total Staff Numbers	-2.7	16.2%	64.9%	18.9%	-20.0	↑	8.8%	73.5%	17.6%	-8.8

Population Serving 1032 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-81.4	5.2%	8.1%	86.7%	19.2	↓	37.2%	24.7%	38.1%	-0.9
Total Capital Spending	-46.6	14.4%	24.6%	61.0%	-5.0	↓	21.4%	37.5%	41.1%	-19.7
Total Operating Costs	-18.0	17.7%	46.6%	35.7%	28.1	↓	40.1%	46.2%	13.7%	26.4
Total Sales Revenue	-82.1	5.5%	6.9%	87.6%	-9.4	↓	34.9%	21.0%	44.1%	-9.1
Total Profit	-85.5	3.9%	6.7%	89.4%	-19.9	↓	27.1%	22.3%	50.6%	-23.5
Total Staff Numbers	-32.0	3.1%	61.8%	35.1%	-3.7	↓	14.4%	67.6%	18.0%	-3.7

Knowledge Intensive 280 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-63.5	9.6%	17.3%	73.1%	51.9	↓	34.3%	31.0%	34.7%	-0.4
Total Capital Spending	-36.6	15.6%	32.2%	52.2%	9.3	↓	22.4%	46.9%	30.7%	-8.3
Total Operating Costs	-1.9	20.7%	56.8%	22.5%	40.9	↓	29.6%	59.3%	11.1%	18.6
Total Sales Revenue	-58.2	11.3%	19.2%	69.5%	11.4	↓	31.6%	28.6%	39.8%	-8.2
Total Profit	-60.0	11.0%	18.1%	71.0%	-6.8	↓	23.7%	28.9%	47.4%	-23.7
Total Staff Numbers	-12.0	8.2%	71.6%	20.2%	0.0	↓	10.9%	75.0%	14.1%	-3.1

Key Business Conditions

Industrial 156 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-65.0	7.9%	19.3%	72.9%	18.6	↓	37.1%	27.9%	35.0%	2.1
Total Capital Spending	-35.1	13.2%	38.6%	48.2%	21.1	↓	22.5%	42.3%	35.1%	-12.6
Total Operating Costs	19.5	35.6%	48.3%	16.1%	48.7	↓	43.0%	47.4%	9.6%	33.3
Total Sales Revenue	-53.0	12.8%	21.4%	65.8%	-7.7	↓	32.1%	25.9%	42.0%	-9.8
Total Profit	-61.9	8.8%	20.4%	70.8%	-44.7	↓	24.8%	23.9%	51.4%	-26.6
Total Staff Numbers	-5.2	14.7%	65.5%	19.8%	5.1	↓	18.8%	71.4%	9.8%	8.9

Health and Education 145 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-76.3	3.1%	17.6%	79.4%	13.8	↓	34.4%	26.7%	38.9%	-4.6
Total Capital Spending	-33.6	19.6%	27.1%	53.3%	22.7	↓	24.0%	32.7%	43.3%	-19.2
Total Operating Costs	4.6	20.2%	64.2%	15.6%	54.5	↓	32.1%	56.6%	11.3%	20.8
Total Sales Revenue	-73.1	5.6%	15.7%	78.7%	-42.9	↓	30.4%	30.4%	39.2%	-8.8
Total Profit	-79.8	3.7%	12.8%	83.5%	-61.9	↓	27.7%	26.7%	45.5%	-17.8
Total Staff Numbers	-16.2	6.7%	70.5%	22.9%	-14.3	↓	8.1%	72.7%	19.2%	-11.1

Industries

Accomm. & Food Services 276 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-91.6	2.0%	4.4%	93.6%	-2.3	↓	38.6%	22.7%	38.6%	0.0
Total Capital Spending	-50.5	14.9%	19.8%	65.3%	5.9	↓	23.2%	33.7%	43.1%	-19.9
Total Operating Costs	-36.5	12.3%	38.9%	48.8%	33.3	↓	43.3%	39.2%	17.5%	25.8
Total Sales Revenue	-91.4	3.3%	1.9%	94.8%	-25.0	↓	42.2%	17.2%	40.6%	1.6
Total Profit	-92.7	1.9%	3.4%	94.7%	-41.7	↓	28.8%	26.2%	45.0%	-16.2
Total Staff Numbers	-45.1	2.4%	50.0%	47.6%	-23.5	↓	23.4%	59.4%	17.2%	6.3

Construction 74 Respondents		Current					Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-39.1	18.8%	23.2%	58.0%	38.1	↓	29.0%	27.5%	43.5%	-14.5
Total Capital Spending	-26.9	17.3%	38.5%	44.2%	11.8	↓	18.8%	45.8%	35.4%	-16.7
Total Operating Costs	13.0	35.2%	42.6%	22.2%	47.1	↓	34.7%	49.0%	16.3%	18.4
Total Sales Revenue	-57.4	13.0%	16.7%	70.4%	17.6	↓	29.8%	27.7%	42.6%	-12.8
Total Profit	-67.9	7.5%	17.0%	75.5%	-6.3	↓	26.7%	22.2%	51.1%	-24.4
Total Staff Numbers	-23.5	5.9%	64.7%	29.4%	0.0	↓	12.8%	70.2%	17.0%	-4.3

Key Business Conditions

Financial & Insurance Services 37 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-42.4	12.1%	33.3%	54.5%	57.1	↓	33.3%	42.4%	24.2%	9.1
Total Capital Spending	-11.5	26.9%	34.6%	38.5%	14.3	↓	16.7%	58.3%	25.0%	-8.3
Total Operating Costs	19.2	30.8%	57.7%	11.5%	57.1	↓	28.0%	68.0%	4.0%	24.0
Total Sales Revenue	-19.2	23.1%	34.6%	42.3%	0.0	↓	37.5%	41.7%	20.8%	16.7
Total Profit	-38.5	19.2%	23.1%	57.7%	-57.1	↑	24.0%	36.0%	40.0%	-16.0
Total Staff Numbers	7.7	15.4%	76.9%	7.7%	-14.3	↑	12.0%	80.0%	8.0%	4.0

Manufacturing 87 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-59.5	10.1%	20.3%	69.6%	33.3	↓	34.2%	21.5%	44.3%	-10.1
Total Capital Spending	-27.9	16.2%	39.7%	44.1%	25.0	↓	27.3%	39.4%	33.3%	-6.1
Total Operating Costs	35.7	47.1%	41.4%	11.4%	58.3	↓	50.0%	39.4%	10.6%	39.4
Total Sales Revenue	-43.5	17.4%	21.7%	60.9%	8.3	↓	30.8%	23.1%	46.2%	-15.4
Total Profit	-54.5	13.6%	18.2%	68.2%	-39.1	↓	24.2%	24.2%	51.6%	-27.4
Total Staff Numbers	-5.9	17.6%	58.8%	23.5%	13.0	↓	20.3%	64.1%	15.6%	4.7

Business Services 236 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-66.2	9.5%	14.8%	75.7%	48.9	↓	33.8%	30.0%	36.2%	-2.4
Total Capital Spending	-40.2	14.4%	31.0%	54.6%	2.9	↓	23.2%	45.1%	31.7%	-8.5
Total Operating Costs	-4.9	19.2%	56.6%	24.2%	40.0	↓	30.6%	57.6%	11.8%	18.8
Total Sales Revenue	-63.2	9.9%	17.0%	73.1%	8.6	↓	31.0%	27.4%	41.7%	-10.7
Total Profit	-62.6	10.1%	17.3%	72.6%	0.0	↓	23.6%	28.5%	47.9%	-24.2
Total Staff Numbers	-15.3	7.3%	70.1%	22.6%	0.0	↓	11.0%	74.2%	14.7%	-3.7

Retail & Wholesale Trade 309 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-78.2	7.4%	7.0%	85.6%	-22.4	↓	40.2%	26.6%	33.2%	7.0
Total Capital Spending	-45.2	13.5%	27.9%	58.7%	-13.3	↓	18.3%	41.1%	40.6%	-22.3
Total Operating Costs	0.9	23.4%	54.1%	22.5%	37.5	↓	42.9%	50.2%	6.8%	36.1
Total Sales Revenue	-70.9	8.0%	13.1%	78.9%	-33.3	↓	33.5%	22.3%	44.2%	-10.7
Total Profit	-77.6	5.7%	11.0%	83.3%	-54.2	↓	27.0%	19.4%	53.6%	-26.5
Total Staff Numbers	-19.0	5.2%	70.6%	24.2%	-14.9	↓	13.1%	72.9%	14.1%	-1.0

Other Industries 643 Respondents	Current						Expected			
Indicator	Index	Up	Same	Down	Previous	↑ or ↓	Up	Same	Down	Index
Performance of the NSW Economy	-79.0	4.4%	12.2%	83.4%	6.9	↓	35.2%	26.2%	38.6%	-3.4
Total Capital Spending	-40.0	16.8%	26.4%	56.8%	0.0	↓	23.4%	35.7%	40.9%	-17.5
Total Operating Costs	-10.3	19.1%	51.5%	29.4%	39.3	↓	34.6%	51.5%	13.9%	20.7
Total Sales Revenue	-78.0	5.8%	10.3%	83.9%	-18.9	↓	29.9%	26.0%	44.1%	-14.2
Total Profit	-82.3	4.0%	9.6%	86.4%	-42.6	↓	25.1%	23.6%	51.4%	-26.3
Total Staff Numbers	-23.4	4.8%	67.0%	28.2%	-12.8	↓	9.0%	72.1%	18.9%	-10.0

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 21	Jun 20	Sep 21	Jun 20	Sep 21	Jun 20	Sep 21	Jun 20	Sep 21	Jun 20	Sep 21
Expanding the capacity of my business to meet demand	13.9	2.3	50.0	10.3	21.2	-40.4	38.9	-18.4	43.8	-7.9	21.1	-25.3
Downsizing my business	4.3	17.2	-33.3	-15.4	11.6	25.1	0.0	8.6	-3.6	2.5	0.0	14.1
Hiring people with the right skills/capabilities	44.7	38.7	50.0	28.6	50.5	-13.1	52.9	16.5	87.5	33.0	57.9	16.5
Growing revenue	75.3	79.9	90.0	71.4	76.1	60.1	69.2	74.9	77.1	60.8	75.0	63.9
Reducing business costs	61.8	70.8	80.0	83.3	63.4	79.6	52.5	67.0	74.3	77.2	78.9	80.6

*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 21	Jun 20	Sep 21	Jun 20	Sep 21	Jun 20	Sep 21	Jun 20	Sep 21	Jun 20	Sep 21
Access to finance	-20.7	-24.0	-66.7	-19.2	-31.5	-40.5	-10.0	-32.2	-23.3	-19.0	-41.2	-32.1
Weather-related events (e.g. drought, floods, bushfires)	-7.4	-5.2	0.0	31.0	-20.0	-16.2	0.0	-0.8	-21.4	1.5	0.0	-11.3
Business solvency (is my business staying afloat)	0.5	-14.4	20.0	-14.8	-19.6	-44.0	-2.7	-22.4	-6.3	-22.2	10.5	-34.1
Regulatory environment (cost of red tape)	-31.9	-29.7	-38.5	-30.6	-35.6	-44.4	-15.8	-31.8	-25.6	-28.4	-37.5	-39.3

*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	
	JUN21	SEP21	JUN21	SEP21	JUN21	SEP21	JUN21	SEP21	JUN21	SEP21	JUN21	SEP21
Wages and Benefits	47.7	50.8	12.5	65.5	43.4	54.7	44.7	44.2	57.1	40.2	45.0	47.8
Other Staffing-related Costs	48.7	52.0	37.5	60.7	45.2	59.8	47.4	40.4	62.9	35.1	33.3	46.5
Energy (Gas / Electricity)	41.9	45.4	55.6	50.0	36.0	51.5	37.8	36.0	45.7	39.8	30.0	34.7
Equipment	40.0	44.5	60.0	53.6	35.7	51.3	16.2	31.8	50.0	29.8	50.0	45.3
Distribution / Transport Costs	57.3	59.0	60.0	70.0	52.0	56.2	40.0	48.7	88.6	75.8	31.6	46.2
Real Estate (Rent / Mortgage)	44.0	43.6	55.6	32.0	46.8	52.6	12.5	26.9	54.5	33.3	40.0	37.4
Government Taxes / Levies / Fees	38.3	37.2	80.0	34.5	36.7	45.2	10.8	23.5	34.3	17.6	50.0	34.0
Cost of Inputs (Goods Sold, Imports)	52.9	59.3	70.0	79.3	56.1	57.7	18.9	40.4	70.6	78.0	36.8	52.9
Finance Costs (Interest / Fees)	23.2	35.3	11.1	10.7	29.5	46.1	0.0	16.4	5.9	16.1	25.0	39.3
Professional Services (Accountants, Legal)	41.6	45.6	60.0	41.4	40.0	52.2	28.2	32.8	38.2	26.0	55.0	46.2
Marketing / Advertising	41.2	45.9	44.4	27.6	41.8	52.7	25.7	30.5	29.4	31.0	65.0	45.7
Insurance	61.5	59.5	100.0	70.0	56.5	63.9	64.9	51.7	65.7	50.5	60.0	54.1
Repairs and Maintenance	44.0	48.7	60.0	60.0	44.1	56.7	20.0	33.3	58.8	36.0	35.0	47.9
Telecomms	34.2	42.4	50.0	42.9	40.2	46.0	15.0	33.7	25.7	18.8	42.1	40.2

*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.

Skills needs

Is your business currently experiencing a skill shortage?

	Previous June 2021			Current September 2021		
Industry	Yes	No	Not sure	Yes	No	Not sure
Primary	44.4%	55.6%	0.0%	69.2%	30.8%	0.0%
Agriculture, Forestry & Fishing	50.0%	50.0%	0.0%	66.7%	33.3%	0.0%
Mining	0.0%	100.0%	0.0%	80.0%	20.0%	0.0%
Population Serving Industries	48.2%	42.6%	9.2%	40.5%	52.0%	7.5%
Construction	60.0%	26.7%	13.3%	59.0%	38.5%	2.6%
Retail Trade	37.5%	53.1%	9.4%	24.0%	68.0%	8.0%
Accommodation & Food Services	53.3%	36.7%	10.0%	48.6%	43.4%	8.0%
Arts & Recreation Services	39.1%	56.5%	4.3%	32.5%	58.4%	9.1%
Other Services	53.7%	36.6%	9.8%	47.2%	45.8%	6.9%
Knowledge Intensive	46.2%	51.3%	2.6%	40.2%	56.1%	3.7%
Information Media & Telecommunications	75.0%	12.5%	12.5%	41.7%	58.3%	0.0%
Financial & Insurance Services	14.3%	85.7%	0.0%	47.4%	47.4%	5.3%
Rental, Hiring & real Estate Services	100.0%	0.0%	0.0%	25.0%	75.0%	0.0%
Professional, Scientific & Technical Services	26.7%	73.3%	0.0%	43.5%	55.3%	1.2%
Administrative & Support Services	50.0%	50.0%	0.0%	29.4%	52.9%	17.6%
Public Administration & Safety	100.0%	0.0%	0.0%	33.3%	33.3%	33.3%
Industrial	80.6%	13.9%	5.6%	51.1%	41.1%	7.8%
Manufacturing	87.0%	13.0%	0.0%	55.6%	35.2%	9.3%
Electricity, Gas, Water & Waste	0.0%	0.0%	100.0%	50.0%	50.0%	0.0%
Wholesale Trade	75.0%	12.5%	12.5%	40.0%	56.0%	4.0%
Transport, Postal & Warehousing	75.0%	25.0%	0.0%	55.6%	33.3%	11.1%
Health and Education	55.0%	40.0%	5.0%	38.9%	56.7%	4.4%
Education & Training	50.0%	41.7%	8.3%	30.2%	65.1%	4.7%
Health Care & Social Assistance	62.5%	37.5%	0.0%	46.8%	48.9%	4.3%
All Industries	53.1%	40.0%	6.9%	42.1%	51.5%	6.4%

Demography

Region	Percentage
Capital Region	6.0%
Central Coast	3.7%
Central West	7.1%
Coffs Harbour - Grafton	3.2%
Far West and Orana	2.2%
Hunter Valley exc Newcastle	7.2%
Illawarra	4.9%
Mid North Coast	4.1%
Murray	5.2%
New England and North West	7.9%
Newcastle and Lake Macquarie	5.1%
Richmond - Tweed	5.6%
Riverina	5.1%
Southern Highlands and Shoalhaven	3.7%
Sydney	28.9%
Eastern Sydney	23.4%
Western Sydney	5.6%

Industry	Percentage
Primary	2.9%
Population Serving	62.1%
Knowledge Intensive	16.8%
Industrial	9.4%
Health and Education	8.7%

Number of Employees	Percentage
More than 200	2.1%
21 to 200	13.0%
5 to 20	32.0%
1 to 4	32.3%
Non-employing / Sole operator	20.5%

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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