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Commercial Risk Outlook Report 2020

1800 246 801

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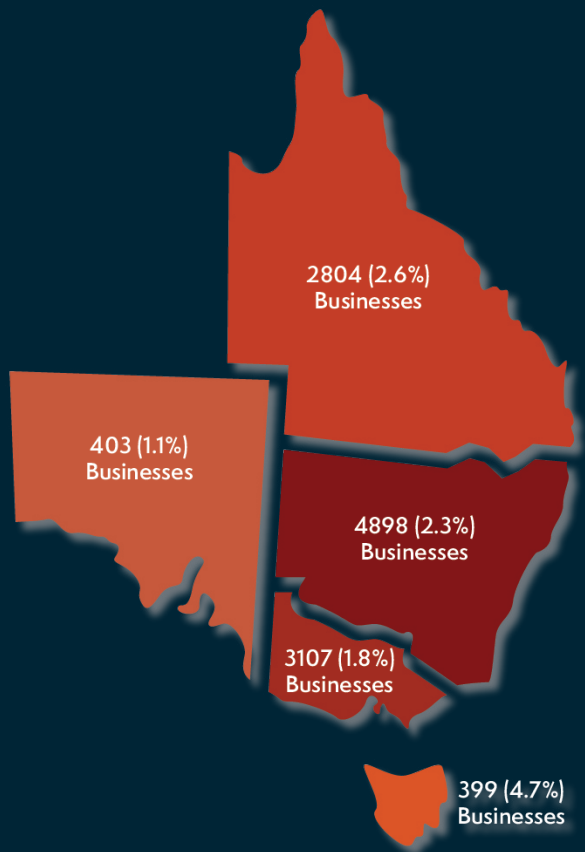
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Highlights

Regions and Industries at High to Severe Risk of Financial Failure

State Risk Analysis



N.B. percentages are a portion of businesses within their respective regions

Top 3 Regions Risk Levels

Melbourne - Inner

869 businesses in high to severe risk



Sydney - City & Inner South

725 businesses in high to severe risk



Parramatta

679 businesses in high to severe risk



N.B. percentages are a portion of businesses within their respective regions

Top 3 Industry Analysis

N.B. percentages are a portion of businesses within their respective industry.

Accommodation & Food Services

High to Severe Risk Data



March 2018:	6.4%
August 2018:	6.6%
March 2019:	5.7%
March 2020:	5.8%

Construction

High to Severe Risk Data



March 2018:	3.1%
August 2018:	2.9%
March 2019:	2.41%
March 2020:	3.1%

Transport, Postal & Warehousing

High to Severe Risk Data



March 2018:	3.01%
August 2018:	2.9%
March 2019:	2.6%
March 2020:	3.0%

Executive Summary

SV Partners has released the key findings within the Commercial Risk Outlook Report for March 2020. The Report provides an analysis of the current state of Australian businesses from an insolvency and prognostic perspective based on commercial risk data.

This report analyses industries and regions within Australia where incorporated operating businesses are predicted to face financial distress within the next 12 months. This Report also expands on the drivers behind commercial risk and impacts for business owners, while providing insights from a professional insolvency perspective.

The commercial risk data attempts to predict business financial failure based on the likelihood of adverse events including external administrations, defaults, wind up petitions, Mercantile enquiries, bankruptcies, court writs, default judgements, poor trade payment behaviour and seeking legal relief from creditors. The commercial risk data is comprised of the most comprehensive and latest bureau information available.

Key Findings

Nationally there are 12,927 businesses categorized as high to severe risk of financial failure. This is approximately 2.1% of Australian businesses, an increase from March 2019 at 1.8% (8782 businesses).

Nationally, the top 5 industries with businesses at high to severe financial risk (in order of number of businesses) are:

1. Construction (2449, 3.1%) An increase from 1,192 businesses since March 2019
2. Accommodation and Food Services (1777, 5.8%) An increase from 1,084 businesses since March 2019
3. Professional, Scientific and Technical Services (1514, 1.4%) An increase from 660 businesses since March 2019
4. Retail Trade (1417, 2.8%) An increase from 916 businesses since March 2019
5. Manufacturing (815, 1.7%) An increase from 501 businesses since March 2019

In terms of size of business, nationally there are 7 businesses in the \$1 billion or more turnover category facing immediate financial distress. However, 2854 businesses (22%) fall within the less than \$1 million to \$10 million turnover categories. This indicates that the majority of businesses that are at high to severe risk are small to medium businesses across Australia.

Queensland's Gold Coast region has the highest number of businesses in the high to severe risk category of financial failure with 568 (3.1%) businesses. March 2019's risk report, indicated there were 385, an increase this year of 183 businesses.

Executive Summary

New South Wales' Sydney City and Inner South region reported 725 businesses at high to severe risk. However, proportionate to businesses, NSW South West reported the highest with 4.1% (previously 3.6% in the March 2019 report).

Victoria's Melbourne Inner region is the state's highest at risk location with 869 businesses (1.9%). This is consecutive for two years, as March 2019 reported the same region had 650 businesses at high to severe risk.

South Australia has reported a total of 403 businesses at high to severe risk of financial failure of which 57 of these are within the Adelaide region.

The Australian Securities & Investments Commission (ASIC) has reported that in 2019 there was a total of 8324 businesses that entered insolvency (external administration). The SV Partners Commercial Risk Outlook Report March 2019 reported that there were a total of 8782 businesses at high to severe risk of financial failure, across all industries nationally.

SV Partners has outlined within this report the factors that contribute to risk for businesses and strategies in which businesses can take to mitigate these factors.

It is vital that financial advisors have an open dialogue about financial health with their business clients and identify the risk factors across respective industries. Early detection of insolvency indicators for businesses, allows a business to seek immediate professional advice to mitigate further loss.

Operating Environment

With recent national disasters expanding from the ongoing drought, bushfires, flooding and the coronavirus, it is no surprise there has been an impact on businesses, whether direct or indirectly.

According to the National Australia Bank's Monthly Business Survey January 2020, overall business confidence has steadily decreased fairing below long run averages while forward looking indicators suggest weak business conditions ahead.

The devastation from the recent bushfires over the past months is predicted to cost the Australian economy approximately \$5 billion in direct losses according to Westpac (January 2020). Particularly impacting the agriculture, forestry and fishing industry, businesses have seen a loss to livestock and disruption to production and farming. Furthermore, regional and holiday destinations have been impacted by declining tourism and consumer confidence. For businesses in these areas, natural disasters such as these can cause significant disruption and even closures or insolvency.

Post bushfire devastation, the Australian economy is predicted to lose \$34 billion due to the coronavirus over the next 12 months, as stated by PricewaterhouseCoopers economists. On the 9th of March 2020, the Australian Stock Exchange crashed losing \$140 billion in shares in one day, the worst since the Global Financial Crisis in October 2008. This crash had consequently been driven by a number of factors; mainly a crash in oil prices and the uncertainty surrounding the Coronavirus outbreak.

Moving forward, it is likely that even more businesses will experience challenges such as supply shortages, cashflow issues, loss of trade and changes to working arrangements for employees resulting in distruption in operations.

With the various number of critical impacts on the economic environment, it is crucial that businesses act immediately on knowing their breakeven position, preparing a cashflow forecast and to have a plan. It is likely that most businesses do not have a cash reserve, so immediate assessment of a current financial position is paramount.

Businesses need to take immediate and proactive measures and develop contingency plans to mitigate business disruption and financial loss for both immediate and future threats. It is important to identify all potential risks you may be exposed to during such a time and develop a robust plan to ensure business continuity throughout.

If a business does face financial distress, it is vital to maintain regular communications with suppliers, banks, investors and stakeholders. Often businesses can speak to their suppliers to seek revised repayment terms. It is important that if a business does this that they adhere to these revised commitments.

The following table identifies the various actions that can be taken to mitigate business risk relative to the level of risk of possible failure.

Risk Mitigation

How can a business mitigate risk?

The SV Strategic Solutions team have identified the various actions that can be taken to mitigate business risk and essentially prosper throughout the business life cycle.

Level of Risk of Possible Failure	Action Required	Explanatory note
Severe to High Risk (Bands 1 - 3)	Stabilisation	The chances of successfully bringing a businesses out of its distressed position are low, unless there are only one to two specific issues to be addressed and sufficient time frame to execute required stabilisation strategies. These businesses need a rapid assessment of options and only quick win strategies are likely to have any effect. Effective stabilisation is likely to be much more achievable. These businesses should undergo a full situational analysis and needs assessment to identify and prioritise strategies and associated action plans.
Average to Moderate Risk (Bands 4 - 5)	Business Improvement	Businesses should be looking to adopt improvement strategies to ensure that they do not slip into higher risk bands and are able to position themselves for future growth. These businesses generally have a few operational inefficiencies, technology or people challenges and could also be missing out on market opportunities. This is the greatest scope to add value to these businesses to bring them into the most effective performers amongst their peers.
Low to Minimal Risk (Bands 6 - 8)	Efficiency, Growth and Value Enhancement	Businesses need to look at opportunities to further enhance operational efficiencies, generally through technology advancements, and develop strategies to grow into new markets or geographies. The focus of a business in this risk band will generally be external – looking for M&A opportunities to increase growth, new markets or products/services to increase revenues and profitability or structuring the business for a founder/CEO to exit.

Business assessments need to be broken down to consider five key areas individually, and then prioritise into a sum of their parts to produce effective recommendations for diminishing current and future risk:

1. Market position, market performance and direction
2. Products and services – customer fit
3. Internal operational efficiency
4. Financial performance and working capital
5. Culture and organisational structure/performance

Insolvencies - ASIC (Australian Securities & Investments Commission)

Insolvency Trends and Analysis

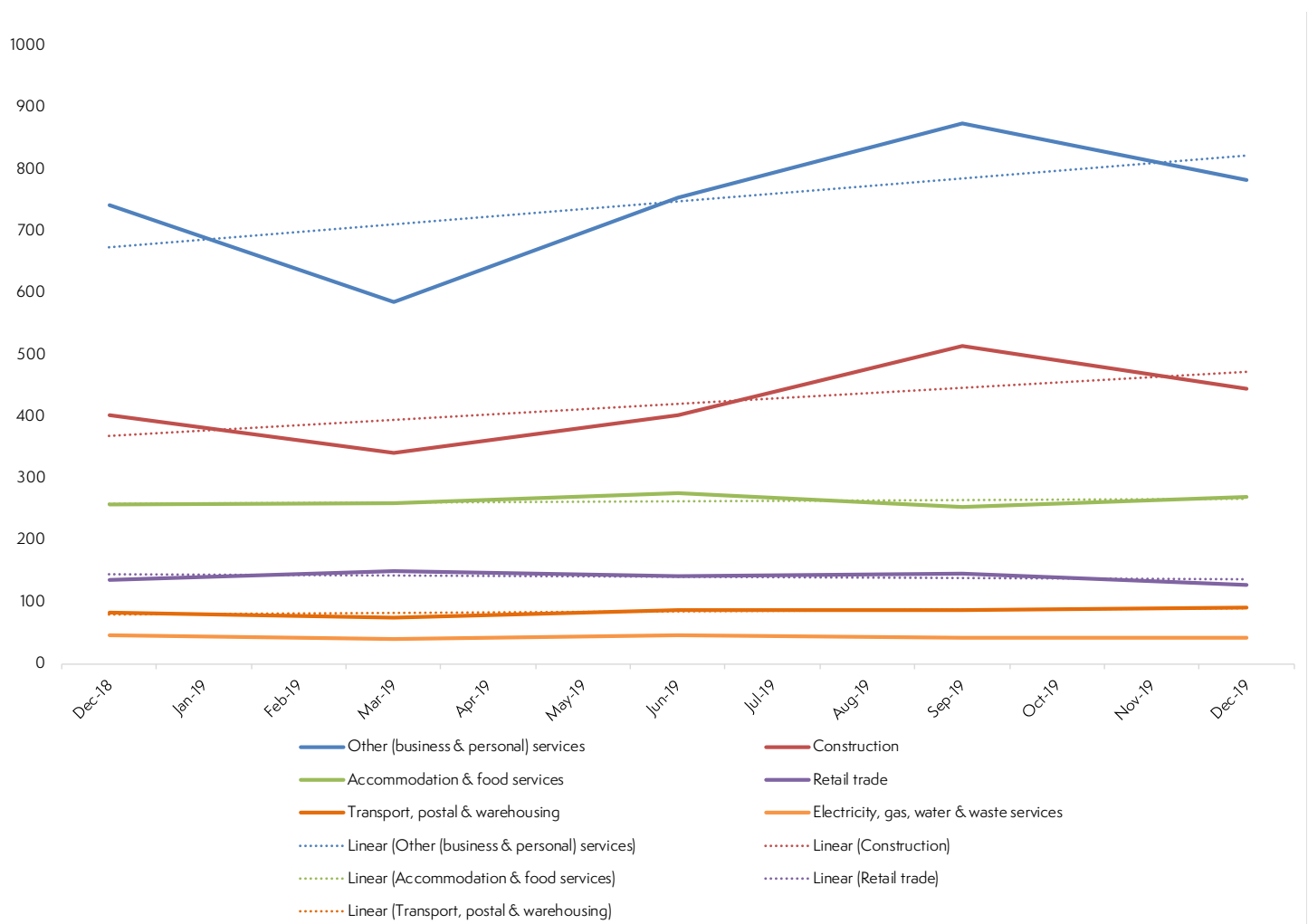
The Australian Securities and Investments Commission (ASIC) Insolvency Statistics Series 1A, records the number of external administrations by industry. According to ASIC, the 5 industries with the highest number of recorded external administrations as at December 2019 quarter are:

1. Other (business & personal) Services (783, an increase of 5.5% since December 2018)
2. Construction (444, an increase of 10.5% since December 2018)
3. Accommodation & Food services (270, an increase of 5.1% since December 2018)
4. Retail Trade (128, a decrease of 5.2% since December 2018)
5. Transport, Postal & Warehousing (90, an increase of 8.4% since December 2018)

The below graph indicates the trend of these industries according to the records of external administrations per quarter since December 2018.

Graph 1:

Companies Entering External Administration by Industry (December 2018 to December 2019 Qtr)



*'Other Services' industry as defined by the ANZIC Code includes Repair and Maintenance, Personal and Other Services, Private Households Employing Staff and Undifferentiated Goods and Services - Producing Activities of Households for Own Use.

Insolvencies - ASIC (Australian Securities & Investments Commission)

Table 1:

ASIC Insolvency Statistics Series 1A, Companies Entering External Administration by Industry (December 2018 to December 2019 Qtr)

Industry	Dec-18	Mar-19	June-19	Sep-19	Dec-19	Year to Year Total	% Change since Dec 18
Other (business & personal) services	742	586	754	874	783	3739	5.53%
Construction	402	341	401	514	444	2102	10.45%
Accommodation & food services	257	259	275	254	270	1315	5.06%
Retail trade	135	150	142	146	128	701	-5.19%
Transport, postal & warehousing	83	75	87	87	90	422	8.43%
Electricity, gas, water & waste services	45	39	45	42	42	213	-6.67%
Finance	38	24	42	47	46	197	21.05%
Manufacturing	48	63	65	53	51	280	6.25%
Information media & telecommunications	33	40	27	27	29	156	-12.12%
Rental, hiring & real estate services	34	40	58	43	40	215	17.65%
Mining	34	20	28	29	22	133	-35.29%
Wholesale trade	30	43	32	37	32	174	6.67%
Health care & social assistance	22	18	25	27	14	106	-36.36%
Agriculture, forestry & fishing	25	16	33	26	16	116	-36.00%
Professional, scientific & technical services	30	26	31	29	20	136	-33.33%
Education & training	21	17	8	16	31	93	47.62%
Arts & recreation services	12	20	11	16	16	75	33.33%
Unknown	12	19	19	26	23	99	91.67%
Administrative & support services	8	19	11	13	4	55	-50.00%
Public administration & safety	0	2	1	3	2	8	800%
Total	2011	1817	2095	2309	2103	10335	4.57%

About Commercial Risk

The commercial risk data within this Report is based on active trading incorporated entities. These entities are ASIC registered companies. The data also includes significant unincorporated entities such as large law firms which can often be structured as an unincorporated partnership.

By focusing on incorporated entities for this commercial risk data, this Report takes a sharper analysis on the most relevant trends from a broader market. This March 2020 Report, analyses data that is based on trading incorporated entities that are formed for the purpose of conducting business (buying/selling/trading), they employ staff, generate revenue and are therefore relevant with the macro ability to sway economic commercial risk.

The commercial risk score of a business is contingent on various factors and may be impacted by the behaviour of a business. This behaviour is based on a range of bureau data, including Mercantile enquires, debt amounts, age of debt, financial defaults and trade payment history. This data is designed to predict the likelihood of business failure within the next 12 months.

Types of Risk

There are 3 main types of commercial risk that a business is categorised within this Report. The types of risk are:

1. High to Severe – Businesses that fall within risk bands 1 - 3
2. Average to Moderate – Businesses that fall within risk bands 4 - 5
3. Minimal to Low – Businesses that fall within risk bands 6 – 8

Throughout this Report, businesses within the high to severe risk category, are expected to have minimal life expectancy as they are currently in financial distress. A business within this category is extremely likely to undergo a serious adverse event within the next 12 months of trading. An adverse event may be an external administration, petition to wind up, court judgement, court writ, payment default or mercantile enquiry.

What makes up the risk score?

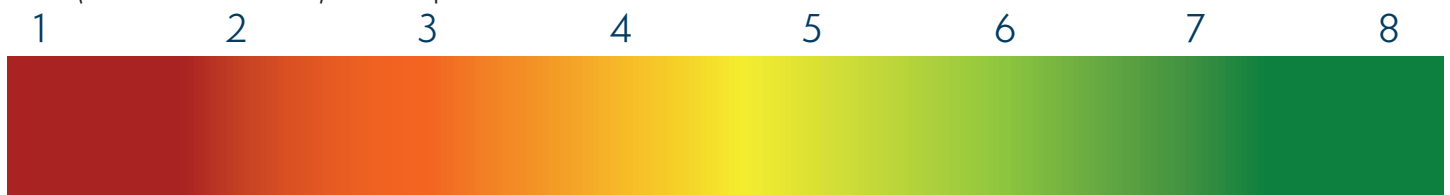
Key contributing factors (not limited to) that frame a risk score are as follows:

- The type and frequency of credit enquiries
- The time since a business/company made or changed its registration
- Credit activities including credit enquiries or adverse information of the business proprietor
- Existence of default information on a company file
- Credit source enquiries that a company makes may impact its trade history
- Serious adverse event information recorded such as a previous external administration or other serious adverse events on file
- Industry based enquiry patterns
- Director information and credit activity of a company director such as credit enquiries or adverse events

About Commercial Risk

Ranking Risk Bands 1-8

The risk bands rank each business on a scale of 1 - 3 (severe to high risk), 4 - 5 (average to moderate risk) and 6 - 8 (low to minimal risk) based upon their likelihood to default within the next 12 months.



Severe to High Risk

Average to Moderate Risk

Low to Minimal Risk

Key Causes of Business Failure

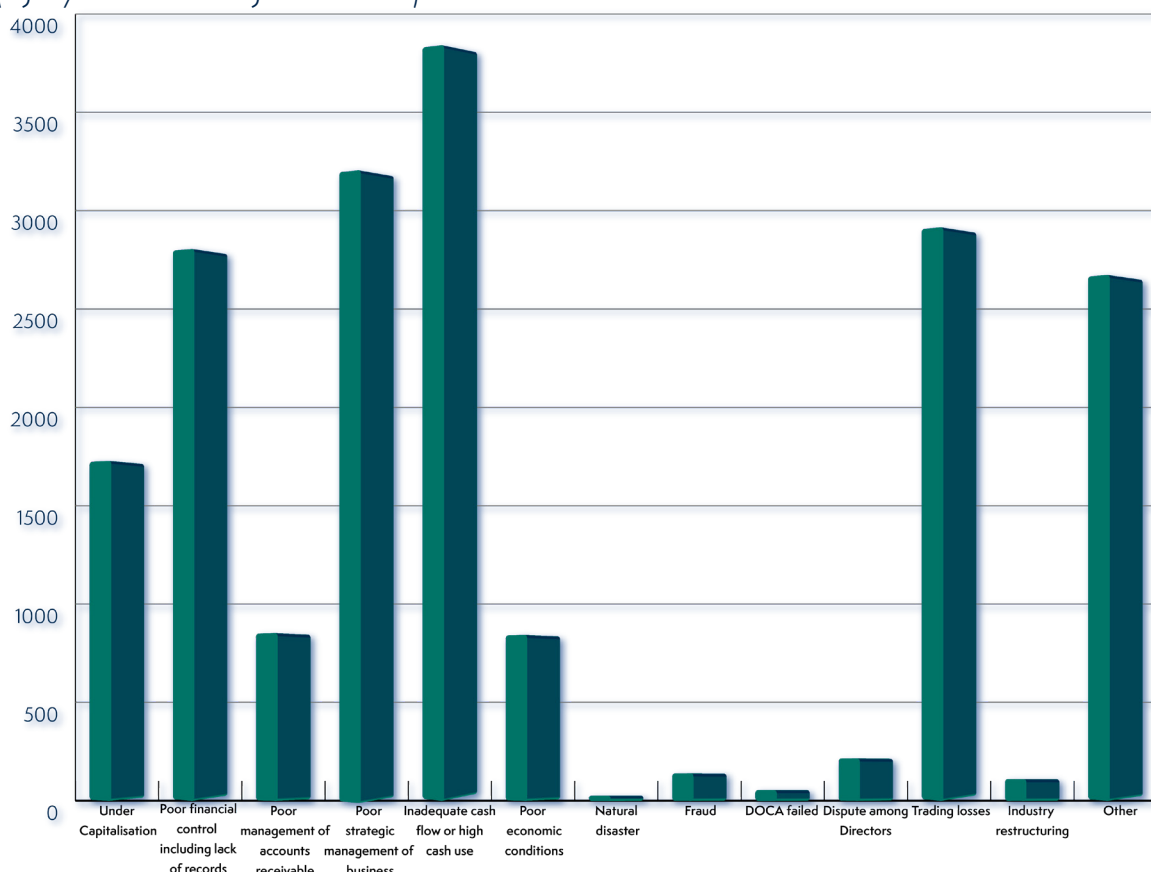
ASIC's recorded reasons for business failure are seen throughout 'Table 3.1.3.1 - Initial external administrators' reports—Nominated causes of failure by industry (1 July 2018 – 30 June 2019). Referring to this table, the top 3 causes for business failure are:

1. Inadequate cash flow or high case use (3841, 20%)
2. Poor strategic management of business (3216, 17%)
3. Trading losses (2915, 15%)

The industries that had the highest recorded external administrations are:

1. Other (business and personal) Services (5220, 27%)
2. Construction (4268, 22%)
3. Accommodation and Food Services (3036, 16%)

Figure 3.1.3.1 - Initial external administrators' reports—Nominated causes of failure by industry (1 July 2018 – 30 June 2019)



About Commercial Risk

Table 3.1.3.1 - Initial external administrators' reports - Nominated causes of failure by industry
(1 July 2018–30 June 2019)

Industry	Under capitalisation	Poor financial control including lack of records	Poor management of accounts receivable	Poor strategic management of business	Inadequate cash flow or high cash use	Poor economic conditions	Natural disaster	Fraud	DOCA failed	Dispute among directors	Trading losses	Industry restructuring	Other	Nominated causes of failure
Accommodation & food services	278	392	34	517	646	185	4	8	2	25	594	7	344	3,036
Administrative & support services	13	14	4	18	18	2	0	1	0	1	13	1	19	104
Agriculture, forestry & fishing	28	37	12	58	63	22	9	4	3	6	46	3	38	329
Arts & recreation services	14	16	3	32	35	4	1	0	0	3	35	1	33	177
Construction	374	622	288	703	844	181	2	26	1	41	599	16	571	4,268
Education & training	16	27	16	37	35	5	0	1	0	2	22	4	30	195
Electricity, gas, water & waste services	38	56	21	58	72	17	0	3	0	3	55	3	43	369
FIS–Credit provider	0	3	1	2	2	0	0	1	37	0	2	0	4	52
FIS–Deposit taking institutions	0	0	0	0	0	0	0	1	0	0	0	0	2	3
FIS–Insurance	2	2	1	1	4	0	0	1	0	0	2	0	4	17
FIS–Managed investments	1	6	1	3	4	2	0	3	0	1	1	0	16	38
FIS–Other financial services	18	36	9	31	35	2	0	9	0	3	17	2	37	199
FIS–Superannuation	0	4	0	3	3	0	0	0	0	0	1	0	6	17
Health care & social assistance	16	37	10	43	43	4	0	2	0	4	25	1	31	216
Information media & telecommunications	44	60	16	72	86	10	0	5	1	7	63	2	57	423
Manufacturing	55	67	42	113	148	44	2	5	1	12	133	13	71	706
Mining	20	19	8	28	37	22	0	1	1	3	25	5	51	220
Other (business & personal) services	491	889	245	847	1,010	138	3	38	4	49	665	21	820	5,220
Professional, scientific & technical services	28	42	21	60	66	16	0	3	1	6	48	2	44	337
Public administration & safety	1	2	2	3	6	0	0	1	0	2	4	1	2	24
Rental, hiring & real estate services	34	56	7	85	72	21	0	7	0	16	48	2	69	417
Retail trade	144	208	51	250	331	121	5	11	2	19	309	16	195	1,662
Transport, postal & warehousing	73	162	39	179	187	34	0	4	1	7	135	6	122	949
Wholesale trade	40	48	21	73	94	13	0	4	0	5	73	4	64	439
Total	1,728	2,805	852	3,216	3,841	843	26	139	54	215	2,915	110	2,673	19,417

About Commercial Risk

Indicators of Insolvency Checklist

The table below outline the key contributors that may lead to insolvency. These are considered to be warning signs and should be addressed with a professional advisor immediately.

Continuing losses	A company making ongoing losses over various periods can be used as an indication of a company heading towards insolvency; however, whilst this may be a good place to start, it is essential that it is used in conjunction with the company's liquidity and ability to raise alternative financing from other sources in order to absorb those losses.
Liquidity ratio below 1 / Negative working capital ratio	A company's liquidity ratio measures the company's ability to satisfy its current liabilities from its current assets. A liquidity ratio below 1 signifies that the company does not have sufficient current assets to meet its current liabilities when due and payable. A company's liquidity ratio on its own is not a definitive indicator of insolvency and should be measured alongside the company's access to alternative finance.
Inability to produce timely and accurate financial information	A company is under the obligation to keep financial records that accurately present a true and fair view of the company's financial position and performance under s 286 of the Corporations Act 2001 (Cth) (the Act). A company's failure to do so may result in a presumption of insolvency under s 588E of the Act for the period that the records have not been kept, as required.
Ongoing negative net assets	A company's net asset position is a measure of the total assets available to meet the company's total liabilities. An ongoing negative net asset ratio combined with the profitability of a company is a strong indicator of insolvency.
Unrecoverable loans to related parties	Significant levels of debt to related parties extending out over multiple periods with little or no repayments is a strong indicator that a business has poor cash management or may be transferring funds out of the business as a result of known insolvency.
Creditors unpaid outside trading terms	An increasing trend in payments to creditors outside trading terms suggests the company may be having difficulty meeting its liabilities when due and payable. However, it should be investigated whether the company had inadequate funds to meet those payables or whether it was a trend the company routinely followed out of habit.
Solicitors' letters, demands, summonses, judgements or warrants against the company	Situations where the company has received multiple demands for payment, letters warning stop supply and/or statutory demands from creditors implies solvency issues as it indicates the creditors' increasing concerns regarding the company's future ability to pay. A presumption of insolvency can be applied where this is happening on an ongoing basis and creditors are threatening to file in court against the company.
Suppliers placing the company on cash-on-delivery (COD) terms	In situations where companies are not paying their creditors on time, a creditor may apply such terms where they demand payment to be made upon delivery of goods to ensure payment. This arrangement indicates a creditors' concern over a company's future and current ability to pay and hence applies special terms before commencing supply to ensure payment for all invoices are collected.
Dishonored and post-dated cheques	These represent cheques that have been dishonoured generally because there are not sufficient funds available in the company's bank account at the time the cheque is presented. If a company is consistently issuing dishonoured cheques to creditors, this could be an indication of cash flow issues and company solvency should be investigated.

About Commercial Risk

Special arrangements with selected creditors	Sometimes creditors agree to make special arrangements with a debtor in order to avoid legal fees and continue supplying goods to the company (such as a payment plan). Entering into such an arrangement suggests that the company is having difficulty meeting its debts and entering into such arrangements on an ongoing basis or defaulting on repayment arrangements can be a strong indicator of insolvency.
Payments to creditors of rounded sums not reconcilable to specific invoices	Payments to creditors of rounded sums is typical of a company that is unable to pay its invoices when due and cannot negotiate a repayment arrangement causing it to extend out its payments through part-payment of invoices in round sums that is irreconcilable to specific invoices. If this is a recurring occurrence then it may imply the company is using small amounts of cash to pay large debts and may be insolvent.
Inability to obtain finance from bank, related parties or shareholders	A poor relationship with its bank due to a history of loan defaults or dishonoured cheques could result in a company unable to obtain financing. In addition, an inability to obtain financing from alternative sources such as related parties or a reluctance by shareholders or investors to inject funds into a business indicates that they may not feel the business is profitable or has prospects of success. Although these do not prove insolvency, they provide a warning that the business may be turning insolvent.
Overdue commonwealth and state taxes	A history of overdue commonwealth and state taxes is a common way many companies survive as a business and maintain cash-flow. An investigation into the company's outstanding taxes can illustrate any ongoing occurrences and if so, can be a good indicator of insolvency.

Dealing with Debt and Impact on Stakeholders

There are several options for an entity dealing with debt. It is vital to seek professional advice as soon as possible if a business is experiencing financial difficulty.

Some options outlined by our specialists on dealing with debt include:

1. Paying the debt in full – continue with current repayment arrangements, investigate refinancing
2. options (with professional advice), lump sum payments through other sources such as family/friends or superannuation through hardship provisions
3. Compromise with creditors – either through informal or formal arrangement (Bankruptcy Act / Corporations Act)
4. Communicate to the ATO, Creditors and Bankers the status of debt and repayments. Non-communication makes the situation worse and can often impact future negotiations with these stakeholders

There are other immediate avenues on how a business can address financial distress (alongside seeking professional advice):

1. Review significant changes in existing market share, pricing and demand for services/products
2. Retest the assumptions underlying the current business plan
3. Review the arguments for remaining in the existing vs new market sectors
4. Initiate a review of major projects (infrastructure, resources) with respect to timing and funding effects on the market and local economic conditions
5. Determine where the business should be positioning itself in the market
6. Reviewing the business cost structures regarding labour, suppliers and overheads
7. Assessing balance sheet efficiency and allocation of working capital
8. Exploring avenues to find new customers and maintain existing customers

National Commercial Risk Analysis

The national commercial risk data for March 2020, indicates there are a total of 12,927 (2.1%) businesses in at high to severe risk of financial failure. 20.8% of businesses fall in the medium risk band while 77.1% are categorized in the low to minimal risk band.

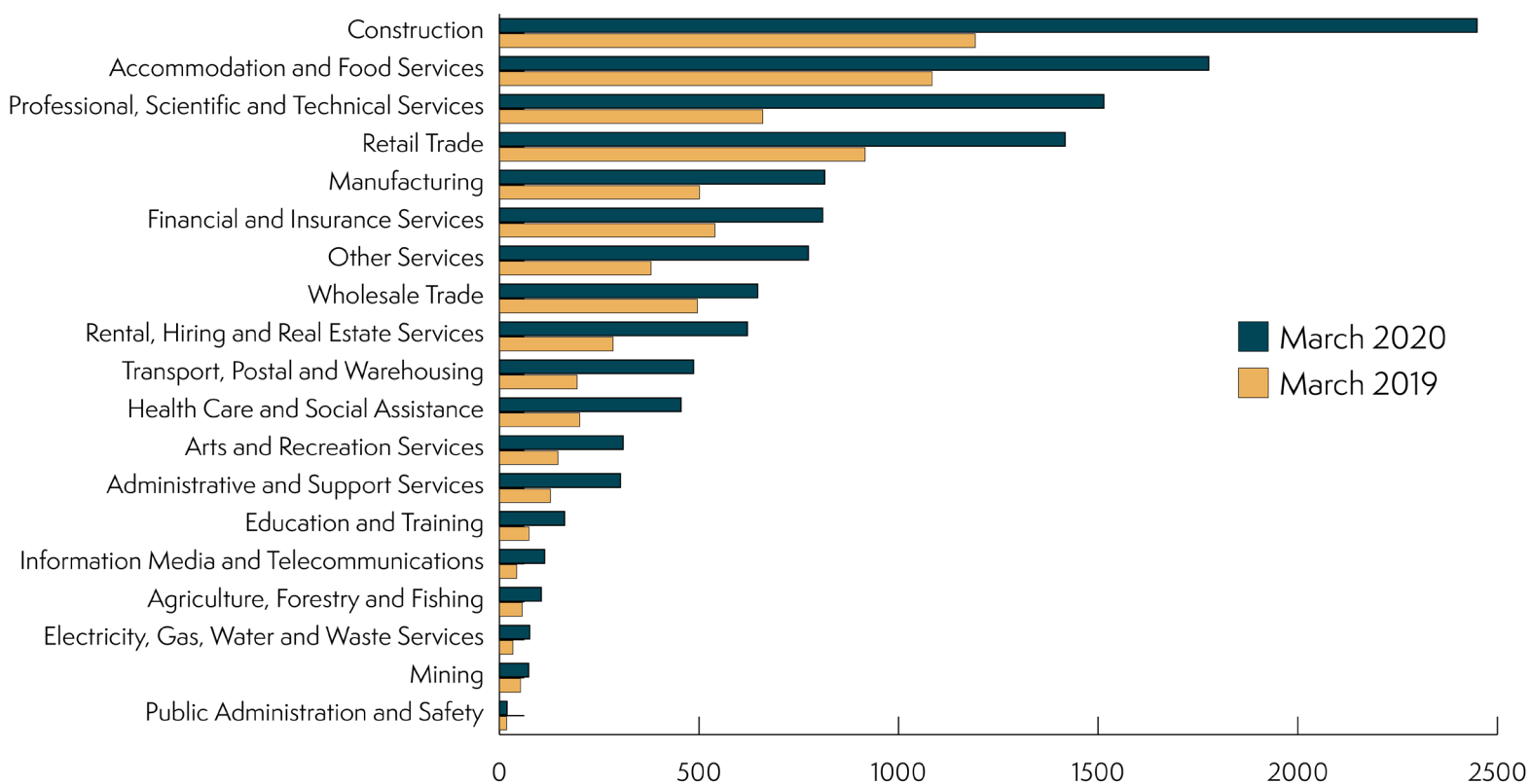
Overall, businesses at high to severe risk has increased from 1.8% in March 2019. The top three industries most affected by high to severe risk businesses are:

1. Construction (2449, 3.1%) An increase by 1257 business since March 2019
2. Accommodation and food services (1777, 5.8%) An increase of 693 businesses since March 2019
3. Professional, Scientific and Technical Services (1514, 1.4%) An increase of 854 businesses since March 2019

All three industries have increased in risk since March 2019. It is also noted that the retail sector is now the fourth highest at risk industry with 2.8% of businesses in this risk category.

The accommodation and food services industry also has the highest medium at risk portion of businesses with 34.2%.

Graph 2: National - Industry vs Commercial Risk - High to Severe Risk



National Commercial Risk Analysis

Table 2: National - Industry vs Commercial Risk

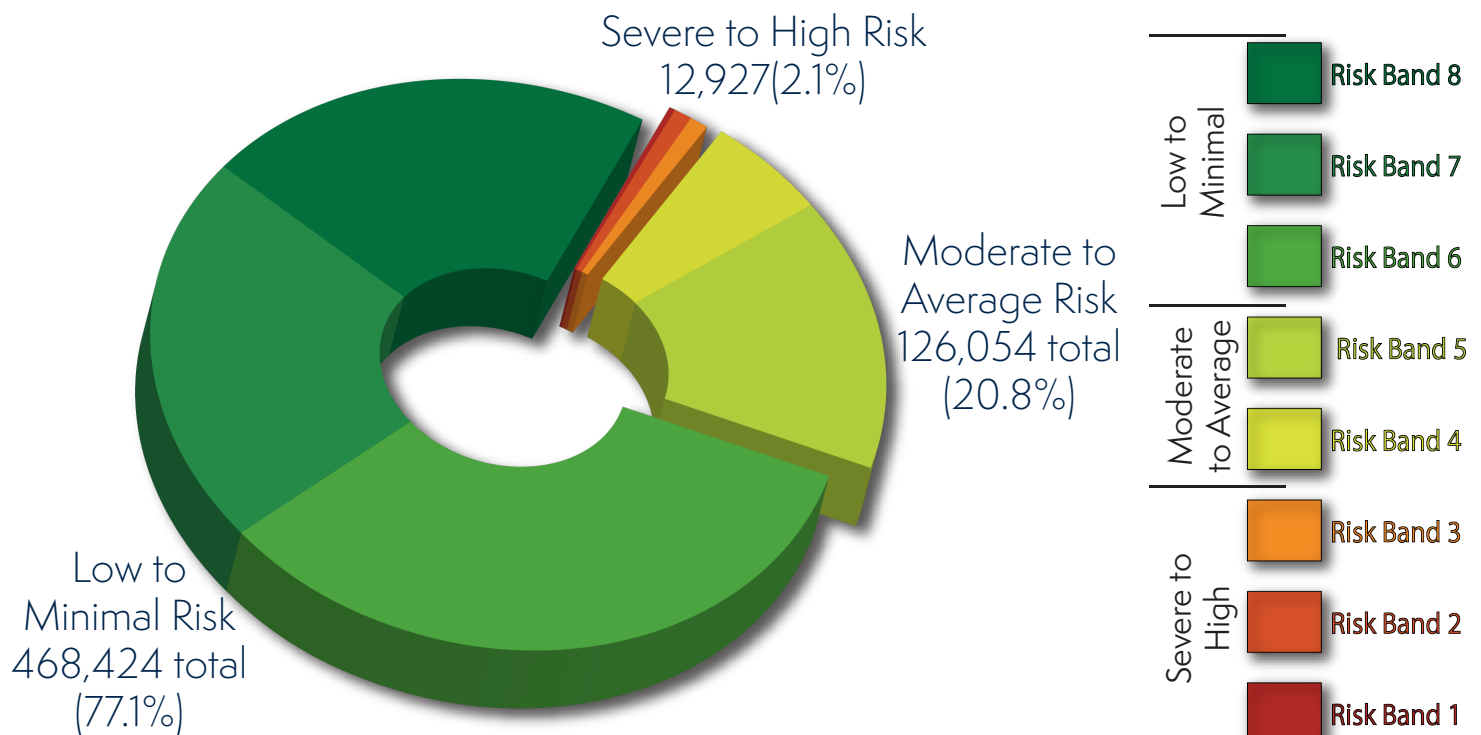
Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	← Severe to High →			Moderate to Average		← Low to Minimal →							
Construction	476	954	1019	5456	12733	24175	18090	14955	77858	2449	3.1%	23.4%	73.5%
Accommodation and Food Services	370	793	614	3331	7091	8838	4907	4521	30465	1777	5.8%	34.2%	60.0%
Professional, Scientific and Technical Services	227	557	730	5734	14573	41742	25122	17621	106306	1514	1.4%	19.1%	79.5%
Retail Trade	245	595	577	3219	7923	16511	11042	10882	50994	1417	2.8%	21.8%	75.4%
Manufacturing	168	327	320	1716	5782	13782	10647	14166	46908	815	1.7%	16.0%	82.3%
Financial and Insurance Services	90	328	392	2786	13591	30350	20567	20642	88746	810	0.9%	18.5%	80.6%
Other Services	108	310	356	2053	5322	11413	7230	6303	33095	774	2.3%	22.3%	75.4%
Wholesale Trade	131	257	259	1333	5671	12205	9443	11286	40585	647	1.6%	17.3%	81.1%
Rental, Hiring and Real Estate Services	101	271	249	1519	3673	8325	5282	4985	24405	621	2.5%	21.3%	76.2%
Transport, Postal and Warehousing	96	198	192	1045	2538	4735	3471	3798	16073	486	3.0%	22.3%	74.7%
Health Care and Social Assistance	56	174	225	1954	4939	13860	7937	6193	35338	455	1.3%	19.5%	79.2%
Arts and Recreation Services	42	122	146	817	2015	3795	2102	2278	11317	310	2.7%	25.0%	72.2%
Administrative and Support Services	42	132	129	977	2177	5286	3061	2510	14314	303	2.1%	22.0%	75.8%
Education and Training	18	61	84	600	1207	2644	1338	1247	7199	163	2.3%	25.1%	72.6%
Information Media and	23	39	51	394	1038	2233	1357	1367	6502	113	1.7%	22.0%	76.2%
Agriculture, Forestry and Fishing	19	37	49	323	991	2580	2165	2492	8656	105	1.2%	15.2%	83.6%
Electricity, Gas, Water and Waste Services	14	28	34	141	498	825	624	850	3014	76	2.5%	21.2%	76.3%
Mining	15	36	22	162	604	1156	863	1581	4439	73	1.6%	17.3%	81.1%
Public Administration and Safety	5	6	8	34	94	232	170	642	1191	19	1.6%	10.7%	87.7%
Total	2246	5225	5456	33594	92460	204687	135418	128319	607405	12927	2.1%	20.8%	77.1%

National Commercial Risk Analysis

Table 3: National - Turnover Size of Business vs Commercial Risk

Turnover Size of Business	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Unclassified	1726	3916	4336	27394	63154	37273	9811	7831	155441	9978	6.4%	58.3%	35.3%
Less than \$1M	390	1028	891	5254	22692	144653	107294	78846	361048	2309	0.6%	7.7%	91.6%
\$1M to less than \$10M	118	239	188	729	4965	18185	14169	25716	64309	545	0.8%	8.9%	90.3%
\$10M to less than \$50M	7	19	20	93	684	2266	1982	6030	11101	46	0.4%	7.0%	92.6%
\$100M to less than \$500M	4	10	9	64	419	889	817	3567	5779	23	0.4%	8.4%	91.2%
\$50M to less than \$100M	1	7	6	29	222	575	487	2143	3470	14	0.4%	7.2%	92.4%
\$1B or more	0	1	6	20	204	554	564	3038	4387	7	0.2%	5.1%	94.7%
\$500M to less than \$1B	0	5	0	11	120	292	294	1148	1870	5	0.3%	7.0%	92.7%
Total	2246	5225	5456	33594	92460	204687	135418	128319	607405	12927	2.1%	20.8%	77.1%

Pie Chart 1:
National - Commercial Risk of Businesses (all industries)



National Commercial Risk Analysis

Table 4: National - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	1947	390	100	8	1	3	0	0	2449
Accommodation and Food Services	1507	263	5	1	0	1	0	0	1777
Retail Trade	1093	257	60	5	1	1	0	0	1417
Professional, Scientific and Technical Services	1148	275	72	10	4	2	2	1	1514
Financial and Insurance Services	638	149	16	1	0	4	0	2	810
Manufacturing	551	189	65	6	2	2	0	0	815
Wholesale Trade	431	130	80	2	1	2	1		647
Other Services	608	145	19	2	0	0	0	0	774
Rental, Hiring and Real Estate Services	458	123	34	4	0	2	0	0	621
Health Care and Social Assistance	361	81	9	1	0	2	1	0	455
Transport, Postal and Warehousing	367	94	22	0	2	0	0	1	486
Arts and Recreation Services	248	47	13	2	0	0	0	0	310
Administrative and Support Services	244	48	9	1	1	0	0	0	303
Education and Training	119	31	11	2	0	0	0	0	163
Agriculture, Forestry and Fishing	73	24	7	0	1	0	0	0	105
Mining	47	20	3	0	0	1	1	1	73
Information Media and Telecommunications	74	29	7	0	1	0	0	2	113
Electricity, Gas, Water and Waste Services	52	11	10	0	0	3	0	0	76
Public Administration and Safety	12	3	3	1	0	0	0	0	19
Total	9978	2309	545	46	14	23	5	7	12927

According to the National Turnover Size of Business Table, there are seven businesses with \$1 billion or more turnover at high to severe risk of financial failure. These businesses are across multiple industries including Professional, Scientific and Technical Services and Financial and Insurance Services. There are two retailers at high to severe risk of financial failure within the \$50 million to \$500 million turnover category.

According to the Australian Bureau of Statistics (ABS), the three industries that recorded more than half of total annual growth in business are:

- Construction
- Transport, postal and warehousing
- Professional, scientific and technical services

Of the above sectors, the risk data indicates that the Transport, Postal and Warehousing industry has one business in the \$1 billion or more turnover size category that is considered at high to severe risk of financial failure.

Queensland Commercial Risk Analysis



Queensland contributes to 2084 (2.4%) businesses at high to severe risk of financial failure over the next 12 months. This is an increase of 139 businesses from March 2019.

As seen in the Queensland Industry vs Commercial Risk Table, the top 3 industries with the most at risk businesses are:

1. Construction (502 businesses or 3.2%) An increase from 250 businesses since March 2019
2. Professional, Scientific and Technical Services (340 businesses or 1.9%) An increase from 134 businesses since March 2019
3. Accommodation and Food Services (339 businesses or 6.0%) An increase from 203 businesses since 2019

The 3 industries least at risk with businesses categorized in the low to minimal risk bands are:

1. Electricity, Gas, Water and Waste Services (17 businesses or 3.4%) An increase from 6 businesses since March 2019
2. Mining (15 businesses or 1.6%) A decrease from 18 businesses since March 2019
3. Public Administration and Safety (3 businesses or 1.4%) A decrease from 7 businesses since March 2019

The Queensland regions of most concern by number of businesses at high to severe risk are:

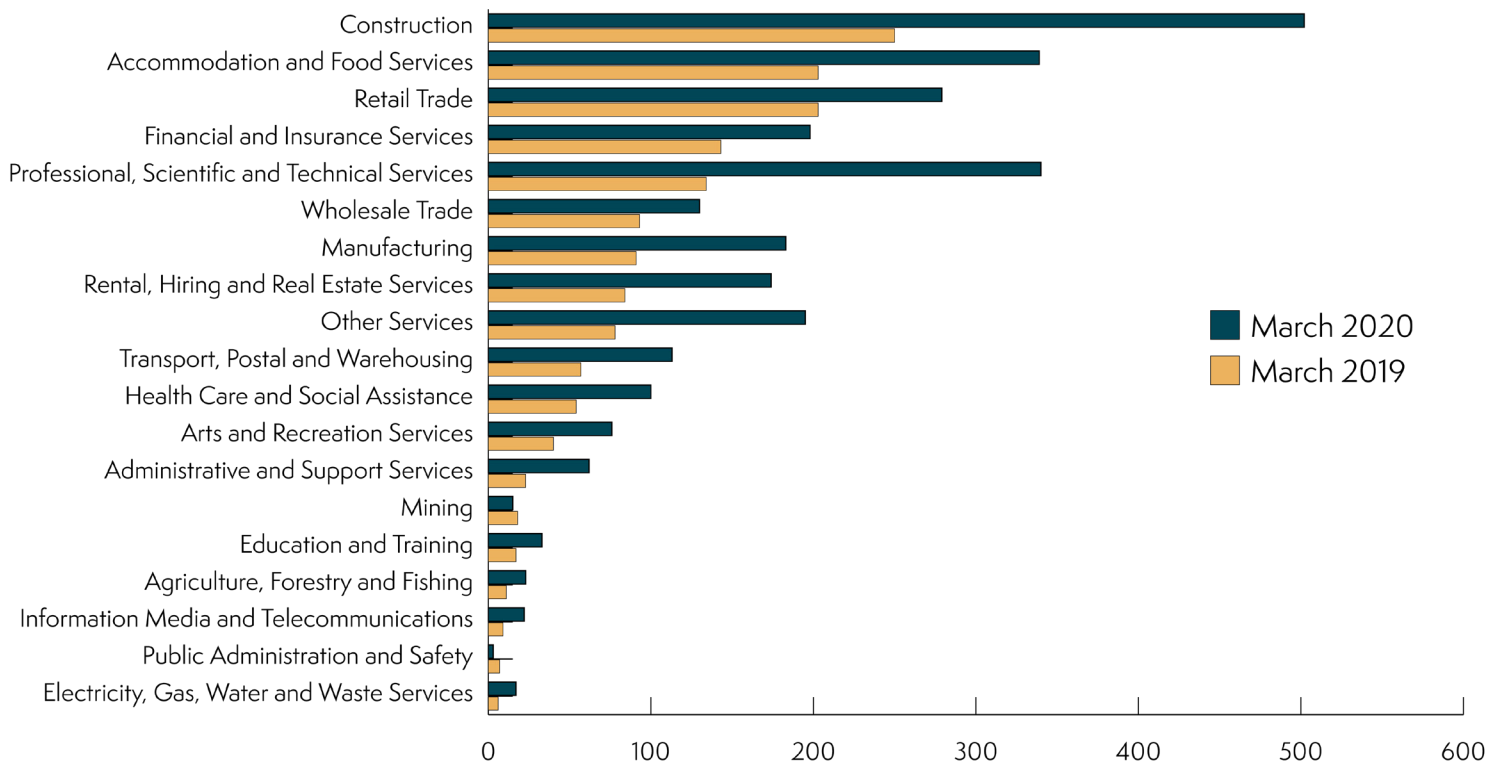
1. Gold Coast (568 businesses or 3.1%) An increase from 385 businesses since March 2019
2. Brisbane Inner City (522 businesses or 2.5%) An increase from 395 businesses since March 2019
3. Brisbane South (406 businesses or 2.8%) An increase from 307 businesses since March 2019
4. Logan – Beaudesert (267 businesses or 4.0%) An increase from 146 businesses since March 2019
5. Ipswich (207 businesses or 3.1%) An increase from 125 businesses since March 2019

Overall, most areas of Queensland have increased in terms of high to severe risk number of businesses. This is also consistent with ASIC data, illustrating there has been an increase of 44 businesses entering external administration since the June 2019 Quarter in Queensland. The 'Other (Business and Personal Services)' has been consistently increasing in external administrations since the June 2019 Quarter with a total of 468 insolvencies up until December 2019 Quarter.

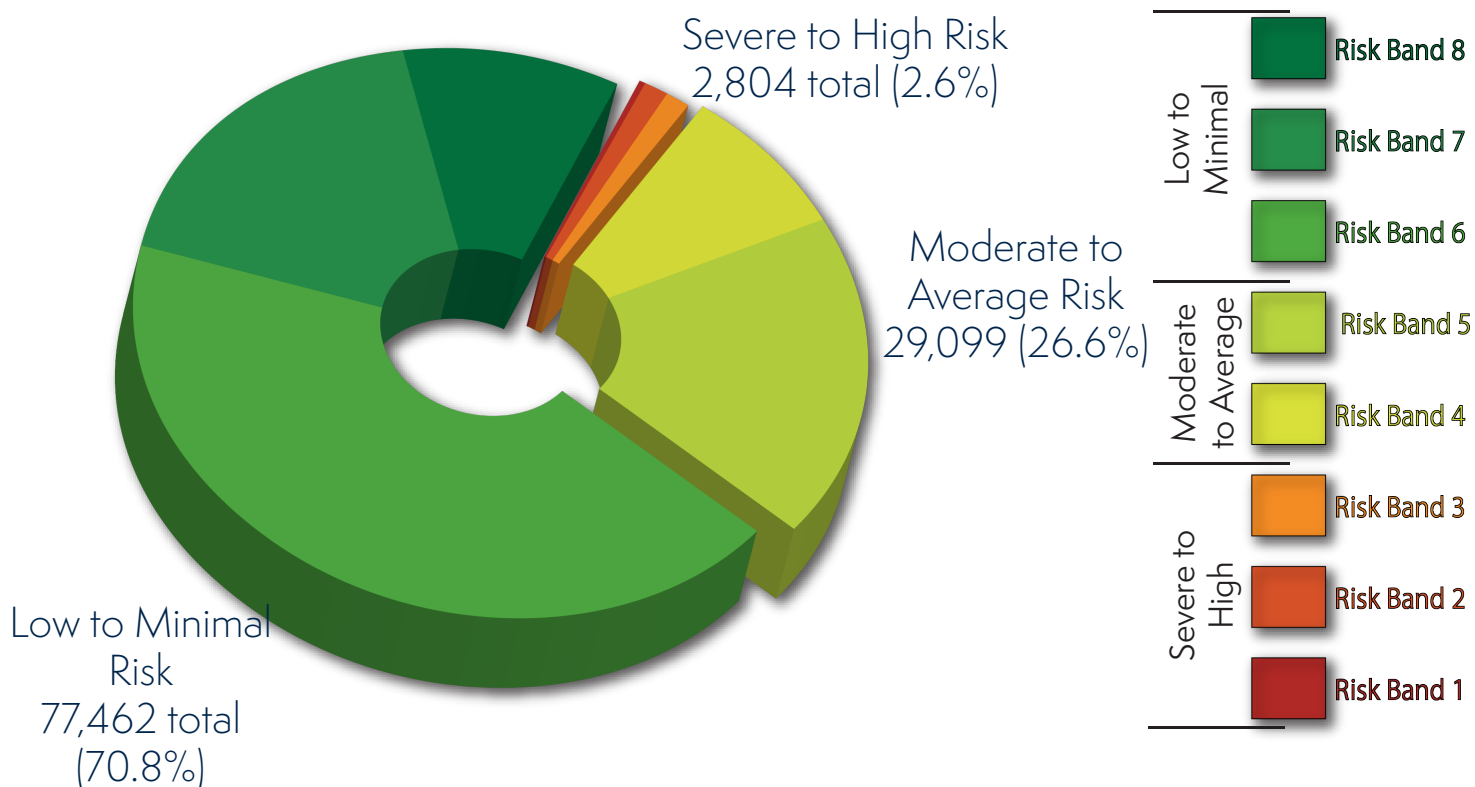
The Professional, Scientific and Technical Services, Transport, Postal and Warehousing and Mining industries all have one \$1 billion or more business at high to severe risk. In addition, Queensland has 2 construction businesses at high to severe risk of financial failure that are within the \$100 million to less than \$500 million turnover category.

Queensland Commercial Risk Analysis

Graph 3:
Queensland - Industry vs Commercial Risk - High to Severe Risk



Pie Chart 2:
Queensland - Commercial Risk of Businesses (all industries)



Queensland Commercial Risk Analysis

Table 6: Queensland - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←--- Severe to High ---→			Moderate to Average		←--- Low to Minimal ---→							
Construction	95	178	229	1498	2984	6182	3080	1456	15702	502	3.2%	28.5%	68.3%
Professional, Scientific and Technical Services	45	116	179	1472	2919	9114	2976	1167	17988	340	1.9%	24.4%	73.7%
Accommodation and Food Services	74	142	123	771	1395	1914	778	446	5643	339	6.0%	38.4%	55.6%
Retail Trade	65	102	112	741	1639	3739	1744	924	9066	279	3.1%	26.3%	70.7%
Financial and Insurance Services	23	75	100	832	3103	5970	2302	1616	14021	198	1.4%	28.1%	70.5%
Other Services	25	73	97	534	1177	2876	1121	501	6404	195	3.0%	26.7%	70.2%
Manufacturing	36	60	87	406	1243	3074	1712	1219	7837	183	2.3%	21.0%	76.6%
Rental, Hiring and Real Estate Services	33	66	75	480	913	2234	918	420	5139	174	3.4%	27.1%	69.5%
Wholesale Trade	24	51	55	340	1222	2698	1444	929	6763	130	1.9%	23.1%	75.0%
Transport, Postal and Warehousing	18	50	45	278	572	1157	568	385	3073	113	3.7%	27.7%	68.7%
Health Care and Social Assistance	12	39	49	576	1113	3561	1314	437	7101	100	1.4%	23.8%	74.8%
Arts and Recreation Services	8	30	38	239	440	956	313	170	2194	76	3.5%	30.9%	65.6%
Administrative and Support Services	7	23	32	252	455	1195	420	181	2565	62	2.4%	27.6%	70.0%
Education and Training	2	13	18	176	268	674	221	131	1503	33	2.2%	29.5%	68.3%
Agriculture, Forestry and Fishing	5	5	13	119	289	708	433	233	1805	23	1.3%	22.6%	76.1%
Information Media and Telecommunications	6	9	7	92	152	377	128	118	889	22	2.5%	27.4%	70.1%
Electricity, Gas, Water and Waste Services	1	8	8	40	115	184	83	59	498	17	3.4%	31.1%	65.5%
Mining	4	6	5	58	175	317	172	219	956	15	1.6%	24.4%	74.1%
Public Administration and Safety	2	1		11	10	49	22	123	218	3	1.4%	9.6%	89.0%
Total	485	1047	1272	8915	20184	46979	19749	10734	109365	2804	2.6%	26.6%	70.8%

Queensland Commercial Risk Analysis

Table 7: Queensland - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	398	82	20	0	2	0	0	502
Accommodation and Food Services	274	63	1	1	0	0	0	339
Retail Trade	211	53	14	1	0	0	0	279
Financial and Insurance Services	161	34	2	0	1	0	0	198
Professional, Scientific and Technical Services	268	52	19	0	0	0	1	340
Wholesale Trade	86	28	15	0	0	1	0	130
Manufacturing	126	44	13	0	0	0	0	183
Rental, Hiring and Real Estate Services	126	35	11	2	0	0	0	174
Other Services	155	35	5	0	0	0	0	195
Transport, Postal and Warehousing	81	25	6	0	0	0	1	113
Health Care and Social Assistance	74	21	2	1	2	0	0	100
Arts and Recreation Services	65	9	2	0	0	0	0	76
Administrative and Support Services	53	7	2	0	0	0	0	62
Mining	9	4	0	0	0	1	1	15
Education and Training	25	5	3	0	0	0	0	33
Agriculture, Forestry and Fishing	20	3	0	0	0	0	0	23
Information Media and Telecommunications	15	6	1	0	0	0	0	22
Public Administration and Safety	3	0	0	0	0	0	0	3
Electricity, Gas, Water and Waste Services	13	2	2	0	0	0	0	17
Total	2163	508	118	5	5	2	3	2804

Queensland Commercial Risk Analysis

Table 8: Queensland - Region vs Commercial Risk

Region	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Gold Coast	104	221	243	1538	3468	7409	3603	1729	18315	568	3.1%	27.3%	69.6%
Brisbane Inner City	83	198	241	1584	3977	9207	3340	2392	21022	522	2.5%	26.5%	71.1%
Brisbane South	78	152	176	1234	2634	6075	1889	1260	13498	406	3.0%	28.7%	68.3%
Logan - Beaudesert	49	91	127	593	1303	2936	965	558	6622	267	4.0%	28.6%	67.3%
Ipswich	39	75	93	580	1223	2898	1108	673	6689	207	3.1%	27.0%	70.0%
Sunshine Coast	23	62	92	732	1575	3807	1972	778	9041	177	2.0%	25.5%	72.5%
Brisbane West	36	59	80	632	1494	3739	1108	595	7743	175	2.3%	27.5%	70.3%
Brisbane East	21	70	82	588	1206	2920	903	535	6325	173	2.7%	28.4%	68.9%
Brisbane North	24	59	77	522	1215	2711	925	599	6132	160	2.6%	28.3%	69.1%
Darling Downs - Maranoa	24	39	60	506	1117	2721	1372	623	6462	123	1.9%	25.1%	73.0%
Moreton Bay - South	13	39	62	409	845	2041	624	326	4359	114	2.6%	28.8%	68.6%
Moreton Bay - North	26	34	51	392	755	1901	648	318	4125	111	2.7%	27.8%	69.5%
QLD Wide Bay	25	50	34	350	834	2237	1134	561	5225	109	2.1%	22.7%	75.3%
Cairns	16	34	44	393	973	2231	1167	573	5431	94	1.7%	25.2%	73.1%
Toowoomba	14	29	34	266	566	1499	793	342	3543	77	2.2%	23.5%	74.3%
Townsville	13	31	29	284	692	1583	881	483	3996	73	1.8%	24.4%	73.7%
Mackay	10	31	25	288	581	1461	715	366	3477	66	1.9%	25.0%	73.1%
QLD Fitzroy	10	20	30	242	670	1458	751	370	3551	60	1.7%	25.7%	72.6%
QLD Outback	5	12	13	126	305	628	328	191	1608	30	1.9%	26.8%	71.3%
Total	613	1306	1593	11259	25433	59462	24226	13272	137164	3512	2.6%	26.8%	70.7%

Queensland Commercial Risk Analysis

Table 9: Brisbane (East, North, South, West, Inner City) - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	42	68	79	475	961	1978	771	368	4742	189	4.0%	30.3%	65.7%
Professional, Scientific and Technical Services	21	54	82	692	1368	4392	1175	623	8407	157	1.9%	24.5%	73.6%
Accommodation and Food Services	24	61	53	279	464	576	191	122	1770	138	7.8%	42.0%	50.2%
Retail Trade	22	44	46	261	581	1266	462	283	2965	112	3.8%	28.4%	67.8%
Financial and Insurance Services	8	42	47	402	1321	2543	805	708	5876	97	1.7%	29.3%	69.0%
Rental, Hiring and Real Estate Services	18	33	29	194	384	849	301	181	1989	80	4.0%	29.1%	66.9%
Other Services	7	27	29	187	431	1065	354	178	2278	63	2.8%	27.1%	70.1%
Wholesale Trade	12	17	31	135	519	1143	490	402	2749	60	2.2%	23.8%	74.0%
Manufacturing	14	14	26	136	449	1053	500	415	2607	54	2.1%	22.4%	75.5%
Health Care and Social Assistance	4	17	19	223	510	1573	491	192	3029	40	1.3%	24.2%	74.5%
Transport, Postal and Warehousing	5	13	13	86	168	330	135	143	893	31	3.5%	28.4%	68.1%
Arts and Recreation Services	1	10	19	85	184	375	97	59	830	30	3.6%	32.4%	64.0%
Administrative and Support Services	3	9	9	98	174	488	135	71	987	21	2.1%	27.6%	70.3%
Education and Training		6	9	71	133	301	73	61	654	15	2.3%	31.2%	66.5%
Information Media and Telecommunications	3	5	5	45	79	183	60	39	419	13	3.1%	29.6%	67.3%
Electricity, Gas, Water and Waste Services	1	2	3	13	43	73	28	30	193	6	3.1%	29.0%	67.9%
Agriculture, Forestry and Fishing	1		4	16	32	104	41	27	225	5	2.2%	21.3%	76.4%
Mining	1	1	2	26	103	154	123	171	581	4	0.7%	22.2%	77.1%
Public Administration and Safety	1	1		3	4	16	8	48	81	2	2.5%	8.6%	88.9%
Total	188	424	505	3427	7908	18462	6240	4121	41275	1117	2.7%	27.5%	69.8%

Brisbane and surrounding areas are made up of 41,275 businesses across all industries. There are 2.7% (1117) businesses at high to severe risk of financial failure of the next 12 months. This has increased from 813 businesses since March 2019.

Brisbane also has 27.5% of businesses in the medium risk bands and 69.8% of businesses at low to minimal risk of failure. Whilst the number of high to severe risk businesses has increased, all other risk levels (medium to low) has remained around the same.

Queensland Commercial Risk Analysis

Table 10: Brisbane (East, North, South, West, Inner City) - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	112	24	1	1	0	0	0	0	138
Construction	149	29	10	0	0	1	0	0	189
Financial and Insurance Services	81	15	0	0	0	1	0	0	97
Retail Trade	87	19	6	0	0	0	0	0	112
Professional, Scientific and Technical Services	123	25	8	0	0	0	0	1	157
Rental, Hiring and Real Estate Services	54	18	7	1	0	0	0	0	80
Wholesale Trade	43	10	7	0	0	0	0	0	60
Health Care and Social Assistance	30	8	1	0	0	1	0	0	40
Manufacturing	34	16	4	0	0	0	0	0	54
Other Services	48	13	2	0	0	0	0	0	63
Transport, Postal and Warehousing	21	7	2	0	0	0	0	1	31
Arts and Recreation Services	28	2	0	0	0	0	0	0	30
Mining	3	0	0	0	0	0	0	1	4
Administrative and Support Services	17	4	0	0	0	0	0	0	21
Education and Training	14	1	0	0	0	0	0	0	15
Information Media and Telecommunications	8	4	1	0	0	0	0	0	13
Public Administration and Safety	2	0	0	0	0	0	0	0	2
Electricity, Gas, Water and Waste Services	5	0	1	0	0	0	0	0	6
Agriculture, Forestry and Fishing	5	0	0	0	0	0	0	0	5
Total	864	195	50	2	0	3	0	3	1117

The industries most at risk within this region according to number of businesses are:

1. Construction (189 businesses or 4.0%) An increase from 82 businesses since March 2019
2. Professional, Scientific and Technical Services (157 businesses or 1.9%) An increase from 52 businesses since March 2019
3. Accommodation and Food Services (138 businesses or 7.8%) An increase from 83 businesses since March 2019

Brisbane has 3 businesses with turnover of \$1 billion or more most at risk of financial failure across the Professional, Scientific and Technical Services, Transport, Postal and Warehousing and Mining industries. There are 195 small businesses with less than \$1 million in turnover in the Brisbane and surrounding areas that are most at risk of financial failure.

Queensland Commercial Risk Analysis

Table 11: Gold Coast - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	20	37	44	268	560	971	572	283	2755	101	3.7%	30.1%	66.3%
Professional, Scientific and Technical Services	15	28	36	237	487	1445	571	169	2988	79	2.6%	24.2%	73.1%
Retail Trade	12	24	21	136	293	586	286	147	1505	57	3.8%	28.5%	67.7%
Accommodation and Food Services	11	25	19	158	271	331	141	96	1052	55	5.2%	40.8%	54.0%
Financial and Insurance Services	5	11	26	132	539	1051	448	277	2489	42	1.7%	27.0%	71.4%
Manufacturing	9	16	14	82	222	553	362	206	1464	39	2.7%	20.8%	76.6%
Other Services	8	13	16	74	181	414	183	62	951	37	3.9%	26.8%	69.3%
Wholesale Trade	7	17	9	66	195	463	268	129	1154	33	2.9%	22.6%	74.5%
Rental, Hiring and Real Estate Services	3	13	16	105	197	362	211	82	989	32	3.2%	30.5%	66.2%
Health Care and Social Assistance	5	7	14	103	154	474	226	71	1054	26	2.5%	24.4%	73.1%
Arts and Recreation Services	0	10	11	46	107	183	72	32	461	21	4.6%	33.2%	62.3%
Transport, Postal and Warehousing	5	10	1	31	70	142	77	37	373	16	4.3%	27.1%	68.6%
Administrative and Support Services	1	3	11	34	82	181	76	35	423	15	3.5%	27.4%	69.0%
Education and Training	2	2	2	27	51	115	52	18	269	6	2.2%	29.0%	68.8%
Information Media and Telecommunications	1	3	0	18	29	64	27	42	184	4	2.2%	25.5%	72.3%
Agriculture, Forestry and Fishing	0	0	2	7	9	31	12	13	74	2	2.7%	21.6%	75.7%
Electricity, Gas, Water and Waste Services	0	1	1	6	14	22	11	5	60	2	3.3%	33.3%	63.3%
Mining	0	1	0	6	5	13	5	5	35	1	2.9%	31.4%	65.7%
Public Administration and Safety	0	0	0	2	2	8	3	20	35	0	0.0%	11.4%	88.6%
Total	104	221	243	1538	3468	7409	3603	1729	18315	568	3.1%	27.3%	69.6%

The Gold Coast region has a total of 18,315 businesses of which 568 or 3.1% are at high to severe risk of financial failure within the next 12 months. This is an increase from 385 or 2.7% since the March 2019 report. The Gold Coast as reported in the Queensland section of this report, is ranked as the highest at risk for the state.

The 3 industries with the most number of businesses at high to severe risk are:

1. Construction (101 businesses or 3.7%) An increase from 62 businesses from March 2019
2. Professional, Scientific and Technical Services (79 businesses or 2.6%) An increase from 32 businesses from March 2019
3. Retail Trade (57 businesses or 3.8%) An increase from 37 businesses from March 2019

Queensland Commercial Risk Analysis

Table 12: Gold Coast - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	79	18	4	0	0	0	0	0	101
Retail Trade	44	11	2	0	0	0	0	0	57
Accommodation and Food Services	46	9	0	0	0	0	0	0	55
Professional, Scientific and Technical Services	62	11	6	0	0	0	0	0	79
Financial and Insurance Services	35	6	1	0	0	0	0	0	42
Manufacturing	27	7	5	0	0	0	0	0	39
Wholesale Trade	19	8	5	0	0	0	1	0	33
Rental, Hiring and Real Estate Services	28	2	2	0	0	0	0	0	32
Other Services	30	5	2	0	0	0	0	0	37
Health Care and Social Assistance	19	5	0	1	0	1	0	0	26
Arts and Recreation Services	17	4	0	0	0	0	0	0	21
Administrative and Support Services	13	0	2	0	0	0	0	0	15
Transport, Postal and Warehousing	12	2	2	0	0	0	0	0	16
Education and Training	4	1	1	0	0	0	0	0	6
Information Media and Telecommunications	3	1	0	0	0	0	0	0	4
Agriculture, Forestry and Fishing	1	1	0	0	0	0	0	0	2
Electricity, Gas, Water and Waste Services	1	0	1	0	0	0	0	0	2
Public Administration and Safety	1	0	0	0	0	0	0	0	1
Mining	0	0	0	0	0	0	0	0	0
Total	441	91	33	1	0	1	1	0	568

The Gold Coast has 1 businesses at high to severe risk of financial failure in the \$1 billion or more turnover category. With the recent bushfires affecting the Gold Coast from September 2019 through to December 2019, areas directly impacted were the tourist locations of the Gold Coast hinterland and nearby towns. Locals have experienced an immediate drop off in tourists and that will likely continue along with the broader Gold Coast.

Domestic visitors have seen a decline due to travel restrictions in bushfire areas and international tourists have naturally declined with assumptions that all of Australia was affected. Tourism-reliant businesses throughout the Gold Coast have been suffering due to the bushfires. Although these businesses typically are able to weather one of these events every so often, when these events are combined with poor weather, such as the Gold Coast endured in early February 2020 and the Coronavirus outbreak which has caused travel restrictions from China, then there is a high chance that many businesses will be unable to endure this period despite limited Government assistance being provided.

Queensland Commercial Risk Analysis

Table 13: Sunshine Coast - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	5	10	21	129	283	517	363	148	1476	36	2.4%	27.9%	69.6%
Accommodation and Food Services	7	16	8	75	131	190	88	45	560	31	5.5%	36.8%	57.7%
Professional, Scientific and Technical Services	2	4	11	123	203	743	276	55	1417	17	1.2%	23.0%	75.8%
Retail Trade	4	7	6	66	121	318	189	71	782	17	2.2%	23.9%	73.9%
Financial and Insurance Services	1	8	6	55	255	518	264	161	1268	15	1.2%	24.4%	74.4%
Manufacturing	1	3	9	33	92	234	152	69	593	13	2.2%	21.1%	76.7%
Rental, Hiring and Real Estate Services		2	8	41	68	182	92	25	418	10	2.4%	26.1%	71.5%
Transport, Postal and Warehousing	1	3	5	15	27	62	37	18	168	9	5.4%	25.0%	69.6%
Other Services		3	5	52	87	186	92	25	450	8	1.8%	30.9%	67.3%
Wholesale Trade	1	2	5	27	108	189	126	50	508	8	1.6%	26.6%	71.9%
Health Care and Social Assistance	0	1	4	50	89	323	139	42	648	5	0.8%	21.5%	77.8%
Arts and Recreation Services	0	1	2	21	31	85	29	11	180	3	1.7%	28.9%	69.4%
Administrative and Support Services	0	1	0	11	33	97	36	11	189	1	0.5%	23.3%	76.2%
Electricity, Gas, Water and Waste Services	0	1	0	4	8	13	7	3	36	1	2.8%	33.3%	63.9%
Information Media and Telecommunications	0	0	1	5	10	29	11	9	65	1	1.5%	23.1%	75.4%
Mining	0	0	1	0	4	8	3	1	17	1	5.9%	23.5%	70.6%
Public Administration and Safety	1	0	0	2	2	5	5	6	21	1	4.8%	19.0%	76.2%
Agriculture, Forestry and Fishing	0	0	0	6	10	46	32	13	107	0	0.0%	15.0%	85.0%
Education and Training	0	0	0	17	13	62	31	15	138	0	0.0%	21.7%	78.3%
Total	23	62	92	732	1575	3807	1972	778	9041	177	2.0%	25.5%	72.5%

The Sunshine Coast has a total number of 9041 businesses, of which 177 or 2.0% are considered high to severe risk of financial failure within the next 12 months. 25.5% are at medium risk and 72.5% are at low to minimal risk of financial failure.

The 3 industries most at risk by way of number of businesses in this risk category are:

1. Construction (36 businesses or 2.4%) An increase from 14 businesses since March 2019
2. Accommodation and Food Services (31 businesses or 5.5%) An increase from 20 businesses since March 2019
3. Professional, Scientific and Technical Services (17 businesses or 1.2%) An increase from 6 businesses since March 2019

Queensland Commercial Risk Analysis

Table 14: Sunshine Coast - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	26	7	2	0	0	1	0	0	36
Accommodation and Food Services	22	9	0	0	0	0	0	0	31
Professional, Scientific and Technical Services	14	3	0	0	0	0	0	0	17
Retail Trade	13	4	0	0	0	0	0	0	17
Financial and Insurance Services	11	4	0	0	0	0	0	0	15
Manufacturing	11	2	0	0	0	0	0	0	13
Rental, Hiring and Real Estate Services	9	1	0	0	0	0	0	0	10
Transport, Postal and Warehousing	7	2	0	0	0	0	0	0	9
Other Services	8		0	0	0	0	0	0	8
Wholesale Trade	7	1	0	0	0	0	0	0	8
Health Care and Social Assistance	5	0	0	0	0	0	0	0	5
Arts and Recreation Services	3	0	0	0	0	0	0	0	3
Administrative and Support Services	1	0	0	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	1	0	0	0	0	0	0	0	1
Information Media and Telecommunications	1	0	0	0	0	0	0	0	1
Mining	1	0	0	0	0	0	0	0	1
Public Administration and Safety	1	0	0	0	0	0	0	0	1
Education and Training		0	0	0	0	0	0	0	
Total	141	33	2	0	0	1	0	0	177

The Sunshine Coast has reported 1 business in the \$1 billion or more turnover category at high to severe risk of financial failure. The Sunshine Coast region was impacted by the recent bushfire crisis. The region of Peregian Springs to Noosa and its surrounds were particularly impacted, with bushfires forcing residents to evacuate their homes and schools and businesses to close.

While business and industry is quite diverse in the region, including retail, hospitality, health care, building and construction, agriculture, manufacturing, accommodation and professional services, a number of these businesses have been impacted. In addition, a loss of income from business closures and a loss of productivity employees have been unable to attend work and the region consequently reducing patronage and tourism.

SV Partners has seen businesses in financial distress impacted by the bushfires. This coupled with the recent heavy storms and Coronavirus outbreak, has further adversely impacted business, especially in the accommodation, retail and hospitality industries. The Sunshine Coast region is very dependent upon tourism to service these industries, especially in school holiday periods. Many small businesses unfortunately do not have plans to navigate for such disasters and unplanned events, especially in the accommodation, retail and hospitality industries.

Queensland Commercial Risk Analysis

Table 15: Toowoomba - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	3	4	5	68	105	209	121	44	559	12	2.1%	30.9%	66.9%
Manufacturing	1	4	5	7	42	109	65	36	269	10	3.7%	18.2%	78.1%
Professional, Scientific and Technical Services	2	4	4	41	65	230	109	33	488	10	2.0%	21.7%	76.2%
Accommodation and Food Services	1	5	3	20	40	60	25	16	170	9	5.3%	35.3%	59.4%
Retail Trade	2	2	3	25	43	132	69	21	297	7	2.4%	22.9%	74.7%
Financial and Insurance Services	2	2	1	12	94	170	119	48	448	5	1.1%	23.7%	75.2%
Transport, Postal and Warehousing	0	2	3	8	14	47	31	16	121	5	4.1%	18.2%	77.7%
Health Care and Social Assistance	0	2	2	13	28	123	63	16	247	4	1.6%	16.6%	81.8%
Administrative and Support Services	0	2	1	7	13	36	10	3	72	3	4.2%	27.8%	68.1%
Rental, Hiring and Real Estate Services	1	1	1	10	20	67	24	9	133	3	2.3%	22.6%	75.2%
Wholesale Trade	1	1	1	10	27	99	50	38	227	3	1.3%	16.3%	82.4%
Education and Training	0	0	2	6	5	10	7	3	33	2	6.1%	33.3%	60.6%
Electricity, Gas, Water and Waste Services	0	0	2	1	2	9	3	3	20	2	10.0%	15.0%	75.0%
Agriculture, Forestry and Fishing	1	0	0	11	24	41	32	21	130	1	0.8%	26.9%	72.3%
Other Services	0	0	1	19	29	104	54	17	224	1	0.4%	21.4%	78.1%
Arts and Recreation Services	0	0	0	6	12	24	6	4	52	0	0.0%	34.6%	65.4%
Information Media and Telecommunications	0	0	0	0	1	12	1	5	19	0	0.0%	5.3%	94.7%
Mining	0	0	0	1	2	15	4	1	23	0	0.0%	13.0%	87.0%
Public Administration and Safety	0	0	0	1	0	2	0	8	11	0	0.0%	9.1%	90.9%
Total	14	29	34	266	566	1499	793	342	3543	77	2.2%	23.5%	74.3%

Toowoomba has a total of 77 businesses or 2.2% at high to severe risk of financial failure over the next 12 months. There are 23.5% of businesses at medium risk and 74.3% of businesses at low to minimal risk of financial failure.

The 3 industries most at risk of financial failure are:

1. Construction (12 businesses or 2.1%) An increase from 12 businesses since March 2019
2. Manufacturing (10 businesses or 3.7%) An increase from 0 businesses since March 2019
3. Professional, Scientific and Technical Services (10 businesses or 2.0%) An increase from 0 businesses since March 2019

Queensland Commercial Risk Analysis

Table 16: Toowoomba - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	8	1	0	0	0	0	0	0	9
Administrative and Support Services	2	1	0	0	0	0	0	0	3
Agriculture, Forestry and Fishing	1	0	0	0	0	0	0	0	1
Arts and Recreation Services	0	0	0	0	0	0	0	0	0
Construction	11	1	0	0	0	0	0	0	12
Education and Training	2	0	0	0	0	0	0	0	2
Electricity, Gas, Water and Waste Services	2	0	0	0	0	0	0	0	2
Financial and Insurance Services	5	0	0	0	0	0	0	0	5
Health Care and Social Assistance	2	2	0	0	0	0	0	0	4
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Manufacturing	6	3	1	0	0	0	0	0	10
Other Services	1	0	0	0	0	0	0	0	1
Professional, Scientific and Technical Services	6	3	1	0	0	0	0	0	10
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Rental, Hiring and Real Estate Services	1	2	0	0	0	0	0	0	3
Retail Trade	3	3	0	1	0	0	0	0	7
Transport, Postal and Warehousing	4	1	0	0	0	0	0	0	5
Wholesale Trade	0	3	0	0	0	0	0	0	3
Total	54	20	2	1	0	0	0	0	77

There is 1 business in the \$10 million to less than \$50 million turnover category most at risk in the retail industry.

Whilst the bushfires did significantly impact the Toowoomba region, the drought has likely impacted the region more in comparison. The impacts of the bushfires has been particularly tough given the region has already been struggling due to lack of rain. It is unlikely that businesses have cash reserves to depend on when the bushfires commenced.

Queensland Commercial Risk Analysis

Table 17: Mackay - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	← Severe to High →			Moderate to Average		← Low to Minimal →							
Construction	2	7	2	64	94	228	134	60	591	11	1.9%	26.7%	71.4%
Other Services	2	2	5	20	40	130	46	29	274	9	3.3%	21.9%	74.8%
Accommodation and Food Services	3	4		25	46	97	39	16	230	7	3.0%	30.9%	66.1%
Professional, Scientific and Technical Services	0	1	6	30	59	223	78	36	433	7	1.6%	20.6%	77.8%
Wholesale Trade	1	3	2	7	36	57	38	26	170	6	3.5%	25.3%	71.2%
Rental, Hiring and Real Estate Services	0	0	5	14	21	73	27	14	154	5	3.2%	22.7%	74.0%
Health Care and Social Assistance	0	2	2	23	30	98	29	4	188	4	2.1%	28.2%	69.7%
Administrative and Support Services	1	1	1	12	15	45	16	10	101	3	3.0%	26.7%	70.3%
Manufacturing	1	1	1	11	28	63	46	33	184	3	1.6%	21.2%	77.2%
Transport, Postal and Warehousing	0	3	0	11	23	59	33	20	149	3	2.0%	22.8%	75.2%
Arts and Recreation Services	0	2	0	3	8	27	18	5	63	2	3.2%	17.5%	79.4%
Financial and Insurance Services	0	2	0	25	78	148	73	39	365	2	0.5%	28.2%	71.2%
Education and Training	0	1	0	2	2	22	5	3	35	1	2.9%	11.4%	85.7%
Electricity, Gas, Water and Waste Services	0	1	0	0	1	5	3	0	10	1	10.0%	10.0%	80.0%
Mining	0	0	1	5	22	29	12	9	78	1	1.3%	34.6%	64.1%
Retail Trade	0	1	0	23	55	103	82	46	310	1	0.3%	25.2%	74.5%
Agriculture, Forestry and Fishing	0	0	0	12	19	44	31	13	119	0	0.0%	26.1%	73.9%
Information Media and Telecommunications	0	0	0	1	4	8	3	2	18	0	0.0%	27.8%	72.2%
Public Administration and Safety	0	0	0	0	0	2	2	1	5	0	0.0%	0.0%	100.0%
Total	10	31	25	288	581	1461	715	366	3477	66	1.9%	25.0%	73.1%

Mackay has 3477 businesses in the region with 66 (1.9%) of these at high to severe risk of financial failure. 25% of businesses are in the medium risk bands and 73.1% are at low to minimal risk of financial failure within the next 12 months.

Mackay's 3 industries most at risk with the highest number of businesses in this category are:

1. Construction (11 businesses or 1.9%) An increase from 7 businesses since March 2019
2. Other Services (9 businesses or 3.3%) An increase from 4 businesses since March 2019
3. Accommodation and Food Services (7 businesses or 3.0%) An increase from 4 businesses since March 2019

Queensland Commercial Risk Analysis

Table 18: Mackay - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	6	1	0	0	0	0	0	0	7
Administrative and Support Services	2	1	0	0	0	0	0	0	3
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Arts and Recreation Services	1	0	1	0	0	0	0	0	2
Construction	10	1	0	0	0	0	0	0	11
Education and Training	0	1	0	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	1	0	0	0	0	0	0	0	1
Financial and Insurance Services	2	0	0	0	0	0	0	0	2
Health Care and Social Assistance	2	2	0	0	0	0	0	0	4
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Manufacturing	3	0	0	0	0	0	0	0	3
Mining	0	1	0	0	0	0	0	0	1
Other Services	7	2	0	0	0	0	0	0	9
Professional, Scientific and Technical Services	7	0	0	0	0	0	0	0	7
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Rental, Hiring and Real Estate Services	4	0	1	0	0	0	0	0	5
Retail Trade	1	0	0	0	0	0	0	0	1
Transport, Postal and Warehousing	2	1	0	0	0	0	0	0	3
Wholesale Trade	3	3	0	0	0	0	0	0	6
Total	51	13	2	0	0	0	0	0	66

Most of these businesses are categorized as small by way of turnover size.

Overall, Mackay has experienced a strong improvement in the local economy over the last 18 months however, most businesses are commenting that this has now steadied. However, now with the irregularity of trade for local businesses, business owners are reluctant to downsize. This trend places stress on cash flow, operational efficiencies and profitability of the business.

Queensland Commercial Risk Analysis

Table 19: Rockhampton - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	0	3	3	11	27	41	45	20	150	6	4.0%	25.3%	70.7%
Other Services	0	0	3	3	13	21	18	17	75	3	4.0%	21.3%	74.7%
Accommodation and Food Services	0	2	0	10	18	25	12	6	73	2	2.7%	38.4%	58.9%
Professional, Scientific and Technical Services	1	0	1	7	23	85	31	8	156	2	1.3%	19.2%	79.5%
Rental, Hiring and Real Estate Services	1	1	0	1	8	23	14	2	50	2	4.0%	18.0%	78.0%
Retail Trade	1	1		5	19	48	22	12	108	2	1.9%	22.2%	75.9%
Agriculture, Forestry and Fishing	0	0	1		1	5	1		8	1	12.5%	12.5%	75.0%
Financial and Insurance Services	0	0	1	7	28	54	25	14	129	1	0.8%	27.1%	72.1%
Transport, Postal and Warehousing	0	0	1	1	5	10	4	4	25	1	4.0%	24.0%	72.0%
Administrative and Support Services	0	0	0	3	4	9	5	1	22	0	0.0%	31.8%	68.2%
Arts and Recreation Services	0	0	0	2	2	15	5	2	26	0	0.0%	15.4%	84.6%
Education and Training	0	0	0	2	1	9	2	2	16	0	0.0%	18.8%	81.3%
Electricity, Gas, Water and Waste Services	0	0	0	0	1	3	2	3	9	0	0.0%	11.1%	88.9%
Health Care and Social Assistance	0	0	0	4	10	41	23	6	84	0	0.0%	16.7%	83.3%
Information Media and Telecommunications	0	0	0	0	1	2	2	1	6	0	0.0%	16.7%	83.3%
Manufacturing	0	0	0	5	6	19	12	5	47	0	0.0%	23.4%	76.6%
Mining	0	0	0	0	0	1	0	0	1	0	0.0%	0.0%	100.0%
Public Administration and Safety	0	0	0	0	0	2	0	3	5	0	0.0%	0.0%	100.0%
Wholesale Trade	0	0	0	0	6	15	18	11	50	0	0.0%	12.0%	88.0%
Total	3	7	10	61	173	428	241	117	1040	20	1.9%	22.5%	75.6%

Rockhampton has a total of 1040 businesses of which 20 (1.9%) are in the highest to severe risk bands of financial failure.

These most at risk businesses are seen through the following industries:

1. Construction (6 businesses or 4.0%) An increase from 2 businesses since March 2019
2. Other Services (3 businesses or 4.0%) An increase from 1 business since March 2019
3. Accommodation and Food Services (2 businesses or 2.7%) An increase from 1 business since March 2019

Queensland Commercial Risk Analysis

Table 20: Rockhampton - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	5	1	0	0	0	0	0	0	6
Other Services	3	0	0	0	0	0	0	0	3
Accommodation and Food Services	1	1	0	0	0	0	0	0	2
Professional, Scientific and Technical Services	1	0	1	0	0	0	0	0	2
Rental, Hiring and Real Estate Services	1	1	0	0	0	0	0	0	2
Retail Trade	1	1	0	0	0	0	0	0	2
Agriculture, Forestry and Fishing	1	0	0	0	0	0	0	0	1
Financial and Insurance Services	0	1	0	0	0	0	0	0	1
Transport, Postal and Warehousing	1	0	0	0	0	0	0	0	1
Administrative and Support Services	0	0	0	0	0	0	0	0	0
Arts and Recreation Services	0	0	0	0	0	0	0	0	0
Health Care and Social Assistance	0	0	0	0	0	0	0	0	0
Wholesale Trade	0	0	0	0	0	0	0	0	0
Education and Training	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0	0
Total	14	5	1	0	0	0	0	0	20

These businesses at most risk are small with lower turnover sizes.

22.5% of Rockhampton's businesses are at medium risk of financial failure, while 75.6% are at low to minimal risk. Overall, Rockhampton's businesses are relatively steady in terms of risk levels and the area demonstrates optimism.

Queensland Commercial Risk Analysis

Table 21: Gladstone - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	0	1	2	10	23	44	37	15	132	3	2%	25.0%	72.7%
Other Services	0	1	1	5	7	21	8	8	51	2	4%	23.5%	72.5%
Administrative and Support Services	1	0	0	2	5	2	1	2	13	1	8%	53.8%	38.5%
Financial and Insurance Services	0	0	1	6	22	39	6	7	81	1	1%	34.6%	64.2%
Manufacturing	0	0	1	3	4	15	10	8	41	1	2%	17.1%	80.5%
Professional, Scientific and Technical Services	0	1	0	10	17	65	29	7	129	1	1%	20.9%	78.3%
Accommodation and Food Services	0	0	0	6	13	11	10	4	44	0	0%	43.2%	56.8%
Agriculture, Forestry and Fishing	0	0	0	0	2	2	1	0	5	0	0%	40.0%	60.0%
Arts and Recreation Services	0	0	0	1	2	5	3	2	13	0	0%	23.1%	76.9%
Education and Training	0	0	0	1	1	4	2	3	11	0	0%	18.2%	81.8%
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	1	2	3	0	0%	0.0%	100.0%
Health Care and Social Assistance	0	0	0	3	5	25	5	2	40	0	0%	20.0%	80.0%
Information Media and Telecommunications	0	0	0	0	1	1	1	0	3	0	0%	33.3%	66.7%
Mining	0	0	0	0	0	0	0	0	0	0	0%	0.0%	0.0%
Public Administration and Safety	0	0	0	0	0	0	1	0	1	0	0%	0.0%	100.0%
Rental, Hiring and Real Estate Services	0	0	0	1	4	24	11	4	44	0	0%	11.4%	88.6%
Retail Trade	0	0	0	7	11	28	21	13	80	0	0%	22.5%	77.5%
Transport, Postal and Warehousing	0	0	0	0	2	9	11	5	27	0	0%	7.4%	92.6%
Wholesale Trade	0	0	0	2	8	14	8	3	35	0	0%	28.6%	71.4%
Total	1	3	5	57	127	309	166	85	753	9	1%	24.4%	74.4%

Of the 753 businesses in the Gladstone region, only 9 (1%) are considered to be high to severe risk of financial failure within the next 12 months. There are 24.4% of Gladstone businesses at medium risk and 74.4% of businesses are in the low to minimal risk category.

The industries with the most at risk businesses in Gladstone are the following:

1. Construction (3 businesses or 2%) An increase from 2 businesses since March 2019
2. Other Services (2 businesses or 4%) Unchanged since March 2019
3. Administrative and Support Services (1 businesses or 8%) An increase of 1 businesses since March 2019

Queensland Commercial Risk Analysis

Table 22: Gladstone - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	3	0	0	0	0	0	0	0	3
Other Services	2	0	0	0	0	0	0	0	2
Administrative and Support Services	1	0	0	0	0	0	0	0	1
Financial and Insurance Services	1	0	0	0	0	0	0	0	1
Manufacturing	1	0	0	0	0	0	0	0	1
Professional, Scientific and Technical Services	1	0	0	0	0	0	0	0	1
Accommodation and Food Services	0	0	0	0	0	0	0	0	0
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Arts and Recreational Services	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Wholesale Trade	0	0	0	0	0	0	0	0	0
Transport, Postal and Warehousing	0	0	0	0	0	0	0	0	0
Education and Training	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Health Care and Social Assistance	0	0	0	0	0	0	0	0	0
Rental, Hiring and Real Estate Services	0	0	0	0	0	0	0	0	0
Retail Trade	0	0	0	0	0	0	0	0	0
Total	9	0	0	0	0	0	0	0	9

Queensland Commercial Risk Analysis

Table 23: Townsville - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Accommodation and Food Services	4	6	6	19	52	85	41	13	226	16	7.1%	31.4%	61.5%
Construction	4	6	6	56	97	236	167	107	679	16	2.4%	22.5%	75.1%
Other Services	0	2	3	20	45	110	56	29	265	5	1.9%	24.5%	73.6%
Professional, Scientific and Technical Services	0	3	2	37	81	256	100	39	518	5	1.0%	22.8%	76.3%
Health Care and Social Assistance	0	1	3	23	35	138	46	11	257	4	1.6%	22.6%	75.9%
Manufacturing	1	3	0	5	31	66	57	61	224	4	1.8%	16.1%	82.1%
Rental, Hiring and Real Estate Services	0	0	4	15	32	75	40	18	184	4	2.2%	25.5%	72.3%
Retail Trade	1	2	1	29	55	138	83	55	364	4	1.1%	23.1%	75.8%
Transport, Postal and Warehousing	1	1	2	10	30	48	31	19	142	4	2.8%	28.2%	69.0%
Mining	1	2	0	2	5	12	5	3	30	3	10.0%	23.3%	66.7%
Arts and Recreation Services	1	0	1	11	16	33	16	5	83	2	2.4%	32.5%	65.1%
Education and Training	0	1	1	6	7	27	7	3	52	2	3.8%	25.0%	71.2%
Financial and Insurance Services	0	2	0	26	144	214	125	46	557	2	0.4%	30.5%	69.1%
Administrative and Support Services	0	1	0	7	11	35	18	5	77	1	1.3%	23.4%	75.3%
Wholesale Trade	0	1	0	5	31	55	48	40	180	1	0.6%	20.0%	79.4%
Agriculture, Forestry and Fishing	0	0	0	7	16	34	34	17	108	0	0.0%	21.3%	78.7%
Electricity, Gas, Water and Waste Services	0	0	0	3	2	10	3	4	22	0	0.0%	22.7%	77.3%
Information Media and	0	0	0	1	2	9	3	4	19	0	0.0%	15.8%	84.2%
Public Administration and Safety	0	0	0	2	0	2	1	4	9	0	0.0%	22.2%	77.8%
Total	13	31	29	284	692	1583	881	483	3996	73	1.8%	24.4%	73.7%

Townsville has a total of 73 businesses or 1.8% (of 3996 businesses) at high to severe risk of financial failure within the next 12 months.

The 3 industries with the most number of businesses in the high to severe risk bands are the following:

1. Accommodation and Food Services (16 businesses or 7.1%) An increase from 9 businesses since March 2019
2. Construction (16 businesses or 2.4%) An increase from 4 businesses since March 2019
3. Other Services (5 businesses or 1.9%) An increase from 4 businesses since March 2019

Queensland Commercial Risk Analysis

Table 24: Townsville - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Grand Total
Accommodation and Food Services	12	4	0	0	0	0	0	0	16
Administrative and Support Services	1	0	0	0	0	0	0	0	1
Arts and Recreation Services	2	0	0	0	0	0	0	0	2
Construction	12	3	1	0	0	0	0	0	16
Education and Training	0	1	1	0	0	0	0	0	2
Financial and Insurance Services	2	0	0	0	0	0	0	0	2
Health Care and Social Assistance	3	1	0	0	0	0	0	0	4
Manufacturing	2	2	0	0	0	0	0	0	4
Mining	2	0	0	0	0	0	1	0	3
Other Services	3	2	0	0	0	0	0	0	5
Professional, Scientific and Technical Services	1	4	0	0	0	0	0	0	5
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Rental, Hiring and Real Estate Services	3	1	0	0	0	0	0	0	4
Retail Trade	4	0	0	0	0	0	0	0	4
Transport, Postal and Warehousing	3	0	1	0	0	0	0	0	4
Wholesale Trade	1	0	0	0	0	0	0	0	1
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Total	51	18	3	0	0	0	1	0	73

There is one mining company in Townsville with a \$1 billion or more turnover at high to severe risk of financial failure within the next 12 months.

Townsville has 24.4% of businesses at medium risk and 73.7% of businesses are at low to minimal risk of financial failure. Overall, this is a region that remains optimistic according to these low commercial risk figures.

Queensland Commercial Risk Analysis

Table 25: Cairns - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Accommodation and Food Services	2	7	8	56	109	164	71	46	463	17	3.7%	35.6%	60.7%
Other Services	0	6	8	27	50	138	75	32	336	14	4.2%	22.9%	72.9%
Construction	1	4	3	67	130	310	177	89	781	8	1.0%	25.2%	73.8%
Financial and Insurance Services	2	2	4	23	168	266	126	57	648	8	1.2%	29.5%	69.3%
Retail Trade	2	2	4	26	84	204	137	56	515	8	1.6%	21.4%	77.1%
Rental, Hiring and Real Estate Services	1	5	1	19	35	100	58	17	236	7	3.0%	22.9%	74.2%
Transport, Postal and Warehousing	2	2	2	14	28	73	34	31	186	6	3.2%	22.6%	74.2%
Manufacturing	2	1	2	21	48	98	65	48	285	5	1.8%	24.2%	74.0%
Education and Training	0	1	3	5	14	27	11	4	65	4	6.2%	29.2%	64.6%
Agriculture, Forestry and Fishing	1	0	2	7	37	95	54	32	228	3	1.3%	19.3%	79.4%
Arts and Recreation Services	1	2	0	9	24	54	25	22	137	3	2.2%	24.1%	73.7%
Health Care and Social Assistance	0	0	3	25	43	142	65	21	299	3	1.0%	22.7%	76.3%
Professional, Scientific and Technical Services	0	0	3	51	109	332	139	51	685	3	0.4%	23.4%	76.2%
Mining	2	0	0	5	1	14	4	3	29	2	6.9%	20.7%	72.4%
Administrative and Support Services	0	0	1	20	33	85	46	16	201	1	0.5%	26.4%	73.1%
Information Media and Telecommunications	0	1	0	5	8	10	6	3	33	1	3.0%	39.4%	57.6%
Wholesale Trade	0	1	0	12	47	105	70	35	270	1	0.4%	21.9%	77.8%
Electricity, Gas, Water and Waste Services	0	0	0	0	5	10	3	1	19	0	0.0%	26.3%	73.7%
Public Administration and Safety	0	0	0	1	0	4	1	9	15	0	0.0%	6.7%	93.3%
Total	16	34	44	393	973	2231	1167	573	5431	94	1.7%	25.2%	73.1%

Cairns has a total number of 5431 businesses, with 94 or 1.7% of these at high to severe risk of financial failure within the next 12 months. 25.2% of businesses are at medium risk and 73.1% are in the low to minimal risk category of financial failure.

The 3 industries of most concern by number of businesses at high to severe risk in Cairns are:

1. Accommodation and Food Services (17 businesses or 3.4%) An increase from 14 businesses since March 2019
2. Other Services (14 businesses or 4.2%) An increase from 3 businesses since March 2019
3. Construction (8 businesses or 1.0%) An increase from 7 businesses since March 2019

Queensland Commercial Risk Analysis

Table 26: Cairns - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	14	3	0	0	0	0	0	0	17
Administrative and Support Services	11	3	0	0	0	0	0	0	14
Agriculture, Forestry and Fishing	7	1	0	0	0	0	0	0	8
Arts and Recreation Services	5	2	1	0	0	0	0	0	8
Construction	7	1	0	0	0	0	0	0	8
Education and Training	6	1	0	0	0	0	0	0	7
Financial and Insurance Services	4	1	1	0	0	0	0	0	6
Health Care and Social Assistance	2	3	0	0	0	0	0	0	5
Information Media and Telecommunications	3	0	1	0	0	0	0	0	4
Manufacturing	3	0	0	0	0	0	0	0	3
Mining	2	0	1	0	0	0	0	0	3
Other Services	3	0	0	0	0	0	0	0	3
Professional, Scientific and Technical Services	3	0	0	0	0	0	0	0	3
Rental, Hiring and Real Estate Services	1	1	0	0	0	0	0	0	2
Retail Trade	1	0	0	0	0	0	0	0	1
Transport, Postal and Warehousing	1	0	0	0	0	0	0	0	1
Wholesale Trade	1	0	0	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Total	74	16	4	0	0	0	0	0	94

With Cairns being a highly dependent tourism destination, the accommodation and food services industry is most impacted by any fluctuations in travelers. Despite the numbers of businesses at risk, overall these figures indicate that Cairns has remained steady.

New South Wales Commercial Risk Analysis



New South Wales being one of the strongest and largest in the country is predominately reliant on construction, property and infrastructure sectors.

According to the March 2020 risk data, New South Wales has a total of 4898 businesses or 2.3% at high to severe risk of financial failure within the next 12 months.

The 5 industries at most risk by way of number of businesses in the high to severe risk bands are the following:

1. Construction (972 businesses or 3.8%) An increase from 465 businesses since March 2019
2. Accommodation and Food Services (643 businesses or 6.3%) An increase from 398 businesses since March 2019
3. Professional, Scientific and Technical Services (599 businesses or 1.5%) An increase from 257 businesses since March 2019
4. Retail Trade (580 businesses or 3.3%) An increase from 362 since March 2019
5. Other Services (322 businesses or 2.7%) An increase from 166 since March 2019

Accommodation and Food Services has the highest proportion of businesses at risk in the industry with 6.3%.

The state also has 2 Financial and Insurance Services companies with \$1 billion or more at highest to severe risk of financial failure within the next 12 months. This may be an effect of the Royal Commission into the misconduct of the banking and financial services industry.

In addition, there are 2 large businesses within the \$500 million to less than \$1 billion turnover category across the Professional, Scientific and Technical Services and Health Care and Social Assistance industries at high to severe risk of financial failure.

This financial year, the state has seen 1603 businesses enter external administration according to ASIC data. According to the ASIC data, New South Wales contributes to the highest number of insolvencies in Australia this financial year.

The regions within New South Wales that have the highest recorded number of businesses most at risk are:

1. Sydney City and Inner South (725 businesses or 2.0%) An increase from 534 businesses since March 2019
2. Parramatta (679 businesses or 3.7%) An increase from 429 businesses since March 2019
3. NSW Inner South West (563 businesses or 3.9%) An increase from 317 businesses since March 2019
4. NSW South West (403 businesses or 4.1%) An increase from 251 businesses since March 2019
5. Blacktown (320 businesses or 3.1%) An increase from 167 businesses since March 2019

New South Wales Commercial Risk Analysis

Table 27: New South Wales - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk (Band 1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	205	364	403	2004	4364	7499	6010	5002	25851	972	3.8%	24.6%	71.6%
Accommodation and Food Services	141	292	210	1135	2404	2898	1595	1531	10206	643	6.3%	34.7%	59.0%
Professional, Scientific and Technical Services	90	226	283	2235	5234	15661	9426	6621	39776	599	1.5%	18.8%	79.7%
Retail Trade	89	254	237	1236	2907	5532	3687	3804	17746	580	3.3%	23.3%	73.4%
Other Services	46	136	140	725	1890	3761	2577	2512	11787	322	2.7%	22.2%	75.1%
Manufacturing	64	128	97	612	1958	4556	3407	4619	15441	289	1.9%	16.6%	81.5%
Financial and Insurance Services	25	100	117	895	3857	9460	6662	6689	27805	242	0.9%	17.1%	82.0%
Wholesale Trade	48	91	95	490	1981	4277	3282	4198	14462	234	1.6%	17.1%	81.3%
Rental, Hiring and Real Estate Services	37	93	80	512	1279	2843	1912	1891	8647	210	2.4%	20.7%	76.9%
Transport, Postal and Warehousing	41	78	63	380	894	1535	1185	1234	5410	182	3.4%	23.5%	73.1%
Health Care and Social Assistance	22	63	83	692	1794	4988	2983	2636	13261	168	1.3%	18.7%	80.0%
Administrative and Support Services	24	63	42	360	827	1976	1119	947	5358	129	2.4%	22.2%	75.4%
Arts and Recreation Services	18	46	58	308	755	1370	782	1209	4546	122	2.7%	23.4%	73.9%
Education and Training	9	24	41	230	476	994	524	489	2787	74	2.7%	25.3%	72.0%
Information Media and Telecommunications	9	18	30	166	459	994	623	642	2941	57	1.9%	21.3%	76.8%
Electricity, Gas, Water and Waste Services	6	11	12	59	172	266	223	312	1061	29	2.7%	21.8%	75.5%
Mining	8	9	5	32	102	265	163	362	946	22	2.3%	14.2%	83.5%
Agriculture, Forestry and Fishing	4	4	10	74	256	625	576	606	2155	18	0.8%	15.3%	83.9%
Public Administration and Safety			6	11	43	90	65	247	462	6	1.3%	11.7%	87.0%
Total	886	2000	2012	12156	31652	69590	46801	45551	210648	4898	2.3%	20.8%	76.9%

New South Wales Commercial Risk Analysis

Table 28: New South Wales - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	801	133	35	3	0	0	0	0	972
Accommodation and Food Services	545	95	2	0	0	1	0	0	643
Professional, Scientific and Technical Services	458	106	28	4	2	0	1	0	599
Retail Trade	454	104	19	2	0	1	0	0	580
Other Services	251	60	9	2	0	0	0	0	322
Manufacturing	194	65	24	3	2	1	0	0	289
Financial and Insurance Services	185	45	8	0	0	2	0	2	242
Wholesale Trade	151	54	26	1	0	2	0	0	234
Rental, Hiring and Real Estate Services	160	41	6	1	0	2	0	0	210
Transport, Postal and Warehousing	137	41	4	0	0	0	0	0	182
Health Care and Social Assistance	142	22	3	0	0	0	1	0	168
Administrative and Support Services	99	26	3	1	0	0	0	0	129
Arts and Recreation Services	97	15	8	2	0	0	0	0	122
Education and Training	53	17	4	0	0	0	0	0	74
Information Media and Telecommunications	38	13	5	0	1	0	0	0	57
Electricity, Gas, Water and Waste Services	22	3	2	0	0	2	0	0	29
Mining	14	8	0	0	0	0	0	0	22
Agriculture, Forestry and Fishing	13	4	1	0	0	0	0	0	18
Public Administration and Safety	6	0	0	0	0	0	0	0	6
Total	3820	852	187	19	5	11	2	2	4898

New South Wales Commercial Risk Analysis

Table 29: New South Wales - Region vs Commercial Risk

Region	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	← Severe to High →			Moderate to Average		← Low to Minimal →							
Sydney City and Inner South	121	293	311	1862	5527	11660	6656	9147	35577	725	2.0%	20.8%	77.2%
Parramatta	145	283	251	1359	3211	5654	3649	3605	18157	679	3.7%	25.2%	71.1%
NSW Inner South West	120	233	210	1104	2371	4767	2984	2573	14362	563	3.9%	24.2%	71.9%
NSW South West	89	155	159	742	1761	2913	2079	2040	9938	403	4.1%	25.2%	70.8%
Blacktown	58	122	140	717	1694	3227	2132	2108	10198	320	3.1%	23.6%	73.2%
Sydney - North Sydney and Hornsby	45	130	144	955	2866	7222	5071	4502	20935	319	1.5%	18.3%	80.2%
Sydney - Inner West	45	127	113	761	1829	3791	2301	1897	10864	285	2.6%	23.8%	73.5%
Sydney - Northern Beaches	45	127	113	761	1829	3791	2301	1897	10864	285	2.6%	23.8%	73.5%
Sydney - Baulkham Hills and Hawkesbury	41	99	118	698	1553	3560	2493	2111	10673	258	2.4%	21.1%	76.5%
Sydney - Eastern Suburbs	21	95	107	550	1623	3422	2258	1747	9823	223	2.3%	22.1%	75.6%
Newcastle and Lake Macquarie	33	92	78	554	1343	3501	2325	2082	10008	203	2.0%	19.0%	79.0%
NSW Outer West and Blue Mountains	34	68	90	478	1147	2582	1924	1774	8097	192	2.4%	20.1%	77.6%
NSW Outer South West	31	71	72	352	837	1574	1121	1015	5073	174	3.4%	23.4%	73.1%
Illawarra	25	61	80	391	940	2178	1601	1471	6747	166	2.5%	19.7%	77.8%
Hunter Valley ex Newcastle	39	61	50	412	968	2658	1913	1770	7871	150	1.9%	17.5%	80.6%
Sydney - Sutherland	26	47	57	382	936	2161	1427	1209	6245	130	2.1%	21.1%	76.8%
Central Coast	31	50	47	410	876	2211	1564	1212	6401	128	2.0%	20.1%	77.9%
Sydney - Ryde	10	46	59	361	908	2124	1488	1451	6447	115	1.8%	19.7%	78.5%
Richmond - Tweed	17	40	41	283	665	1588	1112	869	4615	98	2.1%	20.5%	77.3%
Southern Highlands and Shoalhaven	15	31	39	234	581	1392	1082	981	4355	85	2.0%	18.7%	79.3%
Central West	18	34	32	249	710	1634	1306	1251	5234	84	1.6%	18.3%	80.1%
NSW Capital Region	11	41	32	239	700	1703	1253	1186	5165	84	1.6%	18.2%	80.2%
New England and North West	12	29	23	161	484	1177	936	1022	3844	64	1.7%	16.8%	81.6%
NSW Mid North Coast	16	17	29	186	541	1302	989	993	4073	62	1.5%	17.8%	80.6%
Riverina	9	24	29	198	651	1476	1161	1242	4790	62	1.3%	17.7%	81.0%
Murray	8	21	22	151	575	1298	1016	1029	4120	51	1.2%	17.6%	81.1%
Far West and Orana	8	12	21	103	378	848	674	677	2721	41	1.5%	17.7%	80.8%
Coffs Harbour and Grafton	7	16	14	127	379	853	720	649	2765	37	1.3%	18.3%	80.4%
Total	1080	2425	2481	14780	37883	82267	55536	53510	249962	5986	2.4%	21.1%	76.5%

New South Wales Commercial Risk Analysis

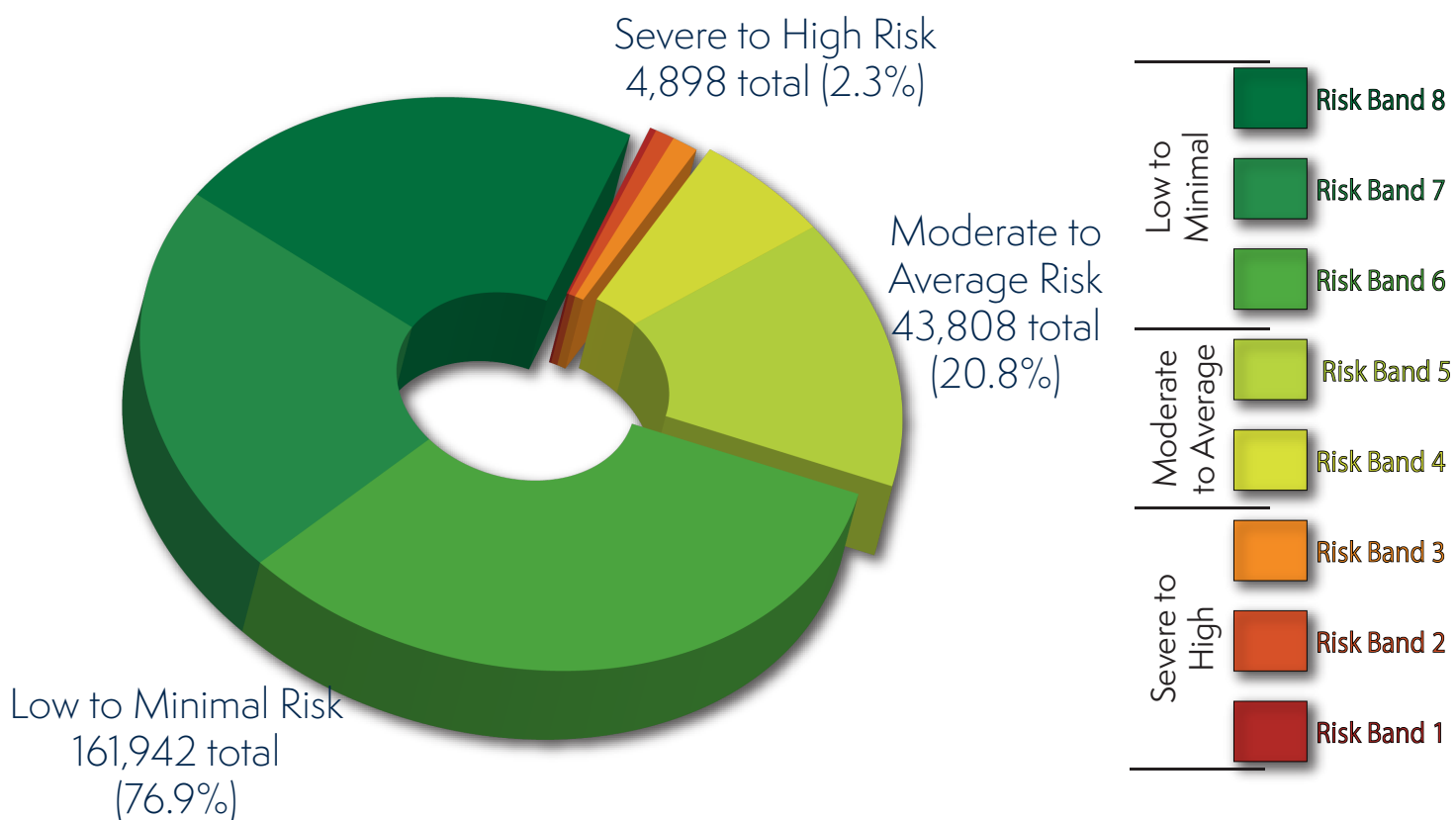
Graph 4:

New South Wales - Industry vs Commercial Risk - High to Severe Risk



Pie Chart 3:

New South Wales - Commercial Risk of Businesses (all industries)



New South Wales Commercial Risk Analysis

Table 30:
Sydney (City & Inner South, Inner South West, Inner West) - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	← Severe to High →			Moderate to Average		← Low to Minimal →							
Construction	55	96	104	416	935	1448	956	869	4879	255	5.2%	27.7%	67.1%
Professional, Scientific and Technical Services	30	78	110	729	1832	5029	2712	2549	13069	218	1.7%	19.6%	78.7%
Accommodation and Food Services	50	86	79	376	727	846	409	477	3050	215	7.0%	36.2%	56.8%
Retail Trade	31	78	56	367	750	1401	811	812	4306	165	3.8%	25.9%	70.2%
Other Services	13	49	44	193	546	982	575	611	3013	106	3.5%	24.5%	72.0%
Financial and Insurance Services	7	32	33	292	1149	2554	1547	2206	7820	72	0.9%	18.4%	80.7%
Manufacturing	12	37	23	171	483	1134	749	1078	3687	72	2.0%	17.7%	80.3%
Rental, Hiring and Real Estate Services	8	28	28	147	429	838	474	722	2674	64	2.4%	21.5%	76.1%
Wholesale Trade	14	24	19	134	549	1140	826	1081	3787	57	1.5%	18.0%	80.5%
Transport, Postal and Warehousing	14	20	12	78	194	357	248	357	1280	46	3.6%	21.3%	75.2%
Health Care and Social Assistance	4	25	15	159	439	1163	660	645	3110	44	1.4%	19.2%	79.4%
Arts and Recreation Services	7	13	19	97	181	318	181	212	1028	39	3.8%	27.0%	69.2%
Administrative and Support Services	6	16	15	117	280	688	337	349	1808	37	2.0%	22.0%	76.0%
Education and Training	6	8	19	83	172	334	152	160	934	33	3.5%	27.3%	69.2%
Information Media and Telecommunications	3	6	10	54	187	354	207	265	1086	19	1.7%	22.2%	76.1%
Electricity, Gas, Water and Waste Services	1	2	4	16	50	93	74	175	415	7	1.7%	15.9%	82.4%
Mining	3	2		10	49	96	70	202	432	5	1.2%	13.7%	85.2%
Agriculture, Forestry and Fishing	1	2	1	5	21	28	26	31	115	4	3.5%	22.6%	73.9%
Public Administration and Safety			3	3	12	22	12	77	129	3	2.3%	11.6%	86.0%
Total	265	602	594	3447	8985	18825	11026	12878	56622	1461	2.6%	22.0%	75.5%

Sydney has a total of 1461 businesses (2.6%) of 56622 at high to severe risk of financial failure within the next 12 months. 22.0% are in the medium risk bands while 75.5% are at low to minimal risk of financial failure.

The industries in the region that are the most high to severe risk by number of businesses are:

1. Construction (255 businesses or 5.2%) An increase from 99 businesses since March 2019
2. Professional, Scientific and Technical Services (218 businesses or 1.7%) An increase from 106 businesses since March 2019
3. Accommodation and Food Services (215 businesses or 7.0%) An increase from 138 businesses since March 2019

New South Wales Commercial Risk Analysis

Table 31:
Sydney (City & Inner South, Inner South West, Inner West) -
Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	210	35	8	2	0	0	0	0	255
Professional, Scientific and Technical Services	166	36	12	1	2	0	1	0	218
Accommodation and Food Services	191	23	1	0	0	0	0	0	215
Retail Trade	131	27	6	0	0	1	0	0	165
Other Services	87	17	1	1	0	0	0	0	106
Financial and Insurance Services	53	11	6	0	0	2	0	0	72
Manufacturing	50	15	4	1	2	0	0	0	72
Rental, Hiring and Real Estate Services	52	9	2	0	0	1	0	0	64
Wholesale Trade	40	8	7	0	0	2	0	0	57
Transport, Postal and Warehousing	34	10	2	0	0	0	0	0	46
Health Care and Social Assistance	38	5	0	0	0	0	1	0	44
Arts and Recreation Services	28	6	3	2	0	0	0	0	39
Administrative and Support Services	28	7	1	1	0	0	0	0	37
Education and Training	24	7	2	0	0	0	0	0	33
Information Media and Telecommunications	10	6	3	0	0	0	0	0	19
Electricity, Gas, Water and Waste Services	5	0	2	0	0	0	0	0	7
Mining	3	2	0	0	0	0	0	0	5
Agriculture, Forestry and Fishing	4	0	0	0	0	0	0	0	4
Public Administration and Safety	3	0	0	0	0	0	0	0	3
Total	1157	224	60	8	4	6	2	0	1461

There are 2 businesses across the Professional, Scientific and Technical Services and Health Care and Social Assistance at most risk of financial failure with turnover of \$1 billion or more. Also noting that one major retailer with \$100 million to less than \$500 million is also at high to severe risk of failure within the next 12 months. With these large companies in this risk band, it failures across these industries will leave impacts across the local economy and employment losses.

New South Wales Commercial Risk Analysis

Table 32: Southern Highlands & Shoalhaven - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High ----->			Moderate to Average		←----- Low to Minimal ----->							
Construction	1	9	10	45	92	166	173	154	650	20	3.1%	21.1%	75.8%
Retail Trade	2	7	4	19	68	144	106	114	464	13	2.8%	18.8%	78.4%
Accommodation and Food Services	2	3	4	31	73	104	65	55	337	9	2.7%	30.9%	66.5%
Professional, Scientific and Technical Services	3	3	2	31	82	256	181	95	653	8	1.2%	17.3%	81.5%
Other Services	2	2	3	14	26	79	52	46	224	7	3.1%	17.9%	79.0%
Financial and Insurance Services	1	1	4	11	62	163	120	135	497	6	1.2%	14.7%	84.1%
Manufacturing	2	3	1	14	29	69	80	75	273	6	2.2%	15.8%	82.1%
Transport, Postal and Warehousing	1	2	2	8	19	42	31	38	143	5	3.5%	18.9%	77.6%
Health Care and Social Assistance	0	1	3	11	21	96	78	65	275	4	1.5%	11.6%	86.9%
Administrative and Support Services	1	0	1	5	10	40	23	17	97	2	2.1%	15.5%	82.5%
Agriculture, Forestry and Fishing	0	0	2	2	10	25	23	20	82	2	2.4%	14.6%	82.9%
Rental, Hiring and Real Estate Services	0	0	2	12	23	79	58	46	220	2	0.9%	15.9%	83.2%
Arts and Recreation Services	0	0	1	7	17	28	19	49	121	1	0.8%	19.8%	79.3%
Education and Training	0	0	0	7	12	15	7	9	50	0	0.0%	38.0%	62.0%
Electricity, Gas, Water and Waste Services	0	0	0	1	1	8	2	1	13	0	0.0%	15.4%	84.6%
Information Media and Telecommunications	0	0	0	1	6	8	4	9	28	0	0.0%	25.0%	75.0%
Mining	0	0	0	2	2	5	3	3	15	0	0.0%	26.7%	73.3%
Public Administration and Safety	0	0	0	0	0	3	2	6	11	0	0.0%	0.0%	100.0%
Wholesale Trade	0	0	0	13	28	62	55	44	202	0	0.0%	20.3%	79.7%
Total	15	31	39	234	581	1392	1082	981	4355	85	2.0%	18.7%	79.3%

There are 2.0% of businesses (or 85 businesses) at high to severe risk of financial failure within the Southern Highlands and Shoalhaven region. 18.7% of businesses are a medium risk and 79.3% of businesses are at low to minimal risk of failure.

The industries that have the highest number of businesses at high to severe risk of failure for the region are:

1. Construction (20 businesses or 3.1%) An increase from 6 businesses since March 2019
2. Retail Trade (13 businesses or 2.8%) An increase from 7 businesses since March 2019
3. Accommodation and Food Services (9 businesses or 2.7%) An increase from 7 businesses since March 2019

New South Wales Commercial Risk Analysis

Table 33:
Southern Highlands & Shoalhaven - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	16	3	1	0	0	0	0	0	20
Retail Trade	11	2	0	0	0	0	0	0	13
Accommodation and Food Services	8	1	0	0	0	0	0	0	9
Professional, Scientific and Technical Services	7	1	0	0	0	0	0	0	8
Other Services	5	1	1	0	0	0	0	0	7
Financial and Insurance Services	3	3	0	0	0	0	0	0	6
Manufacturing	3	2	0	1	0	0	0	0	6
Transport, Postal and Warehousing	4	1	0	0	0	0	0	0	5
Health Care and Social Assistance	3	1	0	0	0	0	0	0	4
Administrative and Support Services	2	0	0	0	0	0	0	0	2
Agriculture, Forestry and Fishing	1	1	0	0	0	0	0	0	2
Rental, Hiring and Real Estate Services	2	0	0	0	0	0	0	0	2
Arts and Recreation Services	1	0	0	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Education and Training	0	0	0	0	0	0	0	0	0
Wholesale Trade	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Total	66	16	2	1	0	0	0	0	85

The risk data also indicates that one large manufacturer in the region with \$10 million to less than \$50 million is at high to severe risk of financial failure.

With the Kings Way (major arterial from Canberra to the Coast) closed from effectively the beginning of December 2019 to January 2020, there has been minimal to no tourism from the ACT and surrounding regions. Those tourists who did visit were forced to leave or take shelter due to the recent bushfires.

In addition to this, bushfires existed both north and south of the ACT resulting in people living in these regions not being able to escape north to the Southern Highlands and beyond for their holidays.

Consequently, businesses were forced to close and / or and not open during the peak of the disaster which lasted for weeks in certain areas. As local businesses were not prepared for the bushfire disasters, businesses have suffered with impacts to their turnover and some businesses denied their profitable time period of the financial year.

New South Wales Commercial Risk Analysis

Table 34:
Sutherland Shire - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	8	7	16	88	199	323	280	208	1129	31	2.7%	25.4%	71.8%
Accommodation and Food Services	6	11	2	29	67	73	31	32	251	19	7.6%	38.2%	54.2%
Professional, Scientific and Technical Services	1	6	7	78	135	455	251	166	1099	14	1.3%	19.4%	79.3%
Retail Trade	3	4	6	37	65	167	143	92	517	13	2.5%	19.7%	77.8%
Other Services	1	1	7	19	46	126	73	71	344	9	2.6%	18.9%	78.5%
Financial and Insurance Services	0	5	3	22	125	287	189	153	784	8	1.0%	18.8%	80.2%
Manufacturing	2	1	5	14	56	152	108	158	496	8	1.6%	14.1%	84.3%
Wholesale Trade	2	3	3	12	45	142	97	106	410	8	2.0%	13.9%	84.1%
Health Care and Social Assistance	0	1	4	18	53	149	73	66	364	5	1.4%	19.5%	79.1%
Administrative and Support Services	0	4	0	15	26	53	35	25	158	4	2.5%	25.9%	71.5%
Transport, Postal and Warehousing	1	2	1	9	30	38	32	36	149	4	2.7%	26.2%	71.1%
Arts and Recreation Services	0	2	1	6	31	53	17	25	135	3	2.2%	27.4%	70.4%
Information Media and Telecommunications	1	0	1	3	13	19	3	6	46	2	4.3%	34.8%	60.9%
Rental, Hiring and Real Estate Services	1	0	1	20	24	75	66	40	227	2	0.9%	19.4%	79.7%
Agriculture, Forestry and Fishing	0	0	0	1	5	6	3	1	16	0	0.0%	37.5%	62.5%
Education and Training	0	0	0	10	12	22	16	6	66	0	0.0%	33.3%	66.7%
Electricity, Gas, Water and Waste Services	0	0	0	1	4	13	8	4	30	0	0.0%	16.7%	83.3%
Mining	0	0	0	0	0	2	0	0	2	0	0.0%	0.0%	100.0%
Public Administration and Safety	0	0	0	0	0	6	2	14	22	0	0.0%	0.0%	100.0%
Total	26	47	57	382	936	2161	1427	1209	6245	130	2.1%	21.1%	76.8%

The Sutherland Shire region has 6245 businesses of which 130 or 2.1% are at high to severe risk of financial failure within the next 12 months. This is an increase from 1.6% recorded from March 2019 risk results. 21.1% of businesses are at medium risk while 76.8% are at low to minimal risk of financial failure.

The 3 industries with businesses most at risk in the region are:

1. Construction (31 businesses or 2.7%) An increase from 14 businesses since March 2019
2. Accommodation and Food Services (19 businesses or 7.6%) An increase from 15 businesses since March 2019
3. Professional, Scientific and Technical Services (14 businesses or 1.3%) An increase from 6 businesses since March 2019

New South Wales Commercial Risk Analysis

Table 35: Sutherland Shire - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	29	2	0	0	0	0	0	0	31
Accommodation and Food Services	15	4	0	0	0	0	0	0	19
Professional, Scientific and Technical Services	11	1	2	0	0	0	0	0	14
Retail Trade	12	1	0	0	0	0	0	0	13
Other Services	8	1	0	0	0	0	0	0	9
Financial and Insurance Services	7	1	0	0	0	0	0	0	8
Manufacturing	6	1	0	0	0	1	0	0	8
Wholesale Trade	4	1	3	0	0	0	0	0	8
Health Care and Social Assistance	5	0	0	0	0	0	0	0	5
Administrative and Support Services	2	2	0	0	0	0	0	0	4
Transport, Postal and Warehousing	3	1	0	0	0	0	0	0	4
Arts and Recreation Services	3	0	0	0	0	0	0	0	3
Information Media and Telecommunications	1	0	1	0	0	0	0	0	2
Rental, Hiring and Real Estate Services	0	1	1	0	0	0	0	0	2
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Education and Training	0	0	0	0	0	0	0	0	0
Public Administration and Training	0	0	0	0	0	0	0	0	0
Total	106	16	7	0	0	1	0	0	130

There is one large manufacturer with turnover between \$100 million to less than \$500 million at high to severe risk of financial failure in the next 12 months in the region.

New South Wales Commercial Risk Analysis

Table 36: Illawarra - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	8	10	27	79	152	245	263	224	1008	45	4.5%	22.9%	72.6%
Accommodation and Food Services	5	6	11	37	84	87	54	46	330	22	6.7%	36.7%	56.7%
Retail Trade	1	9	12	51	100	189	145	147	654	22	3.4%	23.1%	73.5%
Professional, Scientific and Technical Services	3	11	7	61	131	454	284	158	1109	21	1.9%	17.3%	80.8%
Manufacturing	3	8	4	13	48	123	124	121	444	15	3.4%	13.7%	82.9%
Other Services		6	4	29	64	147	108	111	469	10	2.1%	19.8%	78.0%
Administrative and Support Services	2	3	1	5	18	60	41	29	159	6	3.8%	14.5%	81.8%
Health Care and Social Assistance	0	1	4	24	72	220	129	116	566	5	0.9%	17.0%	82.2%
Financial and Insurance Services	1	0	3	23	99	254	182	198	760	4	0.5%	16.1%	83.4%
Transport, Postal and Warehousing	0	3	1	14	25	41	46	43	173	4	2.3%	22.5%	75.1%
Arts and Recreation Services	1	1	1	13	42	57	28	65	208	3	1.4%	26.4%	72.1%
Rental, Hiring and Real Estate Services	1	1	1	16	33	101	69	52	274	3	1.1%	17.9%	81.0%
Education and Training	0	2	0	4	16	21	13	13	69	2	2.9%	29.0%	68.1%
Information Media and Telecommunications	0	0	2	2	10	20	9	10	53	2	3.8%	22.6%	73.6%
Mining	0	0	1	2	3	6	2	5	19	1	5.3%	26.3%	68.4%
Wholesale Trade	0	0	1	14	34	120	83	110	362	1	0.3%	13.3%	86.5%
Agriculture, Forestry and Fishing	0	0	0	1	5	23	14	10	53	0	0.0%	11.3%	88.7%
Electricity, Gas, Water and Waste Services	0	0	0	3	3	5	4	7	22	0	0.0%	27.3%	72.7%
Public Administration and Safety	0	0	0	0	1	5	3	6	15	0	0.0%	6.7%	93.3%
Total	25	61	80	391	940	2178	1601	1471	6747	166	2.5%	19.7%	77.8%

With 6747 businesses in the Illawarra region, 166 of these are at high to severe risk of financial failure, making up 2.5% of businesses in the area. 19.7% of businesses in Illawarra are in the medium risk category while 77.8% are in the low to minimal risk bands of financial failure.

The 3 industries that are most high to severe risk by way of number of businesses are:

1. Construction (45 businesses or 4.5%) An increase from 15 businesses since March 2019
2. Accommodation and Food Services (22 businesses or 6.7%) An increase from 12 businesses since March 2019
3. Retail Trade (22 businesses or 3.4%) An increase from 15 businesses since March 2019

New South Wales Commercial Risk Analysis

Table 37: Illawarra - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	37	7	1	0	0	0	0	0	45
Accommodation and Food Services	18	4	0	0	0	0	0	0	22
Retail Trade	19	3	0	0	0	0	0	0	22
Professional, Scientific and Technical Services	14	5	2	0	0	0	0	0	21
Manufacturing	9	5	0	1	0	0	0	0	15
Other Services	8	2	0	0	0	0	0	0	10
Administrative and Support Services	4	2	0	0	0	0	0	0	6
Health Care and Social Assistance	4	1	0	0	0	0	0	0	5
Financial and Insurance Services	3	1	0	0	0	0	0	0	4
Transport, Postal and Warehousing	2	2	0	0	0	0	0	0	4
Arts and Recreation Services	3	0	0	0	0	0	0	0	3
Rental, Hiring and Real Estate Services	1	2	0	0	0	0	0	0	3
Education and Training	1	0	1	0	0	0	0	0	2
Information Media and Telecommunications	2	0	0	0	0	0	0	0	2
Mining	1	0	0	0	0	0	0	0	1
Wholesale Trade	1	0	0	0	0	0	0	0	1
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Total	127	34	4	1	0	0	0	0	166

The majority of these businesses are considered small to medium with lower turnovers. SV Partners experts have seen predominantly retail trade businesses, and various businesses from hospitality to recreational trades in need of professional advice.

New South Wales Commercial Risk Analysis

Table 38: Newcastle & Lake Macquarie - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	9	18	14	99	212	477	374	292	1495	41	2.7%	20.8%	76.5%
Retail Trade	2	16	12	60	133	283	208	171	885	30	3.4%	21.8%	74.8%
Professional, Scientific and Technical Services	4	9	10	96	177	703	435	271	1705	23	1.3%	16.0%	82.6%
Accommodation and Food Services	4	9	8	40	96	134	60	56	407	21	5.2%	33.4%	61.4%
Other Services	3	10	6	28	96	225	144	115	627	19	3.0%	19.8%	77.2%
Manufacturing	3	5	2	23	91	219	167	243	753	10	1.3%	15.1%	83.5%
Rental, Hiring and Real Estate Services	3	3	4	29	54	147	92	76	408	10	2.5%	20.3%	77.2%
Health Care and Social Assistance	0	3	6	48	101	302	179	137	776	9	1.2%	19.2%	79.6%
Wholesale Trade	1	4	4	17	72	147	139	162	546	9	1.6%	16.3%	82.1%
Financial and Insurance Services	2	5	1	41	158	473	295	306	1281	8	0.6%	15.5%	83.8%
Transport, Postal and Warehousing	2	2	2	15	35	89	68	61	274	6	2.2%	18.2%	79.6%
Administrative and Support Services	0	2	3	19	29	99	48	44	244	5	2.0%	19.7%	78.3%
Information Media and Telecommunications	0	3	1	9	11	31	9	12	76	4	5.3%	26.3%	68.4%
Education and Training	0	1	2	11	14	43	21	30	122	3	2.5%	20.5%	77.0%
Electricity, Gas, Water and Waste Services	0	2	1	4	8	10	11	5	41	3	7.3%	29.3%	63.4%
Arts and Recreation Services	0	0	2	10	39	73	41	56	221	2	0.9%	22.2%	76.9%
Agriculture, Forestry and Fishing	0	0	0	1	5	18	16	7	47	0	0.0%	12.8%	87.2%
Mining	0	0	0	4	9	26	14	27	80	0	0.0%	16.3%	83.8%
Public Administration and Safety	0	0	0	0	3	2	4	11	20	0	0.0%	15.0%	85.0%
Total	33	92	78	554	1343	3501	2325	2082	10008	203	2.0%	19.0%	79.0%

This region has 10,008 businesses and 203 of these are at high to severe risk of financial failure, contributing to 2.0% of businesses at risk. 19.0% of Newcastle businesses are at medium risk while 79.0% are at low to minimal risk of financial failure within the next 12 months.

The 3 industries that contribute to the highest number of businesses most at risk are:

1. Construction (41 businesses or 2.7%) An increase from 21 businesses since March 2019
2. Retail Trade (30 businesses or 3.4%) An increase from 20 businesses since March 2019
3. Professional, Scientific and Technical Services (23 businesses or 1.3%) An increase from 8 businesses since March 2019

New South Wales Commercial Risk Analysis

Table 39:
Newcastle & Lake Macquarie - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	28	13	0	0	0	0	0	0	41
Retail Trade	23	5	1	1	0	0	0	0	30
Professional, Scientific and Technical Services	19	4	0	0	0	0	0	0	23
Accommodation and Food Services	18	3	0	0	0	0	0	0	21
Other Services	16	3	0	0	0	0	0	0	19
Manufacturing	8	2	0	0	0	0	0	0	10
Rental, Hiring and Real Estate Services	8	2	0	0	0	0	0	0	10
Health Care and Social Assistance	7	2	0	0	0	0	0	0	9
Wholesale Trade	8	1	0	0	0	0	0	0	9
Financial and Insurance Services	5	3	0	0	0	0	0	0	8
Transport, Postal and Warehousing	4	1	1	0	0	0	0	0	6
Administrative and Support Services	4	1	0	0	0	0	0	0	5
Information Media and Telecommunications	4	0	0	0	0	0	0	0	4
Education and Training	2	1	0	0	0	0	0	0	3
Electricity, Gas, Water and Waste Services	2	1	0	0	0	0	0	0	3
Arts and Recreation Services	1	1	0	0	0	0	0	0	2
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Total	157	43	2	1	0	0	0	0	203

There is one large retailer for the region with a turnover between \$10 million to less than \$50 million at high to severe risk of financial failure within the next 12 months. Another retailer with the same level of risk is in the \$1 million to less than \$50 million turnover category.

New South Wales Commercial Risk Analysis

Table 40: Dubbo - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	0	2	3	9	27	36	34	29	140	5	3.6%	25.7%	70.7%
Transport, Postal and Warehousing	0	2	1	1	4	16	9	8	41	3	7.3%	12.2%	80.5%
Accommodation and Food Services	0	0	1	4	11	20	13	7	56	1	1.8%	26.8%	71.4%
Administrative and Support Services	0	1	0	1	1	4	8	3	18	1	5.6%	11.1%	83.3%
Agriculture, Forestry and Fishing	0	0	1	1	3	10	6	4	25	1	4.0%	16.0%	80.0%
Health Care and Social Assistance	0	0	1	3	5	29	10	10	58	1	1.7%	13.8%	84.5%
Manufacturing	0	0	1	1	7	18	13	16	56	1	1.8%	14.3%	83.9%
Professional, Scientific and Technical Services	0	0	1	6	8	62	32	24	133	1	0.8%	10.5%	88.7%
Rental, Hiring and Real Estate Services	0	0	1	0	6	10	10	11	38	1	2.6%	15.8%	81.6%
Retail Trade	0	1	0	6	18	25	30	36	116	1	0.9%	20.7%	78.4%
Arts and Recreation Services	0	0	0	4	1	3	2	6	16	0	0.0%	31.3%	68.8%
Education and Training	0	0	0	0	2	3	2	1	8	0	0.0%	25.0%	75.0%
Electricity, Gas, Water and Waste Services	0	0	0	0	0	1	0	1	2	0	0.0%	0.0%	100.0%
Financial and Insurance Services	0	0	0	1	7	51	23	16	98	0	0.0%	8.2%	91.8%
Information Media and Telecommunications	0	0	0	0	2	2	0	1	5	0	0.0%	40.0%	60.0%
Mining	0	0	0	0	1	0	1	0	2	0	0.0%	50.0%	50.0%
Other Services	0	0	0	3	6	18	14	17	58	0	0.0%	15.5%	84.5%
Public Administration and Safety	0	0	0	0	0	0	0	1	1	0	0.0%	0.0%	100.0%
Wholesale Trade	0	0	0	1	9	13	15	25	63	0	0.0%	15.9%	84.1%
Total	0	6	10	41	118	321	222	216	934	16	1.7%	17.0%	81.3%

Dubbo has a total of 934 businesses, of which 16 businesses (1.7%) are in the high to severe risk category of financial failure. 17.0% are at medium risk and 81.3% are at low to minimal risk of failure.

The 3 industries at most risk according to number of businesses are:

1. Construction (5 businesses or 3.6%) An increase from 1 business since March 2019
2. Transport, Postal and Warehousing (3 businesses or 7.3%) An increase from 1 businesses since March 2019
3. Accommodation and Food Services (1 business or 1.8%) A decrease from 2 businesses since March 2019

New South Wales Commercial Risk Analysis

Table 41: Dubbo - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	5	0	0	0	0	0	0	0	5
Transport, Postal and Warehousing	3	0	0	0	0	0	0	0	3
Accommodation and Food Services	0	1	0	0	0	0	0	0	1
Administrative and Support Services	1	0	0	0	0	0	0	0	1
Agriculture, Forestry and Fishing	0	1	0	0	0	0	0	0	1
Health Care and Social Assistance	1	0	0	0	0	0	0	0	1
Manufacturing	1	0	0	0	0	0	0	0	1
Professional, Scientific and Technical Services	1	0	0	0	0	0	0	0	1
Rental, Hiring and Real Estate Services	0	1	0	0	0	0	0	0	1
Retail Trade	1	0	0	0	0	0	0	0	1
Arts and Recreation Services	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Financial and Insurance Services	0	0	0	0	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Other Services	0	0	0	0	0	0	0	0	0
Wholesale Trade	0	0	0	0	0	0	0	0	0
Education and Training	0	0	0	0	0	0	0	0	0
Total	13	3	0	0	0	0	0	0	16

Overall, Dubbo has marginally increased in business risk by 10 businesses since March 2019. Dubbo has consistently performed well with continuous low risk businesses and predicting steady results in the coming few months, with caution to economic current circumstances.

New South Wales Commercial Risk Analysis

Table 42: Tamworth - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Accommodation and Food Services	0	3	3	5	11	25	12	17	76	6	7.9%	21.1%	71.1%
Other Services	1	1	2	1	5	18	25	21	74	4	5.4%	8.1%	86.5%
Construction	1	0	1	8	23	50	51	37	171	2	1.2%	18.1%	80.7%
Financial and Insurance Services	0	2	0	7	11	39	34	45	138	2	1.4%	13.0%	85.5%
Transport, Postal and Warehousing	0	2	0	1	8	20	14	14	59	2	3.4%	15.3%	81.4%
Arts and Recreation Services	0	0	1	0	4	6	3	7	21	1	4.8%	19.0%	76.2%
Electricity, Gas, Water and Waste Services	0	0	1	0	0	1	0	0	2	1		0.0%	50.0%
Health Care and Social Assistance	0	0	1	5	11	23	17	15	72	1	1.4%	22.2%	76.4%
Manufacturing	0	0	1	0	8	25	17	22	73	1	1.4%	11.0%	87.7%
Professional, Scientific and Technical Services	0	1	0	4	14	57	34	24	134	1	0.7%	13.4%	85.8%
Retail Trade	1	0	0	5	17	24	24	52	123	1	0.8%	17.9%	81.3%
Wholesale Trade	0	1	0	2	6	25	15	21	70	1	1.4%	11.4%	87.1%
Administrative and Support Services	0	0	0	0	4	10	5	1	20	0	0.0%	20.0%	80.0%
Agriculture, Forestry and Fishing	0	0	0	1	4	9	5	7	26	0	0.0%	19.2%	80.8%
Education and Training	0	0	0	2	0	3	4	2	11	0	0.0%	18.2%	81.8%
Information Media and Telecommunications	0	0	0	0	2	1	1	2	6	0	0.0%	33.3%	66.7%
Mining	0	0	0	0	0	1	1	2	4	0	0.0%	0.0%	100.0%
Public Administration and Safety	0	0	0	0	0	0	1		1	0	0.0%	0.0%	100.0%
Rental, Hiring and Real Estate Services	0	0	0	2	6	15	15	9	47	0	0.0%	17.0%	83.0%
Total	3	10	10	43	134	352	278	298	1128	23	2.0%	15.7%	82.3%

Tamworth has reported 23 businesses in the region that are high to severe risk of financial failure, contributing to 2.0% of businesses. 82.3% of businesses are low to minimal risk. Tamworth has consistently performed at a low risk level with minimal risk number across major industries and businesses.

The 3 most at risk industries in terms of number of businesses are:

1. Accommodation and Food Services (6 businesses or 7.9%) An increase from 5 businesses since March 2019
2. Other Services (4 businesses or 5.4%) An increase from 0 businesses since March 2019
3. Construction (2 businesses or 1.2%) An increase from 1 business since March 2019

New South Wales Commercial Risk Analysis

Table 43: Tamworth - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	4	2	0	0	0	0	0	0	6
Other Services	4	0	0	0	0	0	0	0	4
Construction	2	0	0	0	0	0	0	0	2
Financial and Insurance Services	2	0	0	0	0	0	0	0	2
Transport, Postal and Warehousing	1	1	0	0	0	0	0	0	2
Arts and Recreation Services	1	0	0	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	1	0	0	0	0	0	0	0	1
Health Care and Social Assistance	1	0	0	0	0	0	0	0	1
Manufacturing	1	0	0	0	0	0	0	0	1
Professional, Scientific and Technical Services	0	1	0	0	0	0	0	0	1
Retail Trade	1	0	0	0	0	0	0	0	1
Wholesale Trade	1	0	0	0	0	0	0	0	1
Mining	0	0	0	0	0	0	0	0	0
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Administrative and Support Services	0	0	0	0	0	0	0	0	0
Education and Training	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Rental, Hiring and Real Estate Services	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Total	19	4	0	0	0	0	0	0	23

Victoria Commercial Risk Analysis



With 174,699 businesses recorded in the state, 1.8% or 3107 businesses are at high to severe risk of financial failure within the next 12 months.

The state has also accounted for 1325 number of businesses entering external administration for the financial year. This is the second highest state (New South Wales being the highest) in terms of insolvencies for the financial year.

Since March 2019, Victoria has increased in number of businesses at high to severe risk from 2153 businesses (1.6%).

The industries with the highest number of businesses at high to severe risk of financial failure are:

1. Construction (548 businesses or 2.5%) An increase from 262 businesses since March 2019
2. Accommodation and Food Services (500 businesses or 5.7%) An increase from 293 businesses since March 2019
3. Retail Trade (360 businesses or 2.4%) An increase from 225 businesses from March 2019
4. Professional, Scientific and Technical Services (346 businesses or 1.2%) An increase from 161 businesses since March 2019
5. Manufacturing (212 businesses or 1.4%) An increase from 141 businesses since March 2019

Victoria has also reported 2 Information Media and Telecommunications that have turnover of \$1 billion or more at high to severe risk of financial failure within the next 12 months. Furthermore, 1 Professional, Scientific and Technical Services within the \$500 million to less than \$1 billion turnover category is also at high to severe risk of financial failure.

The 5 regions within Victoria most at high to severe risk of financial failure by number of businesses are:

1. Melbourne – Inner (869 businesses or 1.9%) An increase from 650 businesses since March 2019
2. Melbourne – West (415 businesses or 3.3%) An increase from 239 businesses since March 2019
3. Melbourne - South East (411 businesses or 1.9%) An increase from 269 businesses since March 2019
4. Melbourne - Inner South (367 businesses or 1.7%) An increase from 261 businesses since March 2019
5. Melbourne - North West (329 businesses or 2.8%) An increase 215 businesses since March 2019

Victoria Commercial Risk Analysis

Table 44: Victoria - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	95	231	222	1221	3154	7046	5422	4679	22070	548	2.5%	19.8%	77.7%
Accommodation and Food Services	95	221	184	1029	2032	2532	1423	1209	8725	500	5.7%	35.1%	59.2%
Retail Trade	57	162	141	872	2132	4906	3243	3224	14737	360	2.4%	20.4%	77.2%
Professional, Scientific and Technical Services	52	120	174	1427	3964	12032	7106	5117	29992	346	1.2%	18.0%	80.9%
Manufacturing	45	88	79	466	1661	4379	3308	4889	14915	212	1.4%	14.3%	84.3%
Financial and Insurance Services	22	81	99	681	4177	9804	6776	6652	28292	202	0.7%	17.2%	82.1%
Wholesale Trade	37	78	65	351	1617	3722	2872	3621	12363	180	1.5%	15.9%	82.6%
Other Services	22	58	80	506	1343	3286	2130	1835	9260	160	1.7%	20.0%	78.3%
Rental, Hiring and Real Estate Services	15	71	51	362	886	2154	1250	1211	6000	137	2.3%	20.8%	76.9%
Transport, Postal and Warehousing	25	43	44	247	654	1358	987	1263	4621	112	2.4%	19.5%	78.1%
Health Care and Social Assistance	14	36	56	479	1189	3627	1988	1706	9095	106	1.2%	18.3%	80.5%
Arts and Recreation Services	11	27	30	192	543	1024	619	534	2980	68	2.3%	24.7%	73.1%
Administrative and Support Services	6	23	30	249	545	1472	910	768	4003	59	1.5%	19.8%	78.7%
Education and Training	5	12	15	140	306	690	336	390	1894	32	1.7%	23.5%	74.8%
Agriculture, Forestry and Fishing	5	9	12	61	204	724	546	747	2308	26	1.1%	11.5%	87.4%
Information Media and Telecommunications	6	7	11	100	318	646	386	354	1828	24	1.3%	22.9%	75.8%
Electricity, Gas, Water and Waste Services	5	6	10	28	120	237	183	250	839	21	2.5%	17.6%	79.9%
Mining	0	4	4	25	80	144	82	145	484	8	1.7%	21.7%	76.7%
Public Administration and Safety	2	3	1	8	24	62	39	154	293	6	2.0%	10.9%	87.0%
Total	519	1280	1308	8444	24949	59845	39606	38748	174699	3107	1.8%	19.1%	79.1%

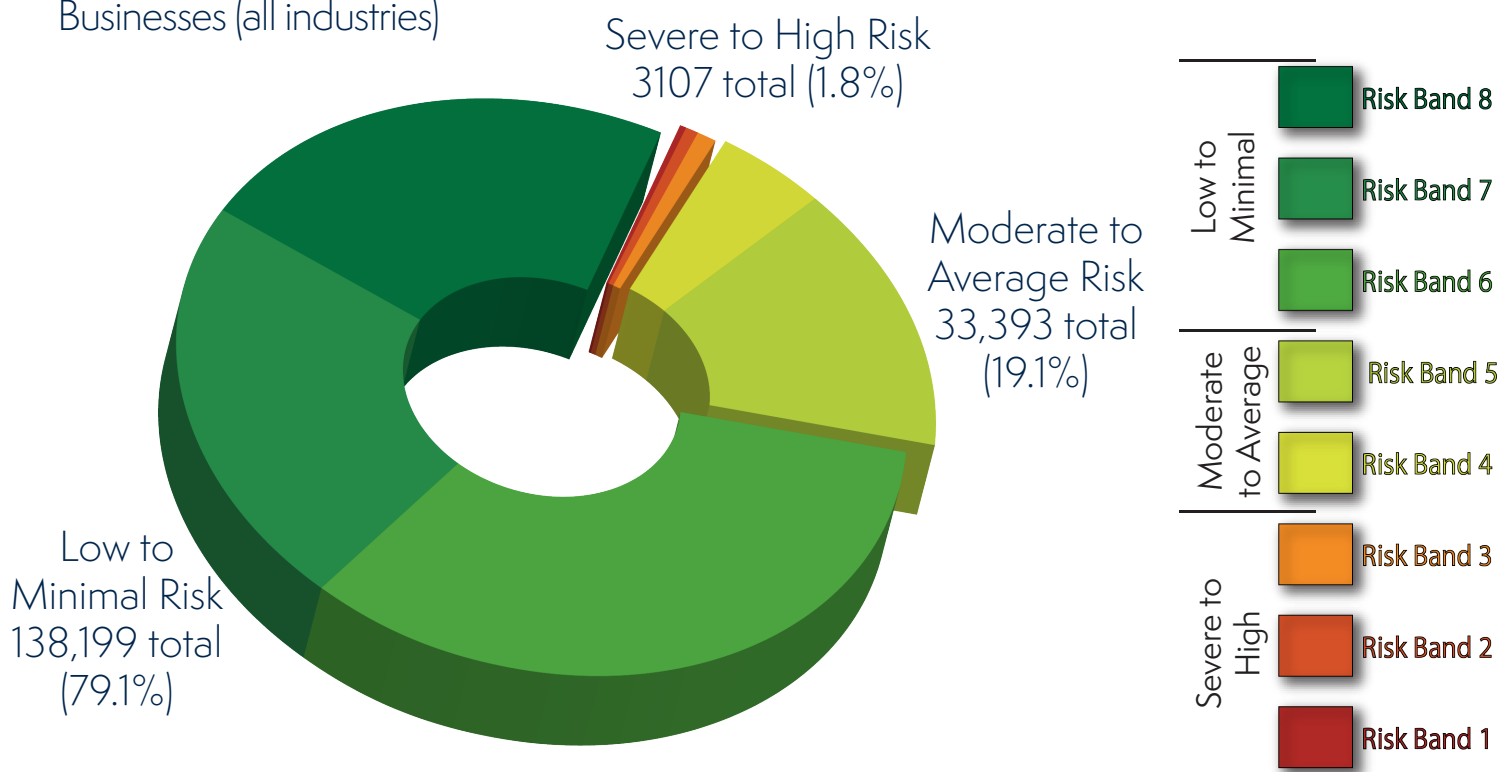
Victoria Commercial Risk Analysis

Table 45: Victoria - Industry vs Turnover Size of Business - High to Severe Risk

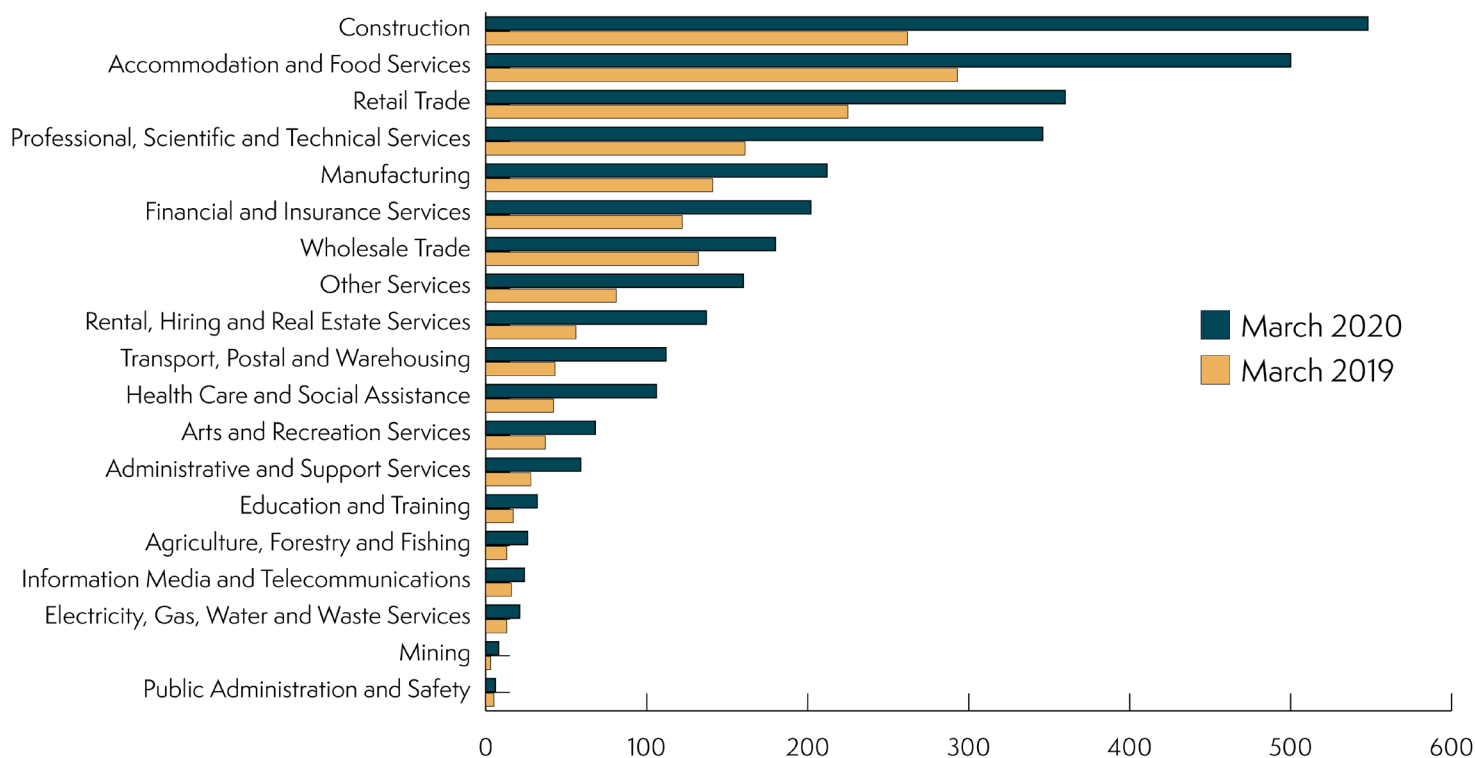
Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	414	107	24	2	1	0	0	0	548
Accommodation and Food Services	443	56	1	0	0	0	0	0	500
Retail Trade	283	59	16	2	0	0	0	0	360
Professional, Scientific and Technical Services	257	65	17	4	1	1	1	0	346
Manufacturing	139	48	22	3	0	0	0	0	212
Financial and Insurance Services	155	43	3	0	0	1	0	0	202
Wholesale Trade	119	32	27	1	1	0	0	0	180
Other Services	130	29	1	0	0	0	0	0	160
Rental, Hiring and Real Estate Services	112	19	5	1	0	0	0	0	137
Transport, Postal and Warehousing	92	14	4	0	2	0	0	0	112
Health Care and Social Assistance	84	20	2	0	0	0	0	0	106
Arts and Recreation Services	51	15	2	0	0	0	0	0	68
Administrative and Support Services	51	5	2	0	1	0	0	0	59
Education and Training	25	4	2	1	0	0	0	0	32
Agriculture, Forestry and Fishing	15	7	4	0	0	0	0	0	26
Information Media and Telecommunications	15	7	0	0	0	0	0	2	24
Electricity, Gas, Water and Waste Services	15	3	2	0	0	1	0	0	21
Mining	6	1	0	0	0	1	0	0	8
Public Administration and Safety	1	1	3	1	0	0	0	0	6
Total	2407	535	137	15	6	4	1	2	3107

Victoria Commercial Risk Analysis

Pie Chart 4:
Victoria - Commercial Risk for
Businesses (all industries)



Graph 5:
Victoria - Industry vs Commercial Risk - High to Severe Risk



Victoria Commercial Risk Analysis

Table 46: Victoria - Region vs Commercial Risk

Region	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Melbourne - Inner	137	340	392	2393	6957	15504	9505	10211	45439	869	1.9%	20.6%	77.5%
Melbourne - West	82	159	174	910	2062	4142	2697	2274	12500	415	3.3%	23.8%	72.9%
Melbourne - South East	66	171	174	1087	3085	7235	4745	4943	21506	411	1.9%	19.4%	78.7%
Melbourne - Inner South	52	153	162	1118	3173	7659	5296	4524	22137	367	1.7%	19.4%	79.0%
Melbourne - North West	59	155	115	632	1764	3850	2613	2416	11604	329	2.8%	20.6%	76.5%
Melbourne - North East	61	131	125	700	1915	4565	3056	2520	13073	317	2.4%	20.0%	77.6%
Melbourne - Outer East	37	92	111	756	2036	5252	3715	3285	15284	240	1.6%	18.3%	80.2%
Melbourne - Inner East	28	100	106	836	2487	5658	4121	3063	16399	234	1.4%	20.3%	78.3%
Mornington Peninsula	26	58	51	382	1204	3084	2057	1882	8744	135	1.5%	18.1%	80.3%
Geelong	10	27	31	194	893	2655	1672	1692	7174	68	0.9%	15.2%	83.9%
Ballarat	8	21	23	144	577	1658	1080	1205	4716	52	1.1%	15.3%	83.6%
Latrobe - Gippland	8	21	19	122	608	1877	1288	1386	5329	48	0.9%	13.7%	85.4%
Hume	7	23	11	105	521	1527	1062	1265	4521	41	0.9%	13.8%	85.2%
VIC North West	7	18	11	95	439	1292	920	1157	3939	36	0.9%	13.6%	85.5%
Shepperton	9	15	12	95	490	1353	978	1217	4169	36	0.9%	14.0%	85.1%
Bendigo	3	18	9	94	498	1308	894	987	3811	30	0.8%	15.5%	83.7%
Warrnambool and South West	4	9	6	81	339	1099	695	825	3058	19	0.6%	13.7%	85.6%
Total	604	1511	1532	9744	29048	69718	46394	44852	203403	3647	1.8%	19.1%	79.1%

Victoria Commercial Risk Analysis

Table 47: Melbourne (Inner, Inner East, Inner South) - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←--- Severe to High ---→			Moderate to Average		←--- Low to Minimal ---→							
Accommodation and Food Services	50	121	109	556	970	1155	601	533	4095	280	6.8%	37.3%	55.9%
Professional, Scientific and Technical Services	23	66	106	871	2287	6758	3970	3018	17099	195	1.1%	18.5%	80.4%
Construction	38	63	69	355	965	1795	1332	1164	5781	170	2.9%	22.8%	74.2%
Retail Trade	26	75	56	433	874	1983	1232	1127	5806	157	2.7%	22.5%	74.8%
Financial and Insurance Services	7	42	59	386	2405	5061	3825	3547	15332	108	0.7%	18.2%	81.1%
Manufacturing	13	40	25	161	627	1570	1158	1678	5272	78	1.5%	14.9%	83.6%
Rental, Hiring and Real Estate Services	7	35	36	198	486	1098	630	648	3138	78	2.5%	21.8%	75.7%
Wholesale Trade	10	27	23	161	740	1593	1267	1456	5277	60	1.1%	17.1%	81.8%
Other Services	6	21	26	223	569	1348	788	793	3774	53	1.4%	21.0%	77.6%
Health Care and Social Assistance	5	20	24	261	562	1703	971	877	4423	49	1.1%	18.6%	80.3%
Arts and Recreation Services	6	16	17	102	272	528	299	271	1511	39	2.6%	24.8%	72.7%
Administrative and Support Services	2	7	18	114	245	698	402	384	1870	27	1.4%	19.2%	79.4%
Education and Training	3	7	11	82	174	397	176	199	1049	21	2.0%	24.4%	73.6%
Transport, Postal and Warehousing	2	13	5	69	176	329	218	327	1139	20	1.8%	21.5%	76.7%
Information Media and Telecommunications	2	4	6	53	219	418	273	245	1220	12	1.0%	22.3%	76.7%
Agriculture, Forestry and Fishing	0	2	8	9	35	63	51	65	233	10	4.3%	18.9%	76.8%
Electricity, Gas, Water and Waste Services	3	1	4	12	54	90	76	148	388	8	2.1%	17.0%	80.9%
Mining	0	3	3	11	51	75	45	97	285	6	2.1%	21.8%	76.1%
Public Administration and Safety	0	2	1	4	10	25	12	77	131	3	2.3%	10.7%	87.0%
Total	203	565	606	4061	11721	26687	17326	16654	77823	1374	1.8%	20.3%	78.0%

There are 1374 businesses reported as high to severe risk of financial failure in Melbourne and surrounding areas, contributing to 1.8% of businesses in the region. This is an increase from 1032 (1.6%) from March 2019.

The top 3 industries for the region that are considered high to severe risk of financial failure are:

1. Accommodation and Food Services (280 businesses or 6.8%) An increase from 171 businesses since March 2019
2. Professional, Scientific and Technical Services (195 businesses or 1.1%) An increase from 95 businesses since March 2019
3. Construction (170 businesses or 2.9%) An increase from 80 businesses since March 2019

Victoria Commercial Risk Analysis

Table 48:
Melbourne (Inner, Inner East, Inner South) - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500m to less than \$1B	\$1B or more	Total
Accommodation and Food Services	239	40	1	0	0	0	0	0	280
Professional, Scientific and Technical Services	149	30	10	3	1	1	1	0	195
Construction	125	36	7	1	1	0	0	0	170
Retail Trade	123	26	7	1	0	0	0	0	157
Financial and Insurance Services	84	21	2	0	0	1	0	0	108
Manufacturing	53	15	9	1	0	0	0	0	78
Rental, Hiring and Real Estate Services	66	8	3	1	0	0	0	0	78
Wholesale Trade	42	12	6	0	0	0	0	0	60
Other Services	45	8	0	0	0	0	0	0	53
Health Care and Social Assistance	40	9	0	0	0	0	0	0	49
Arts and Recreation Services	28	10	1	0	0	0	0	0	39
Administrative and Support Services	23	2	2	0	0	0	0	0	27
Education and Training	16	3	1	1	0	0	0	0	21
Transport, Postal and Warehousing	14	2	3	0	1	0	0	0	20
Information Media and Telecommunications	5	5	0	0	0	0	0	2	12
Agriculture, Forestry and Fishing	7	2	1	0	0	0	0	0	10
Electricity, Gas, Water and Waste Services	6	1	1	0	0	0	0	0	8
Mining	4	1	0	0	0	1	0	0	6
Public Administration and Safety	0	1	1	1	0	0	0	0	3
Total	1069	232	55	9	3	3	1	2	1374

The region has also reported 6 large turnover businesses from \$100 million and over at high to severe risk of financial failure, across various industries including Professional, Scientific and Technical Services and Financial and Insurance Services.

Victoria Commercial Risk Analysis

Table 49: Ballarat - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←--- Severe to High ---→			Moderate to Average		←--- Low to Minimal ---→							
Accommodation and Food Services	2	5	5	13	49	85	55	65	279	12	4.3%	22.2%	73.5%
Construction	3	5	4	31	96	248	172	167	726	12	1.7%	17.5%	80.9%
Retail Trade	1	2	5	23	50	156	123	144	504	8	1.6%	14.5%	83.9%
Professional, Scientific and Technical Services	1	1	5	18	78	268	131	108	610	7	1.1%	15.7%	83.1%
Transport, Postal and Warehousing	1	4	1	2	26	64	49	58	205	6	2.9%	13.7%	83.4%
Manufacturing	0	2	1	7	29	115	85	121	360	3	0.8%	10.0%	89.2%
Wholesale Trade	0	0	2	5	27	71	53	95	253	2	0.8%	12.6%	86.6%
Financial and Insurance Services	0	1	0	15	70	250	116	192	644	1	0.2%	13.2%	86.6%
Other Services	0	1	0	5	38	81	82	58	265	1	0.4%	16.2%	83.4%
Administrative and Support Services	0	0	0	4	15	38	23	15	95	0	0.0%	20.0%	80.0%
Agriculture, Forestry and Fishing	0	0	0	5	20	63	48	48	184	0	0.0%	13.6%	86.4%
Arts and Recreation Services	0	0	0	3	17	26	17	10	73	0	0.0%	27.4%	72.6%
Education and Training	0	0	0	3	5	18	8	11	45	0	0.0%	17.8%	82.2%
Electricity, Gas, Water and Waste Services	0	0	0	0	1	12	12	11	36	0	0.0%	2.8%	97.2%
Health Care and Social Assistance	0	0	0	4	32	83	60	50	229	0	0.0%	15.7%	84.3%
Information Media and Telecommunications	0	0	0	3	4	13	5	6	31	0	0.0%	22.6%	77.4%
Mining	0	0	0	2	1	6	5	8	22	0	0.0%	13.6%	86.4%
Public Administration and Safety	0	0	0	0	0	0	1	2	3	0	0.0%	0.0%	100.0%
Rental, Hiring and Real Estate Services	0	0	0	1	19	61	35	36	152	0	0.0%	13.2%	86.8%
Total	8	21	23	144	577	1658	1080	1205	4716	52	1.1%	15.3%	83.6%

Ballarat has 52 businesses at high to severe risk of financial failure over the next 12 months, making up 1.1% of businesses in the region. This is an increase from 36 businesses since March 2019. 15.3% of businesses are considered medium risk while 83.6% of businesses are low to minimal risk of financial failure.

The 3 industries most at risk by way of number of businesses in the high to severe risk category are:

1. Accommodation and Food Services (12 businesses or 4.3%) An increase from 7 businesses since March 2019
2. Construction (12 businesses or 1.7%) An increase from 6 businesses since March 2019
3. Retail Trade (8 businesses or 1.6%) An increase from 7 businesses since March 2019

The majority of businesses in Ballarat are considered to small to medium according to their turnover size.

Victoria Commercial Risk Analysis

Table 50: Ballarat - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	12	0	0	0	0	0	0	0	12
Construction	8	2	2	0	0	0	0	0	12
Retail Trade	8	0	0	0	0	0	0	0	8
Professional, Scientific and Technical Services	6	1	0	0	0	0	0	0	7
Transport, Postal and Warehousing	4	2	0	0	0	0	0	0	6
Manufacturing	3	0	0	0	0	0	0	0	3
Wholesale Trade	2	0	0	0	0	0	0	0	2
Financial and Insurance Services	1	0	0	0	0	0	0	0	1
Other Services	0	1	0	0	0	0	0	0	1
Arts and Recreation Services	0	0	0	0	0	0	0	0	0
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Administrative and Support Services	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Rental, Hiring and Real Estate Services	0	0	0	0	0	0	0	0	0
Education and Training	0	0	0	0	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Health Care and Social Assistance	0	0	0	0	0	0	0	0	0
Total	44	6	2	0	0	0	0	0	52

Victoria Commercial Risk Analysis

Table 51: Geelong - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	← Severe to High →			Moderate to Average		← Low to Minimal →							
Construction	3	5	7	48	137	432	323	253	1208	15	1.2%	15.3%	83.4%
Accommodation and Food Services	1	4	5	22	93	136	98	64	423	10	2.4%	27.2%	70.4%
Retail Trade	1	1	5	26	70	202	158	148	611	7	1.1%	15.7%	83.1%
Manufacturing	2	3	1	14	59	160	104	155	498	6	1.2%	14.7%	84.1%
Professional, Scientific and Technical Services	0	2	4	18	110	466	252	194	1046	6	0.6%	12.2%	87.2%
Transport, Postal and Warehousing	1	4	1	2	30	72	60	76	246	6	2.4%	13.0%	84.6%
Financial and Insurance Services	0	2	3	12	114	433	200	307	1071	5	0.5%	11.8%	87.8%
Administrative and Support Services	1	1	1	7	16	41	41	27	135	3	2.2%	17.0%	80.7%
Arts and Recreation Services	0	1	1	6	25	39	27	26	125	2	1.6%	24.8%	73.6%
Health Care and Social Assistance	0	1	1	11	56	184	82	74	409	2	0.5%	16.4%	83.1%
Rental, Hiring and Real Estate Services	0	1	1	4	26	116	52	46	246	2	0.8%	12.2%	87.0%
Agriculture, Forestry and Fishing	1	0	0	3	18	58	43	59	182	1	0.5%	11.5%	87.9%
Electricity, Gas, Water and Waste Services	0	1	0	0	5	6	8	12	32	1	3.1%	15.6%	81.3%
Other Services	0	0	1	7	64	141	95	79	387	1	0.3%	18.3%	81.4%
Wholesale Trade	0	1	0	8	52	116	102	131	410	1	0.2%	14.6%	85.1%
Education and Training	0	0	0	2	10	27	16	24	79	0	0.0%	15.2%	84.8%
Information Media and Telecommunications	0	0	0	2	7	22	9	8	48	0	0.0%	18.8%	81.3%
Mining	0	0	0	1	0	3	0	2	6	0	0.0%	16.7%	83.3%
Public Administration and Safety	0	0	0	1	1	2	3	7	14	0	0.0%	14.3%	85.7%
Total	10	27	31	194	893	2656	1673	1692	7176	68	0.9%	15.1%	83.9%

The Geelong region has a total of 7176 businesses of which 68 (0.9%) are considered to be high to severe risk of financial failure within the next 12 months. Although marginal, this is an increase from 63 (1.1%) of businesses since March 2019.

The industries with the highest number of businesses at high to severe risk of financial failure are:

1. Construction (15 businesses or 1.2%) An increase from 12 businesses since March 2019
2. Accommodation and Food Services (10 businesses or 2.4%) A decrease from 13 businesses since March 2019
3. Retail Trade (7 businesses or 1.1%) A decrease from 8 businesses since March 2019

Geelong is one of the few regions that has decreased in risk across a few industries since March 2019.

Victoria Commercial Risk Analysis

Table 52: Geelong - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	10	5	0	0	0	0	0	0	15
Accommodation and Food Services	10	0	0	0	0	0	0	0	10
Retail Trade	4	2	1	0	0	0	0	0	7
Manufacturing	3	2	1	0	0	0	0	0	6
Professional, Scientific and Technical Services	5	1	0	0	0	0	0	0	6
Transport, Postal and Warehousing	6	0	0	0	0	0	0	0	6
Financial and Insurance Services	3	2	0	0	0	0	0	0	5
Administrative and Support Services	3	0	0	0	0	0	0	0	3
Arts and Recreation Services	2	0	0	0	0	0	0	0	2
Health Care and Social Assistance	2	0	0	0	0	0	0	0	2
Rental, Hiring and Real Estate Services	2	0	0	0	0	0	0	0	2
Agriculture, Forestry and Fishing	1	0	0	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	1	0	0	0	0	0	0	1
Other Services	1	0	0	0	0	0	0	0	1
Wholesale Trade	1	0	0	0	0	0	0	0	1
Education and Training	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Total	53	13	2	0	0	0	0	0	68

Tasmania Commercial Risk Analysis



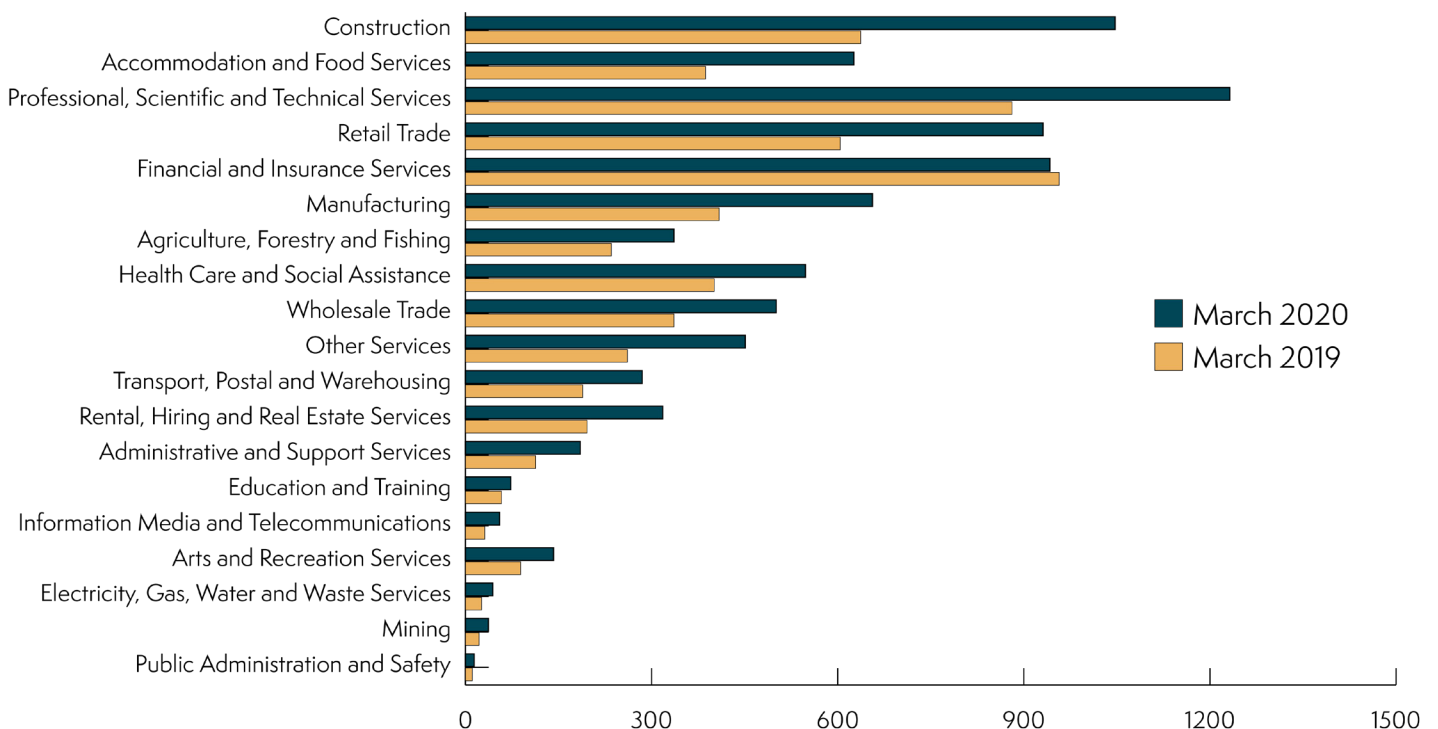
Tasmania is considered to be one of the highest at risk states by way of proportion of businesses being 4.7% categorized in the high to severe risk bands. The state has 399 businesses in this high risk category, an increase from 327 since March 2019.

The industries most at risk by number of businesses in the high to severe risk categories are:

1. Construction (62 businesses or 5.9%) An increase from 22 businesses since March 2019
2. Accommodation and Food Services (48 businesses or 7.7%) An increase from 33 businesses since March 2019
3. Professional, Scientific and Technical Services (43 businesses or 3.5%) An increase from 16 businesses since March 2019

There are 9 businesses in the \$1 million to less than \$10 million turnover category that are high to severe risk, 3 of these are retailers.

Graph 6: Tasmania - Industry vs Commercial Risk - High to Severe Risk



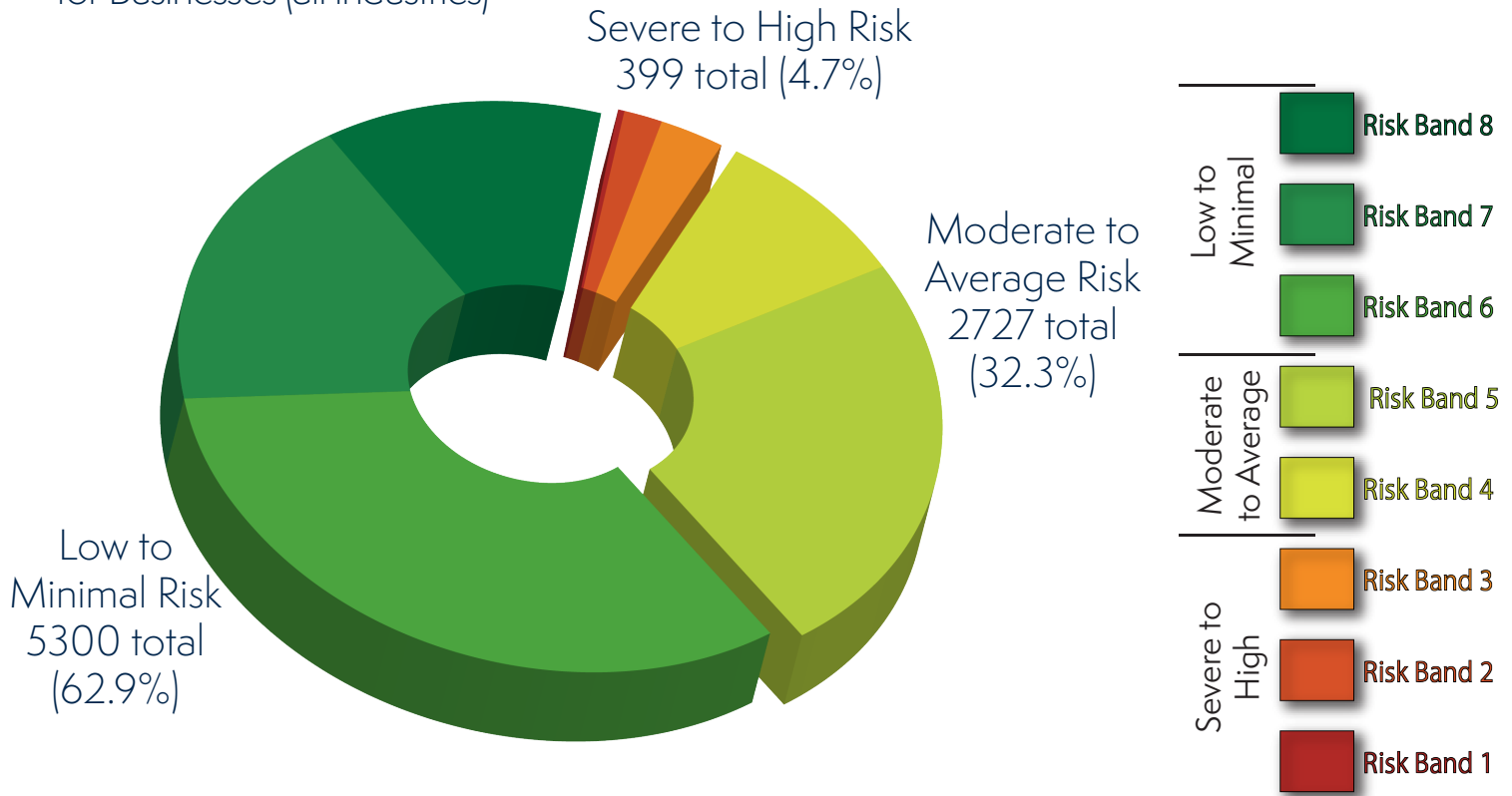
Tasmania Commercial Risk Analysis

Table 53: Tasmania - Industry vs Commercial Risk

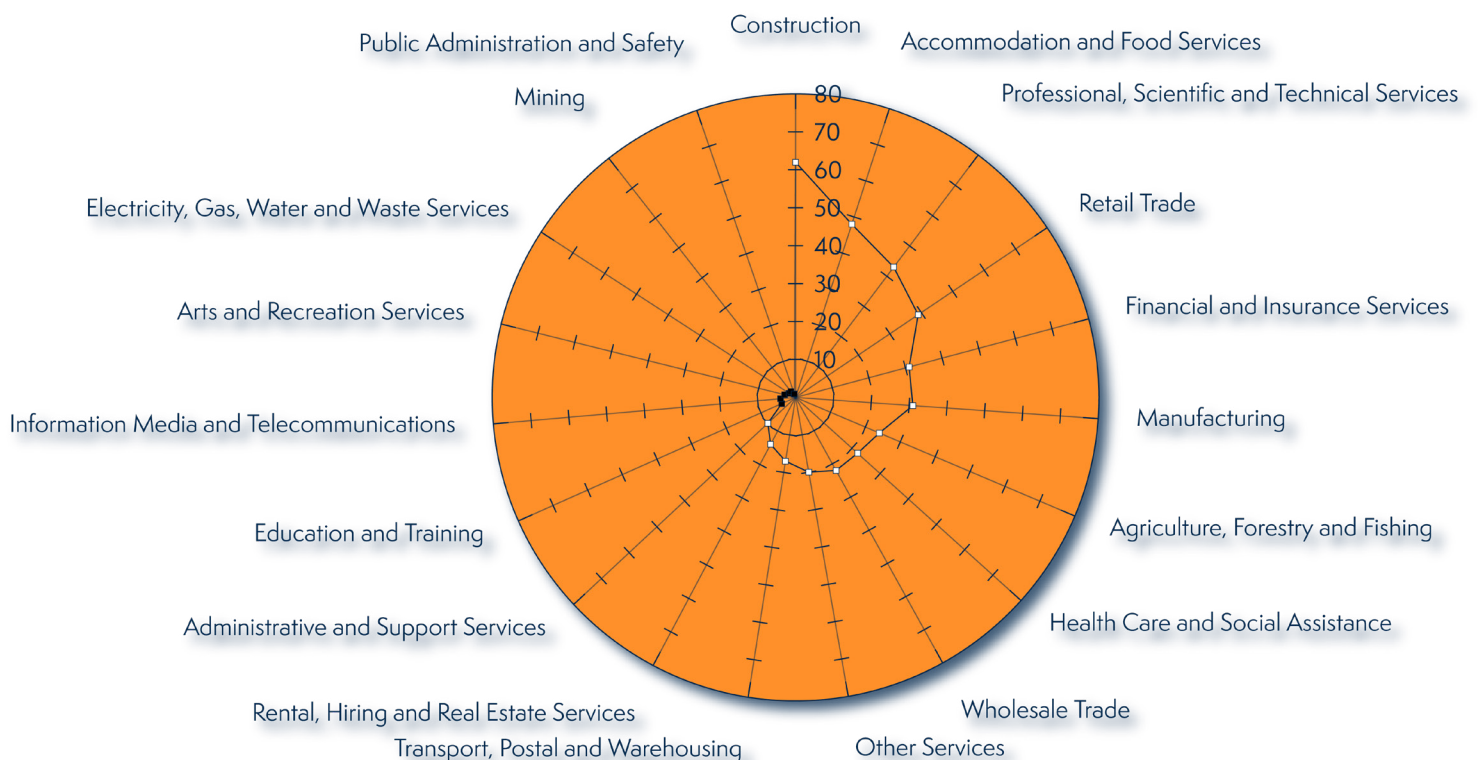
Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	6	20	36	92	238	307	223	125	1047	62	5.9%	31.5%	62.6%
Accommodation and Food Services	5	23	20	70	166	191	76	75	626	48	7.7%	37.7%	54.6%
Professional, Scientific and Technical Services		16	27	98	264	452	232	143	1232	43	3.5%	29.4%	67.1%
Retail Trade	4	13	22	75	223	337	149	108	931	39	4.2%	32.0%	63.8%
Financial and Insurance Services	1	10	20	104	247	274	162	124	942	31	3.3%	37.3%	59.4%
Manufacturing	3	14	14	46	168	179	139	93	656	31	4.7%	32.6%	62.7%
Agriculture, Forestry and Fishing	3	10	11	35	89	90	59	39	336	24	7.1%	36.9%	56.0%
Health Care and Social Assistance		6	16	32	107	224	103	60	548	22	4.0%	25.4%	70.6%
Wholesale Trade	3	5	14	29	104	176	101	69	501	22	4.4%	26.5%	69.1%
Other Services		7	13	46	105	162	63	55	451	20	4.4%	33.5%	62.1%
Transport, Postal and Warehousing	2	3	12	28	75	94	45	26	285	17	6.0%	36.1%	57.9%
Rental, Hiring and Real Estate Services	1	6	7	33	80	101	59	31	318	14	4.4%	35.5%	60.1%
Administrative and Support Services		3	7	22	35	63	30	25	185	10	5.4%	30.8%	63.8%
Education and Training			4	6	17	27	10	9	73	4	5.5%	31.5%	63.0%
Information Media and Telecommunications		2	2	3	12	17	7	12	55	4	7.3%	27.3%	65.5%
Arts and Recreation Services		2	1	11	30	52	24	22	142	3	2.1%	28.9%	69.0%
Electricity, Gas, Water and Waste Services			2	1	11	14	8	8	44	2	4.5%	27.3%	68.2%
Mining			2	7	11	11	4	2	37	2	5.4%	48.6%	45.9%
Public Administration and Safety		1		1	3	2	3	4	14	1	7.1%	28.6%	64.3%
Total	28	141	230	739	1985	2773	1497	1030	8423	399	4.7%	32.3%	62.9%

Tasmania Commercial Risk Analysis

Pie Chart 5:
Tasmania - Commercial Risk
for Businesses (all industries)



Tasmania - High to Severe Risk - Total Businesses by Industry



Tasmania Commercial Risk Analysis

Table 54:
Tasmania - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	50	12	0	0	0	0	0	0	62
Accommodation and Food Services	40	8	0	0	0	0	0	0	48
Professional, Scientific and Technical Services	30	13	0	0	0	0	0	0	43
Retail Trade	25	11	3	0	0	0	0	0	39
Financial and Insurance Services	25	5	1	0	0	0	0	0	31
Manufacturing	28	3	0	0	0	0	0	0	31
Agriculture, Forestry and Fishing	17	7	0	0	0	0	0	0	24
Health Care and Social Assistance	16	6	0	0	0	0	0	0	22
Wholesale Trade	16	4	2	0	0	0	0	0	22
Other Services	16	3	1	0	0	0	0	0	20
Transport, Postal and Warehousing	13	4	0	0	0	0	0	0	17
Rental, Hiring and Real Estate Services	11	3	0	0	0	0	0	0	14
Administrative and Support Services	9	1	0	0	0	0	0	0	10
Education and Training	3	0	1	0	0	0	0	0	4
Information Media and Telecommunications	3	1	0	0	0	0	0	0	4
Arts and Recreation Services	3	0	0	0	0	0	0	0	3
Electricity, Gas, Water and Waste Services	1	0	1	0	0	0	0	0	2
Mining	2	0	0	0	0	0	0	0	2
Public Administration and Safety	0	1	0	0	0	0	0	0	1
Total	308	82	9	0	0	0	0	0	399

Tasmania Commercial Risk Analysis

Table 55: Hobart - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	← Severe to High →			Moderate to Average		← Low to Minimal →							
Construction	1	5	11	26	89	140	133	92	497	17	3.4%	23.1%	73.4%
Accommodation and Food Services	0	8	5	24	66	90	39	61	293	13	4.4%	30.7%	64.8%
Professional, Scientific and Technical Services	0	4	6	38	88	259	161	122	678	10	1.5%	18.6%	79.9%
Retail Trade	2	3	4	23	55	142	71	93	393	9	2.3%	19.8%	77.9%
Rental, Hiring and Real Estate Services	0	3	4	12	24	48	39	27	157	7	4.5%	22.9%	72.6%
Health Care and Social Assistance	0	1	5	13	37	133	56	53	298	6	2.0%	16.8%	81.2%
Manufacturing	1	2	3	13	50	89	71	76	305	6	2.0%	20.7%	77.4%
Agriculture, Forestry and Fishing	1	3	1	4	13	25	23	15	85	5	5.9%	20.0%	74.1%
Financial and Insurance Services	1	2	2	12	60	151	110	101	439	5	1.1%	16.4%	82.5%
Administrative and Support Services	0	1	1	13	12	36	21	19	103	2	1.9%	24.3%	73.8%
Other Services	0	1	1	15	25	86	40	47	215	2	0.9%	18.6%	80.5%
Transport, Postal and Warehousing	0	0	2	9	17	31	20	17	96	2	2.1%	27.1%	70.8%
Wholesale Trade	0	0	2	5	28	76	53	57	221	2	0.9%	14.9%	84.2%
Arts and Recreation Services	0	1	0	6	9	30	14	19	79	1	1.3%	19.0%	79.7%
Education and Training	0	0	1	2	6	17	6	9	41	1	2.4%	19.5%	78.0%
Electricity, Gas, Water and Waste Services	0	0	1	0	3	5	5	6	20	1	5.0%	15.0%	80.0%
Information Media and Telecommunications	0	0	1	1	4	9	6	9	30	1	3.3%	16.7%	80.0%
Mining	0	0	0	1	2	3	1	0	7	0	0.0%	42.9%	57.1%
Public Administration and Safety	0	0	0	0	2	1	0	2	5	0	0.0%	40.0%	60.0%
Total	6	34	50	217	590	1371	869	825	3962	90	2.3%	20.4%	77.4%

Hobart has 90 businesses of 3962 that are high to severe risk of financial failure within the next 12 months. This is 2.3% of businesses and an increase from 52 businesses or 1.8% since March 2019.

Hobart's industries most at risk by number of businesses in the high to severe risk category are:

1. Construction (17 businesses or 3.4%) An increase from 10 businesses since March 2019
2. Accommodation and Food Services (13 businesses or 4.4%) An increase from 7 businesses since March 2019
3. Professional, Scientific and Technical Services (10 businesses or 1.5%) An increase from 1 business since March 2019

Tasmania Commercial Risk Analysis

Table 56: Hobart - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	12	1	0	0	0	0	0	0	13
Administrative and Support Services	2	0	0	0	0	0	0	0	2
Agriculture, Forestry and Fishing	2	3	0	0	0	0	0	0	5
Arts and Recreation Services	1	0	0	0	0	0	0	0	1
Construction	14	3	0	0	0	0	0	0	17
Education and Training	1	0	0	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	1	0	0	0	0	0	0	0	1
Financial and Insurance Services	4	1	0	0	0	0	0	0	5
Health Care and Social Assistance	5	1	0	0	0	0	0	0	6
Information Media and Telecommunications	1	0	0	0	0	0	0	0	1
Manufacturing	6	0	0	0	0	0	0	0	6
Mining		0	0	0	0	0	0	0	
Other Services	2	0	0	0	0	0	0	0	2
Professional, Scientific and Technical Services	8	2	0	0	0	0	0	0	10
Rental, Hiring and Real Estate Services	5	2	0	0	0	0	0	0	7
Retail Trade	7	2	0	0	0	0	0	0	9
Transport, Postal and Warehousing	2	0	0	0	0	0	0	0	2
Wholesale Trade	2	0	0	0	0	0	0	0	2
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Total	75	15	0	0	0	0	0	0	90

South Australia Commercial Risk Analysis



South Australia has 35,889 businesses across all industries. According to the latest March 2020 risk data, South Australia has a total of 403 businesses considered high to severe risk of financial failure within the next 12 months. This is 1.1% of businesses across the state.

ASIC's Insolvency Statistics Series 1.A indicates that South Australia has recorded 163 businesses entering external administration this financial year. This is one of Australia's states with the lowest recorded number of insolvencies this financial year. The 'Other (Business and Personal) Services' industry has the most recorded number of insolvencies for the state with 55 businesses for the financial year.

The industries with the most number of businesses at high to severe risk of financial failure are:

1. Accommodation and Food Services (74 businesses or 3.7%)
2. Construction (73 businesses or 1.8%)
3. Retail Trade (42 businesses or 1.3%)
4. Professional, Scientific and Technical Services (36 businesses or 0.7%)
5. Manufacturing (30 businesses or 0.9%)

According to the latest risk data, one businesses operating in the Agriculture, Forestry and Fishing with a turnover size between \$50 million to less than \$100 million is a high to severe risk of financial failure. The majority of businesses in this same risk band are considered smaller turnover sized businesses.

South Australia has 14.9% of businesses considered medium risk and 84.0% low to minimal risk of financial failure within the next 12 months. This makes the state one of the lowest at risk states in Australia.

According to the experts at SV Partners, all sizes of business in the construction industry are suffering financial distress. A key factor of this, is that construction approvals in the South Australian market have been in decline. Consequently, there has been a decrease in customers causing greater competition between the current construction businesses in the market and reduced margins.

In more recent times, the Adelaide Hills and Kangaroo Island areas of South Australia have been severely affected by the bushfires. This has had devastating impacts with lives and homes been lost, annual crops wiped out and large stock losses, together with tourism impacts.

SV Partners local experts have observed that few businesses have contingency plans to cater for the possibility of such extreme events.

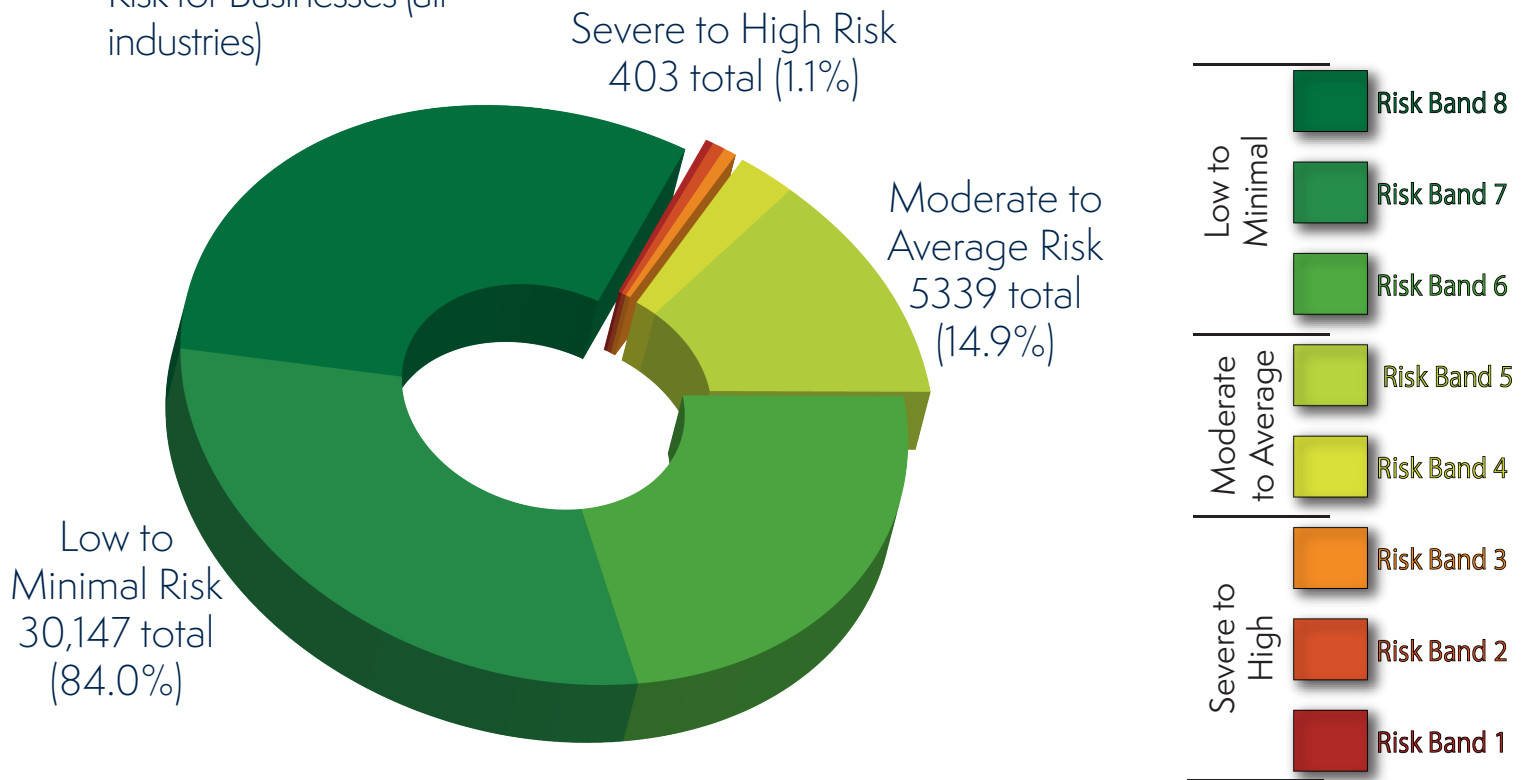
South Australia Commercial Risk Analysis

Table 57: South Australia - Industry vs Commercial Risk

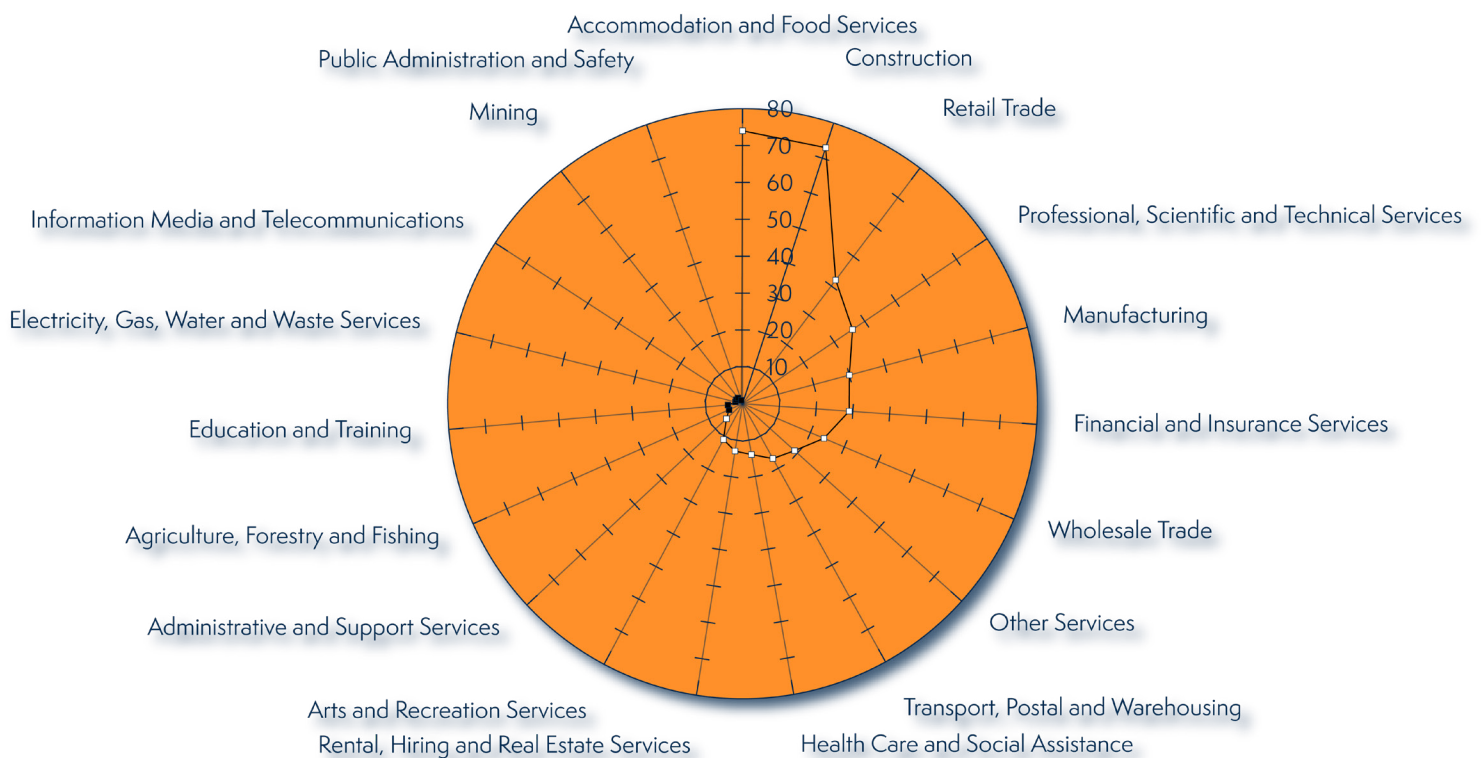
Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Accommodation and Food Services	15	39	20	101	412	466	418	506	1977	74	3.7%	25.9%	70.3%
Construction	13	31	29	129	538	953	1197	1173	4063	73	1.8%	16.4%	81.8%
Retail Trade	7	20	15	95	371	755	932	1050	3245	42	1.3%	14.4%	84.3%
Professional, Scientific and Technical Services	7	15	14	150	621	1306	1859	1436	5408	36	0.7%	14.3%	85.1%
Manufacturing	7	11	12	64	306	648	918	1354	3320	30	0.9%	11.1%	88.0%
Financial and Insurance Services	9	10	10	69	845	1664	1716	1917	6240	29	0.5%	14.6%	84.9%
Wholesale Trade	7	9	8	43	262	474	725	891	2419	24	1.0%	12.6%	86.4%
Other Services	2	9	8	70	247	417	502	490	1745	19	1.1%	18.2%	80.7%
Transport, Postal and Warehousing	4	6	7	33	99	186	272	317	924	17	1.8%	14.3%	83.9%
Health Care and Social Assistance	3	8	3	58	212	527	608	541	1960	14	0.7%	13.8%	85.5%
Rental, Hiring and Real Estate Services	2	4	7	32	148	305	434	502	1434	13	0.9%	12.6%	86.5%
Arts and Recreation Services	4	4	3	23	69	115	129	107	454	11	2.4%	20.3%	77.3%
Administrative and Support Services	1	1	4	27	89	164	194	172	652	6	0.9%	17.8%	81.3%
Agriculture, Forestry and Fishing	1	3		9	71	175	309	426	994	4	0.4%	8.0%	91.5%
Education and Training	1	2	1	12	42	80	91	75	304	4	1.3%	17.8%	80.9%
Electricity, Gas, Water and Waste Services	1	0	1	3	22	35	55	85	202	2	1.0%	12.4%	86.6%
Information Media and Telecommunications	0	2	0	12	25	48	72	88	247	2	0.8%	15.0%	84.2%
Mining	1	1	0	2	26	49	53	104	236	2	0.8%	11.9%	87.3%
Public Administration and Safety	0	0	1	0	2	12	16	34	65	1	1.5%	3.1%	95.4%
Total	85	175	143	932	4407	8379	10500	11268	35889	403	1.1%	14.9%	84.0%

South Australia Commercial Risk Analysis

Pie Chart 6:
South Australia - Commercial
Risk for Businesses (all
industries)



South Australia - High to Severe Risk - Total Businesses by Industry



South Australia Commercial Risk Analysis

Table 58: South Australia - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	58	16	0	0	0	0	0	0	74
Construction	57	15	1	0	0	0	0	0	73
Retail Trade	28	11	3	0	0	0	0	0	42
Professional, Scientific and Technical Services	26	9	1	0	0	0	0	0	36
Manufacturing	22	4	4	0	0	0	0	0	30
Financial and Insurance Services	25	3	1	0	0	0	0	0	29
Wholesale Trade	15	4	5	0	0	0	0	0	24
Other Services	15	4	0	0	0	0	0	0	19
Transport, Postal and Warehousing	10	5	2	0	0	0	0	0	17
Health Care and Social Assistance	10	3	1	0	0	0	0	0	14
Rental, Hiring and Real Estate Services	8	5	0	0	0	0	0	0	13
Arts and Recreation Services	8	3	0	0	0	0	0	0	11
Administrative and Support Services	4	2	0	0	0	0	0	0	6
Agriculture, Forestry and Fishing	2	1	0	0	1	0	0	0	4
Education and Training	4	0	0	0	0	0	0	0	4
Electricity, Gas, Water and Waste Services	1	1	0	0	0	0	0	0	2
Information Media and Telecommunications	1	1	0	0	0	0	0	0	2
Mining	2	0	0	0	0	0	0	0	2
Public Administration and Safety	0	1	0	0	0	0	0	0	1
Total	296	88	18	0	1	0	0	0	403

South Australia Commercial Risk Analysis

Table 59: Adelaide - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6 8	Risk Band 7	Risk Band	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Accommodation and Food Services	2	14	1	26	85	84	80	110	402	17	4.2%	27.6%	68.2%
Professional, Scientific and Technical Services	2	4	4	42	130	283	385	427	1277	10	0.8%	13.5%	85.7%
Construction	2	1	2	3	29	28	44	50	159	5	3.1%	20.1%	76.7%
Retail Trade	0	4	1	10	32	67	90	117	321	5	1.6%	13.1%	85.4%
Arts and Recreation Services	1	0	2	4	10	15	21	20	73	3	4.1%	19.2%	76.7%
Other Services	0	2	1	3	33	50	47	51	187	3	1.6%	19.3%	79.1%
Rental, Hiring and Real Estate Services	0	2	1	8	28	55	67	123	284	3	1.1%	12.7%	86.3%
Transport, Postal and Warehousing	1	1	1	1	4	13	11	44	76	3	3.9%	6.6%	89.5%
Administrative and Support Services	0	1	1	4	12	28	29	30	105	2	1.9%	15.2%	82.9%
Wholesale Trade	1	1	0	8	26	34	41	89	200	2	1.0%	17.0%	82.0%
Agriculture, Forestry and Fishing	0	1	0	3	3	7	10	24	48	1	2.1%	12.5%	85.4%
Education and Training	0	1	0	1	10	20	24	29	85	1	1.2%	12.9%	85.9%
Financial and Insurance Services	0	0	1	14	95	131	258	281	780	1	0.1%	14.0%	85.9%
Manufacturing	0	0	1	4	22	37	50	77	191	1	0.5%	13.6%	85.9%
Electricity, Gas, Water and Waste Services	0	0	0	1	3	5	10	24	43	0	0.0%	9.3%	90.7%
Health Care and Social Assistance	0	0	0	10	29	75	121	111	346	0	0.0%	11.3%	88.7%
Information Media and Telecommunications	0	0	0	1	2	12	11	22	48	0	0.0%	6.3%	93.8%
Mining	0	0	0	1	5	18	18	58	100	0	0.0%	6.0%	94.0%
Public Administration and Safety	0	0	0	0	0	2	2	4	8	0	0.0%	0.0%	100.0%
Total	9	32	16	144	558	964	1319	1691	4733	57	1.2%	14.8%	84.0%

Of the 4,733 businesses in the region, 57 businesses or 1.2% are at high to severe risk of financial failure within the next 12 months. 14.8% are at medium risk while 84.0% are considered to be low to minimal risk of financial failure.

The 3 industries at high to severe risk of financial failure by way of number of businesses are:

1. Accommodation and Food Services (17 businesses or 4.2%)
2. Professional, Scientific and Technical Services (10 businesses or 0.8%)
3. Construction (5 businesses or 3.1%)

South Australia Commercial Risk Analysis

Table 60: Adelaide - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	15	2	0	0	0	0	0	0	17
Professional, Scientific and Technical Services	8	1	1	0	0	0	0	0	10
Construction	3	2	0	0	0	0	0	0	5
Retail Trade	3	2	0	0	0	0	0	0	5
Arts and Recreation Services	2	1	0	0	0	0	0	0	3
Other Services	2	1	0	0	0	0	0	0	3
Rental, Hiring and Real Estate Services	1	2	0	0	0	0	0	0	3
Transport, Postal and Warehousing	1	1	1	0	0	0	0	0	3
Administrative and Support Services	1	1	0	0	0	0	0	0	2
Wholesale Trade	1	1	0	0	0	0	0	0	2
Agriculture, Forestry and Fishing	1	0	0	0	0	0	0	0	1
Education and Training	1	0	0	0	0	0	0	0	1
Financial and Insurance Services	0	0	1	0	0	0	0	0	1
Manufacturing	1	0	0	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Health Care and Social Assistance	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Total	40	14	3	0	0	0	0	0	57

SV Partners has recognized through their experience with local businesses that traditional bricks and mortar businesses, particularly retailers and hospitality are continuing to financial suffer as they have been unable to adapt quick enough to satisfy consumer driven behaviour such as online buying and e-commerce.

Additional Data - Commercial Risk Analysis

Table 61: All QLD, NSW, VIC, SA, TAS - Industry vs Commercial Risk

Region	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←--- Severe to High ---→			Moderate to Average		←--- Low to Minimal ---→							
Melbourne - Inner	137	340	392	2393	6957	15504	9505	10211	45439	869	1.9%	20.6%	77.5%
Sydney City and Inner South	121	293	311	1862	5527	11660	6656	9147	35577	725	2.0%	20.8%	77.2%
Parramatta	145	283	251	1359	3211	5654	3649	3605	18157	679	3.7%	25.2%	71.1%
Gold Coast	104	221	243	1538	3468	7409	3603	1729	18315	568	3.1%	27.3%	69.6%
NSW Inner South West	120	233	210	1104	2371	4767	2984	2573	14362	563	3.9%	24.2%	71.9%
Brisbane Inner City	83	198	241	1584	3977	9207	3340	2392	21022	522	2.5%	26.5%	71.1%
Melbourne - West	82	159	174	910	2062	4142	2697	2274	12500	415	3.3%	23.8%	72.9%
Melbourne - South East	66	171	174	1087	3085	7235	4745	4943	21506	411	1.9%	19.4%	78.7%
Brisbane South	78	152	176	1234	2634	6075	1889	1260	13498	406	3.0%	28.7%	68.3%
NSW South West	89	155	159	742	1761	2913	2079	2040	9938	403	4.1%	25.2%	70.8%
Melbourne - Inner South	52	153	162	1118	3173	7659	5296	4524	22137	367	1.7%	19.4%	79.0%
Melbourne - North West	59	155	115	632	1764	3850	2613	2416	11604	329	2.8%	20.6%	76.5%
Blacktown	58	122	140	717	1694	3227	2132	2108	10198	320	3.1%	23.6%	73.2%
Sydney - North Sydney and Hornsby	45	130	144	955	2866	7222	5071	4502	20935	319	1.5%	18.3%	80.2%
Melbourne - North East	61	131	125	700	1915	4565	3056	2520	13073	317	2.4%	20.0%	77.6%
Sydney - Inner West	45	127	113	761	1829	3791	2301	1897	10864	285	2.6%	23.8%	73.5%
Sydney - Northern Beaches	45	127	113	761	1829	3791	2301	1897	10864	285	2.6%	23.8%	73.5%
Logan - Beaudesert	49	91	127	593	1303	2936	965	558	6622	267	4.0%	28.6%	67.3%
Sydney - Baulkham Hills and Hawkesbury	41	99	118	698	1553	3560	2493	2111	10673	258	2.4%	21.1%	76.5%
Melbourne - Outer East	37	92	111	756	2036	5252	3715	3285	15284	240	1.6%	18.3%	80.2%
Melbourne - Inner East	28	100	106	836	2487	5658	4121	3063	16399	234	1.4%	20.3%	78.3%
Sydney - Eastern Suburbs	21	95	107	550	1623	3422	2258	1747	9823	223	2.3%	22.1%	75.6%
Ipswich	39	75	93	580	1223	2898	1108	673	6689	207	3.1%	27.0%	70.0%

Additional Data - Commercial Risk Analysis

Table 62: All QLD, NSW, VIC, SA, TAS - Industry vs Commercial Risk (continued)

Region	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Newcastle and Lake Macquarie	33	92	78	554	1343	3501	2325	2082	10008	203	2.0%	19.0%	79.0%
NSW Outer West and Blue Mountains	34	68	90	478	1147	2582	1924	1774	8097	192	2.4%	20.1%	77.6%
Sunshine Coast	23	62	92	732	1575	3807	1972	778	9041	177	2.0%	25.5%	72.5%
Brisbane West	36	59	80	632	1494	3739	1108	595	7743	175	2.3%	27.5%	70.3%
NSW Outer South West	31	71	72	352	837	1574	1121	1015	5073	174	3.4%	23.4%	73.1%
Brisbane East	21	70	82	588	1206	2920	903	535	6325	173	2.7%	28.4%	68.9%
Illawarra	25	61	80	391	940	2178	1601	1471	6747	166	2.5%	19.7%	77.8%
Brisbane North	24	59	77	522	1215	2711	925	599	6132	160	2.6%	28.3%	69.1%
Hunter Valley ex Newcastle	39	61	50	412	968	2658	1913	1770	7871	150	1.9%	17.5%	80.6%
Mornington Peninsula	26	58	51	382	1204	3084	2057	1882	8744	135	1.5%	18.1%	80.3%
Sydney - Sutherland	26	47	57	382	936	2161	1427	1209	6245	130	2.1%	21.1%	76.8%
Central Coast	31	50	47	410	876	2211	1564	1212	6401	128	2.0%	20.1%	77.9%
Darling Downs - Maranoa	24	39	60	506	1117	2721	1372	623	6462	123	1.9%	25.1%	73.0%
Sydney - Ryde	10	46	59	361	908	2124	1488	1451	6447	115	1.8%	19.7%	78.5%
Moreton Bay - South	13	39	62	409	845	2041	624	326	4359	114	2.6%	28.8%	68.6%
Moreton Bay - North	26	34	51	392	755	1901	648	318	4125	111	2.7%	27.8%	69.5%
QLD Wide Bay	25	50	34	350	834	2237	1134	561	5225	109	2.1%	22.7%	75.3%
Richmond - Tweed	17	40	41	283	665	1588	1112	869	4615	98	2.1%	20.5%	77.3%
Cairns	16	34	44	393	973	2231	1167	573	5431	94	1.7%	25.2%	73.1%
Hobart	6	34	50	217	590	1371	869	825	3962	90	2.3%	20.4%	77.4%
Southern Highlands and Shoalhaven	15	31	39	234	581	1392	1082	981	4355	85	2.0%	18.7%	79.3%
Central West	18	34	32	249	710	1634	1306	1251	5234	84	1.6%	18.3%	80.1%
NSW Capital Region	11	41	32	239	700	1703	1253	1186	5165	84	1.6%	18.2%	80.2%

Additional Data - Commercial Risk Analysis

Table 63: All QLD, NSW, VIC, SA, TAS - Industry vs Commercial Risk (continued)

Region	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Toowoomba	14	29	34	266	566	1499	793	342	3543	77	2.2%	23.5%	74.3%
Townsville	13	31	29	284	692	1583	881	483	3996	73	1.8%	24.4%	73.7%
Geelong	10	27	31	194	893	2655	1672	1692	7174	68	0.9%	15.2%	83.9%
Mackay	10	31	25	288	581	1461	715	366	3477	66	1.9%	25.0%	73.1%
New England and North West	12	29	23	161	484	1177	936	1022	3844	64	1.7%	16.8%	81.6%
NSW Mid North Coast	16	17	29	186	541	1302	989	993	4073	62	1.5%	17.8%	80.6%
Riverina	9	24	29	198	651	1476	1161	1242	4790	62	1.3%	17.7%	81.0%
QLD Fitzroy	10	20	30	242	670	1458	751	370	3551	60	1.7%	25.7%	72.6%
Adelaide	9	32	16	144	558	964	1319	1691	4733	57	1.2%	14.8%	84.0%
Ballarat	8	21	23	144	577	1658	1080	1205	4716	52	1.1%	15.3%	83.6%
Murray	8	21	22	151	575	1298	1016	1029	4120	51	1.2%	17.6%	81.1%
Latrobe - Gippland	8	21	19	122	608	1877	1288	1386	5329	48	0.9%	13.7%	85.4%
Far West and Orana	8	12	21	103	378	848	674	677	2721	41	1.5%	17.7%	80.8%
Hume	7	23	11	105	521	1527	1062	1265	4521	41	0.9%	13.8%	85.2%
Coffs Harbour and Grafton	7	16	14	127	379	853	720	649	2765	37	1.3%	18.3%	80.4%
VIC North West	7	18	11	95	439	1292	920	1157	3939	36	0.9%	13.6%	85.5%
Shepperton	9	15	12	95	490	1353	978	1217	4169	36	0.9%	14.0%	85.1%
QLD Outback	5	12	13	126	305	628	328	191	1608	30	1.9%	26.8%	71.3%
Bendigo	3	18	9	94	498	1308	894	987	3811	30	0.8%	15.5%	83.7%
Warrnambool and South West	4	9	6	81	339	1099	695	825	3058	19	0.6%	13.7%	85.6%

Conclusion

The SV Partners Commercial Risk Outlook Report for March 2020, has identified 12,927 businesses across Australia that are considered to be at high to severe risk of financial failure over the next 12 months. Overall, national risk of businesses has increased from 8782 businesses in the high to severe risk category of financial failure.

Businesses have been impacted by the recent natural disasters from the ongoing drought in regional and rural areas, bushfires and flooding causing mass destruction to homes, lives and businesses and more recently since December 2019 with the global outbreak of coronavirus (COVID-19).

The ongoing financial distress for businesses has been evident with the increase of 2445 businesses becoming insolvent over the past two financial years, according to ASIC data. The data also reports that businesses are entering insolvency due to inadequate cash flow or high cash use.

Nationally the industries with the most number of businesses at high to severe risk of financial failure are Construction, Accommodation and Food Services and Professional, Scientific and Technical Services.

SV Partners has experienced businesses in need of professional advice across various regions with businesses suffering loss of trade, poor cash flow and impacts from natural disasters. This is likely to continue as developments of the global pandemic of COVID-19 continue to impact consumer expenditure, employment and heightens pressure on business performance and operations.

With businesses being exposed to higher than normal risk factors, they need to take immediate and proactive measures and develop contingency plans to mitigate business disruption and financial loss for both immediate and future threats. It is important to identify all potential risks during such a time and develop a robust plan to ensure business continuity throughout.

Glossary of Key Terms

Bureau

Organisation specialising in collating and analysing credit related information within Australia.

Bureau Data

Data is sourced from over 50 variables, providing the most comprehensive latest bureau information and records on Australian Individuals and businesses. Data sources include the Australian Securities Investments Commission, Business Directories, the Australian Bureau of Statistics, Consumer/Commercial Credit Bureau, Australian Post Office, Australian Business Register, Telephone Directories, Business Research.

Business Age Classification - as defined by Australian Business Register

Less than 1 year

1-4 years

5-9 years

10-19 years

20 years or more

Business Location

Business locations are the physical place of trade or operations.

Business Size Classification

SOHO - Small Office/Home Office

Micro

Small

Medium/Large

Commercial Risk

The commercial risk score of a business is contingent on various factors and may be impacted by the behaviour of a business. This behaviour is based on a range of bureau data, including Mercantile enquires, debt amounts, age of debt, financial defaults and trade payment history. This data is designed to predict the likelihood of business failure within the next 12 months.

Default

Failure to meet financial obligations.

Incorporated Entity/Company

An incorporated entity/company registered with the relevant state or territory authority. An incorporated entity/company is a legal entity separate from its individual members. It can hold property, sue and be sued. Entities/companies are incorporated under state and territory associations incorporation legislation. By focusing on incorporated entities for this commercial risk data, this Report takes a sharper analysis on the most relevant trends from a broader market.

Operating Business

Business registered on the Australian Business Register, and are actively trading.

Other Store-Based Retailing n.e.c

This class consists of units mainly engaged in retailing goods not elsewhere classified from store-based premises.

Other Specialised Food Retailing

This class consists of units mainly engaged in retailing specialised food lines, such as confectionery or smallgoods or bread and cakes (not manufactured on the same premises).

Region and Industry

Industry and Regional definitions are based upon the Australian and New Zealand Standard Industrial Classification (ANZSIC) codes.

Risk Bands

Ranks each business on a scale of 1 - 8. This Report categorises the risk band into three sections; 1 - 3 (severe to high risk), 4 - 5 (average to moderate risk) and 6 - 8 (low to minimal risk) based upon their likelihood to default within the next 12 months.

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Our Offices



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We provide professional corporate and personal insolvency accounting, turnaround strategy advice, forensic and advisory services to accountants, financial institutions, corporations, financial and legal advisors, and their clients. SV Partners are the professional's proven partner.

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