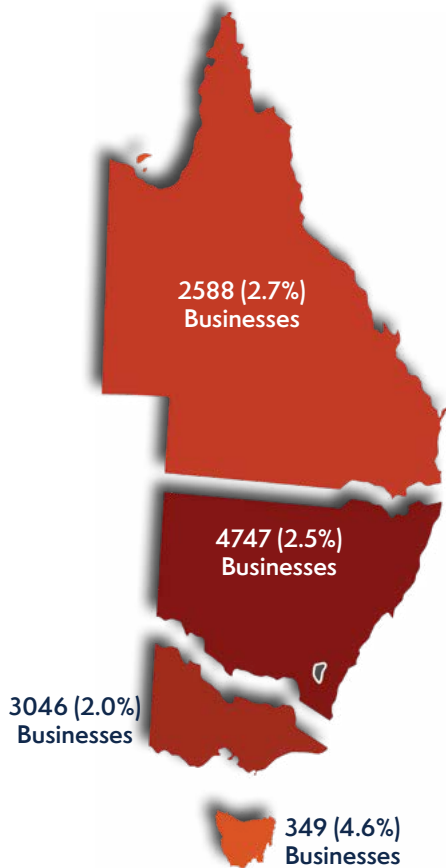


Commercial Risk Outlook Report August 2018

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Regions and Industries at High to Severe Risk of Financial Failure

Eastern States Risk Analysis



N.B. percentages are a portion of all Australian businesses

Top 3 Regions Risk Levels

Melbourne - Inner

851 businesses in high to severe risk



Sydney - City & Inner South

739 businesses in high to severe risk



Parramatta

630 businesses in high to severe risk

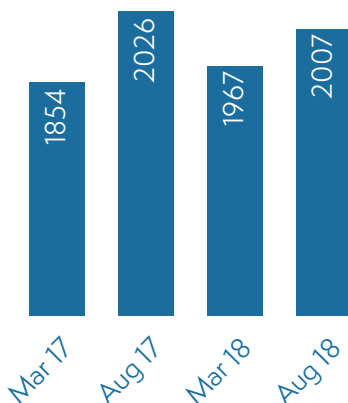


N.B. percentages are a portion of businesses within their respective regions

Top 3 Industry Analysis

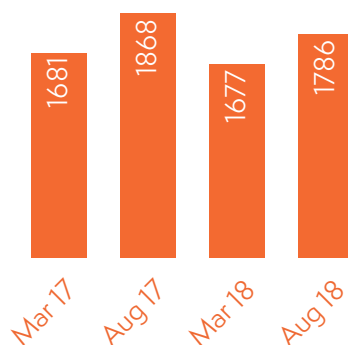
Construction

High to Severe Risk Data



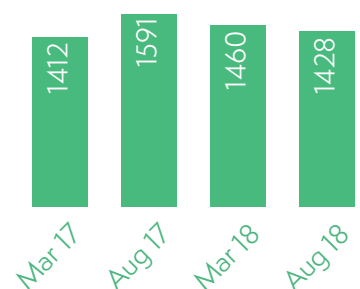
Accommodation & Food Services

High to Severe Risk Data



Retail

High to Severe Risk Data



Executive Summary

SV Partners has released the key findings within the Commercial Risk Outlook Report for August 2018. 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 behavior and seeking legal relief from creditors. The commercial risk data is comprised of the most comprehensive and latest bureau information available.

Key Findings

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

1. Construction (2007, 2.9%) *A decrease of 19 businesses since August 2017*
2. Accommodation and Food Services (1786, 6.6%) *A decrease of 82 businesses since August 2017*
3. Retail Trade (1428, 2.9%) *An increase of 163 businesses since August 2017*
4. Professional, Scientific and Technical Services (1130, 1.2%) *A decrease of 214 businesses since August 2017*
5. Manufacturing (866, 1.9%) *An increase of 14 businesses since August 2017*

The 3 states/territories with the highest portion of total businesses in Australia that are at risk of financial failure based on percentage are:

1. Tasmania (349, 4.6%)
2. Queensland (2588, 2.7%)
3. New South Wales (4747, 2.5%)

The top 5 regions throughout Queensland, New South Wales and Victoria where businesses are at most risk of financial failure within the next 12 months, according to the number of businesses are:

1. Melbourne Inner (851, 2.1%)
2. Sydney - City and Inner South (739, 2.2%)
3. Parramatta (630, 3.9%)
4. NSW - Inner South West (499, 4.0%)
5. Gold Coast (498, 3.2%)

The top 5 regions where businesses show the largest portion of low to minimal risk of financial failure within the next 12 months, according to number of businesses are:

1. VIC - Warrnambool and South West (28, 1.1%)
2. VIC - Bendigo (30, 0.9%)
3. VIC - North West (34, 1.0%)
4. QLD - Outback (34, 2.3%)
5. VIC - Hume (38, 1.0%)

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

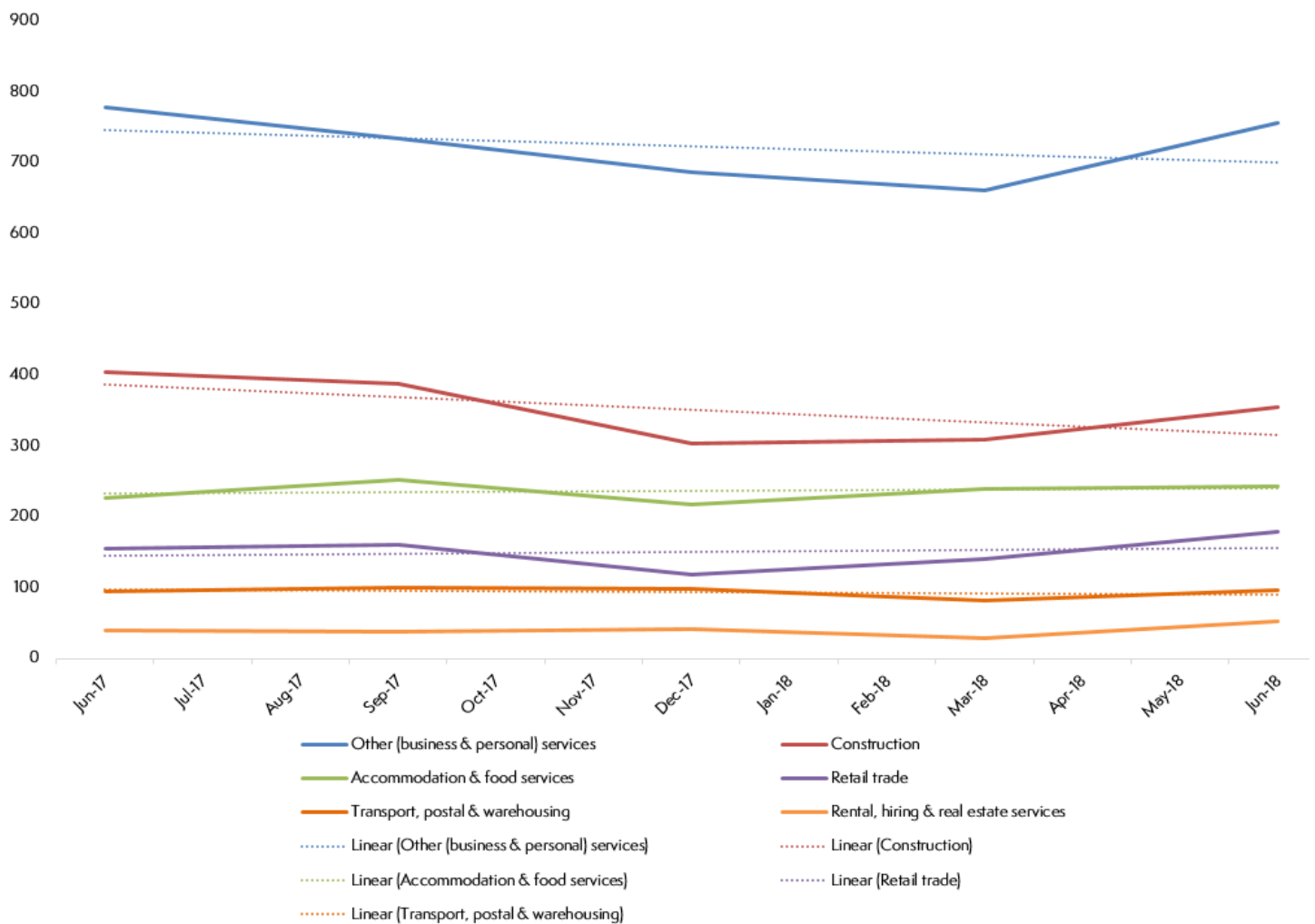
Insolvency Trends and Analysis

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 June 2018 quarter are:

1. Other (business & personal) services*, 756 (-2.70% since June 2017)
2. Construction, 354 (-12.38% since June 2017)
3. Accommodation & food services, 243 (+7.05% since June 2017)
4. Retail trade, 179 (+15.48% since June 2017)
5. Transport, postal & warehousing, 96 (+1.05% since June 2017)

Graph 1:

Companies Entering External Administration by Industry (June 2017 to June 2018 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.

Table 1:

ASIC Insolvency Statistics Series 1A, Companies Entering External Administration by Industry (June 2017 to June 2018 Qtr)

Industry	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Year to Year Total	% Change since Jun-17
Other (business & personal) services	777	733	686	661	756	3613	-2.7%
Construction	404	387	303	309	354	1757	-12.4
Accommodation & food services	227	252	217	239	243	1178	7.0%
Retail trade	155	160	118	140	179	752	15.5%
Transport, postal & warehousing	95	100	98	81	96	470	1.1%
Rental, hiring & real estate services	39	38	41	29	53	200	35.9%
Manufacturing	65	57	56	69	51	298	-21.5%
Information media & telecommunications	61	32	26	28	50	197	-18.0%
Agriculture, forestry & fishing	36	25	28	51	34	174	-5.6%
Wholesale trade	34	30	30	23	33	150	-2.9%
Professional, scientific & technical services	32	32	32	29	32	157	0.0%
Electricity, gas, water & waste services	47	33	21	31	29	161	-38.3%
Finance	49	29	37	22	27	164	-44.9%
Education & training	50	19	24	19	26	138	-48.0%
Mining	28	29	21	22	18	118	-35.7%
Arts & recreation services	17	11	8	18	17	71	0.0%
Health care & social assistance	22	23	16	19	15	95	-31.8%
Unknown	50	41	36	15	14	156	-72.0%
Administrative & support services	7	12	9	7	10	45	42.9%
Public administration & safety	3	4	2	1	1	11	-66.7%
Total	2198	2047	1809	1813	2038	9905	-7.3%

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.

Although the Australian Bureau of Statistics indicate there are over 2.2 million businesses in Australia as of June 2017, many of these are simply registered businesses (not operating), and could be comprised of part time sole traders, contractors or trust entities. As a result, this August 2018 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?

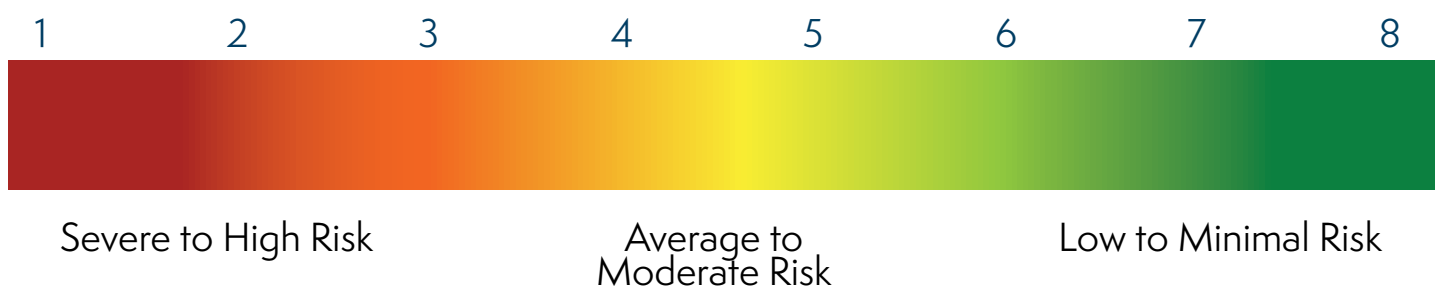
Key contributing factors (not limited to) that frame a risk score are as follows:

- 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.



Key Causes of Business Failure

ASIC's recorded reasons for business failure are seen throughout 'Figure 3.1.3.1 - Initial external administrators' reports—Nominated causes of failure by industry (1 July 2016 –30 June 2017)'. Referring to this table, the top 3 causes for business failure nationally are:

1. Inadequate cash flow or high cash use (3626, 18.8%)
2. Poor strategic management of business (3542, 18.3%)
3. Trading Losses (2753, 14.3%)

Figure 3.1.3.1 - Initial external administrators' reports—Nominated causes of failure by industry (1 July 2016–30 June 2017)

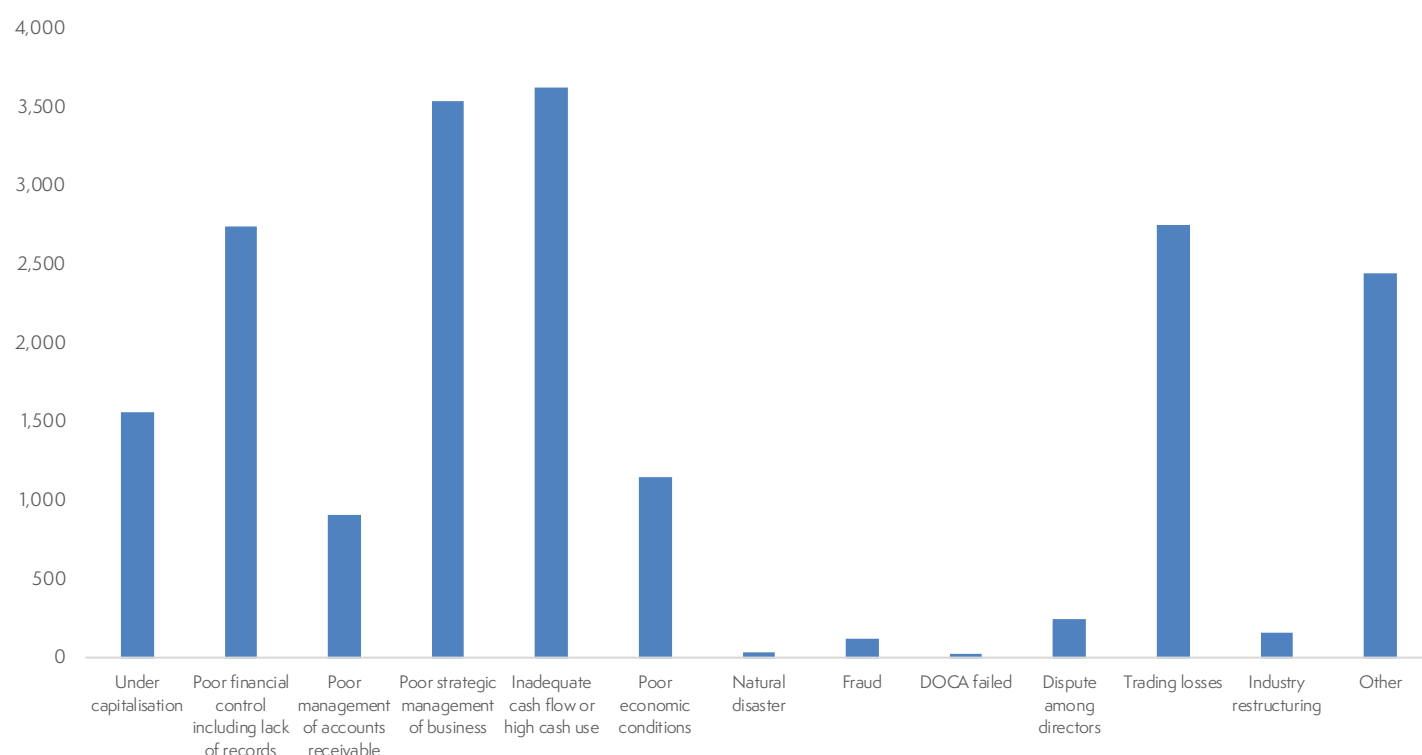


Table 3.1.3.1 - Initial external administrators' reports - Nominated causes of failure by industry
(1 July 2016–30 June 2017)

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	169	353	37	452	454	144	10	8	5	28	407	10	202	2,279
Administrative & support services	11	17	15	26	22	4	0	0	1	0	14	1	23	134
Agriculture, forestry & fishing	19	23	7	46	43	23	3	4	0	2	33	4	37	244
Arts & recreation services	21	22	5	36	42	15	1	1	0	0	28	3	17	191
Construction	374	592	311	727	771	214	3	32	7	54	591	18	516	4,210
Education & training	35	29	11	65	60	14	0	1	0	4	33	15	59	326
Electricity, gas, water & waste services	35	47	32	67	85	31	2	4	1	8	63	5	44	424
FIS–Credit provider	1	2	0	1	5	0	0	0	0	1	3	0	5	18
FIS–Deposit taking institutions	0	0	0	0	0	0	0	0	0	0	0	0	1	1
FIS–Insurance	1	4	2	3	4	2	0	0	0	0	2	0	6	24
FIS–Managed investments	5	15	4	24	15	7	0	4	0	1	5	0	13	93
FIS–Other financial services	22	42	11	65	45	9	0	3	0	4	25	0	46	272
FIS–Superannuation	0	0	0	1	3	0	0	0	0	1	0	0	5	10
Health care & social assistance	17	28	6	40	43	6	0	6	0	8	33	3	29	219
Information media & telecommunications	32	53	22	81	84	14	0	3	1	6	69	8	60	433
Manufacturing	61	75	49	131	166	60	0	2	1	12	154	16	94	821
Mining	40	37	29	98	97	112	0	3	1	7	73	8	68	573
Other (business & personal) services	419	850	218	948	930	209	1	33	4	57	590	29	741	5,029
Professional, scientific & technical services	25	40	19	57	62	18	0	2	1	7	43	3	48	325
Public administration & safety	1	3	3	8	3	1	0	0	0	1	5	0	2	27
Rental, hiring & real estate services	32	87	17	105	83	41	0	7	0	5	47	4	72	500
Retail trade	113	184	33	264	309	117	6	5	0	20	297	13	145	1,506
Transport, postal & warehousing	102	192	57	222	228	86	4	1	2	6	167	10	162	1,239
Wholesale trade	29	44	23	75	72	23	3	4	0	11	71	8	54	417
Total	1,564	2,739	911	3,542	3,626	1,150	33	123	24	243	2,753	158	2,449	19,315

Insolvency Indicators

SV Partners' specialists outline the indicators that are key contributors that may lead to insolvency. These are considered to be warning signs and should be addressed with a professional as soon as possible:

- Lack of control of the business
- Overdue taxes
- Continuing losses
- Poor relationships with financial institutes or lenders and the inability to borrow further funds
- No access to alternative finance
- Inability to raise further equity
- Suppliers stopping accounts, changing to cash on delivery or demanding special payment arrangements before resuming supply
- Creditors remaining unpaid outside normal or industry trading terms
- Reverting to using post-dated cheques to continue trading
- Dishonoured cheques
- Highly leveraged assets
- Banks requesting additional security
- Legal letters of demand, summons, judgements and warrants issued to recover outstanding debts
- Inability to produce accurate financial information

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 options (with professional advice), lump sum payments through other sources such as family/friends or superannuation through hardship provisions
2. Compromise with creditors – either through informal or formal arrangement (Bankruptcy Act / Corporations Act)
3. 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

Case Study - Livestock Feed Manufacturer

Whether you are a company director or an individual dealing with unmanageable debt, timing is a crucial factor that could prevent the situation from becoming worse. Seeking professional advice early can alleviate pressures from creditors and can provide a resolution to unpaid debts.

The following case study discusses a business at high risk of financial failure that required immediate professional advice to mitigate further loss and prevent the likelihood of an external administration.

The Business

The client was a manufacturer of livestock feed supplements and feeding accessories sold predominantly throughout Queensland and New South Wales.

The Issue

The business had borrowed funds from the bank above and beyond its normal trading facility requirements to invest in a second production plant in New South Wales. This plant was never able to be brought up to production standards and in addition to the losses on the unusable equipment, the company incurred debt on the cancellation of forward contracts of raw materials which it would no longer use and were sold to market at a loss.

The company had a large facility repayment due to the bank in the coming months that it would not be able to make. The business had also suffered a high degree of staff turnover and had no internal financial resources able to provide reliable budgets or cash flow forecasts.

The Situation

SV Partners was approached through an accountant to meet with the client and discuss their issues. Subsequent to this meeting SV Partners was engaged to assist with:

- Review financial performance and budgets, including production of a realistic three year profit and loss statement and cash flow forecast
- Provide the bank with a detailed report on the business's ability to meet the repayments of its currently over extended facilities
- Review internal processes and procedures to improve the efficiency of information flow and reporting within the business
- Mentor the owner on leadership and help him exert a greater influence on the business and staff

The Solution/Outcomes

SV Partners worked with the business owner and their accountant to produce a three year business plan and associated financial forecasts which were presented to a financier. A new repayment schedule for the debt facilities was negotiated. We also mentored the managing director and enforced his leadership behaviour, beginning with the restructure of the office team responsibilities and the appointment of a financial controller. We performed process mapping workshops with staff to identify operational improvements and introduced a number of weekly operational and financial dashboards and meeting regimes.

National Commercial Risk Analysis

The August 2018 national commercial risk data, indicates there are 12,464 businesses (2.3%) within the high to severe risk category of financial failure within the next 12 months. This is an increase of 126 businesses from March 2018.

Since August 2017, there has been an increase of 7.5% of small businesses with turnovers of less than \$10 million within the high to severe risk category of financial failure.

19.5% of businesses are within the medium risk category and 78% are within the low risk category of financial failure over the next 12 months. This is across all industries and turnover sizes throughout Australia.

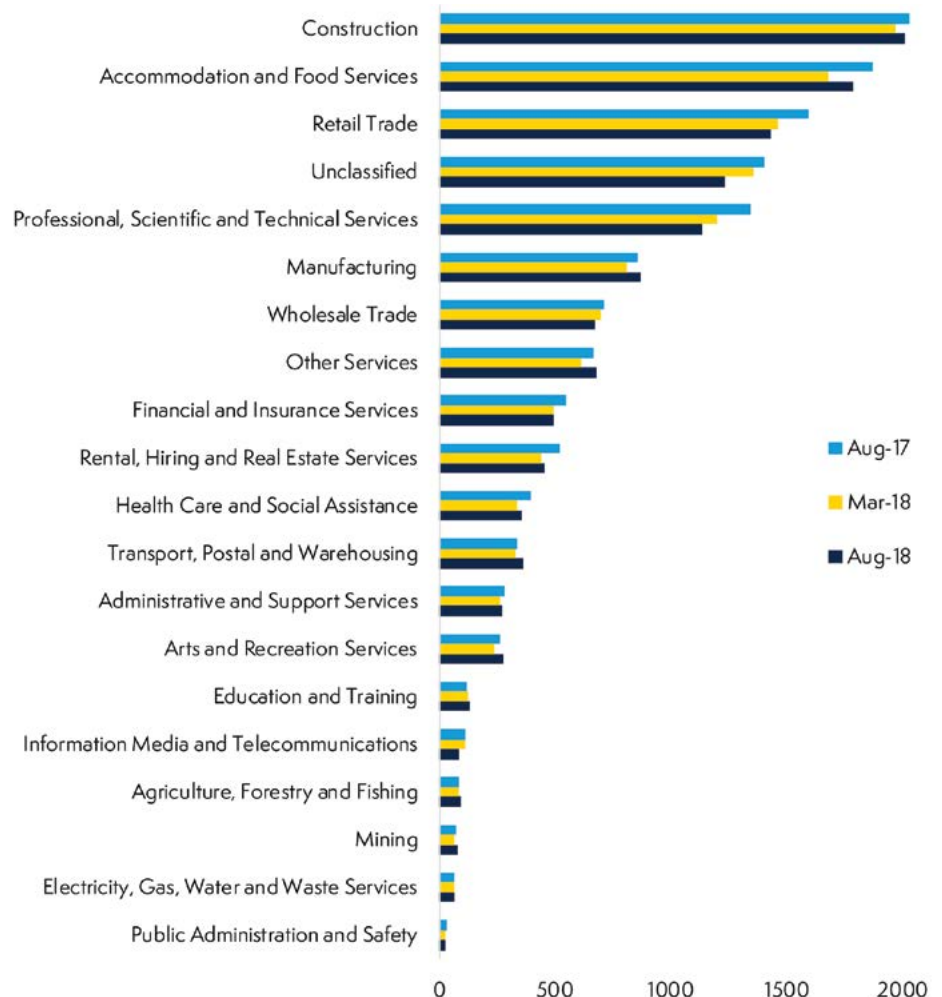
The commercial risk data indicates that the top 5 industries most at high to severe financial risk of failure proportionate to the number of businesses in each industry are:

1. Accommodation and Food Services, 1786 (6.6%)
2. Construction, 2007 (2.9%)
3. Retail Trade, 1428 (2.9%)
4. Arts and Recreation Services, 275 (2.7%)
5. Transport, Postal and Warehousing, 360 (2.6%)

There are 6 financial and insurance services companies with turnovers of \$100 million or more that are in the high to severe risk category of financial failure. Of these, 2 are within the \$1 billion or more turnover category.

Notably, the Retail Trade, Mining and Electricity, Gas Water and Waste Services industries all have one company within the \$1 billion or more turnover category that is within the high to severe risk category of financial failure.

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



National Commercial Risk Analysis

Table 2:
National - Industry vs Commercial Risk

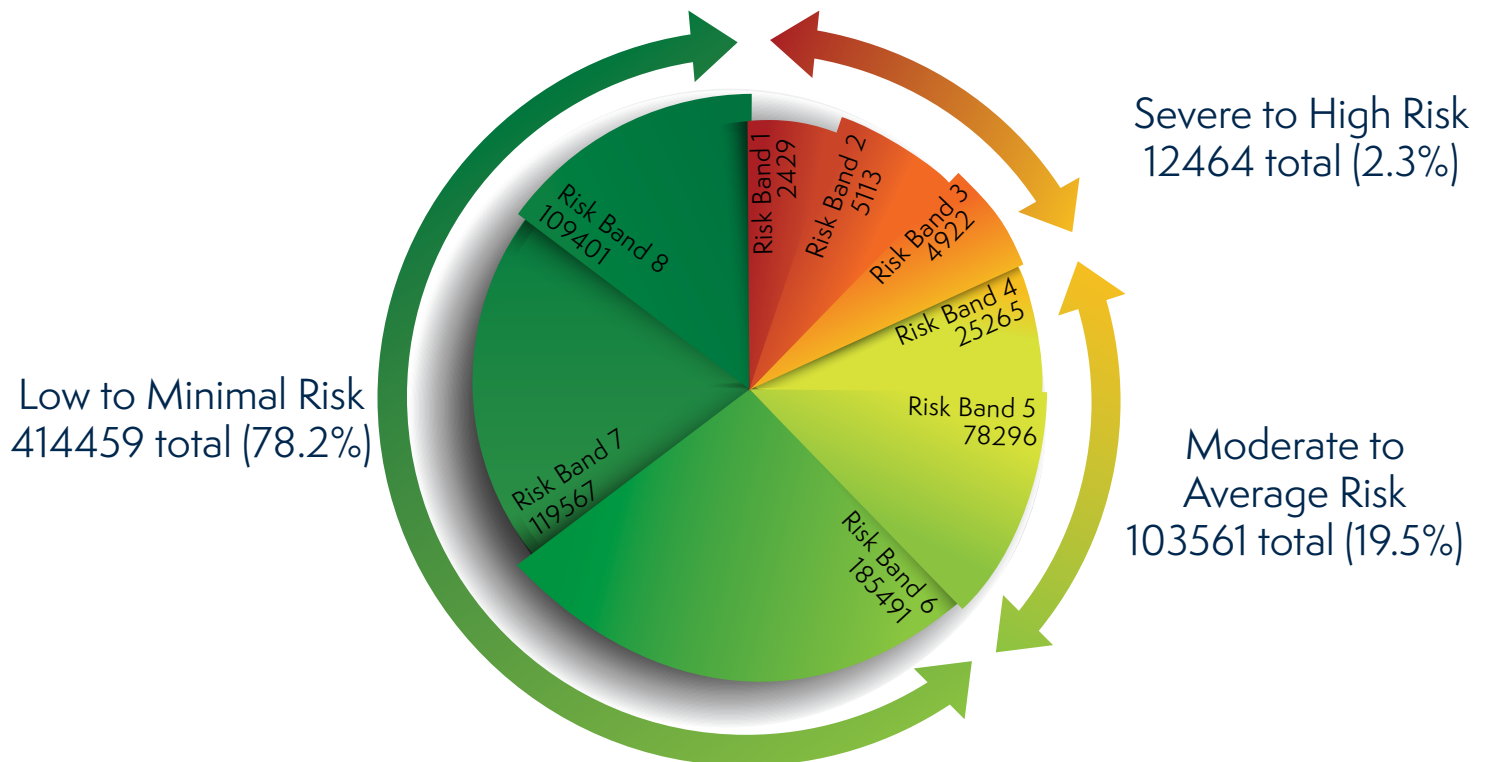
Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	469	820	718	3659	10907	23202	16637	11945	68357	2007	2.9%	21.3%	76%
Accommodation and Food Services	434	775	577	2356	6208	8174	4493	4078	27095	1786	6.6%	31.6%	62%
Retail Trade	295	639	494	2693	7706	16156	10919	10236	49138	1428	2.9%	21.2%	76%
Unclassified	164	375	693	2788	5336	2252	474	310	12392	1232	9.9%	65.6%	24%
Professional, Scientific and Technical Services	174	471	485	3660	11694	39076	22367	15776	93703	1130	1.2%	16.4%	82%
Manufacturing	169	363	334	1470	5406	13727	10214	12902	44585	866	1.9%	15.4%	83%
Other Services	119	291	269	1259	4609	10608	6895	6134	30184	679	2.2%	19.4%	78%
Wholesale Trade	141	265	262	1221	4647	11576	8453	9962	36527	668	1.8%	16.1%	82%
Financial and Insurance Services	75	199	217	1314	5511	18421	12939	12697	51373	491	1.0%	13.3%	86%
Rental, Hiring and Real Estate Services	85	209	158	931	3104	7908	4935	4615	21945	452	2.1%	18.4%	80%
Transport, Postal and Warehousing	71	160	129	639	1981	4401	3108	3144	13633	360	2.6%	19.2%	78%
Health Care and Social Assistance	57	130	165	1188	3994	12346	7234	5298	30412	352	1.2%	17.0%	82%
Arts and Recreation Services	47	111	117	509	1687	3520	1880	2178	10049	275	2.7%	21.9%	75%
Administrative and Support Services	44	117	105	606	1895	5190	2928	2231	13116	266	2.0%	19.1%	79%
Education and Training	23	46	60	338	1090	2443	1203	1146	6349	129	2.0%	22.5%	75%
Agriculture, Forestry and Fishing	18	42	33	190	767	2299	2054	2643	8046	93	1.2%	11.9%	87%
Information Media and Telecommunications	13	33	39	205	764	2046	1223	1218	5541	85	1.5%	17.5%	81%
Mining	19	28	33	101	460	1085	909	1663	4298	80	1.9%	13.1%	85%
Electricity, Gas, Water and Waste Services	10	25	27	106	421	790	561	785	2725	62	2.3%	19.3%	78%
Public Administration and Safety	2	14	7	32	109	271	141	440	1016	23	2.3%	13.9%	84%
Total	2429	5113	4922	25265	78296	185491	119567	109401	530484	12464	2.3%	19.5%	78.2%

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 →							
\$1B or more	0	0	7	32	172	484	502	2461	3658	7	0.2%	5.6%	94.2%
\$500M to less than \$1B	1	0	3	9	95	228	240	1028	1604	4	0.2%	6.5%	93.3%
\$100M to less than \$500M	0	4	9	42	331	766	851	2942	4945	13	0.3%	7.5%	92.2%
\$50M to less than \$100M	8	30	25	54	360	764	655	2160	4056	63	1.6%	10.2%	88.2%
\$10M to less than \$50M	412	432	334	988	4476	6016	4780	11406	28844	1178	4.1%	18.9%	77.0%
\$1M to less than \$10M	1470	2979	2419	8713	35676	55126	46359	51024	203766	6868	3.4%	21.8%	74.8%
Less than \$1M	245	793	864	6256	19168	97099	56895	32007	213327	1902	0.9%	11.9%	87.2%
Unclassified	293	875	1261	9171	18018	25008	9285	6373	70284	2429	3.5%	38.7%	57.9%
Total	2429	5113	4922	25265	78296	185491	119567	109401	530484	12464	2.3%	19.5%	78.2%

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	338	372	1083	199	14	1	0	0	2007
Accommodation and Food Services	137	219	1289	141	0	0	0	0	1786
Retail Trade	159	150	820	281	15	2	0	1	1428
Unclassified	811	49	332	38	1	0	1	0	1232
Professional, Scientific and Technical Services	227	239	582	75	4	1	0	2	1130
Manufacturing	92	114	552	95	9	4	0	0	866
Other Services	112	131	410	26	0	0	0	0	679
Wholesale Trade	72	54	407	126	8	1	0	0	668
Financial and Insurance Services	118	161	176	28	2	2	2	2	491
Rental, Hiring and Real Estate Services	69	105	254	23	0	1	0	0	452
Transport, Postal and Warehousing	52	61	209	35	3	0	0	0	360
Health Care and Social Assistance	53	54	218	27	0	0	0	0	352
Arts and Recreation Services	40	65	164	6	0	0	0	0	275
Administrative and Support Services	60	42	142	19	3	0	0	0	266
Education and Training	26	14	78	11	0	0	0	0	129
Agriculture, Forestry and Fishing	15	17	48	13	0	0	0	0	93
Information Media and Telecommunications	18	12	41	13	0	1	0	0	85
Mining	14	39	22	2	1	0	1	1	80
Electricity, Gas, Water and Waste Services	12	2	26	19	2	0	0	1	62
Public Administration and Safety	4	2	15	1	1	0	0	0	23
Total	2429	1902	6868	1178	63	13	4	7	12464

National Sub-Industry Risk Analysis

Table 5:
National - Financial and Insurance Services Sub-Industry vs Commercial Risk

Sub-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 -----→							
Other Auxiliary Finance and Investment Services	39	115	131	664	3295	11716	8689	7164	31813	285	0.9%	12.4%	86.7%
Financial Asset Investing	25	46	43	306	1100	3272	2132	1901	8825	114	1.3%	15.9%	82.8%
Financial Asset Broking Services	4	25	23	223	613	1842	1036	687	4453	52	1.2%	18.8%	80.1%
Auxiliary Insurance Services	4	9	14	81	310	998	640	641	2697	27	1.0%	14.5%	84.5%
Non-Depository Financing	3	2	3	12	69	185	121	212	607	8	1.3%	13.3%	85.3%
Superannuation Funds	0	2	3	16	77	255	224	744	1321	5	0.4%	7.0%	92.6%
Banking	0	0	0	0	2	5	6	810	823	0	0.0%	0.2%	99.8%
Other Depository Financial Intermediation	0	0	0	0	0	5	6	341	352	0	0.0%	0.0%	100.0%
Life Insurance	0	0	0	5	21	77	47	56	206	0	0.0%	12.6%	87.4%
Health Insurance	0	0	0	3	9	27	18	55	112	0	0.0%	10.7%	89.3%
General Insurance	0	0	0	4	15	39	20	19	97	0	0.0%	19.6%	80.4%
Credit Union Operation	0	0	0	0	0	0	0	62	62	0	0.0%	0.0%	100.0%
Central Banking	0	0	0	0	0	0	0	5	5	0	0.0%	0.0%	100.0%
Total	75	199	217	1314	5511	18421	12939	12697	51373	491	1.0%	13.3%	85.8%



According to the August 2018 commercial risk data, there are 2588 businesses (2.7%) categorised at high to severe risk of financial failure within the next 12 month period. This is a decrease of 303 businesses (10.4%) since August 2017's risk results.

In terms of the number of businesses, the following industries are the most concern for being at high to severe risk of financial failure:

1. Construction, 401 (2.9%) *A decrease of 43 businesses since August 2017*
2. Accommodation and Food Services, 324 (6.5%) *A decrease of 36 businesses since August 2017*
3. Retail Trade, 285 (3.3%) *A decrease of 9 businesses since August 2017*
4. Professional, Scientific and Technical Services, 236 (1.5%) *A decrease of 89 businesses since August 2017*
5. Manufacturing, 148 (2.0%) *A decrease of 2 businesses since August 2017*

There are 6 large businesses with turnover from \$100 million or more that are within the high to severe risk band of financial failure within the next 12 months.

The industries reported as the lowest to minimal risk of financial failure are as follows (according to number of businesses):

1. Public Administration and Safety, 8 (4.4%) *An increase of 4 businesses since August 2017*
2. Electricity, Gas, Water and Waste Services, 10 (2.3%) *A decrease of 3 businesses since August 2017*
3. Information Media and Telecommunications, 15 (2.1%) *A decrease of 6 businesses since August 2017*
4. Agriculture, Forestry and Fishing, 21 (1.3%) *An increase of 3 businesses since August 2017*
5. Mining, 23 (2.4%) *A decrease of 5 businesses since August 2017*

Queensland's consumer driven industries such as accommodation and food and retail are continuing to be a concern for the state, with a relatively high proportion of businesses in each industry at high to severe risk of insolvency.

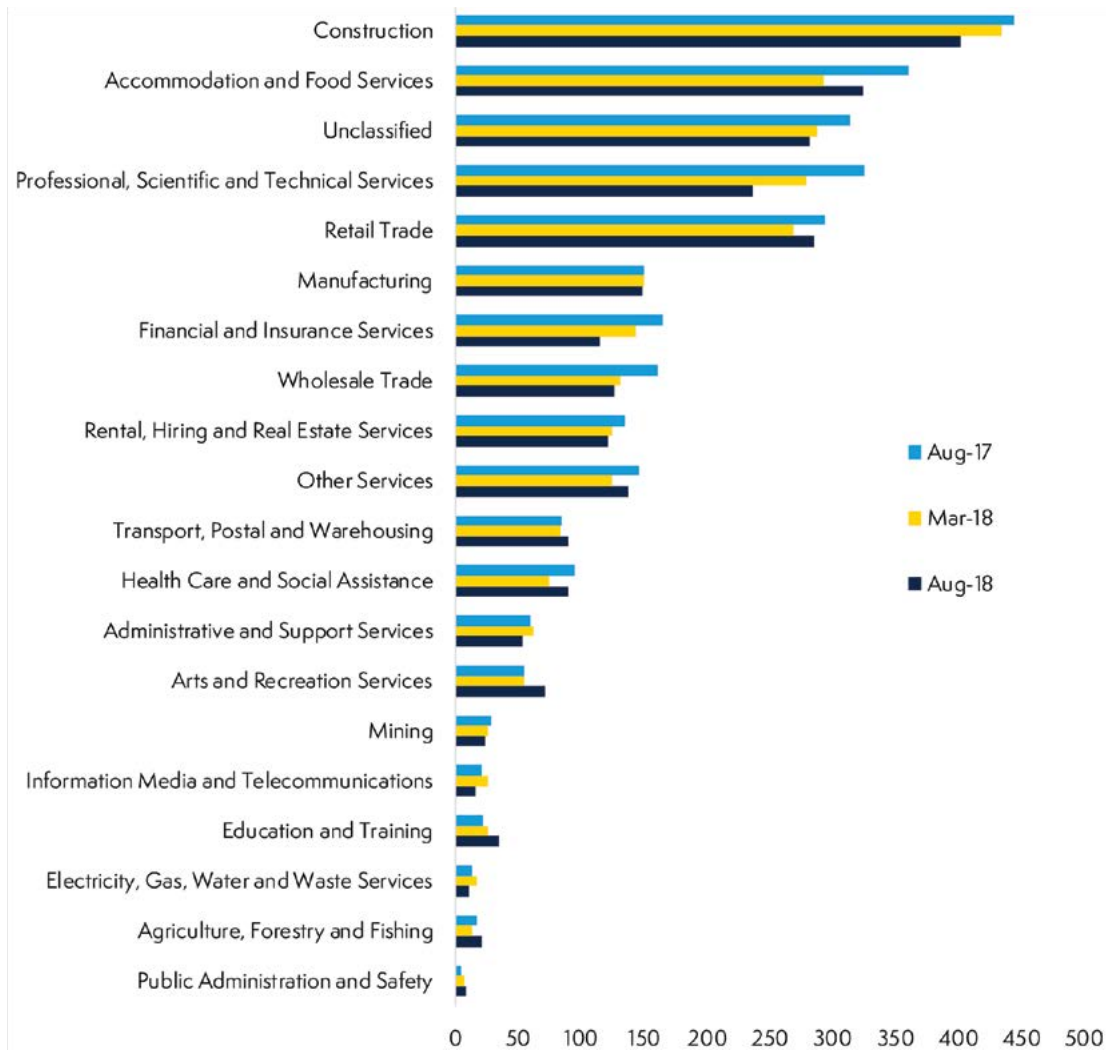
Further to this, the regions throughout Queensland that are within the high to severe risk category of financial distress by number of businesses are:

1. Gold Coast, 498 (3.2%), *A decrease of 44 businesses since August 2017*
2. Brisbane Inner City, 470 (2.4%), *A decrease of 87 businesses since August 2017*
3. Brisbane South, 407 (3.4%), *An increase of 12 businesses since August 2017*
4. Logan Beaudesert, 228 (3.8%), *An increase of 11 businesses since August 2017*
5. Sunshine Coast, 178 (2.3%), *An increase of 13 businesses since August 2017*

Queensland Commercial Risk Analysis

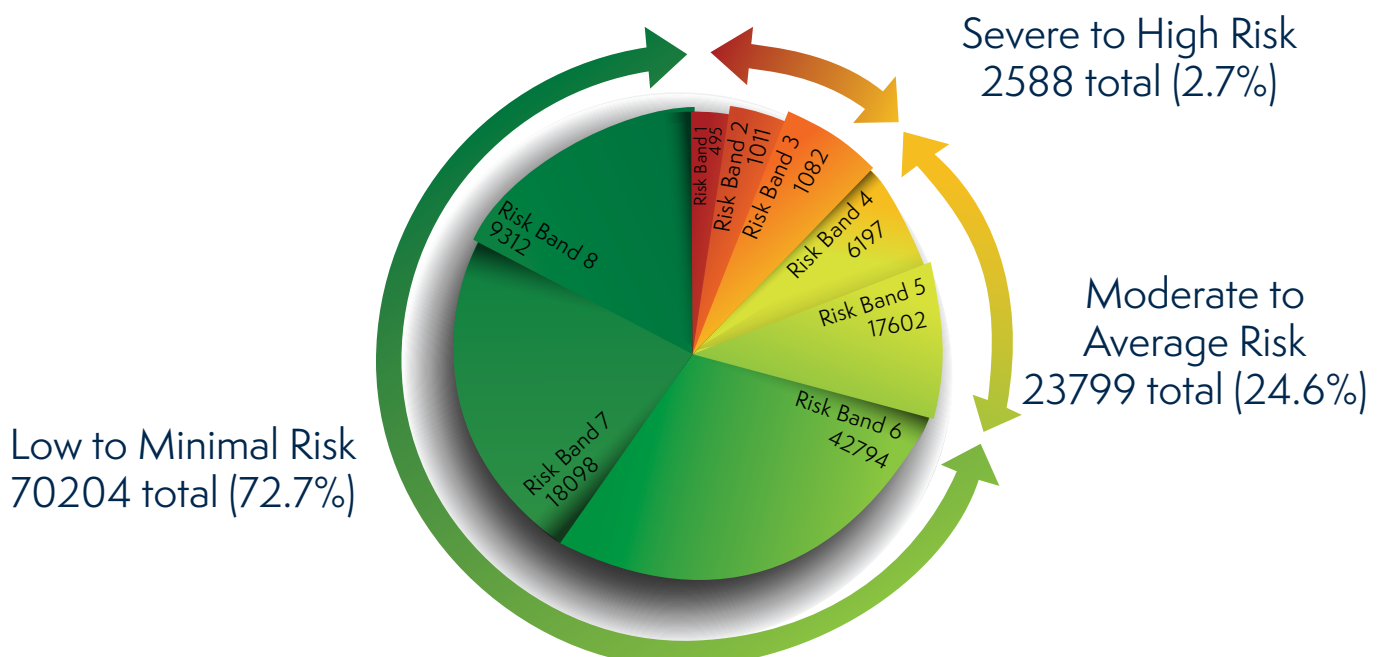
Graph 3:

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	99	158	144	1010	2689	5887	2827	1149	13963	401	2.9%	26.5%	70.6%
Accommodation and Food Services	70	143	111	498	1228	1746	763	431	4990	324	6.5%	34.6%	58.9%
Retail Trade	59	124	102	552	1569	3590	1790	886	8672	285	3.3%	24.5%	72.3%
Unclassified	33	81	167	649	948	234	61	26	2199	281	12.8%	72.6%	14.6%
Professional, Scientific and Technical Services	41	81	114	915	2531	8409	2692	1056	15839	236	1.5%	21.8%	76.8%
Manufacturing	23	58	67	338	1188	3037	1575	1108	7394	148	2.0%	20.6%	77.4%
Other Services	28	54	55	359	1092	2603	1098	538	5827	137	2.4%	24.9%	72.7%
Wholesale Trade	29	47	50	272	1004	2515	1361	794	6072	126	2.1%	21.0%	76.9%
Rental, Hiring and Real Estate Services	22	58	41	272	786	2115	897	387	4578	121	2.6%	23.1%	74.2%
Financial and Insurance Services	18	42	55	341	1369	4308	1558	981	8672	115	1.3%	19.7%	79.0%
Health Care and Social Assistance	16	31	43	312	988	3158	1208	394	6150	90	1.5%	21.1%	77.4%
Transport, Postal and Warehousing	22	34	33	175	502	1066	526	322	2680	89	3.3%	25.3%	71.4%
Arts and Recreation Services	13	28	30	136	384	837	296	185	1909	71	3.7%	27.2%	69.0%
Administrative and Support Services	6	24	23	140	444	1143	407	154	2341	53	2.3%	24.9%	72.8%
Education and Training	4	13	17	88	259	631	187	122	1321	34	2.6%	26.3%	71.2%
Mining	2	10	11	27	149	345	196	215	955	23	2.4%	18.4%	79.2%
Agriculture, Forestry and Fishing	5	6	10	46	212	608	435	358	1680	21	1.3%	15.4%	83.4%
Information Media and Telecommunications	1	10	4	43	130	326	124	91	729	15	2.1%	23.7%	74.2%
Electricity, Gas, Water and Waste Services	3	3	4	20	115	178	78	36	437	10	2.3%	30.9%	66.8%
Public Administration and Safety	1	6	1	4	15	58	19	79	183	8	4.4%	10.4%	85.2%
Total	495	1011	1082	6197	17602	42794	18098	9312	96591	2588	2.7%	24.6%	72.7%

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	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	71	68	222	39	1	0	0	0	401
Accommodation and Food Services	20	44	237	23	0	0	0	0	324
Retail Trade	26	31	159	64	5	0	0	0	285
Unclassified	192	13	69	7	0	0	0	0	281
Professional, Scientific and Technical Services	56	54	115	10	0	1	0	0	236
Manufacturing	8	18	103	15	1	3	0	0	148
Other Services	16	36	76	9	0	0	0	0	137
Wholesale Trade	10	10	89	17	0	0	0	0	126
Rental, Hiring and Real Estate Services	21	28	64	8	0	0	0	0	121
Financial and Insurance Services	21	45	42	5	0	1	1	0	115
Health Care and Social Assistance	10	14	59	7	0	0	0	0	90
Transport, Postal and Warehousing	9	18	51	11	0	0	0	0	89
Arts and Recreation Services	14	23	32	2	0	0	0	0	71
Administrative and Support Services	15	8	24	5	1	0	0	0	53
Education and Training	7	7	18	2	0	0	0	0	34
Mining	3	14	5	0	1	0	0	0	23
Agriculture, Forestry and Fishing	4	3	8	6	0	0	0	0	21
Information Media and Telecommunications	3	4	6	2	0	0	0	0	15
Electricity, Gas, Water and Waste Services	1	0	7	2	0	0	0	0	10
Public Administration and Safety	1	1	5	0	1	0	0	0	8
Total	508	439	1391	234	10	5	1	0	2588

Queensland Commercial Risk Analysis

Table 8:
Queensland - Accommodation and Food Services Sub-Industry vs Commercial Risk

Sub 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 -----→							
Cafes and Restaurants	61	118	85	377	831	982	329	163	2946	264	9.0%	41.0%	50.0%
Accommodation	3	20	18	102	351	719	392	237	1842	41	2.2%	24.6%	73.2%
Pubs, Taverns and Bars	6	5	8	19	46	45	42	31	202	19	9.4%	32.2%	58.4%
Total	70	143	111	498	1228	1746	763	431	4990	324	6.5%	34.6%	58.9%

Table 9:
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	102	207	189	1127	2997	6790	3113	1266	15791	498	3.2%	26.1%	70.7%
Brisbane Inner City	96	191	183	1188	3625	8657	3187	2108	19235	470	2.4%	25.0%	72.5%
Brisbane South	67	157	183	846	2397	5602	1717	1092	12061	407	3.4%	26.9%	69.7%
Logan Beaudesert	52	75	101	408	1193	2834	860	470	5993	228	3.8%	26.7%	69.5%
Sunshine Coast	28	68	82	466	1316	3377	1680	600	7617	178	2.3%	23.4%	74.3%
Brisbane East	33	60	69	385	1037	2691	818	424	5517	162	2.9%	25.8%	71.3%
Ipswich	32	67	62	397	1108	2643	949	566	5824	161	2.8%	25.8%	71.4%
Brisbane West	23	57	63	412	1210	3279	909	455	6408	143	2.2%	25.3%	72.5%
Brisbane North	34	47	51	364	968	2466	843	515	5288	132	2.5%	25.2%	72.3%
Cairns	17	41	52	285	790	1993	1166	599	4943	110	2.2%	21.7%	76.0%
Moreton Bay North	22	46	40	262	636	1720	544	244	3514	108	3.1%	25.6%	71.4%
Wide Bay	19	34	41	242	715	1929	1118	487	4585	94	2.1%	20.9%	77.1%
Moreton Bay South	17	34	37	267	720	1862	504	247	3688	88	2.4%	26.8%	70.9%
Darling Downs Maranoa	13	30	44	315	941	2359	1299	634	5635	87	1.5%	22.3%	76.2%
Fitzroy	10	30	30	193	548	1323	778	374	3286	70	2.1%	22.6%	75.3%
Mackay	16	24	29	173	524	1282	730	360	3138	69	2.2%	22.2%	75.6%
Townsville	16	26	27	191	556	1379	913	473	3581	69	1.9%	20.9%	77.2%
Toowoomba	9	17	22	188	472	1296	679	335	3018	48	1.6%	21.9%	76.5%
Queensland Outback	3	12	19	75	247	551	357	245	1509	34	2.3%	21.3%	76.4%
Total	609	1223	1324	7784	22000	54033	22164	11494	120631	3156	2.6%	24.7%	72.7%

Queensland Commercial Risk Analysis

Table 10:
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	39	53	44	296	868	1882	706	287	4175	136	3.3%	27.9%	68.9%
Unclassified	8	38	87	287	409	88	15	16	948	133	14.0%	73.4%	12.6%
Accommodation and Food Services	32	57	43	188	438	549	169	126	1602	132	8.2%	39.1%	52.7%
Retail Trade	24	40	42	188	572	1251	475	246	2838	106	3.7%	26.8%	69.5%
Professional, Scientific and Technical Services	16	28	49	422	1233	4107	1107	525	7487	93	1.2%	22.1%	76.7%
Wholesale Trade	13	23	20	107	445	1056	466	340	2470	56	2.3%	22.3%	75.4%
Financial and Insurance Services	7	22	25	156	607	1867	574	459	3717	54	1.5%	20.5%	78.0%
Manufacturing	6	17	27	111	407	1072	507	371	2518	50	2.0%	20.6%	77.4%
Other Services	9	18	21	126	389	975	343	187	2068	48	2.3%	24.9%	72.8%
Rental, Hiring and Real Estate Services	13	18	16	119	347	826	273	163	1775	47	2.6%	26.3%	71.1%
Health Care and Social Assistance	7	20	14	137	433	1431	411	179	2632	41	1.6%	21.7%	76.8%
Transport, Postal and Warehousing	9	17	12	65	146	334	112	117	812	38	4.7%	26.0%	69.3%
Arts and Recreation Services	8	12	7	55	149	331	85	69	716	27	3.8%	28.5%	67.7%
Administrative and Support Services	3	11	5	38	186	480	128	71	922	19	2.1%	24.3%	73.6%
Education and Training	0	7	9	42	107	297	75	56	593	16	2.7%	25.1%	72.2%
Mining	1	5	4	12	91	200	144	164	621	10	1.6%	16.6%	81.8%
Information Media and Telecommunications	0	5	2	19	78	157	58	43	362	7	1.9%	26.8%	71.3%
Electricity, Gas, Water and Waste Services	2	1	2	3	47	78	23	17	173	5	2.9%	28.9%	68.2%
Public Administration and Safety	0	3	1	1	5	17	7	33	67	4	6.0%	9.0%	85.1%
Agriculture, Forestry and Fishing	2	0	0	7	24	75	31	41	180	2	1.1%	17.2%	81.7%
Total	199	395	430	2379	6981	17073	5709	3510	36676	1024	2.8%	25.5%	71.7%

Queensland Commercial Risk Analysis

Table 11:
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
Construction	25	16	77	18	0	0	0	0	136
Unclassified	95	9	27	2	0	0	0	0	133
Accommodation and Food Services	8	14	95	15	0	0	0	0	132
Retail Trade	12	10	59	23	2	0	0	0	106
Professional, Scientific and Technical Services	22	17	48	5	0	1	0	0	93
Wholesale Trade	3	4	42	7	0	0	0	0	56
Financial and Insurance Services	8	21	21	2	0	1	1	0	54
Manufacturing	4	4	31	8	1	2	0	0	50
Other Services	5	14	24	5	0	0	0	0	48
Rental, Hiring and Real Estate Services	5	10	27	5	0	0	0	0	47
Health Care and Social Assistance	5	4	28	4	0	0	0	0	41
Transport, Postal and Warehousing	6	4	21	7	0	0	0	0	38
Arts and Recreation Services	3	9	13	2	0	0	0	0	27
Administrative and Support Services	5	3	9	1	1	0	0	0	19
Education and Training	4	1	11	0	0	0	0	0	16
Mining	2	4	3	0	1	0	0	0	10
Information Media and Telecommunications	2	3	1	1	0	0	0	0	7
Electricity, Gas, Water and Waste Services	0	0	4	1	0	0	0	0	5
Public Administration and Safety	0	0	3	0	1	0	0	0	4
Agriculture, Forestry and Fishing	1	0	0	1	0	0	0	0	2
Total	215	147	544	107	6	4	1	0	1024

Brisbane's commercial risk data indicates that there are 5 large businesses with turnovers of over \$100 million at high to severe risk of financial failure within the next 12 months. These businesses are operating within the finance and insurance services, manufacturing and professional, scientific and technical services industries.

Brisbane's accommodation and food services industry is currently the most at risk with 8.2% of these businesses facing financial distress within the next 12 months.

Queensland Commercial Risk Analysis

Table 12:
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	21	32	30	191	486	958	502	199	2419	83	3.4%	28.0%	68.6%
Accommodation and Food Services	13	32	15	100	219	295	136	83	893	60	6.7%	35.7%	57.6%
Retail Trade	7	31	22	105	271	551	272	122	1381	60	4.3%	27.2%	68.4%
Unclassified	8	18	24	136	184	51	9	2	432	50	11.6%	74.1%	14.4%
Professional, Scientific and Technical Services	12	17	20	159	410	1358	472	119	2567	49	1.9%	22.2%	75.9%
Manufacturing	9	11	8	76	201	566	311	158	1340	28	2.1%	20.7%	77.2%
Rental, Hiring and Real Estate Services	4	12	12	54	149	360	187	67	845	28	3.3%	24.0%	72.7%
Wholesale Trade	7	9	12	47	168	413	269	102	1027	28	2.7%	20.9%	76.3%
Financial and Insurance Services	3	11	11	69	245	731	296	161	1527	25	1.6%	20.6%	77.8%
Other Services	6	11	5	54	193	376	176	54	875	22	2.5%	28.2%	69.3%
Health Care and Social Assistance	4	4	8	36	155	422	181	51	861	16	1.9%	22.2%	76.0%
Arts and Recreation Services	2	6	5	27	84	162	63	37	386	13	3.4%	28.8%	67.9%
Administrative and Support Services	1	3	6	26	72	176	80	26	390	10	2.6%	25.1%	72.3%
Transport, Postal and Warehousing	2	4	3	17	59	125	72	26	308	9	2.9%	24.7%	72.4%
Education and Training	1	3	4	15	53	114	39	15	244	8	3.3%	27.9%	68.9%
Information Media and Telecommunications	1	3	0	9	15	62	19	15	124	4	3.2%	19.4%	77.4%
Agriculture, Forestry and Fishing	0	0	2	1	11	25	12	9	60	2	3.3%	20.0%	76.7%
Mining	0	0	2	1	1	16	1	5	26	2	7.7%	7.7%	84.6%
Public Administration and Safety	1	0	0	0	2	12	5	13	33	1	3.0%	6.1%	90.9%
Electricity, Gas, Water and Waste Services	0	0	0	4	19	17	11	2	53	0	0.0%	43.4%	56.6%
Total	102	207	189	1127	2997	6790	3113	1266	15791	498	3.2%	26.1%	70.7%

Table 13:
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	16	10	48	9	0	0	0	0	83
Accommodation and Food Services	4	9	45	2	0	0	0	0	60
Retail Trade	5	6	37	12	0	0	0	0	60
Unclassified	35	1	13	1	0	0	0	0	50
Professional, Scientific and Technical Services	15	13	19	2	0	0	0	0	49
Manufacturing	1	3	22	2	0	0	0	0	28
Rental, Hiring and Real Estate Services	6	7	13	2	0	0	0	0	28
Wholesale Trade	3	0	21	4	0	0	0	0	28
Financial and Insurance Services	6	10	8	1	0	0	0	0	25
Other Services	4	5	10	3	0	0	0	0	22
Health Care and Social Assistance	2	6	7	1	0	0	0	0	16
Arts and Recreation Services	5	2	6	0	0	0	0	0	13
Administrative and Support Services	3	1	4	2	0	0	0	0	10
Transport, Postal and Warehousing	1	1	7	0	0	0	0	0	9
Education and Training	1	4	2	1	0	0	0	0	8
Information Media and Telecommunications	0	0	3	1	0	0	0	0	4
Agriculture, Forestry and Fishing	0	1	1	0	0	0	0	0	2
Mining	0	2	0	0	0	0	0	0	2
Public Administration and Safety	0	0	1	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Total	107	81	267	43	0	0	0	0	498

The Gold Coast's most high to severe commercial risk businesses fall within the construction (83), accommodation and food services (60) and retail trade (60) industries. Collectively, there are 23 of these businesses with turnovers of \$10 million to less than \$50 million.

With nearly 500 businesses at high to severe risk on the Gold Coast, the post Commonwealth Games period is an indication that local businesses should continue to monitor their financial position and be aware of the indicators of insolvency.

Queensland Commercial Risk Analysis

Table 14:
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 ---→							
Accommodation and Food Services	8	13	9	36	106	175	77	34	458	30	6.6%	31.0%	62.4%
Construction	5	13	10	87	236	513	303	103	1270	28	2.2%	25.4%	72.4%
Unclassified	4	2	19	58	87	18	10	2	200	25	12.5%	72.5%	15.0%
Retail Trade	3	11	6	39	103	306	169	61	698	20	2.9%	20.3%	76.8%
Wholesale Trade	2	8	5	21	80	188	112	37	453	15	3.3%	22.3%	74.4%
Professional, Scientific and Technical Services	2	4	5	73	182	641	226	56	1189	11	0.9%	21.4%	77.6%
Other Services	1	3	5	33	80	170	86	31	409	9	2.2%	27.6%	70.2%
Rental, Hiring and Real Estate Services	1	3	4	9	56	171	92	20	356	8	2.2%	18.3%	79.5%
Financial and Insurance Services	0	2	5	30	103	361	156	76	733	7	1.0%	18.1%	80.9%
Manufacturing	1	4	1	17	76	232	134	76	541	6	1.1%	17.2%	81.7%
Arts and Recreation Services	0	1	4	4	25	68	30	17	149	5	3.4%	19.5%	77.2%
Health Care and Social Assistance	1	0	3	25	79	252	157	37	554	4	0.7%	18.8%	80.5%
Administrative and Support Services	0	2	1	11	33	79	32	8	166	3	1.8%	26.5%	71.7%
Transport, Postal and Warehousing	0	0	3	5	26	57	36	13	140	3	2.1%	22.1%	75.7%
Education and Training	0	0	1	5	14	54	18	8	100	1	1.0%	19.0%	80.0%
Electricity, Gas, Water and Waste Services	0	0	1	4	9	13	6	2	35	1	2.9%	37.1%	60.0%
Information Media and Telecommunications	0	1	0	3	7	21	11	3	46	1	2.2%	21.7%	76.1%
Public Administration and Safety	0	1	0	2	1	8	1	3	16	1	6.3%	18.8%	75.0%
Agriculture, Forestry and Fishing	0	0	0	2	11	41	23	12	89	0	0.0%	14.6%	85.4%
Mining	0	0	0	2	2	9	1	1	15	0	0.0%	26.7%	73.3%
Total	28	68	82	466	1316	3377	1680	600	7617	178	2.3%	23.4%	74.3%

Table 15:
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
Accommodation and Food Services	3	8	19	0	0	0	0	0	30
Construction	7	4	14	2	1	0	0	0	28
Unclassified	17	2	5	1	0	0	0	0	25
Retail Trade	3	3	10	3	1	0	0	0	20
Wholesale Trade	0	5	7	3	0	0	0	0	15
Professional, Scientific and Technical Services	1	3	7	0	0	0	0	0	11
Other Services	1	4	4	0	0	0	0	0	9
Rental, Hiring and Real Estate Services	2	4	2	0	0	0	0	0	8
Financial and Insurance Services	3	3	1	0	0	0	0	0	7
Manufacturing	0	1	4	1	0	0	0	0	6
Arts and Recreation Services	2	1	2	0	0	0	0	0	5
Health Care and Social Assistance	1	0	3	0	0	0	0	0	4
Administrative and Support Services	2	0	1	0	0	0	0	0	3
Transport, Postal and Warehousing	0	0	3	0	0	0	0	0	3
Education and Training	0	0	1	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	0	1	0	0	0	0	0	1
Information Media and Telecommunications	1	0	0	0	0	0	0	0	1
Public Administration and Safety	1	0	0	0	0	0	0	0	1
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Total	44	38	84	10	2	0	0	0	178

The Sunshine Coast has a total of 178 businesses across all industries that fall within the high to severe risk commercial risk bands. This is an increase of approximately 7% of businesses within this risk range since August 2017. Of these, 30 businesses are within the accommodation and food services industry, this is 6.6% of businesses within this industry are at risk of insolvency within the next 12 months.

As tourism is a main source of income for local businesses, the food and accommodation industry remains a concern for the region.

The Sunshine Coast also has one retail and one construction businesses at high to severe risk within the \$50 million to less than \$100 million turnover range. Due to the size of businesses, these are 2 significantly sized businesses for the region.

Queensland Commercial Risk Analysis

Table 16:
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	2	1	5	49	93	194	105	43	492	8	1.6%	28.9%	69.5%
Accommodation and Food Services	0	3	4	16	31	46	21	10	131	7	5.3%	35.9%	58.8%
Retail Trade	2	2	3	16	43	117	70	30	283	7	2.5%	20.8%	76.7%
Professional, Scientific and Technical Services	0	3	3	15	47	215	89	30	402	6	1.5%	15.4%	83.1%
Transport, Postal and Warehousing	2	1	2	4	12	42	23	22	108	5	4.6%	14.8%	80.6%
Unclassified	0	2	2	16	22	5	1		48	4	8.3%	79.2%	12.5%
Other Services	0	2	1	12	26	87	51	23	202	3	1.5%	18.8%	79.7%
Wholesale Trade	1	1	0	11	18	80	47	34	192	2	1.0%	15.1%	83.9%
Administrative and Support Services	1	0	0	4	17	32	11	3	68	1	1.5%	30.9%	67.6%
Arts and Recreation Services	0	0	1	5	15	21	6	3	51	1	2.0%	39.2%	58.8%
Health Care and Social Assistance	0	0	1	7	32	105	54	10	209	1	0.5%	18.7%	80.9%
Manufacturing	1	0	0	12	36	86	61	40	236	1	0.4%	20.3%	79.2%
Mining	0	1	0	0	8	10	4	6	29	1	3.4%	27.6%	69.0%
Rental, Hiring and Real Estate Services	0	1	0	8	15	57	28	7	116	1	0.9%	19.8%	79.3%
Agriculture, Forestry and Fishing	0	0	0	4	11	35	28	30	108	0	0.0%	13.9%	86.1%
Education and Training	0	0	0	2	9	8	7	3	29	0	0.0%	37.9%	62.1%
Electricity, Gas, Water and Waste Services	0	0	0	1	3	5	5	3	17	0	0.0%	23.5%	76.5%
Financial and Insurance Services	0	0	0	5	32	135	63	30	265	0	0.0%	14.0%	86.0%
Information Media and Telecommunications	0	0	0	1	2	12	4	4	23	0	0.0%	13.0%	87.0%
Public Administration and Safety	0	0	0	0	0	4	1	4	9	0	0.0%	0.0%	100.0%
Total	9	17	22	188	472	1296	679	335	3018	48	1.6%	21.9%	76.5%

Table 17:
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
Construction	1	2	5	0	0	0	0	0	8
Accommodation and Food Services	2	1	4	0	0	0	0	0	7
Retail Trade	0	1	5	0	1	0	0	0	7
Professional, Scientific and Technical Services	1	0	4	1	0	0	0	0	6
Transport, Postal and Warehousing	0	1	3	1	0	0	0	0	5
Unclassified	2	0	2	0	0	0	0	0	4
Other Services	0	1	2	0	0	0	0	0	3
Wholesale Trade	1	0	1	0	0	0	0	0	2
Administrative and Support Services	0	0	1	0	0	0	0	0	1
Arts and Recreation Services	0	1	0	0	0	0	0	0	1
Health Care and Social Assistance	1	0	0	0	0	0	0	0	1
Manufacturing	0	0	1	0	0	0	0	0	1
Mining	0	1	0	0	0	0	0	0	1
Rental, Hiring and Real Estate Services	0	0	1	0	0	0	0	0	1
Agriculture, Forestry and Fishing	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
Financial and Insurance Services	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	8	8	29	2	1	0	0	0	48

Toowoomba is one of Queensland's lowest commercial risk regions with only 48 businesses categorised at high to severe risk of financial failure. Importantly, Toowoomba is also one of the lowest ranking risk areas from Queensland, New South Wales, Victoria and Tasmania combined.

Despite the healthy local economy, the accommodation and food services industry has 5.3% of businesses within the high to severe risk category of financial failure within the next 12 months.

Overall, Toowoomba has 76.5% of businesses at the lowest levels of commercial risk, proving to be a steady local economy. The local economy has also seen the benefits from large investment in infrastructure such as the Toowoomba Second Range Crossing, The Pulse Data Centre and the InterLinkSQ freight terminal. These major projects continue to reflect the prosperity of local business in the community.

Queensland Commercial Risk Analysis

Table 18:
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	5	3	5	36	97	207	121	44	518	13	2.5%	25.7%	71.8%
Other Services	2	4	1	12	34	98	46	34	231	7	3.0%	19.9%	77.1%
Manufacturing	1	1	4	7	32	62	35	26	168	6	3.6%	23.2%	73.2%
Rental, Hiring and Real Estate Services	0	4	1	6	26	56	40	7	140	5	3.6%	22.9%	73.6%
Unclassified	1	1	3	18	24	10	3	0	60	5	8.3%	70.0%	21.7%
Wholesale Trade	2	1	2	5	19	47	35	28	139	5	3.6%	17.3%	79.1%
Accommodation and Food Services	0	2	2	10	42	79	40	21	196	4	2.0%	26.5%	71.4%
Professional, Scientific and Technical Services	2	1	1	26	57	198	97	32	414	4	1.0%	20.0%	79.0%
Retail Trade	1	1	2	13	43	112	90	53	315	4	1.3%	17.8%	81.0%
Health Care and Social Assistance	1	1	1	10	33	76	36	11	169	3	1.8%	25.4%	72.8%
Transport, Postal and Warehousing	0	2	1	9	28	55	36	17	148	3	2.0%	25.0%	73.0%
Administrative and Support Services	0	0	2	4	14	43	16	4	83	2	2.4%	21.7%	75.9%
Arts and Recreation Services	0	1	1	2	11	27	16	5	63	2	3.2%	20.6%	76.2%
Education and Training	0	1	1	1	3	14	4	4	28	2	7.1%	14.3%	78.6%
Financial and Insurance Services	1	0	1	6	29	115	54	31	237	2	0.8%	14.8%	84.4%
Agriculture, Forestry and Fishing	0	1	0	1	16	35	43	31	127	1	0.8%	13.4%	85.8%
Mining	0	0	1	4	10	30	11	7	63	1	1.6%	22.2%	76.2%
Electricity, Gas, Water and Waste Services	0	0	0	1	3	5	5	1	15	0	0.0%	26.7%	73.3%
Information Media and Telecommunications	0	0	0	2	3	9	2	3	19	0	0.0%	26.3%	73.7%
Public Administration and Safety	0	0	0	0	0	4	0	1	5	0	0.0%	0.0%	100.0%
Total	16	24	29	173	524	1282	730	360	3138	69	2.2%	22.2%	75.6%

Table 19:
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
Construction	0	6	6	1	0	0	0	0	13
Other Services	1	0	6	0	0	0	0	0	7
Manufacturing	1	1	4	0	0	0	0	0	6
Rental, Hiring and Real Estate Services	0	1	4	0	0	0	0	0	5
Unclassified	5	0	0	0	0	0	0	0	5
Wholesale Trade	0	0	5	0	0	0	0	0	5
Accommodation and Food Services	0	1	3	0	0	0	0	0	4
Professional, Scientific and Technical Services	1	1	2	0	0	0	0	0	4
Retail Trade	0	1	2	1	0	0	0	0	4
Health Care and Social Assistance	0	1	2	0	0	0	0	0	3
Transport, Postal and Warehousing	0	1	2	0	0	0	0	0	3
Administrative and Support Services	0	1	1	0	0	0	0	0	2
Arts and Recreation Services	0	0	2	0	0	0	0	0	2
Education and Training	1	1	0	0	0	0	0	0	2
Financial and Insurance Services	0	0	2	0	0	0	0	0	2
Agriculture, Forestry and Fishing	1	0	0	0	0	0	0	0	1
Mining	0	0	1	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	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	10	15	42	2	0	0	0	0	69

Mackay's total number of businesses at high to severe commercial risk of financial failure has decreased from 87 to 69 businesses since August 2017. This is currently 2.2% of Mackay's businesses falling within this high to severe risk category of financial failure.

13 construction businesses followed by 7 other services businesses and 6 manufacturing businesses, all make up the top 3 industries most at risk for the region.

44 (63.8%) of the 69 businesses at risk are within the \$1 million to less than \$50 million turnover categories.

Table 20:
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 -----→							
Accommodation and Food Services	1	3	2	8	12	19	15	9	69	6	8.7%	29.0%	62.3%
Construction	0	3	2	10	29	50	38	31	163	5	3.1%	23.9%	73.0%
Other Services	1	1	1	4	5	24	20	14	70	3	4.3%	12.9%	82.9%
Retail Trade	0	2	1	4	18	39	31	15	110	3	2.7%	20.0%	77.3%
Rental, Hiring and Real Estate Services	0	2		1	4	21	16	4	48	2	4.2%	10.4%	85.4%
Administrative and Support Services	0	0	1	2	3	7	10	1	24	1	4.2%	20.8%	75.0%
Financial and Insurance Services	0	1	0	1	13	38	23	7	83	1	1.2%	16.9%	81.9%
Professional, Scientific and Technical Services	0	1	0	11	20	78	29	13	152	1	0.7%	20.4%	78.9%
Unclassified	0	0	1	2	5	1	0	1	10	1	10.0%	70.0%	20.0%
Agriculture, Forestry and Fishing	0	0	0	1	1	5	3	3	13	0	0.0%	15.4%	84.6%
Arts and Recreation Services	0	0	0	0	2	6	5	1	14	0	0.0%	14.3%	85.7%
Education and Training	0	0	0	0	2	3	2	3	10	0	0.0%	20.0%	80.0%
Electricity, Gas, Water and Waste Services	0	0	0	1	1	5	1	0	8	0	0.0%	25.0%	75.0%
Health Care and Social Assistance	0	0	0	3	12	42	20	6	83	0	0.0%	18.1%	81.9%
Information Media and Telecommunications	0	0	0	0	0	2	3	4	9	0	0.0%	0.0%	100.0%
Manufacturing	0	0	0	3	7	23	7	7	47	0	0.0%	21.3%	78.7%
Public Administration and Safety	0	0	0	0	0	1	1	0	2	0	0.0%	0.0%	100.0%
Transport, Postal and Warehousing	0	0	0	0	5	10	4	4	23	0	0.0%	21.7%	78.3%
Wholesale Trade	0	0	0	1	6	25	13	8	53	0	0.0%	13.2%	86.8%
Mining	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%
Total	2	13	8	52	145	399	241	131	991	23	2.3%	19.9%	77.8%

Queensland Commercial Risk Analysis

Table 21:

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
Accommodation and Food Services	0	0	5	1	0	0	0	0	6
Construction	0	0	4	1	0	0	0	0	5
Other Services	0	1	2		0	0	0	0	3
Retail Trade	0	1	1	1	0	0	0	0	3
Rental, Hiring and Real Estate Services	0	0	2	0	0	0	0	0	2
Administrative and Support Services	0	0	1	0	0	0	0	0	1
Financial and Insurance Services	0	1	0	0	0	0	0	0	1
Professional, Scientific and Technical Services	0	1	0	0	0	0	0	0	1
Unclassified	1	0	0	0	0	0	0	0	1
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Arts and Recreation 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
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Manufacturing	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
Transport, Postal and Warehousing	0	0	0	0	0	0	0	0	0
Wholesale Trade	0	0	0	0	0	0	0	0	0
Total	1	4	15	3	0	0	0	0	23

Rockhampton is stable and proving to be a low at risk region, with only 23 (2.3%) businesses in the high to severe risk category of financial failure within the next 12 months. This is a decrease from 29 businesses in August 2017.

Of those businesses at highest risk, 65% are within the \$1 million to less than \$10 million turnover range.

Queensland Commercial Risk Analysis

Table 22:
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	1	1	5	6	22	44	43	13	135	7	5.2%	20.7%	74.1%
Rental, Hiring and Real Estate Services	1	3	0	3	7	21	14	5	54	4	7.4%	18.5%	74.1%
Other Services	0	2	0	4	3	22	11	9	51	2	3.9%	13.7%	82.4%
Unclassified	0	0	2	1	6	1	0	1	11	2	18.2%	63.6%	18.2%
Administrative and Support Services	0	1	0	2	2	5	6	1	17	1	5.9%	23.5%	70.6%
Financial and Insurance Services	0	0	1	4	9	29	11	5	59	1	1.7%	22.0%	76.3%
Manufacturing	0	0	1	3	3	19	7	5	38	1	2.6%	15.8%	81.6%
Accommodation and Food Services	0	0	0	1	16	17	6	4	44	0	0.0%	38.6%	61.4%
Agriculture, Forestry and Fishing	0	0	0	1	0	2	1	0	4	0	0.0%	25.0%	75.0%
Arts and Recreation Services	0	0	0	1	1	7	0	2	11	0	0.0%	18.2%	81.8%
Education and Training	0	0	0	2	2	0	1	3	8	0	0.0%	50.0%	50.0%
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	2	1	3	0	0.0%	0.0%	100.0%
Health Care and Social Assistance	0	0	0	3	6	25	8	2	44	0	0.0%	20.5%	79.5%
Information Media and Telecommunications	0	0	0	0	0	0	2	0	2	0	0.0%	0.0%	100.0%
Professional, Scientific and Technical Services	0	0	0	5	13	51	34	11	114	0	0.0%	15.8%	84.2%
Public Administration and Safety	0	0	0	0	0	0	1	0	1	0	0.0%	0.0%	100.0%
Retail Trade	0	0	0	6	12	37	20	12	87	0	0.0%	20.7%	79.3%
Transport, Postal and Warehousing	0	0	0	1	5	13	10	3	32	0	0.0%	18.8%	81.3%
Wholesale Trade	0	0	0	2	3	14	8	3	30	0	0.0%	16.7%	83.3%
Mining	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%
Total	2	7	9	45	110	307	185	80	745	18	2.4%	20.8%	76.8%

Table 23:
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	2	2	3	0	0	0	0	0	7
Rental, Hiring and Real Estate Services	1	1	2	0	0	0	0	0	4
Other Services	0	0	2	0	0	0	0	0	2
Unclassified	1	0	1	0	0	0	0	0	2
Administrative and Support Services	1	0	0	0	0	0	0	0	1
Financial and Insurance Services	0	0	1	0	0	0	0	0	1
Manufacturing	0	1	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 Recreation 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
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Professional, Scientific and Technical Services	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Wholesale Trade	0	0	0	0	0	0	0	0	0
Retail Trade	0	0	0	0	0	0	0	0	0
Transport, Postal and Warehousing	0	0	0	0	0	0	0	0	0
Total	5	4	9	0	0	0	0	0	18

There are currently 18 businesses in Gladstone within the high to severe commercial risk bands, being an unchanged figure since August 2017. 9 of these businesses are within the turnover range of \$1 million to less than \$10 million.

Queensland Commercial Risk Analysis

Table 24:
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	2	4	15	54	83	47	18	227	10	4.4%	30.4%	65.2%
Construction	3	6	1	39	91	226	187	96	649	10	1.5%	20.0%	78.4%
Professional, Scientific and Technical Services	3	4	2	27	57	210	110	46	459	9	2.0%	18.3%	79.7%
Other Services	2	2	2	15	49	86	47	36	239	6	2.5%	26.8%	70.7%
Retail Trade	1	3	2	12	65	121	110	54	368	6	1.6%	20.9%	77.4%
Manufacturing	1	0	4	10	38	70	54	55	232	5	2.2%	20.7%	77.2%
Transport, Postal and Warehousing	0	1	3	9	21	53	34	23	144	4	2.8%	20.8%	76.4%
Unclassified	0	3	1	9	30	6	4	0	53	4	7.5%	73.6%	18.9%
Arts and Recreation Services	1	1	1	3	14	31	14	8	73	3	4.1%	23.3%	72.6%
Mining	0	1	2	2	3	13	6	3	30	3	10.0%	16.7%	73.3%
Financial and Insurance Services	1	0	1	5	37	127	76	28	275	2	0.7%	15.3%	84.0%
Health Care and Social Assistance	0	0	2	15	23	115	58	13	226	2	0.9%	16.8%	82.3%
Public Administration and Safety	0	2	0	0	0	2	0	3	7	2	28.6%	0.0%	71.4%
Electricity, Gas, Water and Waste Services	0	0	1	1	3	10	6	2	23	1	4.3%	17.4%	78.3%
Rental, Hiring and Real Estate Services	0	1	0	7	24	78	48	22	180	1	0.6%	17.2%	82.2%
Wholesale Trade	0	0	1	11	24	67	44	31	178	1	0.6%	19.7%	79.8%
Administrative and Support Services	0	0	0	3	10	23	19	4	59	0	0.0%	22.0%	78.0%
Agriculture, Forestry and Fishing	0	0	0	4	7	30	36	23	100	0	0.0%	11.0%	89.0%
Education and Training	0	0	0	3	6	20	8	7	44	0	0.0%	20.5%	79.5%
Information Media and Telecommunications	0	0	0	1	0	8	5	1	15	0	0.0%	6.7%	93.3%
Total	16	26	27	191	556	1379	913	473	3581	69	1.9%	20.9%	77.2%

Queensland Commercial Risk Analysis

Table 25:
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	Total
Accommodation and Food Services	1	3	6	0	0	0	0	0	10
Construction	1	1	8	0	0	0	0	0	10
Professional, Scientific and Technical Services	1	2	6	0	0	0	0	0	9
Other Services	2	2	2	0	0	0	0	0	6
Retail Trade	0	0	3	3	0	0	0	0	6
Manufacturing	0	0	2	2	0	1	0	0	5
Transport, Postal and Warehousing	0	1	3	0	0	0	0	0	4
Unclassified	0	0	3	1	0	0	0	0	4
Arts and Recreation Services	0	1	2	0	0	0	0	0	3
Mining	0	3	0	0	0	0	0	0	3
Financial and Insurance Services	0	1	1	0	0	0	0	0	2
Health Care and Social Assistance	0	0	2	0	0	0	0	0	2
Public Administration and Safety	0	1	1	0	0	0	0	0	2
Electricity, Gas, Water and Waste Services	1	0	0	0	0	0	0	0	1
Rental, Hiring and Real Estate Services	0	0	1	0	0	0	0	0	1
Wholesale Trade	0	0	1	0	0	0	0	0	1
Administrative and Support Services	0	0	0	0	0	0	0	0	0
Agriculture, Forestry and Fishing	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
Total	6	15	41	6	0	1	0	0	69

A total of 69 businesses are at high to severe commercial risk according to the latest August results. This is a significant decrease from last August 2017, from 108 business or 3.1% of businesses. The accommodation and food services (10), construction (10) and professional, scientific and technical services (9) industries are the top 3 highest at risk.

Despite substantial improvements, one manufacturing business at risk in Townsville has a turnover of \$100 million to \$500 million, and six businesses have turnovers of \$10 million to \$50 million. The size of these businesses need to be considered in terms of the impact on the local economy.

Queensland Commercial Risk Analysis

Table 26:
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	3	9	11	45	96	151	81	42	438	23	5.3%	32.2%	62.6%
Retail Trade	4	5	7	24	80	200	138	65	523	16	3.1%	19.9%	77.1%
Construction	1	8	1	54	108	269	174	87	702	10	1.4%	23.1%	75.5%
Professional, Scientific and Technical Services	1	2	7	27	95	288	146	54	620	10	1.6%	19.7%	78.7%
Unclassified	2	1	5	24	32	7	1	1	73	8	11.0%	76.7%	12.3%
Financial and Insurance Services	1	2	3	12	62	187	68	50	385	6	1.6%	19.2%	79.2%
Arts and Recreation Services	0	2	3	7	17	58	27	14	128	5	3.9%	18.8%	77.3%
Health Care and Social Assistance	0	0	5	19	30	134	56	18	262	5	1.9%	18.7%	79.4%
Other Services	1	1	3	21	49	132	88	39	334	5	1.5%	21.0%	77.5%
Transport, Postal and Warehousing	1	2	2	4	28	55	50	24	166	5	3.0%	19.3%	77.7%
Manufacturing	0	3	1	6	53	102	72	46	283	4	1.4%	20.8%	77.7%
Administrative and Support Services	0	1	2	13	31	83	40	18	188	3	1.6%	23.4%	75.0%
Agriculture, Forestry and Fishing	1	1	0	8	26	85	62	51	234	2	0.9%	14.5%	84.6%
Mining	1	1	0	3	6	17	4	6	38	2	5.3%	23.7%	71.1%
Rental, Hiring and Real Estate Services	1	0	1	6	21	101	55	30	215	2	0.9%	12.6%	86.5%
Wholesale Trade	0	2	0	5	33	83	78	33	234	2	0.9%	16.2%	82.9%
Education and Training	0	0	1	4	12	19	11	9	56	1	1.8%	28.6%	69.6%
Public Administration and Safety	0	1	0	1	1	3	1	8	15	1	6.7%	13.3%	80.0%
Electricity, Gas, Water and Waste Services	0	0	0	0	4	7	2	1	14	0	0.0%	28.6%	71.4%
Information Media and Telecommunications	0	0	0	2	6	12	12	3	35	0	0.0%	22.9%	77.1%
Total	17	41	52	285	790	1993	1166	599	4943	110	2.2%	21.7%	76.0%

Queensland Commercial Risk Analysis

Table 27:
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	1	6	16	0	0	0	0	0	23
Retail Trade	1	2	9	4	0	0	0	0	16
Construction	1	4	5	0	0	0	0	0	10
Professional, Scientific and Technical Services	2	3	5	0	0	0	0	0	10
Unclassified	3	0	4	1	0	0	0	0	8
Financial and Insurance Services	1	1	3	1	0	0	0	0	6
Arts and Recreation Services	0	3	2	0	0	0	0	0	5
Health Care and Social Assistance	0	0	5	0	0	0	0	0	5
Other Services	0	2	3	0	0	0	0	0	5
Transport, Postal and Warehousing	1	1	3	0	0	0	0	0	5
Manufacturing	0	3	1	0	0	0	0	0	4
Administrative and Support Services	1	0	2	0	0	0	0	0	3
Agriculture, Forestry and Fishing	1	0	0	1	0	0	0	0	2
Mining	0	1	1	0	0	0	0	0	2
Rental, Hiring and Real Estate Services	0	0	2	0	0	0	0	0	2
Wholesale Trade	0	0	2	0	0	0	0	0	2
Education and Training	1	0	0	0	0	0	0	0	1
Public Administration and Safety	0	1	0	0	0	0	0	0	1
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
Total	13	27	63	7	0	0	0	0	110

2.2% (110) of Cairns' businesses are categorized as high to severe risk of insolvency within the next 12 months throughout all industries. The most affected industries being accommodation and food services (23), retail trade (16) and construction (10). Of the 110 businesses at risk, 7 are within the \$10 million to less than \$50 million turnover range.

Overall the number of businesses within the high to severe risk category have decreased by 44 businesses from August 2017.



As New South Wales is Australia's largest state economy, it is comparative that the state has the highest number of businesses at risk with 4747 (2.5%). Despite this, the state is the third in terms of proportion of businesses at risk, with Tasmania (4.6%) and Queensland (2.7%) first and second respectively.

The industries with the highest to severe risk businesses, in terms of number of businesses are:

1. Construction, 779 (3.5%) *An increase of 2 businesses from August 2017*
2. Accommodation and Food Services, 673 (7.3%) *An increase of 13 businesses since August 2017*
3. Retail Trade, 570 (3.3%) *A decrease of 106 business since August 2017*
4. Professional, Scientific and Technical Services, 449 (1.3%) *A decrease of 75 businesses since August 2017*
5. Manufacturing, 321 (2.2%) *A decrease of 5 businesses since August 2017*

Notably, the lowest risk industries with just 11 businesses in the high to severe risk category is public administration and safety. New South Wales has 4 large financial and insurance services companies with turnovers of more than \$50 million in the high to severe risk category, 1 of those with \$1 billion or more in turnover. These companies are significant to the industry and the state's economy. Nearly 55% of businesses within the high to severe risk category are within \$1 million to less than \$10 million in turnover and 9.7% are within the \$10 million to less than \$50 million turnover category.

In terms of New South Wales regions, the top 5 high to severe risk industries are:

1. Sydney City and Inner South, 739 (2.2%) *A decrease of 122 businesses since August 2017*
2. Parramatta, 630 (3.9%) *A decrease of 41 businesses since August 2017*
3. Inner South West, 499 (4.0%) *A decrease of 61 since August 2017*
4. South West, 377 (4.3%) *A decrease of 14 since August 2017*
5. Sydney – North Sydney and Hornsby, 31316 (1.8%) *A decrease of 10 since August 2017*

However, the regions in the state at least risk according to number of businesses are:

1. Far West and Orana, 48 (1.9%) *An increase of 11 businesses since August 2017*
2. New England and North West, 57 (1.6%) *A decrease of 6 business since August 2017*
3. Coffs Harbour and Grafton, 57 (2.3%) *An increase of 1 business since August 2017*
4. Murray, 61 (1.6%) *An increase of 2 businesses since August 2017*
5. Mid North Coast, 63 (1.7%) *An increase of 9 businesses since August 2017*

New South Wales Commercial Risk Analysis

Table 28:
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	190	306	283	1381	3717	7155	5600	3851	22483	779	3.5%	22.7%	73.9%
Accommodation and Food Services	182	296	195	890	2229	2693	1423	1360	9268	673	7.3%	33.7%	59.1%
Retail Trade	115	259	196	1057	2877	5494	3698	3432	17128	570	3.3%	23.0%	73.7%
Unclassified	64	142	261	1063	1865	833	141	109	4478	467	10.4%	65.4%	24.2%
Professional, Scientific and Technical Services	63	188	198	1418	4312	14748	8475	5719	35121	449	1.3%	16.3%	82.4%
Manufacturing	61	133	127	554	1810	4607	3271	4219	14782	321	2.2%	16.0%	81.8%
Other Services	41	131	98	446	1601	3572	2397	2413	10699	270	2.5%	19.1%	78.3%
Wholesale Trade	50	115	105	481	1686	4084	2892	3659	13072	270	2.1%	16.6%	81.4%
Rental, Hiring and Real Estate Services	28	70	65	332	1106	2796	1749	1725	7871	163	2.1%	18.3%	79.7%
Financial and Insurance Services	23	65	71	442	1828	6198	4470	4483	17580	159	0.9%	12.9%	86.2%
Transport, Postal and Warehousing	27	67	45	228	669	1488	1053	966	4543	139	3.1%	19.7%	77.2%
Health Care and Social Assistance	18	49	63	432	1472	4452	2706	2129	11321	130	1.1%	16.8%	82.0%
Administrative and Support Services	23	50	35	249	696	1964	1051	830	4898	108	2.2%	19.3%	78.5%
Arts and Recreation Services	19	45	37	211	628	1285	673	1166	4064	101	2.5%	20.6%	76.9%
Education and Training	6	18	18	138	432	915	462	460	2449	42	1.7%	23.3%	75.0%
Information Media and Telecommunications	6	11	11	91	346	936	546	574	2521	28	1.1%	17.3%	81.6%
Electricity, Gas, Water and Waste Services	2	9	13	42	128	282	160	290	926	24	2.6%	18.4%	79.0%
Agriculture, Forestry and Fishing	3	12	7	55	217	619	550	631	2094	22	1.1%	13.0%	86.0%
Mining	7	6	8	20	86	236	185	387	935	21	2.2%	11.3%	86.4%
Public Administration and Safety	0	7	4	14	48	97	54	142	366	11	3.0%	16.9%	80.1%
Total	928	1979	1840	9544	27753	64454	41556	38545	186599	4747	2.5%	20.0%	77.5%

New South Wales Commercial Risk Analysis

Table 29:
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	137	161	396	79	5	1	0	0	779
Accommodation and Food Services	58	73	486	56	0	0	0	0	673
Retail Trade	60	56	342	109	3	0	0	0	570
Unclassified	309	16	123	18	0	0	1	0	467
Professional, Scientific and Technical Services	88	99	230	30	1	0	0	1	449
Manufacturing	43	39	199	36	3	1	0	0	321
Other Services	51	36	176	7	0	0	0	0	270
Wholesale Trade	32	21	161	50	5	1	0	0	270
Rental, Hiring and Real Estate Services	23	37	97	5	0	1	0	0	163
Financial and Insurance Services	38	45	57	15	2	0	1	1	159
Transport, Postal and Warehousing	21	22	79	15	2	0	0	0	139
Health Care and Social Assistance	20	20	80	10	0	0	0	0	130
Administrative and Support Services	29	15	57	7	0	0	0	0	108
Arts and Recreation Services	18	28	52	3	0	0	0	0	101
Education and Training	9	6	26	1	0	0	0	0	42
Information Media and Telecommunications	7	4	12	4	0	1	0	0	28
Electricity, Gas, Water and Waste Services	4	0	7	10	2	0	0	1	24
Agriculture, Forestry and Fishing	2	3	14	3	0	0	0	0	22
Mining	4	11	5	1	0	0	0	0	21
Public Administration and Safety	3	1	7	0	0	0	0	0	11
Total	956	693	2606	459	23	5	2	3	4747

New South Wales Commercial Risk Analysis

Table 30:
New South Wales - Retail Sub-Industry vs Commercial Risk

Sub-Industry	Risk Band 1 ← Severe to High →	Risk Band 2	Risk Band 3	Risk Band 4 Moderate to Average	Risk Band 5	Risk Band 6 ← Low to Minimal →	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)
Supermarket and Grocery Stores	14	30	28	95	179	218	143	171	878	72	8.2%	31.2%	60.6%
Other Specialised Food Retailing	14	27	24	95	191	251	180	162	944	65	6.9%	30.3%	62.8%
Other Store-Based Retailing n.e.c.	9	32	19	198	434	764	529	458	2443	60	2.5%	25.9%	71.7%
Clothing Retailing	6	21	20	135	225	348	180	179	1114	47	4.2%	32.3%	63.5%
Furniture Retailing	2	20	14	60	140	219	132	122	709	36	5.1%	28.2%	66.7%
Hardware and Building Supplies Retailing	3	17	11	80	141	278	209	343	1082	31	2.9%	20.4%	76.7%
Watch and Jewellery Retailing	5	7	13	48	109	167	113	101	563	25	4.4%	27.9%	67.7%
Motor Vehicle Parts Retailing	6	9	9	42	95	182	171	231	745	24	3.2%	18.4%	78.4%
Fuel Retailing	2	9	12	44	108	122	72	113	482	23	4.8%	31.5%	63.7%
Electrical, Electronic and Gas Appliance Retailing	4	7	8	38	68	148	107	143	523	19	3.6%	20.3%	76.1%
Car Retailing	1	4	13	43	128	229	209	369	996	18	1.8%	17.2%	81.0%
Fresh Meat, Fish and Poultry Retailing	2	9	6	34	64	130	84	59	388	17	4.4%	25.3%	70.4%
Manchester and Other Textile Goods Retailing	5	7	5	38	80	166	110	66	477	17	3.6%	24.7%	71.7%
Non-Store Retailing	2	8	5	28	33	86	31	44	237	15	6.3%	25.7%	67.9%
Liquor Retailing	1	8	4	20	68	114	84	90	389	13	3.3%	22.6%	74.0%
Newspaper and Book Retailing	0	9	4	40	104	169	129	135	590	13	2.2%	24.4%	73.4%
Pharmaceutical, Cosmetic and Toiletry Goods Retailing	1	3	8	60	104	193	102	67	538	12	2.2%	30.5%	67.3%
Floor Coverings Retailing	3	4	4	33	68	125	83	72	392	11	2.8%	25.8%	71.4%
Sport and Camping Equipment Retailing	2	2	7	56	77	167	133	95	539	11	2.0%	24.7%	73.3%
Other Personal Accessory Retailing	3	5	2	23	50	76	40	36	235	10	4.3%	31.1%	64.7%
Flower Retailing	1	4	3	23	36	68	34	17	186	8	4.3%	31.7%	64.0%
Fruit and Vegetable Retailing	2	6	0	10	35	49	37	43	182	8	4.4%	24.7%	70.9%
Footwear Retailing	1	2	3	12	19	65	45	42	189	6	3.2%	16.4%	80.4%
Garden Supplies Retailing	0	2	4	20	56	102	80	79	343	6	1.7%	22.2%	76.1%
Trailer and Other Motor Vehicle Retailing	0	4	2	11	35	83	76	56	267	6	2.2%	17.2%	80.5%
Computer and Computer Peripheral Retailing	0	2	2	22	57	157	125	82	447	4	0.9%	17.7%	81.4%
Toy and Game Retailing	1	3	0	14	20	58	39	17	152	4	2.6%	22.4%	75.0%
Antique and Used Goods Retailing	0	1	2	11	28	47	45	31	165	3	1.8%	23.6%	74.5%
Stationery Goods Retailing	0	1	2	6	7	23	27	22	88	3	3.4%	14.8%	81.8%
Department Stores	0	0	1	8	12	28	10	19	78	1	1.3%	25.6%	73.1%
Motor Cycle Retailing	0	1	0	11	28	53	40	41	174	1	0.6%	22.4%	77.0%
Other Electrical and Electronic Goods Retailing	0	0	1	5	21	33	17	12	89	1	1.1%	29.2%	69.7%
Retail Commission-Based Buying and/or Selling	1	0	0	4	9	16	8	9	47	1	2.1%	27.7%	70.2%
Total	91	264	236	1367	2829	4934	3424	3526	16671	591	3.5%	25.2%	71.3%

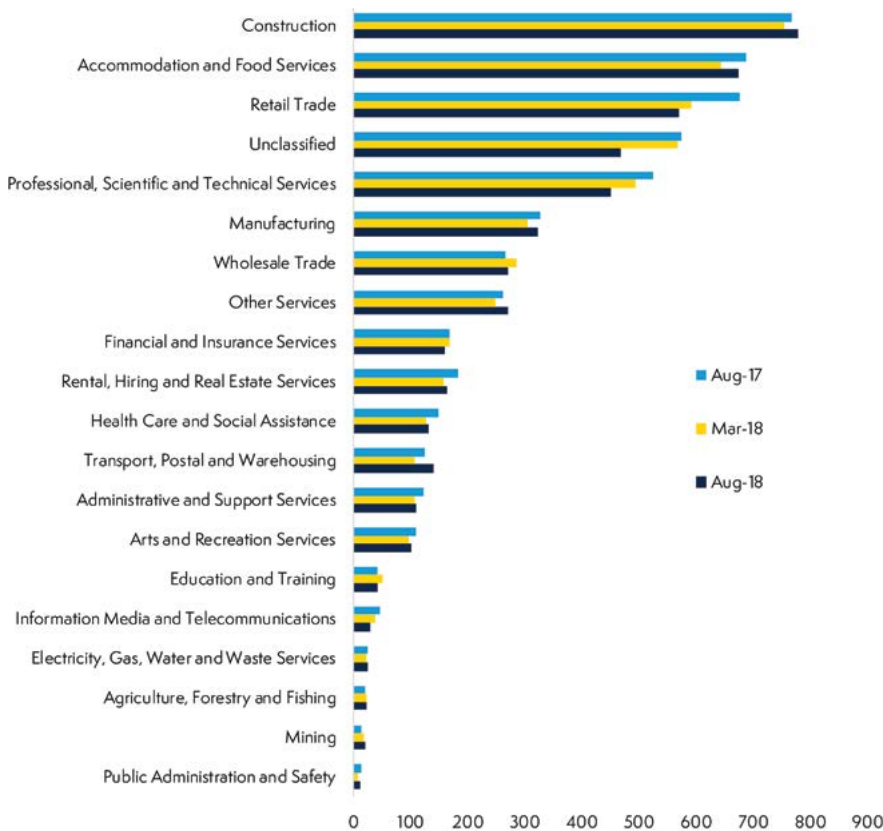
New South Wales Commercial Risk Analysis

Table 31:
New South Wales - Region vs Commercial Risk

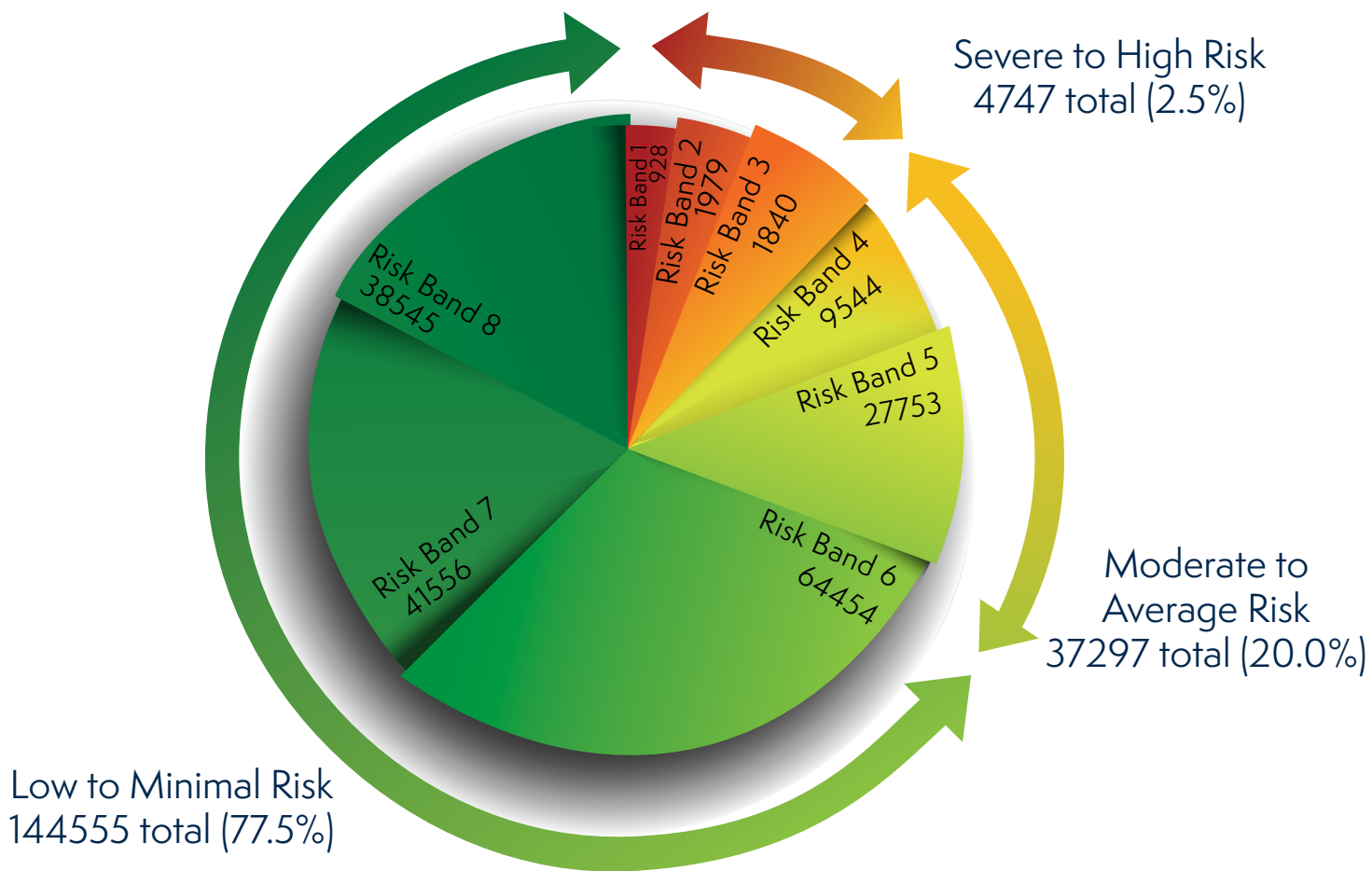
Region	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	← Severe to High →			Moderate to Average		← Low to Minimal →							
Sydney City and Inner South	124	317	298	1635	5291	11392	6239	8576	33872	739	2.2%	20.4%	77.4%
Parramatta	124	275	231	1038	2778	5493	3334	3025	16298	630	3.9%	23.4%	72.7%
Inner South West	106	201	192	767	2149	4309	2651	2218	12593	499	4.0%	23.2%	72.9%
South West	83	158	136	536	1482	2786	1907	1696	8784	377	4.3%	23.0%	72.7%
Nothern Sydney and Hornsby	55	123	138	689	2452	6488	4154	3702	17801	316	1.8%	17.6%	80.6%
Sydney Inner West	59	139	112	596	1531	3349	2018	1644	9448	310	3.3%	22.5%	74.2%
Sydney Northern Beaches	59	139	112	596	1531	3349	2018	1644	9448	310	3.3%	22.5%	74.2%
Blacktown	45	116	114	533	1405	3097	1963	1775	9048	275	3.0%	21.4%	75.5%
Newcastle and Lake Macquarie	49	101	69	432	1147	3154	2106	1704	8762	219	2.5%	18.0%	79.5%
Baulkham Hills and Hawkesbury	32	84	93	472	1290	3248	2219	1627	9065	209	2.3%	19.4%	78.3%
Sydney Eastern Suburbs	35	91	80	387	1208	2825	1680	1327	7633	206	2.7%	20.9%	76.4%
NSW Outer West Blue Mountains	38	72	77	369	998	2458	1783	1383	7178	187	2.6%	19.0%	78.4%
Hunter Valley exc Newcastle	30	73	48	354	954	2475	1718	1485	7137	151	2.1%	18.3%	79.6%
Illawarra	39	58	53	323	866	1969	1447	1159	5914	150	2.5%	20.1%	77.4%
NSW Outer South West	39	54	43	266	722	1469	1051	748	4392	136	3.1%	22.5%	74.4%
Central Coast	39	56	37	337	811	2086	1323	976	5665	132	2.3%	20.3%	77.4%
Sydney - Sutherland	18	52	58	293	792	1922	1231	909	5275	128	2.4%	20.6%	77.0%
Sydney Ryde	16	52	46	252	763	1874	1227	1191	5421	114	2.1%	18.7%	79.2%
Richmond Tweed	19	32	43	217	594	1421	940	732	3998	94	2.4%	20.3%	77.4%
Central West	18	31	39	198	601	1508	1121	1133	4649	88	1.9%	17.2%	80.9%
Capital Region	15	22	43	209	576	1599	1118	998	4580	80	1.7%	17.1%	81.1%
Southern Highlands and Shoalhaven	17	29	28	183	487	1318	947	744	3753	74	2.0%	17.9%	80.2%
Riverina	14	25	26	186	537	1443	1083	1093	4407	65	1.5%	16.4%	82.1%
NSW Mid North Coast	13	29	21	182	459	1250	883	811	3648	63	1.7%	17.6%	80.7%
NSW Murray	14	25	22	151	487	1253	955	921	3828	61	1.6%	16.7%	81.7%
Coffs Harbour and Grafton	13	27	17	119	326	826	614	503	2445	57	2.3%	18.2%	79.5%
New England and North West	16	25	16	134	458	1123	846	869	3487	57	1.6%	17.0%	81.4%
NSW Far West and Orana	10	14	24	88	332	792	617	667	2544	48	1.9%	16.5%	81.6%
Total	1139	2420	2216	11542	33027	76276	49193	45260	221073	5775	2.6%	20.2%	77.2%

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 32:

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 →							
Accommodation and Food Services	69	90	69	279	740	765	379	415	2806	228	8.1%	36.3%	55.6%
Construction	41	73	64	271	787	1383	863	669	4151	178	4.3%	25.5%	70.2%
Professional, Scientific and Technical Services	12	77	76	497	1676	4804	2612	2296	12050	165	1.4%	18.0%	80.6%
Retail Trade	34	71	60	293	773	1390	785	777	4183	165	3.9%	25.5%	70.6%
Unclassified	14	48	99	376	625	203	48	36	1449	161	11.1%	69.1%	19.8%
Manufacturing	16	39	31	160	450	1129	707	1028	3560	86	2.4%	17.1%	80.4%
Wholesale Trade	18	30	26	118	468	1134	723	975	3492	74	2.1%	16.8%	81.1%
Other Services	11	34	20	111	458	920	546	608	2708	65	2.4%	21.0%	76.6%
Financial and Insurance Services	6	25	25	163	693	2036	1294	2014	6256	56	0.9%	13.7%	85.4%
Rental, Hiring and Real Estate Services	9	27	17	112	344	795	434	671	2409	53	2.2%	18.9%	78.9%
Transport, Postal and Warehousing	7	17	17	58	183	348	240	270	1140	41	3.6%	21.1%	75.3%
Health Care and Social Assistance	6	13	18	115	370	971	563	547	2603	37	1.4%	18.6%	79.9%
Arts and Recreation Services	8	18	10	63	166	302	140	204	911	36	4.0%	25.1%	70.9%
Administrative and Support Services	6	18	10	74	239	685	330	329	1691	34	2.0%	18.5%	79.5%
Education and Training	2	5	6	44	154	305	128	163	807	13	1.6%	24.5%	73.9%
Information Media and Telecommunications	4	2	5	35	148	348	180	252	974	11	1.1%	18.8%	80.1%
Electricity, Gas, Water and Waste Services	0	1	4	11	26	76	49	170	337	5	1.5%	11.0%	87.5%
Mining	2	1	2	8	38	91	76	240	458	5	1.1%	10.0%	88.9%
Public Administration and Safety	0	3	1	7	9	23	15	48	106	4	3.8%	15.1%	81.1%
Agriculture, Forestry and Fishing	1	0	0	3	19	33	19	22	97	1	1.0%	22.7%	76.3%
Total	266	592	560	2798	8366	17741	10131	11734	52188	1418	2.7%	21.4%	75.9%

2.7% (1418) of Sydney's businesses are at high to severe risk of insolvency throughout the next 12 months. This is a decrease of 172 businesses across various industries. 21.4% and 75.9% of businesses are within the medium and low risk bands respectively.

Businesses in the region operating within the accommodation and food services (228), construction (178) and professional, scientific and technical services (165) industries are most at risk. Despite these industries decreasing in risk since August 2017's report, the proportion of businesses in each are still substantial. With the accommodation and food services industry being at 8.1% risk, this remains the highest at risk industry year on year, previously at 8.8% in August 2017.

New South Wales Commercial Risk Analysis

Table 33:
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
Accommodation and Food Services	18	18	159	33	0	0	0	0	228
Construction	31	24	98	23	2	0	0	0	178
Professional, Scientific and Technical Services	29	38	80	17	0	0	0	1	165
Retail Trade	22	14	94	33	2	0	0	0	165
Unclassified	121	4	31	5	0	0	0	0	161
Manufacturing	19	14	42	11	0	0	0	0	86
Wholesale Trade	7	7	42	17	1	0	0	0	74
Other Services	9	8	45	3	0	0	0	0	65
Financial and Insurance Services	15	10	21	7	2	0	0	1	56
Rental, Hiring and Real Estate Services	9	11	30	2	0	1	0	0	53
Transport, Postal and Warehousing	8	4	26	3	0	0	0	0	41
Health Care and Social Assistance	5	3	26	3	0	0	0	0	37
Arts and Recreation Services	7	9	17	3	0	0	0	0	36
Administrative and Support Services	10	3	17	4	0	0	0	0	34
Education and Training	3	2	8	0	0	0	0	0	13
Information Media and Telecommunications	3	1	5	2	0	0	0	0	11
Electricity, Gas, Water and Waste Services	0	0	1	2	1	0	0	1	5
Mining	1	3	1	0	0	0	0	0	5
Public Administration and Safety	1	1	2	0	0	0	0	0	4
Agriculture, Forestry and Fishing	0	0	1	0	0	0	0	0	1
Total	318	174	746	168	8	1	0	3	1418

There are three industries each with one company within the \$1 billion or more turnover size at high to severe risk of insolvency, these are:

1. Professional, Scientific and Technical Services
2. Financial and Insurance Services
3. Electricity, Gas, Water and Waste Services

Notably, the Rental, Hiring and Real Estate Services industry has one large company in the same risk category with a turnover size of \$100 million to less than \$500 million.

New South Wales Commercial Risk Analysis

Table 34:
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 -----→							
Accommodation and Food Services	4	7	5	21	51	97	56	49	296	16	5.4%	24.3%	68.2%
Construction	3	6	6	35	72	179	178	100	586	15	2.6%	18.3%	78.0%
Retail Trade	3	3	4	25	76	143	100	105	465	10	2.2%	21.7%	74.8%
Manufacturing	3	2	3	7	20	82	77	70	266	8	3.0%	10.2%	86.1%
Professional, Scientific and Technical Services	1	3	2	26	53	230	142	71	531	6	1.1%	14.9%	83.4%
Other Services	0	4	1	10	28	76	44	41	208	5	2.4%	18.3%	77.4%
Arts and Recreation Services	1	0	2	2	17	28	15	41	108	3	2.8%	17.6%	77.8%
Transport, Postal and Warehousing	0	1	2	5	11	46	27	30	123	3	2.4%	13.0%	83.7%
Financial and Insurance Services	1	0	1	9	23	102	93	62	292	2	0.7%	11.0%	88.0%
Rental, Hiring and Real Estate Services	0	1	1	5	20	89	54	31	201	2	1.0%	12.4%	86.6%
Administrative and Support Services	0	1	0	4	9	33	19	13	80	1	1.3%	16.3%	81.3%
Agriculture, Forestry and Fishing	1	0	0	2	7	21	17	18	67	1	1.5%	13.4%	83.6%
Education and Training	0	1	0	4	7	18	6	11	47	1	2.1%	23.4%	74.5%
Unclassified	0	0	1	9	32	12	2	3	60	1	1.7%	68.3%	28.3%
Electricity, Gas, Water and Waste Services	0	0	0	1	5	8	3	0	17	0	0.0%	35.3%	64.7%
Health Care and Social Assistance	0	0	0	6	25	80	69	47	228	0	0.0%	13.6%	86.0%
Information Media and Telecommunications	0	0	0	0	3	7	4	6	20	0	0.0%	15.0%	85.0%
Mining	0	0	0	0	1	4	4	2	11	0	0.0%	9.1%	90.9%
Public Administration and Safety	0	0	0	1	0	1	0	2	5	0	0.0%	20.0%	60.0%
Wholesale Trade	0	0	0	11	27	62	37	42	180	0	0.0%	21.1%	78.3%
Total	17	29	28	183	487	1318	947	744	3791	74	2.0%	17.7%	79.4%

New South Wales Commercial Risk Analysis

Table 35:
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
Accommodation and Food Services	0	5	11	0	0	0	0	0	16
Construction	3	6	6	0	0	0	0	0	15
Retail Trade	1	1	7	1	0	0	0	0	10
Manufacturing	0	1	7	0	0	0	0	0	8
Professional, Scientific and Technical Services	0	2	4	0	0	0	0	0	6
Other Services	1	1	3	0	0	0	0	0	5
Arts and Recreation Services	0	1	2	0	0	0	0	0	3
Transport, Postal and Warehousing	1	0	2	0	0	0	0	0	3
Financial and Insurance Services	0	1	1	0	0	0	0	0	2
Rental, Hiring and Real Estate Services	0	1	1	0	0	0	0	0	2
Administrative and Support Services	0	0	1	0	0	0	0	0	1
Agriculture, Forestry and Fishing	0	1	0	0	0	0	0	0	1
Education and Training	0	0	1	0	0	0	0	0	1
Unclassified	1	0	0	0	0	0	0	0	1
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
Information Media and Telecommunications	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
Wholesale Trade	0	0	0	0	0	0	0	0	0
Total	7	20	46	1	0	0	0	0	74

There are currently 74 businesses (2.0%) that are currently within the high to severe risk band of financial failure within the next 12 months. 41 of these are trading within the accommodation and food services (16), construction (15) and retail trade (10) industries. The accommodation and food services industry remains the highest in terms of proportion of businesses at risk with 5.4% facing possible insolvency within the next 12 months, a slight decrease from 6.9% in August 2017.

Overall the region has improved since August 2017, as the number of low to minimal risk businesses has increased from 77.5% to 79.4%.

New South Wales Commercial Risk Analysis

Table 36:
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	7	9	17	67	161	309	258	165	993	33	3.3%	23.0%	73.7%
Accommodation and Food Services	4	10	9	22	61	69	24	28	227	23	10.1%	36.6%	53.3%
Retail Trade	2	7	3	27	77	174	105	74	469	12	2.6%	22.2%	75.3%
Unclassified	0	4	7	23	56	18	2	0	110	11	10.0%	71.8%	18.2%
Wholesale Trade	2	4	4	19	41	130	84	75	359	10	2.8%	16.7%	80.5%
Other Services	1	4	4	10	39	113	77	78	326	9	2.8%	15.0%	82.2%
Professional, Scientific and Technical Services	0	3	5	40	95	405	220	119	887	8	0.9%	15.2%	83.9%
Arts and Recreation Services	0	4	2	8	26	42	11	26	119	6	5.0%	28.6%	66.4%
Manufacturing	1	3	0	19	64	139	107	141	474	4	0.8%	17.5%	81.6%
Financial and Insurance Services	0	0	3	10	45	153	117	65	393	3	0.8%	14.0%	85.2%
Transport, Postal and Warehousing	0	2	1	6	20	40	33	20	122	3	2.5%	21.3%	76.2%
Administrative and Support Services	0	2	0	9	18	56	31	20	136	2	1.5%	19.9%	78.7%
Health Care and Social Assistance	0	0	2	17	36	135	81	46	317	2	0.6%	16.7%	82.6%
Rental, Hiring and Real Estate Services	1	0	1	6	21	82	55	32	198	2	1.0%	13.6%	85.4%
Agriculture, Forestry and Fishing	0	0	0	2	3	2	1	3	11	0	0.0%	45.5%	54.5%
Education and Training	0	0	0	4	16	17	13	5	55	0	0.0%	36.4%	63.6%
Electricity, Gas, Water and Waste Services	0	0	0	2	6	14	6	1	29	0	0.0%	27.6%	72.4%
Information Media and Telecommunications	0	0	0	2	6	16	6	7	37	0	0.0%	21.6%	78.4%
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	1	6	0	4	11	0	0.0%	9.1%	90.9%
Total	18	52	58	293	792	1922	1231	909	5275	128	2.4%	20.6%	77.0%

New South Wales Commercial Risk Analysis

Table 37:
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	3	9	16	5	0	0	0	0	33
Accommodation and Food Services	3	3	17	0	0	0	0	0	23
Retail Trade	1	0	7	4	0	0	0	0	12
Unclassified	8	2	1	0	0	0	0	0	11
Wholesale Trade	4	0	2	4	0	0	0	0	10
Other Services	3	2	4	0	0	0	0	0	9
Professional, Scientific and Technical Services	2	2	4	0	0	0	0	0	8
Arts and Recreation Services	2	3	1	0	0	0	0	0	6
Manufacturing	0	0	4	0	0	0	0	0	4
Financial and Insurance Services	1	2	0	0	0	0	0	0	3
Transport, Postal and Warehousing	0	0	3	0	0	0	0	0	3
Administrative and Support Services	0	0	2	0	0	0	0	0	2
Health Care and Social Assistance	0	1	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
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
Information Media and Telecommunications	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	27	25	63	13	0	0	0	0	128

2.4% (128) of businesses in the Sutherland Shire are currently at high to severe risk of financial failure of the next 12 months. This remains consistent from August 2017. The accommodation and food services industry is of most concern with 10.1% of businesses trading in this sector at high to severe risk of financial failure. This has increased from 8.8% from the previous year.

Both the construction and retail trade industries have 5 and 4 businesses within the \$10 million to less than \$50 million in turnover at high to severe risk of financial failure. These are relatively large businesses for this region and this is an increase by 7 business in this turnover and risk category since August 2017.

New South Wales Commercial Risk Analysis

Table 38:
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 -----→							
Accommodation and Food Services	11	10	5	36	83	75	68	44	332	26	7.8%	35.8%	56.3%
Retail Trade	4	13	6	40	116	177	160	118	634	23	3.6%	24.6%	71.8%
Other Services	3	9	8	19	50	128	101	98	416	20	4.8%	16.6%	78.6%
Construction	6	8	4	58	122	267	228	163	856	18	2.1%	21.0%	76.9%
Professional, Scientific and Technical Services	2	7	4	50	128	385	228	150	954	13	1.4%	18.7%	80.0%
Manufacturing	1	4	6	14	49	132	106	107	419	11	2.6%	15.0%	82.3%
Unclassified	3	1	5	19	51	21	1	5	106	9	8.5%	66.0%	25.5%
Transport, Postal and Warehousing	2	2	1	6	23	43	36	32	145	5	3.4%	20.0%	76.6%
Administrative and Support Services	2	0	2	5	14	71	30	25	149	4	2.7%	12.8%	84.6%
Financial and Insurance Services	1	0	3	10	44	160	134	90	442	4	0.9%	12.2%	86.9%
Wholesale Trade	2	1	1	10	38	114	68	91	325	4	1.2%	14.8%	84.0%
Health Care and Social Assistance	1	0	2	17	56	186	140	94	496	3	0.6%	14.7%	84.7%
Rental, Hiring and Real Estate Services	0	2	1	14	35	96	68	43	259	3	1.2%	18.9%	79.9%
Arts and Recreation Services	1	0	1	13	31	49	30	58	183	2	1.1%	24.0%	74.9%
Electricity, Gas, Water and Waste Services	0	1	1	3	6	6	4	3	24	2	8.3%	37.5%	54.2%
Education and Training	0	0	1	6	10	20	16	14	67	1	1.5%	23.9%	74.6%
Information Media and Telecommunications	0	0	1	0	4	14	14	12	45	1	2.2%	8.9%	88.9%
Mining	0	0	1	1	1	5	1	3	12	1	8.3%	16.7%	75.0%
Agriculture, Forestry and Fishing	0	0	0	1	3	18	12	8	42	0	0.0%	9.5%	90.5%
Public Administration and Safety	0	0	0	1	2	2	2	1	8	0	0.0%	37.5%	62.5%
Total	39	58	53	323	866	1969	1447	1159	5914	150	2.5%	20.1%	77.4%

Table 39:
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
Accommodation and Food Services	1	1	22	2	0	0	0	0	26
Retail Trade	2	2	13	6	0	0	0	0	23
Other Services	4	1	15	0	0	0	0	0	20
Construction	1	6	10	1	0	0	0	0	18
Professional, Scientific and Technical Services	5	2	6	0	0	0	0	0	13
Manufacturing	3	1	7	0	0	0	0	0	11
Unclassified	6	1	2	0	0	0	0	0	9
Transport, Postal and Warehousing	1	0	2	2	0	0	0	0	5
Administrative and Support Services	0	2	1	1	0	0	0	0	4
Financial and Insurance Services	0	1	2	1	0	0	0	0	4
Wholesale Trade	0	0	3	1	0	0	0	0	4
Health Care and Social Assistance	1	2	0	0	0	0	0	0	3
Rental, Hiring and Real Estate Services	0	0	2	1	0	0	0	0	3
Arts and Recreation Services	0	0	2	0	0	0	0	0	2
Electricity, Gas, Water and Waste Services	0	0	1	1	0	0	0	0	2
Education and Training	0	0	1	0	0	0	0	0	1
Information Media and Telecommunications	1	0	0	0	0	0	0	0	1
Mining	0	0	0	1	0	0	0	0	1
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Total	25	19	89	17	0	0	0	0	150

The Illawarra region has 150 (2.5%) businesses most at risk, with 26 (7.8%) of those trading in the accommodation and food services. 59.3% of businesses within this high to severe risk band have an annual turnover of \$1 million to less than \$10 million, while 11.3% are within the \$10 million to less than \$50 million per annum.

New South Wales Commercial Risk Analysis

Table 40:
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	19	13	78	167	437	349	240	1312	41	3.1%	18.7%	78.2%
Accommodation and Food Services	8	17	11	34	83	113	71	55	392	36	9.2%	29.8%	61.0%
Retail Trade	6	15	6	53	137	259	231	152	859	27	3.1%	22.1%	74.7%
Professional, Scientific and Technical Services	7	8	7	55	153	657	352	234	1473	22	1.5%	14.1%	84.4%
Other Services	4	8	6	22	89	191	138	118	576	18	3.1%	19.3%	77.6%
Unclassified	3	6	4	30	53	35	8	6	145	13	9.0%	57.2%	33.8%
Manufacturing	3	5	2	20	83	215	177	203	708	10	1.4%	14.5%	84.0%
Wholesale Trade	2	2	6	21	51	171	128	145	526	10	1.9%	13.7%	84.4%
Financial and Insurance Services	1	5	2	16	74	283	188	154	723	8	1.1%	12.4%	86.4%
Transport, Postal and Warehousing	1	3	4	15	39	78	61	46	247	8	3.2%	21.9%	74.9%
Arts and Recreation Services	2	2	2	12	31	66	36	54	205	6	2.9%	21.0%	76.1%
Health Care and Social Assistance	0	3	3	31	77	269	167	120	670	6	0.9%	16.1%	83.0%
Rental, Hiring and Real Estate Services	2	3	1	19	51	149	93	63	381	6	1.6%	18.4%	80.1%
Administrative and Support Services	0	2	1	10	21	103	45	36	218	3	1.4%	14.2%	84.4%
Electricity, Gas, Water and Waste Services	0	2	1	2	7	13	5	10	40	3	7.5%	22.5%	70.0%
Agriculture, Forestry and Fishing	0	1	0	5	2	20	6	10	44	1	2.3%	15.9%	81.8%
Education and Training	1	0	0	6	16	41	24	22	110	1	0.9%	20.0%	79.1%
Information Media and Telecommunications	0	0	0	2	5	22	9	11	49	0	0.0%	14.3%	85.7%
Mining	0	0	0	1	6	28	16	17	68	0	0.0%	10.3%	89.7%
Public Administration and Safety	0	0	0	0	2	4	2	8	16	0	0.0%	12.5%	87.5%
Total	49	101	69	432	1147	3154	2106	1704	8762	219	2.5%	18.0%	79.5%

The top three industries in Newcastle and Lake Macquarie with the highest level of risk are:

1. Construction, 41 (3.1%) An increase by 1 business since August 2017
2. Accommodation and Food Services, 36 (9.2%) An increase of 2 businesses since August 2017
3. Retail Trade, 27 (3.1%) A decrease of 8 businesses since August 2017

New South Wales Commercial Risk Analysis

Table 41:
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	9	11	18	3	0	0	0	0	41
Accommodation and Food Services	5	4	26	1	0	0	0	0	36
Retail Trade	3	5	12	7	0	0	0	0	27
Professional, Scientific and Technical Services	7	4	10	1	0	0	0	0	22
Other Services	3	2	12	1	0	0	0	0	18
Unclassified	8	0	5	0	0	0	0	0	13
Manufacturing	1	1	7	1	0	0	0	0	10
Wholesale Trade	3	0	4	0	2	1	0	0	10
Financial and Insurance Services	3	4	1	0	0	0	0	0	8
Transport, Postal and Warehousing	1	3	4	0	0	0	0	0	8
Arts and Recreation Services	1	3	2	0	0	0	0	0	6
Health Care and Social Assistance	1	4	1	0	0	0	0	0	6
Rental, Hiring and Real Estate Services	0	4	2	0	0	0	0	0	6
Administrative and Support Services	0	0	3	0	0	0	0	0	3
Electricity, Gas, Water and Waste Services	0	0	1	2	0	0	0	0	3
Agriculture, Forestry and Fishing	0	0	0	1	0	0	0	0	1
Education and Training	0	1	0	0	0	0	0	0	1
Information Media and Telecommunications	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	45	46	108	17	2	1	0	0	219

The region has 219 businesses (2.5%) at high to severe risk of financial failure in the next 12 months, however 79.5% are within the low to minimal risk bands. Overall, the total number of businesses at risk have decreased by 20 since August 2017.

The wholesale trade industry has 3 businesses within the \$50 to less than \$500 million turnover range at high to severe risk of financial failure for the region. Although nearly half of the number of businesses at risk are within the small to medium sized turnover range of \$1 million to less than \$10 million.

New South Wales Commercial Risk Analysis

Table 42:
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 -----→							
Accommodation and Food Services	0	1	2	2	12	21	9	8	55	3	5.5%	25.5%	69.1%
Transport, Postal and Warehousing	1	0	2	3	5	11	9	8	39	3	7.7%	20.5%	71.8%
Construction	0	0	2	4	22	40	38	19	125	2	1.6%	20.8%	77.6%
Retail Trade	0	2	0	4	16	28	34	36	120	2	1.7%	16.7%	81.7%
Wholesale Trade	0	1	1	1	3	9	10	28	53	2	3.8%	7.5%	88.7%
Administrative and Support Services	1	0	0	1	2	5	8	2	19	1	5.3%	15.8%	78.9%
Manufacturing	0	0	1	1	5	13	12	20	52	1	1.9%	11.5%	86.5%
Mining	0	0	1	1	0	0	0	0	2	1	50.0%	50.0%	0.0%
Agriculture, Forestry and Fishing	0	0	0	0	3	7	7	7	24	0	0.0%	12.5%	87.5%
Arts and Recreation Services	0	0	0	0	0	4	4	6	14	0	0.0%	0.0%	100.0%
Education and Training	0	0	0	0	1	3	2	2	8	0	0.0%	12.5%	87.5%
Electricity, Gas, Water and Waste Services	0	0	0	0	0	2	0	1	3	0	0.0%	0.0%	100.0%
Financial and Insurance Services	0	0	0	1	5	26	14	13	59	0	0.0%	10.2%	89.8%
Health Care and Social Assistance	0	0	0	2	8	21	12	7	50	0	0.0%	20.0%	80.0%
Information Media and Telecommunications	0	0	0	0	1	1	0	2	4	0	0.0%	25.0%	75.0%
Other Services	0	0	0	1	8	19	10	17	55	0	0.0%	16.4%	83.6%
Professional, Scientific and Technical Services	0	0	0	7	11	44	38	18	118	0	0.0%	15.3%	84.7%
Public Administration and Safety	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%
Rental, Hiring and Real Estate Services	0	0	0	1	3	11	11	9	35	0	0.0%	11.4%	88.6%
Unclassified	0	0	0	1	2	1	0	0	4	0	0.0%	75.0%	25.0%
Total	2	4	9	30	107	266	218	203	839	15	1.8%	16.3%	81.9%

Table 43:
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
Accommodation and Food Services	1	2	0	0	0	0	0	0	3
Transport, Postal and Warehousing	0	2	1	0	0	0	0	0	3
Construction	0	0	2	0	0	0	0	0	2
Retail Trade	0	0	1	1	0	0	0	0	2
Wholesale Trade	2	0	0	0	0	0	0	0	2
Administrative and Support Services	0	0	1	0	0	0	0	0	1
Manufacturing	0	0	1	0	0	0	0	0	1
Mining	0	0	1	0	0	0	0	0	1
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Arts and Recreation 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
Financial and Insurance Services	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
Other Services	0	0	0	0	0	0	0	0	0
Professional, Scientific and Technical Services	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
Unclassified	0	0	0	0	0	0	0	0	0
Total	3	4	7	1	0	0	0	0	15

Dubbo is one of the lowest risk regions in the state and nationally, with 81.9% of businesses being categorized as low to minimal risk. Only 15 businesses or 1.8% in the region are at high to severe risk of financial failure in the next 12 months.

Despite this remaining the same since August 2017, the level of low to minimal risk has increased from 78.1% to 81.9%. These are positive indicators for business operating in Dubbo and the local economy.

New South Wales Commercial Risk Analysis

Table 44:
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	2	1	3	4	14	19	14	13	71	6	8.5%	25.4%	64.8%
Administrative and Support Services	0	1	0	2	2	7	5	5	22	1	4.5%	18.2%	77.3%
Construction	0	0	1	14	20	46	46	27	154	1	0.6%	22.1%	77.3%
Financial and Insurance Services	1	0	0	2	4	33	26	21	87	1	1.1%	6.9%	92.0%
Health Care and Social Assistance	0	1	0	3	14	32	12	11	74	1	1.4%	23.0%	74.3%
Manufacturing	0	0	1	2	7	27	13	21	72	1	1.4%	12.5%	84.7%
Other Services	0	1	0	2	7	22	14	22	69	1	1.4%	13.0%	84.1%
Professional, Scientific and Technical Services	0	0	1	7	12	50	39	23	132	1	0.8%	14.4%	84.8%
Transport, Postal and Warehousing	0	1	0	2	10	15	9	14	52	1	1.9%	23.1%	73.1%
Wholesale Trade	1	0	0	0	9	23	18	16	68	1	1.5%	13.2%	83.8%
Agriculture, Forestry and Fishing	0	0	0	0	3	11	9	3	26	0	0.0%	11.5%	88.5%
Arts and Recreation Services	0	0	0	2	3	6	0	8	19	0	0.0%	26.3%	73.7%
Education and Training	0	0	0	1	1	2	1	2	7	0	0.0%	28.6%	71.4%
Electricity, Gas, Water and Waste Services	0	0	0	1	1	1	0	0	3	0	0.0%	66.7%	33.3%
Information Media and Telecommunications	0	0	0	1	0	1	2	1	5	0	0.0%	20.0%	80.0%
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	1	1	0	2	0	0.0%	0.0%	100.0%
Rental, Hiring and Real Estate Services	0	0	0	0	5	17	8	15	45	0	0.0%	11.1%	88.9%
Retail Trade	0	0	0	4	17	26	20	41	109	0	0.0%	19.3%	79.8%
Unclassified	0	0	0	0	7	7	2	0	16	0	0.0%	43.8%	56.3%
Total	4	5	6	47	136	347	239	243	1034	15	1.5%	17.7%	80.2%

Table 45:
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	0	0	6	0	0	0	0	0	6
Administrative and Support Services	0	1	0	0	0	0	0	0	1
Construction	0	1	0	0	0	0	0	0	1
Financial and Insurance Services	0	1	0	0	0	0	0	0	1
Health Care and Social Assistance	0	0	0	1	0	0	0	0	1
Manufacturing	0	0	1	0	0	0	0	0	1
Other Services	0	0	1	0	0	0	0	0	1
Professional, Scientific and Technical Services	0	1	0	0	0	0	0	0	1
Transport, Postal and Warehousing	0	1	0	0	0	0	0	0	1
Wholesale Trade	0	0	1	0	0	0	0	0	1
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Arts and Recreation 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
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
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
Retail Trade	0	0	0	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0	0	0	0
Total	0	5	9	1	0	0	0	0	15

Comparable with Dubbo, Tamworth is also relatively at low risk, with 80.2% of businesses ranked as low to minimal risk of insolvency within the next 12 months. The region also indicates that only 15 businesses are high to severe risk, which is a positive outlook for Tamworth. This is relatively consistent from August 2017's commercial risk outlook report.



Victoria is ranked second in terms of states at high risk, with 3046 businesses falling within the high to severe risk category of financial failure within the next 12 months. This is 2.0% of all businesses in the state. In terms of proportion of businesses, Victoria is actually ranked 7th state/territory in Australia in terms of risk levels.

According to the August 2018 commercial risk data, the top 5 industries most at high to severe risk of financial distress are:

1. Accommodation and Food Services, 483 (6.3%) *A decrease of 17 businesses since August 2017*
2. Construction, 431 (2.2%) *An increase of 24 businesses since August 2017*
3. Retail Trade, 356 (2.5%) *An decrease of 8 businesses since August 2017*
4. Manufacturing, 261 (1.8%) *An increase of 23 businesses since August 2017*
5. Professional, Scientific and Technical Services, 260 (1.0%) *A decrease of 26 businesses since August 2017*

The lowest to minimal risk industries by number of businesses for the state are:

1. Public Administration and Safety, 3 (1.2%) *A decrease of 6 businesses since August 2017*
2. Mining, 5 (1.1%) *An increase of 3 businesses since August 2017*
3. Electricity, Gas, Water and Waste Services, 18 (2.3%) *A decrease of 2 businesses since August 2017*
4. Agriculture, Forestry and Fishing, 20 (1.0%) *An increase of 7 businesses since August 2017*
5. Information Media and Telecommunications, 31 (1.9%) *An increase of 5 businesses since August 2017*

The risk data also shows that there are 4 companies at high to severe risk of financial failure with turnover of \$1 billion or more operating in retail trade, professional, scientific and technical services, financial and insurance services and mining industries.

Regarding the Victoria regions, the inner areas of Melbourne (851) is the highest at risk by number of businesses. However, in terms of proportion of businesses, Melbourne West has the greatest portion of businesses (3.6%) in the high to severe risk category of financial failure. Melbourne West has increased in risk since August 2017, by 19 businesses.

Victoria Commercial Risk Analysis

Table 46:
Victoria - Industry vs Commercial Risk

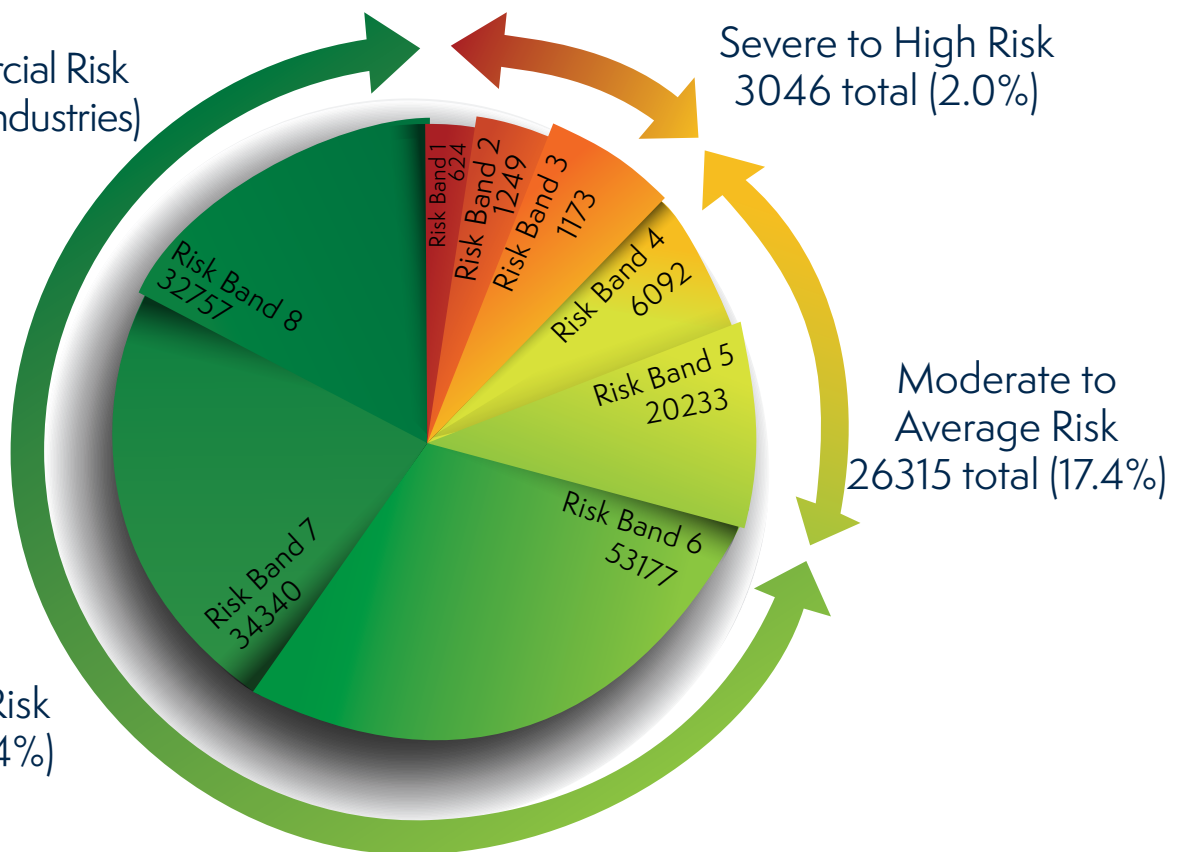
Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High ----->			Moderate to Average		←----- Low to Minimal ----->							
Accommodation and Food Services	119	204	160	643	1673	2370	1275	1080	7673	483	6.3%	30.2%	61.6%
Construction	102	190	139	741	2612	6685	4937	3663	19399	431	2.2%	17.3%	78.8%
Retail Trade	76	161	119	720	2041	4763	3111	3054	14214	356	2.5%	19.4%	76.9%
Unclassified	45	90	165	746	1535	653	127	89	3483	300	8.6%	65.5%	24.9%
Manufacturing	56	113	92	376	1567	4284	3269	4411	14419	261	1.8%	13.5%	83.0%
Professional, Scientific and Technical Services	39	118	103	870	3045	11251	6214	4655	26593	260	1.0%	14.7%	83.2%
Wholesale Trade	41	68	69	318	1332	3548	2584	3198	11275	178	1.6%	14.6%	82.7%
Other Services	34	70	66	287	1156	3018	2066	1826	8606	170	2.0%	16.8%	80.3%
Financial and Insurance Services	20	57	65	334	1464	5498	3929	3973	15476	142	0.9%	11.6%	86.6%
Rental, Hiring and Real Estate Services	20	37	27	172	714	2009	1193	1180	5413	84	1.6%	16.4%	81.0%
Health Care and Social Assistance	15	29	39	309	872	3202	1817	1506	7828	83	1.1%	15.1%	83.4%
Transport, Postal and Warehousing	12	36	26	126	486	1228	915	990	3900	74	1.9%	15.7%	80.3%
Arts and Recreation Services	12	22	31	98	431	998	543	501	2660	65	2.4%	19.9%	76.8%
Administrative and Support Services	10	14	27	131	475	1442	863	707	3725	51	1.4%	16.3%	80.9%
Education and Training	8	9	14	81	260	622	326	350	1707	31	1.8%	20.0%	76.0%
Information Media and Telecommunications	4	10	17	49	214	585	354	348	1598	31	1.9%	16.5%	80.5%
Agriculture, Forestry and Fishing	5	11	4	43	166	621	515	723	2105	20	1.0%	9.9%	88.3%
Electricity, Gas, Water and Waste Services	5	7	6	29	101	204	171	238	781	18	2.3%	16.6%	78.5%
Mining	0	2	3	13	54	124	94	156	457	5	1.1%	14.7%	81.8%
Public Administration and Safety	1	1	1	6	25	72	37	109	260	3	1.2%	11.9%	83.8%
Total	624	1249	1173	6092	20223	53177	34340	32757	151572	3046	2.0%	17.4%	79.4%

Table 47:
Victoria - Industry vs Turnover Size of Business - High to Severe Risk

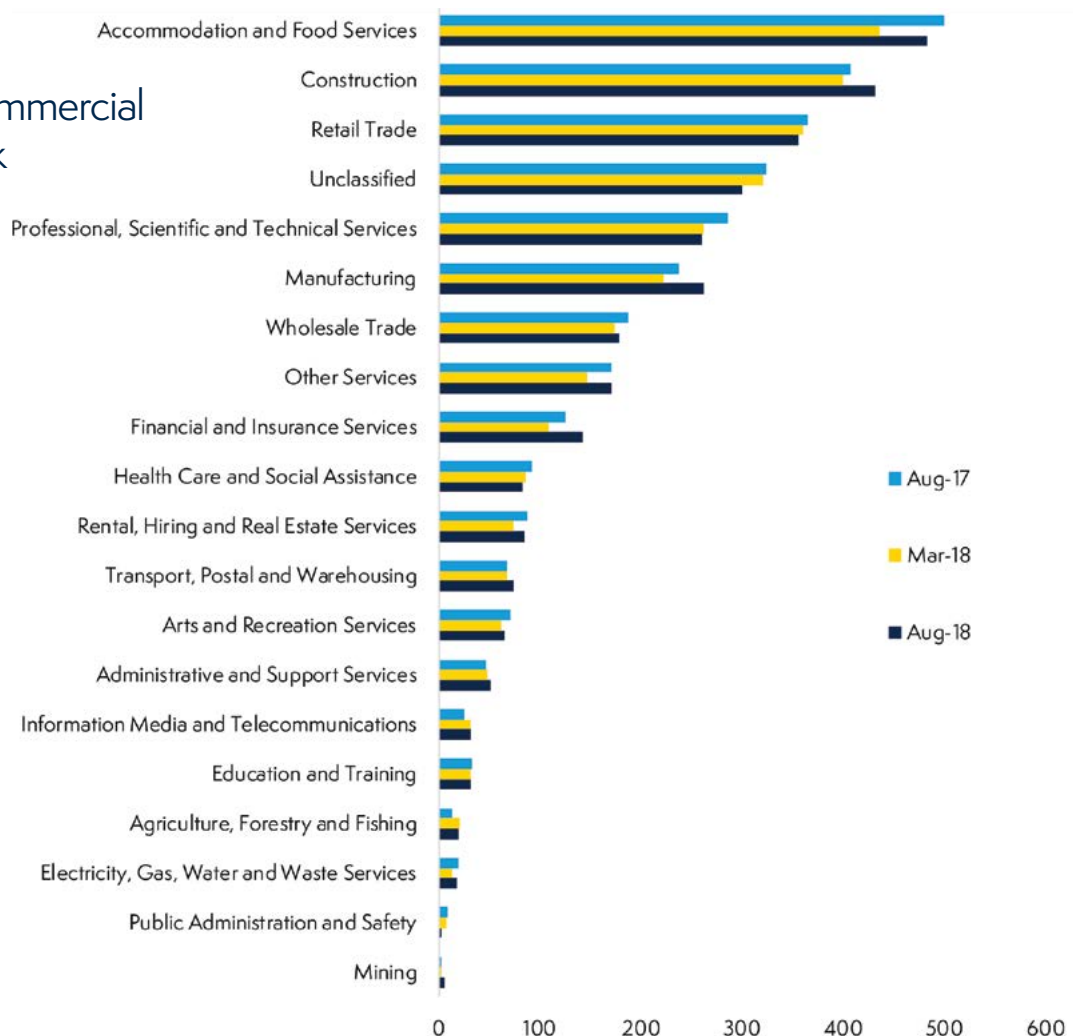
Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	26	54	363	40	0	0	0	0	483
Construction	71	82	226	45	7	0	0	0	431
Retail Trade	45	30	210	64	4	2	0	1	356
Unclassified	186	13	92	8	1	0	0	0	300
Manufacturing	25	31	172	29	4	0	0	0	261
Professional, Scientific and Technical Services	57	44	137	20	1	0	0	1	260
Wholesale Trade	20	14	99	42	3	0	0	0	178
Other Services	28	31	106	5	0	0	0	0	170
Financial and Insurance Services	43	44	48	5	0	1	0	1	142
Rental, Hiring and Real Estate Services	11	16	53	4	0	0	0	0	84
Health Care and Social Assistance	12	11	53	7	0	0	0	0	83
Transport, Postal and Warehousing	12	9	48	4	1	0	0	0	74
Arts and Recreation Services	6	9	49	1	0	0	0	0	65
Administrative and Support Services	8	5	33	3	2	0	0	0	51
Education and Training	8	1	17	5	0	0	0	0	31
Information Media and Telecommunications	6	2	17	6	0	0	0	0	31
Agriculture, Forestry and Fishing	2	1	14	3	0	0	0	0	20
Electricity, Gas, Water and Waste Services	4	1	9	4	0	0	0	0	18
Mining	1	1	2	0	0	0	0	1	5
Public Administration and Safety	0	0	2	1	0	0	0	0	3
Total	571	399	1750	296	23	3	0	4	3046

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 48:
Victoria - Retail Sub-Industry vs Commercial Risk

Sub-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 -----→							
Other Store-Based Retailing n.e.c.	10	15	17	147	321	659	477	413	2059	42	2.0%	22.7%	75.2%
Other Specialised Food Retailing	8	18	15	58	161	290	153	166	869	41	4.7%	25.2%	70.1%
Supermarket and Grocery Stores	6	22	12	70	141	220	132	144	747	40	5.4%	28.2%	66.4%
Clothing Retailing	6	19	10	79	167	347	197	209	1034	35	3.4%	23.8%	72.8%
Hardware and Building Supplies Retailing	2	9	11	40	115	240	215	359	991	22	2.2%	15.6%	82.1%
Motor Vehicle Parts Retailing	4	5	11	23	85	166	163	187	644	20	3.1%	16.8%	80.1%
Liquor Retailing	1	13	3	29	72	91	61	54	324	17	5.2%	31.2%	63.6%
Furniture Retailing	4	5	3	52	125	189	121	146	645	12	1.9%	27.4%	70.7%
Manchester and Other Textile Goods Retailing	3	2	7	31	65	137	102	81	428	12	2.8%	22.4%	74.8%
Sport and Camping Equipment Retailing	2	7	3	25	85	188	116	105	531	12	2.3%	20.7%	77.0%
Car Retailing	1	6	4	30	85	202	177	342	847	11	1.3%	13.6%	85.1%
Pharmaceutical, Cosmetic and Toiletry Goods Retailing	2	4	5	25	59	120	42	34	291	11	3.8%	28.9%	67.4%
Fresh Meat, Fish and Poultry Retailing	1	4	3	23	39	106	73	44	293	8	2.7%	21.2%	76.1%
Garden Supplies Retailing	0	4	4	14	47	114	96	113	392	8	2.0%	15.6%	82.4%
Non-Store Retailing	1	6	1	20	34	56	25	20	163	8	4.9%	33.1%	62.0%
Electrical, Electronic and Gas Appliance Retailing	1	3	3	17	55	117	82	100	378	7	1.9%	19.0%	79.1%
Footwear Retailing	2	2	3	13	28	60	42	51	201	7	3.5%	20.4%	76.1%
Other Personal Accessory Retailing	1	3	3	16	45	61	46	41	216	7	3.2%	28.2%	68.5%
Watch and Jewellery Retailing	0	6	1	14	54	111	85	80	351	7	2.0%	19.4%	78.6%
Fruit and Vegetable Retailing	0	4	2	10	26	44	31	33	150	6	4.0%	24.0%	72.0%
Floor Coverings Retailing	2	1	1	16	31	99	61	91	302	4	1.3%	15.6%	83.1%
Computer and Computer Peripheral Retailing	1	2	0	20	49	115	91	62	340	3	0.9%	20.3%	78.8%
Flower Retailing	0	2	1	21	25	60	40	25	174	3	1.7%	26.4%	71.8%
Fuel Retailing	0	2	1	15	46	71	52	96	283	3	1.1%	21.6%	77.4%
Newspaper and Book Retailing	1	1	1	18	54	117	87	78	357	3	0.8%	20.2%	79.0%
Department Stores	0	0	2	6	10	25	12	16	71	2	2.8%	22.5%	74.6%
Motor Cycle Retailing	0	0	2	8	15	56	44	33	158	2	1.3%	14.6%	84.2%
Retail Commission-Based Buying and/or Selling	1	0	1	6	9	19	11	14	61	2	3.3%	24.6%	72.1%
Trailer and Other Motor Vehicle Retailing	0	0	2	12	22	56	41	46	179	2	1.1%	19.0%	79.9%
Other Electrical and Electronic Goods Retailing	0	0	1	5	10	19	8	9	52	1	1.9%	28.8%	69.2%
Stationery Goods Retailing	0	1	0	5	13	23	26	26	94	1	1.1%	19.1%	79.8%
Toy and Game Retailing	0	0	1	12	18	59	37	21	148	1	0.7%	20.3%	79.1%
Antique and Used Goods Retailing	0	0	0	10	22	44	41	24	141	0	0.0%	22.7%	77.3%
Total	60	166	134	890	2133	4281	2987	3263	13914	360	2.6%	21.7%	75.7%

Victoria Commercial Risk Analysis

Table 49:
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	176	334	341	1891	5908	14132	8178	9116	40076	851	2.1%	19.5%	78.4%
Melbourne Inner South	68	168	173	818	2476	6458	4334	3695	18190	409	2.2%	18.1%	79.6%
Melbourne South East	72	167	149	748	2611	6519	4302	4214	18782	388	2.1%	17.9%	80.1%
Melbourne West	78	167	132	605	1670	3714	2342	1902	10610	377	3.6%	21.4%	75.0%
Melbourne North East	68	108	110	517	1470	3865	2624	2094	10856	286	2.6%	18.3%	79.1%
Melbourne North West	65	92	94	457	1439	3478	2241	2017	9883	251	2.5%	19.2%	78.3%
Melbourne Outer East	50	96	98	512	1656	4760	3344	2686	13202	244	1.8%	16.4%	81.7%
Melbourne Inner East	41	97	88	610	1665	4546	3136	2427	12610	226	1.8%	18.0%	80.2%
Mornington Peninsula	30	69	38	216	928	2660	1717	1444	7102	137	1.9%	16.1%	82.0%
Geelong	19	40	35	120	794	2280	1436	1371	6095	94	1.5%	15.0%	83.5%
Ballarat	6	27	23	93	471	1462	983	1009	4074	56	1.4%	13.8%	84.8%
Latrobe Gippsland	9	16	17	83	485	1753	1126	1132	4621	42	0.9%	12.3%	86.8%
VIC Shepperton	9	13	19	60	355	1199	931	992	3578	41	1.1%	11.6%	87.3%
Hume	6	22	10	54	411	1350	985	999	3837	38	1.0%	12.1%	86.9%
VIC North West	10	10	14	72	342	1171	797	1007	3423	34	1.0%	12.1%	86.9%
Bendigo	4	10	16	74	408	1191	811	846	3360	30	0.9%	14.3%	84.8%
VIC Warrnambool and South West	6	12	10	54	273	971	628	695	2649	28	1.1%	12.3%	86.6%
Total	717	1448	1367	6984	23362	61509	39915	37646	172948	3532	2.0%	17.5%	80.4%

Victoria Commercial Risk Analysis

Table 50:
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	70	115	83	367	857	1118	509	484	3603	268	7.4%	34.0%	58.6%
Unclassified	16	49	99	403	828	315	57	48	1815	164	9.0%	67.8%	23.1%
Retail Trade	33	78	46	355	888	1874	1179	1069	5522	157	2.8%	22.5%	74.6%
Professional, Scientific and Technical Services	24	64	63	572	1840	6443	3465	2849	15320	151	1.0%	15.7%	83.3%
Construction	35	55	44	235	784	1679	1245	944	5021	134	2.7%	20.3%	77.0%
Manufacturing	21	44	34	151	563	1543	1121	1513	4990	99	2.0%	14.3%	83.7%
Financial and Insurance Services	11	31	40	203	855	2904	2211	2347	8602	82	1.0%	12.3%	86.7%
Wholesale Trade	13	28	36	147	550	1516	1069	1259	4618	77	1.7%	15.1%	83.2%
Other Services	13	22	30	128	524	1193	786	808	3504	65	1.9%	18.6%	79.5%
Rental, Hiring and Real Estate Services	7	21	12	110	393	1024	630	655	2852	40	1.4%	17.6%	81.0%
Health Care and Social Assistance	5	10	18	159	410	1490	864	763	3719	33	0.9%	15.3%	83.8%
Transport, Postal and Warehousing	4	17	8	43	144	301	199	261	977	29	3.0%	19.1%	77.9%
Arts and Recreation Services	4	12	12	57	225	469	268	265	1312	28	2.1%	21.5%	76.4%
Administrative and Support Services	5	5	11	72	225	682	390	364	1754	21	1.2%	16.9%	81.9%
Information Media and Telecommunications	3	6	11	35	147	401	241	257	1101	20	1.8%	16.5%	81.7%
Education and Training	4	5	8	47	152	361	170	190	937	17	1.8%	21.2%	76.9%
Agriculture, Forestry and Fishing	1	3	1	9	15	57	36	55	177	5	2.8%	13.6%	83.6%
Electricity, Gas, Water and Waste Services	1	2	0	12	46	65	70	135	331	3	0.9%	17.5%	81.6%
Mining	0	2	1	7	34	69	51	113	277	3	1.1%	14.8%	84.1%
Public Administration and Safety	1	1	0	3	9	31	12	59	116	2	1.7%	10.3%	87.9%
Total	271	570	557	3115	9489	23535	14573	14438	66548	1398	2.1%	18.9%	79.0%

Melbourne's total number of businesses at risk has decreased since August 2017, with 1398 (2.1%), down from 1515 (2.3%). Despite the decrease there are still industries of concern that rank in the top 5 in terms of number of businesses at high to severe risk. These are:

1. Accommodation and Food Services, 268 (7.4%) A decrease of 24 businesses since August 2017
2. Retail Trade, 157 (2.8%) A decrease of 17 businesses since August 2017
3. Professional, Scientific and Technical Services, 151 (1.0%) A decrease of 38 businesses since August 2017
4. Construction, 134 (2.7%) A decrease of 10 businesses since August 2017
5. Manufacturing, 99 (2.0%) An increase of 14 businesses since August 2017

Table 51:
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	12	32	199	25	0	0	0	0	268
Unclassified	117	3	40	4	0	0	0	0	164
Retail Trade	12	11	98	30	4	1	0	1	157
Professional, Scientific and Technical Services	37	21	72	19	1	0	0	1	151
Construction	19	25	69	16	5	0	0	0	134
Manufacturing	10	8	67	14	0	0	0	0	99
Financial and Insurance Services	31	19	26	4	0	1	0	1	82
Wholesale Trade	6	5	42	23	1	0	0	0	77
Other Services	13	16	34	2	0	0	0	0	65
Rental, Hiring and Real Estate Services	6	5	28	1	0	0	0	0	40
Health Care and Social Assistance	4	4	22	3	0	0	0	0	33
Transport, Postal and Warehousing	4	5	18	2	0	0	0	0	29
Arts and Recreation Services	3	6	19	0	0	0	0	0	28
Administrative and Support Services	2	2	15	1	1	0	0	0	21
Information Media and Telecommunications	4	1	10	5	0	0	0	0	20
Education and Training	4	0	9	4	0	0	0	0	17
Agriculture, Forestry and Fishing	1	0	2	2	0	0	0	0	5
Electricity, Gas, Water and Waste Services	1	0	2	0	0	0	0	0	3
Mining	0	0	2	0	0	0	0	1	3
Public Administration and Safety	0	0	1	1	0	0	0	0	2
Total	286	163	775	156	12	2	0	4	1398

The four large companies referred to in the state analysis with turnovers of \$1 billion are all operating in Inner Melbourne. The financial and insurance services industry also has a further 5 companies at high to severe risk with turnovers from \$10 million to less than \$500 million. These are considerable companies that can have detrimental impacts not only on the industry but stakeholders and the community.

Over half (55.4%) of those businesses categorised in the high to severe risk bands are considered smaller to medium sized, with turnover between \$1 million to less than \$10 million.

Victoria Commercial Risk Analysis

Table 52:
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 ---→							
Construction	1	6	3	22	91	260	166	145	694	10	1.4%	16.3%	82.3%
Retail Trade	1	5	4	11	55	135	112	146	469	10	2.1%	14.1%	83.8%
Accommodation and Food Services	2	4	3	15	45	76	60	55	260	9	3.5%	23.1%	73.5%
Manufacturing	0	2	3	2	29	114	79	127	356	5	1.4%	8.7%	89.9%
Professional, Scientific and Technical Services	1	1	2	8	48	224	122	95	501	4	0.8%	11.2%	88.0%
Wholesale Trade	0	2	2	2	17	69	59	76	227	4	1.8%	8.4%	89.9%
Arts and Recreation Services	0	2	1	1	16	23	12	8	63	3	4.8%	27.0%	68.3%
Financial and Insurance Services	1	1	1	6	28	140	74	81	332	3	0.9%	10.2%	88.9%
Other Services	0	2	1	4	28	78	63	69	245	3	1.2%	13.1%	85.7%
Transport, Postal and Warehousing	0	1	1	0	24	53	52	41	172	2	1.2%	14.0%	84.9%
Health Care and Social Assistance	0	0	1	5	20	79	49	35	189	1	0.5%	13.2%	86.2%
Information Media and Telecommunications	0	1	0	0	4	5	7	6	23	1	4.3%	17.4%	78.3%
Unclassified	0	0	1	8	23	14	1	4	51	1	2.0%	60.8%	37.3%
Administrative and Support Services	0	0	0	0	12	41	26	11	90	0	0.0%	13.3%	86.7%
Agriculture, Forestry and Fishing	0	0	0	3	13	64	49	48	177	0	0.0%	9.0%	91.0%
Education and Training	0	0	0	3	1	14	5	12	35	0	0.0%	11.4%	88.6%
Electricity, Gas, Water and Waste Services	0	0	0	0	3	12	7	9	31	0	0.0%	9.7%	90.3%
Mining	0	0	0	1	0	5	4	4	14	0	0.0%	7.1%	92.9%
Public Administration and Safety	0	0	0	0	0	1	1	2	4	0	0.0%	0.0%	100.0%
Rental, Hiring and Real Estate Services	0	0	0	2	14	55	35	35	141	0	0.0%	11.3%	88.7%
Total	6	27	23	93	471	1462	983	1009	4074	56	1.4%	13.8%	84.8%

Table 53:
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
Construction	3	2	5	0	0	0	0	0	10
Retail Trade	2	0	4	4	0	0	0	0	10
Accommodation and Food Services	0	1	8	0	0	0	0	0	9
Manufacturing	1	2	1	0	1	0	0	0	5
Professional, Scientific and Technical Services	0	1	3	0	0	0	0	0	4
Wholesale Trade	1	0	3	0	0	0	0	0	4
Arts and Recreation Services	0	0	3	0	0	0	0	0	3
Financial and Insurance Services	0	1	2	0	0	0	0	0	3
Other Services	0	0	3	0	0	0	0	0	3
Transport, Postal and Warehousing	0	0	2	0	0	0	0	0	2
Health Care and Social Assistance	0	0	1	0	0	0	0	0	1
Information Media and Telecommunications	0	0	0	1	0	0	0	0	1
Unclassified	0	0	1	0	0	0	0	0	1
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
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
Mining	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
Total	7	7	36	5	1	0	0	0	56

1.4% (56) of businesses in Ballarat are facing a high to severe risk of financial distress within the next 12 months. Despite this being a slight increase since August 2017, Ballarat's risk is relatively low with 84.8% of businesses in low to minimal risk bands of financial failure. This is a positive sign for the region.

The construction (10), retail trade (10) and accommodation and food services (9) businesses are the highest risk industries for the region. 64% of all businesses in Ballarat that are most at risk are small businesses with turnover of \$1 million to less than \$10 million.

Table 54:
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	4	8	8	27	135	423	284	190	1079	20	1.9%	15.0%	83.1%
Accommodation and Food Services	6	7	6	14	85	132	67	63	380	19	5.0%	26.1%	68.9%
Retail Trade	1	5	5	18	69	202	142	143	585	11	1.9%	14.9%	83.2%
Manufacturing	0	6	4	2	59	147	112	133	463	10	2.2%	13.2%	84.7%
Administrative and Support Services	1	2	1	2	15	47	30	30	128	4	3.1%	13.3%	83.6%
Arts and Recreation Services	1	0	3	1	20	45	19	18	107	4	3.7%	19.6%	76.6%
Professional, Scientific and Technical Services	0	2	2	10	103	378	216	169	880	4	0.5%	12.8%	86.7%
Transport, Postal and Warehousing	1	1	2	2	23	53	66	57	205	4	2.0%	12.2%	85.9%
Unclassified	2	1	1	12	52	23	6	4	101	4	4.0%	63.4%	32.7%
Wholesale Trade	1	3	0	1	47	110	86	121	369	4	1.1%	13.0%	85.9%
Financial and Insurance Services	0	2	1	3	48	221	114	165	554	3	0.5%	9.2%	90.3%
Other Services	1	1	1	9	43	140	94	80	369	3	0.8%	14.1%	85.1%
Health Care and Social Assistance	1	1	0	7	45	155	83	61	353	2	0.6%	14.7%	84.7%
Electricity, Gas, Water and Waste Services	0	0	1	1	4	7	4	12	29	1	3.4%	17.2%	79.3%
Information Media and Telecommunications	0	1	0	2	4	18	9	7	41	1	2.4%	14.6%	82.9%
Agriculture, Forestry and Fishing	0	0	0	4	12	48	39	48	151	0	0.0%	10.6%	89.4%
Education and Training	0	0	0	0	7	26	17	13	63	0	0.0%	11.1%	88.9%
Mining	0	0	0	0	2	2	1	4	9	0	0.0%	22.2%	77.8%
Public Administration and Safety	0	0	0	0	1	2	2	2	7	0	0.0%	14.3%	85.7%
Rental, Hiring and Real Estate Services	0	0	0	5	21	101	47	51	225	0	0.0%	11.6%	88.4%
Total	19	40	35	120	795	2280	1438	1371	6098	94	1.5%	15.0%	83.5%

Table 55:
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	4	5	11	0	0	0	0	0	20
Accommodation and Food Services	2	2	14	1	0	0	0	0	19
Retail Trade	2	1	6	2	0	0	0	0	11
Manufacturing	1	3	6	0	0	0	0	0	10
Administrative and Support Services	0	0	3	1	0	0	0	0	4
Arts and Recreation Services	1	0	3	0	0	0	0	0	4
Professional, Scientific and Technical Services	1	0	3	0	0	0	0	0	4
Transport, Postal and Warehousing	0	0	4	0	0	0	0	0	4
Unclassified	1	0	3	0	0	0	0	0	4
Wholesale Trade	0	0	3	1	0	0	0	0	4
Financial and Insurance Services	1	0	2	0	0	0	0	0	3
Other Services	0	1	2	0	0	0	0	0	3
Health Care and Social Assistance	1	0	0	1	0	0	0	0	2
Electricity, Gas, Water and Waste Services	0	0	1	0	0	0	0	0	1
Information Media and Telecommunications	0	0	0	1	0	0	0	0	1
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
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
Rental, Hiring and Real Estate Services	0	0	0	0	0	0	0	0	0
Total	14	12	61	7	0	0	0	0	94

There has been an increase of 28 businesses since August 2017's report that fall in the high to severe risk of financial failure within Geelong. Currently 94 (1.5%) businesses fall within this risk category, 15% are in a medium risk category and 83.5% are at low to minimal risk.

The accommodation and food services and arts and recreation services have the highest proportion of businesses at risk with 5.0% and 3.7% respectively.

The largest turnover sized businesses most at risk fall within the \$10 million to less than \$50 million range, with 7 businesses. However 65% are within with \$1 million to less than \$10 million annual turnover range.



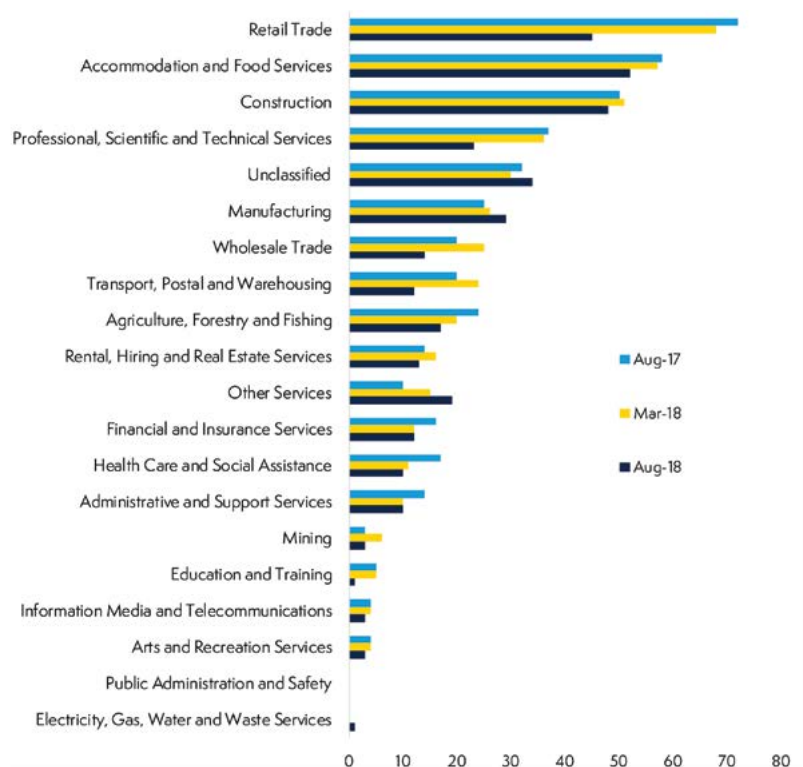
Tasmania remains the top state or territory in Australia with largest proportion (4.6% or 349) of businesses at high to severe risk of financial failure within the next 12 months. Only 62.1% of businesses are at low to minimal risk of financial failure.

The industries most at risk are:

1. Accommodation and Food Services, 52 (8.7%) *An increase of 6 businesses since August 2017*
2. Construction, 48 (5.0%) *A decrease of 2 businesses since August 2017*
3. Retail Trade, 45 (5.0%) *A decrease of 27 businesses since August 2017*
4. Manufacturing, 29 (4.4%) *An increase of 4 businesses since August 2017*
5. Professional, Scientific and Technical Services, 23 (2.2%) *A decrease of 14 businesses since August 2017*

One large retail trade company with annual turnover of \$50 million to less than \$100 million is at high to severe risk of financial failure over the next 12 months.

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



Tasmania Commercial Risk Analysis

Table 56:
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 ---→							
Accommodation and Food Services	6	15	31	67	146	186	71	62	599	52	8.7%	35.6%	53.3%
Construction	4	11	33	96	217	316	181	91	965	48	5.0%	32.4%	60.9%
Retail Trade	2	15	28	92	222	305	161	74	907	45	5.0%	34.6%	59.5%
Unclassified	1	9	24	35	47	12	1	0	129	34	26.4%	63.6%	10.1%
Manufacturing	3	10	16	46	152	215	116	90	657	29	4.4%	30.1%	64.1%
Professional, Scientific and Technical Services	1	10	12	77	217	427	189	116	1057	23	2.2%	27.8%	69.3%
Other Services	1	6	12	23	115	129	66	49	404	19	4.7%	34.2%	60.4%
Agriculture, Forestry and Fishing	3	5	9	25	78	90	58	30	302	17	5.6%	34.1%	58.9%
Wholesale Trade	5	5	4	36	100	175	75	61	469	14	3.0%	29.0%	66.3%
Rental, Hiring and Real Estate Services	0	5	8	28	69	89	37	26	262	13	5.0%	37.0%	58.0%
Financial and Insurance Services	1	5	6	30	144	190	105	72	554	12	2.2%	31.4%	66.2%
Transport, Postal and Warehousing	1	3	8	33	70	101	46	22	287	12	4.2%	35.9%	58.9%
Administrative and Support Services	0	4	6	17	32	56	25	17	160	10	6.3%	30.6%	61.3%
Health Care and Social Assistance	1	3	6	27	93	225	87	48	492	10	2.0%	24.4%	73.2%
Arts and Recreation Services	0	1	2	14	29	50	16	20	132	3	2.3%	32.6%	65.2%
Information Media and Telecommunications	0	0	3	1	8	17	7	12	51	3	5.9%	17.6%	70.6%
Mining	1	1	1	6	10	11	3	2	36	3	8.3%	44.4%	44.4%
Education and Training	0	0	1	7	16	32	8	9	75	1	1.3%	30.7%	65.3%
Electricity, Gas, Water and Waste Services	0	1	0	1	7	15	7	7	39	1	2.6%	20.5%	74.4%
Public Administration and Safety	0	0	0	1	5	5	3	5	20	0	0.0%	30.0%	65.0%
Total	30	109	210	662	1777	2646	1262	813	7597	349	4.6%	32.1%	62.1%

Tasmania Commercial Risk Analysis

Table 57:

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
Accommodation and Food Services	13	12	26	1	0	0	0	0	52
Construction	11	6	26	5	0	0	0	0	48
Retail Trade	10	9	16	9	1	0	0	0	45
Unclassified	27	3	4	0	0	0	0	0	34
Manufacturing	5	8	15	1	0	0	0	0	29
Professional, Scientific and Technical Services	5	10	6	2	0	0	0	0	23
Other Services	6	6	5	2	0	0	0	0	19
Agriculture, Forestry and Fishing	4	5	8	0	0	0	0	0	17
Wholesale Trade	2	2	8	2	0	0	0	0	14
Rental, Hiring and Real Estate Services	4	6	3	0	0	0	0	0	13
Financial and Insurance Services	2	8	2	0	0	0	0	0	12
Transport, Postal and Warehousing	2	5	5	0	0	0	0	0	12
Administrative and Support Services	3	3	4	0	0	0	0	0	10
Health Care and Social Assistance	3	3	4	0	0	0	0	0	10
Arts and Recreation Services	1	1	1	0	0	0	0	0	3
Information Media and Telecommunications	2	0	1	0	0	0	0	0	3
Mining	0	1	2	0	0	0	0	0	3
Education and Training	0	0	1	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	0	1	0	0	0	0	0	1
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Total	100	88	138	22	1	0	0	0	349

Tasmania Commercial Risk Analysis

Table 58:
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	2	3	13	29	63	159	99	72	440	18	4.1%	20.9%	75.0%
Retail Trade	1	5	7	28	60	127	84	69	381	13	3.4%	23.1%	73.5%
Accommodation and Food Services	3	2	7	22	57	91	39	52	273	12	4.4%	28.9%	66.7%
Manufacturing	1	4	6	16	40	99	64	70	300	11	3.7%	18.7%	77.7%
Unclassified	0	1	4	15	24	8	0	0	52	5	9.6%	75.0%	15.4%
Rental, Hiring and Real Estate Services	0	1	3	8	21	43	22	22	120	4	3.3%	24.2%	72.5%
Wholesale Trade	3	0	1	6	28	85	34	48	205	4	2.0%	16.6%	81.5%
Other Services	0	3	0	7	33	65	45	44	197	3	1.5%	20.3%	78.2%
Professional, Scientific and Technical Services	0	1	1	31	76	245	117	102	573	2	0.3%	18.7%	81.0%
Transport, Postal and Warehousing	0	1	1	10	14	34	17	16	93	2	2.2%	25.8%	72.0%
Administrative and Support Services	0	0	1	7	14	34	14	15	85	1	1.2%	24.7%	74.1%
Agriculture, Forestry and Fishing	1	0	0	4	11	19	16	18	69	1	1.4%	21.7%	76.8%
Health Care and Social Assistance	1	0	0	5	32	132	49	42	261	1	0.4%	14.2%	85.4%
Arts and Recreation Services	0	0	0	4	10	30	9	19	72	0	0.0%	19.4%	80.6%
Education and Training	0	0	0	2	6	18	7	9	42	0	0.0%	19.0%	81.0%
Electricity, Gas, Water and Waste Services	0	0	0	0	3	8	4	5	20	0	0.0%	15.0%	85.0%
Financial and Insurance Services	0	0	0	7	28	102	65	47	249	0	0.0%	14.1%	85.9%
Information Media and Telecommunications	0	0	0	0	0	10	5	10	25	0	0.0%	0.0%	100.0%
Mining	0	0	0	1	2	1	1	1	6	0	0.0%	50.0%	50.0%
Public Administration and Safety	0	0	0	1	2	1	1	1	6	0	0.0%	50.0%	50.0%
Total	12	21	44	203	524	1311	692	662	3469	77	2.2%	21.0%	76.8%

Table 59:
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
Construction	6	1	8	3	0	0	0	0	18
Retail Trade	2	2	4	5	0	0	0	0	13
Accommodation and Food Services	2	2	7	1	0	0	0	0	12
Manufacturing	2	3	6	0	0	0	0	0	11
Unclassified	5	0	0	0	0	0	0	0	5
Rental, Hiring and Real Estate Services	2	0	2	0	0	0	0	0	4
Wholesale Trade	1	1	1	1	0	0	0	0	4
Other Services	0	0	1	2	0	0	0	0	3
Professional, Scientific and Technical Services	0	2	0	0	0	0	0	0	2
Transport, Postal and Warehousing	0	2	0	0	0	0	0	0	2
Administrative and Support Services	0	1	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	0	0	1	0	0	0	0	0	1
Arts and Recreation 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
Education and Training	0	0	0	0	0	0	0	0	0
Financial and Insurance Services	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
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Total	20	15	30	12	0	0	0	0	77

2.2% of businesses in Hobart are at high to severe risk of financial failure within the next 12 months. The top industries in Hobart most at risk are:

1. Construction, 18 (4.1%) *An increase of 3 businesses since August 2017*
2. Retail Trade, 13 (3.4%) *A decrease of 7 businesses since August 2017*
3. Accommodation and Food Services, 12 (4.4%) *A decrease of 4 businesses since August 2017*
4. Manufacturing, 11 (3.7%), *An increase of 5 businesses since August 2017*
5. Rental, Hiring and Real Estate Services, 4 (3.3%) *An increase of 1 business since August 2017*

The retail trade and construction industries have 5 and 3 businesses respectively that are most at risk within the \$10 million to less than \$50 million turnover category. These are relatively substantial companies for the region.

Additional Data Commercial Risk Analysis

Table 60:
All QLD, NSW, VIC - 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	176	334	341	1891	5908	14132	8178	9116	40076	851	2.1%	19.5%	78.4%
Sydney City and Inner South	124	317	298	1635	5291	11392	6239	8576	33872	739	2.2%	20.4%	77.4%
Parramatta	124	275	231	1038	2778	5493	3334	3025	16298	630	3.9%	23.4%	72.7%
NSW Inner South West	106	201	192	767	2149	4309	2651	2218	12593	499	4.0%	23.2%	72.9%
Gold Coast	102	207	189	1127	2997	6790	3113	1266	15791	498	3.2%	26.1%	70.7%
Brisbane Inner City	96	191	183	1188	3625	8657	3187	2108	19235	470	2.4%	25.0%	72.5%
Melbourne Inner South	68	168	173	818	2476	6458	4334	3695	18190	409	2.2%	18.1%	79.6%
Brisbane South	67	157	183	846	2397	5602	1717	1092	12061	407	3.4%	26.9%	69.7%
Melbourne South East	72	167	149	748	2611	6519	4302	4214	18782	388	2.1%	17.9%	80.1%
NSW South West	83	158	136	536	1482	2786	1907	1696	8784	377	4.3%	23.0%	72.7%
Melbourne West	78	167	132	605	1670	3714	2342	1902	10610	377	3.6%	21.4%	75.0%
Nothorn Sydney and Hornsby	55	123	138	689	2452	6488	4154	3702	17801	316	1.8%	17.6%	80.6%
Sydney Inner West	59	139	112	596	1531	3349	2018	1644	9448	310	3.3%	22.5%	74.2%
Sydney Northern Beaches	59	139	112	596	1531	3349	2018	1644	9448	310	3.3%	22.5%	74.2%
Melbourne North East	68	108	110	517	1470	3865	2624	2094	10856	286	2.6%	18.3%	79.1%
Blacktown	45	116	114	533	1405	3097	1963	1775	9048	275	3.0%	21.4%	75.5%
Melbourne North West	65	92	94	457	1439	3478	2241	2017	9883	251	2.5%	19.2%	78.3%
Melbourne Outer East	50	96	98	512	1656	4760	3344	2686	13202	244	1.8%	16.4%	81.7%
Logan Beaudesert	52	75	101	408	1193	2834	860	470	5993	228	3.8%	26.7%	69.5%
Melbourne Inner East	41	97	88	610	1665	4546	3136	2427	12610	226	1.8%	18.0%	80.2%
Newcastle and Lake Macquarie	49	101	69	432	1147	3154	2106	1704	8762	219	2.5%	18.0%	79.5%
Baulkham Hills and Hawkesbury	32	84	93	472	1290	3248	2219	1627	9065	209	2.3%	19.4%	78.3%

Additional Data Commercial Risk Analysis

Table 60:
All QLD, NSW, VIC - 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 ---→							
Sydney Eastern Suburbs	35	91	80	387	1208	2825	1680	1327	7633	206	2.7%	20.9%	76.4%
NSW Outer West Blue Mountains	38	72	77	369	998	2458	1783	1383	7178	187	2.6%	19.0%	78.4%
Sunshine Coast	28	68	82	466	1316	3377	1680	600	7617	178	2.3%	23.4%	74.3%
Brisbane East	33	60	69	385	1037	2691	818	424	5517	162	2.9%	25.8%	71.3%
Ipswich	32	67	62	397	1108	2643	949	566	5824	161	2.8%	25.8%	71.4%
Hunter Valley exc Newcastle	30	73	48	354	954	2475	1718	1485	7137	151	2.1%	18.3%	79.6%
Illawarra	39	58	53	323	866	1969	1447	1159	5914	150	2.5%	20.1%	77.4%
Brisbane West	23	57	63	412	1210	3279	909	455	6408	143	2.2%	25.3%	72.5%
Mornington Peninsula	30	69	38	216	928	2660	1717	1444	7102	137	1.9%	16.1%	82.0%
NSW Outer South West	39	54	43	266	722	1469	1051	748	4392	136	3.1%	22.5%	74.4%
Brisbane North	34	47	51	364	968	2466	843	515	5288	132	2.5%	25.2%	72.3%
Central Coast	39	56	37	337	811	2086	1323	976	5665	132	2.3%	20.3%	77.4%
Sydney - Sutherland	18	52	58	293	792	1922	1231	909	5275	128	2.4%	20.6%	77.0%
Sydney Ryde	16	52	46	252	763	1874	1227	1191	5421	114	2.1%	18.7%	79.2%
Cairns	17	41	52	285	790	1993	1166	599	4943	110	2.2%	21.7%	76.0%
Moreton Bay North	22	46	40	262	636	1720	544	244	3514	108	3.1%	25.6%	71.4%
Wide Bay	19	34	41	242	715	1929	1118	487	4585	94	2.1%	20.9%	77.1%
Richmond Tweed	19	32	43	217	594	1421	940	732	3998	94	2.4%	20.3%	77.4%
Geelong	19	40	35	120	794	2280	1436	1371	6095	94	1.5%	15.0%	83.5%
Moreton Bay South	17	34	37	267	720	1862	504	247	3688	88	2.4%	26.8%	70.9%
Central West	18	31	39	198	601	1508	1121	1133	4649	88	1.9%	17.2%	80.9%
Darling Downs Maranoa	13	30	44	315	941	2359	1299	634	5635	87	1.5%	22.3%	76.2%

Additional Data Commercial Risk Analysis

Table 60:
All QLD, NSW, VIC - 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 -----→							
Capital Region	15	22	43	209	576	1599	1118	998	4580	80	1.7%	17.1%	81.1%
Southern Highlands and Shoalhaven	17	29	28	183	487	1318	947	744	3753	74	2.0%	17.9%	80.2%
Fitzroy	10	30	30	193	548	1323	778	374	3286	70	2.1%	22.6%	75.3%
Mackay	16	24	29	173	524	1282	730	360	3138	69	2.2%	22.2%	75.6%
Townsville	16	26	27	191	556	1379	913	473	3581	69	1.9%	20.9%	77.2%
Riverina	14	25	26	186	537	1443	1083	1093	4407	65	1.5%	16.4%	82.1%
NSW Mid North Coast	13	29	21	182	459	1250	883	811	3648	63	1.7%	17.6%	80.7%
NSW Murray	14	25	22	151	487	1253	955	921	3828	61	1.6%	16.7%	81.7%
Coffs Harbour and Grafton	13	27	17	119	326	826	614	503	2445	57	2.3%	18.2%	79.5%
New England and North West	16	25	16	134	458	1123	846	869	3487	57	1.6%	17.0%	81.4%
Ballarat	6	27	23	93	471	1462	983	1009	4074	56	1.4%	13.8%	84.8%
Toowoomba	9	17	22	188	472	1296	679	335	3018	48	1.6%	21.9%	76.5%
NSW Far West and Orana	10	14	24	88	332	792	617	667	2544	48	1.9%	16.5%	81.6%
Latrobe Gippsland	9	16	17	83	485	1753	1126	1132	4621	42	0.9%	12.3%	86.8%
VIC Shepperton	9	13	19	60	355	1199	931	992	3578	41	1.1%	11.6%	87.3%
Hume	6	22	10	54	411	1350	985	999	3837	38	1.0%	12.1%	86.9%
Queensland Outback	3	12	19	75	247	551	357	245	1509	34	2.3%	21.3%	76.4%
VIC North West	10	10	14	72	342	1171	797	1007	3423	34	1.0%	12.1%	86.9%
Bendigo	4	10	16	74	408	1191	811	846	3360	30	0.9%	14.3%	84.8%
VIC Warrnambool and South West	6	12	10	54	273	971	628	695	2649	28	1.1%	12.3%	86.6%

Conclusion

The SV Partners Commercial Risk Outlook Report August 2018 categorises operating businesses within 8 risk bands (1 severe to 8 minimal) indicating their risk of financial failure throughout the next 12 months.

The risk data predicts the possibility of large financial and insurance services companies with turnovers of \$1 billion or more facing financial distress and likely to encounter adverse events within the next 12 months of operation.

Since August 2017, the commercial risk of businesses has decreased nationally from 2.6% to 2.3% across all industries. 55% of all businesses at high to severe risk are smaller sized businesses with annual turnover between \$1 million to less than \$10 million.

The industries with the highest proportion of businesses at risk of financial failure are accommodation and food services, construction and retail trade. These three industries remain a concern since the August 2017 report.

Inner Melbourne, Sydney City and Inner South and Parramatta are the top three regions of concern throughout the Eastern Seaboard according to the number of businesses at risk. This is consistent with the same regions from the August 2017 report.

The Australian Securities and Investments Commission (ASIC) record the top causes of business failure in Australia are inadequate cash flow, poor strategic management and trading losses.

Some of the key indicators that business owners should be aware of are; overdue taxes, continuing losses and the inability to borrow further funds for capital or equity. These factors also contribute to a higher commercial risk of a business and need to be addressed immediately with a professional advisor.

This Report outlines industries and regions of high (and low) risk of financial failure and it is important that business owners address the warning signs of insolvency immediately. This Report provides information on business risk mitigation and preventative measures in dealing with financial distress. Understanding the framework of a commercial risk score will assist in evaluating business decisions that can have long term impacts on performance and operations.

It is recommended that business owners understand the financial position of their business. If business owners are experiencing financial difficulties, it is vital to seek professional advice immediately.

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 Residential Building Construction

This class consists of units mainly engaged in the construction of residential buildings (except freestanding houses) or in carrying out alterations, additions or renovations to such buildings or in organising or managing these activities.

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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Terry van der Velde
Managing Director



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Our Offices

Brisbane

22 Market Street
Brisbane QLD 4000
t 07 3310 2000
f 07 3229 7285
e brisbane@svp.com.au

Sunshine Coast

Level 6, La Balsa 45 Brisbane Road,
Mooloolaba QLD 4557
t 07 5414 3000
f 07 5414 3020
e sunshinecoast@svp.com.au

Gold Coast

5 Hicks Street, Southport
Gold Coast QLD 4215
t 07 5503 4960
f 07 5503 4961
e goldcoast@svp.com.au

Mackay

Cnr Sydney and Gordon Street
Mackay QLD 4740
t 07 4953 4060
f 07 3229 7285
e mackay@svp.com.au

Toowoomba

610 Ruthven Street
Toowoomba QLD 4350
t 07 4639 6140
f 07 3229 7285
e toowoomba@svp.com.au

Sydney

Level 7 151 Castlereagh Street
Sydney NSW 2000
t 02 8986 8986
f 02 8986 8999
e sydney@svp.com.au

Caringbah

Level 1, 305-307 The Kingsway
Caringbah NSW 2229
t 02 9531 8365
f 02 9531 8367
e caringbah@svp.com.au

Newcastle

Suite 3, Level 3, 426 King Street
Newcastle West NSW 2302
t 02 4023 0847
f 02 8986 8999
e newcastle@svp.com.au

Dubbo

34 Church Street
Dubbo NSW 2830
t 02 6882 8995
f 02 6882 8975
e dubbo@svp.com.au

Tamworth

7/345 Peel Street
Tamworth NSW 2340
t 02 6768 3399
f 02 6768 3300
e tamworth@svp.com.au

Melbourne

Level 17, 200 Queen Street
Melbourne VIC 3000
t 03 9669 1100
f 03 9670 4435
e melbourne@svp.com.au

Hobart

27 Elizabeth Street
Hobart TAS 7000
t 03 9669 1100
e hobart@svp.com.au

Perth

7/26 St Georges Terrace
Perth WA 6000
t 08 6277 0026
e perth@svp.com.au

Wollongong

Level 12, 200 Crown Street
Wollongong NSW 2500
t 02 4227 4086
f 02 4227 4068
e wollongong@svp.com.au