

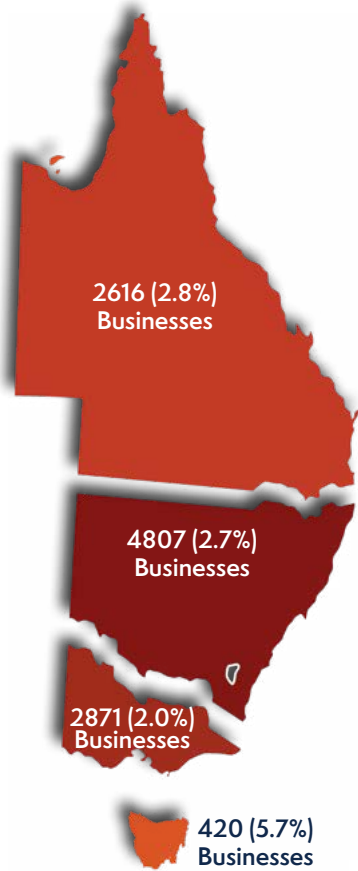
# Commercial Risk Outlook Report

## March 2018

2	Contents
3	Highlights
4	Executive Summary
5	Operating Environment
6	Risk Mitigation
7	Insolvencies - Australian Securities & Investments Commission
9	About Commercial Risk
13	Safe Harbour
14	National Commercial Risk Analysis
18	National Sub-Industry Risk Analysis
21	Queensland Commercial Risk Analysis
45	New South Wales Commercial Risk Analysis
65	Victoria Commercial Risk Analysis
77	Tasmania Commercial Risk Analysis
82	Additional Data Commercial Risk Analysis
85	Conclusion
86	Glossary of Key Terms
87	Your Trusted Partner

## Regions and Industries at High to Severe Risk of Financial Failure

### Eastern States Risk Analysis

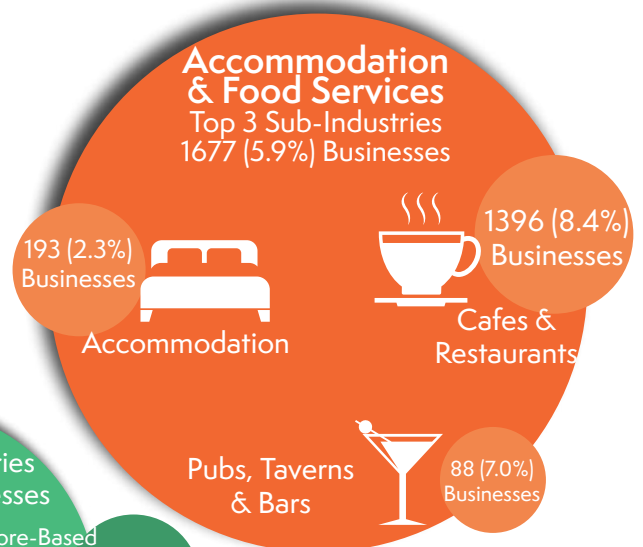
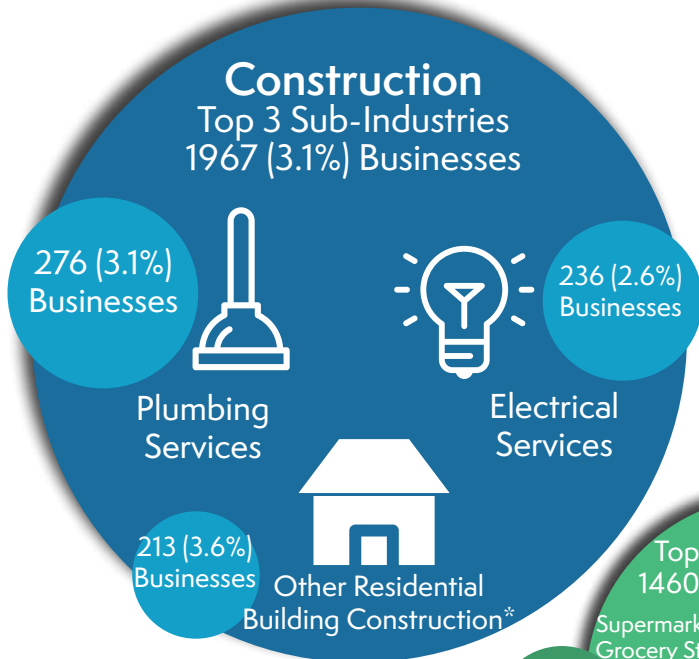


### Top 3 Regions Annual Comparison



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

### Sub-Industry Analysis



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

\*Industry titles are as defined by the ANZIC Code, for full definition refer to Glossary of Key Terms

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

## Key Findings

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

1. Construction (1967, 3.0%) *An increase of 113 businesses since March 2017*
2. Accommodation and Food Services (1677, 6.4%) *A decrease of 4 businesses since March 2017*
3. Retail Trade (1460, 3.0%) *An increase of 48 businesses since March 2017*
4. Professional, Scientific and Technical Services (1201, 1.3%) *A decrease of 184 businesses since March 2017*
5. Manufacturing (807, 1.8%) *An increase of 37 businesses since March 2017*

The top 5 regions throughout Queensland, New South Wales and Victoria where businesses are most at risk of financial failure within the next 12 months, according to the number of businesses are (Table 62):

1. Melbourne Inner (856, 2.2%)
2. Sydney - City and Inner South (809, 2.5%)
3. Parramatta (661, 4.2%)
4. Gold Coast (508, 3.4%)
5. NSW - Inner South West (507, 4.3%)

The top 5 regions where businesses are at least risk of financial failure within the next 12 months, according to number of businesses are (Table 62):

1. VIC - Bendigo (20, 0.6%)
2. VIC - Warrnambool and South West (26, 1.0%)
3. VIC - Hume (23, 0.8%)
4. QLD - Outback (31, 2.1%)
5. VIC - North West (32, 1.0%)

It's been well published in recent years that the Australian Government has considered various measures to promote and support the success of business start-ups in Australia.

A large percentage of small to medium sized enterprises collapse within the first three years of commencement for various reasons ranging from the lack of working capital, lack of strategic direction to poor planning, cash flow management and record keeping.

As a result of the Government's initiatives to support and encourage business in Australia, the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017 (Enterprise Act) was passed in September 2017 and introduced two key inclusions to the Corporations Act 2001 (Corporations Act):

1. Safe Harbour for directors from insolvent trading – This measure has been in effect since 19 September 2017 and aims to provide a legal framework for directors to formulate a course of action which leads to a better outcome for the company and its creditors, and at the same time brings the protection/defence of being pursued for personal liability for insolvent trading. See the new section 588GA of the Corporations Act for further details. Further information is also provided on the SV Strategic Solutions website, [www.svstrategicsolutions.com.au](http://www.svstrategicsolutions.com.au).
2. Stay on enforcing rights merely because of arrangements or restructures – The commencement of this measure has been delayed to 1 July 2018 and relates to ipso facto rights in contracts/agreements. See the new sections 415D to 415H of the Corporations Act for further details. Ipso facto clauses are commonly provisions in contracts that allow a counterparty to terminate or modify a contract on the event of insolvency.

Fundamentally the new reforms will make 'ipso facto' clauses (especially termination clauses) in contracts unenforceable while a company is attempting to restructure its financial affairs under:

- Voluntary administration;
- A compromise or arrangement aimed at avoiding being wound up in insolvency (a 'scheme of arrangement');  
or
- When a managing controller has been appointed over all or substantially all of the property of the company.

In addition to the above in terms of business operating environment, more recently, the Treasury Laws Amendment (Tax Transparency) Bill 2016 was released for consultation which aims to allow the Australian Taxation Office (ATO) to disclose a business' outstanding taxation debts (over \$10,000) with credit bureaus. The Explanatory Memorandum states the aim of this is to "support more informed decision making within the business community by making overdue tax debts more visible".

Business owners should consider their operating environment and the rights and obligations that can have an impact on business performance. If there are signs of financial distress, it is essential that business owners seek early professional advice to mitigate further loss and improve the chances of business recovery.

## 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
High to Severe Risk	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	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.
Minimal to Low Risk	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

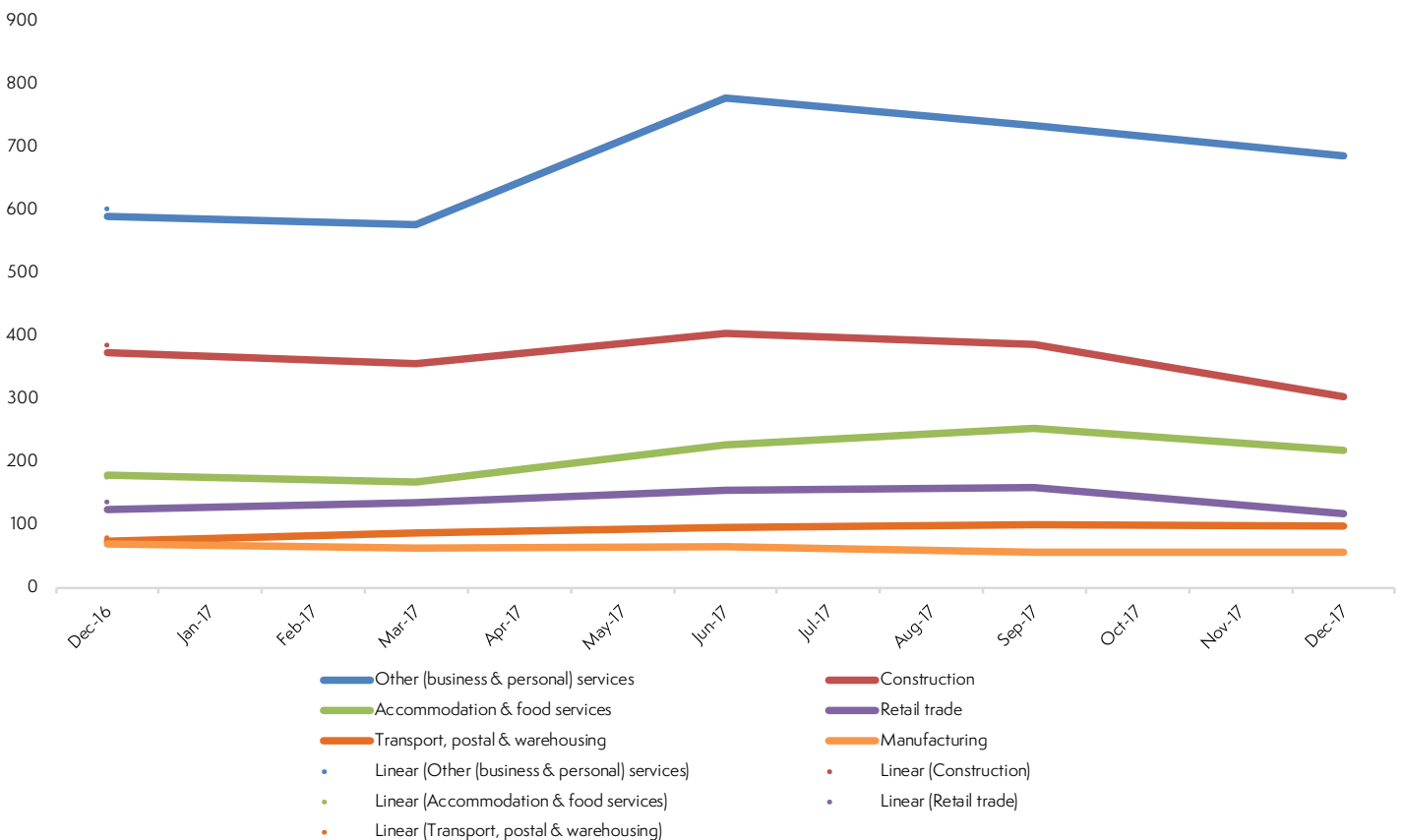
## Insolvency Trends and Analysis

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 December 2017 quarter are:

1. Other (business & personal) services\*, 686 (+16.5% since December 2016)
2. Construction, 303 (-18.5% since December 2016)
3. Accommodation & food services, 217 (+21.9% since December 2016)
4. Retail trade, 118 (-4.8% since December 2016)
5. Transport, postal & warehousing, 98 (+30.7% since December 2016)

### Graph 1:

Companies Entering External Administration by Industry (Dec 2016 to Dec 2017 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 (Dec 2016 to Dec 2017 Qtr)

Industry	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Year to Year Total	% Change since Dec-16
Other (business & personal) services	589	575	777	733	686	2771	16.5%
Construction	372	355	404	387	303	1449	-18.5%
Accommodation & food services	178	167	227	252	217	863	21.9%
Retail trade	124	136	155	160	118	569	-4.8%
Transport, postal & warehousing	75	87	95	100	98	380	30.7%
Manufacturing	69	64	65	57	56	242	-18.8%
Unknown	26	24	50	41	36	151	38.5%
Rental, hiring & real estate services	48	40	39	38	41	158	-14.6%
Electricity, gas, water & waste services	40	31	47	33	21	132	-47.5%
Professional, scientific & technical services	23	23	32	32	32	119	39.1%
Information media & telecommunications	31	43	61	32	26	162	-16.1%
Wholesale trade	33	26	34	30	30	120	-9.1%
Mining	46	26	28	29	21	104	-54.3%
Finance	77	25	49	29	37	140	-51.9%
Agriculture, forestry & fishing	21	29	36	25	28	118	33.3%
Health care & social assistance	12	12	22	23	16	73	33.3%
Education & training	31	32	50	19	24	125	-22.6%
Administrative & support services	9	8	7	12	9	36	0.0%
Arts & recreation services	12	13	17	11	8	49	-33.3%
Public administration & safety	1	1	3	4	2	10	100.0%
<b>Total</b>	<b>1817</b>	<b>1717</b>	<b>2198</b>	<b>2047</b>	<b>1809</b>	<b>7771</b>	<b>-0.4%</b>



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 2.1 million businesses in Australia as of June 2016, 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 March 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?

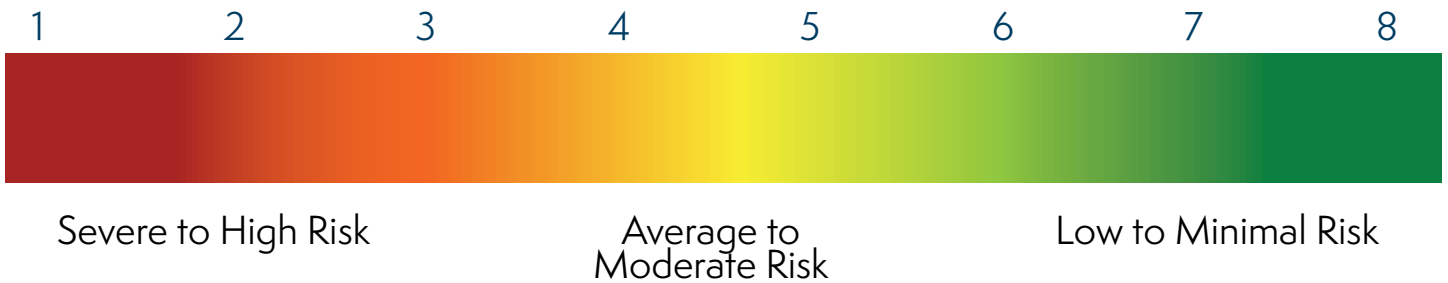
Key contributing factors (not limited to) that frame a risk score are as follows:

- 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)

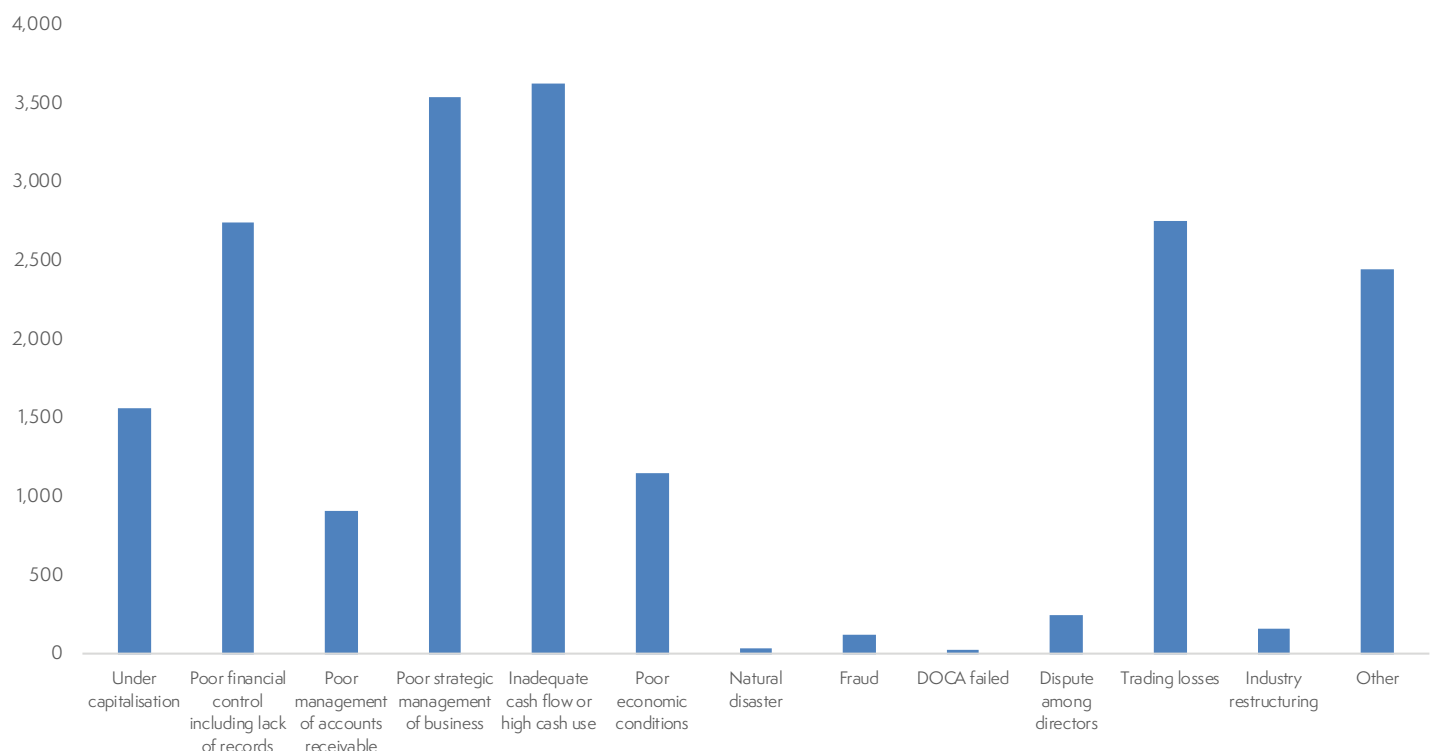


Table 3.1.3.1 - Initial external administrators' reports - Nominated causes of failure by industry  
(1 July 2016–30 June 2017)

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
<b>Total</b>	<b>1,564</b>	<b>2,739</b>	<b>911</b>	<b>3,542</b>	<b>3,626</b>	<b>1,150</b>	<b>33</b>	<b>123</b>	<b>24</b>	<b>243</b>	<b>2,753</b>	<b>158</b>	<b>2,449</b>	<b>19,315</b>

## 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

## Safe Harbour - What is it and how will it impact businesses?

The Treasury Laws Amendment (2017 Enterprise Incentives No.2) Bill 2017, was ratified by both houses in the parliament recently with the aim of the legislation to create safe harbour provisions for directors embarking on informal restructuring campaigns and a moratorium on automatic activation of ipso facto clauses when a company is formally restructuring.

The Bill received Royal Assent on 18 September 2017 and under the legislative provisions the safe harbour laws came into effect on 19th September 2017 and the ipso facto laws will commence on 1 July 2018.

The laws open opportunities for directors to turn around their distressed company without personal liability for insolvent trading providing they genuinely attempt to restructure their company. This operates to carve-out the insolvent trading provisions of section 588G of the Corporations Act 2001 (Cth) and seeks to provide protection outside of a formal insolvency appointment, for a director who, at the time when the debt was incurred, suspects that the company may become or is insolvent and who then takes a course of action that may include a restructure to trade out of its difficulties.

This means that a director would only be liable for insolvent trading, if it is shown that the director did not take any action that would try and lead to a better outcome for the company and its creditors, rather than entering into a formal insolvency appointment.

When does a business need safe harbour?

- If there is suspicion that a company could be, or may become, insolvent for any period of time
- Whilst maintaining the inherent value of the business to achieve the maximum value upon sale as a going concern
- It is likely that a business classified within the high to severe risk bands should consider safe harbour and seek advice from an expert management consultant

What is the criteria to meet safe harbour laws?

<b>Recovery Plan</b>	Developed that is reasonably likely to lead to a better outcome for the company and its creditors (alternative to VA/Liquidation)
<b>Employee Entitlements</b>	Including super are to be provided for Pursuant to s596AA(2) of the Corporations Act 2001 (Cth). NB: consultation for improvements to s596AA are currently being assessed by treasury
<b>ATO Reporting Compliance</b>	The company's obligations to report pursuant to the Income Tax Assessment Act 1997 and the Goods and Services Tax Act 1999 must continue to be met
<b>Company Records</b>	Must be maintained to a level that is adequate and must be provided to the appointee (if informal restructuring fails)

For further Safe Harbour advice or if you require one of our expert management consultants contact the SV Strategic Solutions team on 1800 246 801.

# National Commercial Risk Analysis

The national commercial risk data for March 2018, indicates that there are a total of 2.4% of businesses in Australia that are within the high to severe risk category of financial failure within the next 12 months. This is approximately 12338 across all industries in Australia, a decrease of nearly 300 businesses in the same risk category since March 2017.

22.0% of businesses fall within average to moderate risk categories, whilst 75.5% are in the minimal to low risk categories.

Table 4 represents the turnover of businesses within the high to severe risk category of financial failure across Australia. This indicates that since the previous Commercial Risk Outlook Report, there are still a number of large retailers that are currently financially strained. There are 5 within the \$100 million and over turnover categories that are facing possible financial failure in the next 12 months. With 1460 retailers in the high to severe risk of financial failure category, the trending behaviour of online consumer spend may continue to put pressure on bricks and mortar stores.

The latest 'Retail Trade Australia' figures released by the Australian Bureau of Statistics (ABS), indicate that over the December 2017 period, the turnover in the retail industry had decreased by 0.5%. This decrease over the Christmas period suggests a possible shortfall in sales for retailers, despite the 1.3% increase in November 2017.

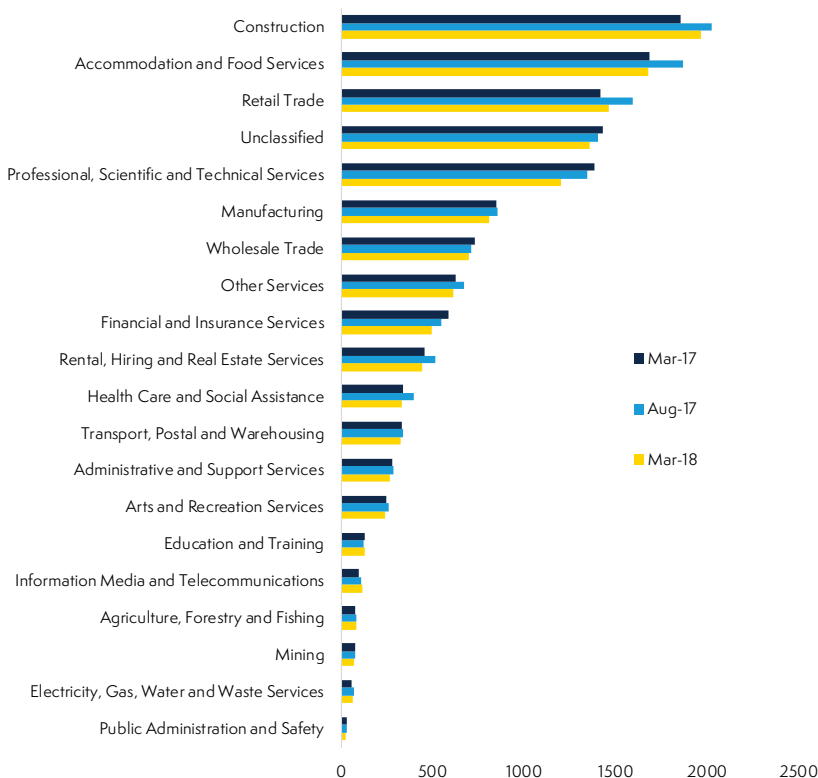
Further, the ABS released online retailers had contributed to 4.8% to the total retail turnover for the December 2017 period. This is an increase of 1% from the previous year in December 2016.

Table 2 of the commercial risk data, indicates that by proportion of businesses in their respected industries, the top 5 industries of risk are:

1. Accommodation and Food Services, 1677 (6.4%)
2. Construction, 1967 (3.0%)
3. Retail Trade, 1460 (3.0%)
4. Transport, Postal and Warehousing, 325 (2.5%)
5. Arts and Recreation Services, 237 (2.5%)

Table 4 also indicates that there are 3 electricity, gas, water and waste service companies in the \$1 billion turnover or more category within the high to severe risk bands of financial failure over the next 12 months. Furthermore, 1 manufacturer within the \$1 billion or more turnover category is at high to severe risk of financial failure over the next 12 month period.

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



# National Commercial Risk Analysis

Table 2:  
National - Industry vs Commercial Risk

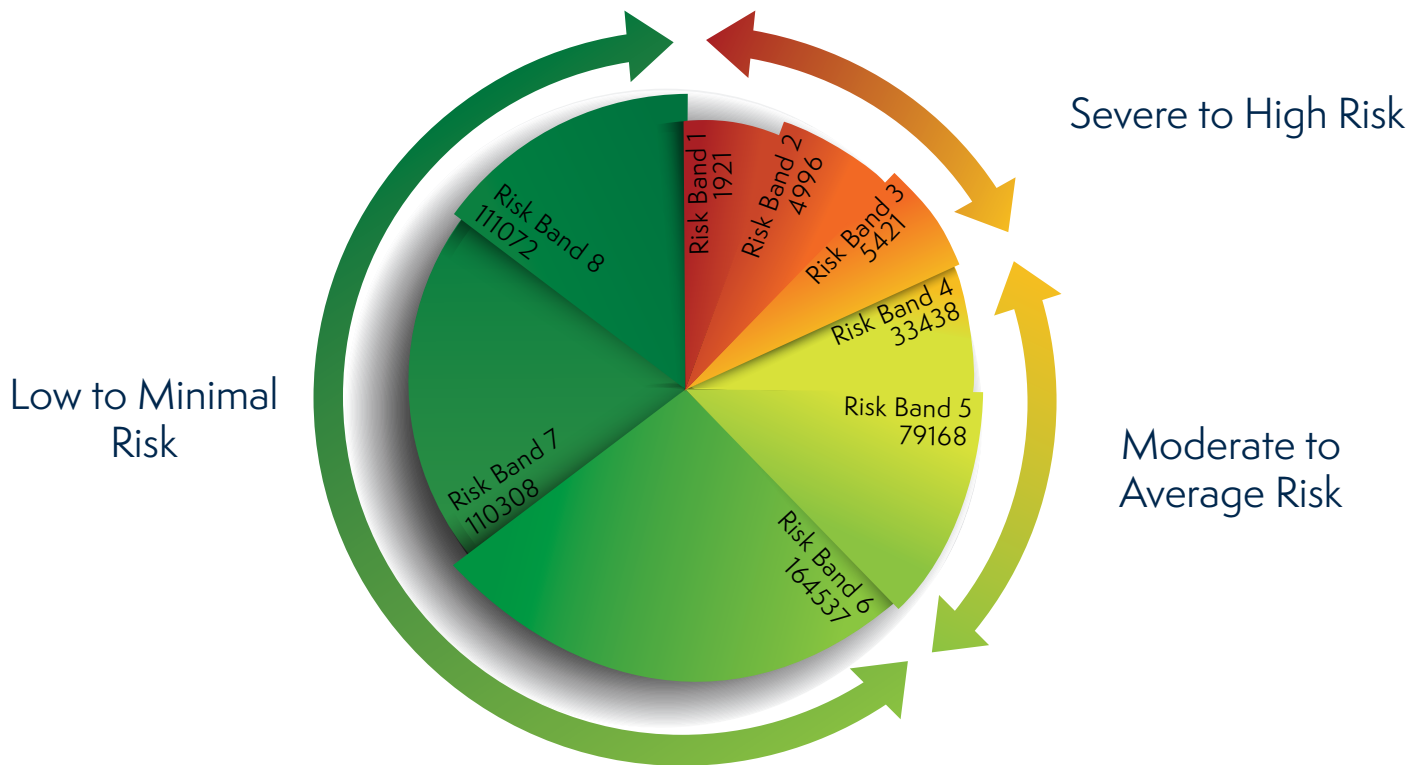
Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Construction	355	799	813	4711	9955	19992	15064	13662	65351	1967	3.0%	22.4%	74.5%
Accommodation and Food Services	351	725	601	2645	6068	7216	4346	4242	26194	1677	6.4%	33.3%	60.3%
Retail Trade	223	651	586	3438	7921	14730	10245	10709	48503	1460	3.0%	23.4%	73.6%
Unclassified	192	443	718	3371	4745	1414	484	315	11682	1353	11.6%	69.5%	18.9%
Professional, Scientific and Technical Services	130	465	606	5396	12692	35404	20527	15527	90747	1201	1.3%	19.9%	78.7%
Manufacturing	129	334	344	1938	5597	12276	9857	13835	44310	807	1.8%	17.0%	81.2%
Wholesale Trade	104	281	310	1653	4714	10371	7872	10477	35782	695	1.9%	17.8%	80.3%
Other Services	92	257	263	1634	4526	8639	6345	6095	27851	612	2.2%	22.1%	75.7%
Financial and Insurance Services	60	192	242	1935	6046	16668	11336	11265	47744	494	1.0%	16.7%	82.2%
Rental, Hiring and Real Estate Services	60	191	191	1308	3345	7189	4633	4459	21376	442	2.1%	21.8%	76.2%
Health Care and Social Assistance	38	122	171	1725	4274	11174	6878	5106	29488	331	1.1%	20.3%	78.5%
Transport, Postal and Warehousing	55	136	134	722	1865	3964	2811	3326	13013	325	2.5%	19.9%	77.6%
Administrative and Support Services	33	114	117	905	1967	4529	2639	2354	12658	264	2.1%	22.7%	75.2%
Arts and Recreation Services	38	96	103	691	1697	2985	1679	2174	9463	237	2.5%	25.2%	72.3%
Education and Training	15	52	58	471	1081	2059	1102	1120	5958	125	2.1%	26.0%	71.9%
Information Media and Telecommunications	14	36	62	308	781	1821	1114	1167	5303	112	2.1%	20.5%	77.4%
Agriculture, Forestry and Fishing	13	38	32	250	770	2099	1924	2568	7694	83	1.1%	13.3%	85.7%
Mining	8	31	28	134	603	1043	763	1535	4145	67	1.6%	17.8%	80.6%
Electricity, Gas, Water and Waste Services	6	27	30	145	408	722	565	734	2637	63	2.4%	21.0%	76.6%
Public Administration and Safety	5	6	12	58	113	242	124	402	962	23	2.4%	17.8%	79.8%
<b>Total</b>	<b>1921</b>	<b>4996</b>	<b>5421</b>	<b>33438</b>	<b>79168</b>	<b>164537</b>	<b>110308</b>	<b>111072</b>	<b>510861</b>	<b>12338</b>	<b>2.4%</b>	<b>22.0%</b>	<b>75.5%</b>

# 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	3	3	36	197	506	487	2078	3310	6	0.2%	7.0%	92.8%
\$500M to less than \$1B	0	7	5	21	126	248	227	847	1481	12	0.8%	9.9%	89.3%
\$100M to less than \$500M	0	14	8	43	335	722	770	2719	4611	22	0.5%	8.2%	91.3%
\$50M to less than \$100M	14	19	25	68	333	784	694	2330	4267	58	1.4%	9.4%	89.2%
\$10M to less than \$50M	293	406	330	819	4012	6204	4980	14041	31085	1029	3.3%	15.5%	81.1%
\$1M to less than \$10M	1064	2651	2184	7979	30544	51873	45540	56820	198655	5899	3.0%	19.4%	77.6%
Less than \$1M	148	693	804	6359	18629	96855	55570	30104	209162	1645	0.8%	11.9%	87.3%
Unclassified	402	1203	2062	18113	24992	7345	2040	2133	58290	3667	6.3%	73.9%	19.8%
<b>Total</b>	<b>1921</b>	<b>4996</b>	<b>5421</b>	<b>33438</b>	<b>79168</b>	<b>164537</b>	<b>110308</b>	<b>111072</b>	<b>510861</b>	<b>12338</b>	<b>2.4%</b>	<b>22.0%</b>	<b>75.5%</b>

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	589	309	891	164	12	1	1	0	1967
Accommodation and Food Services	232	186	1140	117	1	0	1	0	1677
Retail Trade	311	148	735	248	13	4	1	0	1460
Unclassified	859	59	383	50	1	0	1	0	1353
Professional, Scientific and Technical Services	417	214	494	67	2	3	3	1	1201
Manufacturing	148	97	463	87	4	5	2	1	807
Wholesale Trade	149	40	368	126	11	1	0	0	695
Other Services	148	105	341	18	0	0	0	0	612
Financial and Insurance Services	209	123	125	33	1	1	1	1	494
Rental, Hiring and Real Estate Services	122	94	202	19	2	2	1	0	442
Health Care and Social Assistance	111	43	160	16	0	1	0	0	331
Transport, Postal and Warehousing	77	48	175	23	2	0	0	0	325
Administrative and Support Services	98	38	108	14	4	2	0	0	264
Arts and Recreation Services	45	68	120	4	0	0	0	0	237
Education and Training	43	14	58	10	0	0	0	0	125
Information Media and Telecommunications	41	13	50	7	0	1	0	0	112
Agriculture, Forestry and Fishing	22	18	34	9	0	0	0	0	83
Mining	19	25	16	5	0	1	1	0	67
Electricity, Gas, Water and Waste Services	18	1	25	11	5		0	3	63
Public Administration and Safety	9	2	11	1	0	0	0	0	23
<b>Total</b>	<b>3667</b>	<b>1645</b>	<b>5899</b>	<b>1029</b>	<b>58</b>	<b>22</b>	<b>12</b>	<b>6</b>	<b>12338</b>

# National Sub-Industry Risk Analysis

Table 5:  
National - Construction 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 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 -----→							
Plumbing Services	49	109	118	621	1331	2803	2057	1950	9038	276	3.1%	21.6%	75.3%
Electrical Services	37	93	106	610	1266	2750	2254	2082	9198	236	2.6%	20.4%	77.0%
Other Residential Building Construction	48	86	79	382	960	1777	1321	1225	5878	213	3.6%	22.8%	73.5%
Other Construction Services n.e.c.	37	99	75	555	1124	2115	1553	1275	6833	211	3.1%	24.6%	72.3%
House Construction	37	78	94	644	1270	2371	1989	1505	7988	209	2.6%	24.0%	73.4%
Non-Residential Building Construction	27	59	47	273	708	1421	1066	1224	4825	133	2.8%	20.3%	76.9%
Other Heavy and Civil Engineering Construction	25	50	45	239	688	1191	910	1019	4167	120	2.9%	22.2%	74.9%
Carpentry Services	18	36	48	207	397	762	530	403	2401	102	4.2%	25.2%	70.6%
Concreting Services	19	39	33	229	390	853	665	657	2885	91	3.2%	21.5%	75.4%
Site Preparation Services	13	35	33	111	307	678	500	423	2100	81	3.9%	19.9%	76.2%
Roofing Services	8	25	26	174	265	559	393	317	1767	59	3.3%	24.8%	71.8%
Painting and Decorating Services	4	21	22	197	259	684	402	241	1830	47	2.6%	24.9%	72.5%
Tiling and Carpeting Services	13	13	18	115	178	395	228	154	1114	44	3.9%	26.3%	69.7%
Plastering and Ceiling Services	5	19	19	87	190	405	292	288	1305	43	3.3%	21.2%	75.5%
Fire and Security Alarm Installation Services	8	16	17	93	276	492	344	270	1516	41	2.7%	24.3%	73.0%
Glazing Services	1	9	10	56	83	177	156	178	670	20	3.0%	20.7%	76.3%
Bricklaying Services	5	5	9	66	104	266	198	149	802	19	2.4%	21.2%	76.4%
Road and Bridge Construction	0	3	6	28	95	190	144	231	697	9	1.3%	17.6%	81.1%
Other Building Installation Services	0	2	5	8	22	36	30	23	126	7	5.6%	23.8%	70.6%
Structural Steel Erection Services	1	2	3	16	42	67	32	48	211	6	2.8%	27.5%	69.7%
<b>Total</b>	<b>355</b>	<b>799</b>	<b>813</b>	<b>4711</b>	<b>9955</b>	<b>19992</b>	<b>15064</b>	<b>13662</b>	<b>65351</b>	<b>1967</b>	<b>3.1%</b>	<b>22.7%</b>	<b>74.1%</b>

# National Sub-Industry Risk Analysis

Table 6:  
National - 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 ----->							
Supermarket and Grocery Stores	32	75	55	239	518	757	461	564	2701	162	6.0%	28.0%	66.0%
Other Store-Based Retailing n.e.c.	28	72	61	521	1145	2268	1574	1406	7075	161	2.3%	23.5%	74.2%
Other Specialised Food Retailing	33	60	60	231	545	790	505	472	2696	153	5.7%	28.8%	65.5%
Clothing Retailing	15	50	41	294	542	981	529	497	2949	106	3.6%	28.3%	68.1%
Hardware and Building Supplies Retailing	8	44	35	188	454	929	741	1114	3513	87	2.5%	18.3%	79.2%
Motor Vehicle Parts Retailing	15	28	33	129	340	626	572	664	2407	76	3.2%	19.5%	77.4%
Furniture Retailing	8	34	26	158	396	625	395	404	2046	68	3.3%	27.1%	69.6%
Car Retailing	4	28	31	127	395	754	661	1182	3182	63	2.0%	16.4%	81.6%
Pharmaceutical, Cosmetic and Toiletry Goods Retailing	3	16	23	128	297	585	284	192	1528	42	2.7%	27.8%	69.4%
Watch and Jewellery Retailing	8	16	18	102	241	422	307	259	1373	42	3.1%	25.0%	72.0%
Liquor Retailing	3	25	13	58	189	278	211	238	1015	41	4.0%	24.3%	71.6%
Fuel Retailing	3	15	22	91	218	313	235	366	1263	40	3.2%	24.5%	72.4%
Manchester and Other Textile Goods Retailing	9	13	18	101	222	455	305	232	1355	40	3.0%	23.8%	73.2%
Sport and Camping Equipment Retailing	8	13	18	143	296	610	415	318	1821	39	2.1%	24.1%	73.8%
Electrical, Electronic and Gas Appliance Retailing	5	13	19	94	193	429	321	380	1454	37	2.5%	19.7%	77.7%
Fresh Meat, Fish and Poultry Retailing	5	16	12	89	160	387	239	171	1079	33	3.1%	23.1%	73.9%
Non-Store Retailing	4	19	10	57	94	185	69	77	515	33	6.4%	29.3%	64.3%
Other Personal Accessory Retailing	5	13	9	58	142	223	125	106	681	27	4.0%	29.4%	66.7%
Newspaper and Book Retailing	1	16	8	93	260	457	350	338	1523	25	1.6%	23.2%	75.2%
Floor Coverings Retailing	6	11	6	71	166	341	248	259	1108	23	2.1%	21.4%	76.5%
Garden Supplies Retailing	0	9	14	60	168	328	292	308	1179	23	2.0%	19.3%	78.7%
Fruit and Vegetable Retailing	3	14	5	28	100	139	99	109	497	22	4.4%	25.8%	69.8%
Trailer and Other Motor Vehicle Retailing	1	8	8	40	125	285	218	207	892	17	1.9%	18.5%	79.6%
Flower Retailing	1	8	6	58	91	187	103	67	521	15	2.9%	28.6%	68.5%

# National Sub-Industry Risk Analysis

Table 6:  
National - Retail Sub-Industry vs Commercial Risk - Continued

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 -----→							
Footwear Retailing	3	6	6	36	79	175	128	125	558	15	2.7%	20.6%	76.7%
Computer and Computer Peripheral Retailing	1	8	5	72	170	401	292	210	1159	14	1.2%	20.9%	77.9%
Toy and Game Retailing	2	7	3	39	74	187	108	63	483	12	2.5%	23.4%	74.1%
Antique and Used Goods Retailing	2	4	5	34	78	138	119	87	467	11	2.4%	24.0%	73.7%
Motor Cycle Retailing	4	3	4	39	79	195	156	117	597	11	1.8%	19.8%	78.4%
Stationery Goods Retailing	0	3	4	18	38	89	84	63	299	7	2.3%	18.7%	78.9%
Department Stores	0	1	5	19	38	66	34	51	214	6	2.8%	26.6%	70.6%
Other Electrical and Electronic Goods Retailing	1	2	2	13	44	66	40	30	198	5	2.5%	28.8%	68.7%
Retail Commission-Based Buying and/or Selling	2	1	1	10	24	59	25	33	155	4	2.6%	21.9%	75.5%
<b>Total</b>	<b>223</b>	<b>651</b>	<b>586</b>	<b>3438</b>	<b>7921</b>	<b>14730</b>	<b>10245</b>	<b>10709</b>	<b>48503</b>	<b>1460</b>	<b>3.0%</b>	<b>23.7%</b>	<b>73.3%</b>

Table 7:  
National - Accommodation & 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	298	601	497	2131	4384	4412	2528	1798	16649	1396	8.4%	39.1%	52.5%
Accommodation	30	87	76	425	1409	2496	1635	2126	8284	193	2.3%	22.1%	75.5%
Pubs, Taverns and Bars	23	37	28	89	275	308	183	318	1261	88	7.0%	28.9%	64.2%
<b>Total</b>	<b>351</b>	<b>725</b>	<b>601</b>	<b>2645</b>	<b>6068</b>	<b>7216</b>	<b>4346</b>	<b>4242</b>	<b>26194</b>	<b>1677</b>	<b>5.9%</b>	<b>30.0%</b>	<b>64.1%</b>



There are 2616 or 2.8% of businesses throughout Queensland that are currently suffering financial distress and are at high to severe risk of financial failure. 27.2% of Queensland's businesses fall within the moderate to average risk of financial failure, whilst 70% are at low to minimal risk of financial failure within the next 12 months.

Queensland's top 5 industries of concern that are categorised in the high to severe risk bands of financial failure are (by number of businesses):

1. Construction, 434 (3.2%)
2. Accommodation and Food Services, 292 (6.1%)
3. Professional, Scientific and Technical Services, 278 (1.8%)
4. Retail Trade, 268 (3.1%)
5. Manufacturing, 149 (2.0%)

With 14.4% of Queensland's businesses operating in the construction industry, the state's economy largely depends on commercial, residential and construction related services. As at March 2018, there are 434 or 3.2% construction businesses at high to severe risk of financial failure, being an increase of 10.4% since March 2017.

The latest December 2017 ABS statistics release have indicated that total dwelling approvals have fallen 0.8% for Queensland and 1.7% Australia wide. This is due to a large decline in private dwellings excluding houses. However, the construction industry has been rising in the value of total building approvals for 11 months.

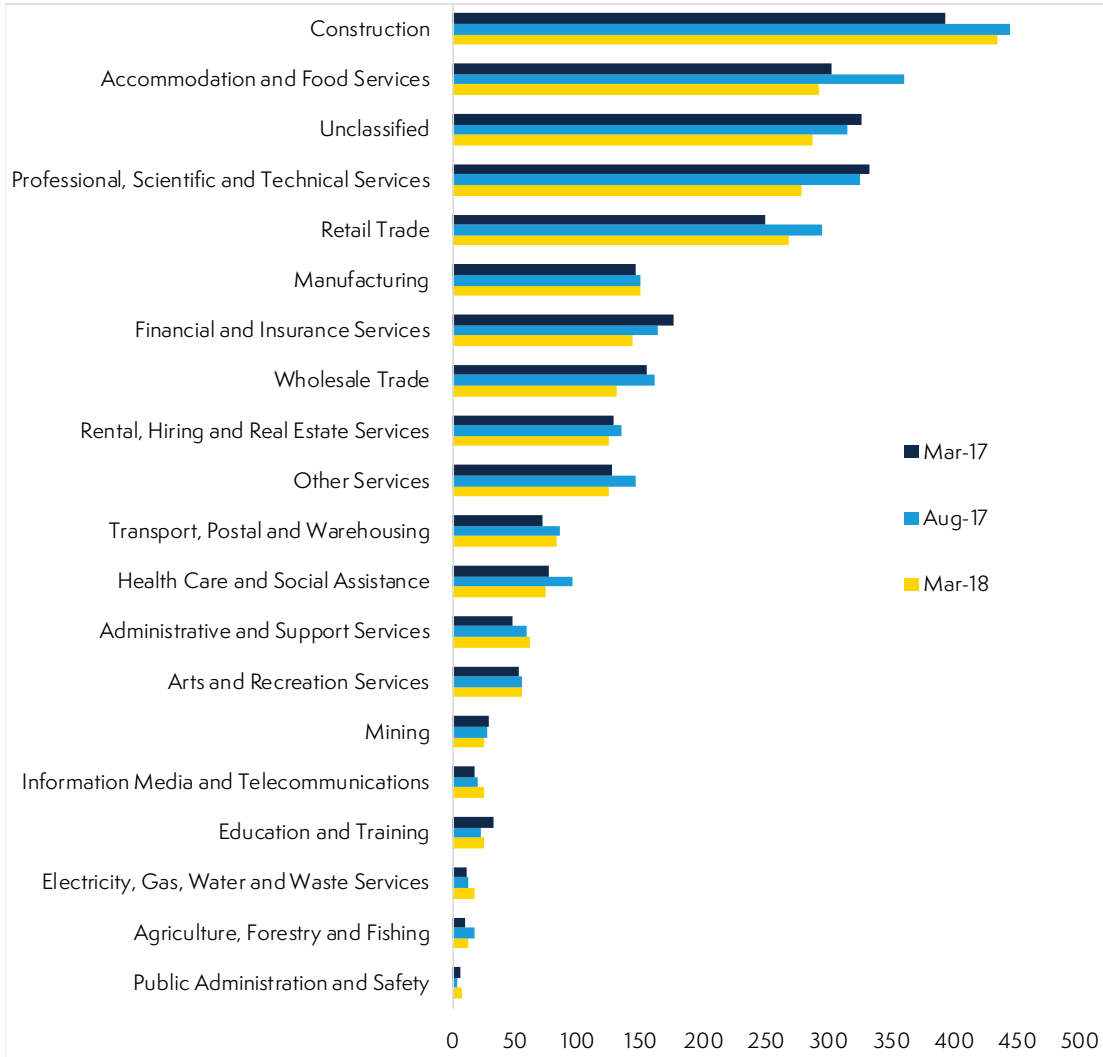
The commercial risk data (Table 10) indicates that 'construction services' sub industry accounts for 61% of the total businesses in the construction industry in the high to severe risk category. The ABS defines 'construction services' as those businesses within the land development and site preparation services, building structure services, building installation services, building completion services and other construction services. Table 9 of the commercial risk data, illustrates that there 43.1% of Queensland businesses at high to severe risk of financial failure are within the \$1 million to less \$10 million turnover category. Of these, 7.5% are construction businesses.

This suggests that smaller construction businesses engaged throughout the final stages of projects such as plumbing and electrician services are potentially facing financial pressures due to lagging payments causing cash flow issues.

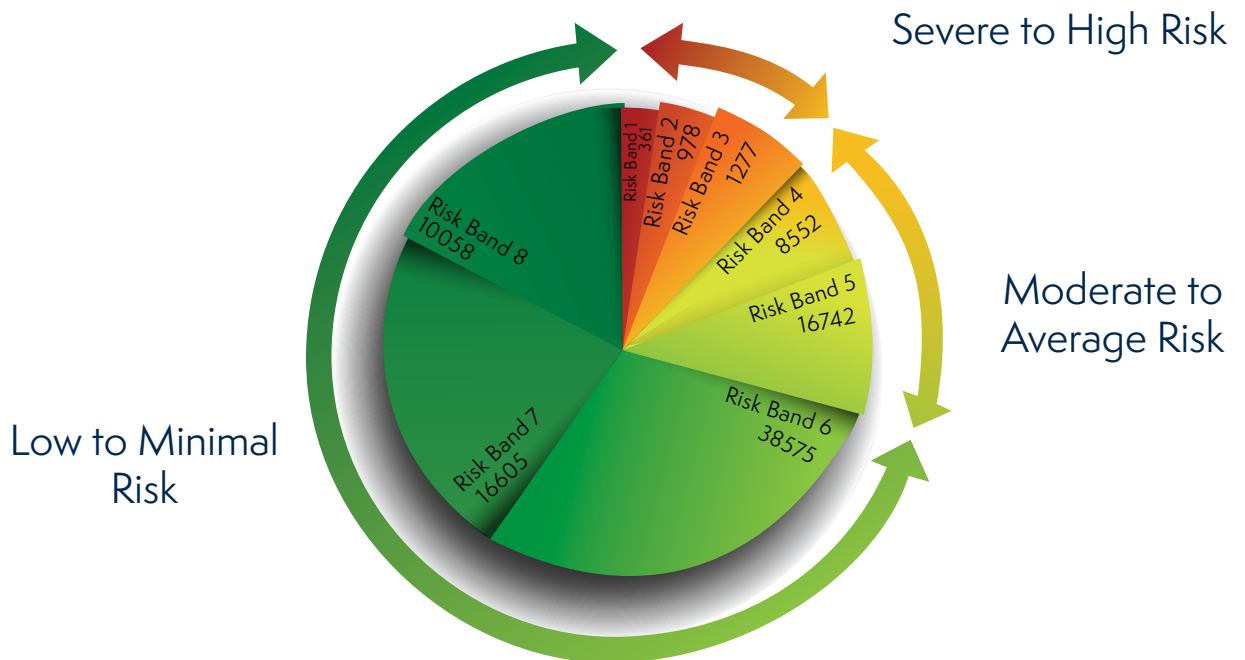
The Australian Securities and Investments Commission (Table 3.1.3.1) statistics indicate that the construction industry's top cause of business failure is due to inadequate cash flow or high cash use.

# 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 8:  
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	79	155	200	1272	2309	5195	2684	1559	13453	434	3.2%	26.6%	70.2%
Accommodation and Food Services	53	109	130	609	1173	1565	697	431	4767	292	6.1%	37.4%	56.5%
Unclassified	32	98	157	776	739	183	73	39	2097	287	13.7%	72.2%	14.1%
Professional, Scientific and Technical Services	29	97	152	1368	2514	7808	2406	1109	15483	278	1.8%	25.1%	73.1%
Retail Trade	45	110	113	734	1597	3364	1684	954	8601	268	3.1%	27.1%	69.8%
Manufacturing	17	55	77	475	1141	2787	1592	1254	7398	149	2.0%	21.8%	76.1%
Financial and Insurance Services	14	58	71	494	1376	3807	1170	884	7874	143	1.8%	23.7%	74.4%
Wholesale Trade	18	61	52	400	972	2295	1261	917	5976	131	2.2%	23.0%	74.8%
Other Services	16	37	71	506	953	2152	1001	553	5289	124	2.3%	27.6%	70.1%
Rental, Hiring and Real Estate Services	16	50	58	397	798	1983	836	396	4534	124	2.7%	26.4%	70.9%
Transport, Postal and Warehousing	12	35	36	216	486	952	474	372	2583	83	3.2%	27.2%	69.6%
Health Care and Social Assistance	6	23	45	497	999	2864	1071	387	5892	74	1.3%	25.4%	73.4%
Administrative and Support Services	7	18	37	229	437	997	391	179	2295	62	2.7%	29.0%	68.3%
Arts and Recreation Services	6	27	22	203	347	692	280	204	1781	55	3.1%	30.9%	66.0%
Education and Training	0	12	13	145	247	511	207	127	1262	25	2.0%	31.1%	67.0%
Information Media and Telecommunications	3	9	13	57	133	278	113	80	686	25	3.6%	27.7%	68.7%
Mining	2	11	12	54	194	333	163	186	955	25	2.6%	26.0%	71.4%
Electricity, Gas, Water and Waste Services	1	7	9	31	96	160	79	56	439	17	3.9%	28.9%	67.2%
Agriculture, Forestry and Fishing	3	5	5	74	216	597	409	299	1608	13	0.8%	18.0%	81.2%
Public Administration and Safety	2	1	4	15	15	52	14	72	175	7	4.0%	17.1%	78.9%
<b>Total</b>	<b>361</b>	<b>978</b>	<b>1277</b>	<b>8552</b>	<b>16742</b>	<b>38575</b>	<b>16605</b>	<b>10058</b>	<b>93148</b>	<b>2616</b>	<b>2.8%</b>	<b>27.2%</b>	<b>70.0%</b>

# Queensland Commercial Risk Analysis

Table 9:  
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
Accommodation and Food Services	46	38	185	22	0	0	1	0	292
Administrative and Support Services	30	9	19	3	1	0	0	0	62
Agriculture, Forestry and Fishing	3	3	4	3	0	0	0	0	13
Arts and Recreation Services	7	23	25	0	0	0	0	0	55
Construction	138	64	197	32	3	0	0	0	434
Education and Training	11	4	8	2	0	0	0	0	25
Electricity, Gas, Water and Waste Services	3	0	9	3	0	0	0	2	17
Financial and Insurance Services	66	41	28	7	0	0	1	0	143
Health Care and Social Assistance	27	10	33	3	0	1	0	0	74
Information Media and Telecommunications	12	2	9	1	0	1	0	0	25
Manufacturing	37	14	81	13	0	3	1	0	149
Mining	9	7	8	1	0	0	0	0	25
Other Services	30	26	60	8	0	0	0	0	124
Professional, Scientific and Technical Services	116	43	103	13	1	2	0	0	278
Public Administration and Safety	3	1	3	0	0	0	0	0	7
Rental, Hiring and Real Estate Services	38	28	51	5	1	1	0	0	124
Retail Trade	61	30	128	45	4	0	0	0	268
Transport, Postal and Warehousing	23	15	38	7	0	0	0	0	83
Unclassified	201	11	68	7	0	0	0	0	287
Wholesale Trade	30	8	71	22	0	0	0	0	131
<b>Total</b>	<b>891</b>	<b>377</b>	<b>1128</b>	<b>197</b>	<b>10</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>2616</b>



# Queensland Commercial Risk Analysis

Table 10:  
Queensland - Construction 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 ----->							
Electrical Services	14	23	27	174	305	757	467	309	2076	64	3.1%	23.1%	73.8%
Plumbing Services	10	20	24	167	288	703	348	175	1735	54	3.1%	26.2%	70.7%
Other Residential Building Construction	10	17	24	102	214	449	259	158	1233	51	4.1%	25.6%	70.2%
House Construction	8	14	22	154	284	595	313	138	1528	44	2.9%	28.7%	68.5%
Other Construction Services n.e.c.	6	18	14	160	258	569	260	144	1429	38	2.7%	29.3%	68.1%
Non-Residential Building Construction	8	14	15	72	165	335	177	150	936	37	4.0%	25.3%	70.7%
Other Heavy and Civil Engineering Construction	5	14	13	96	214	389	188	135	1054	32	3.0%	29.4%	67.6%
Roofing Services	6	2	11	46	55	143	54	27	344	19	5.5%	29.4%	65.1%
Concreting Services	1	10	8	56	89	240	125	71	600	19	3.2%	24.2%	72.7%
Carpentry Services	3	4	8	51	95	165	67	27	420	15	3.6%	34.8%	61.7%
Painting and Decorating Services	2	3	9	56	54	181	74	21	400	14	3.5%	27.5%	69.0%
Site Preparation Services	3	5	5	23	67	181	93	51	428	13	3.0%	21.0%	75.9%
Plastering and Ceiling Services	2	4	5	19	47	105	62	45	289	11	3.8%	22.8%	73.4%
Fire and Security Alarm Installation Services	0	4	3	21	53	94	46	20	241	7	2.9%	30.7%	66.4%
Tiling and Carpeting Services	1	0	4	29	42	104	34	18	232	5	2.2%	30.6%	67.2%
Road and Bridge Construction	0	2	2	10	20	48	30	31	143	4	2.8%	21.0%	76.2%
Glazing Services	0	1	2	12	16	43	34	10	118	3	2.5%	23.7%	73.7%
Other Building Installation Services	0	0	2	3	6	12	4	3	30	2	6.7%	30.0%	63.3%
Structural Steel Erection Services	0	0	1	6	15	24	11	9	66	1	1.5%	31.8%	66.7%
Bricklaying Services	0	0	1	15	22	58	38	17	151	1	0.7%	24.5%	74.8%
<b>Total</b>	<b>79</b>	<b>155</b>	<b>200</b>	<b>1272</b>	<b>2309</b>	<b>5195</b>	<b>2684</b>	<b>1559</b>	<b>13453</b>	<b>434</b>	<b>3.2%</b>	<b>26.6%</b>	<b>70.2%</b>

# Queensland Commercial Risk Analysis

Table 11:  
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	84	205	219	1487	2814	5762	2917	1527	15015	508	3.4%	28.6%	68.0%
Brisbane Inner City	64	180	262	1623	3761	7587	2869	2127	18473	506	2.7%	29.1%	68.1%
Brisbane South	50	135	203	1038	2273	4951	1656	1257	11563	388	3.4%	28.6%	68.0%
Logan - Beaudesert	34	79	112	518	1095	2428	929	580	5775	225	3.9%	27.9%	68.2%
Brisbane East	24	59	90	495	966	2425	783	503	5345	173	3.2%	27.3%	69.4%
Ipswich	26	57	79	508	1031	2332	916	670	5619	162	2.9%	27.4%	69.7%
Sunshine Coast	22	58	80	682	1200	3031	1578	684	7335	160	2.2%	25.7%	72.2%
Brisbane West	12	46	89	570	1124	2898	837	509	6085	147	2.4%	27.8%	69.7%
Brisbane North	14	55	73	460	921	2144	832	566	5065	142	2.8%	27.3%	69.9%
Moreton Bay - North	12	37	62	307	610	1586	566	267	3447	111	3.2%	26.6%	70.2%
Cairns	14	46	50	431	743	1920	1016	607	4827	110	2.3%	24.3%	73.4%
Darling Downs - Maranoa	12	26	57	484	899	2286	1125	620	5509	95	1.7%	25.1%	73.2%
Moreton Bay - South	12	33	49	349	614	1670	514	272	3513	94	2.7%	27.4%	69.9%
Townsville	8	43	36	289	489	1404	772	485	3526	87	2.5%	22.1%	75.5%
Mackay	13	27	35	307	496	1210	624	350	3062	75	2.4%	26.2%	71.3%
QLD Fitzroy	13	26	33	297	553	1245	643	357	3167	72	2.3%	26.8%	70.9%
QLD Wide Bay	13	26	33	366	654	1915	951	488	4446	72	1.6%	22.9%	75.4%
Toowoomba	6	15	35	286	468	1240	571	359	2980	56	1.9%	25.3%	72.8%
Queensland Outback	4	19	8	127	243	541	298	219	1459	31	2.1%	25.4%	72.5%
<b>Total</b>	<b>437</b>	<b>1172</b>	<b>1605</b>	<b>10624</b>	<b>20954</b>	<b>48575</b>	<b>20397</b>	<b>12447</b>	<b>116211</b>	<b>3214</b>	<b>2.8%</b>	<b>27.2%</b>	<b>70.1%</b>

Table 11 indicates the Queensland areas that are in the high to severe risk of financial failure within the next 12 months, in order of number of businesses are:

- Gold Coast (508, 3.4%)
- Brisbane Inner City (506, 2.7%)
- Brisbane South (388, 3.4%)
- Logan Beaudesert (225, 3.9%)
- Brisbane East (173, 3.2%)

Despite the Gold Coast being the highest commercial risk location, the region has decreased in risk by 3.7% (19 businesses) since the March 2017 report.

Conversely, the lowest risk locations by number of businesses is Queensland Outback (31, 2.1%) followed by Toowoomba (56, 1.9%). Toowoomba is also one of the lowest commercial risk areas by way of proportion of businesses in its respective area.

# Queensland Commercial Risk Analysis

Table 12:  
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	20	45	77	362	712	1608	684	419	3927	142	3.6%	27.3%	69.0%
Unclassified	14	44	73	342	331	70	35	20	929	131	14.1%	72.4%	13.5%
Professional, Scientific and Technical Services	7	41	80	591	1299	3790	1013	563	7384	128	1.7%	25.6%	72.7%
Accommodation and Food Services	21	43	57	209	398	449	162	128	1467	121	8.2%	41.4%	50.4%
Retail Trade	17	41	39	240	603	1151	464	261	2816	97	3.4%	29.9%	66.6%
Financial and Insurance Services	7	24	39	217	601	1621	421	411	3341	70	2.1%	24.5%	73.4%
Wholesale Trade	7	28	24	160	407	934	446	403	2409	59	2.4%	23.5%	74.0%
Rental, Hiring and Real Estate Services	9	19	27	153	343	759	261	178	1749	55	3.1%	28.4%	68.5%
Other Services	2	16	32	156	363	786	303	192	1850	50	2.7%	28.1%	69.2%
Manufacturing	3	17	24	159	413	958	513	411	2498	44	1.8%	22.9%	75.3%
Health Care and Social Assistance	3	13	18	206	441	1282	354	188	2505	34	1.4%	25.8%	72.8%
Transport, Postal and Warehousing	7	12	11	73	169	284	112	125	793	30	3.8%	30.5%	65.7%
Arts and Recreation Services	2	10	9	74	133	261	91	80	660	21	3.2%	31.4%	65.5%
Information Media and Telecommunications	2	5	10	30	77	124	49	39	336	17	5.1%	31.8%	63.1%
Administrative and Support Services	1	7	7	78	206	413	129	75	916	15	1.6%	31.0%	67.4%
Mining	1	6	6	25	136	201	124	133	632	13	2.1%	25.5%	72.5%
Education and Training	0	5	5	60	112	235	79	64	560	10	1.8%	30.7%	67.5%
Electricity, Gas, Water and Waste Services	0	2	4	7	50	64	30	25	182	6	3.3%	31.3%	65.4%
Agriculture, Forestry and Fishing	1	1	0	9	23	83	30	28	175	2	1.1%	18.3%	80.6%
Public Administration and Safety	0	0	2	4	6	17	4	28	61	2	3.3%	16.4%	80.3%
<b>Total</b>	<b>124</b>	<b>379</b>	<b>544</b>	<b>3155</b>	<b>6823</b>	<b>15090</b>	<b>5304</b>	<b>3771</b>	<b>35190</b>	<b>1047</b>	<b>3.0%</b>	<b>28.4%</b>	<b>68.7%</b>

According to Table 12, the top 5 industries in Brisbane (and surrounding) that are at high to severe risk are within the:

- Construction (142, 3.6%)
- Professional, Scientific and Technical Services (128, 1.7%)
- Accommodation and Food Services (121, 8.2%)
- Retail Trade (97, 3.4%)
- Financial and Insurance Services (70, 2.1%)

# Queensland Commercial Risk Analysis

Table 13:  
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	45	23	60	12	2	0	0	0	142
Unclassified	99	4	26	2	0	0	0	0	131
Professional, Scientific and Technical Services	58	13	48	6	1	2	0	0	128
Accommodation and Food Services	19	13	75	13	0	0	1	0	121
Retail Trade	22	7	50	16	2	0	0	0	97
Financial and Insurance Services	30	19	16	4	0	0	1	0	70
Wholesale Trade	16	2	33	8	0	0	0	0	59
Rental, Hiring and Real Estate Services	18	12	19	5	0	1	0	0	55
Other Services	12	8	26	4	0	0	0	0	50
Manufacturing	12	1	25	4	0	2	0	0	44
Health Care and Social Assistance	11	1	20	1	0	1	0	0	34
Transport, Postal and Warehousing	5	6	15	4	0	0	0	0	30
Arts and Recreation Services	1	10	10	0	0	0	0	0	21
Information Media and Telecommunications	9	1	6	1	0	0	0	0	17
Administrative and Support Services	4	2	7	1	1	0	0	0	15
Mining	6	2	4	1	0	0	0	0	13
Education and Training	6	1	3	0	0	0	0	0	10
Electricity, Gas, Water and Waste Services	0	0	5	0	0	0	0	1	6
Agriculture, Forestry and Fishing	0	1	0	1	0	0	0	0	2
Public Administration and Safety	1	0	1	0	0	0	0	0	2
<b>Total</b>	<b>374</b>	<b>126</b>	<b>449</b>	<b>83</b>	<b>6</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>1047</b>

Brisbane's commercial risk data states that there are 1047 (3.0%) businesses at high to severe risk of financially failing within the next 12 months. This is a decrease of 10.7% since 12 months ago as indicated in the March 2017 report, showing positive signs for the region.

Of these businesses in the highest risk band, 42.9% are within the \$1 million to less than \$10 million turnover category, indicating that SMEs are the driving force behind these risk numbers.

# Queensland Commercial Risk Analysis

Table 14:  
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	24	35	29	227	424	806	503	281	2329	88	3.8%	28.0%	68.3%
Accommodation and Food Services	9	27	23	109	220	237	115	102	842	59	7.0%	39.1%	53.9%
Unclassified	4	17	33	166	135	42	14	8	419	54	12.9%	71.8%	15.3%
Retail Trade	11	21	21	125	282	468	243	145	1316	53	4.0%	30.9%	65.0%
Professional, Scientific and Technical Services	6	22	24	246	405	1166	434	144	2447	52	2.1%	26.6%	71.3%
Manufacturing	7	11	13	90	207	495	322	199	1344	31	2.3%	22.1%	75.6%
Financial and Insurance Services	3	14	11	85	237	629	234	163	1376	28	2.0%	23.4%	74.6%
Wholesale Trade	6	16	4	81	177	382	238	115	1019	26	2.6%	25.3%	72.1%
Rental, Hiring and Real Estate Services	2	10	13	69	160	327	175	75	831	25	3.0%	27.6%	69.4%
Other Services	5	10	8	71	148	298	154	69	763	23	3.0%	28.7%	68.3%
Health Care and Social Assistance	1	5	10	59	160	339	187	52	813	16	2.0%	26.9%	71.1%
Administrative and Support Services	1	3	10	47	56	148	76	37	378	14	3.7%	27.2%	69.0%
Arts and Recreation Services	2	6	4	40	68	127	63	42	352	12	3.4%	30.7%	65.9%
Transport, Postal and Warehousing	1	3	5	26	48	105	57	37	282	9	3.2%	26.2%	70.6%
Education and Training	0	2	3	23	45	87	51	15	226	5	2.2%	30.1%	67.7%
Electricity, Gas, Water and Waste Services	0	0	4	5	8	18	10	7	52	4	7.7%	25.0%	67.3%
Information Media and Telecommunications	1	2	0	11	19	51	22	13	119	3	2.5%	25.2%	72.3%
Mining	0	1	2	2	3	11		6	25	3	12.0%	20.0%	68.0%
Public Administration and Safety	1	0	1	2	1	10	2	6	23	2	8.7%	13.0%	78.3%
Agriculture, Forestry and Fishing	0	0	1	3	11	16	17	11	59	1	1.7%	23.7%	74.6%
<b>Total</b>	<b>84</b>	<b>205</b>	<b>219</b>	<b>1487</b>	<b>2814</b>	<b>5762</b>	<b>2917</b>	<b>1527</b>	<b>15015</b>	<b>508</b>	<b>3.4%</b>	<b>28.6%</b>	<b>68.0%</b>

According to the Table 14, the construction industry remains at most risk on the Gold Coast with 3.8% (88 businesses) falling with the high to severe risk category of financial failure within the next 12 months. This is an increase from 3.3% (73 businesses) since the March 2017 report.

Table 15 indicates that approximately 49% of these construction businesses in the highest risk category are smaller sized businesses with turnovers between \$1 million to \$10 million.

Table 15:  
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	25	13	43	7	0	0	0	0	88
Accommodation and Food Services	11	9	36	3	0	0	0	0	59
Unclassified	37	2	14	1	0	0	0	0	54
Retail Trade	7	7	31	7	1	0	0	0	53
Professional, Scientific and Technical Services	26	9	16	1	0	0	0	0	52
Manufacturing	4	2	20	5	0	0	0	0	31
Financial and Insurance Services	17	9	1	1	0	0	0	0	28
Wholesale Trade	5	1	15	5	0	0	0	0	26
Rental, Hiring and Real Estate Services	7	10	8	0	0	0	0	0	25
Other Services	8	4	9	2	0	0	0	0	23
Health Care and Social Assistance	9	4	2	1	0	0	0	0	16
Administrative and Support Services	10	1	2	1	0	0	0	0	14
Arts and Recreation Services	3	2	7	0	0	0	0	0	12
Transport, Postal and Warehousing	6	2	1	0	0	0	0	0	9
Education and Training	3	1	0	1	0	0	0	0	5
Electricity, Gas, Water and Waste Services	3	0	1	0	0	0	0	0	4
Information Media and Telecommunications	0	0	2	0	0	1	0	0	3
Mining	0	2	1	0	0	0	0	0	3
Public Administration and Safety	1	0	1	0	0	0	0	0	2
Agriculture, Forestry and Fishing	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>183</b>	<b>78</b>	<b>210</b>	<b>35</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>508</b>

SV Partners on the Gold Coast have seen small to medium turnover size construction companies and restaurants enter external administration recently. Some key causes of financial distress for businesses recently have been through statutory demands often issued by the ATO, along with directors' penalty notices (DPNs) prompting company directors to take action.

With the Commonwealth Games in April, the Gold Coast's tourism sector is predicted to benefit alongside hospitality and local cafes and restaurants. However, with traffic congestion and an influx of tourists, local professional businesses will likely be negatively impacted.

Post Commonwealth Games, local businesses should have a better assessment of their financial position without the influence of the Games.

# Queensland Commercial Risk Analysis

Table 16:  
Sunshine Coast - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High ----->			Moderate to Average			←----- Low to Minimal ----->						
Construction	4	9	10	125	193	484	296	138	1259	23	1.8%	25.3%	72.9%
Unclassified	3	6	12	57	61	16	6	2	163	21	12.9%	72.4%	14.7%
Accommodation and Food Services	7	3	10	47	107	162	79	33	448	20	4.5%	34.4%	61.2%
Professional, Scientific and Technical Services	1	5	11	110	157	576	203	54	1117	17	1.5%	23.9%	74.6%
Wholesale Trade	2	5	6	35	76	174	103	51	452	13	2.9%	24.6%	72.6%
Retail Trade	2	5	5	68	103	272	178	72	705	12	1.7%	24.3%	74.0%
Other Services	1	5	4	48	61	128	88	32	367	10	2.7%	29.7%	67.6%
Financial and Insurance Services		3	5	43	104	331	114	77	677	8	1.2%	21.7%	77.1%
Rental, Hiring and Real Estate Services	1	3	4	19	57	140	95	27	346	8	2.3%	22.0%	75.7%
Administrative and Support Services	1	3	2	14	32	70	33	6	161	6	3.7%	28.6%	67.7%
Manufacturing	0	2	4	35	71	205	127	83	527	6	1.1%	20.1%	78.7%
Transport, Postal and Warehousing	0	3	2	5	25	51	31	16	133	5	3.8%	22.6%	73.7%
Health Care and Social Assistance	0	2	2	47	75	226	144	41	537	4	0.7%	22.7%	76.5%
Arts and Recreation Services	0	1	1	7	31	65	25	17	147	2	1.4%	25.9%	72.8%
Electricity, Gas, Water and Waste Services	0	1	1	3	7	16	3	2	33	2	6.1%	30.3%	63.6%
Education and Training	0	0	1	9	14	46	16	9	95	1	1.1%	24.2%	74.7%
Information Media and Telecommunications	0	1	0	3	8	21	11	3	47	1	2.1%	23.4%	74.5%
Public Administration and Safety	0	1	0	3	2	6	2	4	18	1	5.6%	27.8%	66.7%
Agriculture, Forestry and Fishing	0	0	0	3	15	35	23	14	90	0	0.0%	20.0%	80.0%
Mining	0	0	0	1	1	7	1	3	13	0	0.0%	15.4%	84.6%
<b>Total</b>	<b>22</b>	<b>58</b>	<b>80</b>	<b>682</b>	<b>1200</b>	<b>3031</b>	<b>1578</b>	<b>684</b>	<b>7335</b>	<b>160</b>	<b>2.2%</b>	<b>25.7%</b>	<b>72.2%</b>

According to the commercial risk data, the Sunshine Coast has 160 (2.2%) businesses within the high to severe risk category. This is a decrease of 9 businesses from March 2017 risk report. There are 25.7% of businesses on the Sunshine Coast that are within the moderate to average risk category.

Table 17:  
Sunshine Coast - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	6	2	11	3	1	0	0	0	23
Unclassified	14	0	7	0	0	0	0	0	21
Accommodation and Food Services	4	3	13	0	0	0	0	0	20
Professional, Scientific and Technical Services	6	5	5	1	0	0	0	0	17
Wholesale Trade	1	3	7	2	0	0	0	0	13
Retail Trade	3	3	5	1	0	0	0	0	12
Other Services	3	2	4	1	0	0	0	0	10
Financial and Insurance Services	3	5	0	0	0	0	0	0	8
Rental, Hiring and Real Estate Services	1	1	6	0	0	0	0	0	8
Administrative and Support Services	5	0	1	0	0	0	0	0	6
Manufacturing	3	1	2	0	0	0	0	0	6
Transport, Postal and Warehousing	2	0	3	0	0	0	0	0	5
Health Care and Social Assistance	1	0	3	0	0	0	0	0	4
Arts and Recreation Services	0	1	1	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
Public Administration and Safety	1	0	0	0	0	0	0	0	1
Mining	0	0	0	0	0	0	0	0	0
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>54</b>	<b>26</b>	<b>70</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>160</b>

The Sunshine Coast SV Partners office has seen a number of smaller businesses within automotive, IT, transport and retail industries going through the external administration process. Insufficient working capital, low sales and high rent costs have been significant factors causing financial distress for business owners.

The area has also seen positive signs for the building industry with an increase in infrastructure and construction. However, retailers and hospitality businesses are continuing to face financial difficulties with industry competitors and high business costs relative to sales in an overall smaller market.

Overall, there are infrastructure projects on the Sunshine Coast that will continue to support the construction industry and development in the region.



# Queensland Commercial Risk Analysis

Table 18:  
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 ----->							
Unclassified	0	2	4	18	14	4	0	0	42	6	14.3%	76.2%	9.5%
Accommodation and Food Services	1	4	4	19	25	46	20	12	131	9	6.9%	33.6%	59.5%
Retail Trade	1	3	4	24	49	127	64	25	297	8	2.7%	24.6%	72.7%
Construction	2	3	8	72	81	175	93	58	492	13	2.6%	31.1%	66.3%
Arts and Recreation Services	0	0	1	10	13	16	3	4	47	1	2.1%	48.9%	48.9%
Rental, Hiring and Real Estate Services	0	0	2	9	18	60	25	7	121	2	1.7%	22.3%	76.0%
Administrative and Support Services	0	0	1	9	12	27	11	3	63	1	1.6%	33.3%	65.1%
Health Care and Social Assistance	0	0	3	15	33	93	48	10	202	3	1.5%	23.8%	74.8%
Professional, Scientific and Technical Services	1	1	4	30	54	220	69	27	406	6	1.5%	20.7%	77.8%
Manufacturing	1	1	1	9	33	102	52	48	247	3	1.2%	17.0%	81.8%
Other Services	0	0	2	24	26	77	40	27	196	2	1.0%	25.5%	73.5%
Transport, Postal and Warehousing	0	1	0	10	17	41	22	22	113	1	0.9%	23.9%	75.2%
Wholesale Trade	0	0	1	9	32	65	44	41	192	1	0.5%	21.4%	78.1%
Agriculture, Forestry and Fishing	0	0	0	6	11	33	23	29	102	0	0.0%	16.7%	83.3%
Education and Training	0	0	0	5	4	7	6	5	27	0	0.0%	33.3%	66.7%
Electricity, Gas, Water and Waste Services	0	0	0	0	2	5	5	3	15	0	0.0%	13.3%	86.7%
Financial and Insurance Services	0	0	0	11	34	125	41	24	235	0	0.0%	19.1%	80.9%
Information Media and Telecommunications	0	0	0	4	2	6	4	4	20	0	0.0%	30.0%	70.0%
Mining	0	0	0	2	8	7	1	4	22	0	0.0%	45.5%	54.5%
Public Administration and Safety	0	0	0	0	0	4	0	6	10	0	0.0%	0.0%	100.0%
<b>Total</b>	<b>6</b>	<b>15</b>	<b>35</b>	<b>286</b>	<b>468</b>	<b>1240</b>	<b>571</b>	<b>359</b>	<b>2980</b>	<b>56</b>	<b>1.9%</b>	<b>25.3%</b>	<b>72.8%</b>

The latest commercial risk data indicates that Toowoomba has only 1.9% of businesses in the area within the high to severe category of commercial risk of failure within the next 12 months. This makes the region the second lowest risk area of operating a business in Queensland.

Table 19:  
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	4	3	6	0	0	0	0	0	13
Accommodation and Food Services	2	2	4	1	0	0	0	0	9
Retail Trade	2	2	4	0	0	0	0	0	8
Professional, Scientific and Technical Services	0	0	6	0	0	0	0	0	6
Unclassified	3	1	1	1	0	0	0	0	6
Health Care and Social Assistance	2	1	0	0	0	0	0	0	3
Manufacturing	1	1	1	0	0	0	0	0	3
Other Services	1	0	1	0	0	0	0	0	2
Rental, Hiring and Real Estate Services	2	0	0	0	0	0	0	0	2
Administrative and Support Services	0	0	1	0	0	0	0	0	1
Arts and Recreation Services	1	0	0	0	0	0	0	0	1
Transport, Postal and Warehousing	0	0	1	0	0	0	0	0	1
Wholesale Trade	1	0	0	0	0	0	0	0	1
Financial and Insurance 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
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
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
<b>Total</b>	<b>19</b>	<b>10</b>	<b>25</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56</b>

The construction industry has a total of 13 businesses at high to severe risk and 9 in the accommodation and food industry. With 72.8% of Toowoomba businesses within the lowest risk bands, the outlook for the region is positive.

# Queensland Commercial Risk Analysis

Table 20:  
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	4	4	4	48	95	186	104	63	508	12	2.4%	28.1%	69.5%
Manufacturing	1	3	5	13	33	51	37	30	173	9	5.2%	26.6%	68.2%
Unclassified	1	4	4	23	11	5	1	0	49	9	18.4%	69.4%	12.2%
Rental, Hiring and Real Estate Services	0	4	3	14	23	55	29	9	137	7	5.1%	27.0%	67.9%
Retail Trade	2	0	5	25	45	108	86	43	314	7	2.2%	22.3%	75.5%
Professional, Scientific and Technical Services	2	1	2	46	47	196	77	32	403	5	1.2%	23.1%	75.7%
Other Services	2	0	2	22	27	96	45	21	215	4	1.9%	22.8%	75.3%
Wholesale Trade	0	3	1	10	22	53	26	28	143	4	2.8%	22.4%	74.8%
Accommodation and Food Services	0	2	1	21	44	81	28	19	196	3	1.5%	33.2%	65.3%
Administrative and Support Services	0	0	2	9	19	32	12	8	82	2	2.4%	34.1%	63.4%
Arts and Recreation Services	0	2	0	11	8	23	13	6	63	2	3.2%	30.2%	66.7%
Education and Training	0	0	2	4	4	10	7	5	32	2	6.3%	25.0%	68.8%
Financial and Insurance Services	0	1	1	9	36	100	44	23	214	2	0.9%	21.0%	78.0%
Health Care and Social Assistance	1	0	1	16	28	74	25	9	154	2	1.3%	28.6%	70.1%
Transport, Postal and Warehousing	0	2	0	20	23	56	29	19	149	2	1.3%	28.9%	69.8%
Agriculture, Forestry and Fishing	0	1	0	5	18	39	46	21	130	1	0.8%	17.7%	81.5%
Information Media and Telecommunications	0	0	1	1	3	8	3	2	18	1	5.6%	22.2%	72.2%
Mining	0	0	1	7	9	29	7	9	62	1	1.6%	25.8%	72.6%
Electricity, Gas, Water and Waste Services	0	0	0	3	1	4	5	2	15	0	0.0%	26.7%	73.3%
Public Administration and Safety	0	0	0	0	0	4	0	1	5	0	0.0%	0.0%	100.0%
<b>Total</b>	<b>13</b>	<b>27</b>	<b>35</b>	<b>307</b>	<b>496</b>	<b>1210</b>	<b>624</b>	<b>350</b>	<b>3062</b>	<b>75</b>	<b>2.4%</b>	<b>26.2%</b>	<b>71.3%</b>

Mackay has remained relatively unchanged by way of number of businesses at high risk since March 2017, with 75 businesses ranked in this category. 44% of these businesses are within the \$1 million to less than \$10 million in turnover.

Table 21:  
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	3	4	4	1	0	0	0	0	12
Manufacturing	2	2	5	0	0	0	0	0	9
Unclassified	8		1	0	0	0	0	0	9
Rental, Hiring and Real Estate Services	2	1	4	0	0	0	0	0	7
Retail Trade	1	1	2	3	0	0	0	0	7
Professional, Scientific and Technical Services	2	0	2	1	0	0	0	0	5
Other Services	0	2	2	0	0	0	0	0	4
Wholesale Trade	0	0	4	0	0	0	0	0	4
Accommodation and Food Services	1	0	2	0	0	0	0	0	3
Administrative and Support Services	1	1	0	0	0	0	0	0	2
Arts and Recreation Services	0	0	2	0	0	0	0	0	2
Education and Training	0	1	1	0	0	0	0	0	2
Financial and Insurance Services	1	1	0	0	0	0	0	0	2
Health Care and Social Assistance	0	1	1	0	0	0	0	0	2
Transport, Postal and Warehousing	0	0	2	0	0	0	0	0	2
Agriculture, Forestry and Fishing	1	0	0	0	0	0	0	0	1
Information Media and Telecommunications	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
Public Administration and Safety	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>14</b>	<b>33</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75</b>

# Queensland Commercial Risk Analysis

Table 22:  
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	2	1	8	15	24	13	7	71	4	5.6%	32.4%	62.0%
Administrative and Support Services	0	0	1	1	6	6	9	2	25	1	4.0%	28.0%	68.0%
Agriculture, Forestry and Fishing	0	0	0	0	2	5	1	3	11	0	0.0%	18.2%	81.8%
Arts and Recreation Services	0	0	0	2	1	8	2	1	14	0	0.0%	21.4%	78.6%
Construction	0	3	4	13	24	52	36	30	162	7	4.3%	22.8%	72.8%
Education and Training	0	0	0	0	1	6	1	2	10	0	0.0%	10.0%	90.0%
Electricity, Gas, Water and Waste Services	0	0	0	1	1	4	2	0	8	0	0.0%	25.0%	75.0%
Financial and Insurance Services	1	0	0	6	17	36	20	3	83	1	1.2%	27.7%	71.1%
Health Care and Social Assistance	0	1	0	9	8	44	16	4	82	1	1.2%	20.7%	78.0%
Information Media and Telecommunications	0	0	0	0	1	3	3	1	8	0	0.0%	12.5%	87.5%
Manufacturing	0	0	0	7	4	23	6	6	46	0	0.0%	23.9%	76.1%
Other Services	1	0	1	9	4	22	12	17	66	2	3.0%	19.7%	77.3%
Professional, Scientific and Technical Services	0	1	0	19	28	73	22	7	150	1	0.7%	31.3%	68.0%
Public Administration and Safety	0	0	0	0	0	1	0	1	2	0	0.0%	0.0%	100.0%
Rental, Hiring and Real Estate Services	1	1	0	2	5	23	9	2	43	2	4.7%	16.3%	79.1%
Retail Trade	0	0	3	9	14	43	22	16	107	3	2.8%	21.5%	75.7%
Transport, Postal and Warehousing	0	0	0	1	3	9	3	4	20	0	0.0%	20.0%	80.0%
Unclassified	0	0	2	4	4	1	0	0	11	2	18.2%	72.7%	9.1%
Wholesale Trade	0	0	1	2	7	24	9	7	50	1	2.0%	18.0%	80.0%
Mining	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%
<b>Total</b>	<b>4</b>	<b>8</b>	<b>13</b>	<b>93</b>	<b>145</b>	<b>407</b>	<b>186</b>	<b>113</b>	<b>969</b>	<b>25</b>	<b>2.6%</b>	<b>24.6%</b>	<b>72.9%</b>

Rockhampton's commercial risk data indicates that there has been an increase of 2.3% of businesses since March 2017 that fall within the moderate to average risk category of financial failure over the next 12 months. Current risk data also suggests that there are 2.6% of businesses within the high to severe risk category of financial failure within the next 12 months.

The accommodation and food services industry is most at financial distress with 5.6% of businesses in this industry in Rockhampton at high to severe risk of financially failure.

**Table 23:**  
Rockhampton - Industry vs Turnover Size of Business - High to Severe Risk

Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Construction	1	2	3	1	0	0	0	0	7
Accommodation and Food Services	0	0	4	0	0	0	0	0	4
Retail Trade	1	0	1	1	0	0	0	0	3
Other Services	0	0	2	0	0	0	0	0	2
Rental, Hiring and Real Estate Services	0	0	2	0	0	0	0	0	2
Unclassified	2	0	0	0	0	0	0	0	2
Administrative and Support Services	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	1	0	0	0	0	0	1
Professional, Scientific and Technical Services	0	1	0	0	0	0	0	0	1
Wholesale Trade	1	0	0	0	0	0	0	0	1
Education and Training	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
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
Arts and Recreation Services	0	0	0	0	0	0	0	0	0
Transport, Postal and Warehousing	0	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>13</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>

# Queensland Commercial Risk Analysis

Table 24:  
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	2	1	3	8	20	43	33	21	131	6	4.6%	21.4%	74.0%
Manufacturing	0	1	1	2	9	15	5	7	40	2	5.0%	27.5%	67.5%
Rental, Hiring and Real Estate Services	1	1	0	6	3	24	10	5	50	2	4.0%	18.0%	78.0%
Administrative and Support Services	0	1	0	2	3	2	5	5	18	1	5.6%	27.8%	66.7%
Health Care and Social Assistance	0	0	1	7	7	20	8	2	45	1	2.2%	31.1%	66.7%
Professional, Scientific and Technical Services	0	0	1	10	16	53	22	13	115	1	0.9%	22.6%	76.5%
Wholesale Trade	0	0	1	3	7	9	9	2	31	1	3.2%	32.3%	64.5%
Accommodation and Food Services	0	0	0	4	12	10	8	4	38	0	0.0%	42.1%	57.9%
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	3	0	4	2	1	10	0	0.0%	30.0%	70.0%
Education and Training	0	0	0	4	3	0	2	2	11	0	0.0%	63.6%	36.4%
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	1	2	3	0	0.0%	0.0%	100.0%
Financial and Insurance Services	0	0	0	6	5	27	12	4	54	0	0.0%	20.4%	79.6%
Other Services	0	0	0	4	8	14	12	9	47	0	0.0%	25.5%	74.5%
Public Administration and Safety	0	0	0	0	0	0	0	2	2	0	0.0%	0.0%	100.0%
Retail Trade	0	0	0	5	20	32	19	12	88	0	0.0%	28.4%	71.6%
Transport, Postal and Warehousing	0	0	0	1	7	9	11	2	30	0	0.0%	26.7%	73.3%
Unclassified	0	0	0	2	5	1	0	0	8	0	0.0%	87.5%	12.5%
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%
Mining	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%
<b>Total</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>68</b>	<b>125</b>	<b>265</b>	<b>160</b>	<b>93</b>	<b>725</b>	<b>14</b>	<b>1.9%</b>	<b>26.6%</b>	<b>71.4%</b>

# Queensland Commercial Risk Analysis

Table 25:  
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
Accommodation and Food Services	0	0	0	0	0	0	0	0	0
Administrative and Support Services	1	0	0	0	0	0	0	0	1
Construction	4	0	2	0	0	0	0	0	6
Health Care and Social Assistance	1	0	0	0	0	0	0	0	1
Manufacturing	1	1	0	0	0	0	0	0	2
Professional, Scientific and Technical Services	0	1	0	0	0	0	0	0	1
Rental, Hiring and Real Estate Services	0	1	1	0	0	0	0	0	2
Wholesale Trade	0	0	1	0	0	0	0	0	1
Unclassified	0	0	0	0	0	0	0	0	0
Retail Trade	0	0	0	0	0	0	0	0	0
Financial and Insurance Services	0	0	0	0	0	0	0	0	0
Other Services	0	0	0	0	0	0	0	0	0
Transport, Postal and Warehousing	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
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
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
<b>Total</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>



# Queensland Commercial Risk Analysis

Table 26:  
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 -----→							
Construction	1	8	5	48	79	224	152	113	630	14	2.2%	20.2%	77.6%
Professional, Scientific and Technical Services	1	6	6	35	56	218	94	40	456	13	2.9%	20.0%	77.2%
Retail Trade	1	5	6	31	45	141	92	59	380	12	3.2%	20.0%	76.8%
Accommodation and Food Services	2	6	1	27	55	84	41	14	230	9	3.9%	35.7%	60.4%
Other Services	0	3	5	24	40	80	46	42	240	8	3.3%	26.7%	70.0%
Manufacturing	1	3	3	16	25	69	52	62	231	7	3.0%	17.7%	79.2%
Financial and Insurance Services	0	3	2	12	31	134	44	21	247	5	2.0%	17.4%	80.6%
Unclassified	1	2	1	13	20	5	4	0	46	4	8.7%	71.7%	19.6%
Arts and Recreation Services	1	0	1	5	16	29	14	9	75	2	2.7%	28.0%	69.3%
Mining	0	1	1	2	1	12	4	4	25	2	8.0%	12.0%	80.0%
Rental, Hiring and Real Estate Services	0	1	1	13	26	79	41	17	178	2	1.1%	21.9%	77.0%
Transport, Postal and Warehousing	0	2	0	10	23	49	28	29	141	2	1.4%	23.4%	75.2%
Administrative and Support Services	0	1	0	2	11	23	14	6	57	1	1.8%	22.8%	75.4%
Education and Training	0	0	1	6	8	15	14	3	47	1	2.1%	29.8%	68.1%
Electricity, Gas, Water and Waste Services	0	1	0	1	5	6	4	4	21	1	4.8%	28.6%	66.7%
Health Care and Social Assistance	0	0	1	25	19	131	43	9	228	1	0.4%	19.3%	80.3%
Information Media and Telecommunications	0	0	1	0	2	8	2	3	16	1	6.3%	12.5%	81.3%
Public Administration and Safety	0	0	1	1	0	1	1	3	7	1	14.3%	14.3%	71.4%
Wholesale Trade	0	1	0	13	18	67	48	28	175	1	0.6%	17.7%	81.7%
Agriculture, Forestry and Fishing	0	0	0	5	9	29	34	19	96	0	0.0%	14.6%	85.4%
<b>Total</b>	<b>8</b>	<b>43</b>	<b>36</b>	<b>289</b>	<b>489</b>	<b>1404</b>	<b>772</b>	<b>485</b>	<b>3526</b>	<b>87</b>	<b>2.5%</b>	<b>22.1%</b>	<b>75.5%</b>

# Queensland Commercial Risk Analysis

Table 27:  
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
Construction	4	2	7	1	0	0	0	0	14
Professional, Scientific and Technical Services	1	6	5	1	0	0	0	0	13
Retail Trade	4	1	2	5	0	0	0	0	12
Accommodation and Food Services	1	2	5	1	0	0	0	0	9
Other Services	3	2	3	0	0	0	0	0	8
Manufacturing	1		2	2	0	1	1	0	7
Financial and Insurance Services	1	2	2	0	0	0	0	0	5
Unclassified	1	1	2	0	0	0	0	0	4
Arts and Recreation Services	0	1	1	0	0	0	0	0	2
Mining	1	0	1	0	0	0	0	0	2
Rental, Hiring and Real Estate Services	0	0	2	0	0	0	0	0	2
Transport, Postal and Warehousing	0	0	2	0	0	0	0	0	2
Administrative and Support Services	1	0	0	0	0	0	0	0	1
Education and Training	1	0	0	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	1	1
Health Care and Social Assistance	1	0	0	0	0	0	0	0	1
Information Media and Telecommunications	1	0	0	0	0	0	0	0	1
Public Administration and Safety	0	0	1	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
<b>Total</b>	<b>21</b>	<b>17</b>	<b>36</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>87</b>

# Queensland Commercial Risk Analysis

Table 28:  
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	8	11	67	88	142	81	33	433	22	5.1%	35.8%	59.1%
Retail Trade	2	8	6	37	83	200	116	71	523	16	3.1%	22.9%	74.0%
Construction	2	4	3	67	110	248	146	116	696	9	1.3%	25.4%	73.3%
Professional, Scientific and Technical Services	1	3	5	54	80	295	120	59	617	9	1.5%	21.7%	76.8%
Unclassified	0	7	2	24	23	7	1	3	67	9	13.4%	70.1%	16.4%
Financial and Insurance Services	1	4	3	17	68	158	68	42	361	8	2.2%	23.5%	74.2%
Health Care and Social Assistance	0	0	6	20	34	118	49	16	243	6	2.5%	22.2%	75.3%
Transport, Postal and Warehousing	1	3	2	10	27	58	40	27	168	6	3.6%	22.0%	74.4%
Administrative and Support Services	2	0	3	26	21	81	34	14	181	5	2.8%	26.0%	71.3%
Manufacturing	0	2	3	16	40	107	72	46	286	5	1.7%	19.6%	78.7%
Other Services	1	0	3	27	41	117	65	42	296	4	1.4%	23.0%	75.7%
Arts and Recreation Services	0	3	0	18	19	48	25	16	129	3	2.3%	28.7%	69.0%
Agriculture, Forestry and Fishing	1	1	0	13	28	86	50	46	225	2	0.9%	18.2%	80.9%
Mining	0	1	1	6	7	13	6	5	39	2	5.1%	33.3%	61.5%
Rental, Hiring and Real Estate Services	0	1	1	17	28	100	59	20	226	2	0.9%	19.9%	79.2%
Wholesale Trade	0	1	1	7	25	92	58	35	219	2	0.9%	14.6%	84.5%
Education and Training	0	0	0	2	13	24	14	5	58	0	0.0%	25.9%	74.1%
Electricity, Gas, Water and Waste Services	0	0	0	0	4	9	2	1	16	0	0.0%	25.0%	75.0%
Information Media and Telecommunications	0	0	0	1	3	14	9	2	29	0	0.0%	13.8%	86.2%
Public Administration and Safety	0	0	0	2	1	3	1	8	15	0	0.0%	20.0%	80.0%
<b>Total</b>	<b>14</b>	<b>46</b>	<b>50</b>	<b>431</b>	<b>743</b>	<b>1920</b>	<b>1016</b>	<b>607</b>	<b>4827</b>	<b>110</b>	<b>2.3%</b>	<b>24.3%</b>	<b>73.4%</b>

# Queensland Commercial Risk Analysis

Table 29:  
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	4	5	10	3	0	0	0	0	22
Retail Trade	5	2	5	4	0	0	0	0	16
Construction	2	3	3	1	0	0	0	0	9
Professional, Scientific and Technical Services	4	1	4	0	0	0	0	0	9
Unclassified	2	2	5	0	0	0	0	0	9
Financial and Insurance Services	3	1	3	1	0	0	0	0	8
Health Care and Social Assistance	1	1	3	1	0	0	0	0	6
Transport, Postal and Warehousing	1	0	3	2	0	0	0	0	6
Administrative and Support Services	2	0	3	0	0	0	0	0	5
Manufacturing	2	2	1	0	0	0	0	0	5
Other Services	0	2	2	0	0	0	0	0	4
Arts and Recreation Services	0	2	1	0	0	0	0	0	3
Agriculture, Forestry and Fishing	0	0	1	1	0	0	0	0	2
Mining	1	0	1	0	0	0	0	0	2
Rental, Hiring and Real Estate Services	1	0	1	0	0	0	0	0	2
Wholesale Trade	0	0	0	2	0	0	0	0	2
Education and Training	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>28</b>	<b>21</b>	<b>46</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110</b>



New South Wales has a total of 4807 (2.7%) businesses at high to severe risk of financial failure over the next 12 months. According to the risk data by number of businesses, the industries most at risk are:

- Construction, 755 (3.6%)
- Accommodation and Food Services, 644 (7.3%)
- Retail Trade, 591 (3.5%)
- Professional, Scientific and Technical Services, 494 (1.5%)
- Manufacturing, 304 (2.1%)

There are 8 large companies with turnovers of \$500 million and over across these sectors at highest risk to severe risk of financial failure within the next 12 months.

The top 5 New South Wales locations with the most number of businesses at highest risk are:

- Sydney City and Inner South, 809 (2.5%)
- Parramatta, 661 (4.2%)
- Inner South West, 507 (4.3%)
- South West, 355 (4.3%)
- Sydney – North Sydney and Hornsby, 317 (1.9%)

The top 3 areas with the least number of businesses at high to severe risk are within:

- Far West and Orana, 44 (1.8%)
- New England and North West, 54 (1.6%)
- Murray, 57 (1.6%)

# New South Wales Commercial Risk Analysis

Table 30:  
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	125	326	304	1746	3166	6120	4940	4300	21027	755	3.6%	23.4%	73.0%
Accommodation and Food Services	151	286	207	963	2106	2389	1355	1401	8858	644	7.3%	34.6%	58.1%
Retail Trade	91	264	236	1367	2829	4934	3424	3526	16671	591	3.5%	25.2%	71.3%
Unclassified	98	176	294	1321	1645	474	172	97	4277	568	13.3%	69.3%	17.4%
Professional, Scientific and Technical Services	51	190	253	2116	4624	13128	7590	5439	33391	494	1.5%	20.2%	78.3%
Manufacturing	51	138	115	702	1905	4030	3192	4355	14488	304	2.1%	18.0%	79.9%
Wholesale Trade	45	112	129	619	1688	3636	2761	3661	12651	286	2.3%	18.2%	79.5%
Other Services	37	120	92	541	1518	2861	2232	2316	9717	249	2.6%	21.2%	76.2%
Financial and Insurance Services	22	57	88	664	2123	5535	3964	3872	16325	167	1.0%	17.1%	81.9%
Rental, Hiring and Real Estate Services	19	63	74	439	1161	2463	1633	1622	7474	156	2.1%	21.4%	76.5%
Health Care and Social Assistance	17	38	71	636	1529	4015	2550	1992	10848	126	1.2%	20.0%	78.9%
Administrative and Support Services	13	52	42	351	714	1681	948	861	4662	107	2.3%	22.8%	74.9%
Transport, Postal and Warehousing	20	48	39	272	612	1317	945	1002	4255	107	2.5%	20.8%	76.7%
Arts and Recreation Services	17	33	47	263	615	1057	588	1134	3754	97	2.6%	23.4%	74.0%
Education and Training	10	17	23	176	387	783	389	445	2230	50	2.2%	25.2%	72.5%
Information Media and Telecommunications	5	14	19	134	355	827	503	548	2405	38	1.6%	20.3%	78.1%
Agriculture, Forestry and Fishing	1	11	10	67	202	542	509	605	1947	22	1.1%	13.8%	85.1%
Electricity, Gas, Water and Waste Services	4	9	9	52	130	253	190	218	865	22	2.5%	21.0%	76.4%
Mining	3	9	5	25	110	225	153	344	874	17	1.9%	15.4%	82.6%
Public Administration and Safety	1	3	3	26	49	87	50	129	348	7	2.0%	21.6%	76.4%
<b>Total</b>	<b>781</b>	<b>1966</b>	<b>2060</b>	<b>12480</b>	<b>27468</b>	<b>56357</b>	<b>38088</b>	<b>37867</b>	<b>177067</b>	<b>4807</b>	<b>2.7%</b>	<b>22.6%</b>	<b>74.7%</b>

# New South Wales Commercial Risk Analysis

Table 31:  
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	236	132	324	60	3	0	0	0	755
Accommodation and Food Services	82	70	444	47	1	0	0	0	644
Retail Trade	121	50	308	106	3	2	1	0	591
Unclassified	358	27	158	24	0	0	1	0	568
Professional, Scientific and Technical Services	162	102	203	22	1	1	3	0	494
Manufacturing	64	32	177	27	1	1	1	1	304
Wholesale Trade	63	16	152	47	7	1	0	0	286
Other Services	56	41	147	5	0	0	0	0	249
Financial and Insurance Services	75	30	43	18	1	0	0	0	167
Rental, Hiring and Real Estate Services	44	37	69	5	0	1	0	0	156
Health Care and Social Assistance	45	16	58	7	0	0	0	0	126
Administrative and Support Services	40	13	47	6	0	1	0	0	107
Transport, Postal and Warehousing	28	17	52	9	1	0	0	0	107
Arts and Recreation Services	19	33	43	2	0	0	0	0	97
Education and Training	17	8	24	1	0	0	0	0	50
Information Media and Telecommunications	15	6	15	2	0	0	0	0	38
Agriculture, Forestry and Fishing	5	5	10	2	0	0	0	0	22
Electricity, Gas, Water and Waste Services	8	0	6	5	2	0	0	1	22
Mining	3	9	4	1	0	0	0	0	17
Public Administration and Safety	3	1	3	0	0	0	0	0	7
<b>Total</b>	<b>1444</b>	<b>645</b>	<b>2287</b>	<b>396</b>	<b>20</b>	<b>7</b>	<b>6</b>	<b>2</b>	<b>4807</b>

# New South Wales Commercial Risk Analysis

Table 32:  
New South Wales - 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 →							
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%
<b>Total</b>	<b>91</b>	<b>264</b>	<b>236</b>	<b>1367</b>	<b>2829</b>	<b>4934</b>	<b>3424</b>	<b>3526</b>	<b>16671</b>	<b>591</b>	<b>3.5%</b>	<b>25.2%</b>	<b>71.3%</b>



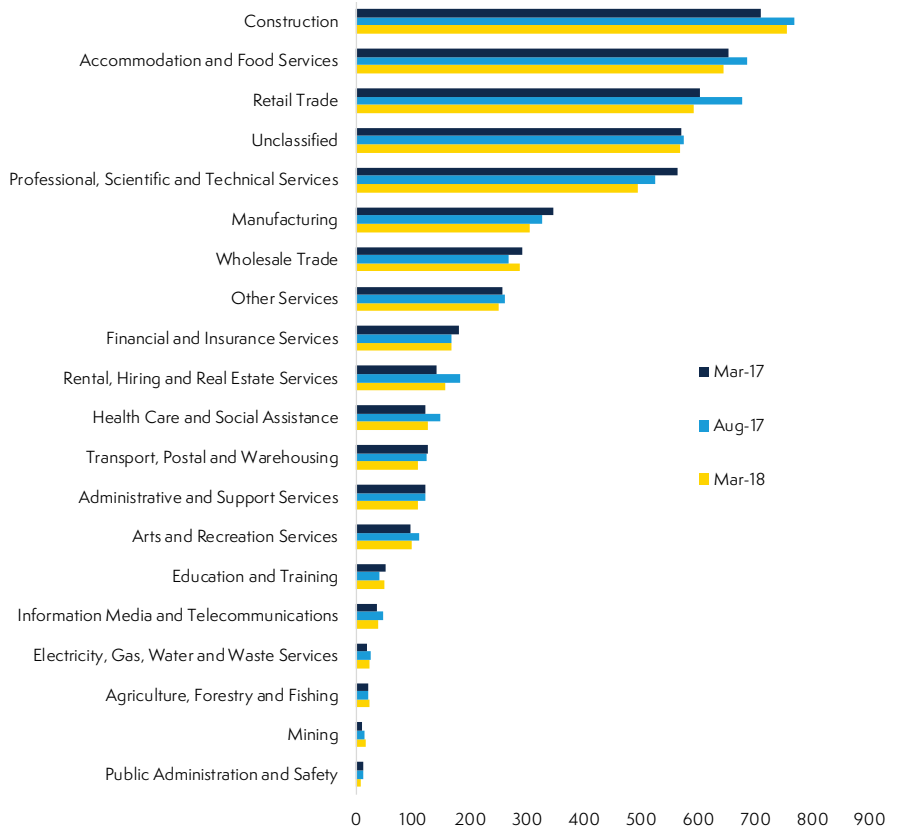
# New South Wales Commercial Risk Analysis

Table 33:  
New South Wales - Region vs Commercial Risk

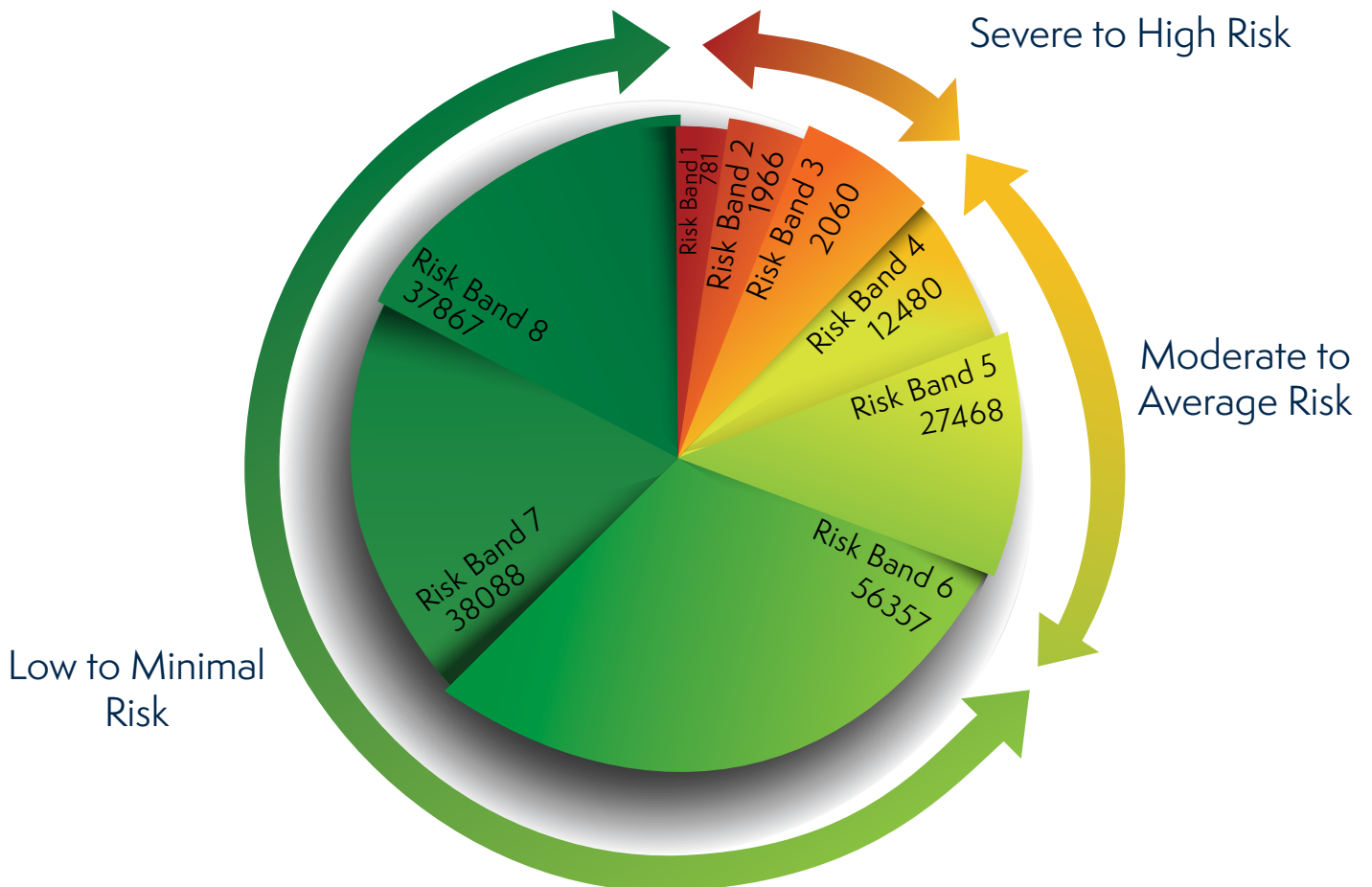
Region	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	← Severe to High →			Moderate to Average		← Low to Minimal →							
Sydney - City and Inner South	111	315	383	2286	5798	9840	5628	7820	32181	809	2.5%	25.1%	72.4%
Parramatta	119	280	262	1291	2656	4711	3090	3177	15586	661	4.2%	25.3%	70.4%
Inner South West	85	227	195	1065	1891	3815	2406	2237	11921	507	4.3%	24.8%	71.0%
South West	68	145	142	663	1378	2395	1735	1798	8324	355	4.3%	24.5%	71.2%
Sydney - North Sydney and Hornsby	49	116	152	1044	2642	5730	3733	3460	16926	317	1.9%	21.8%	76.3%
Sydney - Inner West	44	131	123	752	1460	2937	1841	1576	8864	298	3.4%	25.0%	71.7%
Sydney - Northern Beaches	44	131	123	752	1460	2937	1841	1576	8864	298	3.4%	25.0%	71.7%
Blacktown	42	108	109	647	1313	2645	1816	1875	8555	259	3.0%	22.9%	74.1%
Sydney - Baulkham Hills and Hawkesbury	27	111	93	557	1245	2751	2027	1729	8540	231	2.7%	21.1%	76.2%
Sydney - Eastern Suburbs	30	89	98	547	1195	2421	1554	1206	7140	217	3.0%	24.4%	72.6%
Newcastle and Lake Macquarie	54	78	82	543	1154	2805	1840	1714	8270	214	2.6%	20.5%	76.9%
Outer West and Blue Mountains	24	71	80	421	925	2050	1646	1444	6661	175	2.6%	20.2%	77.2%
Hunter Valley excl. Newcastle	23	56	69	456	943	2178	1548	1542	6815	148	2.2%	20.5%	77.3%
Illawarra	32	49	67	382	795	1783	1366	1154	5628	148	2.6%	20.9%	76.5%
Sydney - Sutherland	21	55	63	399	717	1646	1158	949	5008	139	2.8%	22.3%	74.9%
Outer South West	27	56	54	330	660	1295	926	828	4176	137	3.3%	23.7%	73.0%
Central Coast	28	46	57	405	780	1799	1223	989	5327	131	2.5%	22.2%	75.3%
Sydney - Ryde	20	47	52	314	805	1621	1110	1138	5107	119	2.3%	21.9%	75.8%
Southern Highlands and Shoalhaven	16	37	39	206	467	1176	883	735	3559	92	2.6%	18.9%	78.5%
Capital Region	8	33	42	254	575	1361	1043	1038	4354	83	1.9%	19.0%	79.1%
Richmond - Tweed	15	36	31	283	556	1239	898	705	3763	82	2.2%	22.3%	75.5%
Central West	12	26	40	241	615	1338	1037	1164	4473	78	1.7%	19.1%	79.1%
Riverina	6	33	30	230	494	1235	1073	1115	4216	69	1.6%	17.2%	81.2%
NSW - Mid North Coast	9	28	26	205	441	1121	848	804	3482	63	1.8%	18.6%	79.6%
Coffs Harbour and Grafton	11	23	23	150	317	715	594	527	2360	57	2.4%	19.8%	77.8%
Murray	9	28	20	203	410	1080	970	937	3657	57	1.6%	16.8%	81.7%
New England and North West	14	15	25	171	407	983	798	900	3313	54	1.6%	17.4%	80.9%
Far West and Orana	5	19	20	115	319	720	585	694	2477	44	1.8%	17.5%	80.7%
<b>Total</b>	<b>953</b>	<b>2389</b>	<b>2500</b>	<b>14912</b>	<b>32418</b>	<b>66327</b>	<b>45217</b>	<b>44831</b>	<b>209547</b>	<b>5842</b>	<b>2.8%</b>	<b>22.6%</b>	<b>74.6%</b>

# 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 34:  
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	48	90	84	327	693	647	347	423	2659	222	8.3%	38.4%	53.3%
Retail Trade	31	86	77	380	741	1218	729	766	4028	194	4.8%	27.8%	67.4%
Professional, Scientific and Technical Services	16	82	92	793	1908	4200	2264	2115	11470	190	1.7%	23.5%	74.8%
Unclassified	29	60	101	453	603	169	65	39	1519	190	12.5%	69.5%	18.0%
Construction	24	88	51	361	645	1154	756	753	3832	163	4.3%	26.3%	69.5%
Manufacturing	11	46	44	202	507	1010	690	1003	3513	101	2.9%	20.2%	76.9%
Wholesale Trade	13	30	32	174	487	1007	718	938	3399	75	2.2%	19.4%	78.3%
Financial and Insurance Services	8	21	40	233	889	1814	1102	1705	5812	69	1.2%	19.3%	79.5%
Other Services	8	29	27	141	415	693	494	563	2370	64	2.7%	23.5%	73.8%
Rental, Hiring and Real Estate Services	6	17	29	148	361	706	392	583	2242	52	2.3%	22.7%	75.0%
Administrative and Support Services	6	18	13	110	275	572	283	345	1622	37	2.3%	23.7%	74.0%
Transport, Postal and Warehousing	7	13	15	69	167	304	205	294	1074	35	3.3%	22.0%	74.8%
Health Care and Social Assistance	3	12	14	184	361	874	515	491	2454	29	1.2%	22.2%	76.6%
Arts and Recreation Services	4	13	9	80	154	274	125	185	844	26	3.1%	27.7%	69.2%
Education and Training	4	5	6	61	130	263	116	147	732	15	2.0%	26.1%	71.9%
Information Media and Telecommunications	1	7	6	51	160	308	159	228	920	14	1.5%	22.9%	75.5%
Mining	0	4	1	13	57	96	70	188	429	5	1.2%	16.3%	82.5%
Agriculture, Forestry and Fishing	0	1	2	6	13	31	24	18	95	3	3.2%	20.0%	76.8%
Electricity, Gas, Water and Waste Services	0	2	1	14	32	82	66	97	294	3	1.0%	15.6%	83.3%
Public Administration and Safety	0	0	2	12	9	24	11	47	105	2	1.9%	20.0%	78.1%
<b>Total</b>	<b>219</b>	<b>624</b>	<b>646</b>	<b>3812</b>	<b>8607</b>	<b>15446</b>	<b>9131</b>	<b>10928</b>	<b>49413</b>	<b>1489</b>	<b>3.0%</b>	<b>25.1%</b>	<b>71.9%</b>

According to the commercial risk data, Sydney (and surrounding areas) has 3% of businesses at high to severe risk of financial failure within the next 12 months. This has marginally decreased by 18 businesses from the previous 12 months.

SV Partners' Sydney practice has seen a number of SME businesses operating in the retail and construction sectors that are financially in distress. Businesses that SV Partners have been appointed to more recently have had substantial ATO debts due to poor financial management.

According to the commercial risk data, the 2 most at risk industries that are driven by consumer expenditure are the accommodation and food services (222 businesses) followed by Retail Trade (194 businesses). With ongoing low wage growth, these consumer driven businesses are continuing to face financial distress.

# New South Wales Commercial Risk Analysis

Table 35:  
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	27	25	143	26	1	0	0	0	222
Retail Trade	50	13	96	34	0	1	0	0	194
Professional, Scientific and Technical Services	55	39	80	13	0	1	2	0	190
Unclassified	126	8	46	10	0	0	0	0	190
Construction	52	22	69	20	0	0	0	0	163
Manufacturing	31	12	52	3	0	1	1	1	101
Wholesale Trade	18	5	35	15	2	0	0	0	75
Financial and Insurance Services	34	10	18	6	1	0	0	0	69
Other Services	13	12	37	2	0	0	0	0	64
Rental, Hiring and Real Estate Services	11	17	22	1	0	1	0	0	52
Administrative and Support Services	16	5	15	1	0	0	0	0	37
Transport, Postal and Warehousing	11	4	19	1	0	0	0	0	35
Health Care and Social Assistance	12	3	12	2	0	0	0	0	29
Arts and Recreation Services	5	9	10	2	0	0	0	0	26
Education and Training	5	2	7	1	0	0	0	0	15
Information Media and Telecommunications	6	1	6	1	0	0	0	0	14
Mining	0	4	1	0	0	0	0	0	5
Agriculture, Forestry and Fishing	1		2	0	0	0	0	0	3
Electricity, Gas, Water and Waste Services	1	0	0	1	0	0	0	1	3
Public Administration and Safety	0	1	1	0	0	0	0	0	2
<b>Total</b>	<b>474</b>	<b>192</b>	<b>671</b>	<b>139</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1489</b>

# New South Wales Commercial Risk Analysis

Table 36:  
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	9	7	18	62	85	50	48	283	20	7.1%	28.3%	64.7%
Construction	4	8	6	41	64	152	152	120	547	18	3.3%	19.2%	77.5%
Retail Trade	2	6	7	30	75	133	97	98	448	15	3.3%	23.4%	73.2%
Manufacturing	3	3	3	9	21	76	72	73	260	9	3.5%	11.5%	85.0%
Professional, Scientific and Technical Services	1	3	5	24	55	222	123	69	502	9	1.8%	15.7%	82.5%
Unclassified	0	1	5	12	23	5	1	5	52	6	11.5%	67.3%	21.2%
Other Services	0	4	0	11	31	57	49	46	198	4	2.0%	21.2%	76.8%
Health Care and Social Assistance	1	0	2	13	20	70	74	40	220	3	1.4%	15.0%	83.6%
Administrative and Support Services	0	1	1	4	8	28	17	14	73	2	2.7%	16.4%	80.8%
Transport, Postal and Warehousing	0	0	2	5	11	41	22	28	109	2	1.8%	14.7%	83.5%
Agriculture, Forestry and Fishing	1	0	0	1	5	22	14	17	60	1	1.7%	10.0%	88.3%
Arts and Recreation Services	0	0	1	4	13	31	12	40	101	1	1.0%	16.8%	82.2%
Financial and Insurance Services	0	1	0	10	22	88	83	53	257	1	0.4%	12.5%	87.2%
Wholesale Trade	0	1	0	13	21	57	41	35	168	1	0.6%	20.2%	79.2%
Education and Training	0	0	0	2	7	15	6	10	40	0	0.0%	22.5%	77.5%
Electricity, Gas, Water and Waste Services	0	0	0	2	3	7	6	1	19	0	0.0%	26.3%	73.7%
Information Media and Telecommunications	0	0	0	0	3	4	3	4	14	0	0.0%	21.4%	78.6%
Mining	0	0	0	0	1	4	3	3	11	0	0.0%	9.1%	90.9%
Public Administration and Safety	0	0	0	1		1		1	3	0	0.0%	33.3%	66.7%
Rental, Hiring and Real Estate Services	0	0	0	6	22	78	58	30	194	0	0.0%	14.4%	85.6%
<b>Total</b>	<b>16</b>	<b>37</b>	<b>39</b>	<b>206</b>	<b>467</b>	<b>1176</b>	<b>883</b>	<b>735</b>	<b>3559</b>	<b>92</b>	<b>2.6%</b>	<b>18.9%</b>	<b>78.5%</b>

The Southern Highlands and Shoalhaven regions are relatively lower in risk with approximately 80% of businesses at low to minimal risk of financial failure. The industries within the region that are at most risk include accommodation and food services (20 businesses), construction (18 businesses) and retail trade (15 businesses).

SV Partners representatives indicate that due to infrastructure on roads improving travel between the Illawarra and Shoalhaven regions, business opportunities are becoming more available further from Sydney and Wollongong CBD areas.

# New South Wales Commercial Risk Analysis

Table 37:  
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	1	4	15	0	0	0	0	0	20
Construction	6	5	7	0	0	0	0	0	18
Retail Trade	3	2	9	1	0	0	0	0	15
Manufacturing	2		7	0	0	0	0	0	9
Professional, Scientific and Technical Services	2	2	5	0	0	0	0	0	9
Unclassified	5	0	1	0	0	0	0	0	6
Other Services	1	0	3	0	0	0	0	0	4
Health Care and Social Assistance	0	1	2	0	0	0	0	0	3
Administrative and Support Services	1	0	1	0	0	0	0	0	2
Transport, Postal and Warehousing	1	0	1	0	0	0	0	0	2
Agriculture, Forestry and Fishing	0	1	0	0	0	0	0	0	1
Arts and Recreation Services	0	0	1	0	0	0	0	0	1
Financial and Insurance Services	0	0	1	0	0	0	0	0	1
Wholesale Trade	0	0	1	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
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
Rental, Hiring and Real Estate Services	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>22</b>	<b>15</b>	<b>54</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>92</b>

The Shoalhaven Council has a number of projects including the Playground Relocation in Vincentia and the Shoalhaven Indoor Sports Stadium in Bomaderry which includes a Community and Recreational precinct. In the Southern Highlands, the Australian Rail & Track Corporation are investing \$40 million in infrastructure improvements to help improve reliability on the Southern Highlands railway line. This will help train services between Sydney South West and Goulburn.

# New South Wales Commercial Risk Analysis

Table 38:  
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	2	14	16	91	114	271	240	169	917	32	3.5%	22.4%	74.2%
Accommodation and Food Services	7	10	4	27	52	54	23	31	208	21	10.1%	38.0%	51.9%
Retail Trade	3	6	9	33	82	133	113	80	459	18	3.9%	25.1%	71.0%
Unclassified	3	6	8	42	49	8		2	118	17	14.4%	77.1%	8.5%
Professional, Scientific and Technical Services	1	5	7	61	94	349	185	118	820	13	1.6%	18.9%	79.5%
Financial and Insurance Services	0	4	4	9	51	144	108	67	387	8	2.1%	15.5%	82.4%
Wholesale Trade	2	3	3	29	42	122	88	83	372	8	2.2%	19.1%	78.8%
Manufacturing	2	3	2	28	61	131	102	150	479	7	1.5%	18.6%	80.0%
Arts and Recreation Services	0	2	3	9	20	35	13	25	107	5	4.7%	27.1%	68.2%
Health Care and Social Assistance	0	0	3	27	32	119	77	45	303	3	1.0%	19.5%	79.5%
Other Services	0	0	3	12	38	92	71	80	296	3	1.0%	16.9%	82.1%
Rental, Hiring and Real Estate Services	1	1	1	5	27	59	53	37	184	3	1.6%	17.4%	81.0%
Transport, Postal and Warehousing	0	1	0	6	18	36	23	24	108	1	0.9%	22.2%	76.9%
Administrative and Support Services	0	0	0	10	15	51	30	20	126	0	0.0%	19.8%	80.2%
Agriculture, Forestry and Fishing	0	0	0	0	1	1	2	3	7	0	0.0%	14.3%	85.7%
Education and Training	0	0	0	4	6	18	11	4	43	0	0.0%	23.3%	76.7%
Electricity, Gas, Water and Waste Services	0	0	0	1	7	7	12	0	27	0	0.0%	29.6%	70.4%
Information Media and Telecommunications	0	0	0	4	6	12	7	8	37	0	0.0%	27.0%	73.0%
Mining	0	0	0	0	0	1	0	0	1	0	0.0%	0.0%	100.0%
Public Administration and Safety	0	0	0	1	2	3	0	3	9	0	0.0%	33.3%	66.7%
<b>Total</b>	<b>21</b>	<b>55</b>	<b>63</b>	<b>399</b>	<b>717</b>	<b>1646</b>	<b>1158</b>	<b>949</b>	<b>5008</b>	<b>139</b>	<b>2.8%</b>	<b>22.3%</b>	<b>74.9%</b>

# New South Wales Commercial Risk Analysis

Table 39:  
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	11	9	9	3	0	0	0	0	32
Accommodation and Food Services	3	1	16	1	0	0	0	0	21
Retail Trade	5	1	7	5	0	0	0	0	18
Unclassified	11	1	5	0	0	0	0	0	17
Professional, Scientific and Technical Services	4	1	8	0	0	0	0	0	13
Financial and Insurance Services	2	2	4	0	0	0	0	0	8
Wholesale Trade	4	0	2	2	0	0	0	0	8
Manufacturing	4	0	3	0	0	0	0	0	7
Arts and Recreation Services	1	2	2	0	0	0	0	0	5
Health Care and Social Assistance	0	1	2	0	0	0	0	0	3
Other Services	1	2	0	0	0	0	0	0	3
Rental, Hiring and Real Estate Services	1	1	1	0	0	0	0	0	3
Transport, Postal and Warehousing	0	0	1	0	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
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Education and Training	0	0	0	0	0	0	0	0	0
Administrative and Support Services	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>47</b>	<b>21</b>	<b>60</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>139</b>

Furthermore, the region's economy is driven by construction of multi-story and medium density dwellings with expected project completion within the next 12 to 18 months. This may cause an influx of properties in the market and adversely affecting property prices.

Additionally, the closure of Toyota Australia at Caringbah in December 2017 (3 years after its announcement) has seen the redeployment or redundancy of over 300 sales staff, affecting a number of associated and support service providers in the area. The majority of staff have been made redundant with those staff looking for new employment. The announcement of the extension of the F6 through the Sutherland Shire is welcomed to assist with easing the traffic problems on suburban streets. It is expected that the works will boost the local economy.



# New South Wales Commercial Risk Analysis

Table 40:  
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	8	8	7	37	70	62	66	50	308	23	7.5%	34.7%	57.8%
Retail Trade	1	9	11	50	101	171	139	121	603	21	3.5%	25.0%	71.5%
Construction	2	5	12	60	104	236	201	174	794	19	2.4%	20.7%	77.0%
Other Services	3	8	4	18	59	113	101	89	395	15	3.8%	19.5%	76.7%
Manufacturing	4	2	3	22	48	125	106	111	421	9	2.1%	16.6%	81.2%
Professional, Scientific and Technical Services	0	3	6	53	115	367	218	150	912	9	1.0%	18.4%	80.6%
Unclassified	3	0	6	28	47	9	4	3	100	9	9.0%	75.0%	16.0%
Health Care and Social Assistance	2	2	4	25	47	169	134	99	482	8	1.7%	14.9%	83.4%
Wholesale Trade	2	1	3	13	38	101	69	78	305	6	2.0%	16.7%	81.3%
Administrative and Support Services	0	3	2	10	15	59	32	25	146	5	3.4%	17.1%	79.5%
Arts and Recreation Services	1	1	3	8	36	37	26	59	171	5	2.9%	25.7%	71.3%
Transport, Postal and Warehousing	2	1	2	6	19	38	34	33	135	5	3.7%	18.5%	77.8%
Rental, Hiring and Real Estate Services	1	2	1	20	34	78	71	36	243	4	1.6%	22.2%	76.1%
Education and Training	2	1	0	4	10	27	13	13	70	3	4.3%	20.0%	75.7%
Financial and Insurance Services	1	1	1	21	42	146	128	80	420	3	0.7%	15.0%	84.3%
Electricity, Gas, Water and Waste Services	0	2	0	2	3	6	6	5	24	2	8.3%	20.8%	70.8%
Information Media and Telecommunications	0	0	1	2	3	13	7	15	41	1	2.4%	12.2%	85.4%
Mining	0	0	1	2	0	8	1	2	14	1	7.1%	14.3%	78.6%
Agriculture, Forestry and Fishing	0	0	0	0	3	14	9	10	36	0	0.0%	8.3%	91.7%
Public Administration and Safety	0	0	0	1	1	4	1	1	8	0	0.0%	25.0%	75.0%
<b>Total</b>	<b>32</b>	<b>49</b>	<b>67</b>	<b>382</b>	<b>795</b>	<b>1783</b>	<b>1366</b>	<b>1154</b>	<b>5628</b>	<b>148</b>	<b>2.6%</b>	<b>20.9%</b>	<b>76.5%</b>

A total of 2.6% of businesses in the Illawarra region are at high to severe risk of financial failure. The top 3 industries at most risk that remain relatively unchanged since March 2017 are:

- Accommodation and Food Services, 24 (7.7%)
- Retail Trade, 21 (3.6%)
- Construction, 20 (2.5%)

Table 41:  
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	3	2	16	2	0	0	0	0	23
Retail Trade	3	1	14	3	0	0	0	0	21
Construction	8	6	5	0	0	0	0	0	19
Other Services	4	2	9	0	0	0	0	0	15
Manufacturing	1	0	6	2	0	0	0	0	9
Professional, Scientific and Technical Services	2	0	7	0	0	0	0	0	9
Unclassified	6	0	3	0	0	0	0	0	9
Health Care and Social Assistance	6	1	1	0	0	0	0	0	8
Wholesale Trade	1	0	4	1	0	0	0	0	6
Administrative and Support Services	1	1	2	1	0	0	0	0	5
Arts and Recreation Services	1	0	4	0	0	0	0	0	5
Transport, Postal and Warehousing	1	1	2	1	0	0	0	0	5
Rental, Hiring and Real Estate Services	1	0	2	1	0	0	0	0	4
Education and Training	1	0	2	0	0	0	0	0	3
Financial and Insurance Services	2	0	0	1	0	0	0	0	3
Electricity, Gas, Water and Waste Services	0	0	0	2	0	0	0	0	2
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
<b>Total</b>	<b>42</b>	<b>14</b>	<b>77</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>148</b>

SV Partners have provided assistance to businesses in the transport and warehousing and retail industries. These businesses were financially strained due to high rent costs, staff costs resulting from penalty rates and insufficient cash flow to cover expenses and remit ATO obligations.

However, the local economy is set to boost after the effects of major infrastructure with the Albion Park Rail Bypass in early 2019 and the Croom Regional Sporting Complex.

# New South Wales Commercial Risk Analysis

Table 42:  
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	14	11	12	76	180	397	285	266	1241	37	3.0%	20.6%	76.4%
Accommodation and Food Services	9	8	11	30	90	95	58	60	361	28	7.8%	33.2%	59.0%
Retail Trade	5	13	10	70	124	260	196	169	847	28	3.3%	22.9%	73.8%
Other Services	3	11	9	36	77	147	120	115	518	23	4.4%	21.8%	73.7%
Professional, Scientific and Technical Services	5	7	10	85	159	613	313	225	1417	22	1.6%	17.2%	81.2%
Unclassified	4	6	8	34	49	13	8	5	127	18	14.2%	65.4%	20.5%
Manufacturing	3	5	6	27	67	172	175	225	680	14	2.1%	13.8%	84.1%
Arts and Recreation Services	3	5	2	10	30	61	32	50	193	10	5.2%	20.7%	74.1%
Wholesale Trade	2	2	5	20	52	160	121	136	498	9	1.8%	14.5%	83.7%
Transport, Postal and Warehousing	1	3	3	14	32	71	55	41	220	7	3.2%	20.9%	75.9%
Financial and Insurance Services	1	2	1	34	74	241	164	135	652	4	0.6%	16.6%	82.8%
Health Care and Social Assistance	0	1	3	44	88	240	148	114	638	4	0.6%	20.7%	78.7%
Rental, Hiring and Real Estate Services	1	2	1	27	54	138	69	64	356	4	1.1%	22.8%	76.1%
Electricity, Gas, Water and Waste Services	2	1	0	2	6	10	6	11	38	3	7.9%	21.1%	71.1%
Administrative and Support Services	0	1	1	18	28	89	39	38	214	2	0.9%	21.5%	77.6%
Education and Training	1	0	0	6	19	34	23	20	103	1	1.0%	24.3%	74.8%
Agriculture, Forestry and Fishing	0	0	0	4	5	19	6	10	44	0	0.0%	20.5%	79.5%
Information Media and Telecommunications	0	0	0	5	8	19	8	8	48	0	0.0%	27.1%	72.9%
Mining	0	0	0	1	10	21	12	17	61	0	0.0%	18.0%	82.0%
Public Administration and Safety	0	0	0	0	2	5	2	5	14	0	0.0%	14.3%	85.7%
<b>Total</b>	<b>54</b>	<b>78</b>	<b>82</b>	<b>543</b>	<b>1154</b>	<b>2805</b>	<b>1840</b>	<b>1714</b>	<b>8270</b>	<b>214</b>	<b>2.6%</b>	<b>20.5%</b>	<b>76.9%</b>

Of the 8270 business in Newcastle, 214 (2.6%) of these are at high to severe risk of financial failure within the next 12 months. 37 of these businesses are within construction, 28 within accommodation and food services and retail trade respectively.

According to the Newcastle SV Partners team, businesses that are in financial distress are experiencing lack of cash flow due to poor management of budgets and seasonal trade.

# New South Wales Commercial Risk Analysis

Table 43:  
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	13	8	14	2	0	0	0	0	37
Accommodation and Food Services	7	3	17	1	0	0	0	0	28
Retail Trade	3	4	15	6	0	0	0	0	28
Other Services	6	4	12	1	0	0	0	0	23
Professional, Scientific and Technical Services	8	4	9	1	0	0	0	0	22
Unclassified	11	1	6	0	0	0	0	0	18
Manufacturing	4	2	6	2	0	0	0	0	14
Arts and Recreation Services	1	6	3	0	0	0	0	0	10
Wholesale Trade	3	0	6	0	0	0	0	0	9
Transport, Postal and Warehousing	2	2	3	0	0	0	0	0	7
Financial and Insurance Services	1	1	1	1	0	0	0	0	4
Health Care and Social Assistance	2	1	0	1	0	0	0	0	4
Rental, Hiring and Real Estate Services	3	0	0	1	0	0	0	0	4
Electricity, Gas, Water and Waste Services	0	0	1	1	1	0	0	0	3
Administrative and Support Services	1	0	1	0	0	0	0	0	2
Education and Training	0	1	0	0	0	0	0	0	1
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>65</b>	<b>37</b>	<b>94</b>	<b>17</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>214</b>

However, Newcastle is expected to benefit from major infrastructure spending by local government, such as the light rail commissioned for November 2018. Further, major growth of regional suburbs such as Greenhills Shopping Centre may draw population from already suffering retail centres such as Maitland.

In addition to this, the proposed development of the Newcastle Airport as an international airport and the building of a cruise terminal is predicted to increase tourism.

# New South Wales Commercial Risk Analysis

Table 44:  
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	1	2	10	19	8	9	50	2	4.0%	24.0%	72.0%
Professional, Scientific and Technical Services	0	1	1	9	10	46	25	23	115	2	1.7%	16.5%	81.7%
Retail Trade	0	0	2	4	17	30	32	37	122	2	1.6%	17.2%	81.1%
Transport, Postal and Warehousing	0	2	0	5	6	10	8	7	38	2	5.3%	28.9%	65.8%
Administrative and Support Services	0	1	0	1	3	3	6	1	15	1	6.7%	26.7%	66.7%
Health Care and Social Assistance	0	0	1	3	7	20	12	9	52	1	1.9%	19.2%	78.8%
Manufacturing	0	1	0	0	2	12	14	21	50	1	2.0%	4.0%	94.0%
Mining	0	1	0	0	1	0	0	0	2	1	50.0%	50.0%	0.0%
Unclassified	1	0	0	0	3	0	1	0	5	1	20.0%	60.0%	20.0%
Wholesale Trade	0	0	1	1	6	7	9	32	56	1	1.8%	12.5%	85.7%
Agriculture, Forestry and Fishing	0	0	0	1	3	9	7	7	27	0	0.0%	14.8%	85.2%
Arts and Recreation Services	0	0	0	1	0	3	2	6	12	0	0.0%	8.3%	91.7%
Construction	0	0	0	4	17	36	38	27	122	0	0.0%	17.2%	82.8%
Education and Training	0	0	0	1	1	2	0	3	7	0	0.0%	28.6%	71.4%
Electricity, Gas, Water and Waste Services	0	0	0	1	0	2	0	1	4	0	0.0%	25.0%	75.0%
Financial and Insurance Services	0	0	0	2	8	25	14	16	65	0	0.0%	15.4%	84.6%
Information Media and Telecommunications	0	0	0	0	0	2	0	1	3	0	0.0%	0.0%	100.0%
Other Services	0	0	0	2	6	16	14	18	56	0	0.0%	14.3%	85.7%
Rental, Hiring and Real Estate Services	0	0	0	1	5	10	8	8	32	0	0.0%	18.8%	81.3%
Public Administration and Safety	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%
<b>Total</b>	<b>1</b>	<b>7</b>	<b>6</b>	<b>38</b>	<b>105</b>	<b>252</b>	<b>198</b>	<b>226</b>	<b>833</b>	<b>14</b>	<b>1.7%</b>	<b>17.2%</b>	<b>81.2%</b>

# New South Wales Commercial Risk Analysis

Table 45:  
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	0	1	1	0	0	0	0	0	2
Professional, Scientific and Technical Services	1	1	0	0	0	0	0	0	2
Retail Trade	0	0	2	0	0	0	0	0	2
Transport, Postal and Warehousing	0	1	1	0	0	0	0	0	2
Administrative and Support Services	0	0	1	0	0	0	0	0	1
Health Care and Social Assistance	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
Unclassified	0	0	1	0	0	0	0	0	1
Wholesale Trade	1	0	0	0	0	0	0	0	1
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Arts and Recreation Services	0	0	0	0	0	0	0	0	0
Construction	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
Other 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
<b>Total</b>	<b>2</b>	<b>3</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>

# New South Wales Commercial Risk Analysis

Table 46:  
Tamworth - Industry vs Commercial Risk

Industry	Risk Band 1	Risk Band 2	Risk Band 3	Risk Band 4	Risk Band 5	Risk Band 6	Risk Band 7	Risk Band 8	Total	Total High Risk Band (1,2,3)	% High Risk Band (1,2,3)	% Medium Risk Band (4,5)	% Low Risk Band (6,7,8)
	←----- Severe to High -----→			Moderate to Average		←----- Low to Minimal -----→							
Accommodation and Food Services	0	3	3	6	15	14	13	15	69	6	8.7%	30.4%	60.9%
Administrative and Support Services	0	1	0	3	1	7	5	4	21	1	4.8%	19.0%	76.2%
Construction	0	0	1	13	21	46	44	32	157	1	0.6%	21.7%	77.7%
Financial and Insurance Services	1	0	0	3	4	27	24	21	80	1	1.3%	8.8%	90.0%
Information Media and Telecommunications	1	0	0	0	1	1	1	2	6	1	16.7%	16.7%	66.7%
Professional, Scientific and Technical Services	0	0	1	5	12	54	33	21	126	1	0.8%	13.5%	85.7%
Retail Trade	0	0	1	6	12	29	20	34	102	1	1.0%	17.6%	81.4%
Wholesale Trade	1	0	0	2	5	24	14	18	64	1	1.6%	10.9%	87.5%
Agriculture, Forestry and Fishing	0	0	0	0	2	11	7	7	27	0	0.0%	7.4%	92.6%
Arts and Recreation Services	0	0	0	2	1	4	2	8	17	0	0.0%	17.6%	82.4%
Education and Training	0	0	0	1	1	3	0	2	7	0	0.0%	28.6%	71.4%
Electricity, Gas, Water and Waste Services	0	0	0	0	1	0	1	0	2	0	0.0%	50.0%	50.0%
Health Care and Social Assistance	0	0	0	3	12	27	11	7	60	0	0.0%	25.0%	75.0%
Manufacturing	0	0	0	4	3	22	19	20	68	0	0.0%	10.3%	89.7%
Mining	0	0	0	0	0	0	0	1	1	0	0.0%	0.0%	100.0%
Other Services	0	0	0	3	6	17	16	23	65	0	0.0%	13.8%	86.2%
Public Administration and Safety	0	0	0	0	0	1	0	0	1	0	0.0%	0.0%	100.0%
Rental, Hiring and Real Estate Services	0	0	0	2	3	15	7	16	43	0	0.0%	11.6%	88.4%
Transport, Postal and Warehousing	0	0	0	2	7	14	9	15	47	0	0.0%	19.1%	80.9%
Unclassified	0	0	0	4	5	0	2	1	12	0	0.0%	75.0%	25.0%
<b>Total</b>	<b>3</b>	<b>4</b>	<b>6</b>	<b>59</b>	<b>112</b>	<b>316</b>	<b>228</b>	<b>247</b>	<b>975</b>	<b>13</b>	<b>1.3%</b>	<b>17.5%</b>	<b>81.1%</b>

# New South Wales Commercial Risk Analysis

Table 47:  
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	0	1	0	0	0	0	0	1
Financial and Insurance Services	0	1	0	0	0	0	0	0	1
Information Media and Telecommunications	1	0	0	0	0	0	0	0	1
Manufacturing	0	1	0	0	0	0	0	0	1
Mining	1	0	0	0	0	0	0	0	1
Other Services	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
Health Care and Social Assistance	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
Transport, Postal and Warehousing	0	0	0	0	0	0	0	0	0
Retail Trade	0	0	0	0	0	0	0	0	0
Wholesale Trade	0	0	0	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>





Victoria's total number of businesses categorised as high to severe risk of financial failure within the next 12 months has decreased since March 2017, according to the commercial risk data. There are currently 2871 businesses within this risk category, with 6.0% and 2.6% in the accommodation and food services and retail industries respectively.

There are notably, 2 major billion dollar turnover companies that are in financial distress and are possibly facing insolvency throughout the next 12 months. These companies are within the professional, scientific and technical services and financial and insurance service industries.

Throughout Victoria, the number of retailers have increased within the high to severe risk category by nearly 5% since March 2017. The commercial risk data also suggests that there are 2 large retailers in Victoria with turnover of over \$100 million to less than \$500 million at risk of financially failing within the next 12 months.

# Victoria Commercial Risk Analysis

Table 48:  
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	92	196	148	718	1677	2028	1296	1170	7325	436	6.0%	32.7%	61.4%
Construction	77	165	158	1053	2504	5596	4500	4275	18328	400	2.2%	19.4%	78.4%
Retail Trade	60	166	134	890	2133	4281	2987	3263	13914	360	2.6%	21.7%	75.7%
Unclassified	39	103	178	892	1294	418	124	97	3145	320	10.2%	69.5%	20.3%
Professional, Scientific and Technical Services	36	102	123	1297	3387	10119	5890	4746	25700	261	1.0%	18.2%	80.8%
Manufacturing	38	88	96	520	1622	3807	3139	4827	14137	222	1.6%	15.2%	83.3%
Wholesale Trade	26	72	75	441	1335	3182	2408	3478	11017	173	1.6%	16.1%	82.3%
Other Services	29	64	54	384	1222	2466	1922	1865	8006	147	1.8%	20.1%	78.1%
Financial and Insurance Services	15	44	49	511	1574	5134	3600	3663	14590	108	0.7%	14.3%	85.0%
Health Care and Social Assistance	12	39	35	391	971	2921	1807	1497	7673	86	1.1%	17.8%	81.1%
Rental, Hiring and Real Estate Services	12	35	27	282	806	1773	1120	1175	5230	74	1.4%	20.8%	77.8%
Transport, Postal and Warehousing	13	24	31	130	454	1079	790	1125	3646	68	1.9%	16.0%	82.1%
Arts and Recreation Services	8	24	29	142	454	880	489	519	2545	61	2.4%	23.4%	74.2%
Administrative and Support Services	6	20	22	215	474	1280	765	769	3551	48	1.4%	19.4%	79.2%
Information Media and Telecommunications	4	8	20	89	224	529	311	340	1525	32	2.1%	20.5%	77.4%
Education and Training	4	12	15	110	278	531	289	354	1593	31	1.9%	24.4%	73.7%
Agriculture, Forestry and Fishing	5	9	7	56	165	555	491	726	2014	21	1.0%	11.0%	88.0%
Electricity, Gas, Water and Waste Services	1	5	7	38	97	197	149	244	738	13	1.8%	18.3%	79.9%
Public Administration and Safety	2	2	3	11	20	68	27	103	236	7	3.0%	13.1%	83.9%
Mining	0	3	0	11	63	120	87	138	422	3	0.7%	17.5%	81.8%
<b>Total</b>	<b>479</b>	<b>1181</b>	<b>1211</b>	<b>8181</b>	<b>20754</b>	<b>46964</b>	<b>32191</b>	<b>34374</b>	<b>145335</b>	<b>2871</b>	<b>2.0%</b>	<b>19.9%</b>	<b>78.1%</b>

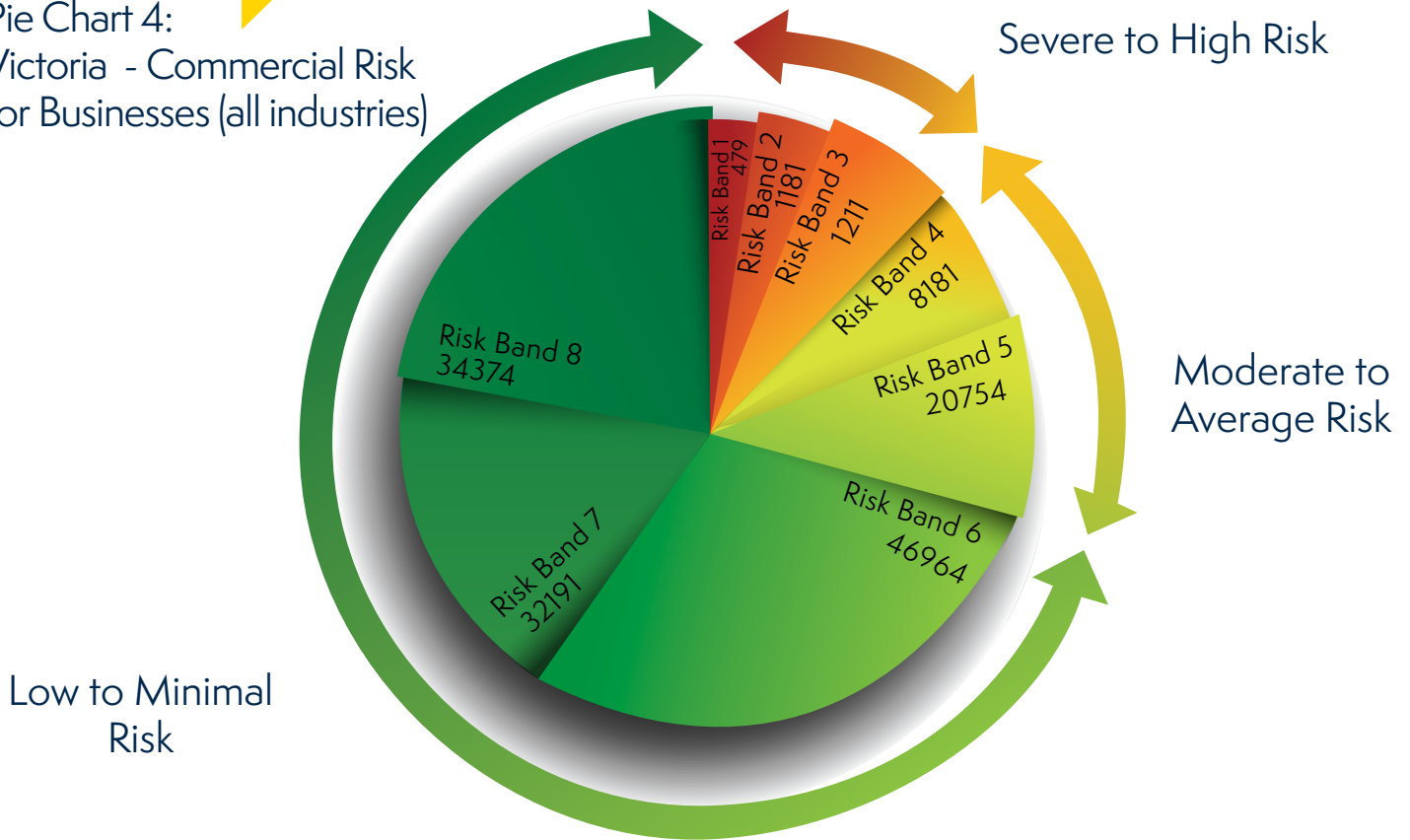
# Victoria Commercial Risk Analysis

Table 49:  
Victoria - Industry vs Turnover Size of Business - High to Severe Risk

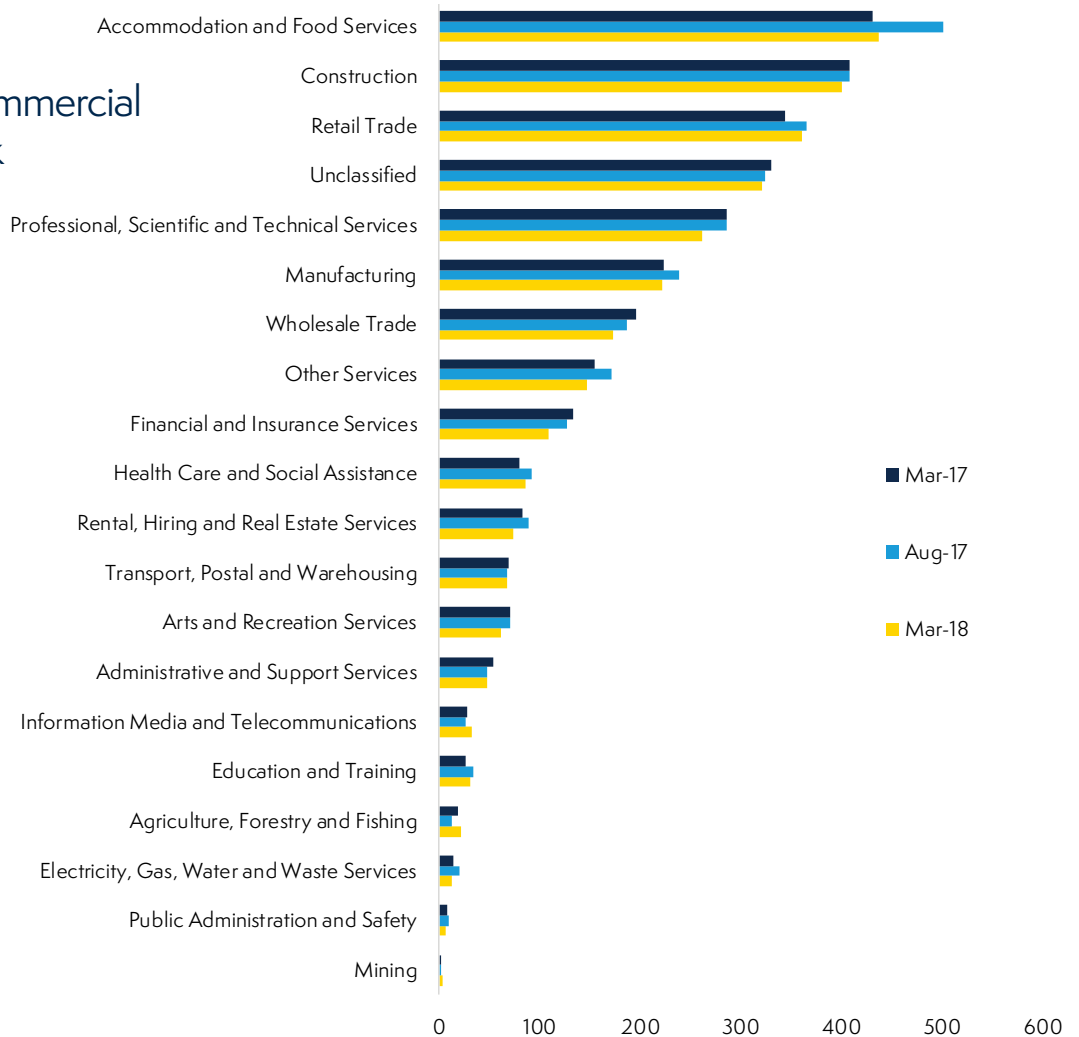
Industry	Unclassified	Less than \$1M	\$1M to less than \$10M	\$10M to less than \$50M	\$50M to less than \$100M	\$100M to less than \$500M	\$500M to less than \$1B	\$1B or more	Total
Accommodation and Food Services	39	47	325	25	0	0	0	0	436
Construction	124	61	181	28	5	0	1	0	400
Retail Trade	69	31	193	61	4	2	0	0	360
Unclassified	195	13	100	11	1	0	0	0	320
Professional, Scientific and Technical Services	89	39	111	21	0	0	0	1	261
Manufacturing	26	32	128	33	2	1	0	0	222
Wholesale Trade	32	9	94	36	2	0	0	0	173
Other Services	37	21	87	2	0	0	0	0	147
Financial and Insurance Services	36	35	31	4	0	1	0	1	108
Health Care and Social Assistance	20	14	47	5	0	0	0	0	86
Rental, Hiring and Real Estate Services	16	11	42	3	1	0	1	0	74
Transport, Postal and Warehousing	15	6	42	4	1	0	0	0	68
Arts and Recreation Services	14	8	39	0	0	0	0	0	61
Administrative and Support Services	18	6	16	4	3	1	0	0	48
Information Media and Telecommunications	8	3	17	4	0	0	0	0	32
Education and Training	10	1	16	4	0	0	0	0	31
Agriculture, Forestry and Fishing	5	4	9	3	0	0	0	0	21
Electricity, Gas, Water and Waste Services	3	1	5	1	3	0	0	0	13
Public Administration and Safety	3	0	3	1	0	0	0	0	7
Mining	0	2	0	0	0	1	0	0	3
<b>Total</b>	<b>759</b>	<b>344</b>	<b>1486</b>	<b>250</b>	<b>22</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>2871</b>

# 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 50:  
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%
<b>Total</b>	<b>60</b>	<b>166</b>	<b>134</b>	<b>890</b>	<b>2133</b>	<b>4281</b>	<b>2987</b>	<b>3263</b>	<b>13914</b>	<b>360</b>	<b>2.6%</b>	<b>21.7%</b>	<b>75.7%</b>

# Victoria Commercial Risk Analysis

Table 51:  
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	147	368	439	2941	6269	13208	7729	8276	39377	954	2.4%	23.4%	74.2%
Melbourne - Inner South	55	173	186	1202	2470	6418	4170	3403	18077	414	2.3%	20.3%	77.4%
Melbourne - South East	65	152	150	1118	2555	6287	4010	3936	18273	367	2.0%	20.1%	77.9%
Melbourne West	56	159	143	857	1598	3426	2094	1858	10191	358	3.5%	24.1%	72.4%
Melbourne - North West	53	104	109	589	1391	3353	2072	2026	9697	266	2.7%	20.4%	76.8%
Melbourne - North East	47	91	117	687	1457	3868	2374	1990	10631	255	2.4%	20.2%	77.4%
Melbourne - Outer East	39	90	118	747	1609	4668	3073	2575	12919	247	1.9%	18.2%	79.9%
Melbourne - Inner East	45	84	99	847	1731	4463	3030	2166	12465	228	1.8%	20.7%	77.5%
Mornington Peninsula	25	50	44	331	982	2493	1615	1390	6930	119	1.7%	18.9%	79.3%
Geelong	11	32	23	182	752	2138	1535	1430	6103	66	1.1%	15.3%	83.6%
Ballarat	6	21	23	106	491	1373	926	1058	4004	50	1.2%	14.9%	83.8%
Latrobe - Gippland	4	19	19	125	555	1599	1067	1125	4513	42	0.9%	15.1%	84.0%
Victoria North West	9	13	18	76	353	1009	797	1031	3306	40	1.2%	13.0%	85.8%
Shepperton	7	14	18	92	357	1112	852	1004	3456	39	1.1%	13.0%	85.9%
Bendigo	3	16	14	91	41	1068	785	863	2881	33	1.1%	4.6%	94.3%
Hume	5	15	9	87	450	1288	911	1012	3777	29	0.8%	14.2%	85.0%
Warrnambool and South West	5	12	9	55	290	870	624	717	2582	26	1.0%	13.4%	85.6%
<b>Total</b>	<b>582</b>	<b>1413</b>	<b>1538</b>	<b>10133</b>	<b>23351</b>	<b>58641</b>	<b>37664</b>	<b>35860</b>	<b>169182</b>	<b>3533</b>	<b>2.1%</b>	<b>19.8%</b>	<b>78.1%</b>

The SV Partners Melbourne practice have been appointed to a number of retailers and food retailing businesses within the last 6 months. Some of these businesses could have avoided external administration had they acted proactively and sought early financial advice.

Retailers with shopfronts in high construction zones across Melbourne are struggling with foot traffic and consequently slowing turnover in sales. Although investment in infrastructure in Victoria is strong, the impacts on local businesses with regards to physical accessibility is challenging.

# Victoria Commercial Risk Analysis

Table 52:  
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	41	132	85	431	848	916	526	512	3491	258	7.4%	36.6%	56.0%
Unclassified	18	46	111	490	676	205	65	53	1664	175	10.5%	70.1%	19.4%
Professional, Scientific and Technical Services	27	61	82	880	2093	5777	3317	2844	15081	170	1.1%	19.7%	79.2%
Retail Trade	30	82	54	446	932	1661	1092	1123	5420	166	3.1%	25.4%	71.5%
Construction	24	52	54	322	768	1419	1137	1050	4826	130	2.7%	22.6%	74.7%
Manufacturing	14	41	35	218	607	1360	1071	1617	4963	90	1.8%	16.6%	81.6%
Wholesale Trade	9	32	36	208	567	1343	992	1355	4542	77	1.7%	17.1%	81.2%
Financial and Insurance Services	13	24	29	309	988	2758	2052	2173	8346	66	0.8%	15.5%	83.7%
Other Services	8	25	23	186	545	888	722	781	3178	56	1.8%	23.0%	75.2%
Health Care and Social Assistance	4	18	18	204	454	1319	872	740	3629	40	1.1%	18.1%	80.8%
Rental, Hiring and Real Estate Services	4	21	14	188	494	874	579	618	2792	39	1.4%	24.4%	74.2%
Arts and Recreation Services	6	13	11	80	239	418	242	272	1281	30	2.3%	24.9%	72.8%
Information Media and Telecommunications	3	4	16	68	164	352	209	243	1059	23	2.2%	21.9%	75.9%
Transport, Postal and Warehousing	4	8	11	41	136	274	174	284	932	23	2.5%	19.0%	78.5%
Administrative and Support Services	3	10	9	114	242	593	357	391	1719	22	1.3%	20.7%	78.0%
Education and Training	3	8	11	64	159	303	150	192	890	22	2.5%	25.1%	72.5%
Electricity, Gas, Water and Waste Services	0	2	4	14	45	66	53	134	318	6	1.9%	18.6%	79.6%
Public Administration and Safety	1	2	2	8	7	27	9	51	107	5	4.7%	14.0%	81.3%
Agriculture, Forestry and Fishing	2	2	0	7	20	54	37	56	178	4	2.2%	15.2%	82.6%
Mining	0	2	0	8	44	68	43	95	260	2	0.8%	20.0%	79.2%
<b>Total</b>	<b>214</b>	<b>585</b>	<b>605</b>	<b>4286</b>	<b>10028</b>	<b>20675</b>	<b>13699</b>	<b>14584</b>	<b>64676</b>	<b>1404</b>	<b>2.2%</b>	<b>22.1%</b>	<b>75.7%</b>

**Table 53:**  
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	25	32	185	16	0	0	0	0	258
Unclassified	120	8	40	7	0	0	0	0	175
Professional, Scientific and Technical Services	60	21	72	16	0	0	0	1	170
Retail Trade	22	13	102	25	3	1	0	0	166
Construction	36	17	60	14	3	0	0	0	130
Manufacturing	11	12	52	14	1	0	0	0	90
Wholesale Trade	14	3	39	20	1	0	0	0	77
Financial and Insurance Services	26	16	19	3	0	1	0	1	66
Other Services	18	10	28	0	0	0	0	0	56
Health Care and Social Assistance	11	5	21	3	0	0	0	0	40
Rental, Hiring and Real Estate Services	12	4	19	3	0	0	1	0	39
Arts and Recreation Services	5	6	19	0	0	0	0	0	30
Information Media and Telecommunications	7	2	11	3	0	0	0	0	23
Transport, Postal and Warehousing	2	4	17	0	0	0	0	0	23
Administrative and Support Services	11	3	3	2	2	1	0	0	22
Education and Training	7	1	10	4	0	0	0	0	22
Electricity, Gas, Water and Waste Services	1	1	2	0	2	0	0	0	6
Public Administration and Safety	2	0	2	1	0	0	0	0	5
Agriculture, Forestry and Fishing	0	1	2	1	0	0	0	0	4
Mining	0	1	0	0	0	1	0	0	2
<b>Total</b>	<b>390</b>	<b>160</b>	<b>703</b>	<b>132</b>	<b>12</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>1404</b>



# Victoria Commercial Risk Analysis

Table 54:  
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 -----→							
Retail Trade	0	4	6	7	55	134	117	160	483	10	2.1%	12.8%	85.1%
Accommodation and Food Services	2	2	3	12	48	76	60	62	265	7	2.6%	22.6%	74.7%
Construction	2	2	1	24	95	218	152	174	668	5	0.7%	17.8%	81.4%
Manufacturing	0	3	1	6	29	92	80	134	345	4	1.2%	10.1%	88.7%
Wholesale Trade	0	3	1	5	16	62	52	85	224	4	1.8%	9.4%	88.8%
Financial and Insurance Services	0	2	1	5	24	137	72	77	318	3	0.9%	9.1%	89.9%
Arts and Recreation Services	0	0	2	5	10	26	12	9	64	2	3.1%	23.4%	73.4%
Education and Training	0	2	0	2	2	13	7	12	38	2	5.3%	10.5%	84.2%
Other Services	0	1	1	6	22	73	62	76	241	2	0.8%	11.6%	87.6%
Professional, Scientific and Technical Services	0	1	1	11	59	201	109	101	483	2	0.4%	14.5%	85.1%
Unclassified	0	2	0	10	26	8	5	3	54	2	3.7%	66.7%	29.6%
Health Care and Social Assistance	1	0	0	1	28	76	53	38	197	1	0.5%	14.7%	84.8%
Information Media and Telecommunications	0	1	0	0	5	9	2	8	25	1	4.0%	20.0%	76.0%
Rental, Hiring and Real Estate Services	0	0	1	4	9	59	29	35	137	1	0.7%	9.5%	89.8%
Transport, Postal and Warehousing	0	0	1	2	24	45	49	47	168	1	0.6%	15.5%	83.9%
Administrative and Support Services	0	0	0	2	10	33	25	14	84	0	0.0%	14.3%	85.7%
Agriculture, Forestry and Fishing	0	0	0	6	11	54	45	49	165	0	0.0%	10.3%	89.7%
Electricity, Gas, Water and Waste Services	0	0	0	0	4	15	6	10	35	0	0.0%	11.4%	88.6%
Mining	0	0	0	0	1	3	5	5	14	0	0.0%	7.1%	92.9%
Public Administration and Safety	0	0	0	0	0	1	1	3	5	0	0.0%	0.0%	100.0%
<b>Total</b>	<b>5</b>	<b>23</b>	<b>19</b>	<b>108</b>	<b>478</b>	<b>1335</b>	<b>943</b>	<b>1102</b>	<b>4013</b>	<b>47</b>	<b>1.2%</b>	<b>14.6%</b>	<b>84.2%</b>

Table 55:  
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
Retail Trade	0	1	6	3	0	0	0	0	10
Accommodation and Food Services	0	0	6	1	0	0	0	0	7
Construction	3	0	2	0	0	0	0	0	5
Manufacturing	1	1	2	0	0	0	0	0	4
Wholesale Trade	2	0	2	0	0	0	0	0	4
Financial and Insurance Services	0	1	2	0	0	0	0	0	3
Arts and Recreation Services	1	0	1	0	0	0	0	0	2
Education and Training	0	0	2	0	0	0	0	0	2
Other Services	0	0	2	0	0	0	0	0	2
Professional, Scientific and Technical Services	1	0	1	0	0	0	0	0	2
Unclassified	1	1	0	0	0	0	0	0	2
Health Care and Social Assistance	1	0	0	0	0	0	0	0	1
Information Media and Telecommunications	0	0	0	1	0	0	0	0	1
Rental, Hiring and Real Estate Services	0	0	1	0	0	0	0	0	1
Transport, Postal and Warehousing	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
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>4</b>	<b>28</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>

# Victoria Commercial Risk Analysis

Table 56:  
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 ----->							
Accommodation and Food Services	5	7	8	14	82	115	73	72	378	20	5.3%	25.4%	68.8%
Construction	2	4	6	48	137	367	271	218	1066	12	1.1%	17.4%	80.3%
Retail Trade		7	3	19	75	179	147	164	597	10	1.7%	15.7%	82.1%
Manufacturing	1	2	3	8	53	129	112	157	471	6	1.3%	13.0%	84.5%
Transport, Postal and Warehousing	2	0	3	3	18	51	47	61	188	5	2.7%	11.2%	84.6%
Administrative and Support Services	0	2	1	3	17	43	29	32	127	3	2.4%	15.7%	81.9%
Arts and Recreation Services	0	2	1	5	13	39	18	19	98	3	3.1%	18.4%	77.6%
Health Care and Social Assistance	1	1	1	6	51	146	90	60	357	3	0.8%	16.0%	82.9%
Unclassified	0	2	1	7	62	18	6	4	103	3	2.9%	67.0%	27.2%
Wholesale Trade	0	1	2	7	42	100	84	125	361	3	0.8%	13.6%	85.6%
Information Media and Telecommunications	0	1	1	2	3	19	8	6	40	2	5.0%	12.5%	82.5%
Other Services	2	0	0	10	54	110	90	85	353	2	0.6%	18.1%	80.7%
Agriculture, Forestry and Fishing	0	0	1	4	14	40	39	44	144	1	0.7%	12.5%	85.4%
Education and Training	0	0	1	0	8	21	18	14	62	1	1.6%	12.9%	85.5%
Financial and Insurance Services	0	1	0	13	36	207	91	149	502	1	0.2%	9.8%	89.0%
Professional, Scientific and Technical Services	0	1	0	16	108	360	205	167	863	1	0.1%	14.4%	84.8%
Electricity, Gas, Water and Waste Services	0	0	0	1	4	12	5	13	35	0	0.0%	14.3%	85.7%
Mining	0	0	0	0	2	1	0	5	8	0	0.0%	25.0%	75.0%
Public Administration and Safety	0	0	0	0	1	2	2	4	9	0	0.0%	11.1%	88.9%
Rental, Hiring and Real Estate Services	0	0	0	5	20	105	47	46	223	0	0.0%	11.2%	88.8%
<b>Total</b>	<b>13</b>	<b>31</b>	<b>32</b>	<b>171</b>	<b>800</b>	<b>2064</b>	<b>1382</b>	<b>1445</b>	<b>5985</b>	<b>76</b>	<b>1.3%</b>	<b>16.2%</b>	<b>81.7%</b>

**Table 57:**  
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
Accommodation and Food Services	2	1	16	1	0	0	0	0	20
Construction	1	2	9	0	0	0	0	0	12
Retail Trade	1	1	6	2	0	0	0	0	10
Manufacturing	0	1	5		0	0	0	0	6
Transport, Postal and Warehousing	1	0	2	2	0	0	0	0	5
Administrative and Support Services	0	0	2	1	0	0	0	0	3
Arts and Recreation Services	2	0	1	0	0	0	0	0	3
Health Care and Social Assistance	1	1	1	0	0	0	0	0	3
Unclassified	1	0	2	0	0	0	0	0	3
Wholesale Trade	0	1	1	1	0	0	0	0	3
Information Media and Telecommunications	0	1	0	1	0	0	0	0	2
Other Services	0	0	2	0	0	0	0	0	2
Agriculture, Forestry and Fishing	0	0	0	1	0	0	0	0	1
Education and Training	1	0	0	0	0	0	0	0	1
Financial and Insurance Services	0	0	1	0	0	0	0	0	1
Professional, Scientific and Technical Services	0	1	0	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Rental, Hiring and Real Estate Services	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>9</b>	<b>48</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>76</b>

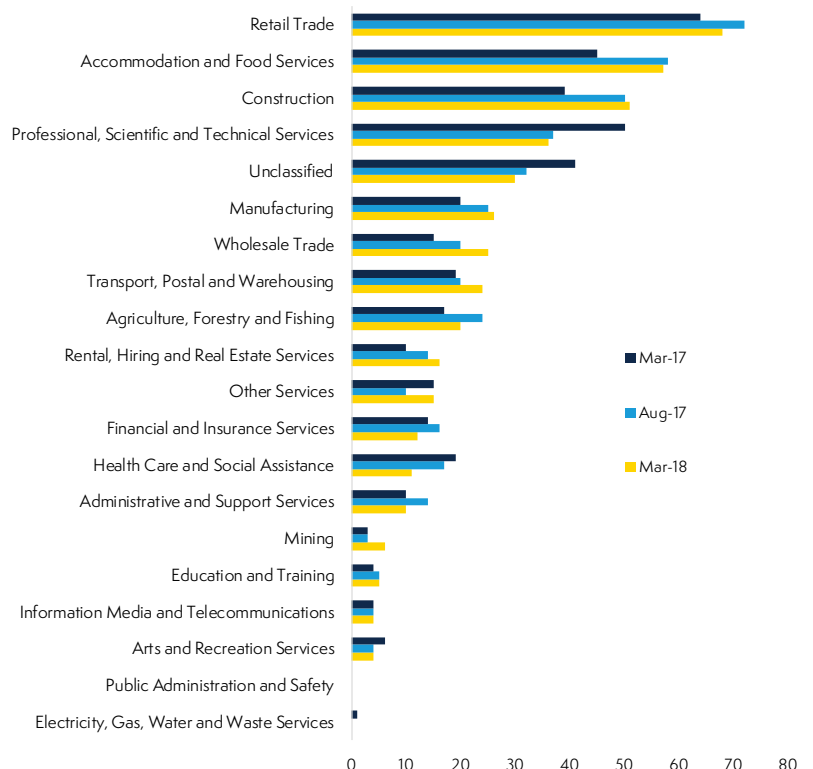


Tasmania's commercial risk data indicates that the state is one of the highest risk locations for businesses, with 5.7% of businesses across all industries falling within the high to severe risk bands. Further to this, 32% of businesses in the state are categorised as moderate to average risk.

The top 5 industries with businesses at high to severe risk of financial failure within the next 12 months are:

- Retail Trade, 68 (7.4%)
- Accommodation and Food Services, 57 (9.9%)
- Construction, 51 (5.5%)
- Professional, Scientific and Technical Services, 36 (3.4%)
- Manufacturing, 26 (4.0%)

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



# Tasmania Commercial Risk Analysis

Table 58:  
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 →							
Retail Trade	3	28	37	101	206	302	143	94	914	68	7.4%	33.6%	59.0%
Accommodation and Food Services	5	20	32	79	137	159	79	64	575	57	9.9%	37.6%	52.5%
Construction	2	22	27	104	196	295	173	110	929	51	5.5%	32.3%	62.2%
Professional, Scientific and Technical Services	0	14	22	95	210	415	180	123	1059	36	3.4%	28.8%	67.8%
Unclassified	1	10	19	41	32	6	1	0	110	30	27.3%	66.4%	6.4%
Manufacturing	1	5	20	52	145	203	120	99	645	26	4.0%	30.5%	65.4%
Wholesale Trade	4	7	14	38	98	165	80	67	473	25	5.3%	28.8%	66.0%
Transport, Postal and Warehousing	1	10	13	24	65	92	39	23	267	24	9.0%	33.3%	57.7%
Agriculture, Forestry and Fishing	2	11	7	25	73	78	52	33	281	20	7.1%	34.9%	58.0%
Rental, Hiring and Real Estate Services	1	7	8	28	65	85	39	28	261	16	6.1%	35.6%	58.2%
Other Services	1	6	8	32	92	135	57	46	377	15	4.0%	32.9%	63.1%
Financial and Insurance Services	0	4	8	34	120	182	102	74	524	12	2.3%	29.4%	68.3%
Health Care and Social Assistance	0	5	6	32	101	218	86	50	498	11	2.2%	26.7%	71.1%
Administrative and Support Services	1	5	4	18	35	50	31	20	164	10	6.1%	32.3%	61.6%
Mining	1	2	3	3	10	11	3	2	35	6	17.1%	37.1%	45.7%
Education and Training	0	1	4	4	15	27	9	8	68	5	7.4%	27.9%	64.7%
Arts and Recreation Services	0	1	3	13	27	46	17	21	128	4	3.1%	31.3%	65.6%
Information Media and Telecommunications	0	1	3	2	7	20	8	12	53	4	7.5%	17.0%	75.5%
Electricity, Gas, Water and Waste Services	0	0	0	1	10	11	11	7	40	0	0.0%	27.5%	72.5%
Public Administration and Safety	0	0	0	0	7	3	2	5	17	0	0.0%	41.2%	58.8%
<b>Total</b>	<b>23</b>	<b>159</b>	<b>238</b>	<b>726</b>	<b>1651</b>	<b>2503</b>	<b>1232</b>	<b>886</b>	<b>7418</b>	<b>420</b>	<b>5.7%</b>	<b>32.0%</b>	<b>62.3%</b>

# Tasmania Commercial Risk Analysis

Table 59:  
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	4	2	7	2	0	0	0	0	15
Retail Trade	4	2	5	4	0	0	0	0	15
Construction	6	0	6	1	0	0	0	0	13
Transport, Postal and Warehousing	2	2	3	0	0	0	0	0	7
Manufacturing	1	1	4	0	0	0	0	0	6
Professional, Scientific and Technical Services	2	2	1	0	0	0	0	0	5
Wholesale Trade	3	0	1	1	0	0	0	0	5
Rental, Hiring and Real Estate Services	2	0	2	0	0	0	0	0	4
Other Services	1	0	1	1	0	0	0	0	3
Administrative and Support Services	1	1	0	0	0	0	0	0	2
Agriculture, Forestry and Fishing	0	2	0	0	0	0	0	0	2
Financial and Insurance Services	2	0	0	0	0	0	0	0	2
Unclassified	0	0	2	0	0	0	0	0	2
Arts and Recreation Services	0	0	1	0	0	0	0	0	1
Education and Training	0	0	1	0	0	0	0	0	1
Health Care and Social Assistance	0	0	1	0	0	0	0	0	1
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>28</b>	<b>12</b>	<b>35</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>84</b>

# Tasmania Commercial Risk Analysis

Table 60:  
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 -----→							
Retail Trade	3	28	37	101	206	302	143	94	914	68	7.4%	33.6%	59.0%
Accommodation and Food Services	5	20	32	79	137	159	79	64	575	57	9.9%	37.6%	52.5%
Construction	2	22	27	104	196	295	173	110	929	51	5.5%	32.3%	62.2%
Professional, Scientific and Technical Services	0	14	22	95	210	415	180	123	1059	36	3.4%	28.8%	67.8%
Unclassified	1	10	19	41	32	6	1	0	110	30	27.3%	66.4%	6.4%
Manufacturing	1	5	20	52	145	203	120	99	645	26	4.0%	30.5%	65.4%
Wholesale Trade	4	7	14	38	98	165	80	67	473	25	5.3%	28.8%	66.0%
Transport, Postal and Warehousing	1	10	13	24	65	92	39	23	267	24	9.0%	33.3%	57.7%
Agriculture, Forestry and Fishing	2	11	7	25	73	78	52	33	281	20	7.1%	34.9%	58.0%
Rental, Hiring and Real Estate Services	1	7	8	28	65	85	39	28	261	16	6.1%	35.6%	58.2%
Other Services	1	6	8	32	92	135	57	46	377	15	4.0%	32.9%	63.1%
Financial and Insurance Services	0	4	8	34	120	182	102	74	524	12	2.3%	29.4%	68.3%
Health Care and Social Assistance	0	5	6	32	101	218	86	50	498	11	2.2%	26.7%	71.1%
Administrative and Support Services	1	5	4	18	35	50	31	20	164	10	6.1%	32.3%	61.6%
Mining	1	2	3	3	10	11	3	2	35	6	17.1%	37.1%	45.7%
Education and Training	0	1	4	4	15	27	9	8	68	5	7.4%	27.9%	64.7%
Arts and Recreation Services	0	1	3	13	27	46	17	21	128	4	3.1%	31.3%	65.6%
Information Media and Telecommunications	0	1	3	2	7	20	8	12	53	4	7.5%	17.0%	75.5%
Electricity, Gas, Water and Waste Services	0	0	0	1	10	11	11	7	40	0	0.0%	27.5%	72.5%
Public Administration and Safety	0	0	0	0	7	3	2	5	17	0	0.0%	41.2%	58.8%
<b>Total</b>	<b>23</b>	<b>159</b>	<b>238</b>	<b>726</b>	<b>1651</b>	<b>2503</b>	<b>1232</b>	<b>886</b>	<b>7418</b>	<b>420</b>	<b>5.7%</b>	<b>32.0%</b>	<b>62.3%</b>



# Tasmania Commercial Risk Analysis

Table 61:  
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
Retail Trade	30	13	18	7	0	0	0	0	68
Accommodation and Food Services	24	5	26	2	0	0	0	0	57
Construction	22	5	21	3	0	0	0	0	51
Professional, Scientific and Technical Services	14	13	8	1	0	0	0	0	36
Unclassified	23	1	6	0	0	0	0	0	30
Manufacturing	11	5	10	0	0	0	0	0	26
Wholesale Trade	9	1	12	2	1	0	0	0	25
Transport, Postal and Warehousing	4	4	16	0	0	0	0	0	24
Agriculture, Forestry and Fishing	8	6	6	0	0	0	0	0	20
Rental, Hiring and Real Estate Services	7	7	2	0	0	0	0	0	16
Other Services	6	5	3	1	0	0	0	0	15
Financial and Insurance Services	6	4	1	1	0	0	0	0	12
Health Care and Social Assistance	6	2	3	0	0	0	0	0	11
Administrative and Support Services	4	2	4	0	0	0	0	0	10
Mining	4	0	2	0	0	0	0	0	6
Education and Training	3	0	2	0	0	0	0	0	5
Arts and Recreation Services	2	1	1	0	0	0	0	0	4
Information Media and Telecommunications	3	1	0	0	0	0	0	0	4
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Public Administration and Safety	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>186</b>	<b>75</b>	<b>141</b>	<b>17</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>420</b>

# Additional Data Commercial Risk Analysis

Table 62:  
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	145	338	373	2676	6410	12360	7672	9050	39024	856	2.2%	23.3%	74.5%
Sydney - City and Inner South	111	315	383	2286	5798	9840	5628	7820	32181	809	2.5%	25.1%	72.4%
NSW - Parramatta	119	280	262	1291	2656	4711	3090	3177	15586	661	4.2%	25.3%	70.4%
Gold Coast	84	205	219	1487	2814	5762	2917	1527	15015	508	3.4%	28.6%	68.0%
NSW - Inner South West	85	227	195	1065	1891	3815	2406	2237	11921	507	4.3%	24.8%	71.0%
Brisbane Inner City	64	180	262	1623	3761	7587	2869	2127	18473	506	2.7%	29.1%	68.1%
Melbourne - Inner South	48	185	178	1087	2470	5746	4082	3935	17731	411	2.3%	20.1%	77.6%
Brisbane South	50	135	203	1038	2273	4951	1656	1257	11563	388	3.4%	28.6%	68.0%
Melbourne - South East	62	156	166	1030	2547	5633	3998	4521	18113	384	2.1%	19.7%	78.1%
NSW - South West	68	145	142	663	1378	2395	1735	1798	8324	355	4.3%	24.5%	71.2%
Melbourne - West	70	150	103	767	1617	3213	2152	2081	10153	323	3.2%	23.5%	73.3%
Sydney - North Sydney and Hornsby	49	116	152	1044	2642	5730	3733	3460	16926	317	1.9%	21.8%	76.3%
Sydney - Inner West	44	131	123	752	1460	2937	1841	1576	8864	298	3.4%	25.0%	71.7%
Sydney - Northern Beaches	44	131	123	752	1460	2937	1841	1576	8864	298	3.4%	25.0%	71.7%
Melbourne - North East	41	99	124	658	1407	3474	2453	2286	10542	264	2.5%	19.6%	77.9%
NSW - Blacktown	42	108	109	647	1313	2645	1816	1875	8555	259	3.0%	22.9%	74.1%
Melbourne - North West	44	83	107	579	1348	3104	2069	2263	9597	234	2.4%	20.1%	77.5%
Sydney - Baulkham Hills and Hawkesbury	27	111	93	557	1245	2751	2027	1729	8540	231	2.7%	21.1%	76.2%
Logan - Beaudesert	34	79	112	518	1095	2428	929	580	5775	225	3.9%	27.9%	68.2%
Melbourne - Inner East	38	93	93	787	1706	3998	3007	2384	12106	224	1.9%	20.6%	77.6%
Sydney - Eastern Suburbs	30	89	98	547	1195	2421	1554	1206	7140	217	3.0%	24.4%	72.6%
Melbourne - Outer East	37	83	97	681	1577	4241	3134	2888	12738	217	1.7%	17.7%	80.6%

# Additional Data Commercial Risk Analysis

Table 62:  
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 ---→							
Newcastle and Lake Macquarie	54	78	82	543	1154	2805	1840	1714	8270	214	2.6%	20.5%	76.9%
NSW - Outer West and Blue Mountains	24	71	80	421	925	2050	1646	1444	6661	175	2.6%	20.2%	77.2%
Brisbane East	24	59	90	495	966	2425	783	503	5345	173	3.2%	27.3%	69.4%
Ipswich	26	57	79	508	1031	2332	916	670	5619	162	2.9%	27.4%	69.7%
Sunshine Coast	22	58	80	682	1200	3031	1578	684	7335	160	2.2%	25.7%	72.2%
Illawarra	32	49	67	382	795	1783	1366	1154	5628	148	2.6%	20.9%	76.5%
NSW - Hunter Valley ex Newcastle	23	56	69	456	943	2178	1548	1542	6815	148	2.2%	20.5%	77.3%
Brisbane West	12	46	89	570	1124	2898	837	509	6085	147	2.4%	27.8%	69.7%
Brisbane North	14	55	73	460	921	2144	832	566	5065	142	2.8%	27.3%	69.9%
Sydney - Sutherland	21	55	63	399	717	1646	1158	949	5008	139	2.8%	22.3%	74.9%
NSW - Outer South West	27	56	54	330	660	1295	926	828	4176	137	3.3%	23.7%	73.0%
NSW - Central Coast	28	46	57	405	780	1799	1223	989	5327	131	2.5%	22.2%	75.3%
Mornington Peninsula	23	47	50	325	986	2300	1586	1538	6855	120	1.8%	19.1%	79.1%
Sydney - Ryde	20	47	52	314	805	1621	1110	1138	5107	119	2.3%	21.9%	75.8%
Moreton Bay - North	12	37	62	307	610	1586	566	267	3447	111	3.2%	26.6%	70.2%
Cairns	14	46	50	431	743	1920	1016	607	4827	110	2.3%	24.3%	73.4%
Darling Downs - Maranoa	12	26	57	484	899	2286	1125	620	5509	95	1.7%	25.1%	73.2%
Moreton Bay - South	12	33	49	349	614	1670	514	272	3513	94	2.7%	27.4%	69.9%
Southern Highlands and Shoalhaven	16	37	39	206	467	1176	883	735	3559	92	2.6%	18.9%	78.5%
Townsville	8	43	36	289	489	1404	772	485	3526	87	2.5%	22.1%	75.5%
NSW - Capital Region	8	33	42	254	575	1361	1043	1038	4354	83	1.9%	19.0%	79.1%
NSW - Richmond - Tweed	15	36	31	283	556	1239	898	705	3763	82	2.2%	22.3%	75.5%
NSW - Central West	12	26	40	241	615	1338	1037	1164	4473	78	1.7%	19.1%	79.1%
Geelong	13	31	32	171	799	2064	1380	1445	5935	76	1.3%	16.3%	82.4%
Mackay	13	27	35	307	496	1210	624	350	3062	75	2.4%	26.2%	71.3%

# Additional Data Commercial Risk Analysis

Table 62:  
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 -----→							
QLD Fitzroy	13	26	33	297	553	1245	643	357	3167	72	2.3%	26.8%	70.9%
QLD Wide Bay	13	26	33	366	654	1915	951	488	4446	72	1.6%	22.9%	75.4%
Riverina	6	33	30	230	494	1235	1073	1115	4216	69	1.6%	17.2%	81.2%
NSW - Mid North Coast	9	28	26	205	441	1121	848	804	3482	63	1.8%	18.6%	79.6%
Coffs Harbour and Grafton	11	23	23	150	317	715	594	527	2360	57	2.4%	19.8%	77.8%
Murray	9	28	20	203	410	1080	970	937	3657	57	1.6%	16.8%	81.7%
Toowoomba	6	15	35	286	468	1240	571	359	2980	56	1.9%	25.3%	72.8%
New England and North West	14	15	25	171	407	983	798	900	3313	54	1.6%	17.4%	80.9%
Ballarat	5	23	19	108	478	1335	943	1102	4013	47	1.2%	14.6%	84.2%
NSW - Far West and Orana	5	19	20	115	319	720	585	694	2477	44	1.8%	17.5%	80.7%
Shepperton	6	11	21	79	363	1071	870	1068	3489	38	1.1%	12.7%	86.2%
Latrobe - Gippland	5	14	15	127	529	1564	1080	1208	4542	34	0.7%	14.4%	84.8%
VIC - North West	6	18	8	75	354	1061	760	1076	3358	32	1.0%	12.8%	86.3%
Queensland Outback	4	19	8	127	243	541	298	219	1459	31	2.1%	25.4%	72.5%
Hume	4	16	9	75	444	1234	900	1086	3768	29	0.8%	13.8%	85.5%
Warrnambool and South West	4	10	12	66	296	853	601	744	2586	26	1.0%	14.0%	85.0%
Bendigo	0	12	8	98	417	1051	739	932	3257	20	0.6%	15.8%	83.6%

## Conclusion

The SV Partners Commercial Risk Outlook Report for March 2018, identifies and analysis the overall economic conditions of industries through businesses categorised according to their commercial risk over the next 12 months.

Nationally, 2.4% of businesses are currently at high to severe risk of financial failure. Although this is across all industries, the top 3 industries of concern are accommodation and food (6.4%), construction (3.0%) and retail trade (3.0%). These industries contribute to a significant portion of Australia's economy and with some large turnover sized companies at high risk, this has the potential to impact employment in these sectors.

According to the regional analysis, Melbourne (Inner) has the highest number of businesses across the Eastern Seaboard most at risk of insolvency within the next 12 months. The latest statistics released by ASIC indicate that the most common reason why businesses enter external administration is due to cash flow issues.

As the operating environment continues to change, businesses are able to put strategies in place to mitigate financial risk and benefit from opportunities. Ensuring that businesses implement cash management strategies, are ways in which will assist business performance.

As this Report outlines those industries and locations most at risk of financial failure, it is important that business owners or company directors address the early warning signs of insolvency immediately. The Report can assist businesses to reflect on their current operations and provide guidance when creating strategies to prevent falling into a higher risk category.

Some indicators that make up the framework of a risk score include, overdue taxes, continuing losses and an inability to borrow further funds for capital or equity.

It is also essential that business owners (and stakeholders) consider the contributing factors that frame a business's level of commercial risk. Understanding the framework of a risk score can assist in evaluating business decisions that can have long term effects on performance and operations.

If your business is encountering financial difficulty, it is vital to seek professional advice immediately.

# Glossary of Key Terms

## 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).

## 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.

## 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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