



**BUSINESS  
NSW**

# **Business Conditions Survey Skills report**

**December 2020**

## KEY FINDINGS

**Hard to fill jobs persist in many industries:** Almost 40 per cent of businesses reported that COVID-19 had made it more difficult to address their skills needs and almost half of all businesses (44 per cent) reported currently experiencing a skills shortage. This is an increase from September 2020 (39.8 per cent with a shortage) but lower than historical trends (55.4 per cent in 2019 and 59.8 per cent in 2017). The largest shortages were identified in Agriculture, Forestry and Fishing (71.4 per cent), Construction (67.9 per cent), Manufacturing (60.6 per cent), and Accommodation and Food Services (57.4 per cent) (see pages 3 and 6).

Businesses in each industry reported a wide variety of occupations to be in shortage including many vacancies for electricians, automotive mechanics, fitters and turners, hairdressers and baristas and front of house staff.

**It's harder to fill experienced positions:** Across all industries and occupations, the majority of businesses (60 per cent) reported that it was harder to fill experienced positions than entry-level positions (see page 3). Half of respondents (51 per cent) reported that shortages were due to applicants not having the right skills, capabilities, qualifications or experience. A third (33 per cent) of respondents attributed their skills shortages to the JobSeeker rate being too high and 29 per cent reported that applicants' wage demands were too high.

**Lack of skilled migration impacting accommodation and food services most:** Whilst the lack of skilled migration had a relatively low impact on businesses' ability to access skills overall (14 per cent overall) (see pages 4 and 7), almost half (42 per cent) of those businesses were in the Accommodation and Food Services industry.

**Internal borders no longer impacting recruitment:** Internal (state) border closures had a low impact with only 4 per cent reporting that it had prevented recruitment from other states. During the survey period, all internal borders were open.

**Skills shortages result in more work for employees and lost business:** Overall, 72 per cent of businesses reported that the shortages had resulted in increased workload for current staff. Almost half (45 per cent) reported that the shortages had resulted in lost business (see page 4).

**Working arrangements vary significantly between industries:** Almost 40 per cent of businesses reported that their staff were generally working full-time at the workplace, although there were significant variations between industries (see pages 5, 8 and 9). Twenty per cent of businesses stated that employees were generally working part-time from home and part-time in the workplace and 10 per cent reported that employees were working full-time at home. Three quarters of businesses reported that they did not plan to change arrangements over the next six months.

**Capabilities still in high demand:** Planning and organising (36 per cent), communication (33 per cent), team work (32 per cent), problem solving (32 per cent) and self management (31 per cent) remained the most in-demand capabilities for businesses.

**\*Skills questions were included as a subset of the *Business NSW* quarterly Business Conditions Survey for December 2020. This was a point in time survey which closed prior to the new COVID-19 clusters and associated restrictions during the Christmas-New Year period.**

**“The growth and productivity of my business will be directly affected by the absence of skilled labour. The more I have to outsource, the more it costs me to manufacture my product.”**

*Retail Trade, Newcastle*

**“Retail sales are high in demand and our business is on a high at present. However staff are being called on to work extra hours due to lack of availability of competent applicants.”**

*Other Services business, Coffs Harbour-Grafton*

**“For us to move forward we need help encouraging qualified staff to come to rural areas”**

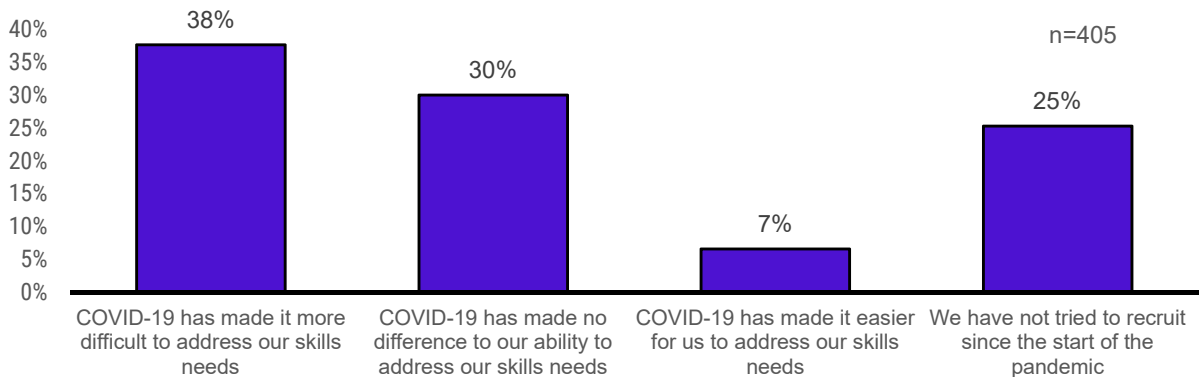
*Other Services business, New England and North West*

**“Regional towns need willing workers otherwise the opportunity will be lost. Please provide incentives to people in cities to at least temporarily move to regional areas.”**

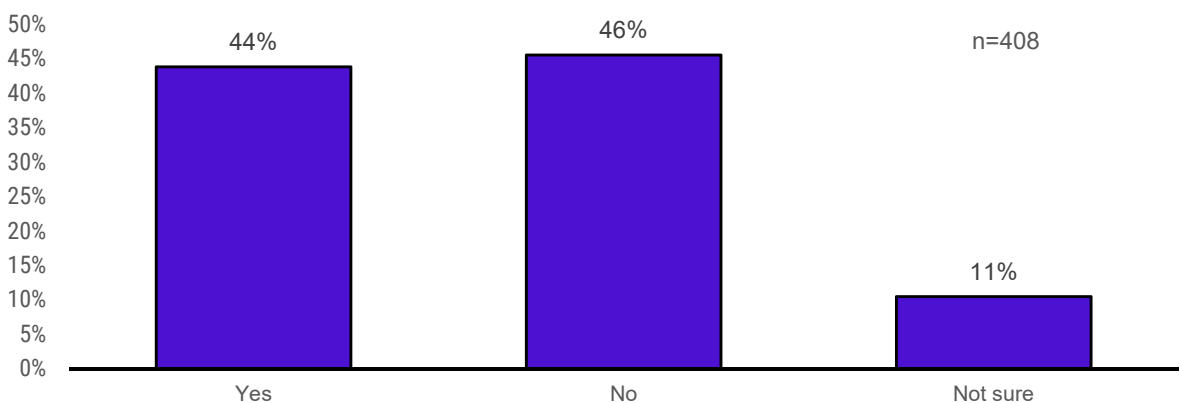
*Accommodation and Food Services business, New England and North West*

# Survey results - Skills

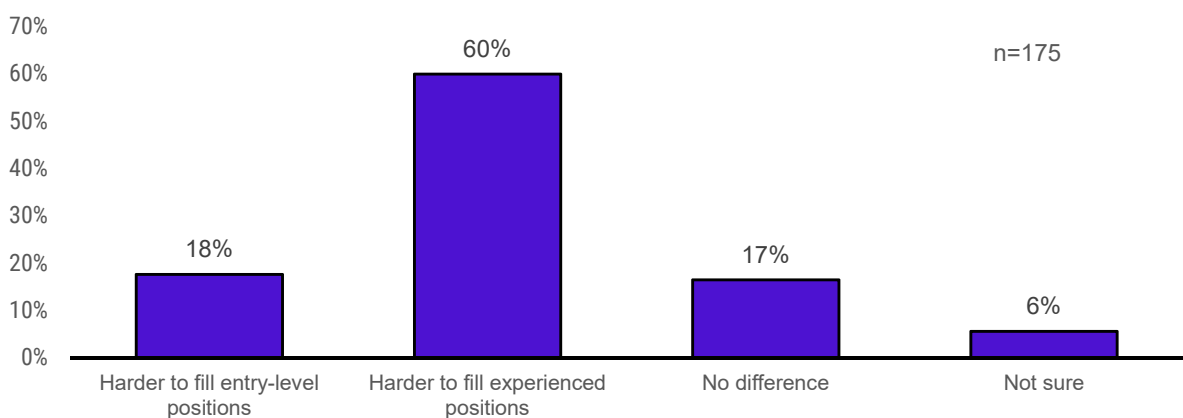
**Chart 1 - How has COVID-19 impacted your ability to address your skills needs?**



**Chart 2 - Is your business currently experiencing a skills shortage?**

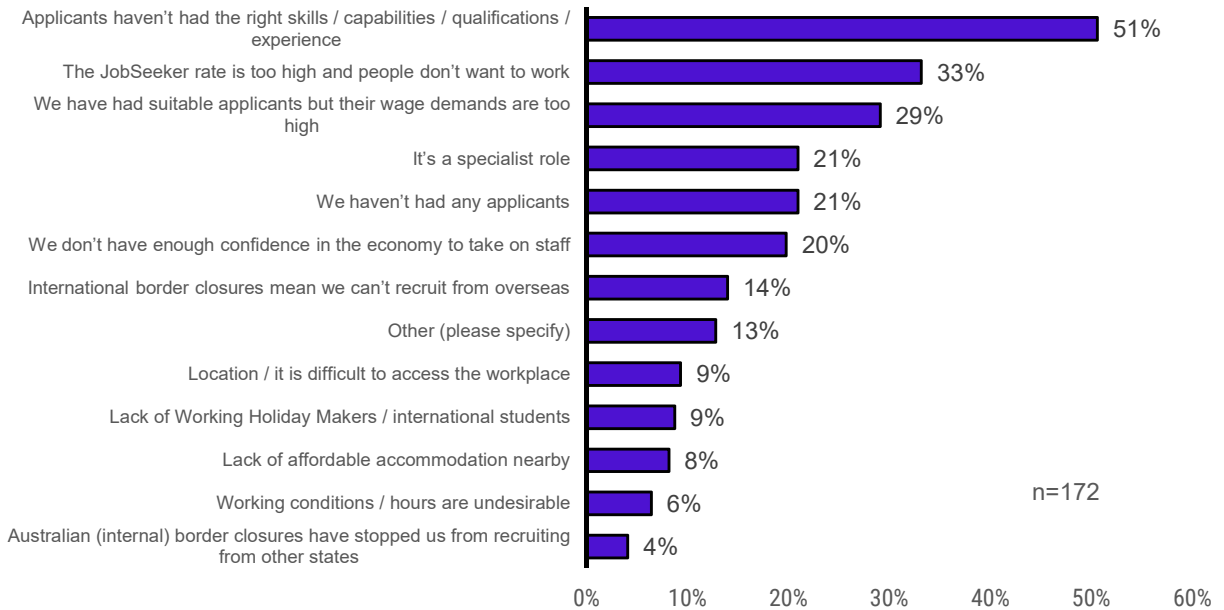


**Chart 3 - Is it harder to fill entry-level positions or experienced positions for these occupations?**

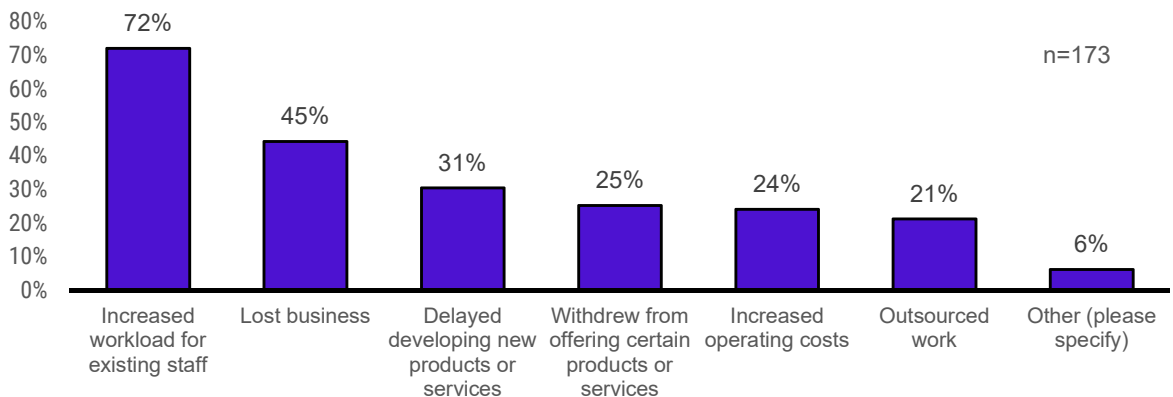


# Survey results - Skills

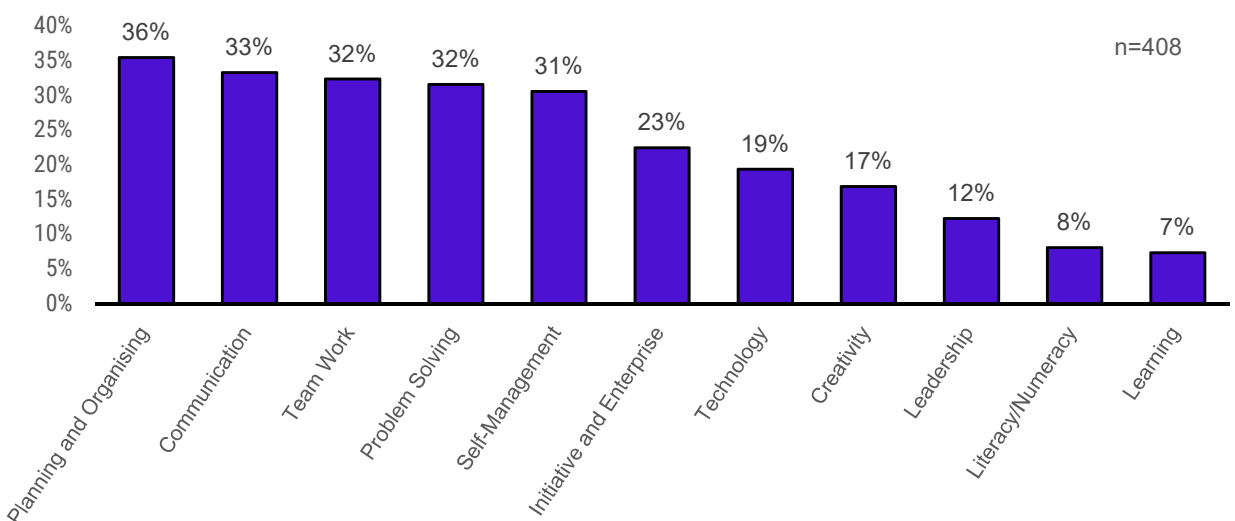
**Chart 4 - What have been the main reasons for being unable to hire staff with the right skills?**



**Chart 5 - In what ways has the skills shortage impacted your business?**



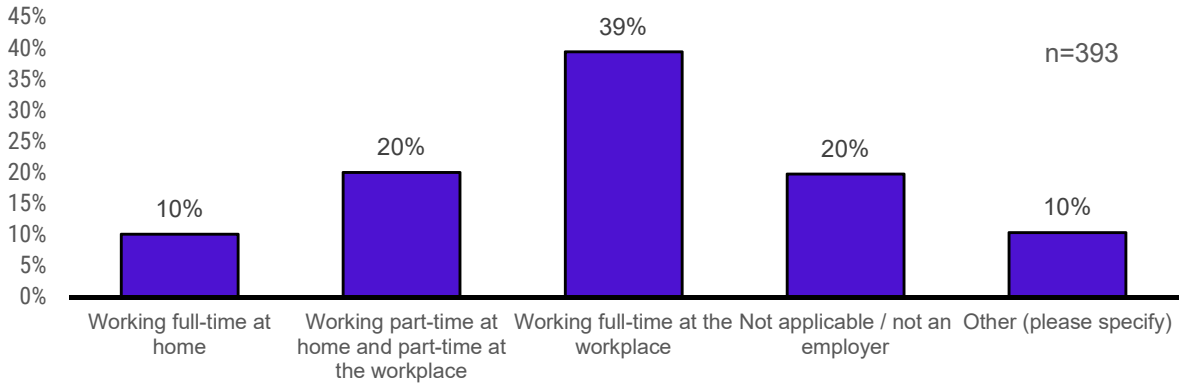
**Chart 6 - What capabilities are most in demand in your business?**



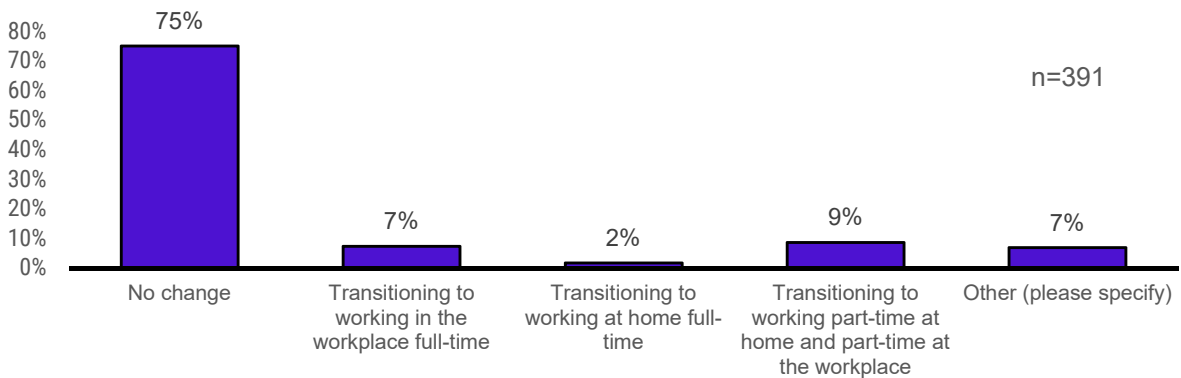


# Survey Results - Working from home

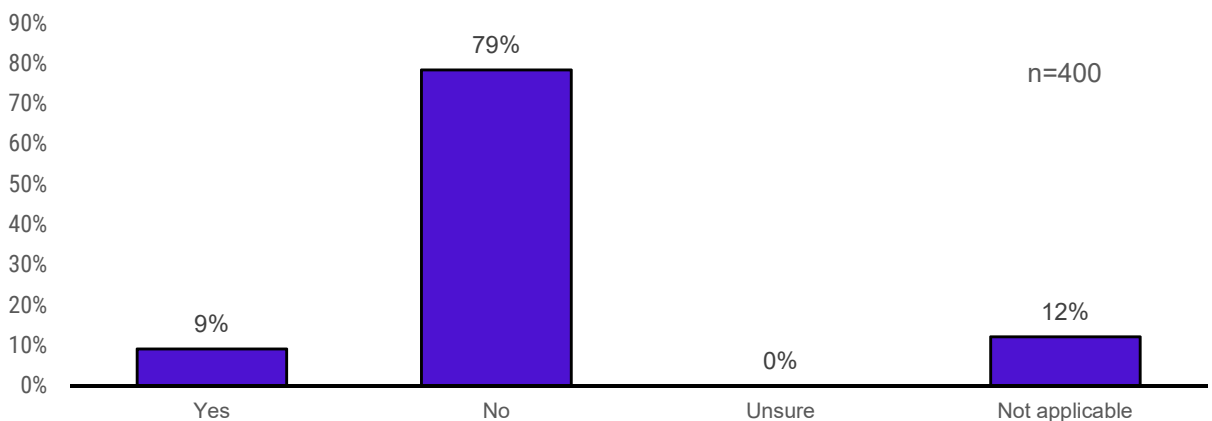
**Chart 7 - If you are an employer, how often are staff generally working from home at the moment?**



**Chart 8 - What are your plans around the level of working from home for your staff over the next 6 months?**



**Chart 9 - Since the start of the COVID-19 pandemic, have you recruited any staff who are working remotely?**



# Industry breakdown - Skills shortages

## Is your business currently experiencing a skill shortage?

Industry	Previous September 2020			Current December 2020		
	Yes	No	Not sure	Yes	No	Not sure
<b>Primary</b>	<b>56.3%</b>	<b>31.3%</b>	<b>12.5%</b>	<b>71.4%</b>	<b>28.6%</b>	<b>0.0%</b>
Agriculture, Forestry & Fishing	53.3%	33.3%	13.3%	71.4%	28.6%	0.0%
Mining	100.0%	0.0%	0.0%	-	-	-
<b>Population Serving Industries</b>	<b>39.9%</b>	<b>54.4%</b>	<b>5.7%</b>	<b>47.3%</b>	<b>40.7%</b>	<b>11.9%</b>
Construction	48.3%	51.7%	0.0%	67.9%	25.0%	7.1%
Retail Trade	35.6%	59.3%	5.1%	45.5%	41.8%	12.7%
Accommodation & Food Services	46.8%	46.8%	6.3%	57.4%	36.2%	6.4%
Arts & Recreation Services	22.2%	68.9%	8.9%	34.2%	44.7%	21.1%
Other Services	43.0%	51.2%	5.8%	39.7%	48.3%	12.1%
<b>Knowledge Intensive</b>	<b>27.3%</b>	<b>68.7%</b>	<b>4.0%</b>	<b>25.6%</b>	<b>65.9%</b>	<b>8.5%</b>
Information Media & Telecommunications	50.0%	50.0%	0.0%	16.7%	66.7%	16.7%
Financial & Insurance Services	0.0%	100.0%	0.0%	28.6%	71.4%	0.0%
Rental, Hiring & real Estate Services	46.2%	38.5%	15.4%	0.0%	100.0%	0.0%
Professional, Scientific & Technical Services	20.6%	76.2%	3.2%	30.8%	63.5%	5.8%
Administrative & Support Services	33.3%	66.7%	0.0%	16.7%	50.0%	33.3%
Public Administration & Safety	0.0%	100.0%	0.0%	-	-	-
<b>Industrial</b>	<b>52.7%</b>	<b>45.9%</b>	<b>1.4%</b>	<b>50.0%</b>	<b>39.7%</b>	<b>10.3%</b>
Manufacturing	55.6%	42.2%	2.2%	60.6%	33.3%	6.1%
Electricity, Gas, Water & Waste	50.0%	50.0%	0.0%	25.0%	50.0%	25.0%
Wholesale Trade	38.9%	61.1%	0.0%	46.2%	30.8%	23.1%
Transport, Postal & Warehousing	66.7%	33.3%	0.0%	25.0%	75.0%	0.0%
<b>Health and Education</b>	<b>39.5%</b>	<b>57.9%</b>	<b>2.6%</b>	<b>42.9%</b>	<b>46.4%</b>	<b>10.7%</b>
Education & Training	35.3%	64.7%	0.0%	41.2%	47.1%	11.8%
Health Care & Social Assistance	42.9%	52.4%	4.8%	45.5%	45.5%	9.1%
<b>All Industries</b>	<b>39.8%</b>	<b>55.4%</b>	<b>4.8%</b>	<b>43.9%</b>	<b>45.6%</b>	<b>10.5%</b>

# Industry breakdown - Skilled Migration

## What have been the main reasons for being unable to hire staff with the right skills?

	International border closures mean we can't recruit from overseas	Lack of Working Holiday Makers / international students
Agriculture, Forestry & Fishing	0%	13%
Mining	0%	0%
Construction	4%	0%
Retail Trade	4%	7%
Accommodation & Food Services	42%	53%
Arts & Recreation Services	8%	0%
Other Services	17%	0%
Information Media & Telecommunications	0%	0%
Financial & Insurance Services	0%	0%
Rental, Hiring & real Estate Services	0%	0%
Professional, Scientific & Technical Services	0%	7%
Administrative & Support Services	0%	0%
Public Administration & Safety	0%	0%
Manufacturing	8%	0%
Electricity, Gas, Water & Waste	0%	7%
Wholesale Trade	8%	13%
Transport, Postal & Warehousing	0%	0%
Education & Training	4%	0%
Health Care & Social Assistance	4%	0%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

Note: the percentages above are the percentage of total respondents that agreed to the option 'International border closures mean we can't recruit from overseas' or 'Lack of Working Holiday Makers / international students'.

# Industry breakdown - Working from home

If you are an employer, how often are staff generally working from home at the moment?

	Working full-time at home	Working part-time at home and part-time at the workplace	Working full-time at the workplace	Not applicable / not an employer	Other (please specify)
Agriculture, Forestry & Fishing	0%	25%	33%	17%	25%
Mining	-	-	-	-	-
Construction	0%	8%	81%	8%	4%
Retail Trade	4%	11%	45%	26%	13%
Accommodation & Food Services	0%	4%	47%	31%	18%
Arts & Recreation Services	21%	38%	21%	15%	6%
Other Services	9%	14%	45%	17%	16%
Information Media & Telecommunications	33%	25%	25%	8%	8%
Financial & Insurance Services	0%	20%	60%	0%	20%
Rental, Hiring & real Estate Services	20%	20%	20%	40%	0%
Professional, Scientific & Technical Services	27%	33%	12%	21%	8%
Administrative & Support Services	17%	17%	17%	50%	0%
Public Administration & Safety	-	-	-	-	-
Manufacturing	0%	13%	69%	13%	6%
Electricity, Gas, Water & Waste	0%	25%	75%	0%	0%
Wholesale Trade	8%	46%	31%	8%	8%
Transport, Postal & Warehousing	13%	25%	50%	13%	0%
Education & Training	24%	24%	12%	35%	6%
Health Care & Social Assistance	0%	45%	27%	18%	9%

Note: the percentages above are the percentage of respondents from that industry that agreed with each option.



# Industry breakdown - Working from home intentions

	No change	Transitioning to working in the workplace full-time	Transitioning to working at home full-time	Transitioning to working part-time at home and part-time at the workplace	Other (please specify)
Agriculture, Forestry & Fishing	75%	0%	0%	17%	8%
Mining	-	-	-	-	-
Construction	85%	0%	0%	8%	8%
Retail Trade	63%	3%	2%	22%	11%
Accommodation & Food Services	65%	2%	2%	25%	7%
Arts & Recreation Services	63%	14%	3%	14%	6%
Other Services	69%	3%	1%	15%	12%
Information Media & Telecommunications	78%	0%	0%	11%	11%
Financial & Insurance Services	83%	17%	0%	0%	0%
Rental, Hiring & real Estate Services	71%	0%	0%	29%	0%
Professional, Scientific & Technical Services	69%	7%	2%	20%	2%
Administrative & Support Services	38%	13%	0%	38%	13%
Public Administration & Safety	-	-	-	-	-
Manufacturing	75%	13%	0%	13%	0%
Electricity, Gas, Water & Waste	100%	0%	0%	0%	0%
Wholesale Trade	58%	33%	0%	8%	0%
Transport, Postal & Warehousing	63%	25%	0%	13%	0%
Education & Training	59%	9%	5%	27%	0%
Health Care & Social Assistance	64%	9%	9%	18%	0%