



# Small Business Momentum Survey



Small  
Business  
Commissioner

November 2022

# Overview



The NSW Small Business Commission (the Commission) regularly engages with small businesses across the State through the monthly Momentum Survey. This report summarises key insights, trends and data from the survey conducted in November 2022.

Small business confidence has stabilised over recent months with a modest increase recorded for the second consecutive month in November. The percentage of businesses indicating they were confident in their own business prospects rose 2 percentage points to 32 per cent, however confidence remains weaker than earlier in the year.

Businesses continue to navigate a complex and challenging operating environment. Ongoing challenges include increasing input costs (including energy), staff shortages, higher interest rates, extreme weather events, global instability and economic uncertainty.

Expectations about revenue and profitability weakened further in November, with only one in ten businesses expecting profits to increase over the summer and holiday period. Escalating costs and concerns about predicted energy price increases continue to appear to account for the expected decline in profitability reported by some respondents.

The online survey was completed between 1 and 30 November with more than 600 small businesses across NSW responding.



## Confidence

32 per cent of businesses indicated they were confident about their individual business prospects.



## Concerns

84 per cent of businesses indicated they were concerned about the cost of business inputs.



## Challenges

28 per cent of businesses with operations on digital platforms reported difficulties.



## Staff

56 per cent of businesses that have plans to expand are looking to hire additional staff.



## Expansion

36 per cent of businesses indicated they have plans to grow, alter or expand operations.



## Profitability

10 per cent expect profitability to increase, compared to 43 per cent expecting a decline.



## Revenue

16 per cent expect revenue to increase, compared to 36 per cent expecting a decline.



## Local economy

21 per cent of businesses indicated they were confident about their local economy.



Confidence up in November

“I’m concerned about my business prospects given interest rate increases, fuel & electricity prices and the cost of living.”

# Business conditions



Confidence levels have remained subdued throughout the second half of 2022, coinciding with challenging trading conditions, interest rate rises and persistent inflationary pressures.

The number of businesses looking at new ways of doing businesses increased in November. Around two in five businesses (36 per cent) indicated they currently have plans to grow, alter or expand their operations (up from 32 per cent in October). Of those businesses with plans to expand, more than half (56 per cent) indicated they either had plans to hire additional staff or improve the range and/or quality of products and services.

The percentage of small businesses expecting an increase in revenue and profit over the next three months declined for a second consecutive month in November. Despite the peak summer and holiday period starting next month, the outlook of many small businesses remains dampened by rising business costs. Only 16 per cent of businesses indicated they expect revenue to increase over the next three months, while 36 per cent expect revenue to decrease over the same period.

## Confidence

Small business confidence rose 2 percentage points in November to 32 per cent. Businesses in Greater Sydney are marginally more confident (33 per cent) about their own prospects than businesses in regional and rural NSW (31 per cent).

## Business performance

Business performance indicators moderated further in November. The percentage of businesses indicating they expect revenue and profits to decline remains significantly larger compared to those that expect an improvement.

## The business environment

The cost of business inputs is the top concern for small businesses for an eight consecutive month, with 84 per cent expressing concern. The next highest concerns were predicted retail electricity and gas price increases, followed by cash flow and availability of working capital, with 79 and 71 per cent expressing concern respectively.

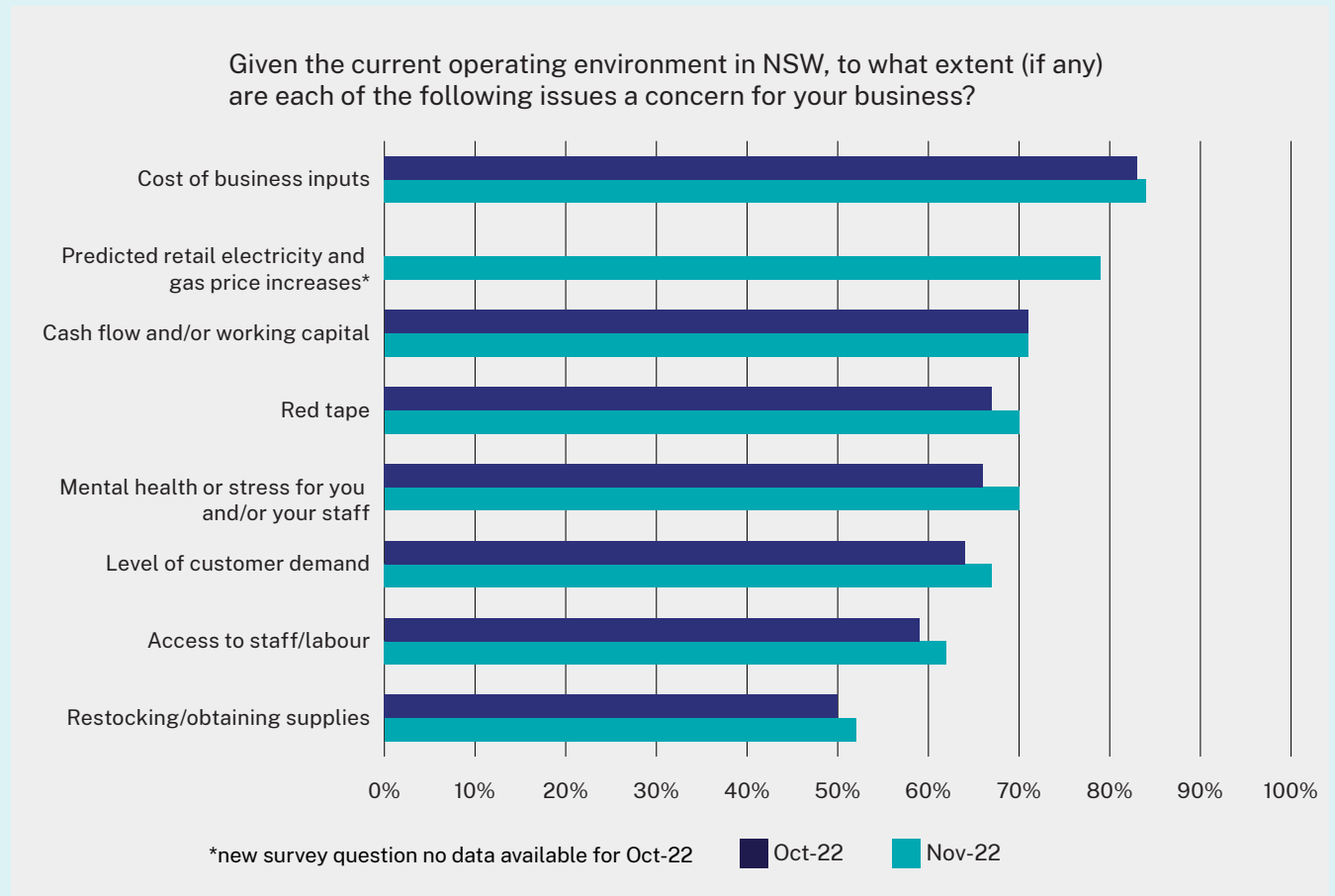


# Business conditions



“Electricity prices are our biggest concern, if the predicted increase reported by the Federal Government occurs this will force us to close.”

## Business concerns



# Detailed results



## Confidence

	Confidence – in own business prospects <sup>#</sup>		Confidence – in local economy <sup>#</sup>	
	November 2022	October 2022	November 2022	October 2022
Extremely confident	6.2%	6.7%	2.4%	1.7%
Fairly confident	26.2%	23.8%	18.8%	19.2%
About the same	23.1%	30.7%	27.8%	29.4%
Fairly worried	31.4%	27.9%	41.5%	39.3%
Extremely worried	13.1%	10.9%	9.6%	10.3%
<b>Extremely or fairly confident</b>	<b>32.3%</b>	<b>30.5%</b>	<b>21.1%</b>	<b>20.9%</b>

Business size	n	% sample	Confidence*
Non employing	219	33.1%	31.2%
1 – 4 employees	235	35.6%	32.4%
5 – 19 employees	162	24.5%	35.2%
20 – 199 employees	45	6.8%	27.9%
<b>Total</b>	<b>661</b>	<b>100.0%</b>	<b>32.3%</b>

Location	n	% sample	Confidence*
Greater Sydney	367	56.2%	33.3%
Regional and Rural NSW	286	43.8%	31.4%
<b>Total</b>	<b>653</b>	<b>100.0%</b>	<b>32.3%</b>

<sup>#</sup>Confidence figures weighted according to industry share of the small business population.

\*Confidence figures refer to share of businesses indicating they are confident about their own business prospects. Caution should be taken when interpreting results for categories with a small sample size.

# Detailed results



## Confidence

Industry	n	% sample	Confidence*
Agriculture, Forestry and Fishing	36	5.4%	20.0%
Mining	6	0.9%	16.7%
Manufacturing	24	3.6%	26.1%
Electricity, Gas, Water and Waste Services	11	1.7%	40.0%
Construction	82	12.4%	37.0%
Wholesale Trade	25	3.8%	29.2%
Retail Trade	63	9.5%	18.3%
Accommodation and Food Services	38	5.7%	23.5%
Transport, Postal and Warehousing	19	2.9%	44.4%
Information Media and Telecommunications	18	2.7%	41.2%
Financial and Insurance Services	49	7.4%	41.3%
Rental, Hiring and Real Estate Services	30	4.5%	37.9%
Professional, Scientific and Technical Services	75	11.3%	33.3%
Administrative and Support Services	11	1.7%	0.0%
Public Administration and Safety	1	0.2%	100.0%
Education and Training	12	1.8%	44.4%
Health Care and Social Assistances	47	7.1%	35.6%
Arts and Recreation Services	15	2.3%	40.0%
Other Services	99	15.0%	29.3%
<b>Total</b>	<b>661</b>	<b>100.0%</b>	<b>32.3%</b>

\*Confidence figures refer to share of businesses indicating they are confident about their own business prospects. Caution should be taken when interpreting results for industries with a small sample size.

# Detailed results



## Revenue and profitability

	Revenue change – Past 3 months <sup>#</sup>		Revenue change – Expected over next 3 months <sup>#</sup>		Profitability change – Past 3 months <sup>#</sup>		Profitability change – Expected over next 3 months <sup>#</sup>	
	November 22	October 22	November 22	October 22	November 22	October 22	November 22	October 22
Increase	20.6%	18.2%	16.2%	18.1%	11.4%	10.8%	9.8%	12.1%
No change	35.3%	41.9%	40.9%	43.9%	31.9%	34.8%	40.0%	39.0%
Decrease	41.7%	39.2%	36.0%	30.5%	54.8%	53.7%	42.7%	41.5%
Unsure	2.4%	0.7%	6.9%	7.4%	2.0%	0.7%	7.5%	7.4%

<sup>#</sup>Revenue and profitability figures weighted according to industry share of the small business population.

## Business expansion

Plans to grow, alter, or expand business operations? <sup>#</sup>	November 22		October 22	
	Yes	No	Yes	No
Yes	36.4%	46.0%	31.8%	50.1%
No	46.0%	17.6%	50.1%	18.1%
Unsure	17.6%		18.1%	

<sup>#</sup>Weighted according to industry share of the small business population.

Nature of plans (of those who indicated 'yes') <sup>~</sup>	November 22		October 22	
	Yes	No	Yes	No
We have plans to hire additional staff	56.3%	35.4%	56.6%	41.6%
We have plans to purchase/rent additional property, plant and/or equipment	35.4%	32.3%	41.6%	30.0%
We have plans to establish or expand our online business	32.3%	56.2%	30.0%	55.4%
We have plans to improve the range and/or quality of our products and services	56.2%	15.2%	55.4%	15.5%
Other	15.2%		15.5%	

<sup>~</sup>Respondents able to select multiple options; weighted according to industry share of the small business population; n=218.

# About the Commission



Small  
Business  
Commissioner

## Our purpose

The NSW Small Business Commissioner is an independent statutory appointment that operates under the Small Business Commissioner Act 2013.

The Commissioner:

- **Is independent**
- **Is a source of information and guidance for NSW small businesses**
- **Advocates to reduce red tape**
- **Facilitates and encourages the fair treatment of small businesses**
- **Promotes greater partnership between government and small business**
- **Conducts mediation to resolve disputes.**

## What we do

We help resolve issues affecting small businesses across the State and influence changes in Government policies.



We ensure that small business needs are front of mind in NSW Government decision-making.



We advocate for small businesses, providing information resources, strategic advice and practical guidance to tens of thousands of businesses each year.



We provide a cost-effective dispute resolution service to help keep leasing disputes and other small business disagreements out of court.

## Contact us



**Call us**

1300 795 534



**Get more information**

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## Methodology

Fieldwork conducted between 1 November to 30 November 2022 with 661 respondents. The survey is conducted through an online survey platform.

Selected businesses are invited to participate, with the sample randomly drawn. Where indicated, figures are weighted according to each industry's share of the small business population. Smaller sample sizes mean that results for individual industries and other categories should be treated with caution.

Figures may not align with the total percentage as respondents were able to select multiple options for certain questions.

Please contact the Small Business Commission for more information about survey methodology.