



Australian Government



National Skills Commission

Impacts of COVID-19 – business’ operating capacity

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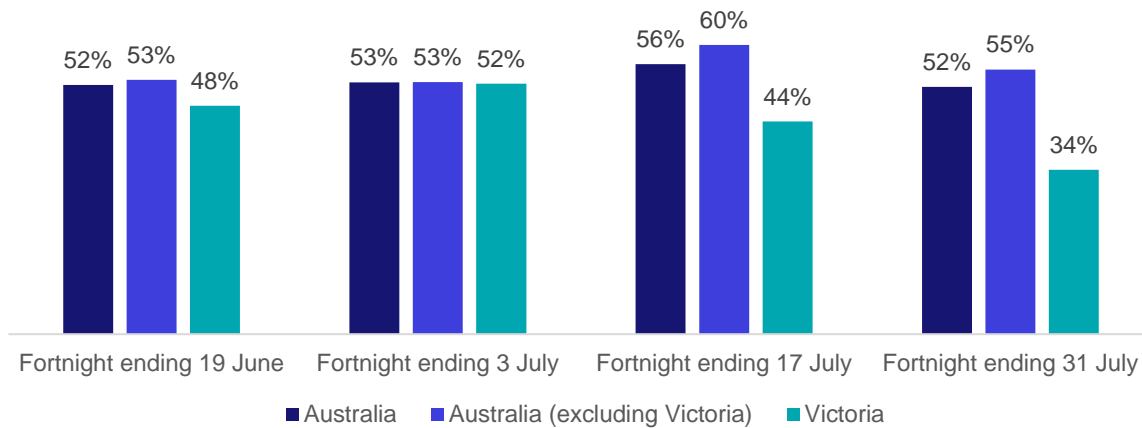
The National Skills Commission is currently conducting a survey of businesses across Australia to assess the impact of the COVID-19 pandemic. This report provides information on whether businesses were operating at ‘full capacity’. A business may report that they were not operating at full capacity if they had reduced business hours; operated with reduced services (e.g. only offering takeaway for restaurants); or had reduced staffing levels since the pandemic hit.

Recent declines in businesses operating at full capacity

In the fortnight ending 31 July, 52 per cent of all businesses reported that they were operating at full capacity. This represents a fall from the fortnight ending 17 July, with 56 per cent of businesses reporting that they were operating at full capacity.

The increase in COVID-19 cases in Victoria and associated restrictions has led to a larger fall in the proportion of businesses operating at full capacity in that state than in other jurisdictions. In the fortnight ending 31 July, just over one third of businesses in Victoria were operating at full capacity, compared with 55 per cent of businesses across the rest of Australia.

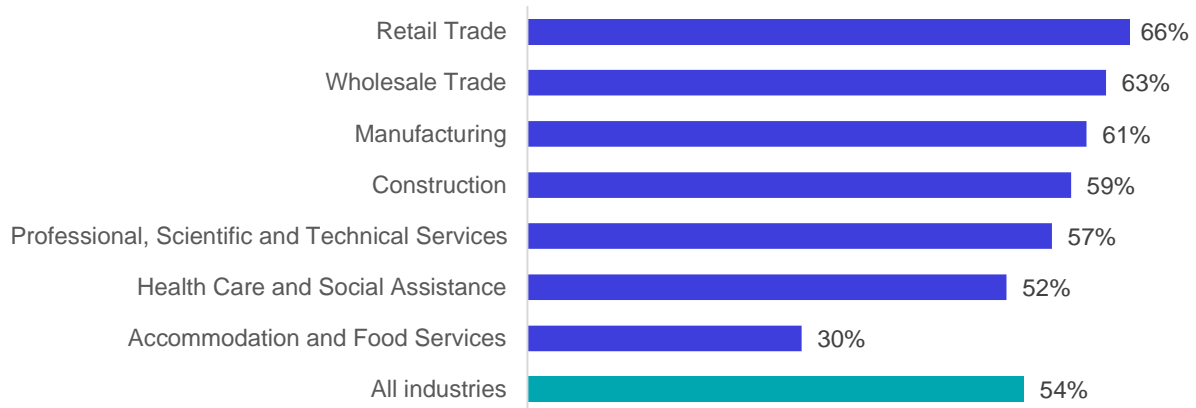
Proportion of businesses operating at full capacity



Industry

In July, the Retail Trade, Wholesale Trade and Manufacturing industries were most likely to report that they were operating at full capacity (66 per cent, 63 per cent and 61 per cent respectively). This compares with less than one in three businesses in Accommodation and Food Services operating at full capacity, while around half the businesses in Health Care and Social Assistance were operating at full capacity.

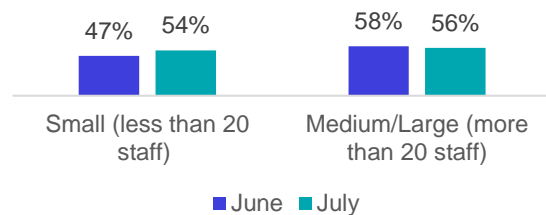
Proportion of businesses operating at full capacity - selected industries



Size of business

The proportion of small businesses (less than 20 staff) operating at full capacity has increased to 54 per cent in July, from 47 per cent in June. In the same period, the proportion of medium and large businesses (those with 20 or more staff) operating at full capacity, decreased slightly from 58 per cent to 56 per cent.

Proportion of businesses operating at full capacity - business size

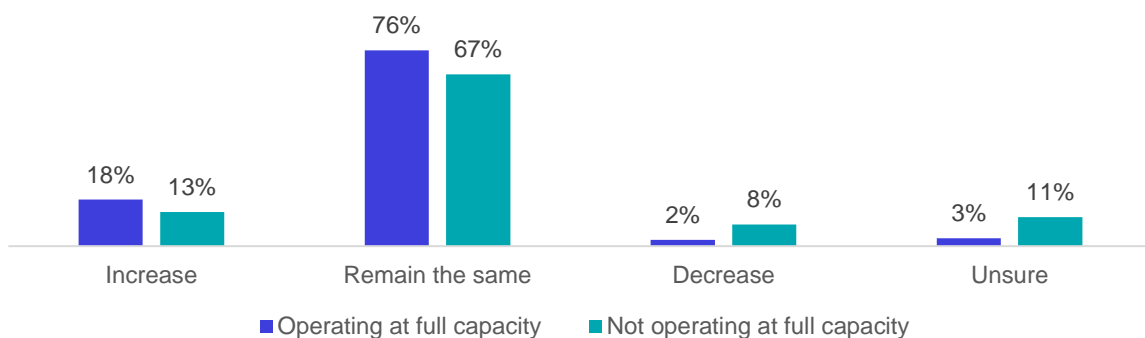


Future outlook

Businesses not operating at full capacity were more likely to expect staffing levels to decrease in the future, compared with other businesses in July (8 per cent and 2 per cent respectively). Additionally, for businesses not operating at full capacity, a larger proportion were unsure of future staffing levels compared with those businesses operating at full capacity (11 per cent and 3 per cent respectively).

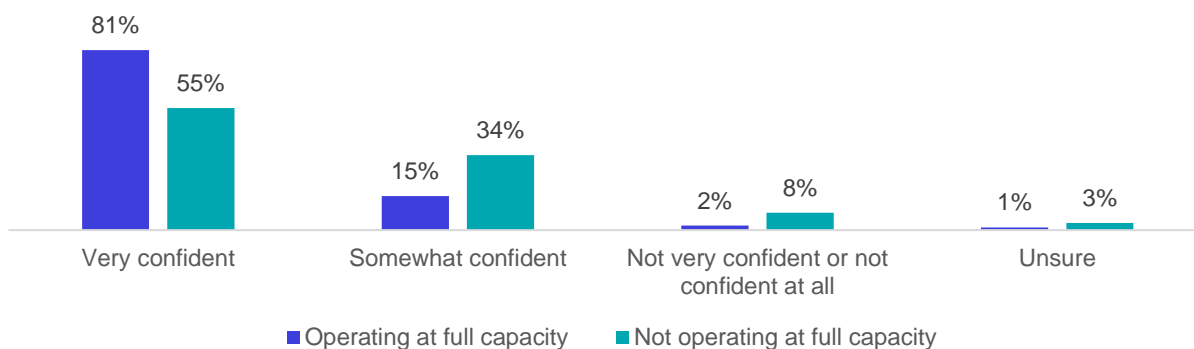
Furthermore, a higher proportion of businesses operating at full capacity expected to increase staffing levels than businesses not operating at full capacity (18 per cent and 13 per cent respectively).

Future staffing expectations



Businesses not operating at full capacity were less confident than other businesses that they will stay open for the next six months. In July, approximately 55 per cent of businesses not operating at full capacity reported that they were 'very confident' that they will stay open for the next six months. This compares with 81 per cent of businesses operating at full capacity. On the other hand, around 2 per cent of businesses that reported operating at full capacity were not very confident, or not confident at all, of staying open for the next six months, compared with 8 per cent of businesses not operating at full capacity.

Confidence of staying open for the next six months



Comments from businesses¹

- We have been greatly affected since the onset of the pandemic. We were closed for some time and we are still not open our usual trading hours, meaning our staff are also on reduced hours. (Hairdresser, Greater Perth)
- Our business now only operates three days per week - from Tuesday to Thursday, but we are still very confident we will stay open for the next six months. (Architects, Greater Hobart)
- We are just doing takeaway now, and we have fewer customers and the business is quieter than in the first lockdown. (Café, Greater Melbourne)
- Our shop is currently operating as an online only business. (Bookstore, Greater Melbourne)
- We are home builders and all our display homes are shut. Usually, we get 80-100 contracts a month. In the last six weeks, we have had one. We are hoping things will turn around and want to keep our team in the coming months, even though we have had to cut their hours (Residential construction, Greater Melbourne)
- We have claimed all the assistance we can, but still all our staff are on reduced hours and only work four days a week. These are very hard times for our business. (Waste management, Greater Adelaide)
- We have only just re-instated staff who were stood down or who were not working but on JobKeeper. We couldn't operate as normal, so we only had the bottle shop and kitchen open, for takeaway only. (Pub, Rest of SA)

For more information on these findings or this survey, email employmentpathwaysanalysis@skillscommission.gov.au

¹ Comments are based on the notes recorded by interviewers. In some cases, these have been amended slightly to reflect the context of the direct conversations with employers.