

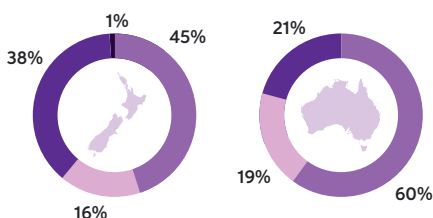
JULY 2023

The Mid-market Construction Snapshot

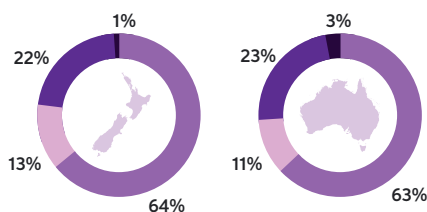
Despite some significant cost pressures and ongoing skills-shortages, mid-sized construction businesses on both sides of the Tasman are performing well and are bullish about the future. These businesses are also making major innovation investments and becoming increasingly digitised. Focusing on technology – especially through centralised cloud workflows – should help the industry tackle key challenges, including poor visibility around workflow, capacity and costing.

Business performance

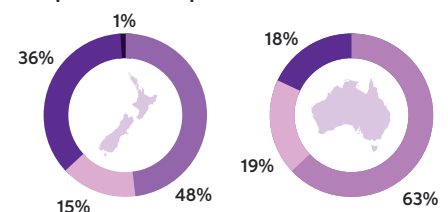
At the present time, is your business revenue (or gross turnover or sales) up or down on a year ago, or about the same?



And how do you expect your business revenue (or gross turnover or sales) in 12 months' time to compare with your business revenue at the present time?



Please indicate how much work you have got on, or what sales you have in the pipeline, in the next 3 months, compared to what you would usually expect for this period?



● Revenue up ● Revenue down ● Revenue about the same ● Don't know

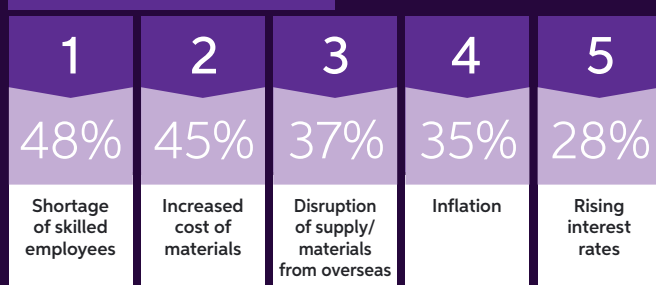
● More ● Less ● About the same ● Don't know

Business challenges

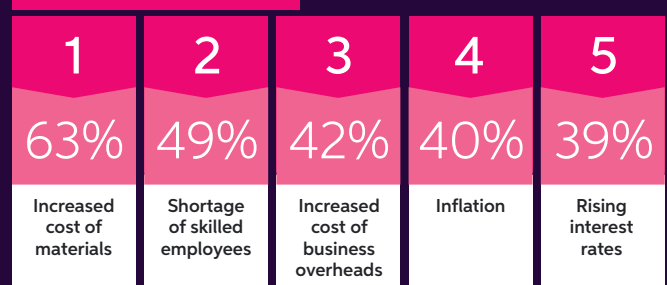
Mid-sized construction businesses we surveyed in Australia and New Zealand are fairly confident about the prospects for the local economy over the next 12 months, with 53% of Australian businesses and 46% of New Zealand businesses expecting the economy to improve. However, many are still facing significant challenges like rising costs, skills shortages, and disrupted supplies.

What are the biggest challenges facing your business today?

NEW ZEALAND – TOP FIVE



AUSTRALIA – TOP FIVE



What do you think will be the biggest challenges facing your business over the next six months?

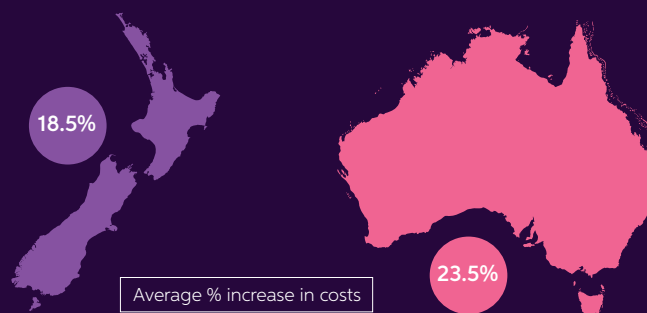
NEW ZEALAND – TOP FIVE

- 1 Increased cost of goods > 41%
- 2 Shortage of skilled employees > 39%
- 3 Disruption of supply/ materials from overseas > 32%
- 4 Increased cost of business overheads > 30%
- 5 Inflation > 28%

AUSTRALIA – TOP FIVE

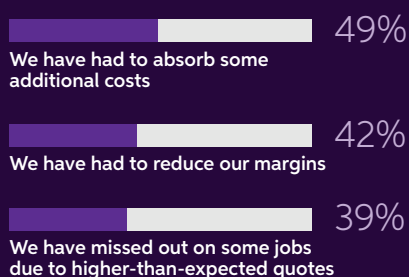
- 1 Increased cost of goods > 48%
- 2 Shortage of skilled employees > 47%
- 3 Inflation > 39%
- 4 Rising interest rates > 36%
- 5 Low availability of resources/materials needed for our business > 32%

By how much do you estimate the cost of construction materials and other goods for your business, have increased over the last year?

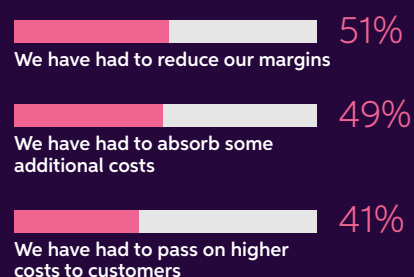


What impact has this had on your business?

NEW ZEALAND



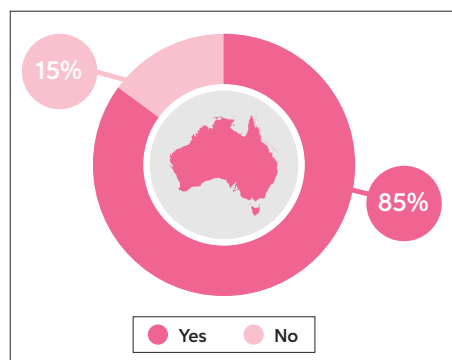
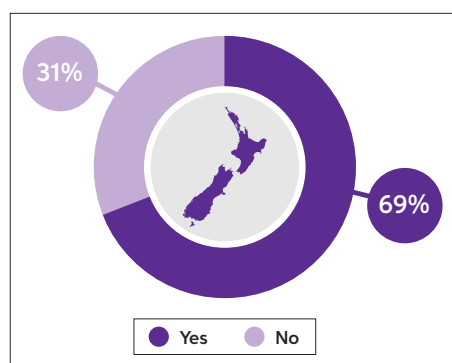
AUSTRALIA



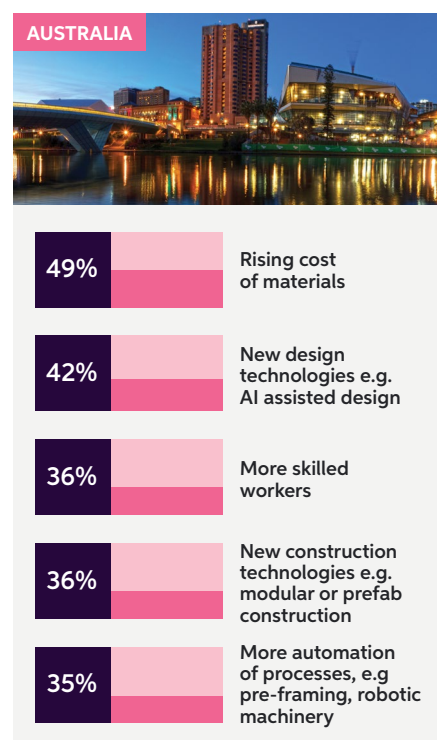
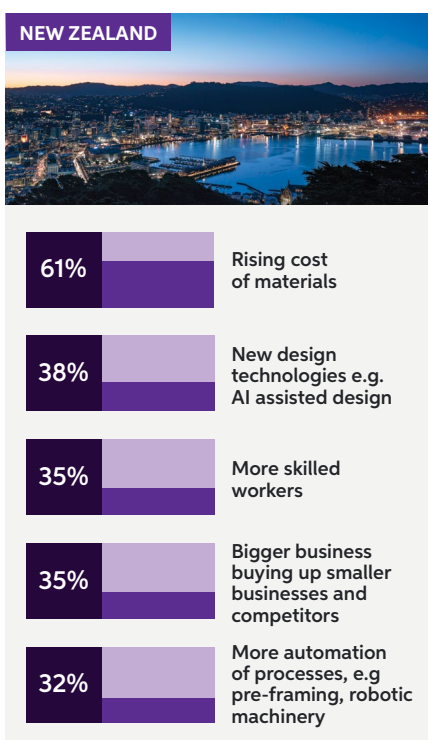
Innovation and change

With a large number of organisations expecting to see significant change in the sector over the next five years, mid-sized construction businesses MYOB polled have been investing in technological solutions and increased automation in order to drive greater efficiency.

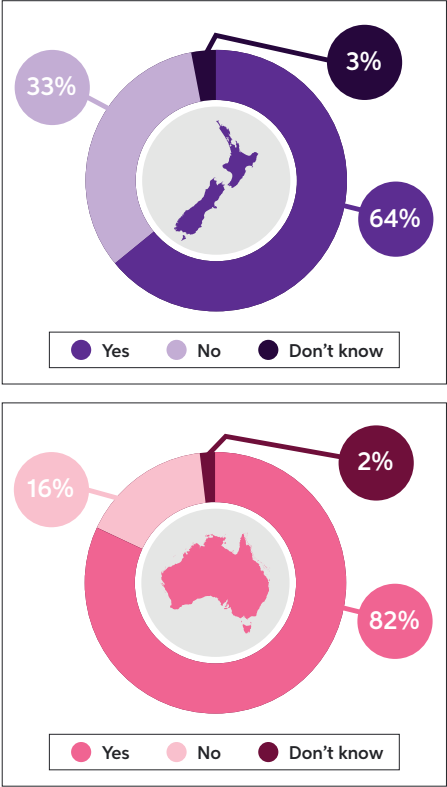
Do you believe your industry will change significantly in the next five years?



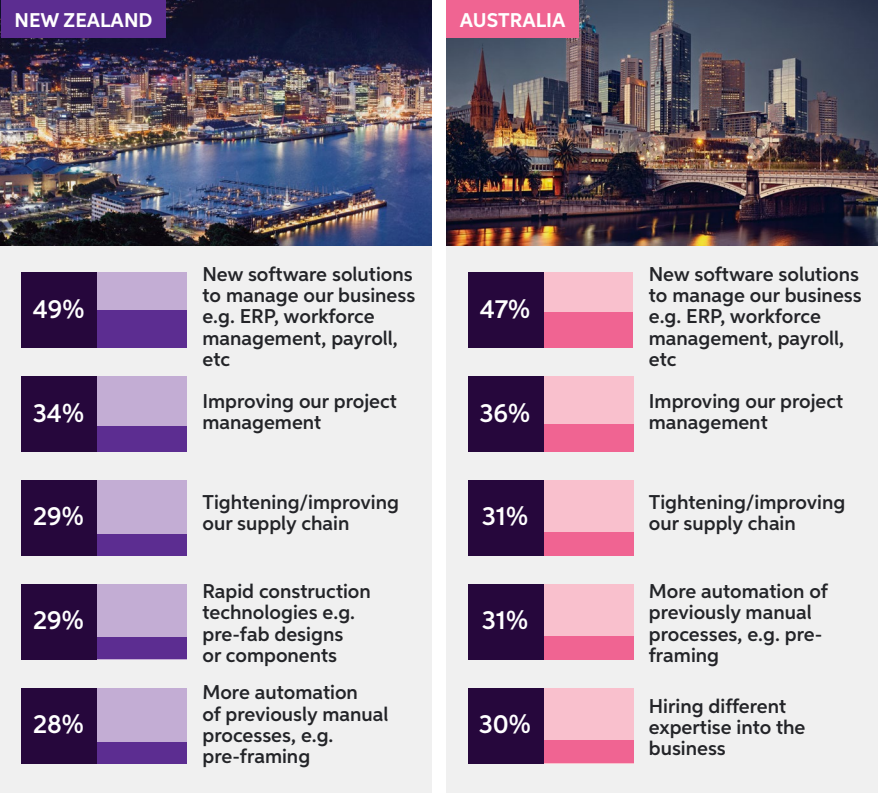
What do you see as being the biggest changes over the next five years shaping your industry?



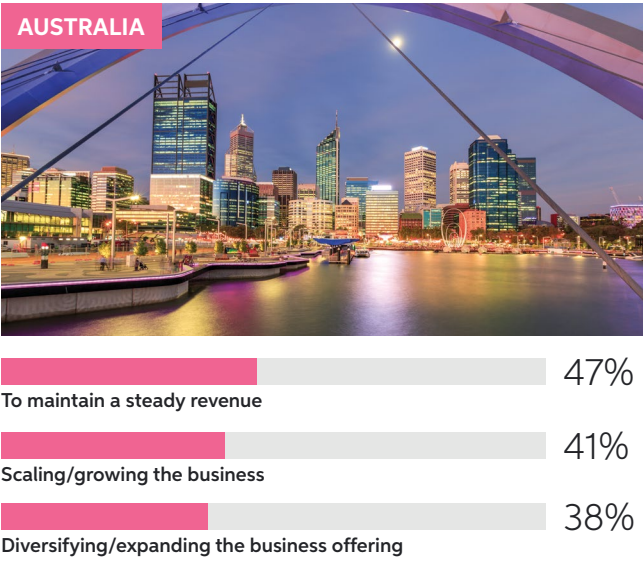
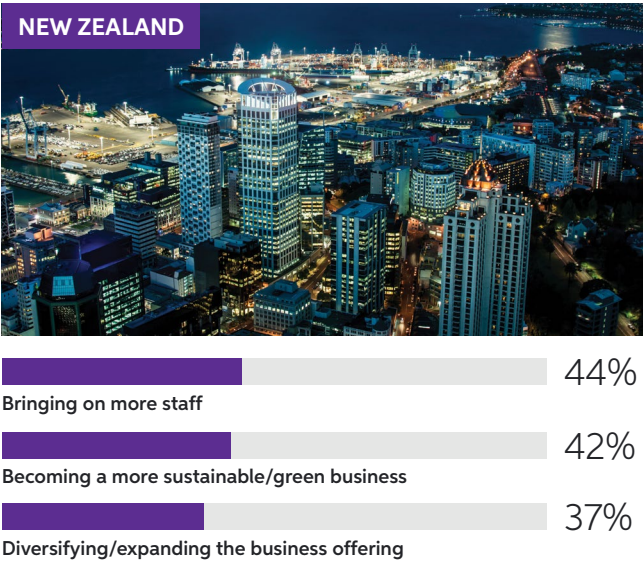
Has your business invested in innovation over the past 12 months?



Looking ahead to the next 12 months, what do you plan to innovate/change in your business?



Which of the following best describes your top ambitions for the next 12 months? (Top 3)



Increasing business digitisation

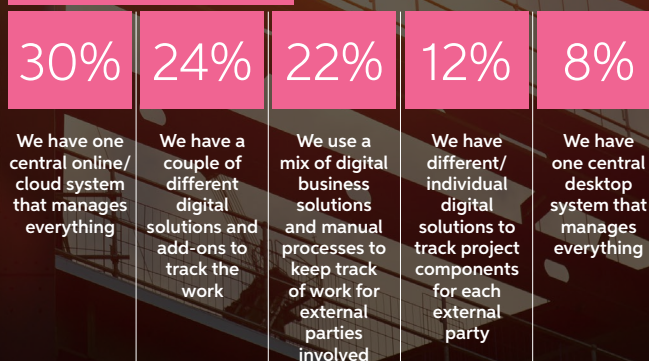
Mid-sized construction businesses are increasingly digitising their operations, supporting workflow and providing greater visibility over key activities and costs. In New Zealand, over 57% of mid-sized construction businesses surveyed conduct more than half of their business operations using digital technology, tools and software, while 49% of Australian businesses surveyed currently have that level of digitisation. However, nearly twice as many Australian businesses polled are using a cloud solution compared to New Zealand.

Which of the below best describes the set-up of your current systems in terms of how you manage or keep track of work conducted/required for external parties on your projects?

NEW ZEALAND – TOP FIVE



AUSTRALIA – TOP FIVE



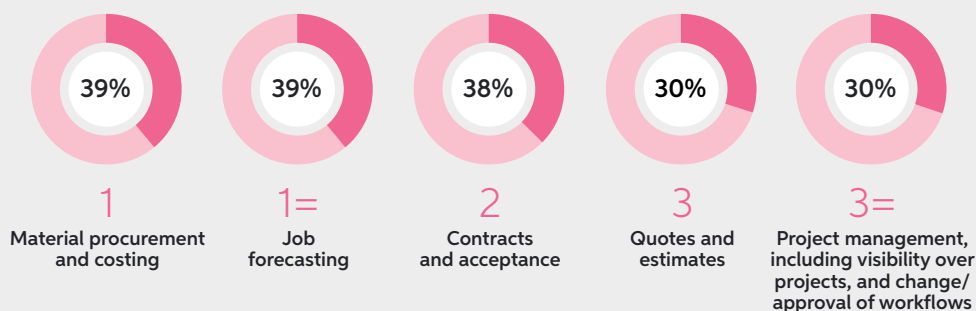
Which of the following workflow actions/functions are the biggest challenge for your business at the moment? (Top 5)



NEW ZEALAND



AUSTRALIA



About the survey

Research for MYOB's Mid-market Construction Snapshot was conducted by Dynata. A combined total of 274 mid-market business leaders and decision makers (with between 20 and 500 employees) in the construction sector from Australia and New Zealand, took part in the survey. Respondents were sampled from the Dynata online business profile panel sources, and screened to ensure they met the qualifying criteria. The survey was conducted from 27th April-29th May 2023.

About MYOB Enterprise

Scalable to meet the needs of growing businesses (from 20-1,000+ FTEs), MYOB Enterprise offers an integrated, all-in-one business management platform that helps mid-market businesses achieve their ambitions by connecting critical workflows through Enterprise Resource Planning, Customer Relationship Management, Payroll, and Workforce Management solutions – all backed by world-class software tailored specifically for the Australian and New Zealand markets. MYOB Enterprise also offers leading practice management solutions for Professional Services businesses. MYOB's award-winning Advanced Business platform (powered by Acumatica) has been rated 4.5/5 stars by mid-market customers across Gartner's Digital Market brands (Capterra, GetApp and Software Advice), and is named as a shortlist recommendation and 2021 category leader across the sites. MYOB Advanced has also been independently recognised as a leader in innovation through the global SaaS Awards and named an ABA100 Winner in The Australian Business Awards 2022 for ERP Innovation and Cloud Innovation.

For more information, visit myob.com or follow MYOB on social channels.

