Capricornia Business Dashboard

Research report

August 2014

Susan Kinnear and Gail Tucker

Prepared for:

CAPRICORNIA CHAMBER OF COMMERCE
CCIQ Capricornia

Regional Development Australia
FITZROY AND CENTRAL WEST INC

Queensland Government

Executive summary

Background

The Capricornia Business Dashboard project was initiated in response to questions about the current status of the local economy, trends in local business activity and growth, and how growth in local businesses can be better supported. The Dashboard project is a collaborative initiative between the Capricornia Chamber of Commerce, Regional Development Australia (Fitzroy and Central West) and the Queensland Government. A clear focus for the project was to understand the local business environment, with a focus on the ways that the project partners can support local businesses as they cope with challenging and changing times.

CQUniversity Australia was contracted to undertake the Phase 1 research component of the Capricornia Dashboard project, with Phase 2 involving the identification and prioritisation of business support activities to be offered within the region over the coming 12 months.

This report presents the results of the baseline research, together with suggestions for ways to best support local business activity in the near-term, based on the available data. The information is presented through three sections:
- a thematic overview (a series of key results);
- factsheets describing key trends for business in each of four economic pillars (agriculture, construction, resources and tourism); and
- key recommendations.

Information about specific business support activities that will be planned and/or offered in the Capricornia region will be made available from the project partners at a later date.

Methods

The Dashboard project was based on both primary and secondary data collection. An online survey was conducted over a three-week period (May-June 2014) in order to collect information directly from local businesses. The key topics explored in the e-survey included items on business structures and locations, age profiling and succession planning, trends in business activity, diversification, exporting, marketing, skills and training, innovation, and business engagement and support. This was later followed up by further data collection, made possible through the use of electronic 'clicker' devices during a business engagement evening.

Two batches of secondary data were also used during the project: these included statistics available from the Australian Taxation Office, regarding the number and nature of different business entities in the study area; and tailored datasets obtained from the Australian Bureau of Statistics relating to Census data and other business collections.

Capricornia local business profile

Across the combination of e-survey and interactive event, at least 240 unique businesses provided data for the project, which made the Capricornia Dashboard one of the largest business research activities undertaken in the region in the past decade.

The e-survey attracted participation from almost 200 local businesses, representing about 3,500 employees. Approximately 15% of these staff were engaged on a casual basis.

Based on a comparison between the e-survey data and the published information available from the ABS, the participants profile was generally representative of the business community overall. There was a strong showing from the construction, retail and services, but less so from other parts of the economy, such as agriculture, manufacturing and transport.

In terms of business profiling, the research data highlighted:

- a trend for businesses to be involved in more than one economic pillar (including up to four pillars), which suggests a multifaceted and diverse local economy;
- a strong pattern between business size and length of trading, with micro-businesses typically being amongst the youngest in the cohort;
- a reliance on physical 'shop-front' business models, with just 2% of businesses indicating that they operated entirely without premises; and
- variation in the number of home-based business operations by location, with Livingstone having twice as many as Rockhampton (despite being proportionally much smaller).

There were surprisingly few examples of businesses that operated premises in both the Rockhampton and Livingstone local government areas, despite the close proximity of these locations and the close connections between their economies.

Research highlights

Trends in business activity
The picture that emerged for business activity in the Capricornia region in the past 12 months was one of generally difficult times for local operators.

There has been a modest slowdown in the growth of new business registrations in the Capricornia region, with a 7% decline evident for 2012-13 and forecasted 14% decline for 2013-2014.

Almost half of participants in the e-survey indicated that business activity in their own firm had declined in the past 12 months; with only 19% of participants indicating that activity had increased. Similar perceptions were also recorded for overall business activity (that is, all businesses in the region combined).

One third of participants reported decreased business turnover in the range of 11-50% decline. By contrast, whilst a further one-third reported increased turnover, these tended to occur in modest growth categories (1-10%).

Fortunately, the decline in business activity does not appear to have yet impacted on employment, with around half of businesses reporting no change in their hiring patterns in the past 12 months.

Business wellbeing
With regard to the 'wellbeing' of the local business community, operators indicated that their key impacts were:

- competition from unlicenced or untrained operators (with 60% of businesses affected);
- adverse influences on work-life balance (with almost 75% of operators affected); and
- the need to take reduced wages to buffer the rising costs of running the business (with almost 60% of businesses affected).

Challenges and opportunities

Local businesses identified wages and energy as the two areas that were responsible for generating the greatest costs increases for their operations. Despite this, 40% of businesses did not wish to receive assistance to reduce energy costs, with only low levels of support being indicated for the provision of initiatives such as energy audits and education programmes.

The key internal challenges for local businesses were characterised by the 'three c's': these were customers (attraction/retention of a sustainable customer base), costs (responding to rising business costs) and competition. Meanwhile, the key external challenges were the stability of the local economy, followed by the priorities and budget decisions brought forward by the State government

Future growth aspirations

Despite the recent slowdown in economic activity, local business are focussed on maintain their business sustainability and growth into the future 12 months. An overwhelming majority (some 94%) of businesses had a goal to increase revenue growth, with aspirational targets being in the range of 10-50% growth.

Two-thirds of local businesses indicated that they were planning to diversify their business operations in the coming 12 months, and participants were interested in a range of measures to support this activity, including assistance with product development, market research and business planning.

Values and concerns of local business

Participants were invited to talk about the key things that were important to them, and/or that concerned them, as local business operators. A number of recurrent themes emerged from these data.

The major themes in terms of what was *important to* local businesses were:
- business survival and success (that is, practical issues about operating a business day-to-day);
- business values (that is, what is the operating philosophy of the business and/or community that supports it); and
- local and/or regional development issues, which were viewed as impacting on the business community more generally.

The major themes with respect to *the concerns of* local businesses were:
- difficulties with, or uncertainties about, business operations;
- the threat of competition and lack of support for local buy;
- overall economic conditions;
- government and red tape; and
- regional development.

Exporting

In relation to export activity by local businesses, a clear dichotomy emerged from the data, with those that were already exporting indicating that they would continue to do so, whilst those who were not had little interest in commencing exports.

Overall, less than half of participants indicated that they are currently exporting goods and/or services outside of the Rockhampton/Livingstone area.

Marketing

Marketing was identified by local businesses as a key area of interest. The e-survey participants indicated that online and print were their most preferred modes of marketing, with over 80% businesses currently using a website.

Almost two-thirds of participants indicated that their current marketing strategy was already effective, but nevertheless, there was strong support for further marketing assistance, including in the areas of marketing options, production of materials, and linkages to marketing expertise.

Employment

Of the participants in the e-survey, most local businesses expected their staffing numbers to remain steady, or grow, in the coming 12 months. However, approximately one-third of local businesses are already reporting difficulty in attracting quality staff into their business, with this problem being particularly acute for medium and large firms. By contrast, microbusinesses are more likely to be engaging staff on a casual basis and experience less difficulty in doing so.

Skilling and training

Approximately one in five local businesses in Capricornia already engage in regular or ongoing professional development activities; and half of the participants at the business engagement evening indicated that their current strategy for skills and training was effective. By contrast, there was a cohort of participants in the e-survey who were interested in skilling and training opportunities, but who felt that investing in this area was currently unaffordable within the business. In terms of business support, participants voted for a diversity of options with a particular preference for locally delivered training and conference events

Geography of markets and supply chains

The data analysis showed that four out of five local businesses *purchase* at least some goods and services in the local area, with less than one in five sourcing their needs from an international supplier.   Similarly, almost 85% of local businesses *sell* goods and/or services into the local area. However, that proportion decreases steadily for markets that are further afield, with only one in five businesses having overseas customers.

Although the geographic spread of local businesses' suppliers and customers appeared to be on par with national trends, the need for increased levels of local patronage was identified as a very important topic by local businesses participating in the e-survey.

Margin pressure

Approximately one-third of local businesses reported that they had not experienced a 'squeeze' on their operations (that is, downward pressure on pricing, driven by the customer base). However, approximately 25% of businesses reported a squeeze of 6-20%, and this is of concern for business sustainability, especially when combined with other challenges (such as the cash flow impacts of outstanding invoices).

Online technologies

The majority (89%) of local businesses already use online technologies, with the most common functions being for marketing, promotions and/or to communicate with customers. Interestingly, there was a trend for Facebook users to report both higher levels of positive sales activity and lower levels of sales decline compared with non-users[1].

Some 87% of businesses already use online purchasing, albeit for only a small proportion of their purchases. There was mixed opinions from the business community regarding the impacts of online shopping, with this being regarded as both an opportunity and a threat.

Finally, around half of the local businesses surveying indicated that they would like to implement new e-technologies in the coming year, however many are being delayed by a lack of knowledge in this area.

Innovation

Innovation is clearly regarded as being valuable for business operations in Capricornia, with over 80% of local businesses having undertaken some form of innovation in the past 12 months.   The most common forms of innovation were those in products/services or marketing methods areas, but access to funds as well as knowledge/technology were identified as key barriers to innovation.

Around 60% of local businesses spent 5% or less of their overall budget on research and development activities; although one-third of participants indicated that they intended to pursue more R&D activities in the coming 12 months.

---

[1] This is noted as a general trend only and has not been verified statistically.

Red tape

Approximately half of the participants in the e-survey indicated that 'red tape' issues were linked with negative impacts on their business, with one-third suggesting that red tape had substantially increased in past 12 months, particularly in the areas of financial governance and workplace health and safety.

Preferences for business support

Local businesses were provided with a list of 25 areas in which business assistance could be made available, with the most favoured options being those of marketing, e-business, mentoring, and network and alliance building. Additional information was also collected regarding assistance to access the resource sector: here, businesses preferred a suite of options, including capability building, marketing and networking. In terms of existing sources of support, local businesses are strongly supportive of accessing

local business/industry membership groups or private business coaches, with two-thirds of participants already being members of at least one business organisation.

Networking, collaboration and engagement

It was difficult to judge the existing and/or planned levels of business-to-business collaboration in Capricornia, with only scant information available. Notwithstanding this, business-to-business networking was strongly supported by local businesses, who demonstrated a preference for business development agendas to be driven through existing groups/associations. A number of businesses were also willing to be contacted with further information about Chamber membership or Queensland Government services and workshops.

Inter-regional comparisons

Using available data from 2011-12 and 2012-13, business trends from the Rockhampton/ Livingstone local government areas were compared with the regional centres of comparable size and nature (Cairns, Townsville, Mackay and Bundaberg). However, the overall position of the Capricornia region varied according to the metric used, and so it was not possible to make an overall conclusion regarding the region's comparative performance. Key results were as follows:

- the unemployment rate in Rockhampton and Livingstone peaked at around 8% at the end of 2013 – the second highest of the studied regions;

- Rockhampton's exit rate for businesses exceeded the entry rate in 2012-13 resulting in a decline in business numbers overall; but this trend was also observed in all other regions;
- Rockhampton recorded the second-lowest rate of business survival, behind Cairns;
- business growth in the Rockhampton area has been driven by large or medium-sized businesses, rather than small or micro-sized firms; which is consistent with what is being experienced elsewhere in regional Queensland; and
- insolvency activity in the Greater Rockhampton region is currently about the third-highest in the state.

Recommendations for business support

The Dashboard data collection represents one of the largest research activities undertaken with local businesses in recent years. Nevertheless, the study was constrained by the online mode of data collection and time limitations at the business engagement evening. A number of suggestions for increasing participation, as well as the useability of the results, as provided in the report.

A range of suggestions for business support activities that might be delivered in Capricornia are also described in the recommendations section. These may take various formats including workshops, focus groups, information strategies, or other tools for targeted assistance, and well as ongoing research.   Overall, the three key messages related to the recommendations are:

1. The priority areas for local business support in are those of marketing, online technologies, local buy practices, and the ability to engage and network with other local businesses;

2. Regardless of the theme area, or nature of business support, business demonstrated a clear preference for activities that are offered on a local, face to face basis; and

3. There is strong support for the use of existing business memberships and/or professional associations to progress local business agendas. Working in partnership with existing groups is recommended to engaging with local businesses and avoid duplication of effort, however, this first requires more information about the number and nature of existing groups and the support they offer.

Future Business Dashboard activity

The Businesses Dashboard approach could be expanded into a regular programme in Capricornia as well as elsewhere across regional Queensland. This would demonstrate leadership in understanding local business issues, as well as assist government (and its partners) in the design and prioritisation of locally tailored product offerings. It would also create a longitudinal dataset that could be used by businesses themselves to better understand and plan their business activities. However, it is important to acknowledge that primary data collection always represents a burden for local business operators. Prior to launching future studies, it is important that appropriate models of business engagement are identified to ensure that wide participation is achieved, and that the study design is carefully constructed to ensure maximum application and relevance of the results.

Contents

List of Tables

List of Figures

Abbreviations

ABS	Australian Bureau of Statistics
CCC	Capricornia Chamber of Commerce
CQU	CQUniversity Australia
DSDIP	Queensland Department of State Development, Infrastructure and Planning
DTMESB&GC	Queensland Department of Tourism, Major Events, Small Business & the Commonwealth Games
i.e.	that is
LGA	Local Government Area
R&D	research and development
RDA-FCW	Regional Development Australia Fitzroy and Central West
SME(s)	small to medium enterprise(s)
RTO	Registered training organisation
TAFE	(Institute of) technical and further education

1. Introduction

Small-to-medium enterprises (SMEs) play a significant role in regional economies. At the national level, SMEs account for approximately half of private-sector employment as well as representing approximately one-third of the value added from private sector industries (DIISRTE, 2012).

The aim of the Capricornia Dashboard project was to engage small to medium sized businesses (SMEs) across all sectors in an effective process to identify the key challenges they face. The project had two phases: (a) data collection through research and consultation and (b) data analysis for prioritisation of current and future business services and support.

The Dashboard project partners were the Capricornia Chamber of Commerce, Regional Development Australia (Fitzroy and Central West) and the Queensland Government. CQUniversity was contracted by the project partners to undertake the phase one data collection and reporting activities: this report presents the results of first phase of the project. The phase two activities will be undertaken by the project partners and reported separately, at a later date.

2.   Methods

For the Dashboard project, a mixture of primary and secondary data was sourced to help form an understanding of current business conditions, the opportunities and challenges faced by local business, and the overall position and trends of the Capricornia region relative to other Queensland regional centres.

Primary data collection was aimed at obtaining new and specific information from local businesses in the Rockhampton and Livingstone local government areas. The data were collected in two stages: an online research instrument and an interactive business event. This process allowed for an iterative research design – that is, the results from the e-survey were used to focus and tailor the questions that were asked during the business event[2].

The online research instrument (e-survey) was open from 22 May – 6 June 2014. It contained 52 substantive questions[3], designed to collect data regarding the industry and size characteristics of local business; recent business conditions; intentions for future trading and business growth; current and anticipated business challenges; existing approaches to marketing, people and training, purchasing and selling, internet and technology use and innovation; recent experiences of regulations and red tape, and preferences for business assistance. Participants were also given the opportunity to share information about their concerns regarding local business and the issues they felt were important in terms of local business

support. All businesses trading within the Rockhampton and/or Livingstone Regional Council areas were eligible to participate, regardless of size or sector[4]. A full copy of the research instrument is provided in Appendix A.

Almost 200 businesses participated in e-survey, representing one of the largest business surveys undertaken in the region in recent years. However, the average number of responses across the whole survey was 153, with a range of 54-190 (depending on the item). This variation in the response rates was partly a result of the skip-logic survey design[2], but also as well as some businesses choosing not to answer all questions fully. The largest groups of respondents were those from the retail trade, professional services and construction sectors; a full breakdown of the participant profile is provided in section three of this report.

The business engagement event was staged at CQUniversity Rockhampton on the evening of 17 June 2014, with 138 guests in attendance. Of these, 80+ people chose to participate in a facilitated, interactive session using audience response technology (more commonly known as 'clickers')[5]. Clickers are hand-held units that allow for rapid and anonymous data collection, with the results being made available in real-time to the audience. The session used a 'results-and-response' format, where selected results from the e-survey were shared with the audience, followed by posing one or more questions in order to capture more detailed information about the topic of interest.

The evening session comprised three questions to obtain business profiling data from the audience, followed by 17 questions covering items such as

---

[2] All activities were conducted under clearance from the CQUniversity Human Research Ethics Committee (H1404-082).

[3] This does not including additional questions relating to participant contact details and their interest in future products/services. No questions were compulsory, and some sections of the survey contained skip-logic, which meant that a participant may not have been exposed to all 52 questions. For example, those who indicated that they were not currently exporting would not have completed further items in the 'exporting' series.

[4] This included mobile and home-based businesses, and those businesses that are headquartered outside the local area, but which have trading premises within the Rockhampton and/or Livingstone council area.

[5] Note, not all guests were 'ABN representatives' and participation in the clicker session was entirely voluntary.

succession planning, preferences for business assistance in the areas of resource sector supply chains, exporting, energy costs, diversification, marketing, skills and training; a local buy campaign; innovation and networking. A further three questions were also included based on issues that had been raised by participants in the e-survey: these were work/life balance; absorbing rising costs; and the impact of unlicensed operators. Unfortunately, two additional questions on red tape and local business leadership could not be addressed due to time constraints.

Two batches of secondary data were also sourced for use in the project. Firstly, statistics relating to business activity in the Rockhampton region were refreshed for 2013 and 2014, using the same method as originally conducted by CQUniversity in 2011[6]. These data are drawn from the ABN Lookup database with collection based on postcode, with the Capricornia study area defined as the range 4698-4706 plus 4710, 4711 and 4714.

Secondly, via the RDAFCW project partner, tailored datasets were obtained from the ABS, such as Census data and other business collections. This included data relating to unemployment rates, business counts (entries and exits), labour markets and personal insolvency activity[7]. This information was of particular interest with respect to drawing inter-regional comparisons between Capricornia (Rockhampton and where appropriate, Livingstone) and other regional Queensland centres (Mackay, Townsville, Bundaberg and Cairns).

On the following pages, the results of the Dashboard data collection are presented in three areas:

- Section 3: an overview of the business activity, trends and preferences for business support, based on the combined results of the e-survey instrument, data collected during the business engagement evening, and the refreshed ABN Lookup figures,
- Section 4: additional information in 'factsheet' format, targeted to each of four economic pillars (agriculture, construction, resources and tourism[8]), and
- Section 5: inter-regional comparisons between Capricornia and other regional Queensland centres.

Finally, lessons learned and recommendations for future business support activity are presented in Section 6.

---

[6] Kinnear & Tucker, 2012, *Rockhampton Regional Industry Profile: identifying opportunities for innovation clustering,* CQUniversity Australia.

[7] At time of writing, information regarding local government rating information for commercial properties; business property data (e.g. vacancy rates for leased areas, and recent sales figures for business premises); business finance data (e.g. volume and value of new or expanded business loan applications and the rate of defaults on existing loans), and the number of staff shed from key local employers during 2013-14 was not available.

[8] These are the four priority 'pillars' as identified by the Queensland Government (2012).

3.   Results by thematic areas

3.1   Capricornia business profile

3.1.1   Profile based on ABS business count data

Business count data for the Capricornia Region[9] indicate that some 7,299 businesses were trading in the area, as at June 2013 (Table 1).

Based on these business counts, the top three industry sectors within the Capricornia region are construction (20%); agriculture, forestry and fishing (14.1%); and rental, hiring and real estate services (9.1%). A strong number of businesses are also represented by the retail trade; transport, postal and warehousing; and professional, scientific and technical services sectors (approximately 6-7% each).

However, almost 60% of these business counts are in fact non-employing entities. When non-employers are removed from the figures, the top five industry sectors change to:
- construction (22.4%),
- other services (10.2%),
- retail trade (9.6%),
- professional, scientific and technical services (9.1%), and
- accommodation and food services (8.0%).

Of the employing businesses, over half are small business (1-4 employees), with a further third being medium-sized (5-19 employees).

---

[9] Refer to footnote in Table 1 for a full definition of the Statistical Local Areas included in this sample.

Table 1   Counts of Businesses by industry division by employment size ranges, for Capricornia^, as at June 2013

Industry	Non – employing	1-4 employees	5-19 employees	20-199 employees	200+ employees	Total employees	Total (%)	Total (%) (employers only)
A Agriculture, Forestry & Fishing	874	101	42	12	0	1029	14.1%	5.2%
B Mining	27	17	9	12	0	65	0.9%	1.3%
C Manufacturing	108	62	56	24	0	250	3.4%	4.7%
D Electricity, Gas, Water & Waste Services	9	3	3	3	0	18	0.2%	0.3%
E Construction	786	419	205	48	0	1458	20.0%	22.4%
F Wholesale Trade	66	34	21	15	3	139	1.9%	2.4%
G Retail Trade	183	115	131	43	0	472	6.5%	9.6%
H Accommodation & Food Services	91	81	94	64	0	330	4.5%	8.0%
I Transport, Postal & Warehousing	333	137	38	21	3	532	7.3%	6.6%
J Information Media & Telecommunications	15	3	3	0	0	21	0.3%	0.2%
K Financial & Insurance Services	295	50	15	6	0	366	5.0%	2.4%
L Rental, Hiring & Real Estate Services	530	60	49	25	0	664	9.1%	4.5%
M Professional, Scientific & Technical Services	265	170	90	13	0	538	7.4%	9.1%
N Administrative & Support Services	114	75	38	12	0	239	3.3%	4.2%
O Public Administration & Safety	12	0	3	3	0	18	0.2%	0.2%
P Education & Training	64	24	6	6	0	100	1.4%	1.2%
Q Health Care & Social Assistance	142	81	39	16	0	278	3.8%	4.5%
R Arts & Recreation Services	60	18	21	6	0	105	1.4%	1.5%
S Other Services	187	182	105	19	0	493	6.8%	10.2%
X Unknown	135	34	12	3	0	184	2.5%	1.6%
Total (All sectors; All sizes)						7,299	100.0%	
Percentage total (all businesses)	58.9%	22.8%	13.4%	4.8%	0.1%	100%		
Total (employers only)						3,003		100.0%
Percentage total (employing businesses)	-	55.5%	32.6%	11.7%	0.2%	100%		

Capricorn^ region: Includes Statistical Level 2 within the Australian Bureau of Statistics, Australian Statistical Geography Standard. Table shows summed data for 308031216 Rockhampton – West; 308031217 Rockhampton City; 308031218 Rockhampton Region – East; 308031209 Glenlee – Rockyview; 308031211 Lakes Creek; 308031205 Berserker; 308031208 Frenchville – Mount Archer; 308031215; 308031213 Norman Gardens; 308031214 Park Avenue; Parkhurst – Kawana; 308031219 Rockhampton Region – North; 308031220 Rockhampton Region – West; 308031222 – The Range-Allenstown; 308031210 Gracemere; 308031206 Bouldercombe; 308031223 Yeppoon and 308031207 Emu Park.
Source: collated from ABS – Counts of Australian Businesses, including Entries and Exits, June 2009 – June 2013

3.1.2 E-survey participants: industry sector

Almost 200 businesses participated in the e-survey, and most of the respondents provided information about their industry sector. The largest cohorts were those in the retail trade; construction; professional, scientific and technical services, and other services sectors (Figure 1). The only sector without representation in the e-survey was that of wholesale trade.

Over half of the respondents were small businesses, with a further 21% being medium-sized, and only 2% were large businesses based on number of employees. By contrast, on the basis of annual turnover, almost half of participants were medium-sized businesses (Figure 3). The participant profile of the e-survey was thus generally reflective of the industry representation observed across the study region.
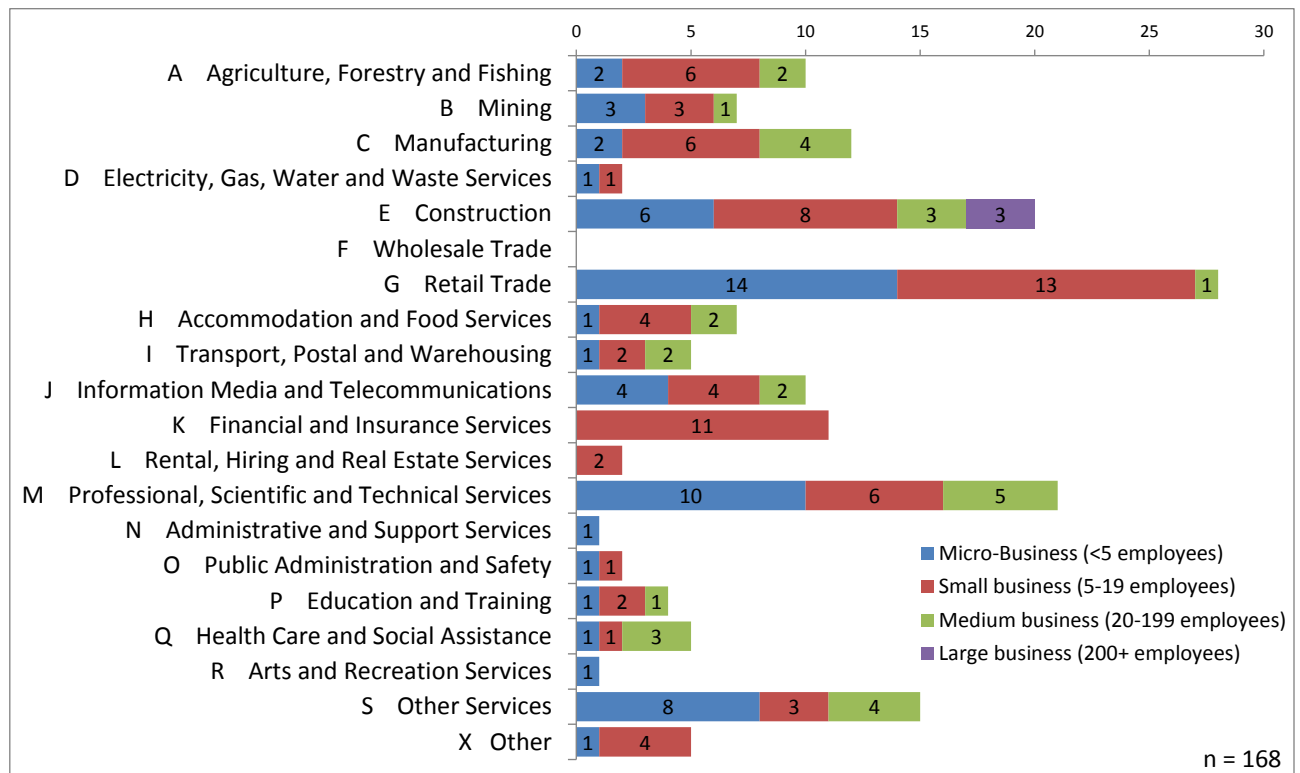
Figure 1   Breakdown of e-survey participants, based on ABS industry categories and business size

Table 2   Profile comparison for ABS business count statistics for Capricornia versus e-survey participants with respect to sector representation

a) Sector	ABS Business Count Data (employers only)	E-survey participants
Largest sectors by representation	1. Construction (22.4%)	1. Retail trade (16%)
	2. Other services (10.2%)	2. Construction (13%)
	3. Retail trade (9.6%)	3. Prof, Sci & Tech Services (12%)
	4. Prof, Sci & Tech Services (9.1%)	4. Other services (10%)
	5. Accommodation & food services (8.0%)	5. Agriculture, Fisheries & Forestry (5%)

3.1.3 E-survey participants: economic pillar

When the e-survey participants were asked to self-identify according to 'economic pillar', the largest cohort of businesses was those in the construction pillar, with the least number being in the agricultural pillar (Figure 2). This echoes the data regarding business participation by sector (Section 3.1.2 above).

Notably, some 40% of participants indicated that they were in more than one pillar, with 13% being in all four pillars (Table 3). Of 'dual-pillar' participants, the most common combination was construction and resources (Table 4). This trend for businesses to be involved in more than one economic pillar suggests a multifaceted and diverse local economy.

Table 3 Profile of e-survey participants: proportion in multiple economic pillars (n=185)

Number of Pillars	Number of Businesses
1	65 (35%)
2	32 (17%)
3	18 (10%)
4	24 (13%)
None of these	46 (25%)

Table 4 Profile of e-survey participants: patterns of membership across multiple economic pillars (n=185)

Number of pillars	Economic pillar	No. of businesses
One pillar only	Agriculture only	10
	Construction only	28
	Resources only	7
	Tourism only	19
Two pillars	Construction and tourism	7
	Construction and resources	12
	Construction and agriculture	4
	Tourism and resources	4
	Tourism and agriculture	3
	Resources and agriculture	2
Three pillars	Construction, tourism and resources	7
	Construction, tourism and agriculture	2
	Construction, resource and agriculture	8
	Tourism, resources and agriculture	1
Four pillars	Construction, tourism, resources and agriculture	24

Figure 2 **Breakdown of e-survey participants, based on participation in four 'economic pillars'**
Data are based on self-reporting by business owners; and businesses could indicate more than one pillar

3.1.4 E-survey participants: business size

Slightly less than one-third of the e-survey participants were micro-sized businesses, with around one quarter being large businesses (Figure 3). The e-survey appeared to attract much fewer numbers of micro-sized businesses than might be expected, based on the available ABS information for the region (Table 5).

Overall, the e-survey participants are the employers for almost 3,500 people within Capricornia, with around three-quarters of these being full-time positions (Figure 4)[10].

---

[10] Breakdown of this information into economic pillars is provided in section 3.3.1.
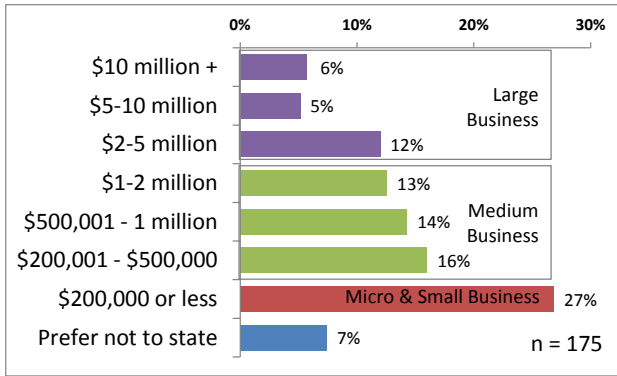
Figure 3 **Business profiling by annual turnover, as self-reported by e-survey participants**

Table 5 **Profile comparison for ABS business count statistics for Capricornia versus e-survey participants with respect to business size**

		ABS Data*	E-survey participants
Size breakdown	*Micro*	55.5%	18%
	Small	32.6%	51%
	Medium	11.7%	21%
	Large	0.2%	2%
	Did not state	-	8%

* ABS Business Count Data (employers only)
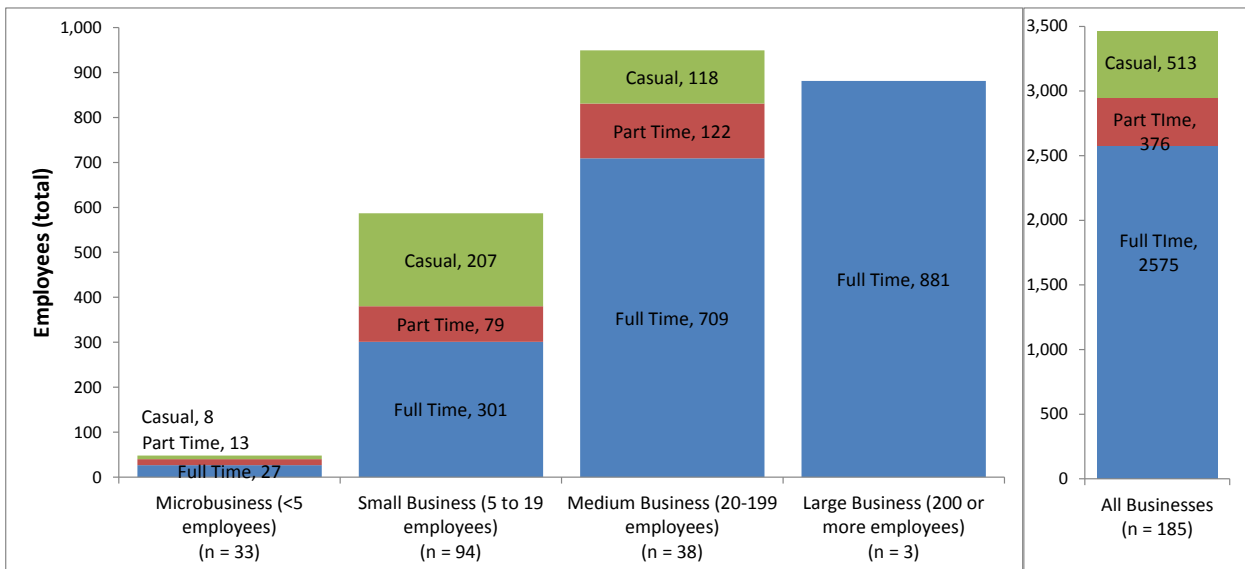
Figure 4 **Business profiling by total number of employees, as self-reported by e-survey participants**

3.1.5   E-survey participants: age and ownership structure

Almost one-third of businesses who participated in the e-survey had been trading for 20 years or longer, whereas just 10% were new businesses that had been 12 months trading or less (Figure 6). There was a strong pattern between business size and length of trading, with micro-businesses typically being amongst the youngest in the cohort.

Almost half of all business owners were aged 51 years or above, with less than 5% being in the 18-30 years age bracket, often referred to as 'generation Y' (Figure 7). Furthermore, around half of businesses were owned by a single individual (Table 6).

Given the aging structure of local businesses, as well as the high proportion of sole ownership of local businesses, one of the items included at the business engagement evening was used to explore business succession planning. This indicated that 60% of respondents did not have an effective succession plan in place (Figure 7).
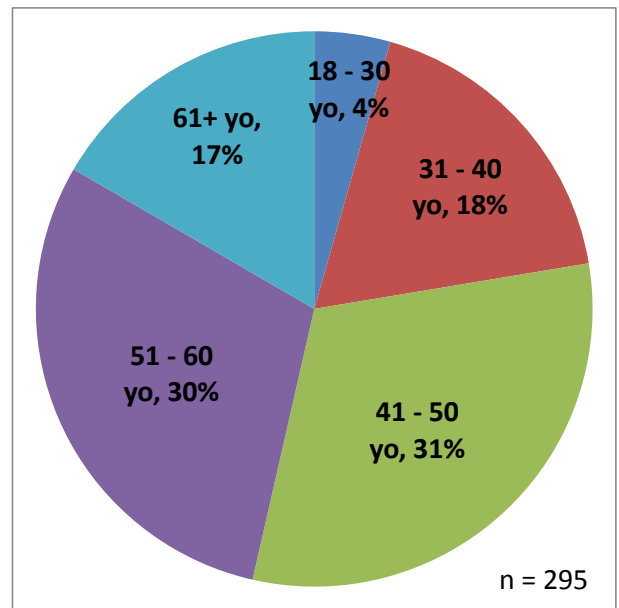
Figure 6   Age of business owners, based on e-survey data
Data reflects both single and multiple-owner business owners

Table 6   Number of business owners per business (n=169)
Data are based on e-survey participants

Number of Owners per Business	Number of Businesses
1	81 (48%)
2	63 (37%)
3	12 (7%)
4	13 (8%)
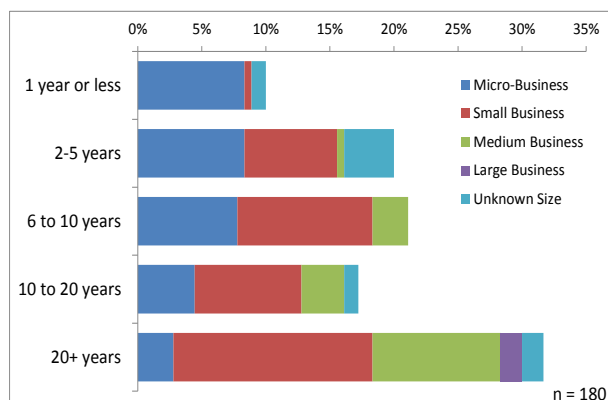
Figure 5   Duration of business operations by each e-survey participant
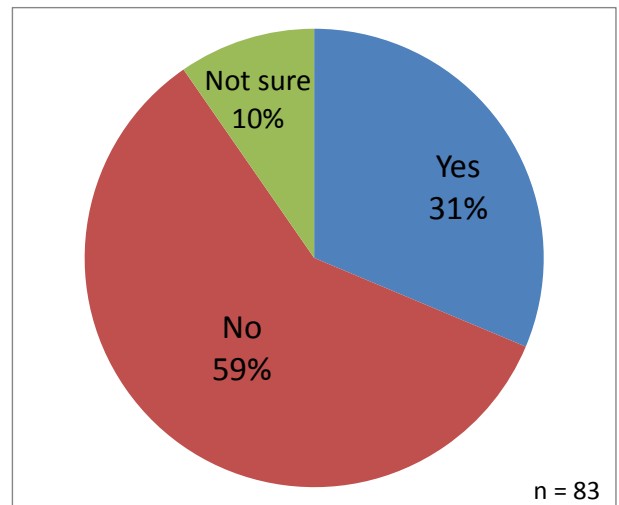
Figure 7   The proportion of local businesses with an 'effective' succession plan
Data are based on participants at the business engagement event

9

3.1.6 E-survey participants: number and location of premises

Just 2% of businesses indicated that they operated without premises, such as through wholly online operations. Otherwise, the majority (some three-quarters) of businesses indicated that they were trading from one or two premises (Table 7). Interestingly, Livingstone Shire had twice the number of home-based businesses as Rockhampton Region, despite having a much smaller number of businesses operating overall (Table 8).

There appeared to be surprisingly few examples of businesses that operated in both the Rockhampton and Livingstone local government areas, with only around 7% of participants using this model (Table 8).

With respect to the type(s) of secondary premises[11] being operated, the most popular forms were home-based or mobile operations, additional service centres or retail sites (Table 9). There was a noticeably higher usage of warehouse/storage sites in the Rockhampton compared with the Livingstone local government area.

Table 7 Number of business locations (n=165)
Data are based on the e-survey results

Location	Principal place of business
None (on-line only)	4 (2%)
1	92 (56%)
2	29 (18%)
3	10 (6%)
4	10 (6%)
5	6 (4%)
6 or more	14 (8%)

Table 8 Location of single and multiple premise businesses within the region
Data are based on the e-survey results (n=151)

Location		Principal in RRC	Principal in LSC	Principal Outside	Total
Single*		50	25	1	76
Multiple *(includes secondary retail outlets, off site warehousing and workshops)*	RRC only	11			11
	LSC only		4		4
	RRC & LSC	9	2		11
	RRC & Outside	18		1	19
	LSC & Outside		2		2
	RRC & LSC & Outside	7	1	1	9
	Outside			1	1
	Home		1		1
	Home & Outside		1		1
				Sub-Total	59
Home		5	11		16
Total		100	47	4	151

* Excluding the four businesses that indicated wholly online operations.

[11] i.e., business sites other than the principal place of trading

Table 9   Type(s) of secondary premises operated by Capricornia businesses
Data are based on the e-survey results (n = 151)

	None	One	More than one
Retail store – Rockhampton LGA	14	3	4
Retail store – Livingstone LGA	10	7	0
Retail store – Outside of the region	11	1	6
Service centre – Rockhampton LGA	10	6	5
Service centre – Livingstone LGA	11	5	1
Service centre – Outside of the region	12	6	7
Offsite workshop – Rockhampton LGA	15	1	1
Offsite workshop – Livingstone LGA	12	1	0
Offsite workshop – Outside of the region	13	2	2
Warehouse/storage site – Rockhampton LGA	13	8	0
Warehouse/storage site – Livingstone LGA	10	3	0
Warehouse/storage site – Outside of the region	10	2	2
Home-based or mobile – Rockhampton LGA	14	16	0
Home-based or mobile – Livingstone LGA	11	27	1
Home-based or mobile – Outside of the region	11	9	9

LGA=Local Government Area

Predominantly, most businesses were operating from a site that represented just one ABN; however, at some locations, there were up to five or more ABNs operating (Figure 8). It was not possible to discern whether the multiple-ABNs related to a single business interest or not. Furthermore, multiple-ABN sites did not appear to be linked with a particular pillar, with examples being evident from each of tourism resources, construction and agriculture.

Given the apparently high levels of home-based operations in the Livingstone local government area, a focus item on home-based operations was posed at the business engagement evening. This showed that approximately 40% of businesses felt no impact from home-based businesses, despite this being identified as an issue of concern by some local businesses[12] (Figure 9).
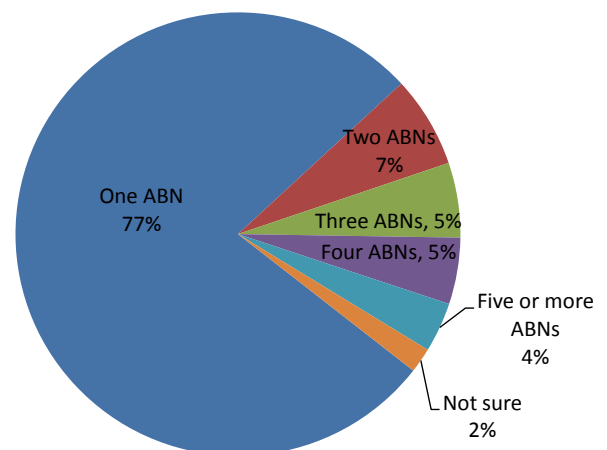
Figure 8   Data summary: the number of ABNs being operated from a single physical site
Information is drawn from self-reported data in the e-survey

---

[12] Some participants in the e-survey listed competition with home-based operators as one of their key concerns. This is described in section 3.3 below.
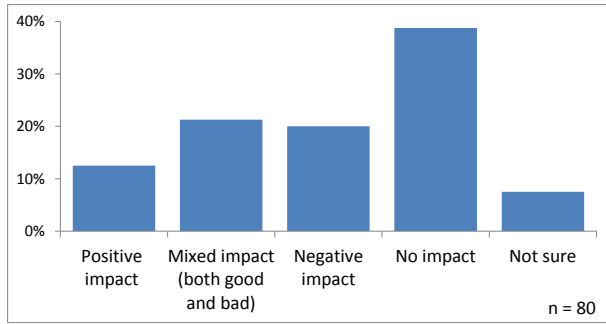
Figure 9 **The likely impacts of home-based operations on local businesses**
Data reflect the responses collected at the business engagement evening. The posed question was: how do home-based operations impact on your business?
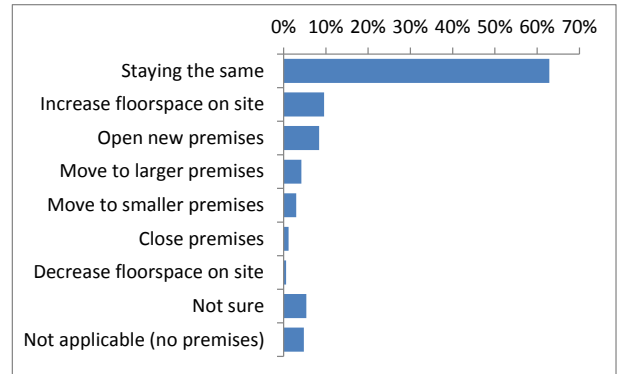
Figure 10 **Local business' plans for existing premises in the coming 12 months**
Information is drawn from self-reported data in the e-survey

Businesses were also asked their plans for their existing business premises, over the coming 12 months: the vast majority of participants indicated that they intended to stay in the same environment, with around 20% indicating that they may increase floorspace, move to larger premises, or open new premises (Figure 10).

3.1.7   Profile of businesses at the engagement event

The business engagement event attracted a diversity of business types, however, almost two-thirds of the participants did not identify with one of the four 'economic pillars' of agriculture, construction, resources or tourism (Figure 11). Audience feedback would suggest that the non-pillar businesses were those represented by the retail or services sectors, though no data were collected to support this[13].

Over half of the businesses present at the engagement evening were micro or small-sized, with less than 20% having more than 20 employees (Figure 12). This was consistent with the participant in the earlier e-survey, where smaller-sizes businesses were the predominant group.
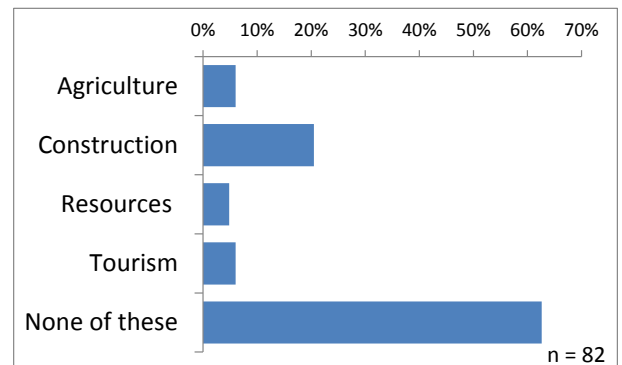
Figure 11 **Indication of the economic pillars represented at the business engagement event**
Businesses could only select one response

---

[13] Time constraints meant that questions were prioritised to key issues, rather than collecting further demographic information.
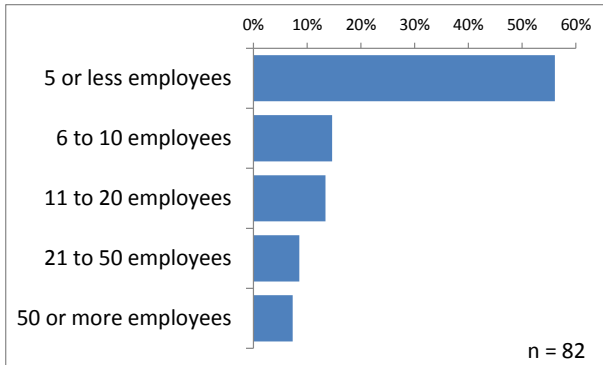
Figure 12   Business size categories for participants at business engagement event
Data are presented in the categories that were offered to the participants, rather than by ABS-defined categories for business size

3.1.8   Combined participation statistics

Approximately one-third of those present at the business engagement event had also chosen to participate in the e-survey (Figure 13). This was a surprisingly low figure, given that information about the e-survey and the engagement evening had been circulated to the same networks.

It seems likely that businesses chose to attend the engagement evening because of its greater perceived return on investment: although there was a substantially greater time investment (three hours compared with the 20-minutes online survey), it offered a free, catered event with the opportunity to hear guest speakers on the topic of marketing.

Given that both data collection exercises were undertaken anonymously, it was not possible to identify dual-participating businesses, or to link together the data received from the e-survey and engagement events. This possibility might be considered as part of the revised design, if another iteration of the Dashboard is pursued (e.g. in 2015).

Nonetheless, based on the available information, at least 240 unique businesses participated in the Dashboard project[14].
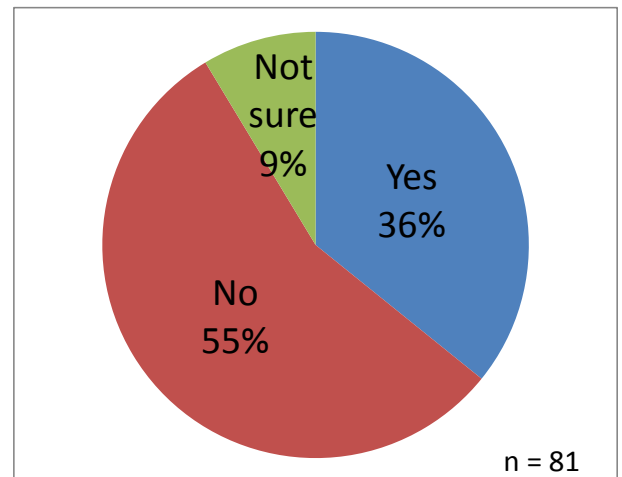
Figure 13   Overlap in participation in the e-survey as well as the business engagement event

---

[14] 196 from the e-survey, plus an additional 44 from the engagement event who indicated they had not completed an e-survey.

3.2 Trends in business activity in Capricornia

3.2.1　New business registrations

Secondary information sourced from the Australian Taxation Office suggests that there has been a modest slowdown in the growth of new business registrations in the Capricornia region, with 7% decline evident between 2012-13, and around a 14% decline for 2013-14, based on forward projections (Table 10).

The locations with the strongest growth in new business registrations were the peri-urban 4711 (Glendale/Glenlee) and urban 4702 (North Rockhampton); with the least number of new entities appearing in the northern outlying areas of the region (Yaamba and Ogmore) (Table 11, Figure 14).

With respect to the types of business entities, the number of new family partnerships and individual/sole trader registrations be holding steady in 2012 and 2013, entering a downward trend for 2014 (

Table 12, Table 13). By contrast, private companies have consistently recorded a slowdown in the year-on-year growth since 2012, although this now appears to be tapering off (

Table 12, Table 13).

Table 10　Total number of business entities in the Rockhampton region, by postcode
Information sourced from the Australian Tax Office 'ABN Lookup Tool' (see Table 11 for postcode areas)

Postcode	Pre 2012	New in 2012	New in 2013	New in 2014*	Forecast 2014**	Total as at June 2014
4698	1	0	0	0	*0*	1
4699	191	12	8	1	*2*	212
4700	5,664	390	325	164	*328*	6,543
4701	7,459	618	589	252	*504*	8,918
4702	6,895	490	479	186	*372*	8,050
4703	5,620	410	376	159	*318*	6,565
4704	85	2	4	0	*0*	91
4705	254	14	13	6	*12*	287
4706	19	0	0	1	*2*	20
4710	926	68	71	28	*56*	1,093
4711	287	32	30	13	*26*	362
4714	456	21	23	14	*28*	514
Totals	27,857	2057	1918	824	1648	32,655
Year on Year Growth			-7%	--	-14%	

*^Active as at March 2012 (Kinnear & Tucker, 2012); * Up until mid-June 2014;   ** Projected data based on 2014 data up until June*
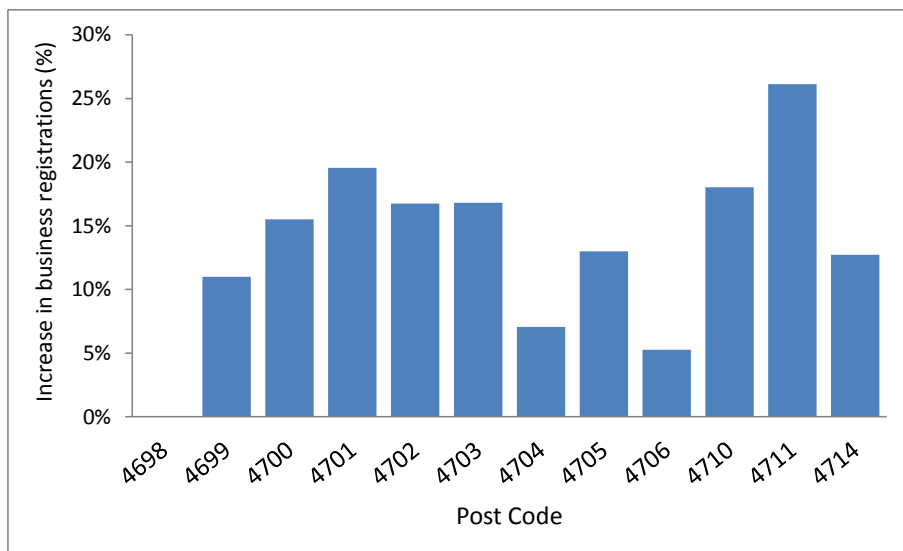
Figure 14   **Proportion of business activity increase in each postcode of the Capricornia region since 2012 until June 2014**
See Table 11 for postcode areas

Table 11   **Postcodes of the Capricornia region and their corresponding suburbs/locations**

Post Code	Location
4698	Unknown^
4699	Bajool, Port Alma
4700	Allenstown, Depot Hill, Fairy Bower, Great Keppel Island, Port Curtis, Rockhampton City, The Keppels, The Range, Wandal, West Rockhampton
4701	Berserker, CQUniversity, Frenchville, Greenlake, Ironpot, Kawana, Koongal, Lakes Creek, Limestone Creek, Mount Archer, Nankin, Nerimbera, Norman Gardens, Park Avenue, Red Hill, Rockyview, Sandringham, The Common
4702	Alberta, Alsace, Alton Downs, Anakie, Argoon, Balcomba, Banana, Baralaba, Barnard, Bingegang, Blackdown, Bluff, Boolburra, Bouldercombe, Bushley, Canal Creek, Canoona, Cawarral, Comet, Consuelo, Coomoo, Cooroman, Coowonga, Dalma, Dingo, Dixalea, Dululu, Dumpy Creek, Etna Creek, Gainsford, Garnant, Gindie, Glenroy, Gogango, Goomally, Goovigen, Goowarra, Gracemere, Jambin, Jardine, Jellinbah, Joskeleigh, Kabra, Kalapa, Keppel Sands, Kokotungo, Kunwarara, Mackenzie, Marmor, Midgee, Milman, Mimosa, Morinish, Mount Chalmers, Nine Mile, Parkhurst, Pheasant Creek, Pink Lilly, Ridgelands, Rolleston, Rossmoya, Rubyvale, Saphire, Shoalwater, Smoky Creek, South Yaamba, Stanage, Stanwell, Stewarton, The Caves, The Gemfields, Thompson Point, Tungamull, Ulogie, Wallaroo, Westwood, Willows, Woolein, Wooroona, Wowan, Wycarbah, Yaraka
4703	Adelaide Park, Bangalee, Barlows Hill, Barmaryee, Barmoya, Bondoola, Bungundarra, Byfield, Causeway Lake, Cobraball, Cooee Bay, Farnborough, Hidden Valley, Inverness, Kinka Beach, Lake Mary, Lammermoor, Maryvale, Meikleville Hill, Mulambin, Mulara, Pacific Heights, Rosslyn, Stockyard, Tanby, Taranganba, Taroomball, Weerriba, Woodbury, Yeppoon
4704	Wattlebank, Yaamba
4705	Clarke Creek, Lotus Creek, Mackenzie River, Marlborough, Mount Gardiner
4706	Ogmore
4710	Emu Park, Zilzie
4711	Glendale, Glenlee
4714	Baree, Boulder Creek, Fletcher Creek, Hamilton Creek, Horse Creek, Johnsons Hill, Leydens Hill, Limestone, Moongan, Mount Morgan, Nine Mile Creek, Oakey Creek, Struck Oil, The Mine, Trotter Creek, Walmul, Walterhall, Wura

^ Postcode 4698 is not currently recognised in by the Australian Post Office, however data from the ATO includes some business registrations to this postcode.

Table 12   Breakdown of entity types for active ABNs in the Capricornia region
Information sourced from the Australian Tax Office 'ABN Lookup Tool'

Type	Total number^	New in 2012	New in 2013	New in 2014*	Forecast 2014**	Total as at June 2014
ATO Regulated SMSF	1,363	124	75	46	*92*	1608
Australian Private Company	3,468	353	298	138	*276*	4257
Australian Public Company	72	4	2	1	*2*	79
Co-operative	9		2			11
Corporate Unit Trust	3					3
Deceased Estate	50	5	5	2	*4*	62
Discretionary Investment Trust	667	58	54	17	*34*	796
Discretionary Services Management Trust	90	7	7			104
Discretionary Trading Trust	993	96	88	28	*56*	1205
Family Partnership	3,881	135	136	39	*78*	4191
Fixed Trust	24	6	2			32
Fixed Unit Trust	185	11	18			214
Hybrid Trust	26	3	1			30
Individual/Sole Trader	13,926	1108	1103	512	*1024*	16649
Limited Partnership	8	1	2	1	*2*	12
Local Government Entity	1					1
Non-Regulated Super Fund	2					2
Other Incorporated Entity	622	31	27	10	*20*	690
Other Partnership	950	92	77	24	*48*	1143
Other trust	890					890
Other Unincorporated Entity	422	14	12	3	*6*	451
State Government Entity	59					59
State Government Statutory Authority	1	1				2
Strata-title	143	8	9	2	*4*	162
Unlisted Public Unit Trust	1					1
Total (all entities)	27,856					32,655

^As at March 2012 (Kinnear & Tucker, 2012); * Up until June 2014; ** Forward-projected data, based on doubling of mid-year figures. Only entity types with new entry activity have been included in this table.

Table 13   New business registrations in Capricornia over the last 5 years, by selected entity types
Note: post codes range was 4698-4706, 4710-4711 and 4714)

Business Entity	New in 2010	New in 2011	New in 2012	New in 2013	New in 2014*
Australian Private Company	260	282 ▲8%	353 ▲ 25%	298 ▼ 15%	276 ▼ 7%
Australian Public Company	2	4 ▲	4	2 ▼	2
Co-operative	1	0 ▼	0	2 ▲	0
Family Partnership	167	134 ▼ 20%	135 ▲ 1%	136 ▲ 1%	78 ▼ 43%
Individual/Sole Trader	1099	1069 ▼ 3%	1108 ▲ 4%	1103 ▼ 1%	1024 ▼ 7%
Limited Partnership	0	1▲	1	2 ▲	2
Other Incorporated Entity	18	18	31 ▲ 70%	27 ▼ 13%	20 ▼ 26%
Other Partnership	87	51 ▼ 41%	92 ▲ 80%	77 ▼ 38%	48 ▼ 38%

* These are projected data for the full 12 months of 2014, based on a doubling of mid-year figures (current data only available to mid-June).

3.2.2 Business confidence

A number of existing business confidence surveys are already conducted with Australian firms: examples of these include those for the national and state-level Chambers of Commerce and Industry[15], several financial institutions (e.g. National Australia Bank Business Survey[16]) and the quarterly Sensis Business Index[17]. However, these typically have a national or state-wide focus, and disaggregated data by region are not available. To obtain a picture of business activity levels within the Capricornia region, it was necessary to collect this information directly through the e-survey instrument.

Almost half of participants indicated that business activity in their own firm had declined in the past 12 months, with only 19% of participants indicating that activity had increased (Figure 15). Very similar levels of decline were also perceived in the broader business community, with almost two-thirds of participants noting a decrease in overall business activity in the region.

Businesses were also asked to provide information on business activity across the areas of the number of sales, revenue and profitability. Remarkably similar responses were recorded across all three of these measures, with around 50% of businesses stating that activity had decreased (Figure 16). There was also some uncertainty, with 5-8% of businesses not being clear about their trending.
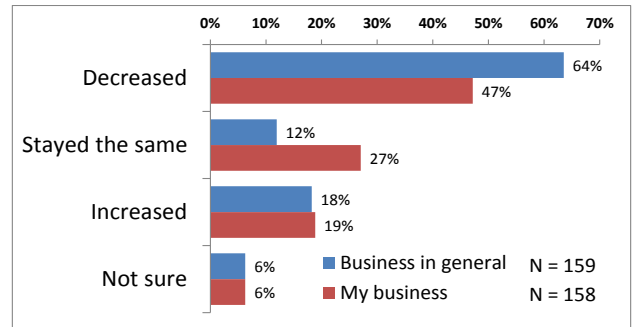
Figure 15   Perspective of local businesses regarding the level of business activity (sales) in the past 12 months
Data are from the e-survey participants and reflect perceptions of businesses about their own activities, as well as that of the local economy ('business in general')
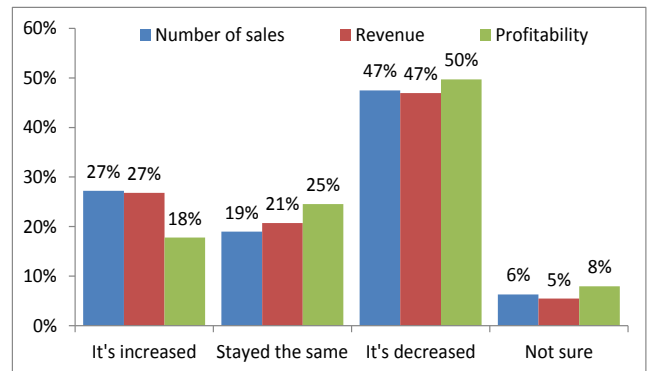
Figure 16   Trends in local business activity, with breakdown by sales, revenue and profitability measures
Data are as self-reported from the e-survey participants

---

[15] ACCI available at: http://www.acci.asn.au/Research-and-Publications ; CCIQ Pulse available at: https://www.cciq.com.au
[16] Available at: http://business.nab.com.au/tag/business-survey/
[17] Available at: http://about.sensis.com.au/small-business/sensis-business-index/

With respect to turnover, almost one-third of business reported an increase in turnover in the past 12 months, but these were predominantly in very modest growth categories (Figure 17). By contrast, almost a third of businesses reported a decline in turnover of 11-50%.

In a separate question, 94% pf businesses indicated that they had a goal to increase their revenue growth within the coming 12 months, with just 6% indicating they wished to remain steady, and no businesses wishing to decrease. A majority of local

businesses had aspirational targets of 10-50% growth (Figure 18). This pattern was similar across all economic pillars, although more than 10% of agricultural business were keen to achieve aggressive growth (100% or higher).
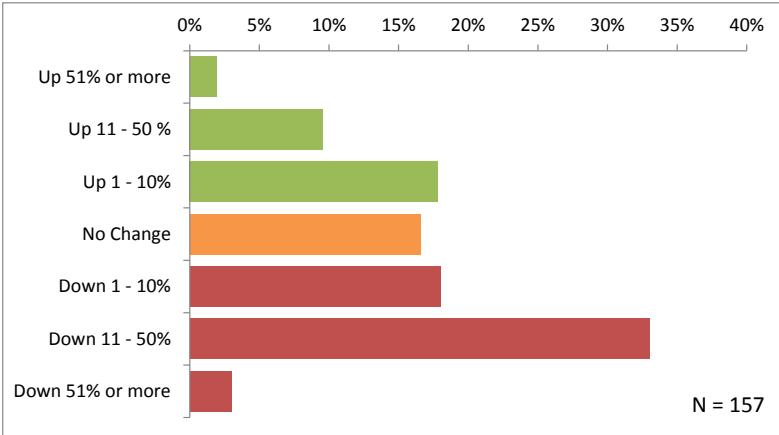
Figure 17   Change in local business turnover in the past 12 months
Data are from e-survey participants
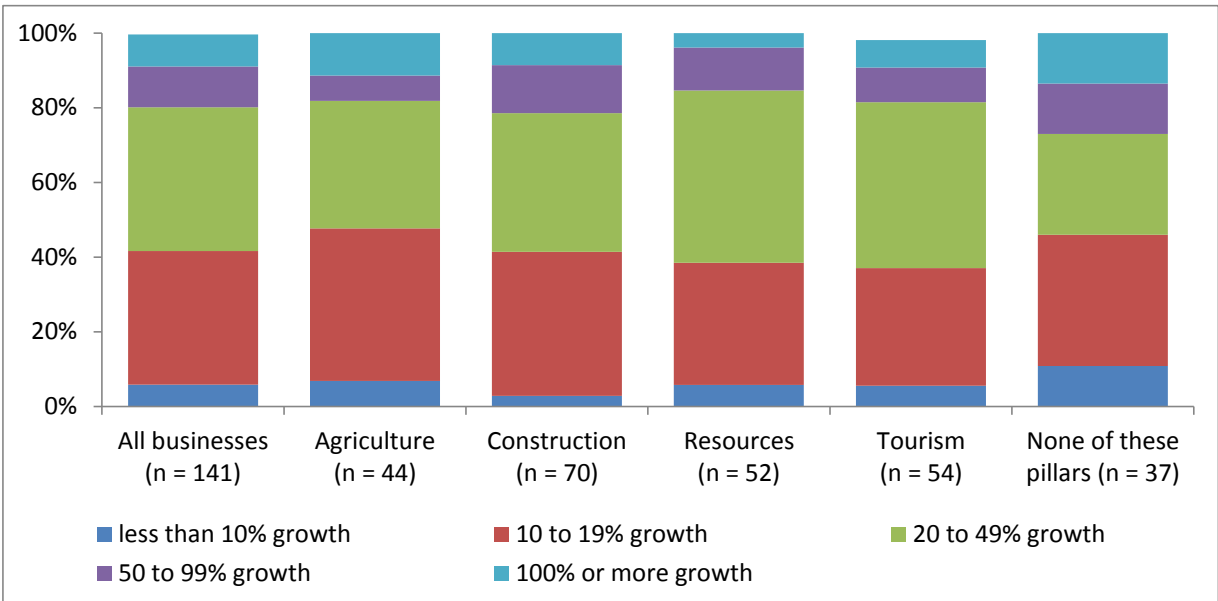
Figure 18   Future plans for business growth for all businesses and those identifying will a pillar
Business could select more than one pillar), and data are from e-survey participants

Despite the apparent slowdown in local business activity, most businesses remained buoyant about their ongoing operations, with over 90% indicating that they expected to continue to trade through to 2015 (Table 14).

Of those who were unsure of their position, many were from the construction and resources pillars, with only three each from agriculture and tourism (Table 15).

Table 14   **Local businesses' intentions with respect to trading into 2015, with breakdown by industry sector**
Data are from the e-survey participants

| Industry		Continuing	Not Trading	Not sure	Total
A	Agriculture, Forestry and Fishing	9			9
B	Mining	4		1	5
C	Manufacturing	10		2	12
D	Electricity, Gas, Water and Waste Services	2			2
E	Construction	19	1		20
F	Wholesale Trade	1			1
G	Retail Trade	23		3	26
H	Accommodation and Food Services	6			6
I	Transport, Postal and Warehousing	4			4
J	Information Media and Telecommunications	7		2	9
K	Financial and Insurance Services	11			11
L	Rental, Hiring and Real Estate Services	1			1
M	Professional, Scientific and Technical Services	18		1	19
N	Administrative and Support Services	1			1
O	Public Administration and Safety	2			2
P	Education and Training	4			4
Q	Health Care and Social Assistance	5		1	6
R	Arts and Recreation Services	1			1
S	Other Services	14		3	17
X	Other	5		1	6
Total		**147**	**1**	**14**	**162**

Table 15   **Local businesses' intentions with respect to trading into 2015, with breakdown by economic pillars**
Data are from the e-survey participants; Note: seven businesses indicated that their operations crossed more than one pillar, hence n is greater than 15

Pillar	Not continuing into 2015	Unsure of business operations in 2015
Agriculture		3
Construction	1	8
Resources		6
Tourism		3
None of these		4

3.2.3 Employment and unemployment

Information about the number of employees engaged by local businesses, as well as their modes of employment were collected from the e-survey participants. This showed that participating businesses accounted for almost 3,500 employees in the Capricornia region, with 15% of these being engaged on a casual basis (Table 16). Almost all participating local businesses (92%) used full time staff within their operations (Table 16). The levels of part-time or casual staff appeared very similar with 67-68% businesses hiring employees in this mode. These broad patterns was generally consistent across all pillars, although the resources sector tended to have slightly higher full-time staffing levels (97% of businesses), and construction had lower levels of part-time staff (around 76% of businesses).

In terms of the volume of staff by employment mode, around three-quarters of staff were hired on a full-time basis, followed by casual (15%) and part-time employees (11%) (Table 16). However,

the patterns differed amongst pillars, particularly with respect to part-time staff. For example, in the construction and resources sectors, part-timers represented only 5-6% of all staff, compared with 10-12% for agriculture and tourism, respectively. The non-pillar businesses were also strikingly different, with around one-third of employees being part-time: this likely reflects the strong participation by retail and services businesses, where part-time employment is more predominant.

Businesses were also asked to indicate the change that had been experienced in their hiring patterns in the past 12 months. Generally, around half of participants indicated that there had been no change in employment, irrespective of mode of hiring (Figure 19). The remaining responses were variable, with some reporting increased employment, and others reporting decreased employment.

Table 16   Employment patterns for Capricornia businesses
Based on e-survey responses; Item A provides the number of businesses hiring in each combination; Item B shows the number of employees hired in each combination

ITEM A	Full Time	Part Time	Casual	Total with employees	Volunteers
Overall	171 (92%)	124 (67%)	126 (68%)	185	13
Agriculture	52	41	36	54	4
Construction	88	57	63	93	4
Resources	63	43	42	65	2
Tourism	62	45	45	67	4
None of these pillars	33	23	23	39	5

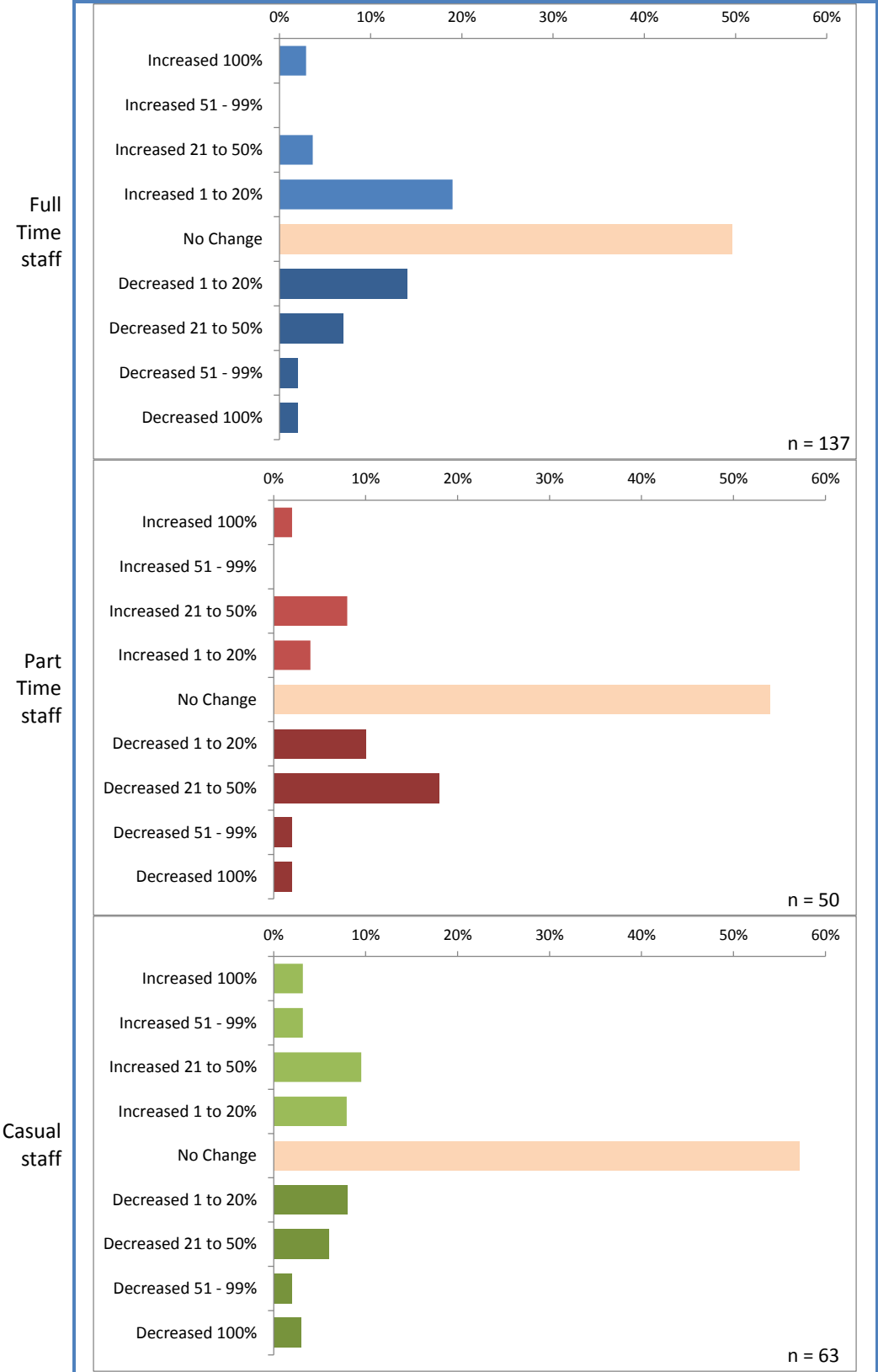| ITEM B	Full Time	Part Time	Casual	Total Employees	Volunteers
Overall	2575 (74%)	376 (11%)	513 (15%)	3464	28
Agriculture	766	105	184	1055	9
Construction	2055	128	260	2443	7
Resources	1076	88	198	1362	3
Tourism	800	131	166	1097	12
None of these pillars	341	190	58	589	7

Figure 19   Change in employment numbers by local businesses in the past 12 months across full time, part time, and casual staff
All data are as self-reported by businesses who participated in the e-survey

3.2.4 Business 'wellbeing' measures

The business engagement evening provided an opportunity to pose questions to local businesses regarding impacts on their operations, as on themselves as individuals. Three questions were posed, based on the suggestions left by participants in the e-survey. These were as follows:

- firstly, participants were asked how they were being impacted by competition from unlicenced or untrained operators, with almost 60% of businesses indicating that they were being impacted 'somewhat' or 'a great deal' (Figure 20);
- secondly, participants were asked how business ownership was impacting on their work/life balance, with almost three-quarters of individuals indicating that they were being impacted 'somewhat' or 'a great deal' (Figure 21)
- thirdly, participants were asked the extent to which they were accepting a wage reduction in order to buffer the rising costs of doing business, to which 58% of individuals indicated that this was occurring ''somewhat' or 'a great deal' (Figure 22).

A fourth question was used to investigate the impact of debtors on local business, based on suggestions that many local businesses were being asked to reduce their margins[18], and because several participants indicated that they had concerns about cash flow due to outstanding invoices. Almost 60% of respondents indicated that their businesses were being significantly impacted by unpaid bills, with 40% of these experiencing a greater level of impact than usual (Figure 23).
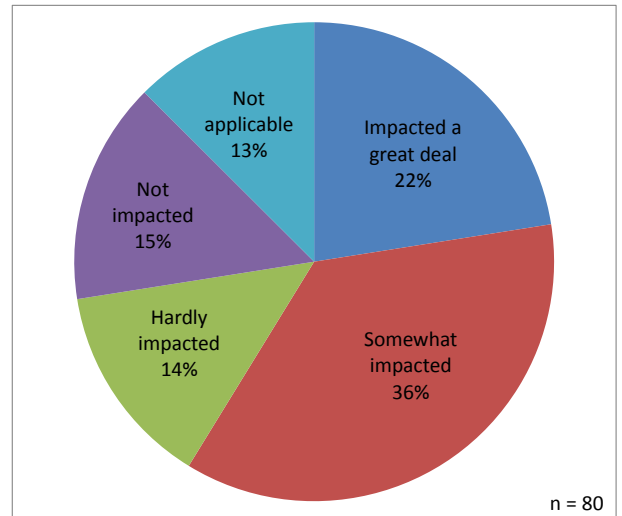
Figure 20 **Extent to which local businesses are impacted by unlicensed and/or untrained operators**
Data reflects responded collected at the business engagement event
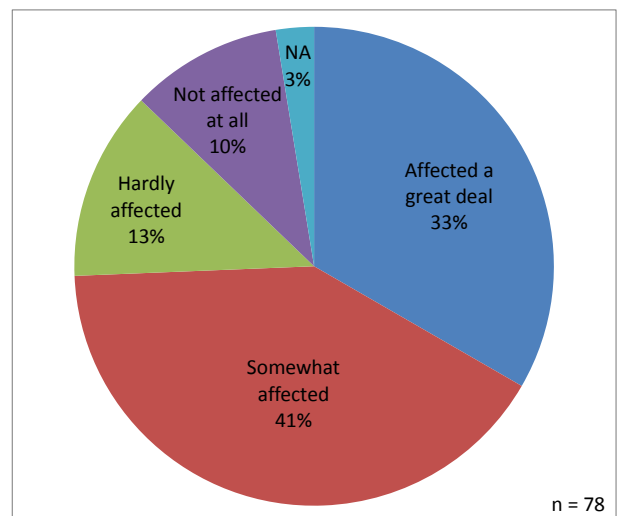
Figure 21 **Impact of business ownership on work/life balance of local business operators**
Data reflects responded collected at the business engagement event.

---

[18] See section 3.9 on margin pressures

Figure 22 **Levels of wage reduction being experienced by local business owners, in order to absorb rising costs**
Data reflects responded collected at the business engagement event

Figure 23 **The impact of debtors in the past 12 months on businesses attending the evening event**
The posed question was: 'In the last 12 months, has your business been significantly impacted by customers not paying their bills?'

3.2.5 Barriers to growth: rising costs

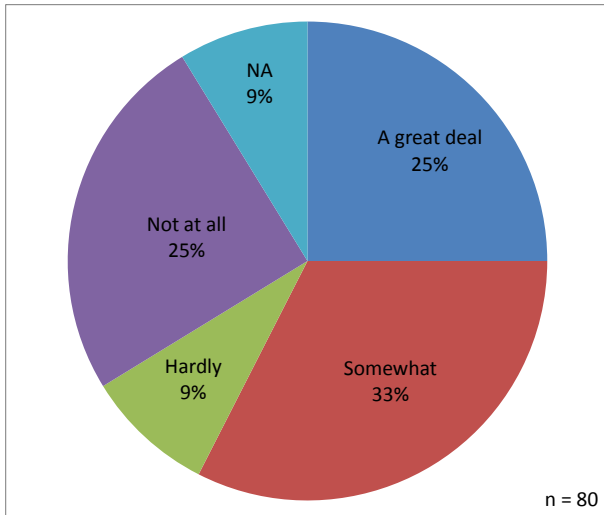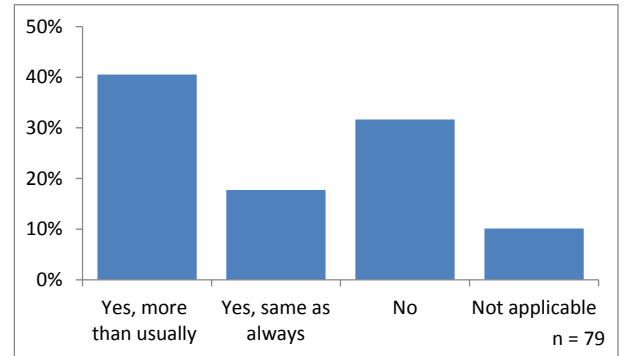Local businesses were asked to nominate which areas of the business had driven the largest cost increases in the past 12 months, across six categories. The most commonly selected options were those of wages, energy and overheads (such as leasing costs) (Figure 24). However, around one in five businesses indicated 'other', nominating costs such as government fees[19]; fuel, transport and/or freight charges, insurance premiums and staff training.

The issue of energy costs was chosen for further examination during the business engagement evening[20]. However, despite energy costs having been identified as the second-greatest area for cost increases, over 40% of participants indicated that they did not wish to receive assistance in this area (Figure 25). Furthermore, there were only low levels of support for the listed assistance types, which included energy audits and education programmes.
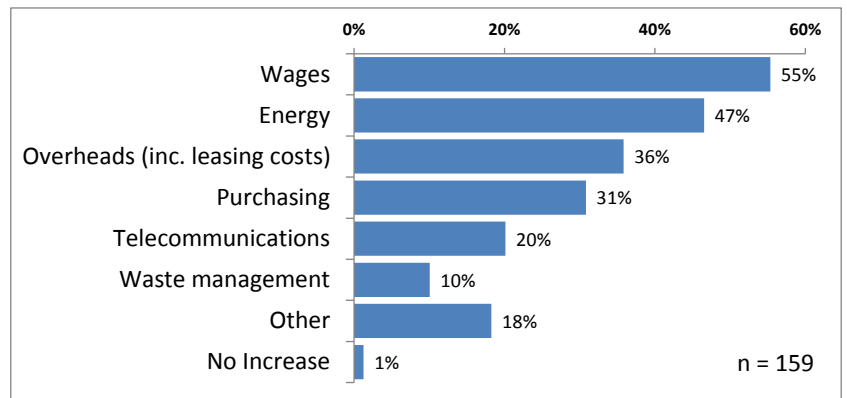
Figure 24   Business areas that are contributing to rising costs
Data are based on responses from e-survey participants. Participants could select more than one option
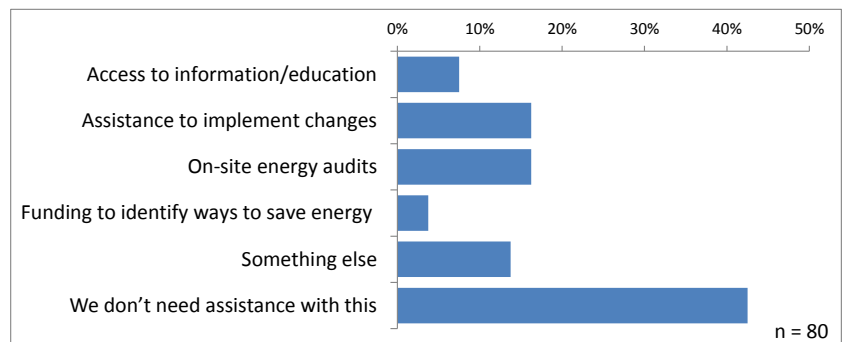
Figure 25   Local business preferences for support to reduce energy costs
Data reflect responses received at the business engagement evening

---

[19] For example, respondents listed licences, compliance and rates.
[20] The highest cost area was wages, but this is not an area in which business support can readily be given.

3.2.6 Business challenges

Participants were asked to identify key challenges being faced by their business, with respect to both external and internal influences. Participants were asked to select amongst eight different options for each of these areas, however there was also an opportunity to nominate other categories in an open-text format.

With regard to internal influences, attracting customers, adjusting to costs and responding to competition were highlighted as the key challenges, with capital raising and change management being of little importance (Figure 26).

Meanwhile, a majority of respondents selected the stability of the local economy as a key external influencer, followed by the priorities and budget decisions brought forward by the State government (Figure 26). Local population growth was generally not viewed as important, despite the linkages between this and the expansion of the local customer base for many local businesses.

Figure 26   Key challenges and pressures for local businesses in Capricornia
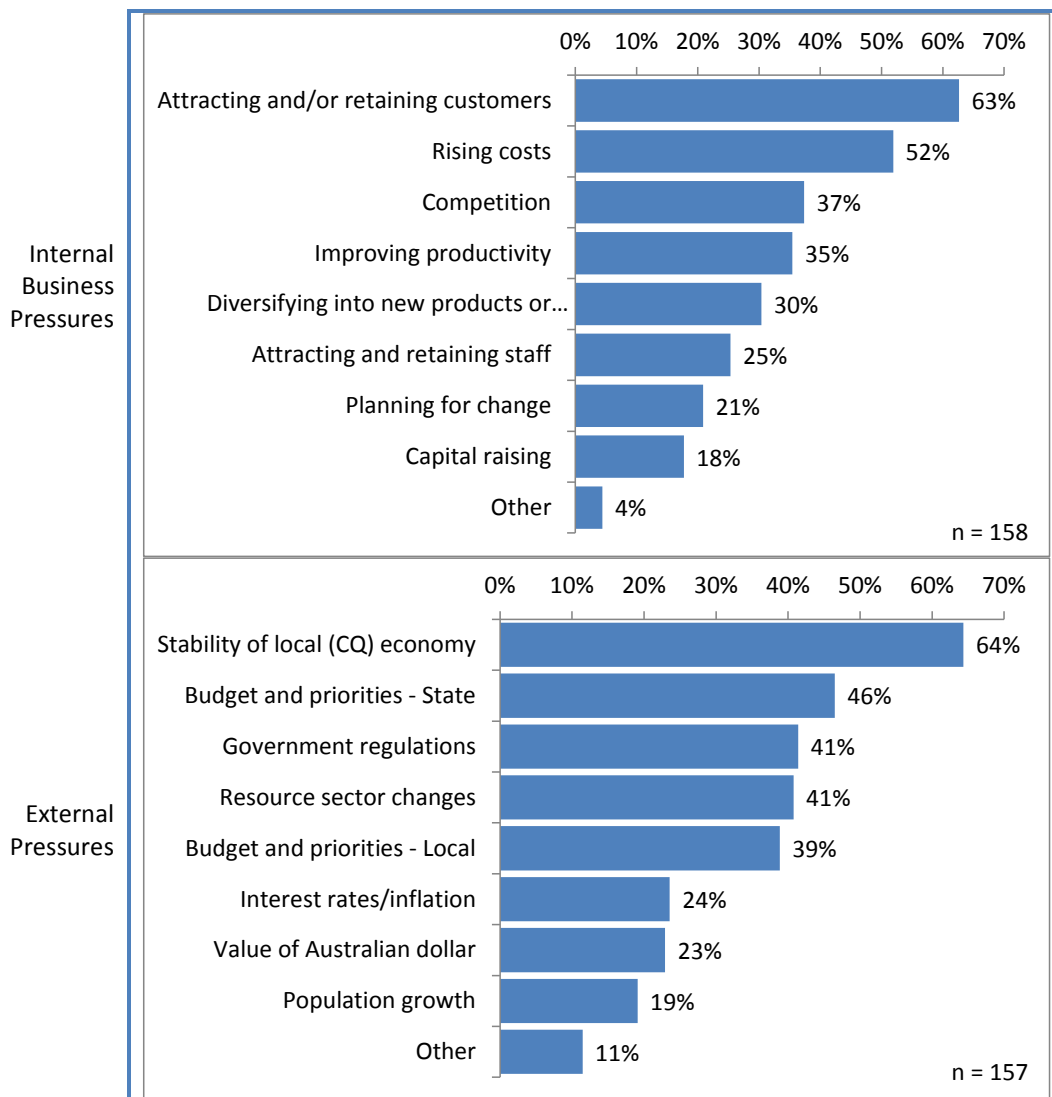Data reflect the responses from e-survey participants; Participants could select more than one option

3.2.7   Business futures: growth and diversification

Two-thirds of local businesses indicated that they were planning to diversify their business operations in the coming 12 months, including in the areas of both services and goods (Figure 27). In terms of economic pillars, the trend for diversification was highest in the agricultural sector, where 72% of participants intended to diversify (either goods, services, or both) (Figure 28).

Given the high number of businesses expecting to diversify, an item was included at the business engagement evening regarding the best ways in which to support businesses to do so. The response was mixed; with businesses being interested in a range of options included product development, market research and business planning (Figure 29).
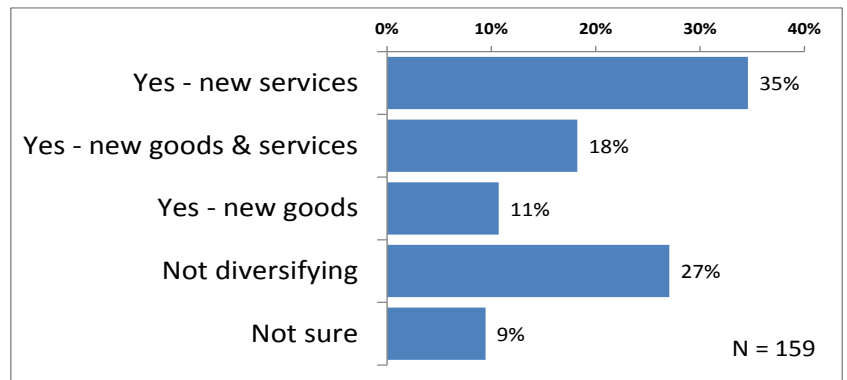
Figure 27   Intentions of local businesses to diversify in the coming 12 months
Data are based on responses from the e-survey participants
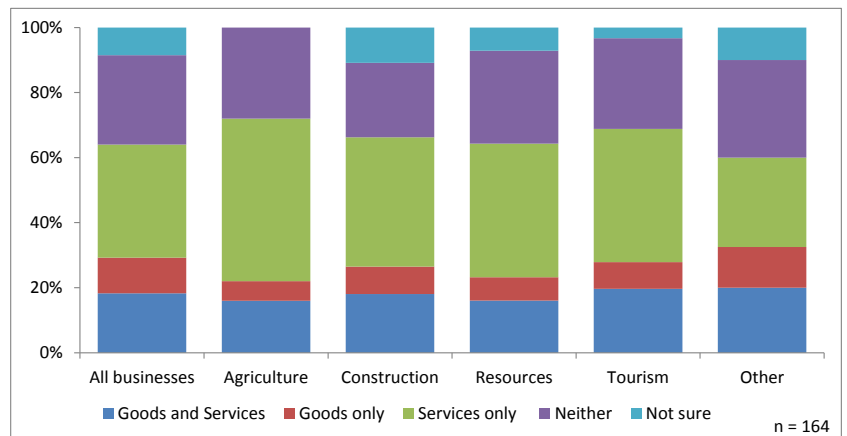
Figure 28   Intentions of e-survey participants with respect to future diversification of good and/or services, with breakdown by economic pillar
Businesses can be participants of more than one pillar
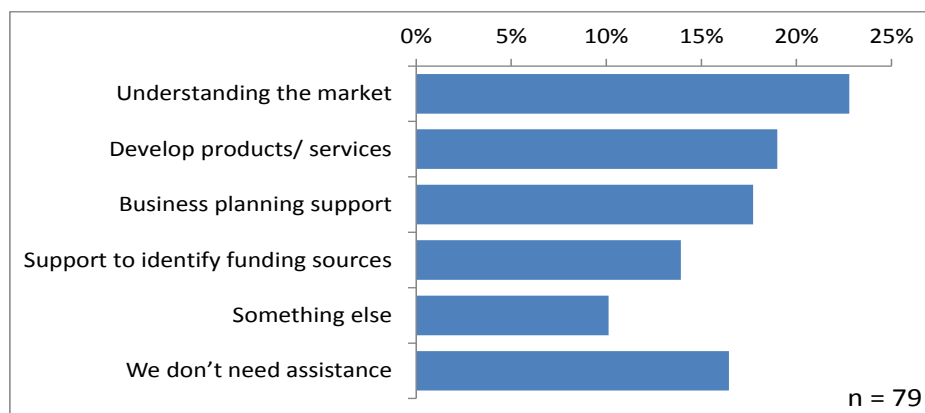
Figure 29   Preferences of local businesses with respect to receiving assistance to diversify their business
Data are based on responses collected at the business engagement evening

3.3   Values and concerns of local businesses

The e-survey included four questions with an open-ended ('free text') response format.

These were:
- What is most important to you as a local business owner/operator? (n=125)
- What is your greatest concern as a local business owner/operator? (n=123)
- Do you have a question that you would like to ask local business owner/operators? (n=33)
- Do you have any other suggestions about supporting local businesses, or other comments that you would like to provide? (n=65)

Following the receipt of all surveys, a content analysis was performed for each question to identify the major and minor themes in the data.

In terms of what was **important to** local businesses, three major themes emerged:
- business survival and success (e.g., the practical issues of how a business is operated day-to-day);
- business values (e.g., the operating philosophy of the business and/or community); and
- items dealing with broader local and/or regional issues (Table 17).

In terms of subthemes, the most common response was the importance of local businesses and local people supporting each other through trade; evidenced through comments such as 'local spend by the big end of town would help business considerably' (participant from manufacturing) and 'be local – but be competitive' (participant from the financial and insurance services sector). The importance of profitability and the need to provide high quality products and services were also popular responses.

In the area of business assistance, respondents commented on the 'need for business-focussed government representatives', with some calling for reduced government inefficiency and/or increased coordination across government.   It is of note that these comments related to both local

and state government, for example, the need for 'local councils to be less risk adverse [sic] and more entrepreneurial' (participant from the construction pillar).

A number of participants also commented on the need for supporting infrastructure within the region. However, opinion was divided about infrastructure issues: one participant noted concerns about the flood levee (e.g. the engineering merits of constructing one) whereas another was in support of the levee and also the Gracemere Industrial Zone; meanwhile a third had concerns about planning approvals for regional projects, and a fourth coastal-based business raised concerns about parking and the need for a CBD[21] upgrade in Yeppoon.

With respect to local business **concerns** the major themes were:
- difficulties with, or uncertainties about, business operations;
- the threat of competition and lack of support for local buy;
- overall economic conditions;
- government and red tape; and
- regional development (Table 18).

In terms of subthemes, the issue of greatest concern was dealing with 'red tape' – with participants commenting on regulatory burden, compliance costs, tax structures that act as a dis-incentive for small business, questions about the role of government, and how businesses were grappling to respond to rapid-changes within government. The next most-common concern was that of the state of the economy (local, regional or national) and the impacts that this had on business confidence.   As was observed in the prior question, businesses were again vocal about the need for more support for local buy; and were concerned about the impacts of non-locals (including online traders) on their business.

---

[21] Central business district

Table 17   Thematic summary: items that were 'most important to' businesses who participated in the e-survey

Major theme	Sub-theme	Number of responses containing this theme^
Business survival and success	Profitability, growth; competitiveness	15
	Attracting new customers; increasing demand; repeat business	13
	Government business assistance	10
	Viability; Sustainability; 'staying afloat'	9
	Networking; staying abreast of local developments	7
	Marketing; maintaining presence/visibility; reputation	5
	Attraction/retention of quality staff	5
	Succession issues; understanding business structure	4
	Costs of running business	3
	Access and use of online/digital technologies	3
	Innovation/R&D; diversification	3
	Total	**77**
Business values	Buying and/or selling locally; support from locals; avoiding dollar leakage to externals/multinationals	24
	Providing professional, high quality and/or value for money goods/services	15
	Excellence in customer service	12
	Happy staff; good working conditions; work/life balance	8
	Role as a local employer	5
	Good relationship with suppliers; sourcing reliable & quality products	2
	Total	**66**
Local and regional issues	A strong, stable and/or growing local/regional economy	10
	Promotion of the local area; tourism attraction/growth	8
	(Lack of) infrastructure	3
	Growth of the industry	2
	Regional funding; funding for business improvement	2
	Total	**25**

^ A particular response may have been coded to more than one subtheme, depending on the content and context. The total number of responses received to this question was n= 125.

Participants were invited to supply examples of questions that they felt would be useful to ask of the local business community. These dealt with a range of issues such as:

- whether business operations had become more difficult in recent years;
- people's experiences in dealing with various government departments[22] for business assistance;
- solutions for the (perceived) lack of customer service within the local region;
- best-practice tips for importing of products for value adding;
- how to cope with wage competition from the resources sector;
- how to cope with an increase in home-based competitors;
- how to undertake marketing effectively;
- how to combat online adversaries (e.g. through service level and customer experience); and
- how to support and encourage local buy.

Some participants also posed questions about trading hours, however these were conflicted: some people were keen to ask 'why premises are closing early', whereas others wanted to gauge support for the abolishment of seven-day trading.

Local-buy strategies were a key issue, with participants interested to understand why existing business practice is not more locally-focussed; what was the perceived merit of a local advertising campaign, and how business

---

[22] Including local, state and (to a lesser extent) federal government.

leadership can be brought to bear on the issue – 'How do we best support each other in progressing the business interests of the entire region?' (participant from the health care and social assistance sector).

The final question provided participants with the opportunity to leave any other comments. The major themes identified above were recurrent, especially with respect to local patronage, and leadership for regional development. Examples of comments left by participants were:

- 'please support the local businesses that are doing the right thing and crack down on the ones that aren't' (accommodation and food services sector)

- 'businesses and governments need to look outside this region for examples of how to do things differently and better, become more entrepreneurial' (services sector)
- 'would like to see more government purchases in the local area instead of heading to Brisbane all the time' (media and telecommunications)
- 'prominent business brands in Rocky need to be encouraged to engage with the smaller supplier networks (other services sector)
- 'the government in a lot of cases just needs to get out of the way and let the investment community get on with it' (construction sector),
- and perhaps most tellingly: 'yep... we need help' (retail sector).

Table 18   Thematic summary: items that were 'the greatest concern' for local businesses

Major theme	Subtheme	Number of responses containing this theme^
Business operations	Viability	8
	Attracting/retaining quality staff	7
	Rising costs	5
	Availability, use and/or knowledge of technology, telecommunications & social media	5
	Profitability, sales	3
	Trading hours (incl. threat of further extension)	3
	Unpaid bills (and attitudes towards them)	3
	WHS issues; lack of safety systems	3
	Total	**37**
Competition and local buy	Competition; Crowding out within the industry	12
	Lack of support for local buy	10
	Non-local (national/multinational) companies taking market share	6
	Home-based operators/unlicensed vendors taking market share	4
	Online companies taking market share	3
	Total	**35**
Economic conditions	State of economy; slow/poor economic growth	14
	Lack of business confidence	7
	Resource sector downturn	4
	Total	**25**
Government and red tape	Red tape: regulatory burden & compliance costs	15
	Working with local Council; changes to local government fees	7
	Government budget (cutbacks, changed priorities)	3
	Total	**25**
Regional development	Regional reputation; need for greater regional promotion/development/funding	6
	Lack of leadership, forward thinking; poor attitudes to change	9
	Total	**15**

^ A particular response may have been coded to more than one subtheme, depending on the content and context. The total number of responses received to this question was n= 123.

3.4   Focus item: exporting

Less than half (47%) of local businesses indicated that they are currently exporting goods and/or services outside of the Rockhampton/Livingstone area (Figure 30a).   However, slightly higher levels of exporting activity were observed in the agriculture and resources pillars, compared with those in the tourism pillar.

Of the businesses that were already exporting, most hoped to increase their level of exports, or hold them steady, with only limited examples of businesses that were looking to decrease or cease export activity (Figure 30b). This contrasted markedly with the non-exporters, where approximately 80% of businesses did not plan to pursue exporting in the coming 12 months (Figure 30c).
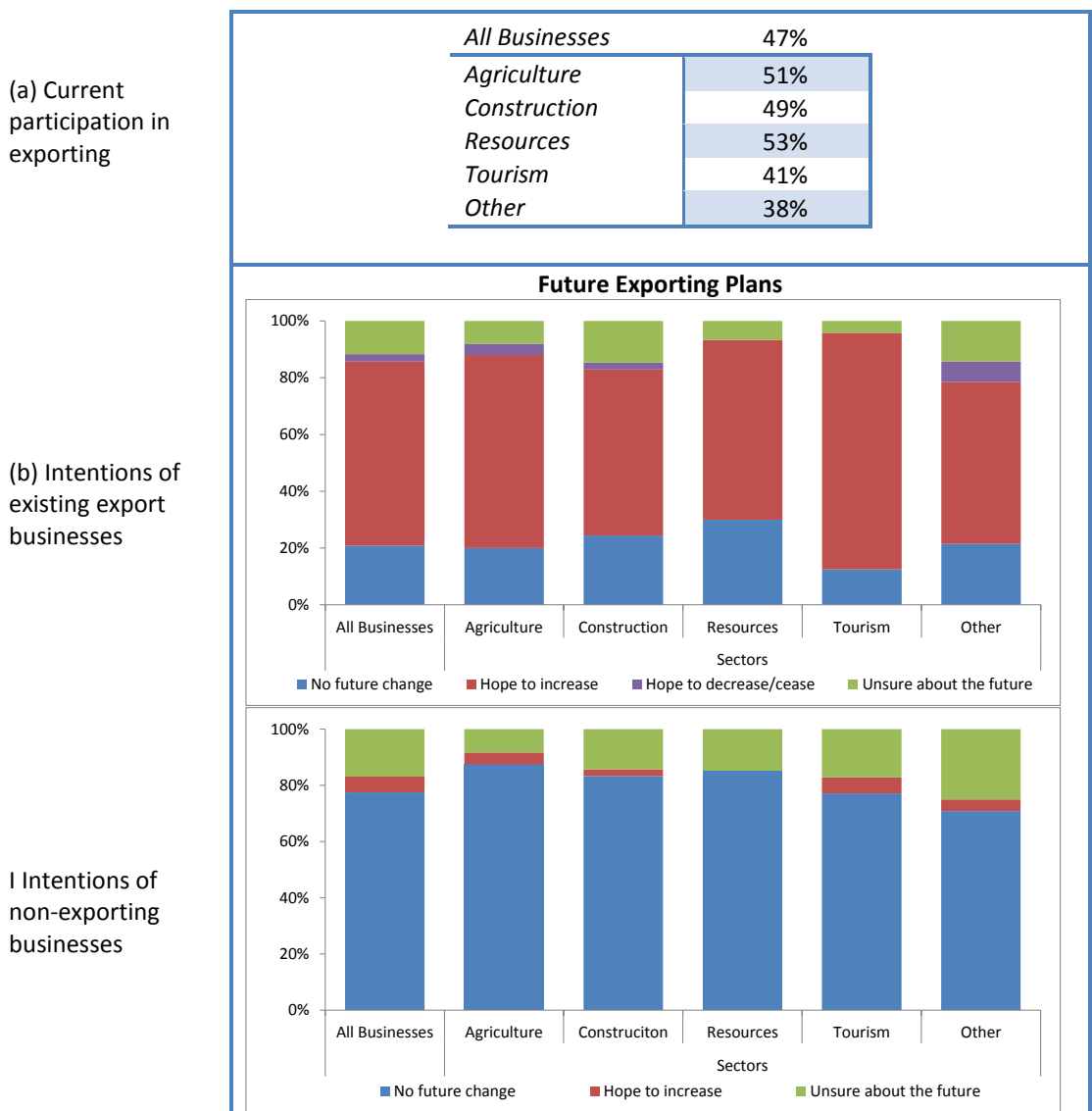
(a) Current participation in exporting

All Businesses	47%
Agriculture	51%
Construction	49%
Resources	53%
Tourism	41%
Other	38%

(b) Intentions of existing export businesses

I Intentions of non-exporting businesses

Figure 30   The current and future export situation for local business with breakdown by business pillar
Data are as self-reported in the e-survey

It thus appeared that businesses who were already exporting were planning to continue, whereas those who were not had little intention of changing that status quo. This scenario was further explored at the business evening, in order to confirm existing levels of knowledge and support relating to export activity. Here, almost half of the participants indicated that they were already able to source assistance relating to exporting (Figure 31).
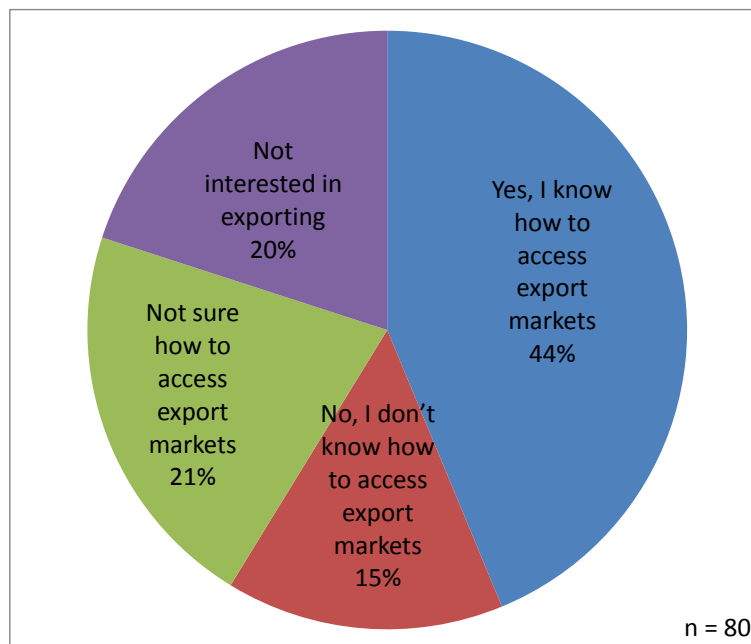

Figure 31   Business support to access export markets
Based on responses collected during the engagement evening

3.5   Focus item: marketing

Local businesses indicated that they currently use a wide range of marketing techniques, with online and print being the most preferred modes (Figure 32). In terms of online tools, around a third of businesses relied on just one option, but some businesses are operating up to four or five online marketing channels (Table 19).

Over 80% of businesses are currently using a website, with the next most popular tools being Facebook and LinkedIn (Figure 33). However, it was not clear in this item whether businesses were referring to purpose-built social media sites for the business entity, as opposed to personal (individual) pages that included business promotion content. For those who indicated use of other tools, popular options included Google (including Google AdWords), use of direct e-mailing and use of existing sales networks (for example, 'Gumtree').

Marketing was also used as a focus item at the business engagement event, where almost two-thirds of participants indicated that their current marketing strategy was effective (Figure 34). Notwithstanding this, participants also showed preference for a variety of different types of marketing assistance, with only 16% of participants indicating that they did not require assistance (Figure 35).
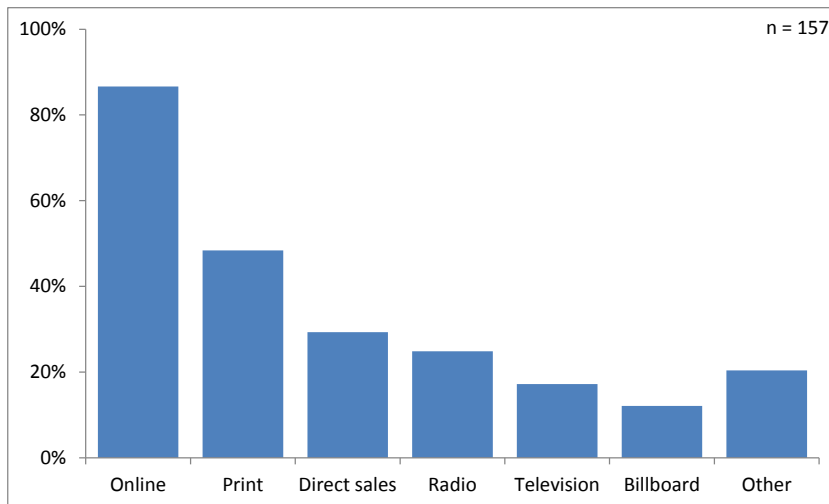
Figure 32 Marketing techniques currently used by local businesses
Based on responses from the e-survey

Table 19 Number of on-line marketing tool/s utilised by local businesses
Based on responses from the e-survey

	Proportion of businesses
1 marketing tool	36%
2 marketing tools	33%
3 marketing tools	21%
4 marketing tools	6%
5 marketing tools	4%
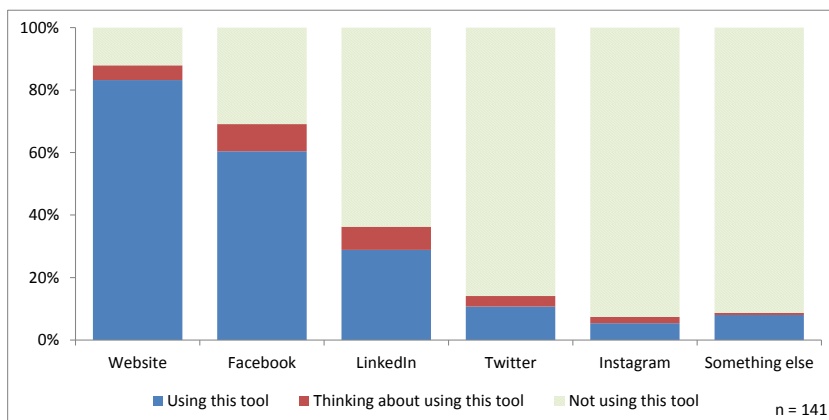
Figure 33 Current on-line marketing activities of local businesses participants in the e-survey
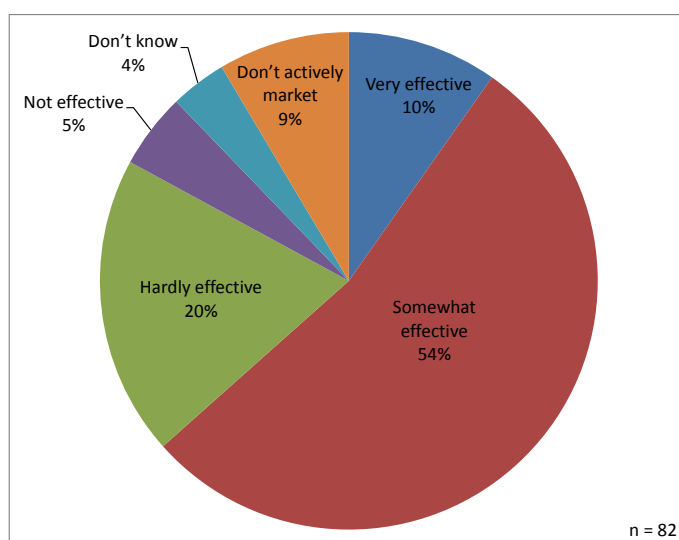

Figure 34 Effectiveness of marketing strategies currently used by local businesses
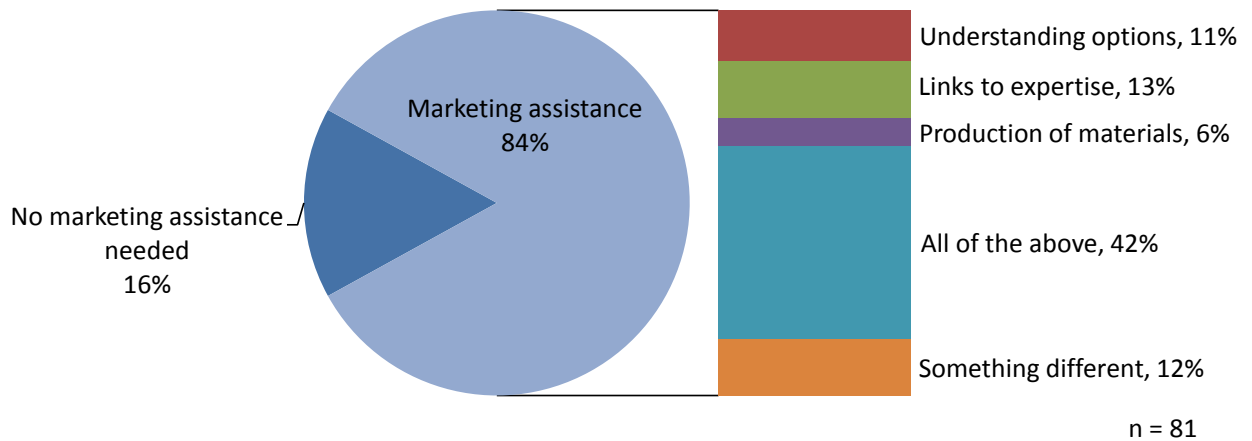Based on responses at the business engagement event

32

Figure 35   Preferences of local businesses with respect to marketing assistance
Based on responses at the business engagement event

3.6   Focus item: employment

Local businesses appear to be having mixed experiences with respect to the attraction and retention of quality staff. Approximately one-third of businesses reported difficulty in attracting quality staff into their business in the past 12 months. However, this tended to vary with business size, with a much greater proportion of medium and large firms reporting difficulty in this area (Figure 36). A similar trend was also observed for staff retention, although the difficulties appeared less pronounced overall.

With respect to overall staffing levels, local businesses indicated that they expected their numbers to remain steady or grow in the coming 12 months (Figure 37). However, the expected pattern of hiring varied amongst businesses of different size, with microbusinesses more likely to be engaging staff on a casual basis, whereas medium and large sized firms were anticipating growth in the number of full-time roles.

Taken together, these results suggest that human resources is likely to be a key challenge for local businesses in the coming year, with many being hopeful of hiring new staff to support (or drive) business growth, yet with many already experiencing difficulties in attracting and retaining existing staff.
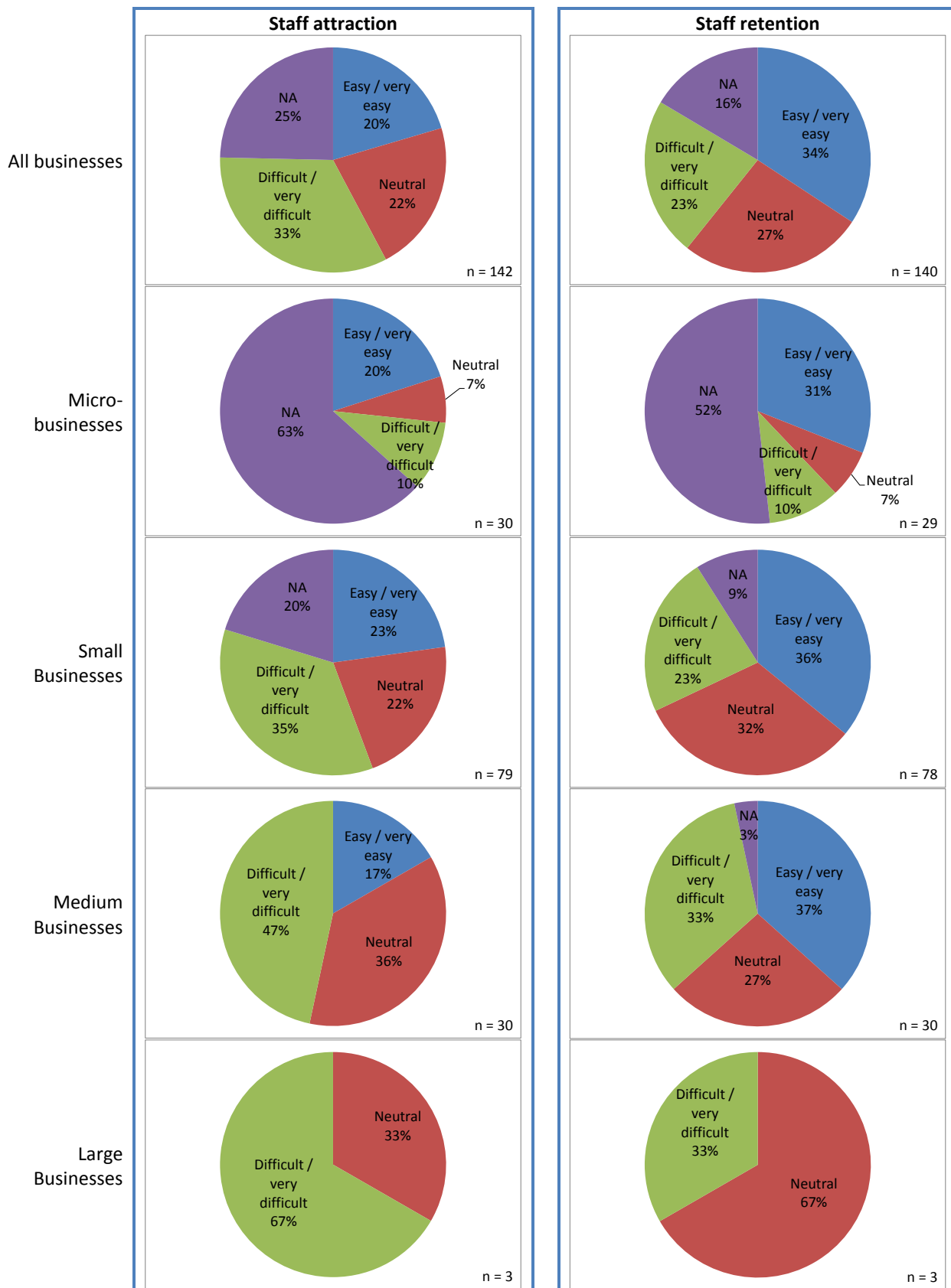
Figure 36   The ability of local businesses to attract and retain staff
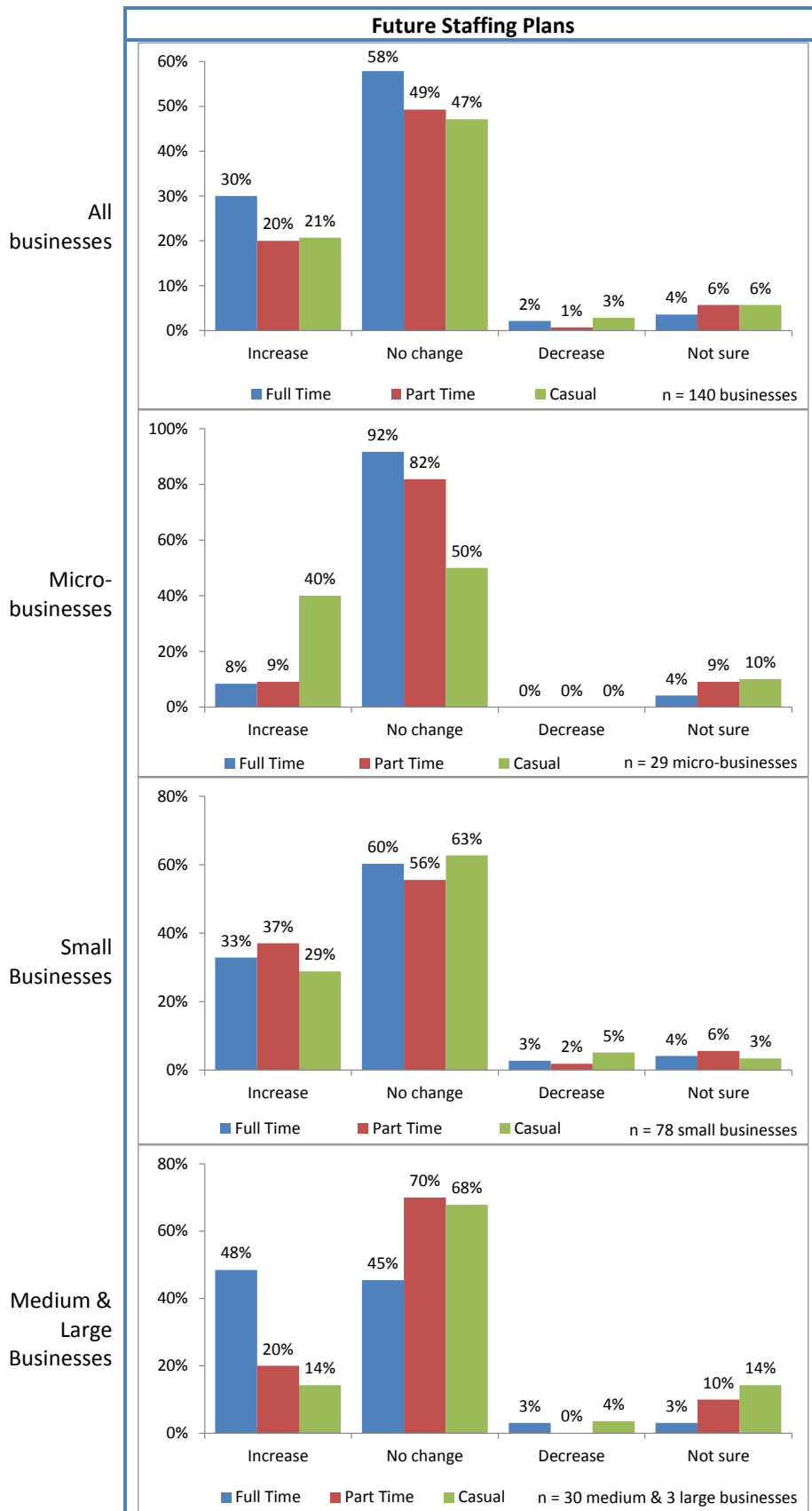Data are based on e-survey responses

Figure 37   Intentions of local businesses regarding change in their staffing levels in the next 12 months
Data are drawn from the e-survey participants. Note: in examples where a business was already employing staff, 'not applicable' responses have been reported as 'no change'

3.7   Focus item: skilling and training

During the e-survey, participants were invited to leave a comment regarding their plans for skilling and training within the business, over the coming 12 months. There were approximately 110 responses given. The thematic analysis showed that at least one in five businesses engage in ongoing professional development (Table 20). The areas for professional development were diverse, including workplace health and safety, first aid, quality assurance, computing, management, corporate, social media, marketing, business skills, individual training plans, workplace-based training, new technology, legislative amendments, design software and online sales. Many businesses indicated that staff had (or were seeking) formalised qualifications. Notably, some participants indicated that whilst skilling and training may be useful for their business, this was currently unaffordable.

The issue of skills and training was explored at the business engagement event, where half of the participants indicated that their current strategy for skills and training was effective. However, a further 20% stated that they are not currently undertaking skills or training development (Figure 38). In terms of business support, participants

voted for a diversity of options with a particular preference for locally delivered training and conference events (Figure 39).
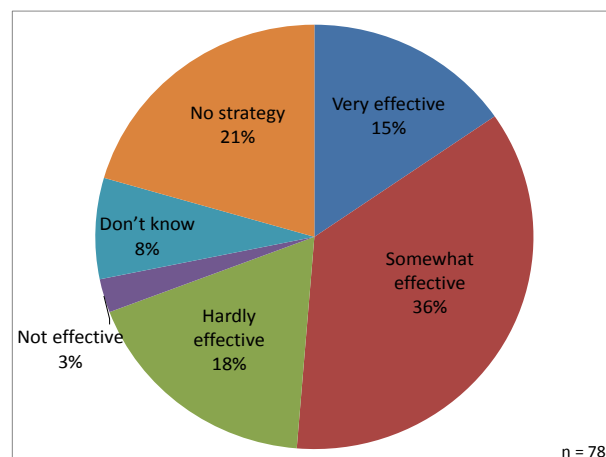

n = 78

Figure 38   The effectiveness of current skills and training strategies used by local businesses
Data reflect information given by participants at the business engagement event

Table 20   Thematic summary: future plans for skilling and training within local businesses
Data based on e-survey participants

Theme area		Number of responses containing this theme^
Nature/Type of Training	Ongoing professional development or training (internal or external)	22
	Formalised qualifications (certificate, diploma, masters, apprenticeships, 'tickets')	10
	Using in-house training	9
	Using onsite specialists/external trainers/consultants	6
	Use of industry-based training	6
	Use of on-line training (webinars, TAFE)	5
	Use of networking as a type of training	2
Training levels	Continuing the existing level of training	9
	No plans or unsure	8
	Concerns about lack of resources to invest in training	7

^ A particular response may have been coded to more than one subtheme, depending on the content and context. The total number of responses received to this question was n= 111
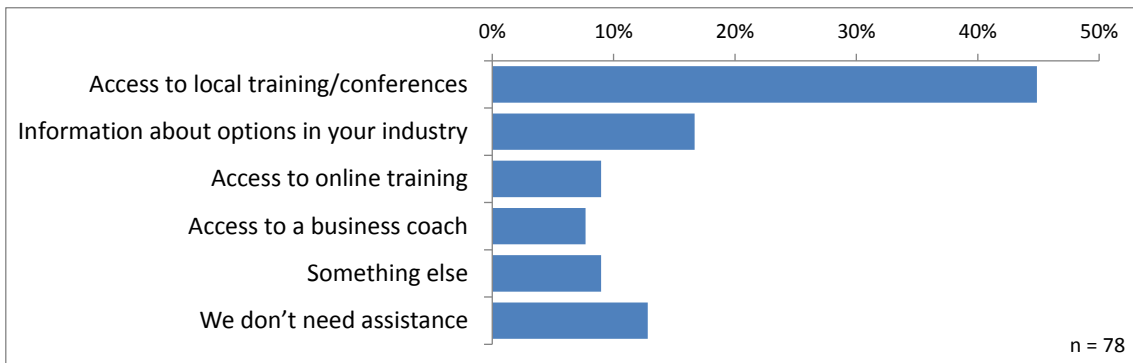
Figure 39 **Local businesses' preferences for support in staff training**
Based on responses provided during the businesses engagement event

3.8   Focus item: market and supply chain geography

Local businesses were asked to provide information regarding both the source and the destination of goods and services that were procured or sold by each firm. The results showed that four out of five local businesses purchase at least some goods and services in the immediate local area, with less than one in five sourcing their needs from an international supplier.

Furthermore, almost 85% of local businesses sell goods and/or services into the local area[23], but this proportion decreases steadily for markets that are further afield, with only one in five businesses having overseas customers. The proportion of businesses with local customers is thus slightly higher than the national average, where around 80% of businesses sell to local customers (DIISRTE, 2012).

National figures show that the geographic reach of a customer base was linked with the business size, with larger businesses more likely to report that they were participating in Australia-wide or overseas markets (DIISRTE, 2012). A similar, but weaker, trend for this appears to be evident in Capricornia, with large businesses having the greatest share of international customers (Figure 40).
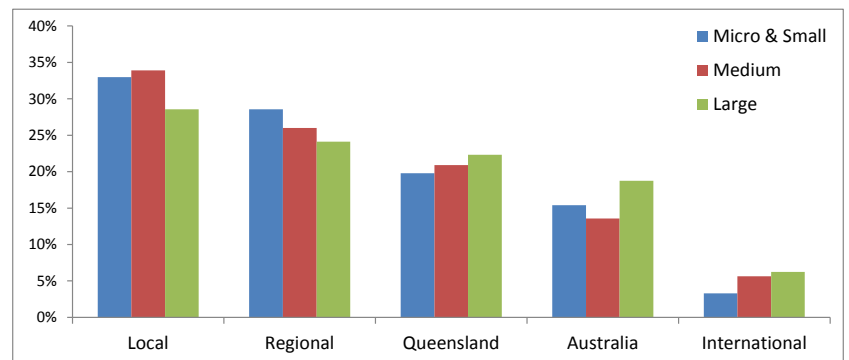

Figure 40 **Geographic spread of the customer base for local businesses, with breakdown by businesses size categories**
Data are based on the responses from e-survey participants. Size categories are by annual turnover with micro and small = $200,000 or less; medium = $200,001 to $2 million and large = $2million +

---

[23] That is, the immediate town or surroundings in which the business in located.
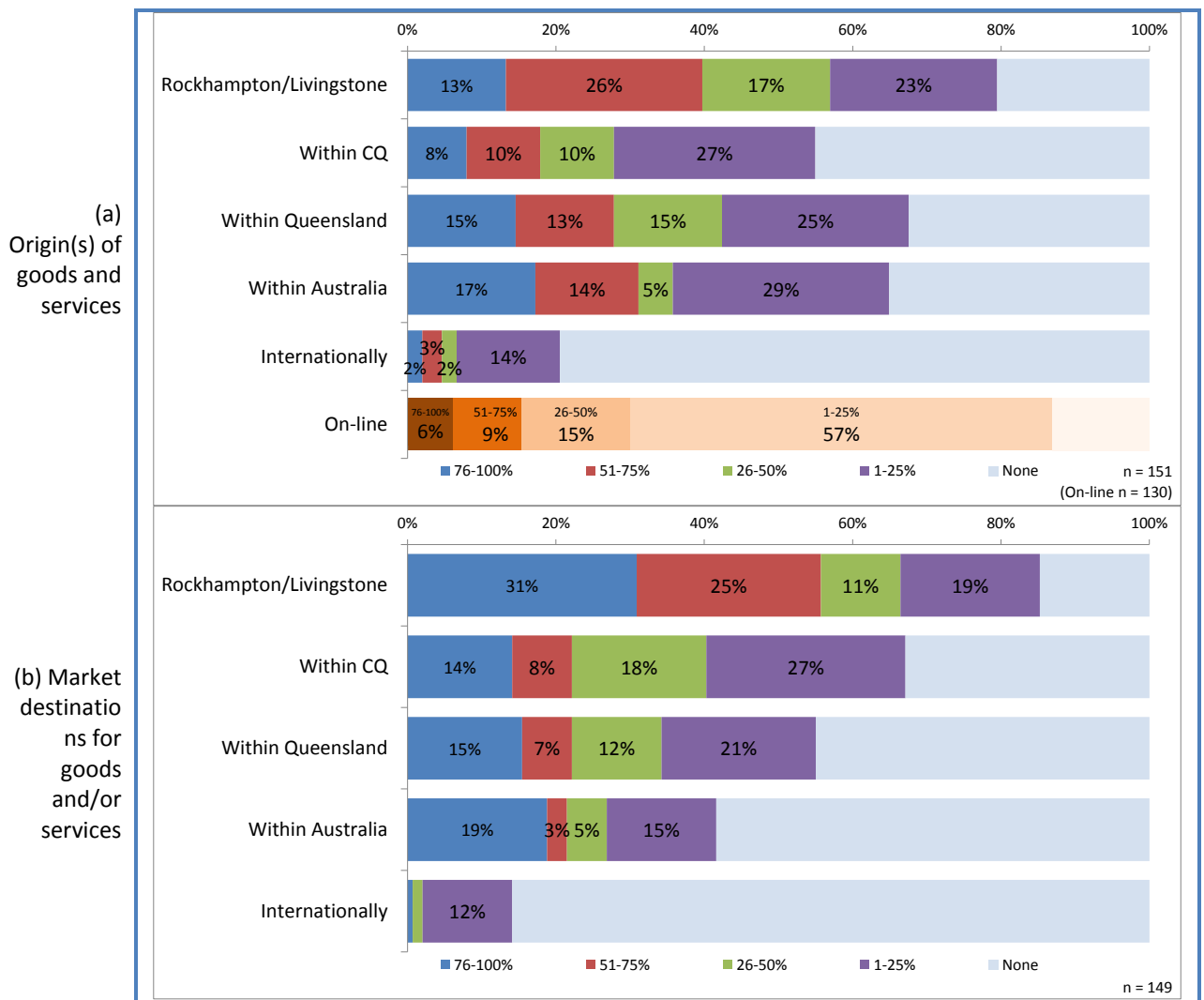
Figure 41   Geographic origin(s) of goods and services purchased by local businesses and the market destinations for goods and/or services sold by local businesses
Data are based on the results of e-survey respondents

When the buy-and-sell data were disaggregated by economic pillar, these showed that the purchasing patterns are generally similar across each pillar, although businesses with the resources sector appear to buy the greatest proportions of goods and services locally (Figure 42).   The levels of purchasing from international sources are also quite similar across the pillars, with businesses in the tourism pillar appearing to have the highest levels of international sourcing for their goods and services, whereas the construction sector had the lowest levels (Figure 42).

With regards to the destination of goods and services, again the overall patterns were relatively similar at the local level, albeit with tourism having a greater proportion of goods and

services sold throughout Rockhampton/Livingstone (Figure 42). However, there was an appreciable difference between pillars in terms of international market destinations, with construction having the lowest levels and tourism the highest (Figure 42).

Although the geographic spread of local businesses' suppliers and customers appeared to be on par with national trends, the need for increased levels of local patronage was identified as a very important topic by local businesses participating in the e-survey[24]. This was true in terms of business-to-business patronage, as well

---

[24] Refer to section 3.3 on values and concerns of local business.

as community support for local enterprises. At the business engagement event, a number of different options for business assistance were provided as possible ways to stimulate greater local buy practices within the region: the majority of support was for a local buy campaign that was directed at the general public, rather than towards small or large-sized firms (Figure 43).
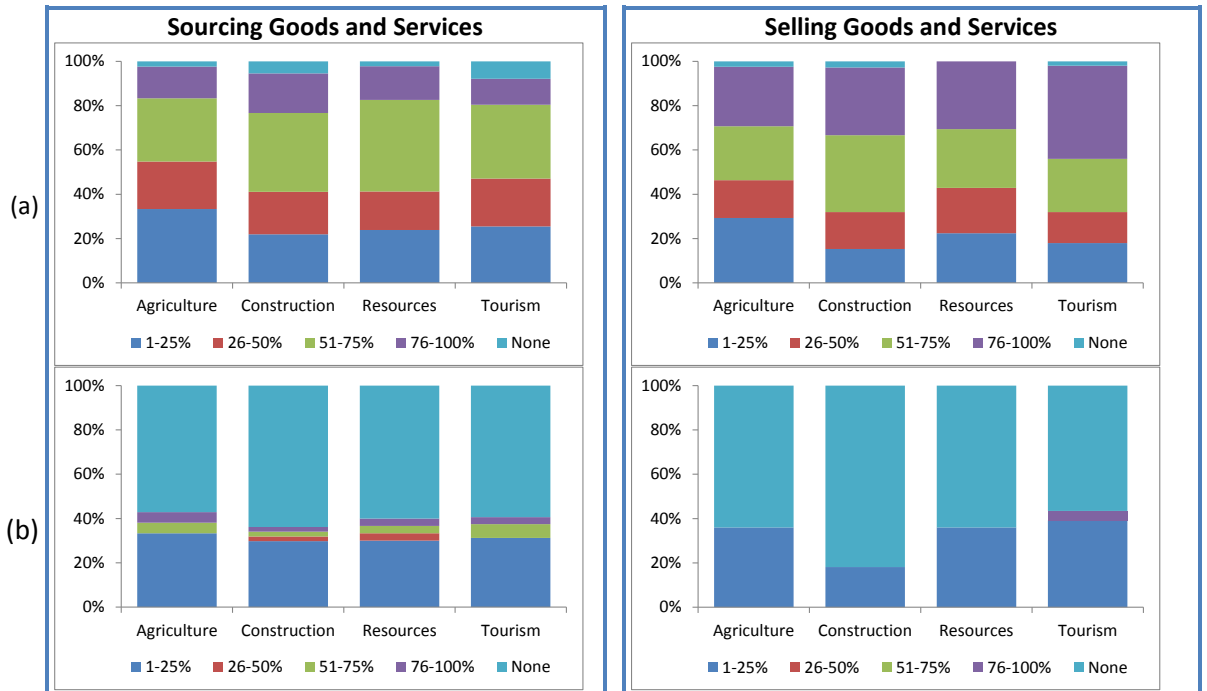

Figure 42 **Proportion of businesses <u>sourcing</u> or <u>selling</u> different proportions their goods and services from (a) local and (b) international suppliers, with breakdown by economic pillar**
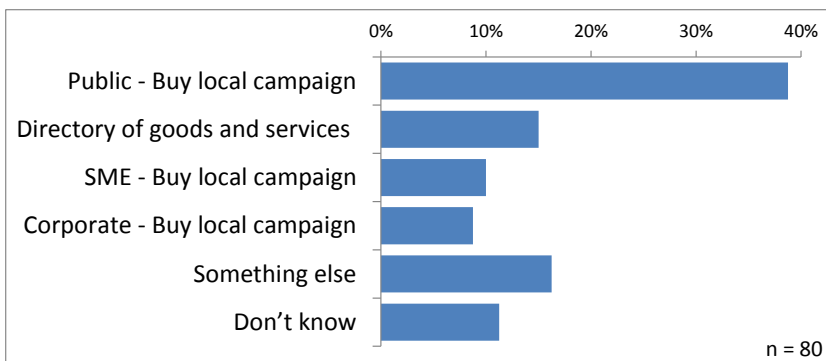Data reflect information from the e-survey; businesses may be members of more than one pillar

Figure 43 **Preferences regarding the best way to increase local patronage in CQ**
Data are based on responses collected at the business engagement event; Participants could select only one option

3.9   Focus item: margin pressure

Approximately one-third of local businesses reported that they had not experienced a 'squeeze' on their margins[25], whereas approximately 25% of businesses reported a squeeze of 6-20% (Figure 44). Across the economy, it appears that margin squeeze was being most intensely felt by those in the construction sector, where almost 15% of operators reported margin pressure of 20-50%.
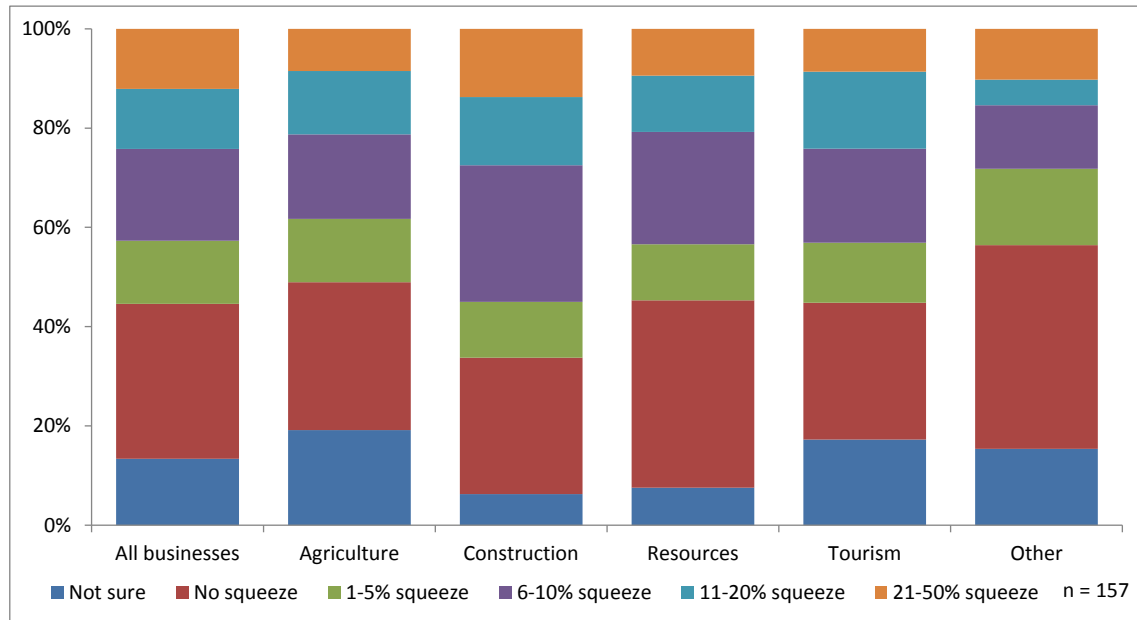

Figure 44   Proportion of businesses reporting 'margin squeeze' by their customers in the past 12 months, with breakdown by economic pillar
Businesses may participate in more than one pillar

---

[25] That is, downward pressure on pricing driven by customers.

3.10 Focus item: online technologies

A large majority (89%) of local businesses use online technologies, based on the e-survey data. However, this statistic should be interpreted with care, since the online-nature of the survey may have biased the results.

The key functions for e-technologies were in the areas of marketing, promotions and/or to communicate with customers (Figure 45). The "other purpose" areas included functions in accounting and administration; ordering/purchasing and training.

Local businesses were predominantly in favour of using on-line purchasing, with 87% of businesses already using this in their operations (Figure 46). However, the level of purchasing varied, with almost 60% of businesses making less than one-quarter of their purchases through online methods[26].

Some 40% of local businesses are ready to implement new e-technologies in the coming year. A further 14% would like to do so, but are being constrained by a lack of knowledge in this area (Figure 46).
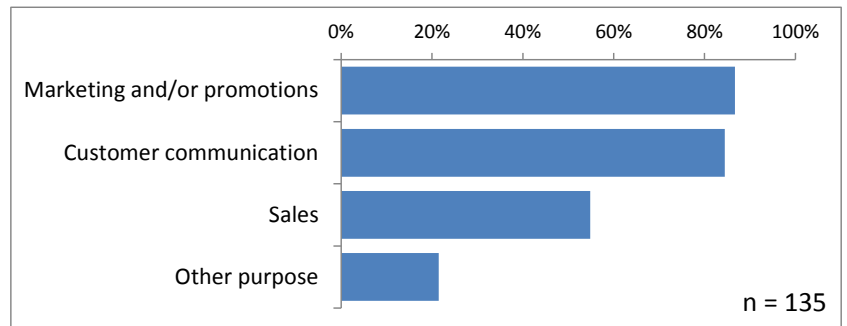
[26] However, it is unknown whether this relates to purchasing volume or purchasing value.

Figure 45   Proportion of local businesses currently using on-line technologies, with breakdown by purpose
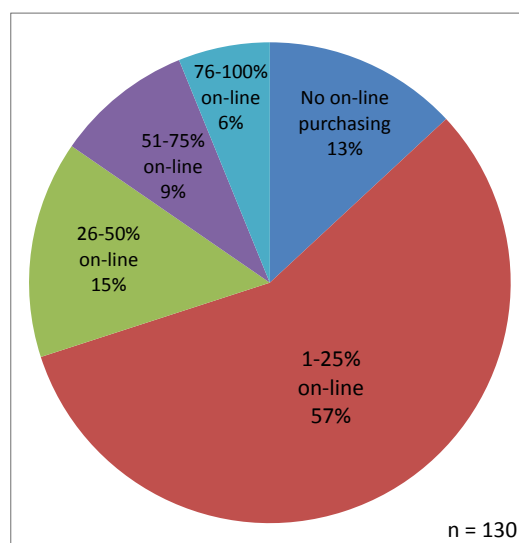Data are drawn from the e-survey

Figure 46   The proportion of purchases made on-line by local business
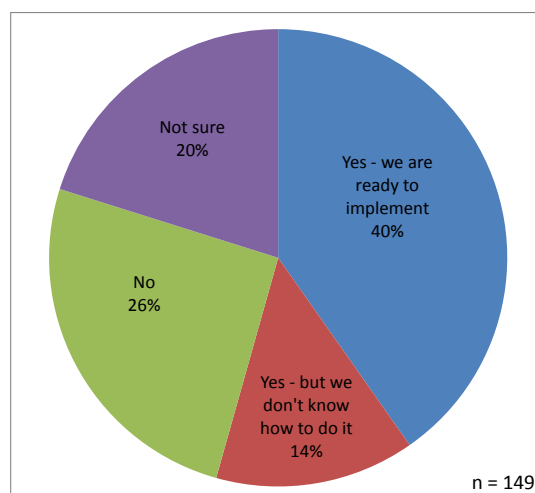Data reflect information from the e-survey

Figure 47   Businesses who are intending to introduce new technologies in the next 12 months
Data reflect information from the e-survey

There was mixed opinion amongst local businesses regarding the threat and/or opportunity presented by the growth of online shopping in the region. Approximately 10% of operators considered this trend to be a significant threat; however approximately twice that number viewed it as a significant opportunity (Figure 48).

An interesting trend in the data was observed by combining information from several questions in the e-survey, relating to business activity and social media usage. When data on recent sales activity are combined with local businesses' social media usage, there is a trend for Facebook users to report both higher levels of positive sales activity and lower levels of sales decline compared with non-users (Figure 49). This trend was not observed for those using other forms of social media or business websites.
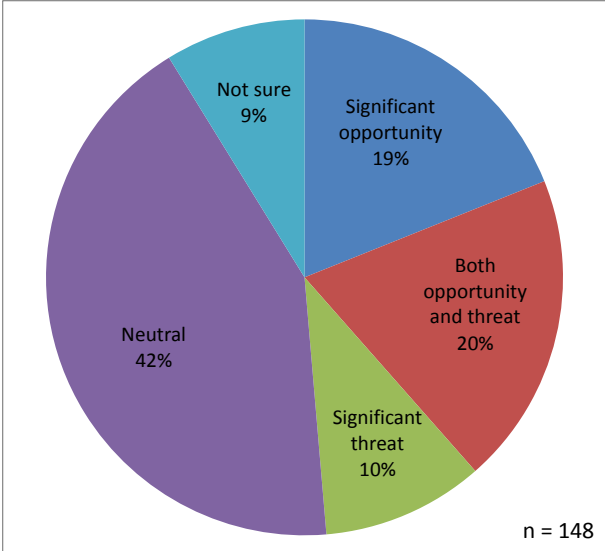

Figure 48 Local businesses' perceptions of the opportunities associated with growth in on-line shopping
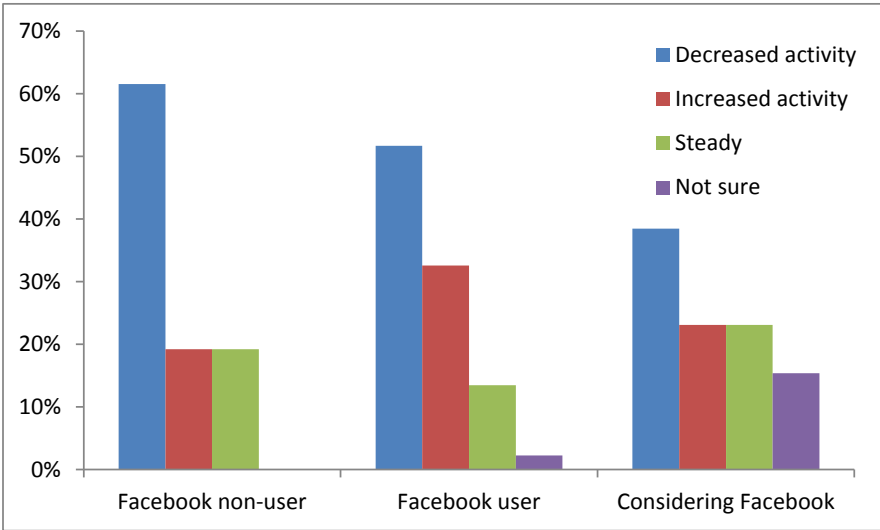Data reflect information from the e-survey

Figure 49 Comparisons between Facebook usage and sales activity for local businesses, based on self-reported trends for the past 12 months
Data reflect information collected in the e-survey (n=128)

3.11 Focus item: innovation

Innovation is clearly acknowledged as a valuable activity for businesses in the Capricornia region. Over 80% of local businesses have undertaken some form of innovation in the past 12 months, with the most common forms of innovation being those in products/services or marketing methods (Figure 50).

Moreover, 80% of local businesses agree that innovation is important to their ongoing viability, with just 2% stating that it was 'not important at all' (Figure 51).

Unfortunately, a large proportion of businesses (around 86%) also identified that they had one or more barriers to innovation. The most common problem was in access to funds, followed by access to knowledge/technology and issues with red tape (Figure 52).
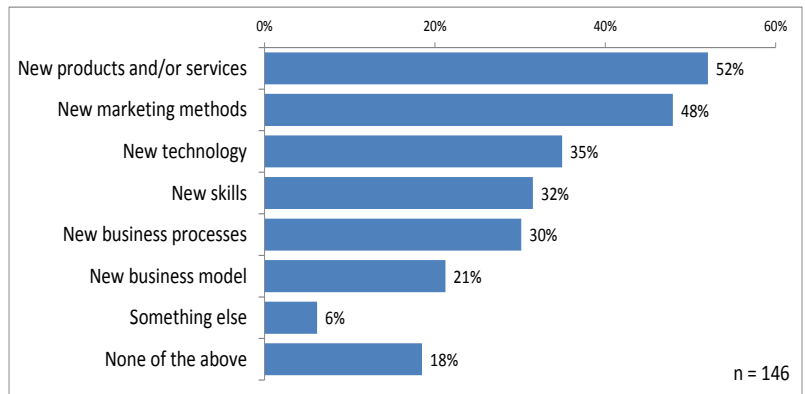

Figure 50 The innovation activities of local businesses in the past 12 months
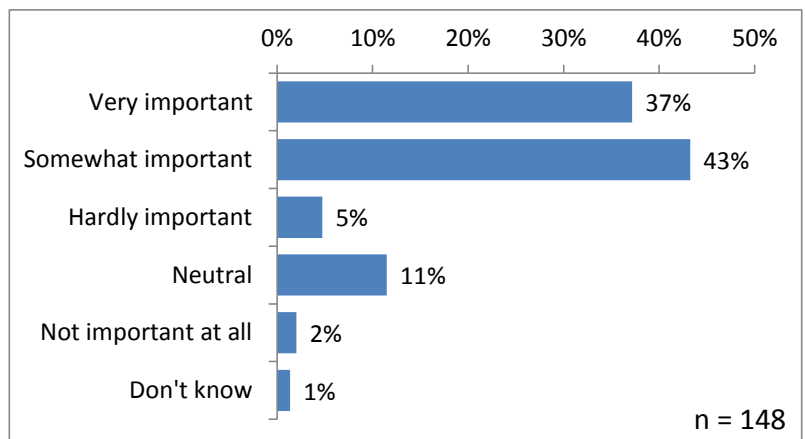Data reflect e-survey responses

Figure 51 The importance of innovation to the on-going viability of local businesses
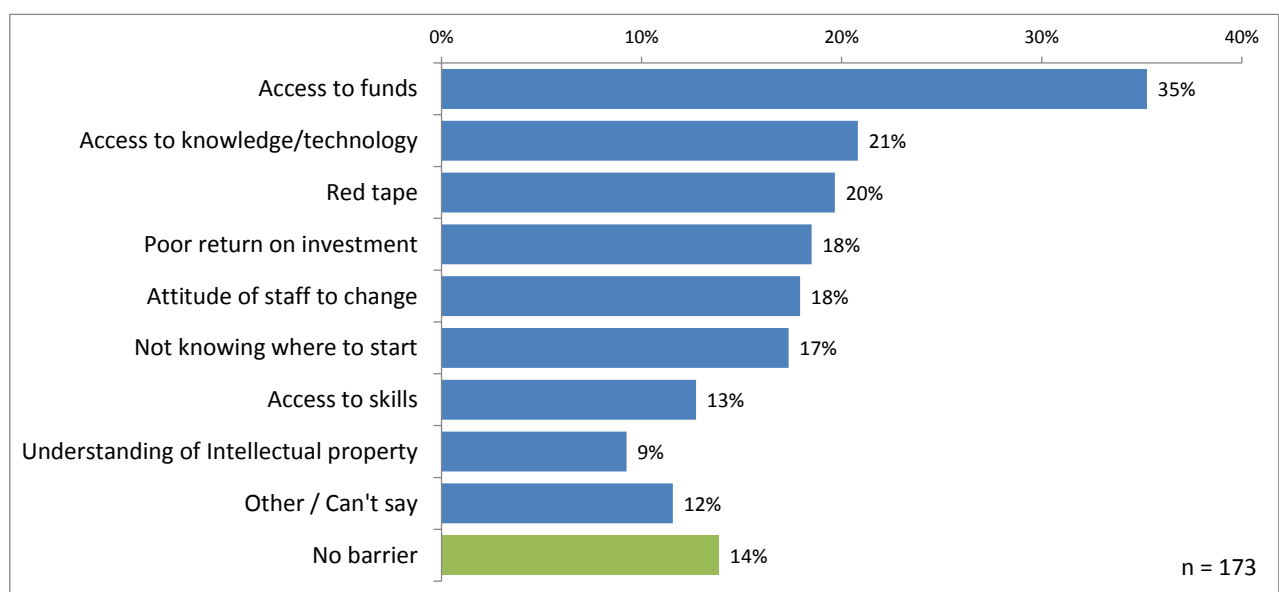Data reflect e-survey responses

Figure 52 The barriers to innovation for local businesses
Data reflect e-survey responses

Around 60% of local businesses spent 5% or less of their overall budget on research and development activities in the past 12 months (Figure 53). Of those that indicated that they spent more than 10% of the budget on R&D, the greatest proportion was in the tourism pillar. Meanwhile, some 29% of businesses in the construction pillar had no budget allocation for R&D activities.
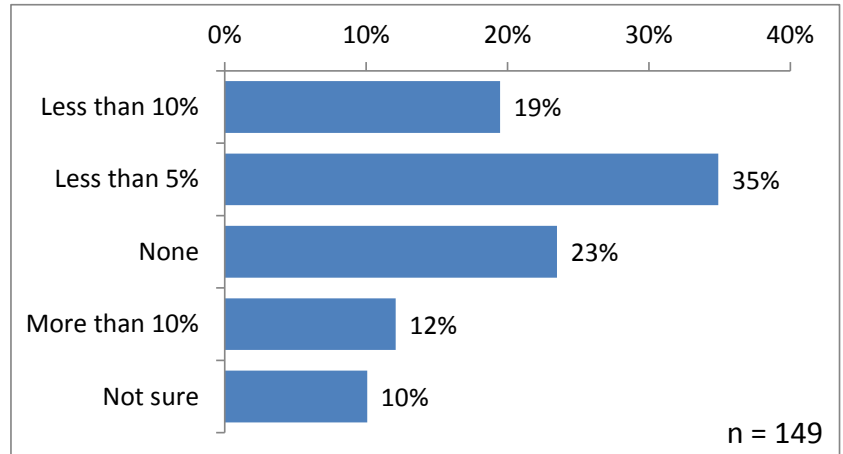
Around one-third of participants indicated that they intended to pursue more R&D activities in the coming 12 months (Figure 54). However, some care must be taken in extrapolating this to local businesses in general, as it may be the case that businesses who participated in the survey were of a more proactive outlook than those that did not. Nevertheless, the strongest push for innovation appeared to be in the resources pillar, where 38% of participants indicated they expected to do more R&D.
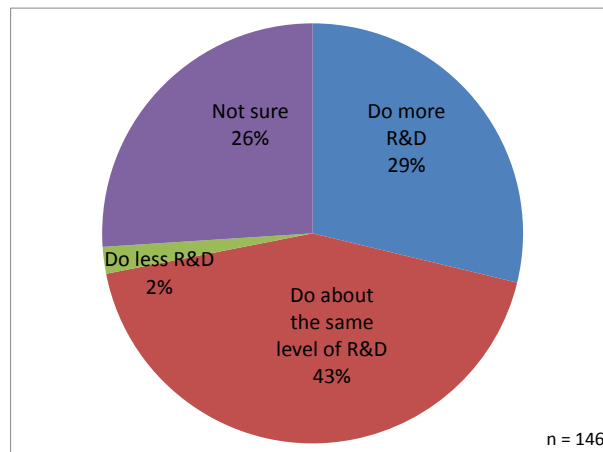
Finally, businesses were asked to indicate their preferred method for support to undertake R&D. Here, business planning and funding were both popular choices, although 10% of participants indicated that they weren't looking for support at this time (Figure 55).

Figure 53   The proportion of budget that local businesses have spent on their R&D activities in the past 12 months
Data reflect e-survey responses

Figure 54   Intentions of local businesses with respect to undertaking research and development in the next 12 months
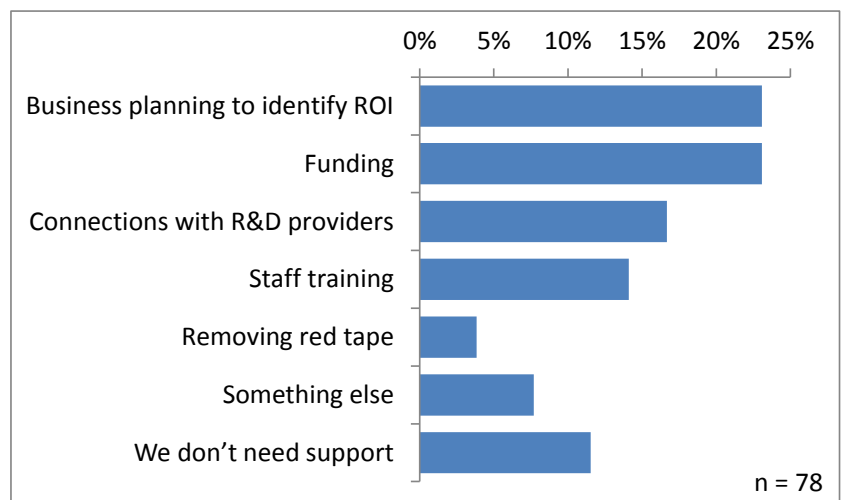Data are from the e-survey results

Figure 55   Local businesses' preferences for support to undertake Research & Development
Data are from the e-survey results

3.12 Focus item: red tape

Approximately half of the e-survey participants indicated that 'red tape' issues were linked with negative impacts on their business, whereas only 4% felt that red tape had provided a positive impact (Figure 56).

The regulations areas that have been responsible for the greatest burden on local businesses were financial governance and workplace health and safety (Figure 57). For those who indicated 'other', the areas nominated included local government fees and charges, changes to planning or building codes, refinancing, native title, de-amalgamation[27], workplace relations (including workers compensation arrangements), the Privacy Act[28], and dealing with Main Roads[29].

Notably, around half of businesses felt that the 'red tape' burden had remained steady in the past 12 months, with one-third stating it had substantially increased (Figure 58).
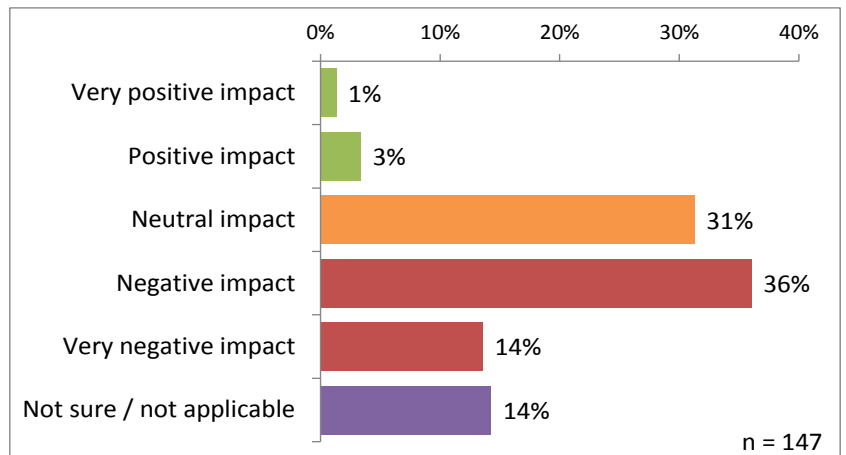

Figure 56 The impact of red tape on the local businesses in the past 12 months
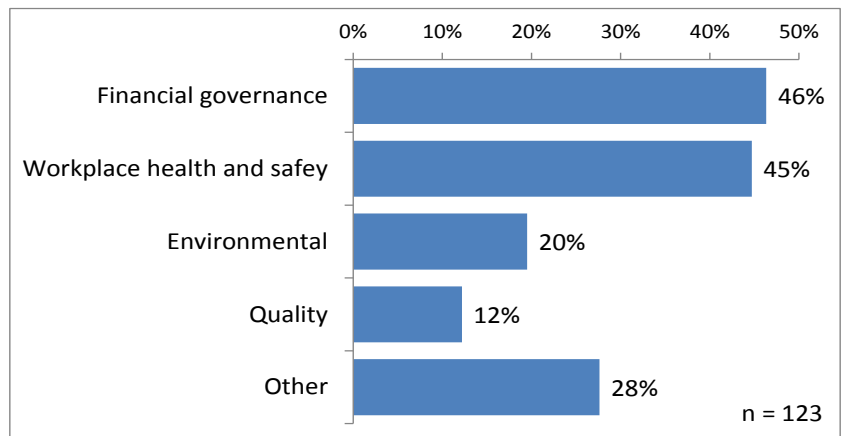Data show the responses from the e-survey

Figure 57 Areas of regulations that have been the greatest burden for local businesses in the past 12 months
Data show the responses from the e-survey

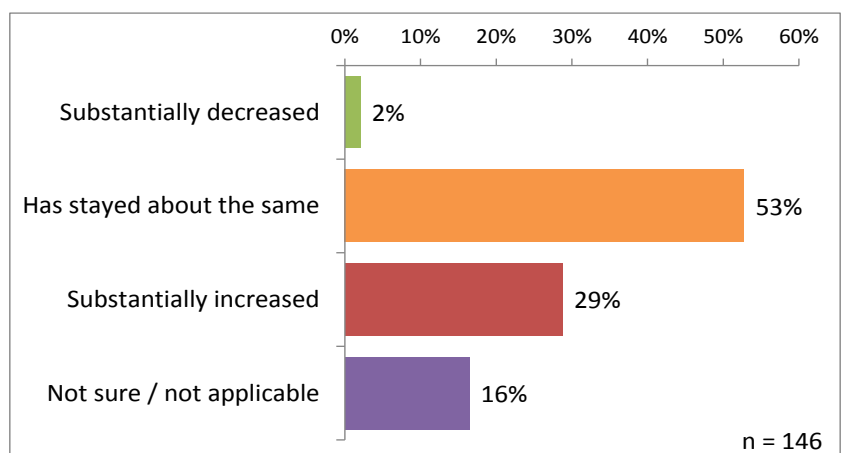**Figure 58 Change in government reporting and compliance burden for local businesses in the past 12 months**
Data show the responses of e-survey participants

---

[27] Rockhampton Regional Council and Livingstone Shire Council de-amalgamated on 1 January 2014.
[28] It is not clear whether this referred to State or Federal legislation.
[29] Assumed to refer to Queensland Department of Main Roads and Transport.

3.13 Business support

Participants in the e-survey were provided with a list of 25 different topic areas in which business assistance could be made available, and asked to indicate which were of interest to them. The most common selection was marketing (45% of responses), followed by e-business, mentoring, and network and alliance building (Figure 59). Those of lowest interest included exporting – which was consistent with responses collected elsewhere in the survey, see section 3.4 – as well as environmental improvements and manufacturing support.

Whilst it is helpful to see the patterns of strong or weak support for the listed items, these should be interpreted carefully (and in the context of other material presented in this report), as interpretations of what is meant by each topic area may vary across participants.

Some additional information about preferences for business support was also obtained from the engagement event, where respondents were asked to vote for their preferred option regarding assistance to access the resource sector. This was considered an important issue given that the resource sector had earlier been identified as a key influence on business activity and the state of the local economy. Participants favoured a suite of options, including capability building, marketing and networking (Figure 60), which echoed the findings of the e-survey for business support mechanisms in general.
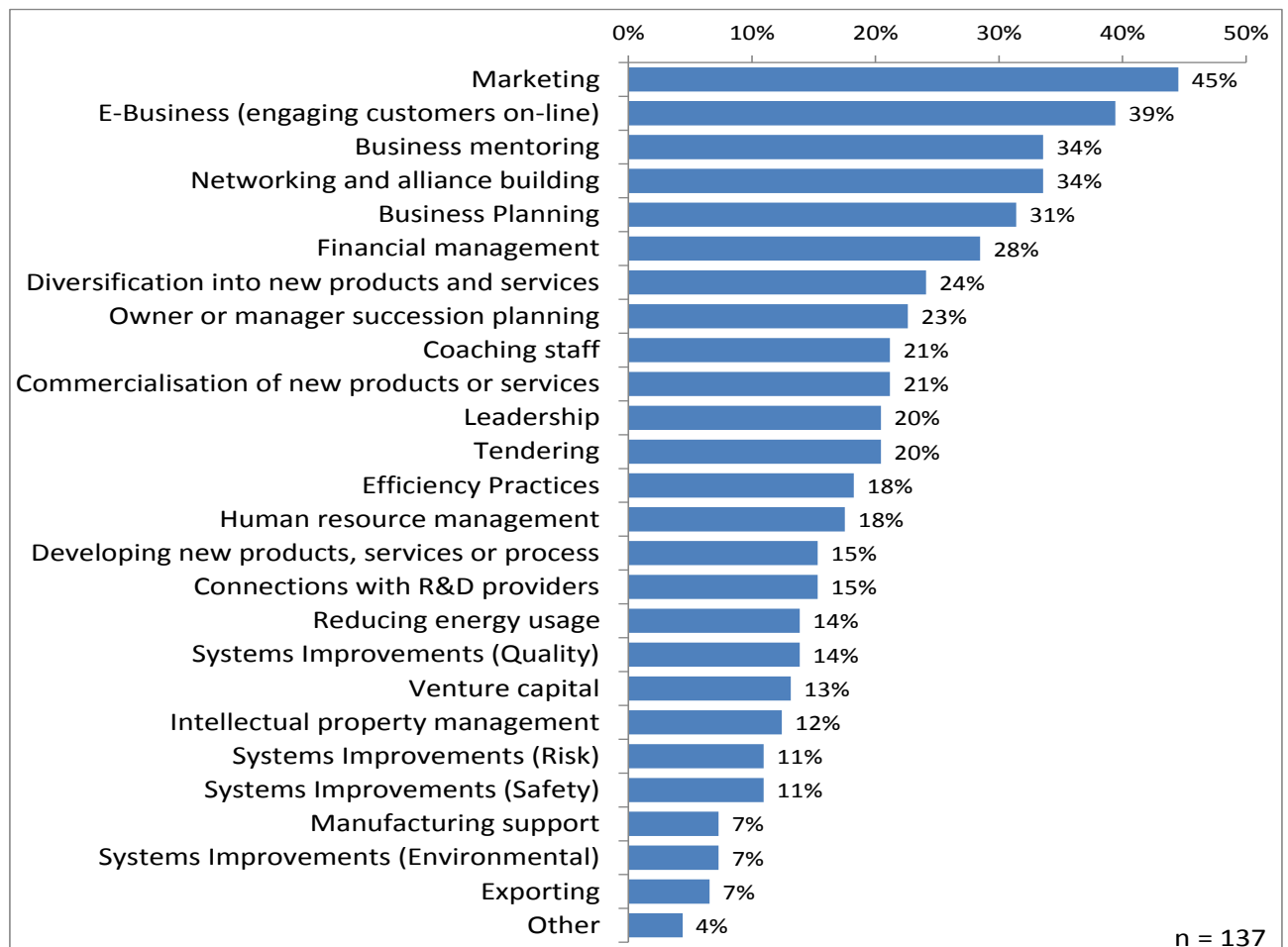

Figure 59   Preferences for business support and assistance in the future
Data are based on responses from the e-survey participants. Participants could select more than one option
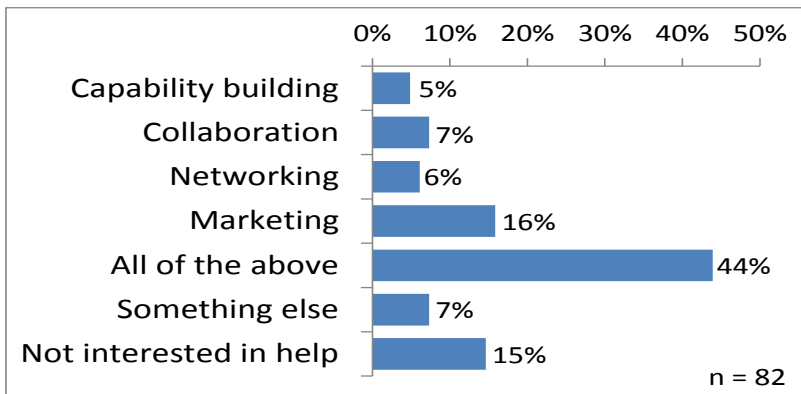
Figure 60 Local business' preferences for assistance to help them access the resource sector
Data are based on responses collected at the business engagement evening

Notes:
- Capability building = improving business systems or growing products/services
- Collaboration = working with other local businesses
- Networking = industry forums to explain supply opportunities with major projects
- Marketing = improving our visibility to resources companies
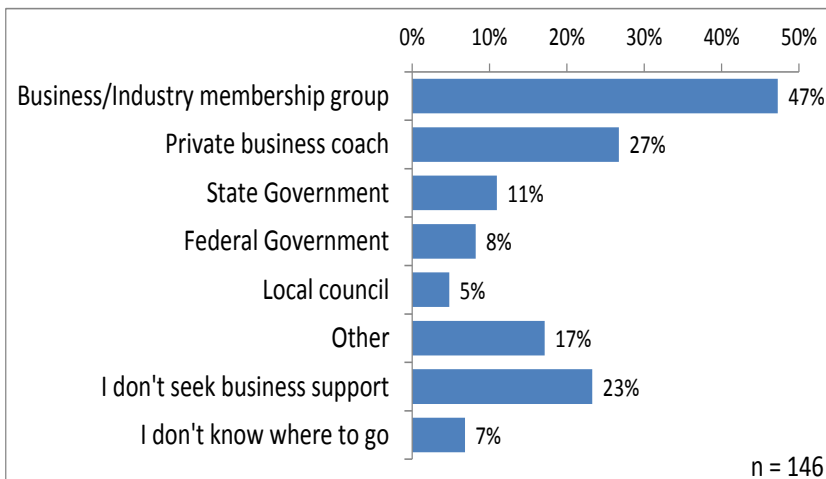
Figure 61 Avenues for support that are currently used by local businesses
Data based on e-survey respondents

The most popular sources of support for businesses within Capricornia appear to be business or industry membership groups, or private business coaches, with these two options representing almost three-quarters of responses (Figure 61).

Approximately half of those who responded with 'other' identified that business mentors, or accountant/ financial advisors represented good sources of business support, with other options including family and friends or online resources.

Businesses who participated in the e-survey appeared to have a strong reliance on professional memberships, with two-thirds of participants being members of at least one business organisation (Figure 62). In fact, almost 10% of businesses belonged to 4 or more groups. There was a diverse range of other professional memberships, which include local, state and national-level organisations; formal associations (e.g. Institutes) and informal groupings (e.g. LinkedIn groups).

Memberships included:
- AAA
- ABN
- ABNLP
- Accommodation Association of Australia (AAOA)
- AHRI
- AIM
- ASAA
- Australia China Business Council
- Australian Alpaca Association
- Australian Institute of Management
- Australian Millinery Association
- Australian steel institute
- Building Designers Association
- Built Environment Design Institute
- Capricorn Launchpad
- CEO Circle
- CPAQ

- Gladstone Engineering Alliance
- Gladstone Information Centre
- Golden Chain Motels Group
- Growcom
- Horticulture Australia Ltd
- ICF
- Institute of Engineers Australia
- IECA
- IQA
- LinkedIn
- Master Builders Association
- NTAA
- Produce Marketing Australia
- QBCC
- QBIC
- QBSA
- Queensland Master Builders Association (QMBA)
- RACQ
- RECI
- Reckon Professional Partner
- REIQ
- Riverina Millinery Association
- SEGRA
- SKAL International
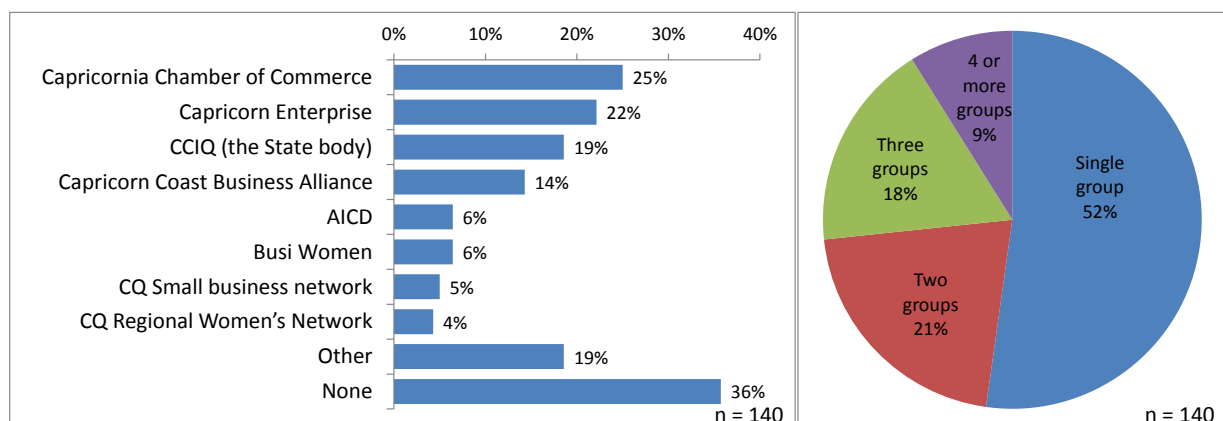- The Institute of Quarrying
- TRBG
- WBECS
- WOB

Figure 62   Professional memberships of local businesses: by type (left) and by number of memberships (right)
Data based on e-survey responses

3.14 Networking, collaboration and engagement

Unfortunately, there were no items on the e-survey or the business engagement evening that specifically asked businesses about existing or planned levels of collaboration with other local businesses.

However, some insight into current levels of cooperation may be provided by the existing data. For example, around 3% of businesses indicated that they shared premises with another business (Figure 63).

Also, around 20% of trading sites were operating more than one ABN (see section 3.1.6). Whilst this may indicate business-to-business cooperation, it may also relate to instances were multiple ABNs are used for essentially the same business (rather than a partnering business).

Local businesses appeared to be strongly interested in connecting with each other, more than connecting with firms in their supply chain, or with investors (Figure 64).

Participants felt that the existing Dashboard engagement strategy had failed to reach a large audience, signalling the need for new ways to engage with local businesses (Figure 66). On this topic, participants demonstrated a strong preference for using existing business groups to drive the business support agenda in the local area (Figure 67).
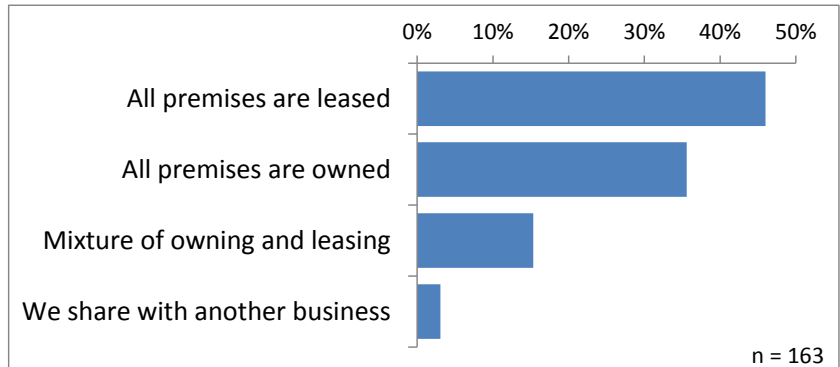

Figure 63   Ownership and sharing arrangements for local businesses
Data are based on responses from the e-survey participants
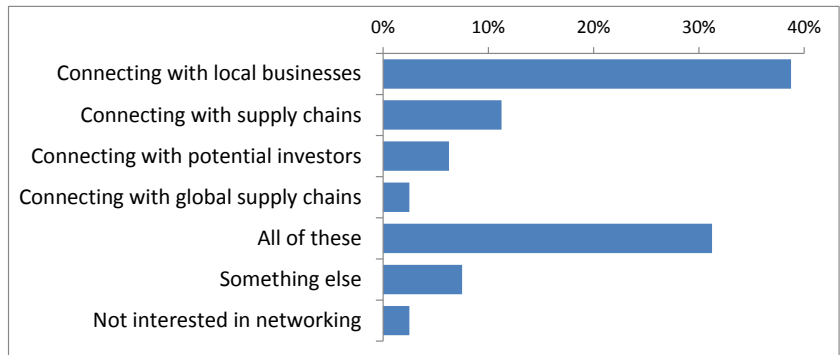
Figure 64   Preferences for opportunities in regards to business networking
Data reflect the responses from participants at the business engagement evening. The posed question was 'Thinking about networking opportunities, which would you be most interested in'?

Figure 65   Event format preferences for future events
Data reflect the responses from participants at the business engagement evening. The posed question was 'What format would you most prefer for networking events'?

Figure 66 Opinions regarding businesses engagement with the Dashboard e-survey
Data reflect the responses from participants at the business engagement evening. The posed question was 'why do you think more businesses didn't participate'?

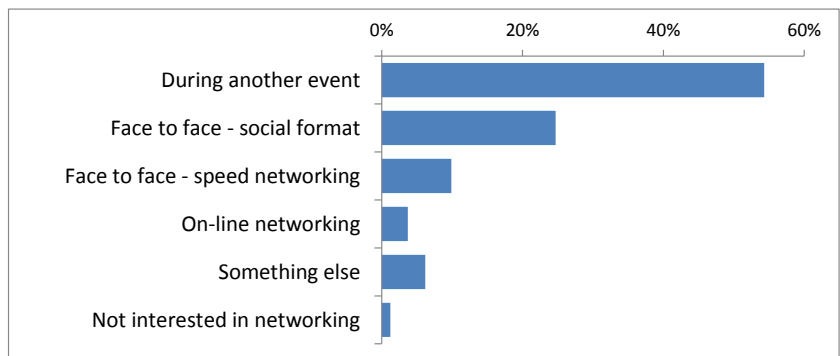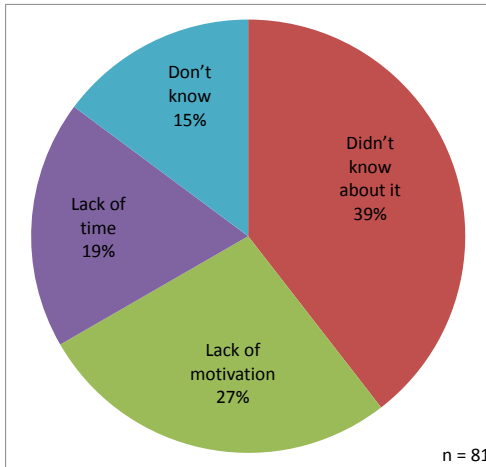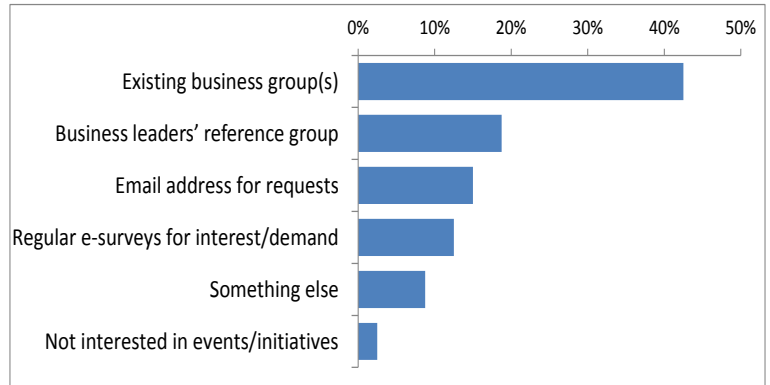**Figure 67 Making future events and/or initiatives industry driven**
Data reflect the responses from participants at the business engagement evening. The posed question was 'What is the best way to ensure that any future events/initiatives are industry-driven'?

At the conclusion of the e-survey, participants were given the option of providing their contract details, for follow-up by the project partners:

- 80 participants expressed interest in the interactive business event;
- 87 participants indicated they would like to be sent a copy of the research summary;
- 29 participants expressed interest in membership of the Capricornia Chamber of Commerce; and
- 64 participants expressed interest in future business services or workshops being run by the Queensland Government.

4. Key results factsheets for Economic Pillars

The following sections present information relating to businesses trading in each of the four economic pillars, based on results from the e-survey.

4.1 Agriculture

4.1.1 Profile overview
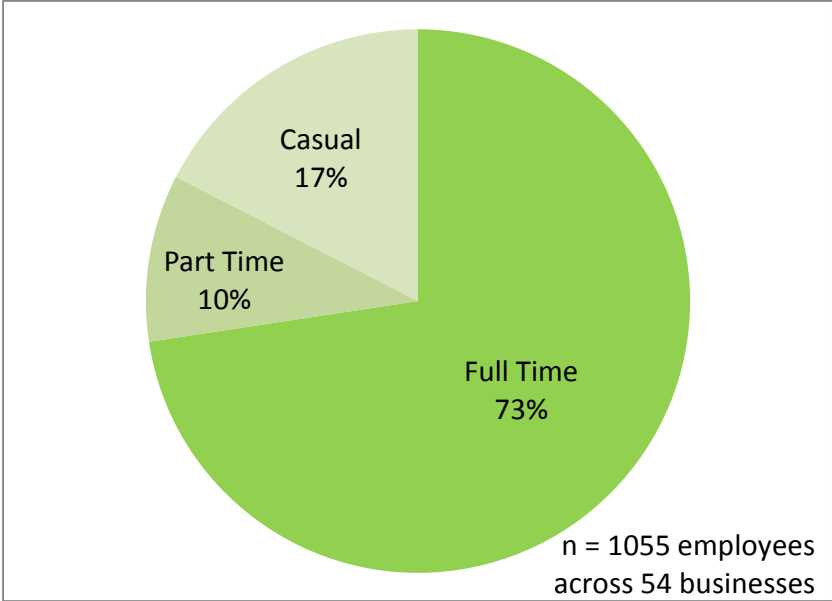
Businesses in the agricultural pillar recorded the highest levels of casual workforce; and the lowest rate of full-time staff.

Agriculture: employee status

Around 10% of businesses in the agricultural pillar are new entries, having been trading for 12 months or less.

Agriculture: summary data for number of years in business
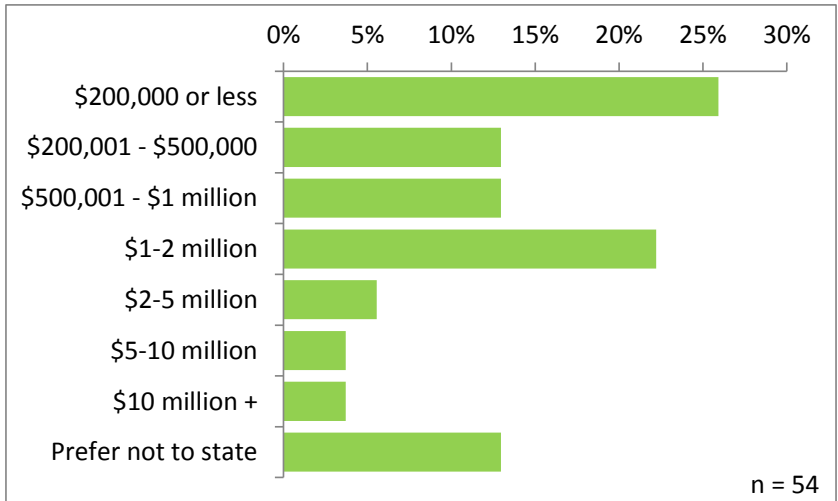
Agriculture: current annual turnover

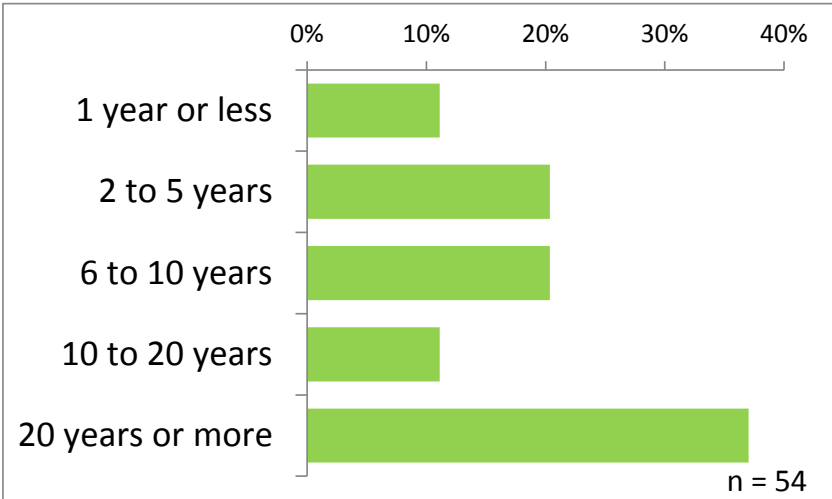The agricultural pillar recorded the highest proportion of businesses with a small turnover, with more than one quarter of businesses turning over $200,000 or less annually.
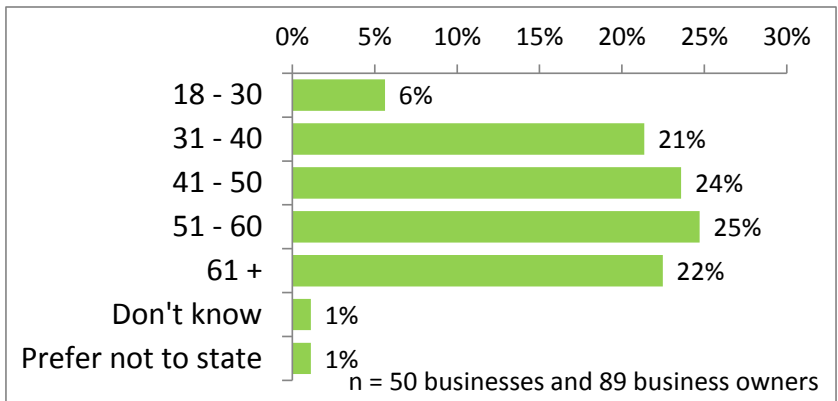
Agriculture: age profile of business owners

The agricultural pillar has the 'oldest' ownership workforce, with 47% of owners being 51 years or greater.

However, agriculture is similar to the other three pillars in having approximately 5-6% youth ownership (18-30 year olds).
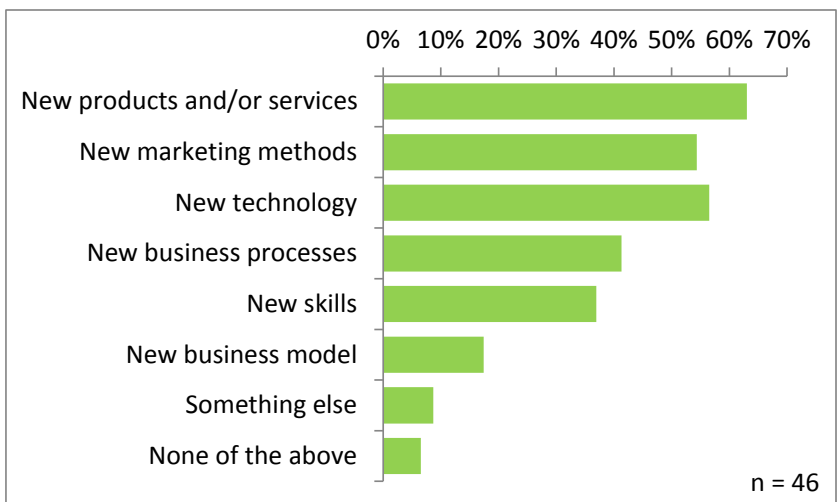
Agriculture: levels of innovation

Almost 90% of businesses in the agricultural pillar had demonstrated some form of innovation in the past 12 months.

Approximately 15% of businesses currently have no budget allocation for R&D activities, and around 30% of businesses expecting to do more R&D in the coming year.

4.1.2 Current trends
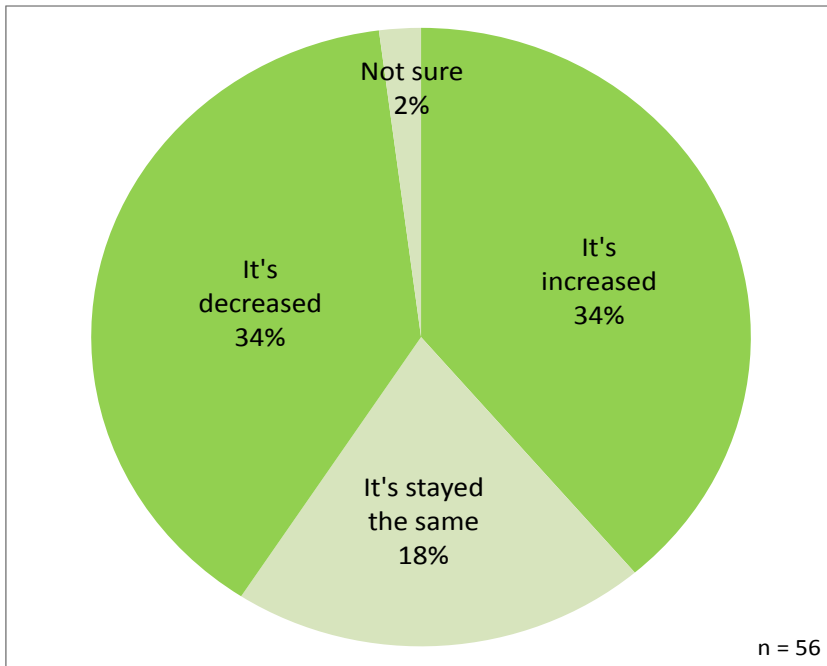
Agriculture: trends in business activity in the past 12 months

The agricultural pillar had the lowest proportion of businesses indicating that their activity had decreased.

It also had the highest proportion of businesses indicating that business had remained stable.

The agricultural pillar was also important in recording the highest levels of intended diversification, with 72% of participants intending to diversify (either goods, services, or both).
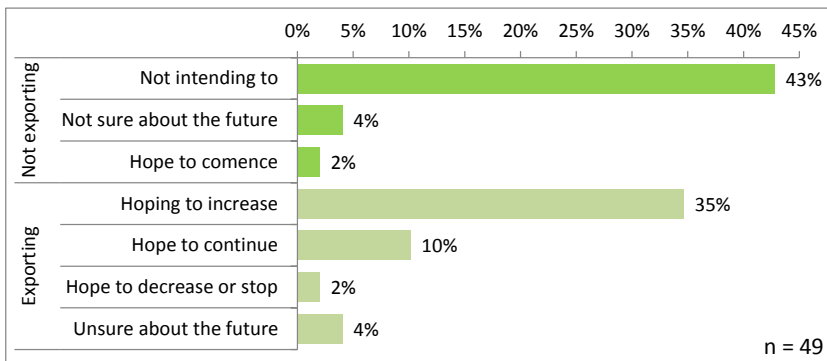
Agriculture: current exporting profile and future exporting plans

51% of businesses in the agricultural pillar are currently exporting.

A high proportion (35%) of these businesses are hoping to increase exports in the coming year.
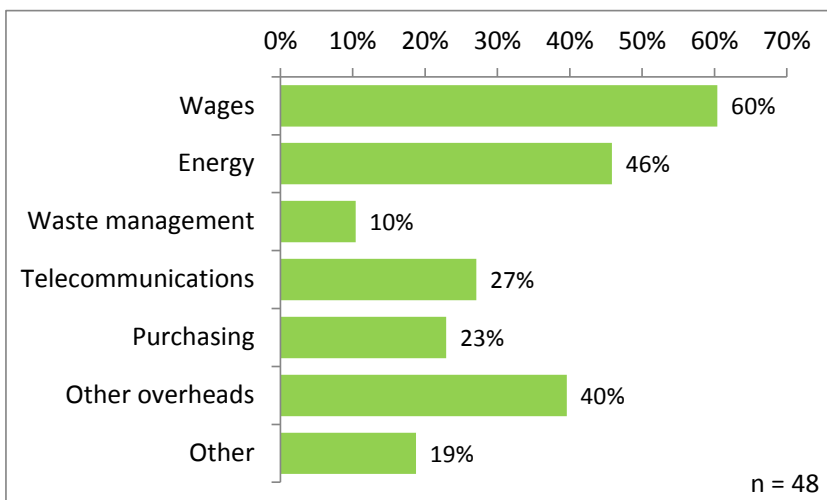
Agriculture: largest increases of expenditure for businesses

The three greatest areas of costs increases for businesses in the agricultural pillar are wages, energy and other overheads.
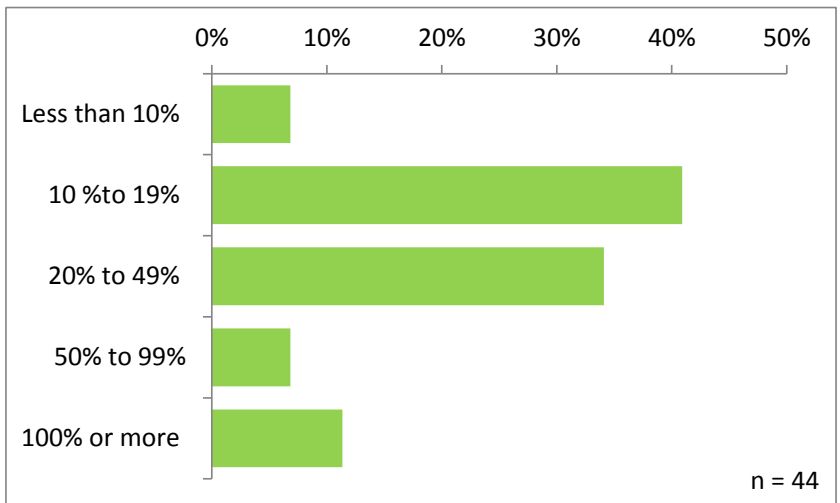
Agriculture: future growth aspirations

More than 10% of business in the agricultural pillar are keen to achieve aggressive growth (100% or higher) in the next 12 months.

4.2 Construction

4.2.1 Pillar profile
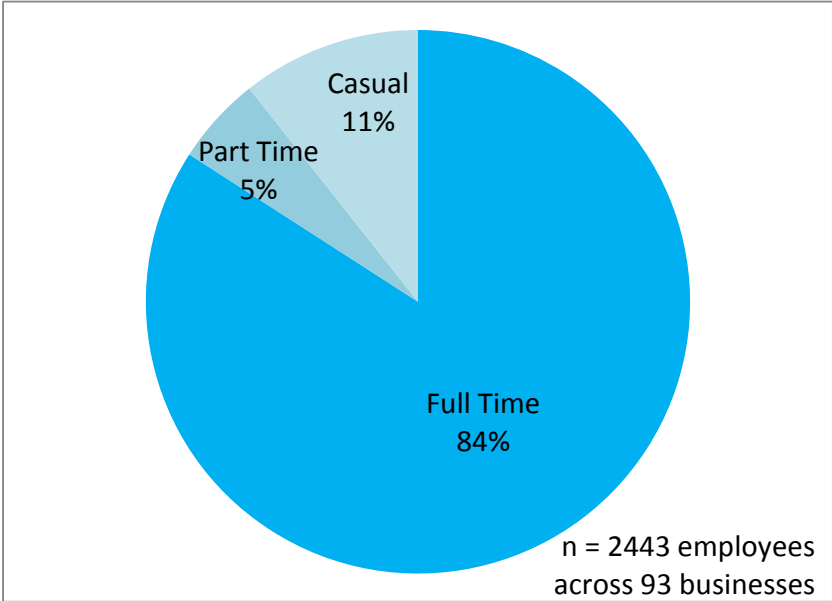
Businesses in the construction pillar recorded the highest levels of full-time staff.

Construction: employee status
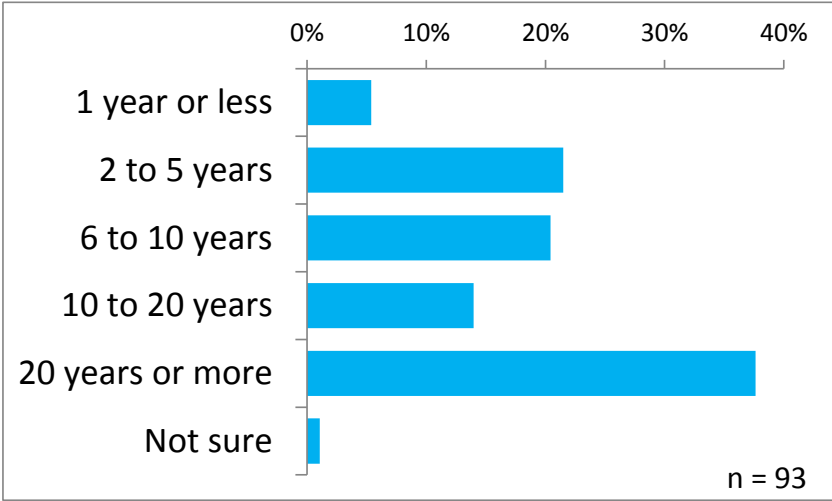
The construction pillar had the lowest level of new entries, with only 5% of businesses having been trading for 12 months or less.

Construction: summary data for number of years in business
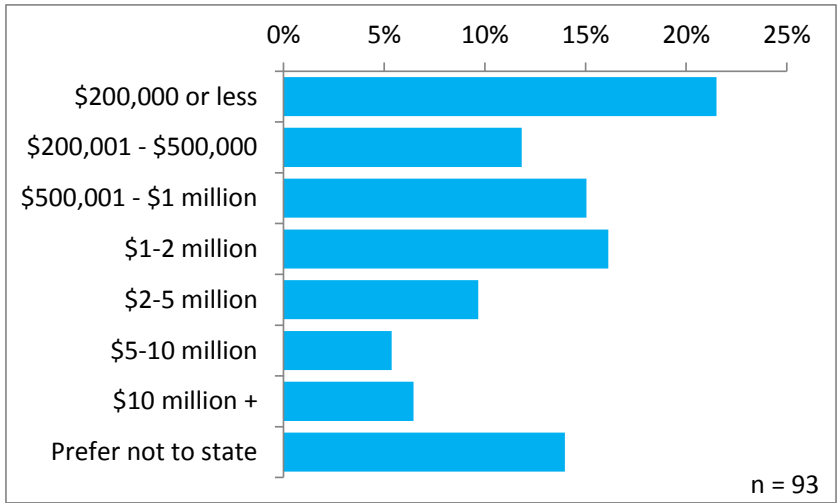
Construction: current annual turnover

The construction pillar recorded a generally even spread of businesses in different turnover categories, compared with other pillars.
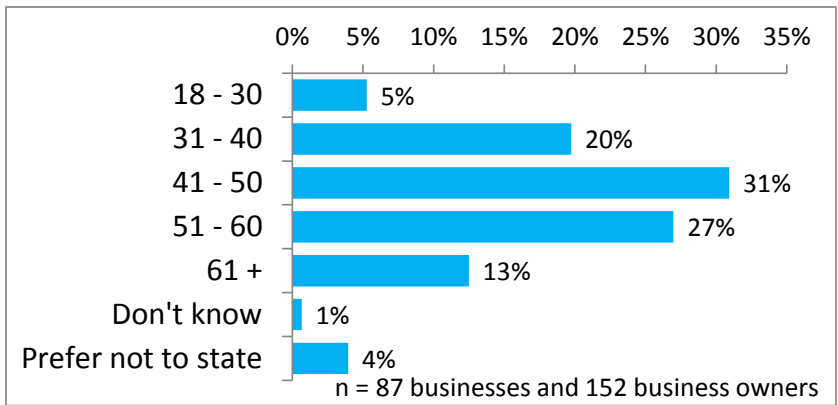
Construction: age profile of business owners

Of all pillars, the construction pillar has the lowest level of ownership by people who are 51 years or older.
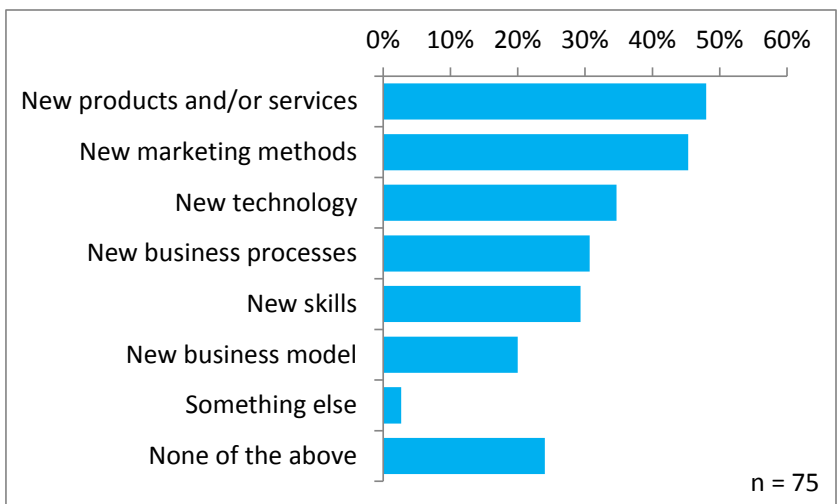
Construction: innovation

Almost 75% of businesses in the construction pillar had demonstrated some form of innovation in the past 12 months – the lowest of all pillars.

Approximately 29% of businesses currently have no budget allocation for R&D activities (the highest of all pillars), with around 27% of businesses expecting to do more R&D in the coming year (the lowest of all pillars).

4.2.2 Current trends
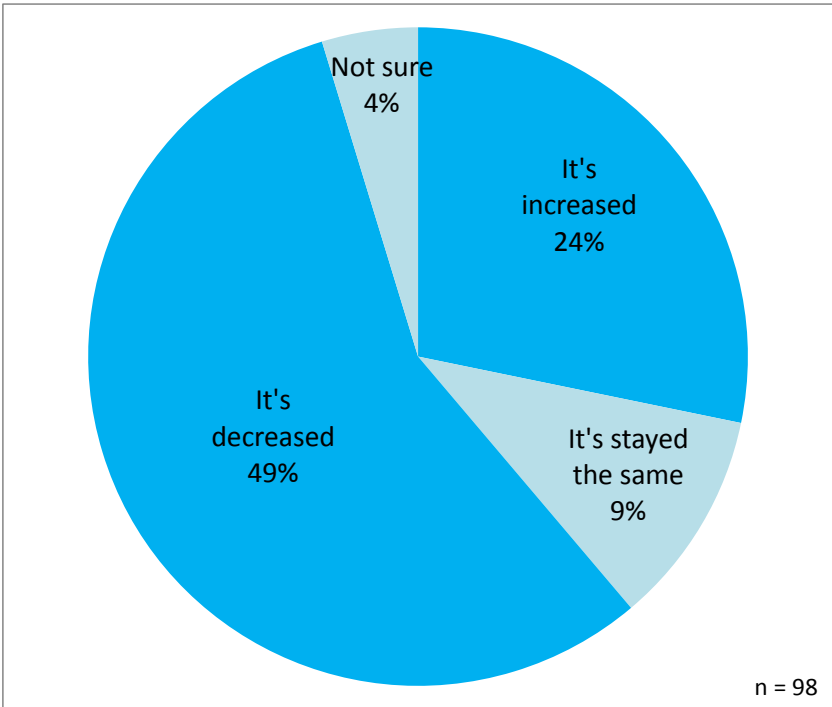
The construction pillar had the highest proportion of businesses indicating that their activity had decreased.

Construction: trends in business activity in the past 12 months
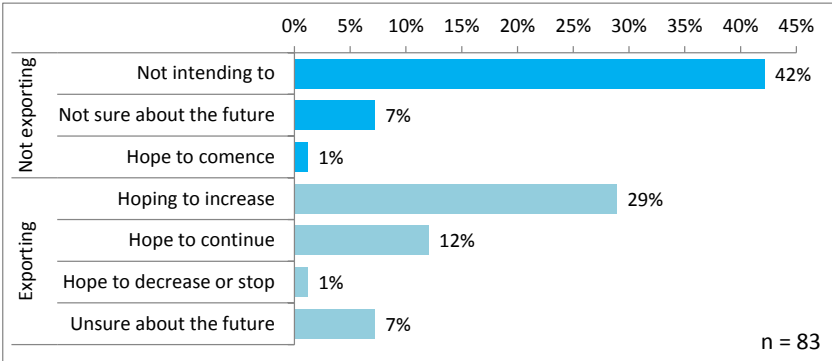
49% of businesses in the agricultural pillar are currently exporting.

Across the pillar, around 14% of businesses were unsure of their export future.

Construction: current exporting profile and future exporting plans

The three greatest areas of costs increases for businesses in the construction pillar are wages, energy and other overheads
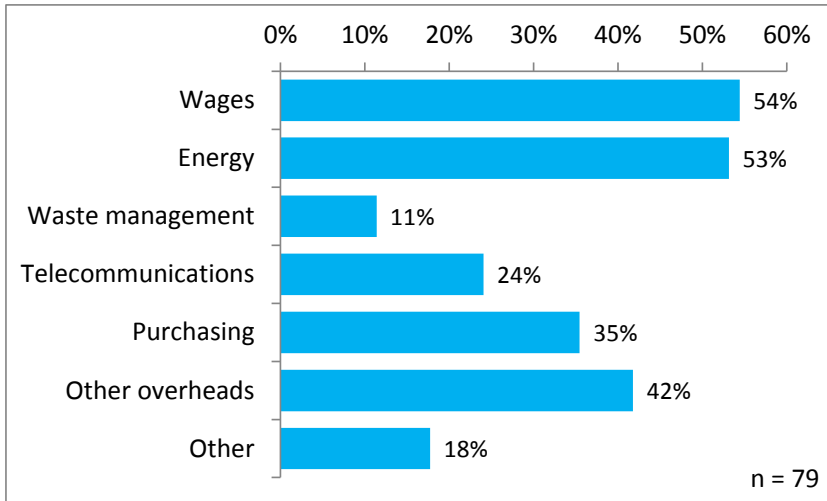
Construction: largest increases of expenditure for businesses

The growth aspirations varied across the construction pillar, with a majority of businesses looking to pursue growth of 10-50% in the coming 12 months.
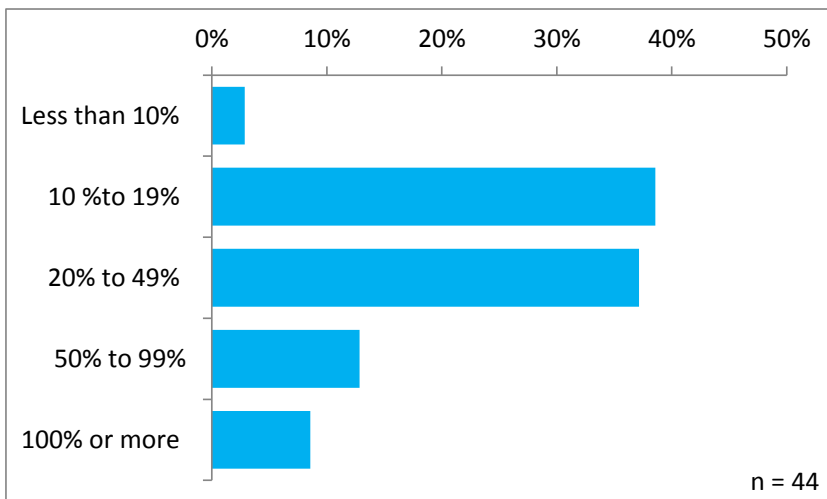
Construction: future growth

4.2.3 Other issues

Businesses who are participating in the construction pillar also reported:

- the highest level of uncertainty with regards to pursuing diversification;
- the highest levels of margin squeeze, with almost 15% of operators reporting a margin pressure of 20-50%; and
- the lowest levels of international sourcing for their goods and services, as well as the lowest levels of international market destinations for goods and services that they sell.

In addition, a total of eight businesses in the construction sector were unsure if they would continue to trade in 2015.

4.3 Resources

4.3.1 Pillar profile

Businesses in the resources pillar had a generally low level of part-time staff.

Casual 15%

Part Time 6%

Full Time 79%

n = 1362 employees
across 65 businesses

Resources: employee status

The resources pillar was characterised by a generally even spread of businesses across different age categories, but with a strong number having been trading for two decades or more.

	0%	10%	20%	30%	40%
1 year or less					
2 to 5 years					
6 to 10 years					
10 to 20 years					
20 years or more					

n = 65
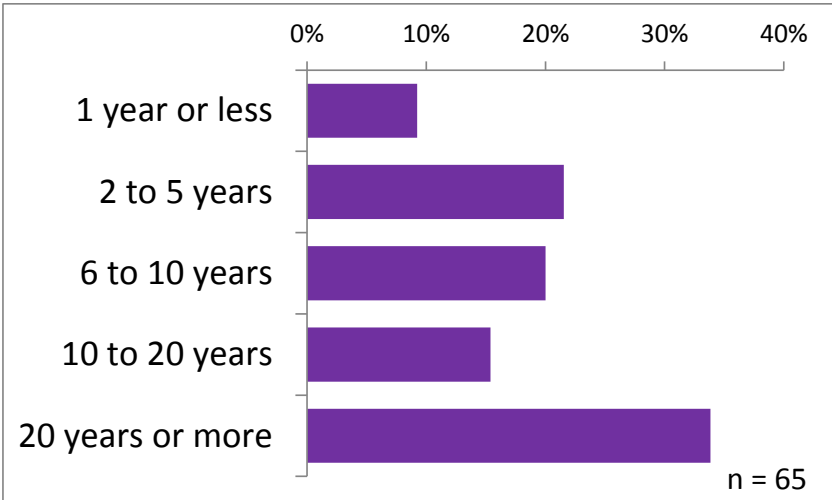
Resources: summary data for number of years in business
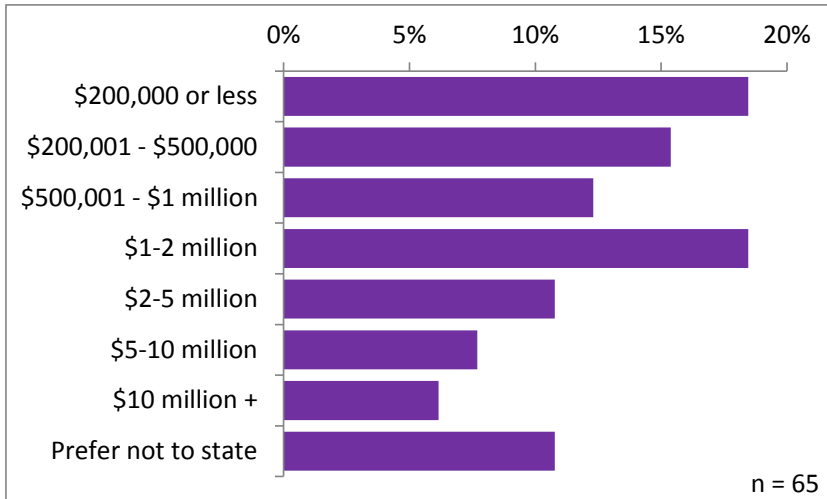
Resources: current annual turnover

Turnover	Percentage
$200,000 or less	
$200,001 - $500,000	
$500,001 - $1 million	
$1-2 million	
$2-5 million	
$5-10 million	
$10 million +	
Prefer not to state	

n = 65

The resources pillar recorded the highest numbers of businesses with large turnover, with over 20% turning over $2million or more annually.
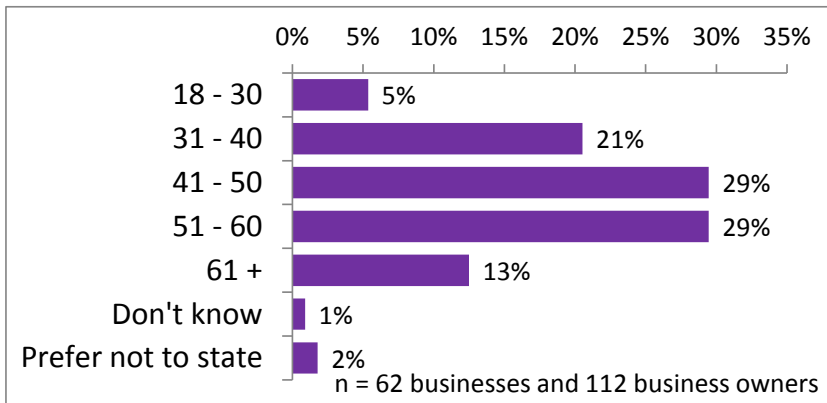
Resources: age profile of business owners

Age	Percentage
18 - 30	5%
31 - 40	21%
41 - 50	29%
51 - 60	29%
61 +	13%
Don't know	1%
Prefer not to state	2%

n = 62 businesses and 112 business owners

The resources pillar has the lowest level of youth ownership of businesses.

Resources: innovation

Type	Percentage
New products and/or services	
New marketing methods	
New technology	
New business processes	
New skills	
New business model	
Something else	
None of the above	

n = 52
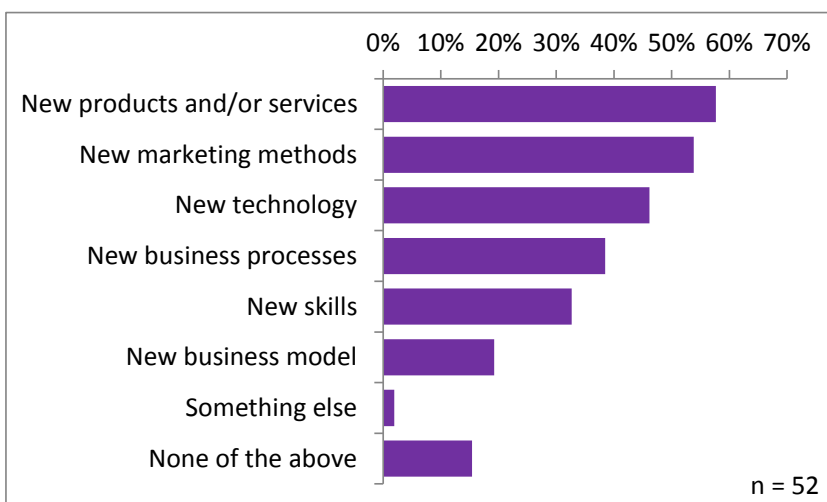
Almost 85% of businesses in the resources pillar had demonstrated some form of innovation in the past 12 months – the lowest of all pillars.

Approximately 23% of businesses currently have no budget allocation for R&D activities, with around 38% of businesses expecting to do more R&D in the coming year (the highest proportion of all pillars with respect to future R&D intentions).

4.3.2 Current trends

Businesses in the resources pillar have experienced varying levels of activity in the past 12 months.
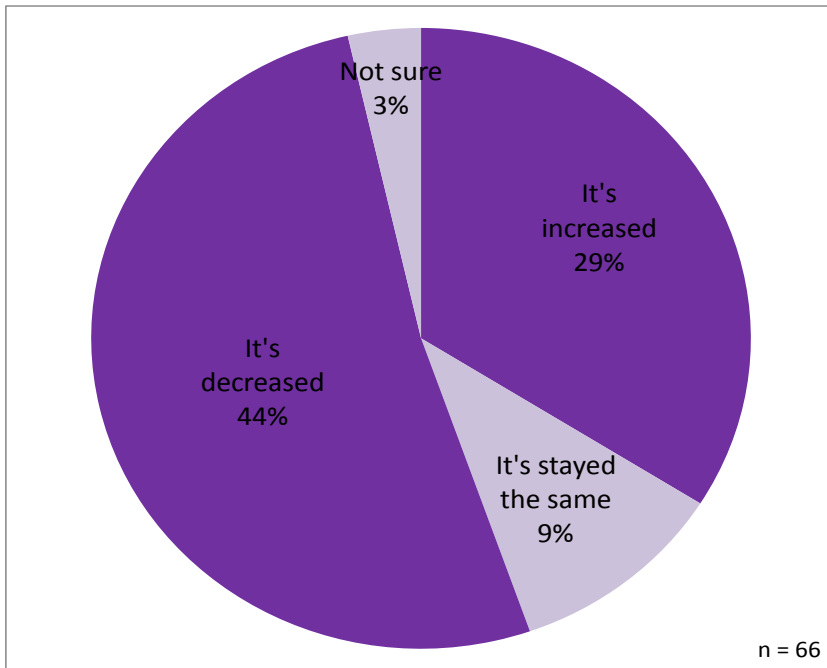
Resources: trends in business activity in the past 12 months

53% of businesses in the resources pillar are currently exporting – the highest proportion of all pillars
A strong number are intending to increase exports in future.

Resources: current exporting profile and future exporting plans

The three greatest areas of costs increases for businesses in the resources pillar are wages, energy and other overheads.
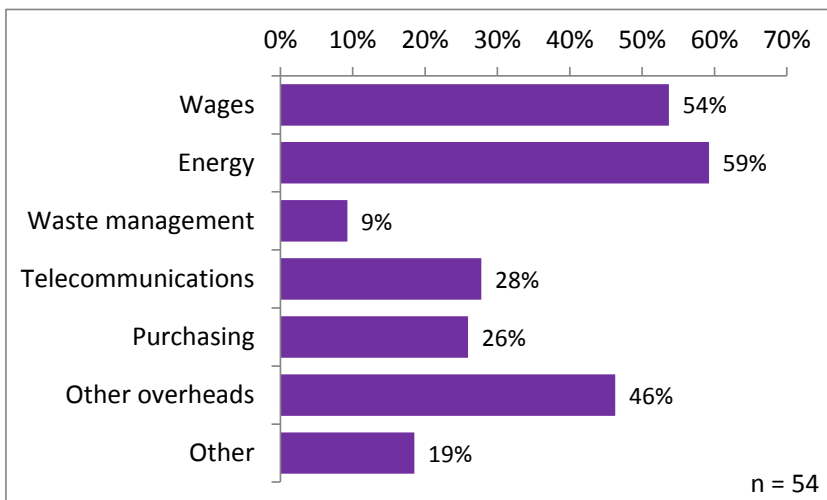
Resources: largest increases of expenditure for businesses

The growth aspirations varied across the construction pillar, with a majority of businesses looking to pursue growth of 10-50% in the coming 12 months.
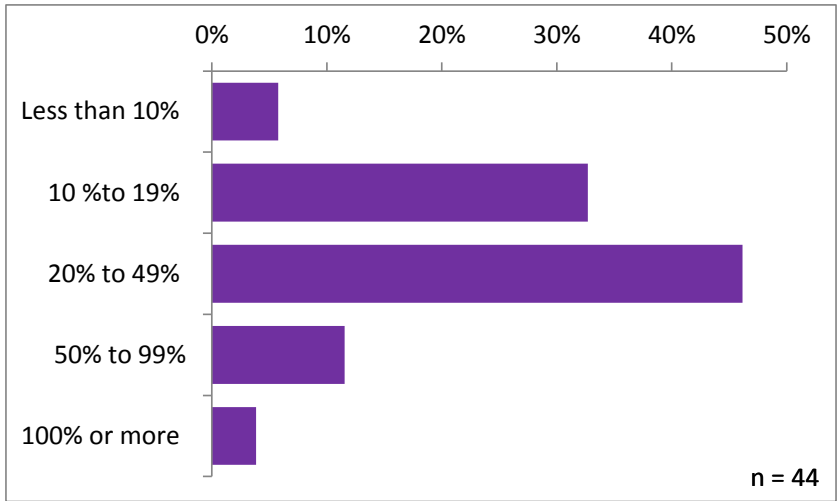
Resources: future growth
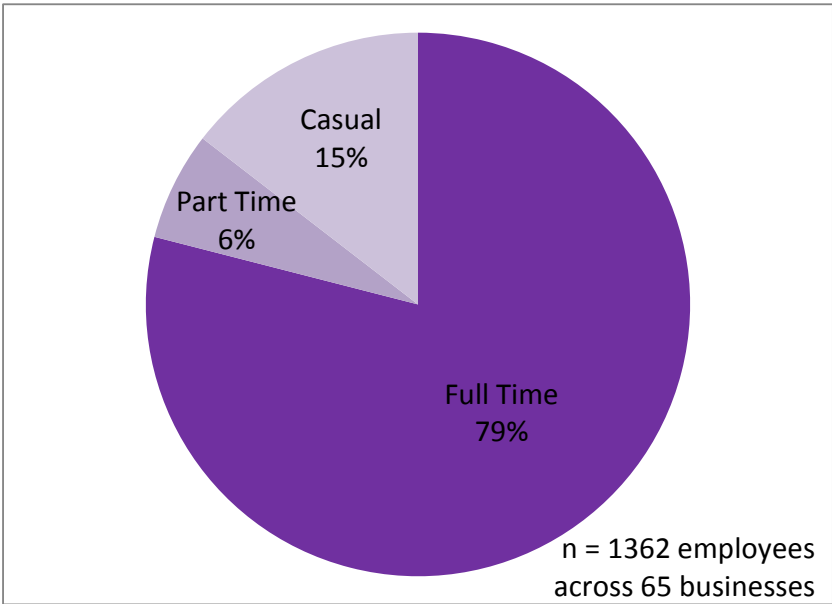
4.3.3 Other issues

Businesses who are participating in the resources pillar also reported:

- the lowest levels of diversification; and
- the greatest proportions of goods and services that were purchased locally.

In addition, six businesses were unsure if they would continue to trade in 2015.

4.4 Tourism

4.4.1 Pillar profile

Businesses in the tourism pillar had the lowest levels of full-time staff.

Casual
15%

Part Time
12%

Full Time
73%

n = 1097 employees
across 63 businesses

Tourism: employee status

The tourism pillar was characterised by a strong number of 'young' businesses in the 2-5 year age bracket.

1 year or less
2 to 5 years
6 to 10 years
10 to 20 years
20 years or more
Not sure

n = 67
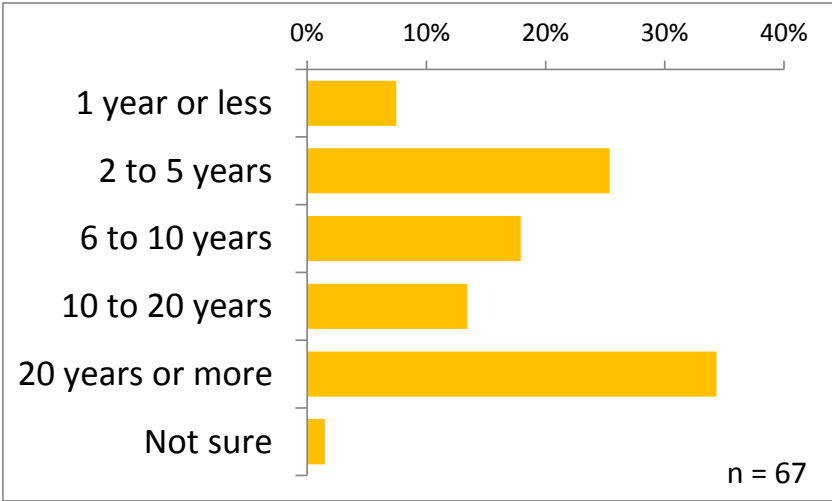
Tourism: summary data for number of years in business
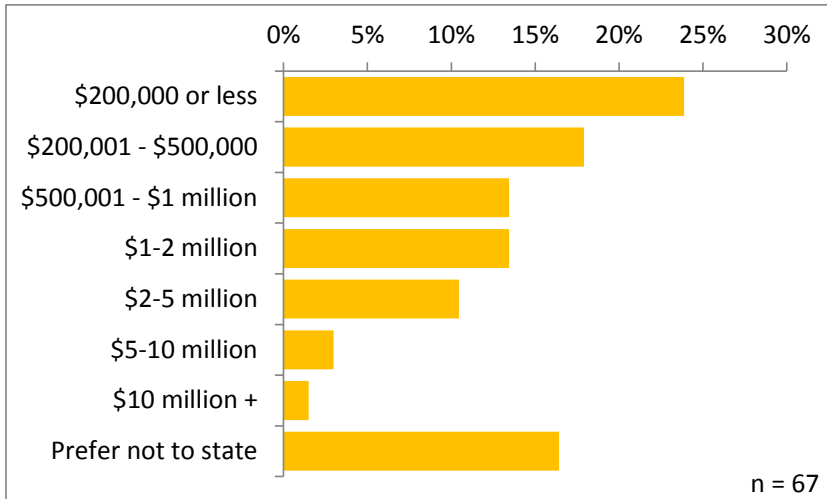
Tourism: current annual turnover

The tourism pillar showed a clear trend for many firms with low turnover and only a few firms with high turnover.

Bar chart (x-axis 0% to 30%), n = 67:
- $200,000 or less
- $200,001 - $500,000
- $500,001 - $1 million
- $1-2 million
- $2-5 million
- $5-10 million
- $10 million +
- Prefer not to state
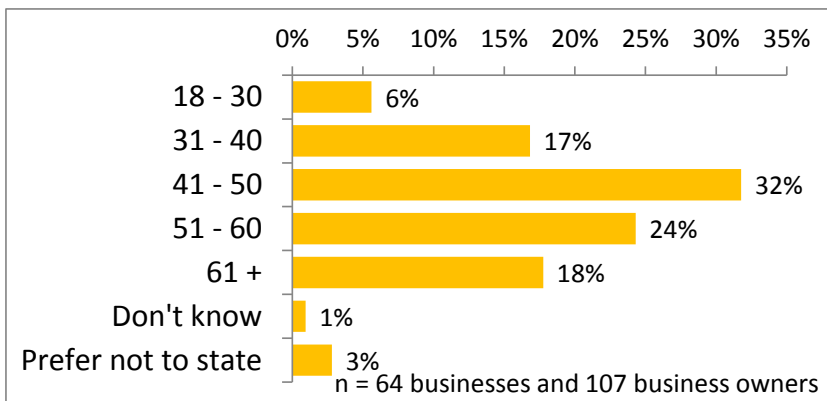
Tourism: age profile of business owners

The tourism pillar has a balanced spread of ownership across most age categories.

Bar chart (x-axis 0% to 35%), n = 64 businesses and 107 business owners:
- 18 - 30: 6%
- 31 - 40: 17%
- 41 - 50: 32%
- 51 - 60: 24%
- 61 +: 18%
- Don't know: 1%
- Prefer not to state: 3%
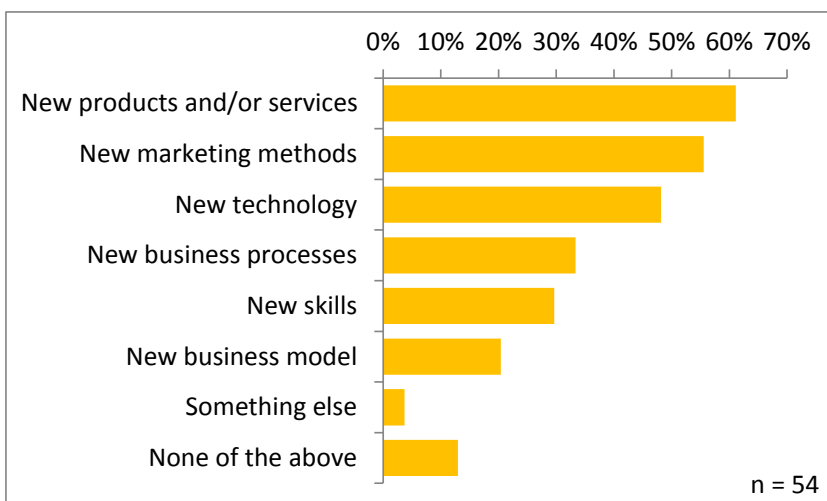
Tourism: innovation

Almost 90% of businesses in the tourism pillar had demonstrated some form of innovation in the past 12 months.
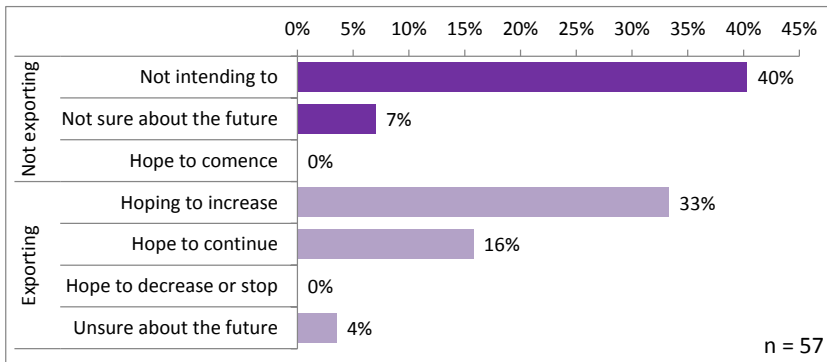
Approximately 19% of businesses currently have no budget allocation for R&D activities, with around 35% of businesses expecting to do more R&D in the coming year.

Bar chart (x-axis 0% to 70%), n = 54:
- New products and/or services
- New marketing methods
- New technology
- New business processes
- New skills
- New business model
- Something else
- None of the above

4.4.2 Current trends
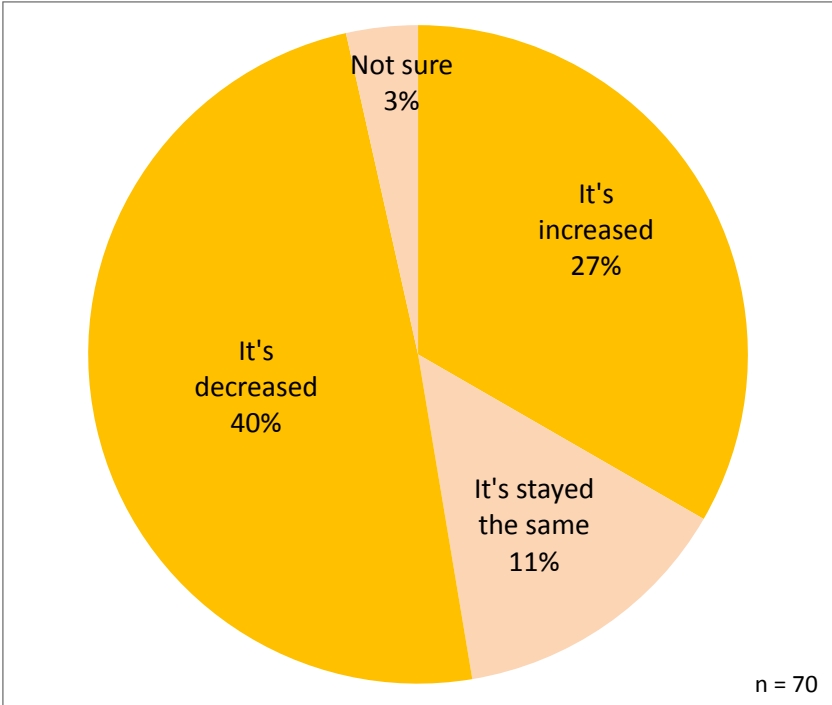
Businesses in the tourism pillar have experienced varying levels of activity in the past 12 months.

Tourism: trends in business activity in the past 12 months
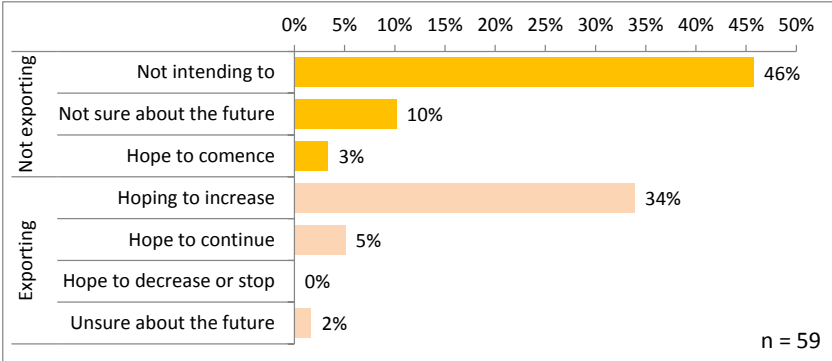
41% of businesses in the resources pillar are currently exporting – the lowest proportion of all pillars.

Around 12% of businesses in tourism are not sure about their export future.

Tourism: currently exporting profile and future exporting plans

The three greatest areas of costs increases for businesses in the tourism pillar are wages, energy and other overheads.
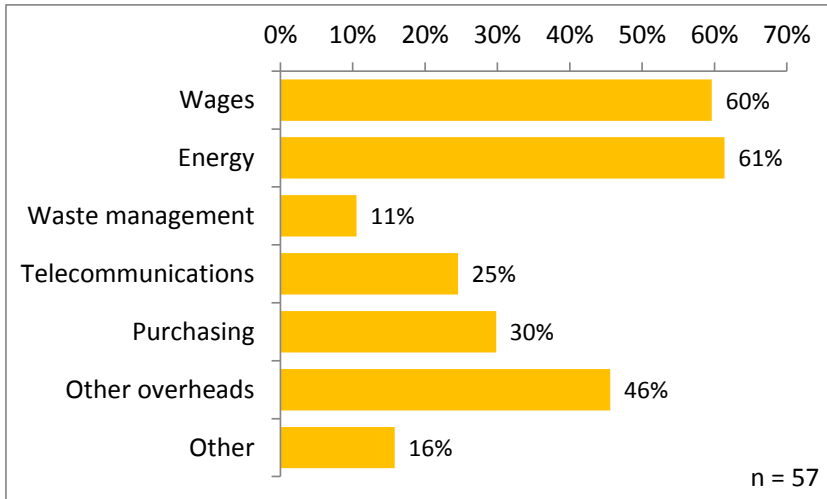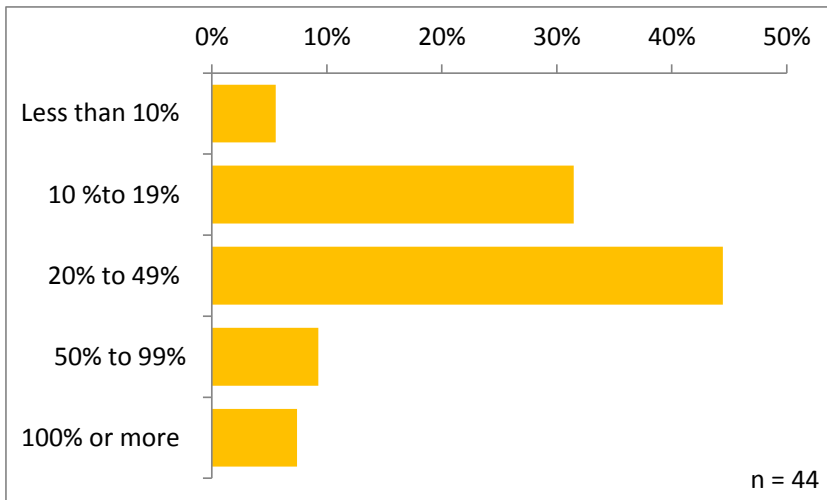
Tourism: largest increases of expenditure for businesses

The growth aspirations varied across the construction pillar, with a majority of businesses looking to pursue growth of 10-50% in the coming 12 months.
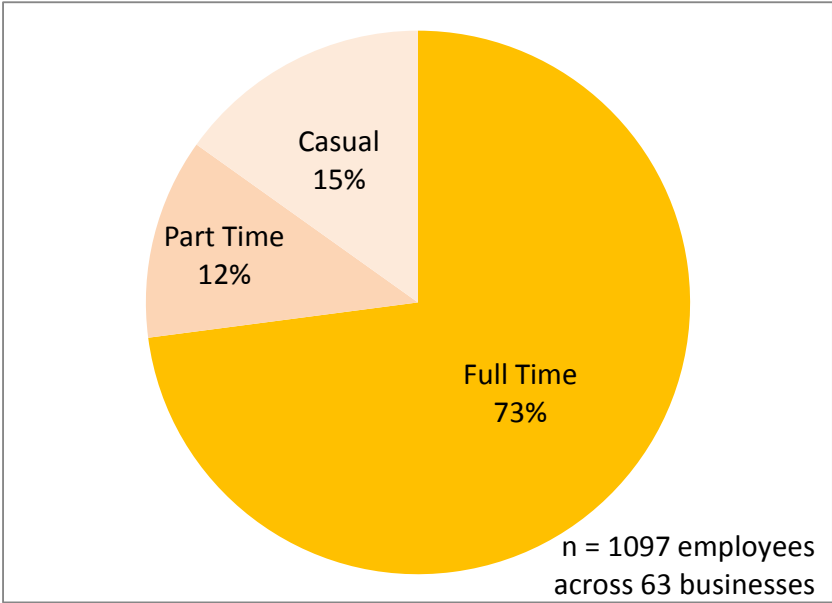
Tourism: future growth

4.4.3 Other issues

Businesses who are participating in the tourism pillar reported:

- the highest levels of international destinations for their goods and services;
- a large proportion of goods and services sold throughout Rockhampton/Livingstone; and
- the highest proportions of goods and services going to international market destinations.

In addition, 10% of businesses in the tourism pillar spent more than 10% of their budget on R&D activities, the highest of any pillar.

5.   Results: inter-regional comparisons

Labour force and unemployment

Many regional centres have been experiencing a slow creep in unemployment rates in the period 2008-2013 (Figure 68). Both Rockhampton and Livingstone have experienced remarkably similar trends in overall unemployment, with the rate peaking at above 8% by the fourth quarter 2013.

This was the highest unemployment rate of any of the selected regional centres, excepting Bundaberg Regional Council area. Labour force data also highlight the Rockhampton, Livingstone and Bundaberg areas as having consistently lower labour force figures (Figure 69).
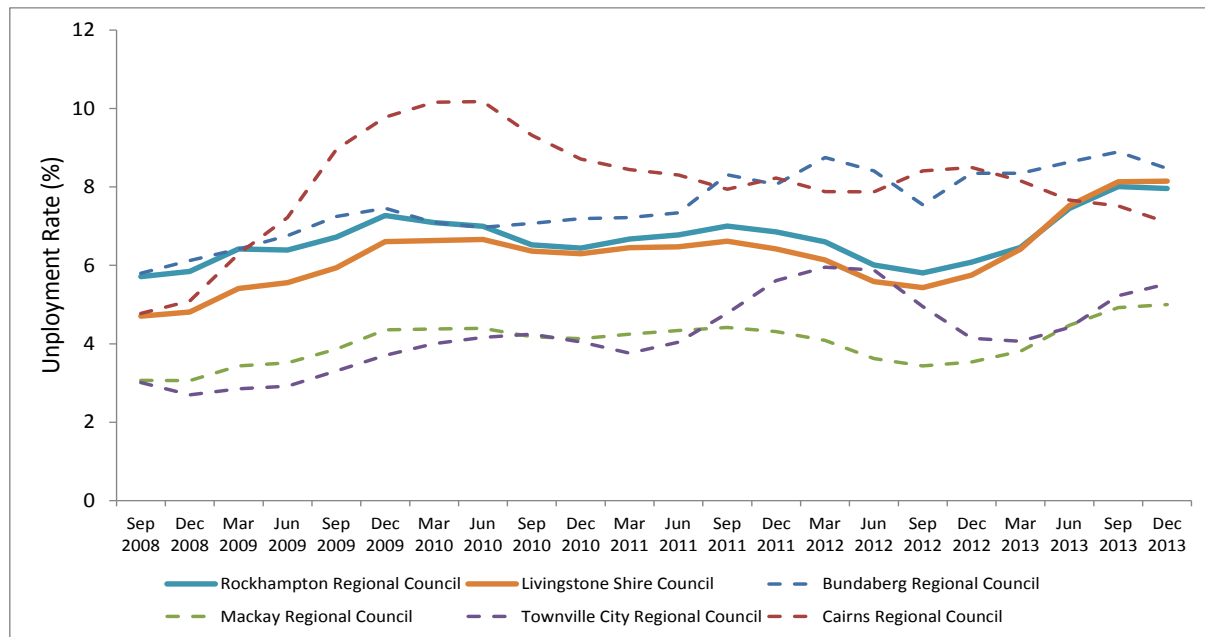
Figure 68   Inter-regional comparison of unemployment rate data, 2008-2013, for selected Queensland local government areas
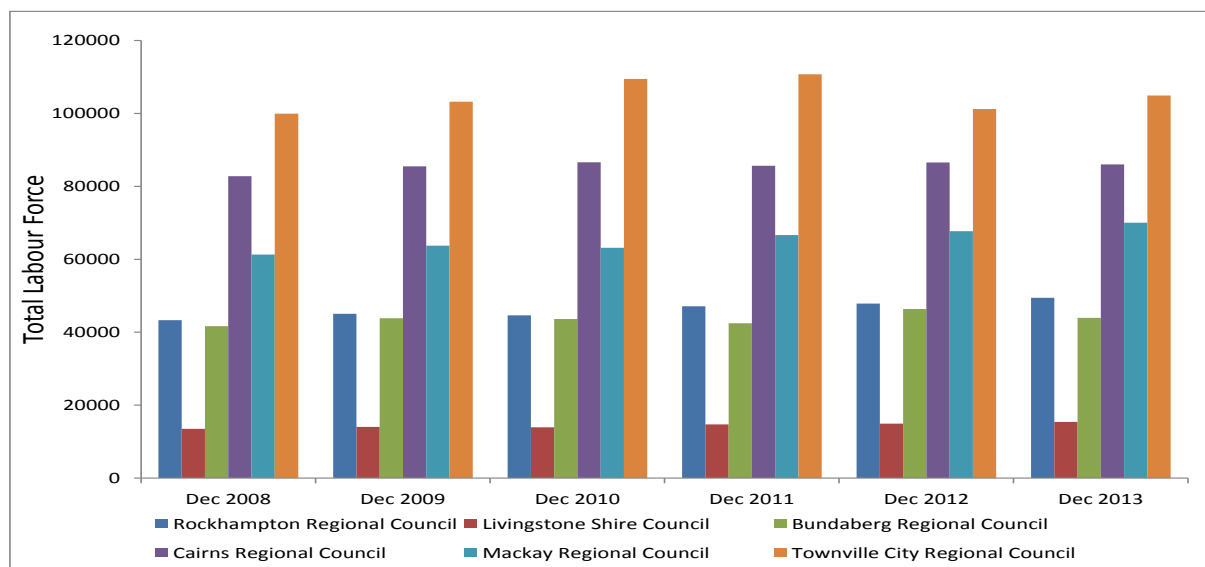
Figure 69   Total labour force trends for regional Queensland centres, as at December, 2008-2013
Source: ABS 2014

Business entries, exits and survival

Business entries and exits data are useful in being able to track the activity of new firms (by sector), as well as to understand which sectors of the economy are leaking in terms of local business numbers. Entries and exits data for Rockhampton show that business numbers remained generally steady in 2010-11, but were impacted by an exit rate that was around 2% higher than the new entry rate, for 2012-13 (Figure 71). However, this pattern was mirrored in most other regional centres; indeed, many others had already experienced the higher exiting trend during 2010-11.

When these data are disaggregated by sizing categories, it can be seen that business entries tend to occur across a range of firm sizes, though with proportionally less entries of large businesses (Figure 72). Conversely, business exits are strongly represented by micro- and small-sized businesses. This pattern is generally consistent across all regional centres examined in the study.

Business survivorship data indicate that Rockhampton had the second-lowest rate of survival, behind that of Cairns (Figure 70). However, it is important to note that business survival data should not be interpreted to as an indicator of 'business success'. The ABS definition of survival is a business that has activity

in the current financial year, as well as the immediate past financial year: therefore, the fact that a business continues to operate does not necessary correspond with 'success' measures such as growth or profitability[30].

Business growth in the Rockhampton area has been driven by large or medium-sized businesses since 2010, and this pattern has also been experienced by other centres such as Mackay and Townsville, with no regional centre showing growth in the small- or micro-business categories (Figure 73).

The combined result of baseline business numbers and recent growth trends currently places the Rockhampton region with one of the lowest numbers of local businesses overall, second only to Bundaberg (a region with proportionally smaller population) (Table 21).
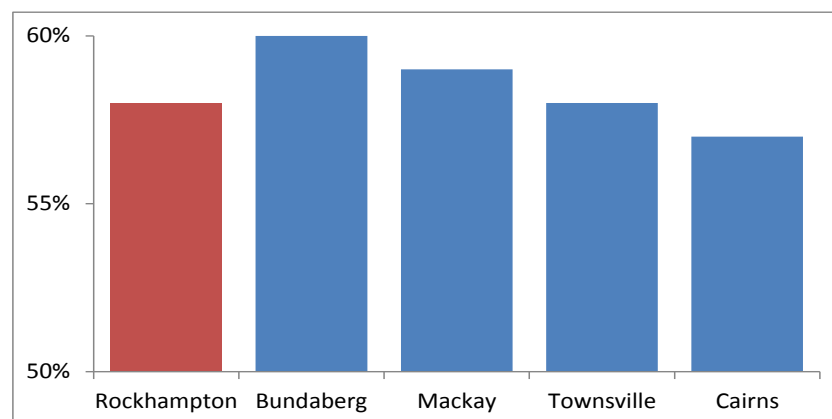
Figure 70   Survival rates for new business registrations in the 2010/11 financial year, surviving until June 2013 for selected centres in regional Queensland
Source: ABS 2014

---

[30] In addition, the ABS survival rate analysis does not take into account movement of businesses between size categories.
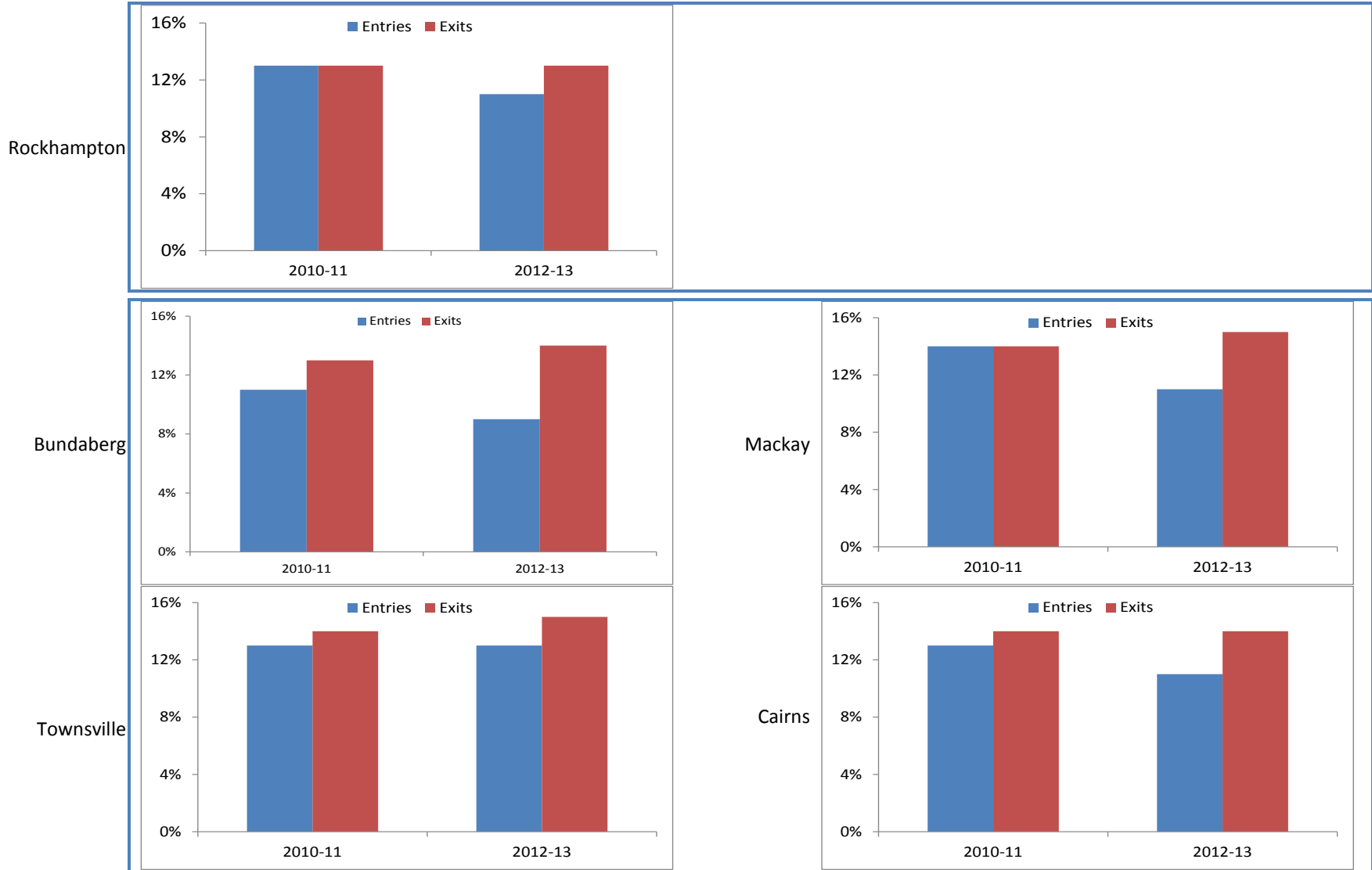
Figure 71   Business entries and exits across two financial years (2010-11 and 2012-13) in selected centres in regional Queensland
Source: ABS 2014
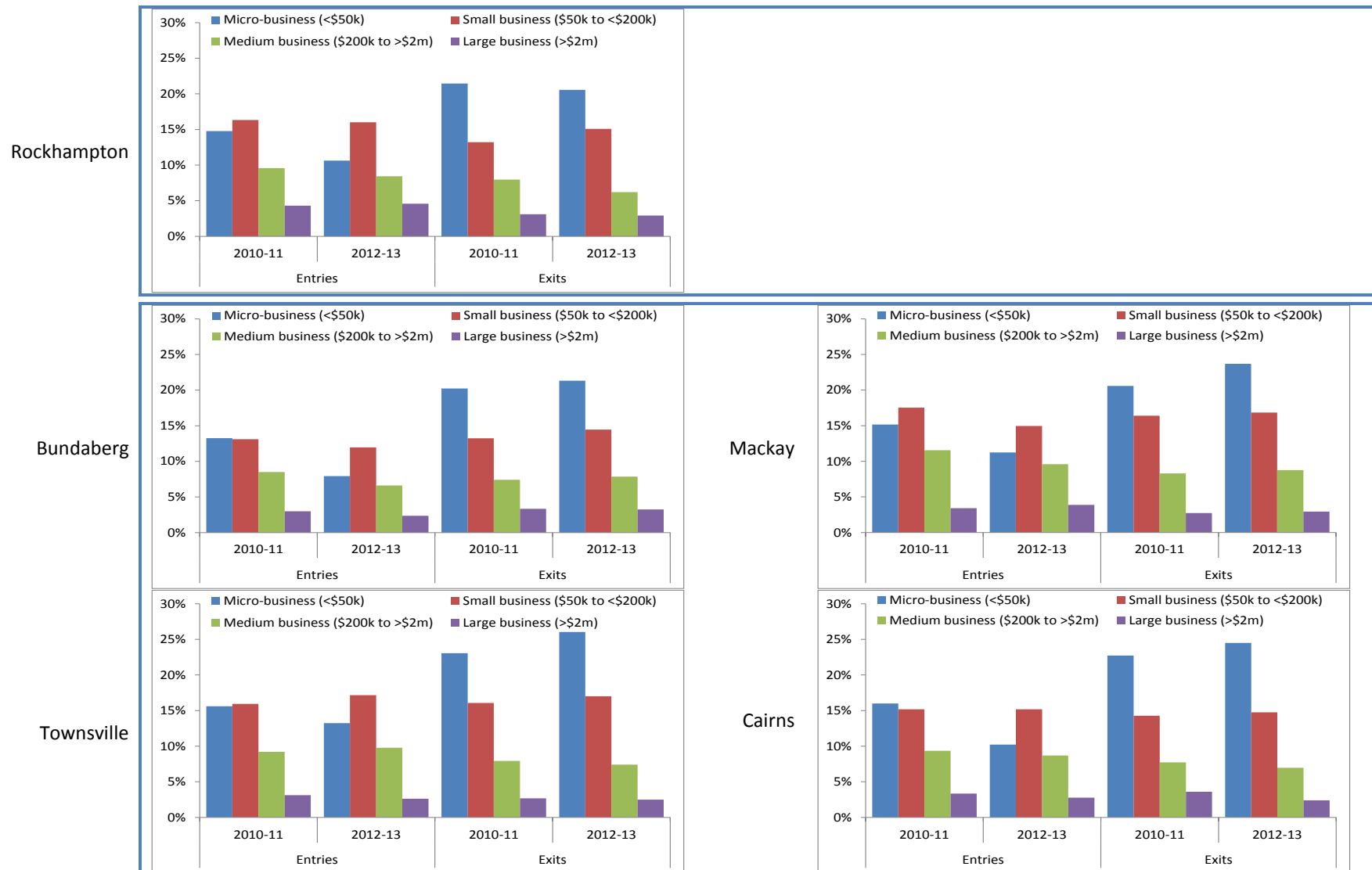
Figure 72 Business entries and exits, based on business size, across two financial years (2010-11 and 2012-13) in selected centres in regional Queensland
Source: ABS 2014
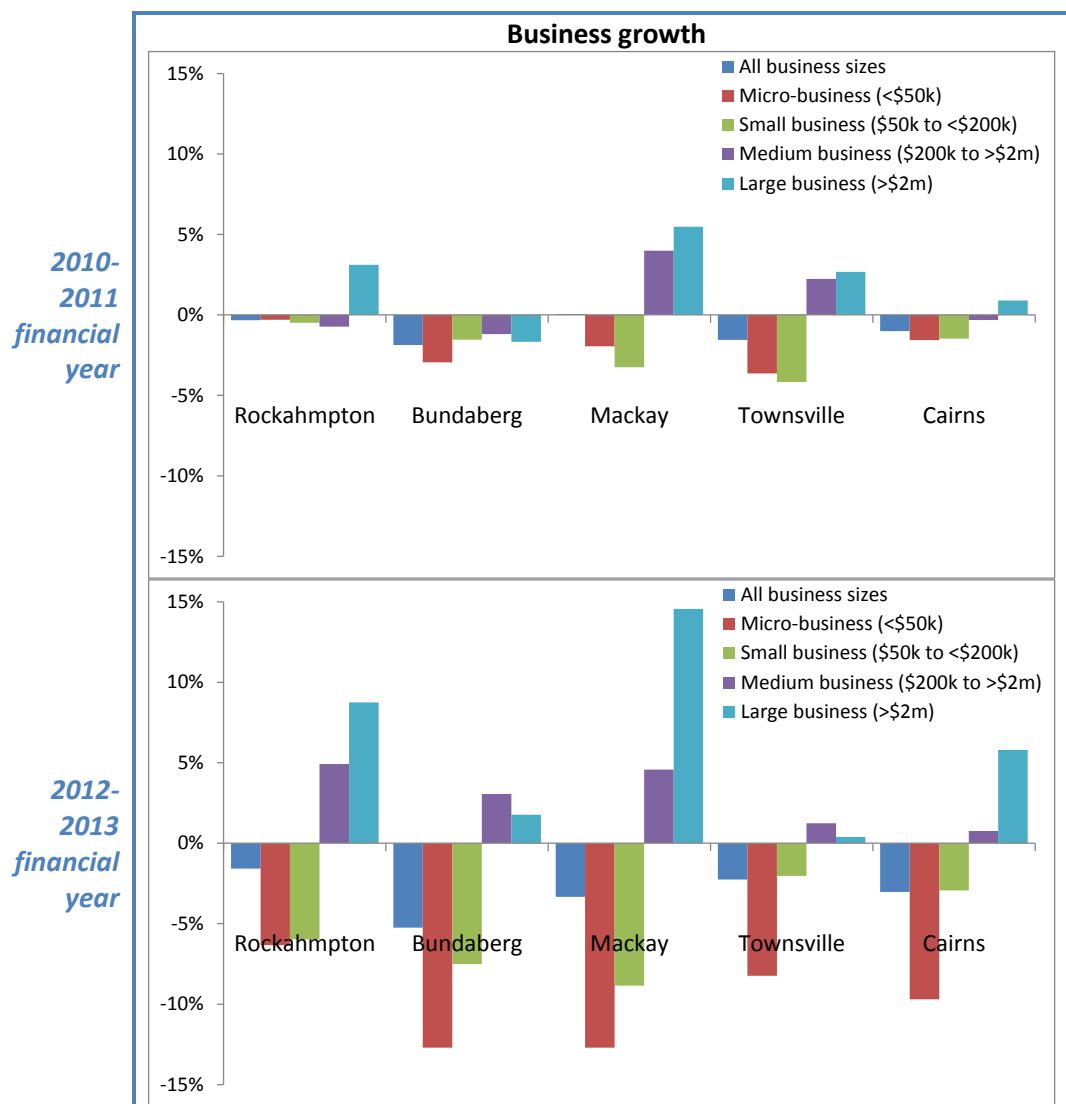
Figure 73   Proportion of business growth (based on entries/exit ABS data) across two financial years (2010-11 and 2012-13) throughout regional Queensland
Data are based on local government areas (either regional councils (RC) or city councils (CC)

Table 21   Total number of businesses (as at the end of financial year) across regional Queensland
Data are based on local government areas (either regional councils (RC) or city councils (CC)

	End 2009-10	End 2010-11	End 2011-12	End 2012-13
Rockhampton RC	7,996	7,970	7,976	7,850
Bundaberg RC	7,101	6,968	6,916	6,553
Mackay RC	10,627	10,633	10,724	10,367
Townsville CC	11,551	11,372	11,551	11,291
Cairns RC	15,900	15,740	15,451	14,983

Insolvency activity

Insolvency activity in the Greater Rockhampton region is currently about the third –highest in the state, taking into consideration the proportions of bankruptcies, debtor agreements and personal insolvencies (Table 22). The level of bankruptcies (compared with the overall population number) has varied across the 2010-13 period, whilst the number of debt agreements has increased.

Table 22   Trends in (a) bankruptcies (b) debtor agreements and (c) personal insolvencies in Rockhampton and surrounding areas, and across regional Queensland
Based on Australian Financial Security Authority, 2012-13: Personal Insolvency Activity by Postcode

a)

	Location	2010–11	2011–12	2012–13	Population (2011)
Number of Bankrupts	*Rockhampton City*	104 (1.6%)	81 (1.2%)	96 (1.5%)	63,961 (2.0%)
	Other Rockhampton Region	37	36	32	22,688 (0.7%)
	Total Rockhampton	141 (2.2%)	117 (1.8%)	128 (2.0%)	86,649 (2.7%)
	Other Regions				
	Bundaberg	145 (2.3%)	116 (1.8%)	83	58,551 (1.8%)
	Gladstone	50	32	48	36,723 (1.1%)
	Mackay	96 (1.5%)	78 (1.2%)	61 (1.0%)	65,995 (2.0%)
	Townsville	198 (3.1%)	190 (2.9%)	217 (3.4%)	124,589 (3.8%)
	Cairns	139 (2.2%)	168 (2.6%)	159 (2.5%)	88,717 (2.7%)
	Emerald	12	17	17	9,651 (0.3%)
	Total Queensland	**6,416**	**6,544**	**6,331**	**3.268M**

b)

	Location	2010–11	2011–12	2012–13	Population (2011)
No. of debt agreement debtors	*Rockhampton City*	47 (2.1%)	48 (1.9%)	60 (2.2%)	63,961 (2.0%)
	Other Rockhampton Region	7	12	17	22,688 (0.7%)
	Total Rockhampton	54 (2.4%)	60 (2.4%)	77 (2.9%)	86,649 (2.7%)
	Other Regions				
	Bundaberg	39 (1.8%)	53 (2.1%)	56 (2.1%)	58,551 (1.8%)
	Gladstone	24 (1.1%)	18	14	36,723 (1.1%)
	Mackay	54 (2.4%)	37 (1.5%)	58 (2.2%)	65,995 (2.0%)
	Townsville	117 (3.5%)	123 (5.0%)	162 (6.0%)	124,589 (3.8%)
	Cairns	79 (3.5%)	92 (3.7%)	98 (3.6%)	88,717 (2.7%)
	Emerald	9	9	10	9,651 (0.3%)
	Total Queensland	**2,227**	**2,477**	**2,691**	**3.268M**

Cont...

c)	Location	2010–11	2011–12	2012–13	Population (2011)
No. of personal insolvency agreement debtors	*Rockhampton City*	0	0	0	63,961 (2.0%)
	Other Rockhampton Region	0	0	0	22,688 (0.7%)
	Total Rockhampton	0	0	0	86,649 (2.7%)
	Other Regions				
	Bundaberg	0	6 (7.2%)	0	58,551 (1.8%)
	Gladstone	not published	3 (3.6%)	not published	36,723 (1.1%)
	Mackay	0	0	0	65,995 (2.0%)
	Townsville	3 (3.5%)	0	0	124,589 (3.8%)
	Cairns	0	4 (4.8%)	0	88,717 (2.7%)
	Emerald	0	not published	not published	9,651 (0.3%)
	Total Queensland	**85**	**83**	**62**	**3.268M**

Post Codes:
  Rockhampton City – 4700, 4701 & 4702
  Other Rockhampton Region – 4698, 4699, 4703, 4705, 4706, 4710, 4711 & 4714
  Bundaberg – 4670
  Gladstone – 4680
  Mackay – 4740 & 4741
  Townsville – 4810, 4811, 4812, 4814, 4815, 4817 & 4818
  Cairns – 4868, 4869, 4870 & 4871
  Emerald – 4720

Percentage indicated only when >1.0%
Geography based on the Australian Bureau of Statistics; Australian Standard Geographical Classification (ASGC July 2011)
Personal insolvency activities by postcode statistics are reported based on the number of debtors
The time series commenced in 2010-11 for bankruptcies, debt agreements and personal insolvency agreements

6.   Discussion and recommendations

6.1   Study constraints

The data collection phase for the Capricornia Dashboard was successful in being one of the largest research activities undertaken with local businesses in recent years. However, it is also important to acknowledge some of the limitations of this study:

- the online mode of access to the survey may have excluded participants without ready access to the internet, or who prefer not to participate in e-surveys
- participants were recruited largely via email, with the information circulated to existing database/membership groups. This may have biased the study towards businesses that had already interacted with one or more of the project partners; rather than targeting those who are isolated (and thus potentially in greater need of help).

The business engagement event appeared to be very well received, with the audience enjoying the ability to give direct (and anonymous) feedback and see the collated results in real-time. However, the interactive session was scheduled for 45 minutes, and this limited the number of items that could be programmed into the presentation, as well as the level of audience discussion that was possible.

6.2   Suggestions to improve future Dashboard activities

If the Dashboard project is to be repeated in future, the following suggestions may help to lift participation rates, and increase the useability of the results:

- Ensure that a comprehensive communications strategy is used to maximise awareness of the business survey, with a particular focus on reaching businesses who are not already interacting with the project partners.
- Consider a mix of survey approaches (such as e-survey plus hard-copy mailout), to encourage participation by those who are reluctant to engage online. However, the

additional time and cost burden of manually collecting such responses must be considered.

- Use the survey approach to collect information about straightforward topics, and keep the overall number of questions to a minimum: attempting to collect very detailed information, or data on too many topics, leads to participants abandoning the survey part-way through completion.
- Consider staging a series of interactive events in order to collect information about more complex topics. These could be done in groups of 30-150, which is considered the optimum size range for strong audience discussion (traded off against technological constraints and the logistics of handling large groups)
- Allow more time allocation at interactive events, to ensure that audience discussion can be fully exploited (acknowledging that attendance at these events is an impost on business people's time).

There are also a number of topic areas that were not included in the 2014 Dashboard exercise, and which may provide useful data to inform further business support activities. These include:

- examining the existing levels of business-to-business collaboration, and the nature of these (e.g. for the purposes of innovation).
- More in-depth data relating to supply chain analyses, for example, the breakdown of goods and services suppliers for local business based on sizing categories; and whether businesses are heavily reliant on a small number of clients to generate significant proportions of their income. This would help to develop a picture of vulnerability within the local supply chain setting.
- more information on debt position and management, for example, the number of businesses who had sought any debt and/or equity finance; and the reasons(s) for doing so.
- the *volume and value* of goods exported by local businesses may be useful in helping to

identify prospective clients for export assistance; as well as to understand the region's export profile more generally

- levels of foreign ownership of local businesses, which may help to inform a broader conversation about business structure and succession arrangements.
- patterns of gender distribution within local businesses, but only where this is of interest to the project partners in terms of targeted assistance (e.g. Business Women's support)

It may also be useful to undertake work on the broader research question of the 'philosophy' of business assistance: for example, is it better to channel resources to existing companies demonstrating growth (i.e., focus on business *acceleration* programmes); to assist those who are struggling (i.e., focus on avoiding business exits); to generate entirely new business interests; or a mixture of the above? This question could similarly be asked in the sense of focussed support to particular industry sectors, as per the current strategy to support the four 'economic pillars' in Queensland. This kind of work would be focussed on obtaining a better understanding of local/regional economy, and the likely return on investment that different support programs may deliver.

7.   Recommendations for business assistance in Capricornia

The types of business support initiatives that would be useful for the local businesses in Capricornia are examined in (Table 23). Variously, these include activities such as workshops, focus groups, information strategies, or other tools.

The three key messages related to these recommendations are as follows:

Firstly, based on the data and suggestions collected from local businesses during this project, the priority areas for business support appear to be those of marketing, online technologies, local buy practices, and the ability to engage and network with other local businesses.

Secondly, regardless of the theme area, or nature of business support, business demonstrated a clear preference for activities that are offered on a local, face to face basis. The extent to which online resources (such as webinars) would be supported is not clear, but these may be considered as an alternative strategy where locally-staged events are not feasible.

Thirdly, participants indicated that they strongly support the use of existing business memberships and/or professional associations to progress local business agendas. Thus, working in partnership with existing groups offers a good pathway in terms of accessing (engaging with) local businesses and avoiding duplication of effort. However, it remains unclear exactly how many of these groups already operate in the region, the size and nature of their membership base (e.g. geographic boundaries) and the activities that each one offers. This knowledge gap needs to be filled by gathering information about existing and planned service offerings ((theme, product, eligibility criteria) and interest in collaborative activities.

Table 23 Potential areas of business assistance for local business in Capricornia, as informed by the Dashboard phase 1 research

Note: information relating to existing business support programmes is based on the Queensland Government's *Ready Referral Guide*, acknowledging that this was in draft format at time of preparing the report

	Topic/Issue area	Nature of Support/Activity	Notes
RESPONSES TO FOCUS ITEMS	Exporting	• None additional at this time	• Exporting does not appear to be an in-demand topic for businesses in Capricornia. • The Queensland Government already offers a number of programs to assist exporting activity, such as the Export Market Development Grants and assistance through Trade and Investment Queensland
	Marketing	• Provision of information and capability building / development (through workshops, webinars, guest speakers)	• Marketing was consistently identified as an area of need for local businesses, and this should be a priority for future business assistance offerings • Marketing workshops to increase awareness of existing marketing options, and link businesses with expertise and materials were all supported by the local businesses. • Generic marketing support is available through the DTMESB&GC small business support service
	Employment and unemployment	• Assistance in the area of attraction/retention of quality staff	• Workforce Development and Skills Programs are available through the Australian Government's Department of Industry

	Skilling and training	• Facilitating local training
		• Hosting local conferences
		• Access to business coaching
			• Workforce Development and Skills Programs are available through the Australian Government's Department of Industry The project partners could work towards more locally available training and conference events, in the form of:
			  o direct event hosting/management
			  o working collaboratively with Industry groups/Business associations) to co-fund training in regional centres
			  o Lobbying to ensure key events are hosted in the Rockhampton region
			  o Focus on support/growth of local training businesses so that local needs can be met in the private sector
			  o profiling the local business community to better understand their training and professional development needs, and how these might be met (e.g., through e-learning opportunities).

	Markets and supply chains	• Local buy program	• There was strong support for a public 'buy local' campaign, and this may be auspiced by one or more of the Dashboard project partners. However, discussions may first be needed as to the geographic region that this would cover; and how any new program would be quantitatively different from other local buy initiatives that had already been trialled.
	Margin Pressure	• Workshops/Information relating to business finance/debt management	• Reporting by DIISRTE (2012) shows that the most common reason for seeking finance was to maintain short-term cash flow or liquidity; if Capricornia mirrors this trend, tailored business support in the area of financial management may be warranted.

Topic/Issue area	Nature of Support/Activity	Notes
Online technologies	• Workshops to address lack of knowledge regarding e-technologies	• A Technology and Knowledge Connect program is available through AusIndustry (previously, Enterprise Connect) • Around 14% of businesses indicated that they were being prevented from introducing e-technology due to knowledge gaps. Meanwhile, a large proportion of businesses already use online technologies, but it is not clear if the potential of these tools are being maximised. Thus, workshops might thus cater for both 'introductory' and 'advanced' cohorts
Innovation	• Workshops and targeted business assistance	• A range of existing innovation support programs are available from the State and Commonwealth government (e.g. Innovation Toolbox). • The project partners could work to assist businesses with (financial) planning, promote available R&D grants and the R&D Tax Incentive, and hold a workshop that familiarises local businesses with the costs of undertaking research. • A collaborative session with CQUniversity may also be useful in terms of expectation management around reasonable research costs, and creative ways to partner with researchers where a cash investment is not available – such as through student placements).
Red Tape	• Business feedback loop	• Red tape reduction has been a focus area for the Queensland government in the past 12 months • A monitored email address ((e.g. reduceredtape@qld.gov.au)could provide a channel for businesses to report red tape problems and provide solutions

	Topic/Issue area	Nature of Support/Activity	Notes
BUSINESS SUPPORT AREAS	Support for new business registrants	• Information sessions	• The Small Business Support Line is available for business start-ups through AusIndustry • These sessions could be used to discuss appropriate business structures - perhaps with a focus on family partnerships • Sessions could be offered to new business entrants, but ideally this would need to occur before business registration occurred. This poses some challenges in terms of identifying the audience ahead of time.
	Support for retail	• Expansion of existing business support to include the retail sector	• Retail is not specifically catered for under the 'four pillars' approach to economic development • Support might include the expansion of existing offerings into this sector; or the development of new tailored offerings to respond to this gap. However, care must be taken to validate whether sufficient demand exists for such services, as the request for more 'retail' support appeared to be by a vocal few, rather than the silent majority.
	Support for business exits	• Workshop or individual sessions to discuss transitional arrangements	• Rockhampton has a high number of business exits, and a number of participants in the e-survey were unsure if they would be continuing to trade by 2015 • Support be offered to assist these businesses transition to other arrangements, or to examine ways to improve business activity and avoid closure.
	Support for Young business owner/operators	• Youth business assistance program (e.g. for under 35s), Youth Entrepreneurship Program	• New strategies are needed to attract a younger age profile into small business ownership/operations; in the first instance, this might involve a project to examine whether Capricornia has any unique barriers that prevent or discourage under-35s taking up small business opportunities.
	Succession planning	• Focus group session or business coach	• Session could explore what 'effective' planning means (to the SME owner), and how this might be practically supported (by government and/or small business support groups). • Business coaches could be brought into the region to deliver one-on-one advice (similar to the Mentoring for Growth programme)

	Topic/Issue area	Nature of Support/Activity	Notes
ENGAGEMENT and FUTURE RESEARCH	Business engagement	• Increase awareness of, and participation in, business support activities and any subsequent 'Dashboard' data collection exercises.	• Better use of social media might be considered; experience has shown that emails to databases, particularly when triggered from 'non-human' senders, is either classified as SPAM or ignored by business people. • Engaging with those businesses that have multiple-pillar operations may be a good way to maximise return on commitment. • It may be useful to work with this cohort to collect a library of case study examples of successful business practices, as evidenced by their longevity in the region. • The small 'youth' (=generation Y) cohort may offer good opportunities to work intensively to bring forward new business leadership.
	Networking and collaboration	• Introduce dedicated 'networking' time at all existing business support activities. • Prepare an all-inclusive calendar of networking events	

	Longitudinal datasets	• Annual e-survey	• It is not clear that future e-surveys would be well supported by the business community, particularly if undertaken too often (e.g. quarterly is not recommended as this may cause consultation fatigue). Conversely, it is also possible that greater support for data collection may occur as more businesses become aware of the project (on an ongoing basis) and the benefits of participation.
			  o An annual e-survey that occurs in advance of small business week, with the results being launched at a SBW event, may be helpful.
			  o Engaging with a wider range of business support groups/memberships may aid in securing greater participation by businesses; however it is not clear if this will achieve a higher response rate specifically in the four 'pillars' of interest.

		• Regular refresh of ABN dataset	• Regular refreshes of the ABN business registrations data may be helpful, but only in terms of monitoring macro-level trends, thus regular renewal at no greater than 2-3 year periods is recommended.
		• Streamlined collection and/or reporting of business data	• Opportunities should be pursued to work across government levels (local, state and federal) to streamline the collection and/or reporting of business data, including locally or cross-regionally.

Topic/Issue area	Nature of Support/Activity	Notes
Future research	• Trends in business activity - regional business finance data	• At time of writing, information regarding local government rating information for commercial properties; business property data (e.g. vacancy rates for leased areas, and recent sales figures for business premises); and business finance data (e.g. volume and value of new or expanded business loan applications and the rate of defaults on existing loans) was not available. Where possible, these data should be obtained as they can help to provide a more comprehensive picture of business activity within the region. In some cases, these data may be important as 'leading edge' indicators – for example, a slowdown in loan applications or lease renewals is likely to show prior to businesses actually closing and being captured on entries-and-exits data.
Future research	• Drivers of regional unemployment	• It appears that staffing levels in local business are yet to begin decreasing as a result of regional economic slowdown, however unemployment rate for the region continues to trend upwards. Consequently, regional unemployment may be driven from job losses and/or restructuring that has occurred in public organisations. To date, it has not been possible to collect clear information about the contraction of jobs in the public service: this information would be useful in filling information gaps about employment trends in the region.

References

DIISRTE (2012) *Australian small business key statistics and analysis, December 2012*, Australian Government Department of Industry, Innovation, Science, Research and Tertiary Education, ISBN 978-1-922125-91-0, 109 pages.

Queensland Government, 2012, *We will grow a four-pillar economy*, Accessed online from http://www.thepremier.qld.gov.au/plans-and-progress/plans/6-months-july-dec-12/four-pillar-economy.aspx

Appendix A: E-survey research instrument

1. Please indicate the industry that your business **predominantly operates in?**

- ☐ A   Agriculture, Forestry and Fishing
- ☐ B   Mining
- ☐ C   Manufacturing
- ☐ D   Electricity, Gas, Water and Waste Services
- ☐ E   Construction
- ☐ F   Wholesale Trade
- ☐ G   Retail Trade
- ☐ H   Accommodation and Food Services
- ☐ I   Transport, Postal and Warehousing
- ☐ J   Information Media and Telecommunications
- ☐ K   Financial and Insurance Services
- ☐ L   Rental, Hiring and Real Estate Services
- ☐ M   Professional, Scientific and Technical Services
- ☐ N   Administrative and Support Services
- ☐ O   Public Administration and Safety
- ☐ P   Education and Training
- ☐ Q   Health Care and Social Assistance
- ☐ R   Arts and Recreation Services
- ☐ S   Other Services

2. Does your business operate in any of the following industries (including as part of the broader supply chain?). Please select all that apply

- ☐ Tourism
- ☐ Resources
- ☐ Construction
- ☐ Agriculture

3. How long have you been operating your current business, in the Capricorn region?

- ☐ 1 year or less
- ☐ 2-5 years
- ☐ 6 to 10 years
- ☐ 10 to 20 years
- ☐ 20+ years

4. How many employees do you currently have? Please enter a number (not text) in each box. If none, write '0'.

Full Time	
Part Time	
Casual	
Volunteer	

5. In the past 12 months, how has your number of employees changed? Please estimate the proportion increased or decreased (e.g. 'up 10%')

<div style="border:1px solid blue; width:300px; height:40px;"></div>

6. Please indicate the category that best describes the current **annual turnover** of your business

- ☐ $0 – $50,000
- ☐ $50,001 – $200,000
- ☐ $200,001 – $2 million
- ☐ $2 million+
- ☐ Prefer not to state

7. In the past 12 months, how has your turnover changed? Please estimate the proportion increased or decreased (e.g. 'up 10%')

<div style="border:1px solid blue; width:300px; height:40px;"></div>

8. What is the age bracket of the business owner(s)?

	Owner 1	Owner 2	Owner 3	Owner 4
18-30	☐	☐	☐	☐
31-40	☐	☐	☐	☐
41-50	☐	☐	☐	☐
51-60	☐	☐	☐	☐
61+	☐	☐	☐	☐
Prefer not to state	☐	☐	☐	☐
Don't know	☐	☐	☐	☐

9. Across how many sites does your business operate? Please enter a number in each cell. Please note: businesses that are entirely online will be captured in a later question.

	Rockhampton Regional Council area	Livingstone Shire Council area	Outside of the Capricorn Region (if so, where?)	Where?
Principal business premises				
Additional retail outlet(s)				
Additional service centre outlet(s)				
Off-site workshop (s)				
Warehousing / storage site				
Home-based or mobile business				

10. Is there more than one ABN operating from any of those physical sites?

☐ No – only one
☐ 1 other
☐ 2 others
☐ 3 others
☐ More than 3
☐ Not sure

11. What are the ownership arrangements for the business premises? Please select the option(s) that best describe your situation.

☐ All premises are owned
☐ All premises are leased
☐ Mixture of owning and leasing
☐ We share with another business

12. Do you export goods or services outside Rockhampton and/or Livingstone?

☐ Yes
☐ No

13. In the next 12 months, what are your export plans?

☐ Increase
☐ Decrease
☐ Stay the same
☐ Stop exporting
☐ Not sure

14. Do you believe that business activity has changed in the Rockhampton and Livingstone areas overall?

☐ Its increased
☐ Its decreased
☐ Its stayed the same
☐ Not sure

15. How has activity changed in YOUR business?

	Number of sales	Revenue	Profitability
Its increased	☐	☐	☐
Its decreased	☐	☐	☐
Its stayed the same	☐	☐	☐
Not sure	☐	☐	☐

16. What has driven your largest cost increases?

☐ Wages
☐ Energy
☐ Waste management
☐ Telecommunications
☐ Purchasing
☐ Other over heads (inc. leasing costs)
☐ Other

17. Do you intend to continue trading through to June 2015?

☐ Yes
☐ No
☐ Not sure

18. What are your goals for your revenue growth?

☐ Increase
☐ Decrease
☐ Stay the same
☐ Not sure

19. By how much would you like to grow? (Please enter a % figure).

20. Do you intend to diversify?
☐ Yes – new goods
☐ Yes – new services
☐ No
☐ Not sure

21. What are your plans for your business premises? Please select all that apply.

☐ Increase floor space on site
☐ Decrease floor space on site
☐ Move to larger premises
☐ Move to smaller premises
☐ Open new premises
☐ Close premises
☐ Staying the same
☐ Not sure
☐ Not applicable (no premises)

22. Thinking about external influences, what will be your greatest challenges over the coming 12-24 months?

☐ Budget and priorities - local government
☐ Budget and priorities - state government
☐ Government regulations
☐ Interest rates/inflation
☐ Population growth
☐ Resource sector changes
☐ Stability of local (Central Queensland) economy
☐ Value of Australian dollar
☐ Other

23. Thinking about internal influences, what will be your greatest challenges over the coming 12-24 months?

☐ Attracting and retaining staff
☐ Attracting and/or retaining customers
☐ Capital raising
☐ Competition
☐ Diversifying into new products or services
☐ Improving productivity
☐ Planning for change
☐ Rising costs
☐ Other

24. What marketing techniques do you currently use in the business? Please select all that apply.

☐ Print (newspaper, catalogues)
☐ Radio
☐ TV
☐ Online
☐ Billboard
☐ Direct sales (telephone / door-to-door)
☐ Other

25. Do you use social media for marketing? Please choose the option(s) that best describe your situation.

	Yes	No	Thinking about it
Facebook	☐	☐	☐
Instagram	☐	☐	☐
LinkedIn	☐	☐	☐
Twitter	☐	☐	☐
Website	☐	☐	☐
Something else	☐	☐	☐

26. In the past 12 months, how easy has it been to attract quality staff into your business?

☐ Very easy
☐ Easy
☐ Neutral
☐ Difficult
☐ Very difficult
☐ Not sure
☐ Not applicable - we haven't been hiring

27. In the past 12 months, how easy has it been to keep quality staff in your business?

☐ Very easy
☐ Easy
☐ Neutral
☐ Difficult
☐ Very difficult
☐ Not sure / Not applicable
☐ Not sure

28. In the next 12 months, what are your employment plans ?

	Increase	Decrease	Stay the same	Not sure	Not applicable
Full-time staff	☐	☐	☐	☐	☐
Part-time staff	☐	☐	☐	☐	☐
Casual staff	☐	☐	☐	☐	☐
Volunteers	☐	☐	☐	☐	☐

29. In the next 12 months, what are your plans for skilling and training within the business?

30. Please estimate the breakdown of your business purchasing, by region.

	None	1-25%	26-50%	51-75%	76-100%
Sourced within Rockhampton/Livingstone	☐	☐	☐	☐	☐
Sourced within CQ	☐	☐	☐	☐	☐
Sourced within Queensland	☐	☐	☐	☐	☐
Sourced within Australia	☐	☐	☐	☐	☐
Sourced internationally	☐	☐	☐	☐	☐

31. Please estimate the market destination of your goods and services, by region.

	None	1-25%	26-50%	51-75%	76-100%
Sold within Rockhampton/Livingstone	☐	☐	☐	☐	☐
Sold within CQ	☐	☐	☐	☐	☐
Sold within Queensland	☐	☐	☐	☐	☐
Sold within Australia	☐	☐	☐	☐	☐
Sold internationally	☐	☐	☐	☐	☐

32. Have your customers squeezed your margins?

☐ No squeeze
☐ 1-5%
☐ 6-10%
☐ 11-20%
☐ 20-50%
☐ Not sure

33. Do you use online technologies in your business?

☐ Yes
☐ No

34. Which aspects of your business are conducted online?

	Yes	No
Marketing and/or promotions	☐	☐
Customer communication	☐	☐
Sales	☐	☐
Other purpose	☐	☐

35. In the past 12 months, what proportion of your business purchases have been made online?

☐ None
☐ 1-25%
☐ 26-50%
☐ 51-75%
☐ 76-100%
☐ Not sure

36. In the next 12 months, do you have plans to introduce online technologies?

☐ Yes - we are ready to implement
☐ Yes - but we don't know how to do it
☐ No
☐ Not sure

37. Is growth in online shopping a threat or an opportunity for your business?

☐ Significant threat
☐ Neutral
☐ Significant opportunity
☐ Both opportunity and threat
☐ Not sure

38. In the last 12 months, has your business undertaken any innovation? Please select any that apply.

☐ New business model
☐ New business processes
☐ New marketing methods
☐ New products and/or services
☐ New technology
☐ New skills
☐ Something else
☐ None of the above

39. In the past 12 months, approximately what proportion of your budget was spent on Research and Development (R&D) and/or innovation activity?

☐ None
☐ Less than 5%
☐ Less than 10%
☐ More than 10%
☐ Not sure

40. How important is innovation to the ongoing viability of your business?

☐ Very important
☐ Somewhat important
☐ Neutral
☐ Hardly important
☐ Not important at all
☐ Don't know

41. In the next 12 months, what are your plans for business R&D activity ?

☐ Do more R&D
☐ Do less R&D
☐ Do about the same level of R&D
☐ Not sure

42. What are the barriers to innovation in your business? Please select any that apply.

☐ Attitude of staff to change
☐ Lack of access to funds
☐ Lack of access to knowledge/technology
☐ Lack of access to skills
☐ Lack of understanding of Intellectual property – patents, trademarks et
☐ Not knowing where to start
☐ Red tape
☐ Return on investment is not satisfactory
☐ Other
☐ No barrier
☐ Can't say

43. In the past 12 months, how has 'red tape' impacted on your business?

☐ Very negative impact
☐ Negative impact
☐ Neutral impact
☐ Positive impact
☐ Very positive impact
☐ Not sure / not applicable

44. In the past 12 months, which of the following regulations have been the greatest burden?

☐ Workplace health and safety
☐ Environmental
☐ Quality
☐ Financial governance
☐ Other

45. In the past 12 months, has your government reporting and compliance burden changed?

☐ Yes, it has substantially increased
☐ Yes, it has substantially decreased
☐ No, it has stayed about the same
☐ Not sure/not applicable

46. Who do you go to for business support? Please select any that apply.

☐ Local council
☐ State Government
☐ Federal Government
☐ Business/Industry membership group
☐ Private business coach
☐ Other
☐ I don't seek business support
☐ I don't know where to go

47. What business memberships do you currently hold? Please tick any that apply.

- ☐ AICD
- ☐ Busi Women
- ☐ Capricorn Coast Business Alliance
- ☐ Capricorn Enterprise
- ☐ Capricornia Chamber of Commerce (the local chamber)
- ☐ CCIQ (the State body)
- ☐ CQ Regional Women's Network
- ☐ CQ Small business network
- ☐ None
- ☐ Other

48. If support was made available in the following topics, which topic(s) may be of interest to you? Please select any that apply.

- ☐ Business mentoring
- ☐ Business Planning
- ☐ Coaching your staff
- ☐ Commercialisation of new products or services.
- ☐ Conducting new product, service or process development
- ☐ Connections with R&D providers
- ☐ Diversification into new products and services
- ☐ E-Business (engaging customers on-line)
- ☐ Efficiency Practices
- ☐ Exporting
- ☐ Financial management
- ☐ Human resource management
- ☐ Intellectual property management – patents, trademarks etc
- ☐ Leadership
- ☐ Manufacturing support
- ☐ Marketing
- ☐ Networking and alliance building
- ☐ Owner or manager succession planning
- ☐ Reducing energy usage
- ☐ Systems Improvements (Environmental)
- ☐ Systems Improvements (Quality)
- ☐ Systems Improvements (Risk)
- ☐ Systems Improvements (Safety)
- ☐ Tendering
- ☐ Venture capital
- ☐ Other

49. What is most important to you as a local business owner/operator?

50. What is your greatest concern as a local business owner/operator ?

    ┌─────────────────────────────┐
    │   │
    └─────────────────────────────┘

51. Do you have a question that you would like to ask local business owner/operators?

    ┌─────────────────────────────┐
    │   │
    └─────────────────────────────┘

52. Do you have other suggestions about supporting local business, or any other comment(s) that you would like to provide?

    ┌─────────────────────────────┐
    │   │
    └─────────────────────────────┘

53. Would you like to leave your contact details to be used for one or more of the options below? Please note: these details will only be used for the purpose(s) you select.

    ☐   Yes, I'm interested to know more about the interactive business event
    ☐   Yes, I would like to be sent a summary of the key findings when this research project is finished.
    ☐   Yes, I'm interested in membership of the Capricornia Chamber of Commerce (local chamber)
    ☐   Yes, I would like to register interest for future business services or workshops being run by the Queensland Government.
    ☐   No, I do not want to leave my contact details

    If Yes:

Business name:	
Contact name:	
Contact email:	
Contact phone number (optional):	