Eurobodalla Shire Council

Business Confidence Research

Prepared by: Micromex Research
Date: August 20, 2021

eurobodalla shire council

micromex research

Table of Contents

eurobodalla shire council

micromex research & consulting

Foreword from Council

Business Confidence Research 2021

Eurobodalla Shire Council engaged Micromex Research and Consulting to undertake analysis of data from the inaugural Business Confidence Questionnaire.

To ensure integrity of the process, Eurobodalla Shire Council has not altered the data.

It should be noted that when citing this report, comments reflect individual responses and Eurobodalla Shire Council requires a right of reply as it is obliged to operate within fiscal and legislative parameters. In saying this, Council thanks those that participated and will work with business and other stakeholders where and when appropriate to translate opportunities presented and address issues and concerns.

Eurobodalla Shire Council
August 2021

Background & Methodology

Objectives (Why?)

- Understand confidence levels of businesses in the Eurobodalla Shire
- Identify the main challenges and opportunities that businesses are facing
- Measure awareness of assistance available to businesses through Council
- Explore sources of business trade and channels used for promotion
- Explore the potential impact of COVID by comparing results obtained before and during the restrictions/lockdown in Greater Sydney that commenced on the evening of June 26 2021 (coinciding with the start of NSW school holidays).

Sample (How?)

- Online survey, with sample sourced by Council (based on email invitations sent to two lists of business contacts and via a link on Council's website)
- Maximum sample size of N=221 – although not all respondents answered all questions

Timing (When?)

- Fieldwork conducted 18th June – 10th July 2021

Background & Methodology

Sample Selection:

Note: One interview was removed from the sample due to the respondent stating that they were in the Bega Valley Shire Council area.

Base Sizes:

Whilst N=221 respondents started the survey, only 175 or so completed the full survey. Therefore, base sizes differ between individual questions (and when questions are used to cross-analyse other questions). Thus when reviewing results, always refer to the 'Base' information at the bottom left or below charts and tables on each page.

Data analysis:

Four industry groups were created for analysis. See slide 5 for an explanation of how these groups were formed.

The data within this report was analysed using Q Professional.

Within the report, ▲▼ are used to identify statistically significant differences between groups, i.e., location, industry, annual revenue, number of employees, years in operation etc.

Significance difference testing is a statistical test performed to evaluate the difference between two measurements. To identify the statistically significant differences between the groups of means, 'One-Way Anova tests' and 'Independent Samples T-tests' were used. 'Z Tests' were also used to determine statistically significant differences between column percentages.

Sample Profile

Business Location	%
North (Mogo/Batemans Bay)	44%
Central (Moruya/Tuross Head)	30%
South (Bodalla/Eurobodalla/ Narooma)	26%

Industry

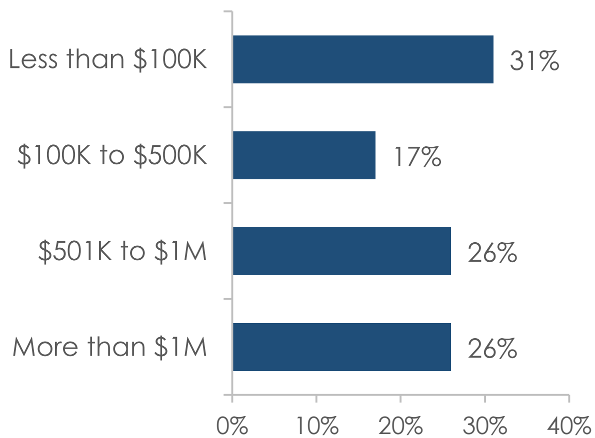
White Collar 28%

Tourism & Leisure 25%

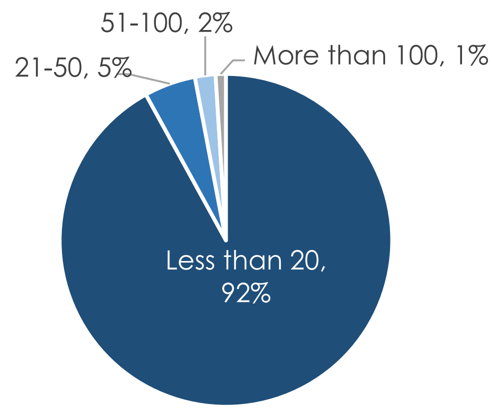
Blue Collar, Construction & Agriculture 24%

Retail 23%

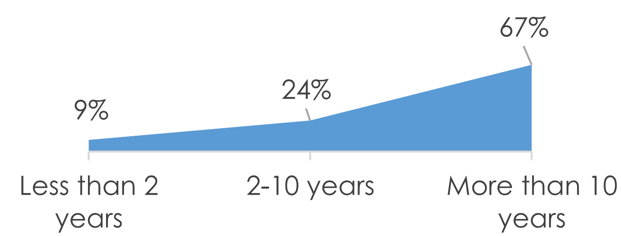
Annual Revenue



Number of Employees



Years in Operation



Industry groups:

White Collar: Business Support & Logistics, Education, Finance & Financial Services, Healthcare, Personal Services, Professional, Real Estate and Telecommunications, Technology, Internet & Electronics

Tourism & Leisure: Accommodation, Entertainment & Leisure, Food & Beverages, Hospitality and Tourism

Blue Collar, Construction & Agriculture: Agriculture, Aquaculture, Automotive, Construction, Machinery and Homes, Manufacturing, Trade and Transportation & Delivery

Retail: Retail

Base: N = 221

Key Findings

eurobodalla shire council

micromex research

Key Findings

Business Operations and Outlook

46% of businesses **predict annual revenue to increase** over the next 12 months – while only **22% expect it to decrease**, perhaps reflecting a combination of factors such as:

- Relatively favourable forward-looking business confidence given the disruption and uncertainty brought about by COVID-19
- Rebuilding revenue from a lower-than-usual base due to the impact of COVID-19 (and bushfires) over the past 18 months or so.

In a similar vein, **30%** of businesses **predict their number of employees to increase**, while only **11% expect a decrease**.

When asked about **plans to sell or close their business**, **19% said 'yes'** – and it's <u>not</u> just businesses in distress, as even amongst those who think their turnover will increase, 16% are thinking of closing/selling.

Opportunities

The **main 'external' opportunities** (based on an open-ended question) are related to **increasing tourism** to the Eurobodalla region, **local population growth and increased infrastructure/ development**.

And in terms of '**internal**' opportunities**, increased sales and marketing** (particularly online) and **capitalising on future growth/expansion opportunities** are also mentioned, indicating that businesses are looking to adapt and attract customers in new ways.

There is **industry support for increased marketing efforts to promote the region as a tourism destination**, and also **investment in development projects to encourage local population growth**. Improving digital literacy to enable access to new markets and facilitating business networking events (in-person or online) is seen as important.

Challenges

Based on an open-ended question, **attracting and retaining skilled staff** and **COVID-19** are the **top two challenges** mentioned by businesses. The uncertainty and impact of COVID has made it difficult to estimate income, maintain staff and productivity levels.

Businesses also mention operational challenges such as **marketing and attracting customers**, while regulations and the **planning and development process** are seen to be an impediment to industry investment and expansion.

Awareness of Assistance Available through Council

Overall, **47%** of businesses are **aware of assistance available through Council** – while **53% are not**. However, even amongst those aware there is scope to further promote what support and types of assistance are available, with **10% saying there is not sufficient support or it doesn't apply to them**, and **9% who say that they have limited awareness**.

Key Findings

Business Trade and Promotion

Return customers, word of mouth and local customers make up the **majority of business sales for nearly 60% of businesses**, while **37% of businesses rely on visitors**.

The majority of businesses (87%) use some form of digital and/or social media to advertise, with **75% using a website** and **74% using Facebook**. However, other digital channels such as online media/newspapers, affiliate marketing and online advertising only have a couple of mentions each. **Traditional media (TV, radio) and print advertising are still used by a quarter to a third of businesses**.

Impact of COVID-19

Business confidence appears to have taken a small hit since the **lockdown of Greater Sydney** was announced on June 26, as those who completed the survey after June 26 were somewhat **less optimistic about predicted turnover and employee growth over the next 12 months** than were those who completed the survey up to June 26.

Based on separate analysis, **Tourism & Leisure businesses** are **significantly more likely to predict a decrease in annual turnover** in the months ahead. **Businesses that rely on visitors** are **also significantly more likely to predict a decrease in annual turnover and level of employees.**

Perhaps by design or fortuitously, **Tourism & Leisure businesses and those reliant on visitors** have **significantly higher awareness of assistance available through Council** suggesting that they may be prepared to seek support if needed.

Business Development

76% of businesses have a **current business plan in place**, although this is **significantly lower for Retail businesses**, those with **less than $500K annual revenue** and those with **less than 20 employees**.

Strategy planning is also seen as important, with **73%** of businesses taking time to do this each year, though **only 52% have a business resilience/continuity plan** and **even fewer – 44% have an exit plan**.

23 of the 174 businesses (13%) that answered the above four questions said 'No' to <u>all four</u> – as such, they are potentially an '**at-risk' group**. Whilst the sample sizes are small, there is a sense in the data that businesses in the **South**, those with **less than 20 employees** and businesses **other than white collar** are more likely to be **at risk.**

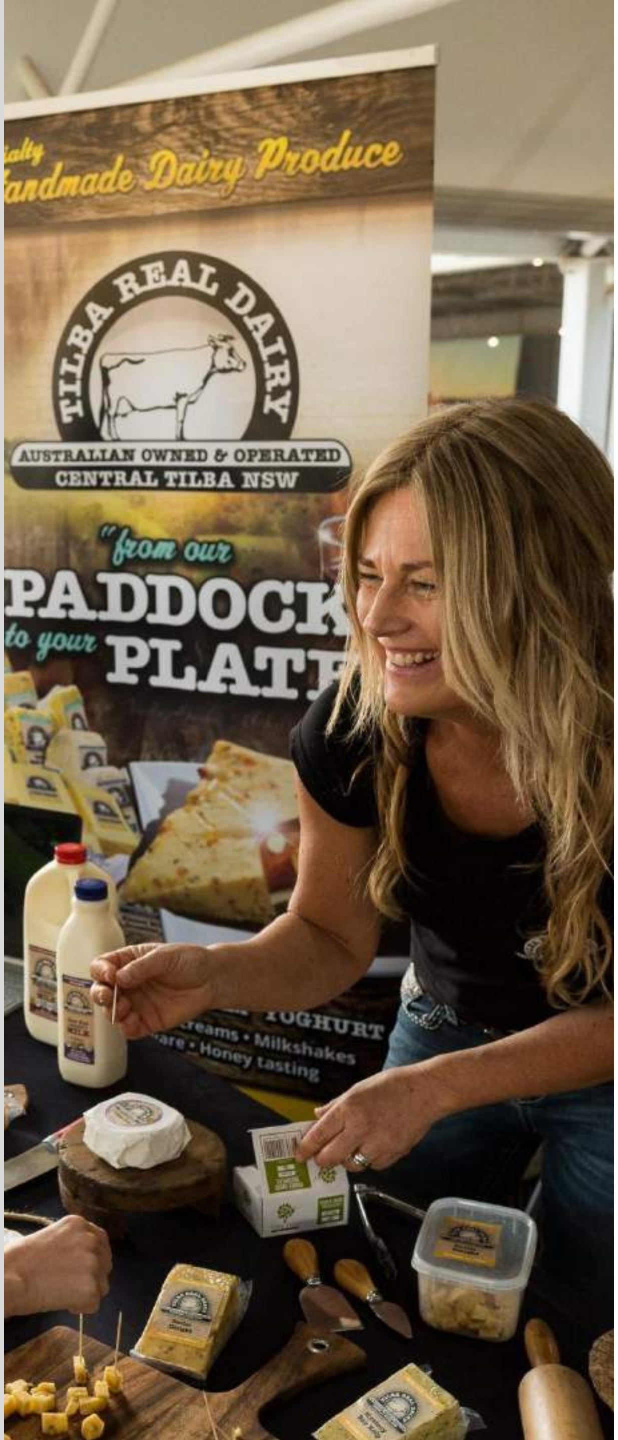
Supporting businesses to access resources for planning - especially resilience/continuity planning - could help to mitigate risks and develop contingencies to deal with any future hardships.

Planning for the Future

Businesses are **primarily focused on the short-medium term**. However, it is clear that **businesses should continue to be engaged in Council's strategic decision making regarding the economic development of the region**, especially with regards to **development, housing and infrastructure needed to support a growing population** as well as enabling businesses to thrive.

Detailed Results

1. Business Operations & Outlook



Detailed Results

1. Business Operations and Outlook

2. Business Trade and Promotion

3. Business Development

4. Impact of COVID-19

This section explores predicted changes to business turnover and employee growth in the next 12 months, plans to sell or close the business, and the main challenges and opportunities that businesses in the Eurobodalla region are facing.

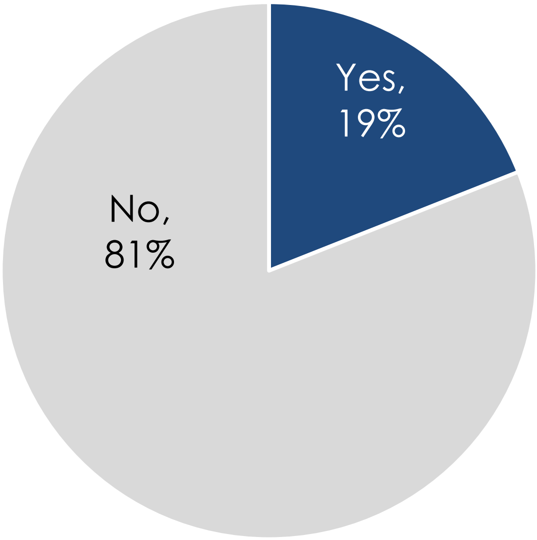
eurobodalla shire council

micromex research

Considering Selling or Closing the Business

10. Are you considering preparing to sell or close your business?

	Overall	Area			Annual Revenue		Number of Employees		Years in Operation	
		North	Central	South	Less than $500K	More than $500K	Less than 20	More than 20	10 years or less	More than 10 years
Yes %	19%	21%	15%	23%	19%	20%	19%	20%	15%	21%
Base	207	92	62	53	121	86	192	15	71	136



Base: N = 207

Almost one in five businesses (19%) are considering closing or selling their business. Whilst on face value this seems high, it could simply be an opportunity for businesses to refresh – for instance, whilst not statistically significant, there is some sense in the data that those that have been in operation for more than 10 years are slightly more likely to consider an 'exit', which may reflect that it is time to move on rather than not being viable (explored further overleaf).

Indications of Reasons for Selling or Closing the Business

6. *In the next twelve months: Do you predict any change to your business turnover?*
7. *If you predicted change in Q6 by what approximate percentage do you expect it to change by?*
8. *Do you predict your current level of employees will change?*
9. *If you predicted change in Q8 by what approximate percentage do you expect it to change by?*
10. *Are you considering preparing to sell or close your business?*

	Overall	**Business Turnover**		
		NET Increase	Stay the same	NET Decrease
Yes %	19%	16%	18%	29%
Base	205	93	67	45

	Overall	**Employee Growth**		
		NET Increase	Stay the same	NET Decrease
Yes %	19%	16%	20%	26%
Base	206	62	121	23

Base: N = 205-206

The top table above reports those who are considering selling or closing their business by whether they think their turnover will increase, stay the same or decrease in the next 12 months. Yes, those who believe their turnover will decrease appear more likely to be considering selling/closing their business. However, the more relevant takeout is that, as noted on the previous slide, 19% of the total sample is considering closing/selling – and it's <u>not</u> just businesses in distress, as even amongst those who think their turnover will increase, 16% are thinking of closing/selling.

Considering Selling or Closing the Business

10. Are you considering preparing to sell or close your business?

	Overall	Industry			
		White Collar	Tourism & Leisure	Blue Collar, Construction & Agriculture	Retail
Yes %	19%	16%	21%	22%	19%
Base	207	58	52	49	48

	Q19. Majority of Business Sales					
	Return Customers	Word of mouth	Local Customers	Visitors	Bookings	Walk-ins
Yes %	22%	18%	22%	22%	22%	22%
Base	100	100	97	64	45	36

Industry groups:

White Collar: Business Support & Logistics, Education, Finance & Financial Services, Healthcare, Personal Services, Professional, Real Estate and Telecommunications, Technology, Internet & Electronics

Tourism & Leisure: Accommodation, Entertainment & Leisure, Food & Beverages, Hospitality and Tourism

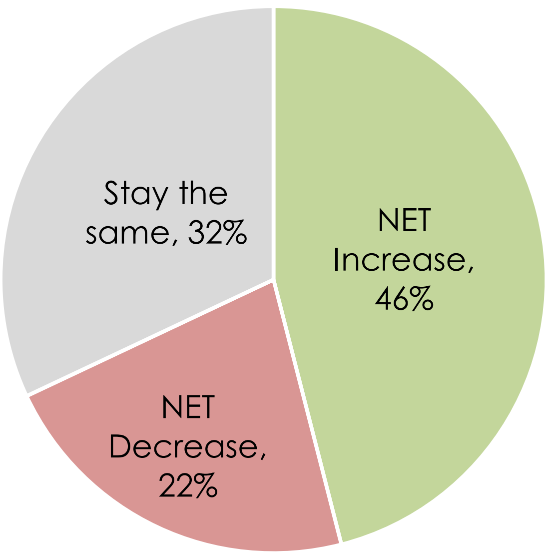
Blue Collar, Construction & Agriculture: Agriculture, Aquaculture, Automotive, Construction, Machinery and Homes, Manufacturing, Trade and Transportation & Delivery

Retail: Retail

There are no significant differences in likelihood to consider an 'exit' for specific industry groups or businesses who rely on particular sources of trade.

Business Turnover in the Next 12 Months

6. *In the next twelve months: Do you predict any change to your business turnover?*
7. *If you predicted change in Q6 by what approximate percentage do you expect it to change by?*



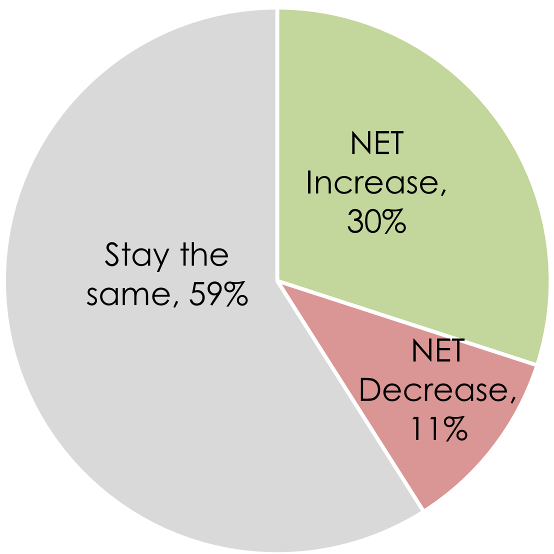
Increase		Decrease	
NET Increase	**46%**	**NET Decrease**	**22%**
1-10%	20%	1-10%	4%
11-20%	17%	11-20%	5%
21-30%	6%	21-30%	5%
31-40%	1%	31-40%	3%
More than 40%	2%	More than 40%	5%

Base: N = 205

Almost half (46%) predict that their business will increase turnover in the next 12 months, which is very encouraging – albeit with relatively modest increases.
In contrast, only 22% say their business turnover is likely to decrease in the next year.

Employee Growth in the Next 12 Months

8. *Do you predict your current level of employees will change?*
9. *If you predicted change in Q8 by what approximate percentage do you expect it to change by?*



Increase		Decrease	
Total Increase	**30%**	**Total Decrease**	**11%**
1-10%	20%	1-10%	5%
11-20%	7%	11-20%	2%
21-30%	1%	21-30%	1%
31-40%	0%	31-40%	0%
More than 40%	1%	More than 40%	3%

Base: N = 206

The majority of businesses (59%) predict their current level of employees will stay the same over the next 12 months. However, almost a third (30%) predict an increase, which is encouraging – and only 11% are predicting a decrease.

Impact of COVID on Business Turnover and Employee Growth

6. *Do you predict any change to your business turnover?*
7. *If you predicted change in Q6 by what approximate percentage do you expect it to change by?*
8. *Do you predict your current level of employees will change?*
9. *If you predicted change in Q8 by what approximate percentage do you expect it to change by?*

Change to Business Turnover	Overall	**Area**			**Industry**			
		North	Central	South	White Collar	Tourism & Leisure	Blue Collar, Construction and Agriculture	Retail
NET Increase	45%	41%	56%	42%	54%	37%	37%	53%
Stay the same	33%	34%	31%	32%	32%	27%	37%	36%
NET Decrease	22%	25%	13%▼	26%	14%	37%▲	27%	11%▼
Base	205	91	61	53	57	52	49	47

Change to Employee Growth	Overall	**Area**			**Industry**			
		North	Central	South	White Collar	Tourism & Leisure	Blue Collar, Construction and Agriculture	Retail
NET Increase	30%	25%	39%	28%	36%	25%	27%	32%
Stay the same	59%	58%	56%	62%	55%	58%	57%	66%
NET Decrease	11%	16%▲	5%	9%	9%	17%	16%	2%▼
Base	206	91	62	53	58	52	49	47

▲▼ = A significantly higher/lower rating (by group)

Looking at indications of change to business turnover by area and industry, Tourism & Leisure businesses are significantly more likely to report a predicted decrease over the next 12 months, and those in the Central area are significantly less likely to report a decrease. Businesses in the North are significantly more likely to suggest a decrease in level of employees.

Impact of COVID on Business Turnover and Employee Growth

6. *Do you predict any change to your business turnover?*
7. *If you predicted change in Q6 by what approximate percentage do you expect it to change by?*
8. *Do you predict your current level of employees will change?*
9. *If you predicted change in Q8 by what approximate percentage do you expect it to change by?*

Change to Business Turnover	Overall	**Q19. Majority of Business Sales**					
		Return customers	Word of mouth	Local customers	Visitors	Bookings	Walk-ins
NET Increase	45%	53%	51%	49%	42%	58%	44%
Stay the same	33%	25%	29%	28%	23%	16%▼	28%
NET Decrease	22%	22%	20%	23%	34%▲	27%	27%
Base	205	99	100	97	64	45	36

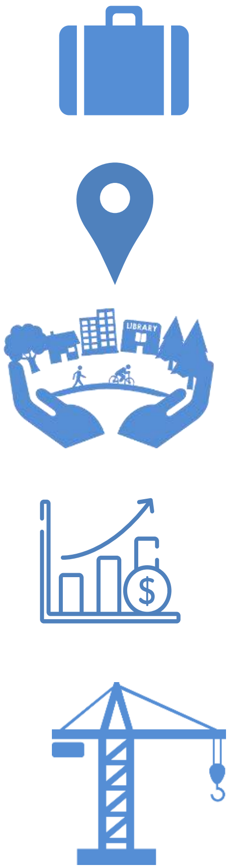
Change to Employee Growth	Overall	**Q19. Majority of Business Sales**					
		Return customers	Word of mouth	Local customers	Visitors	Bookings	Walk-ins
NET Increase	30%	31%	31%	32%	29%	36%	31%
Stay the same	59%	57%	58%	53%	52%	49%	47%
NET Decrease	11%	12%	11%	15%	19%▲	16%	22%▲
Base	206	99	100	96	63	45	36

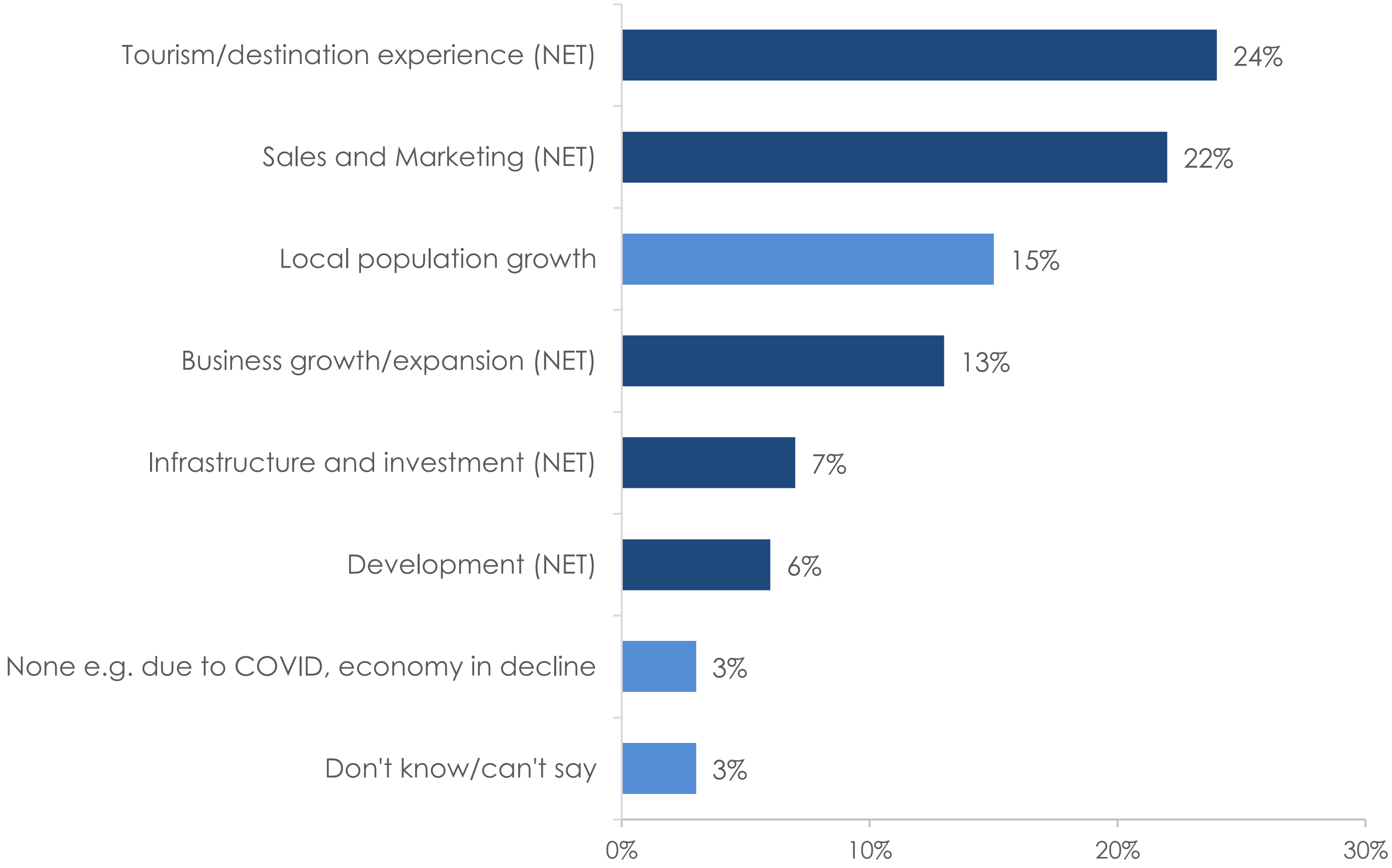
▲▼ = A significantly higher/lower rating (by group)

Businesses which claim that visitors are a main source of trade are significantly more likely to suggest a decrease in business turnover and employees in the next 12 months.

Main Opportunities

11. What to do you see as the main opportunities of your business?





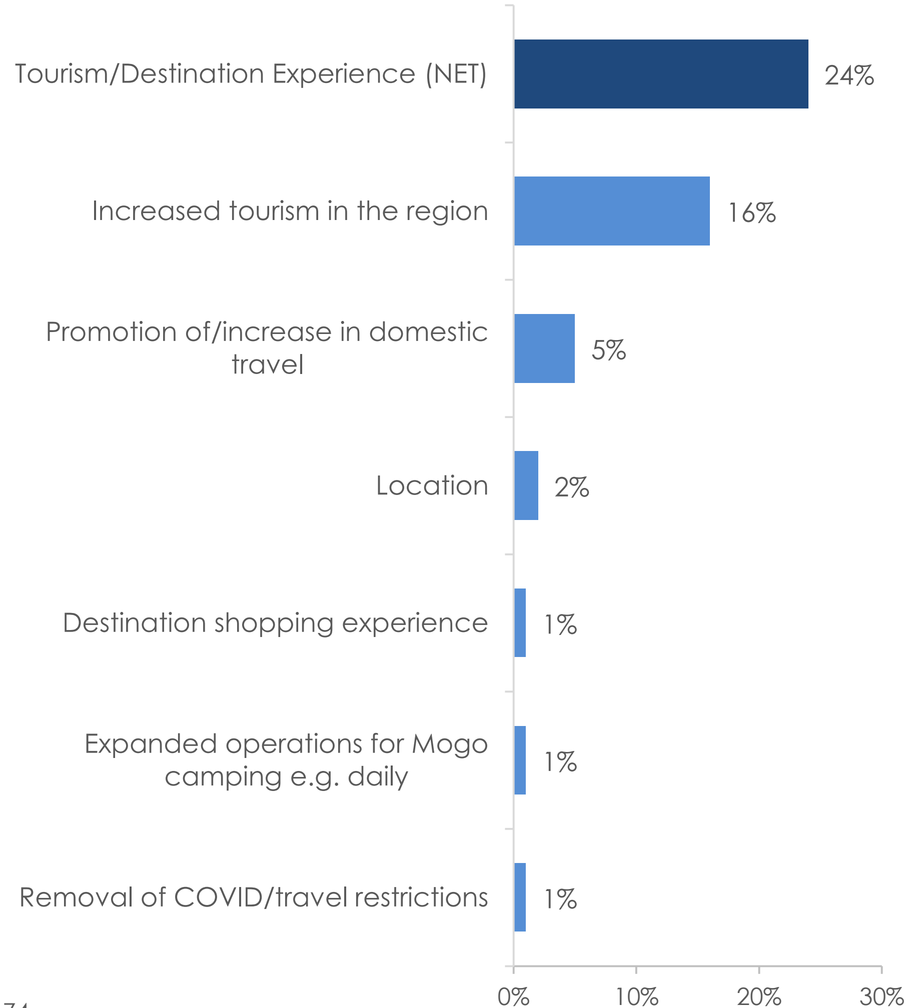
Base: N=174

Please see Appendix A for full list of responses

Businesses were asked an open-ended question about the main opportunities for their business. Many different answers were provided (see Appendix A for full details) – but main coded responses are provided in the above chart (dark blue bars are net subtotals of multiple similar codes [which are explored in more detail on the following slides], and light blue bars are stand-alone codes.

Main Opportunities – Tourism/Destination Experience

11. What to do you see as the main opportunities of your business?



"Need increases in tourism"

"Continued growth in tourism driven by increased marketing…"

"An increase in targeted tourism, increase in the markets we operate in, shifting consumer attitudes – enviro-conscious, local produce, Australian made, sustainable, natural, organic"

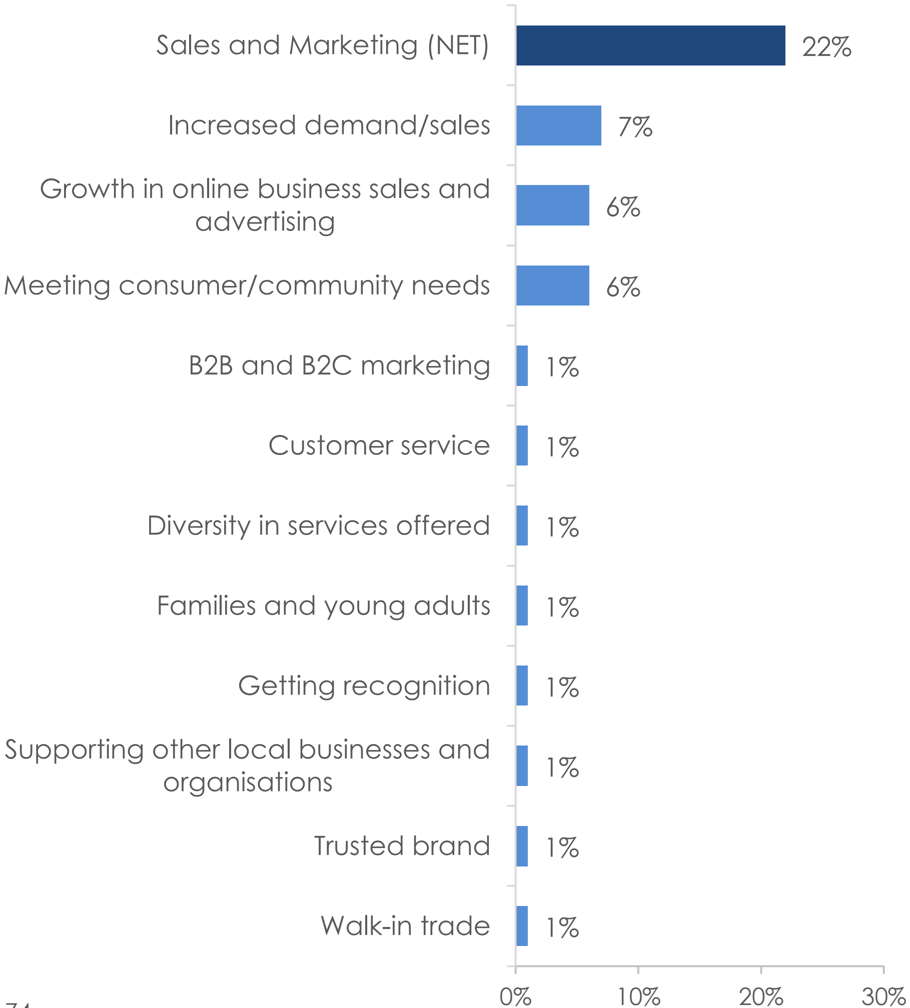
"The demand in regional travel and also the demand for high end accommodation"

Base: N=174

Businesses see increasing tourism and the appeal of Eurobodalla as a destination as the primary opportunity. There is a role for Council and business to continue ongoing promotion of the region, working with partners such as Destination NSW and to develop product supporting destination experiences.

Main Opportunities – Sales and Marketing

11. What to do you see as the main opportunities of your business?



Base: N=174

"Development with consumer demand"

"Increased client base with population growth through increased online and conventional marketing"

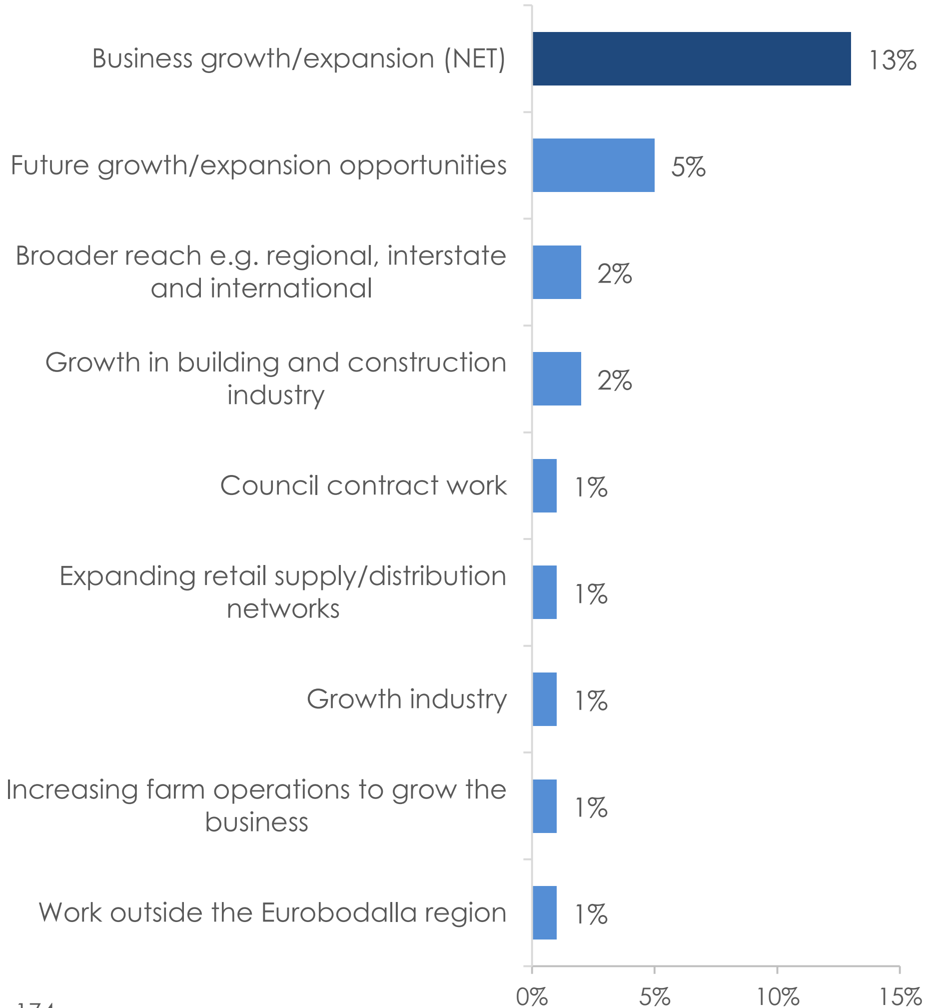
"Increasing online presence, which has been increasing particularly during the COVID pandemic"

"To grow the business to meet the needs of the community and offer employment for locals"

Growth in consumer demand for products/services and increased marketing activity, especially online sales and advertising are seen to be opportunities for businesses.

Main Opportunities – Business Growth/Expansion

11. What to do you see as the main opportunities of your business?



Base: N =174

"Expand my product and service offer"

"Growth in the state and out of the state"

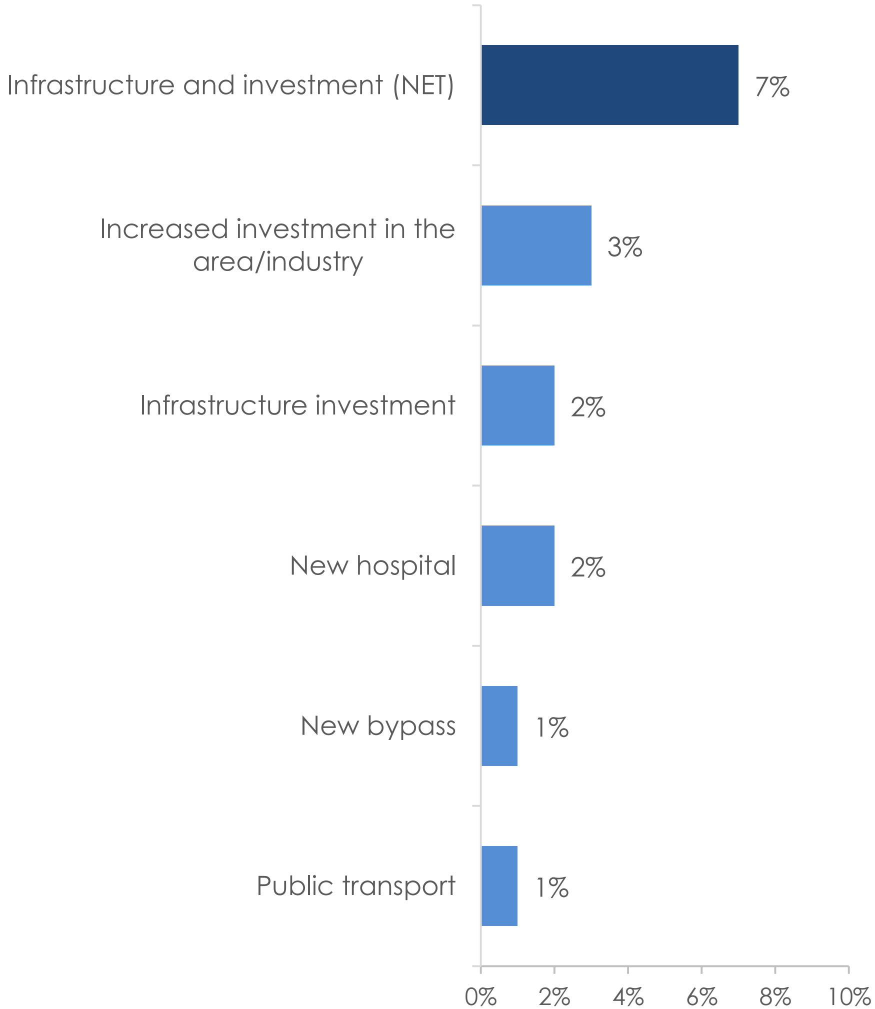
"Capturing the Canberra and Sydney markets"

"New constructions taking place as well as new land releases, local growth"

Business growth and expansion is seen as another key opportunity for businesses, especially broadening their reach beyond Eurobodalla to regional, interstate and international markets. Growth in the building and construction industry is also highlighted as developments make way for local population growth.

Main Opportunities – Infrastructure and Investment

11. What to do you see as the main opportunities of your business?



"Growth of population resulting in more infrastructure being built and sold"

"Increased investment in the area"

"Commercial and industrial development"

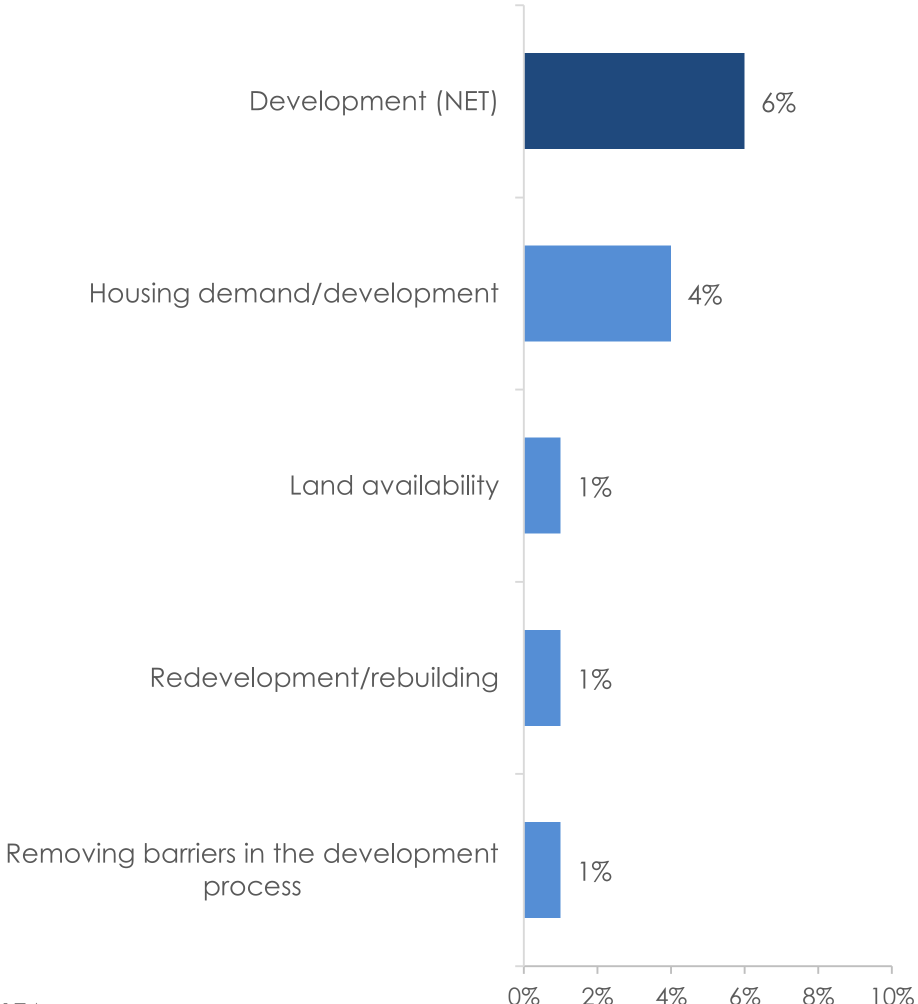
"New hospital bringing extra people to town"

Base: N=174

Infrastructure improvements in the Eurobodalla region are seen as a positive factor for bringing more commercial investment and people to the area, thereby increasing the potential sales and demand for businesses.

Main Opportunities – Development

11. What to do you see as the main opportunities of your business?



"Residential construction"

"Growth in the housing sector as people move into the area and spend more money domestically"

"New hospital and bypass, housing demand, more sea changers moving to town"

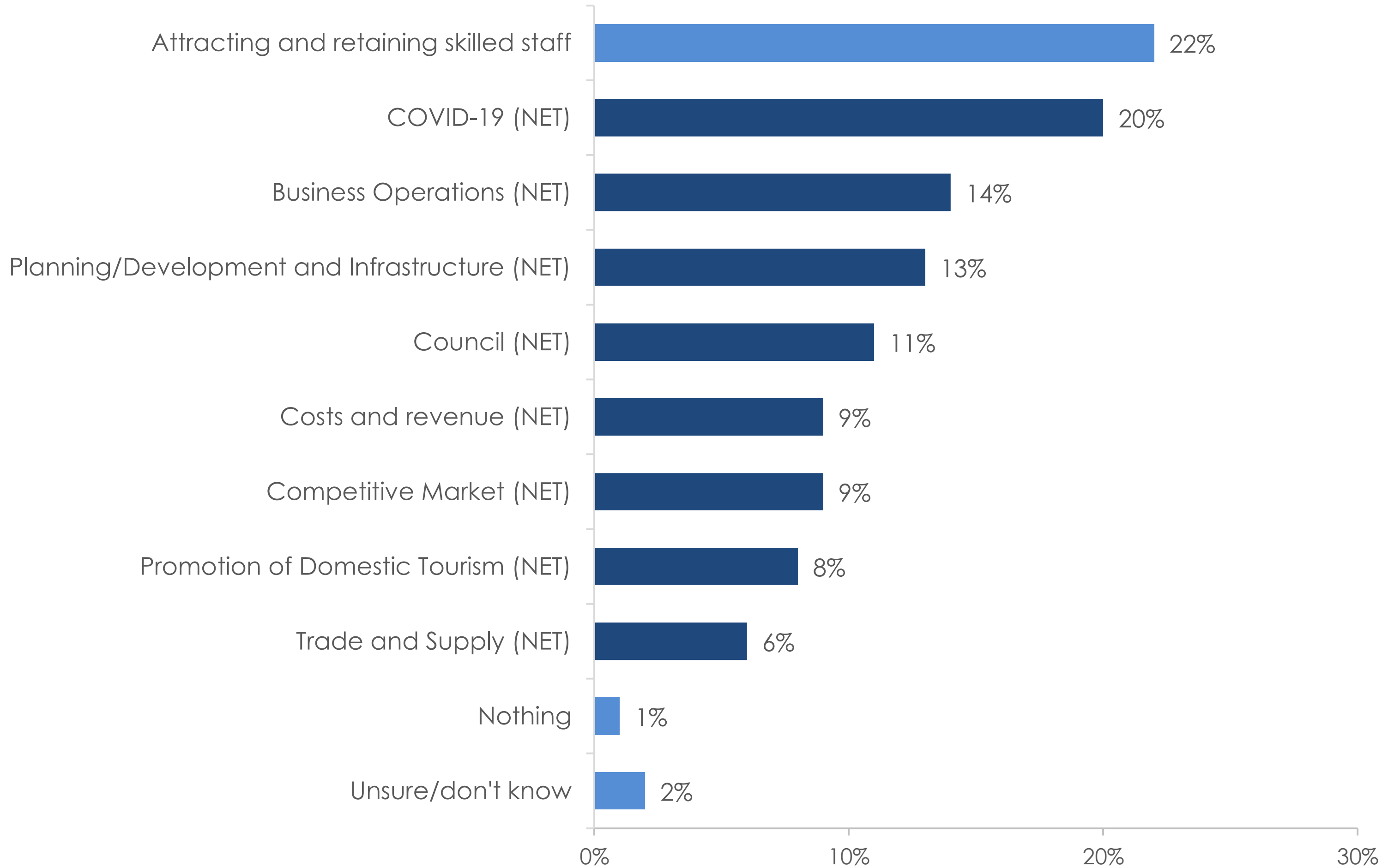
"Potential to grow once rebuild is complete"

Base: N=174

Housing demand and development in particular is seen as a way to increasing business opportunities within the region.

Main Challenges

12. What do you see as your main challenges?



Base: N=174

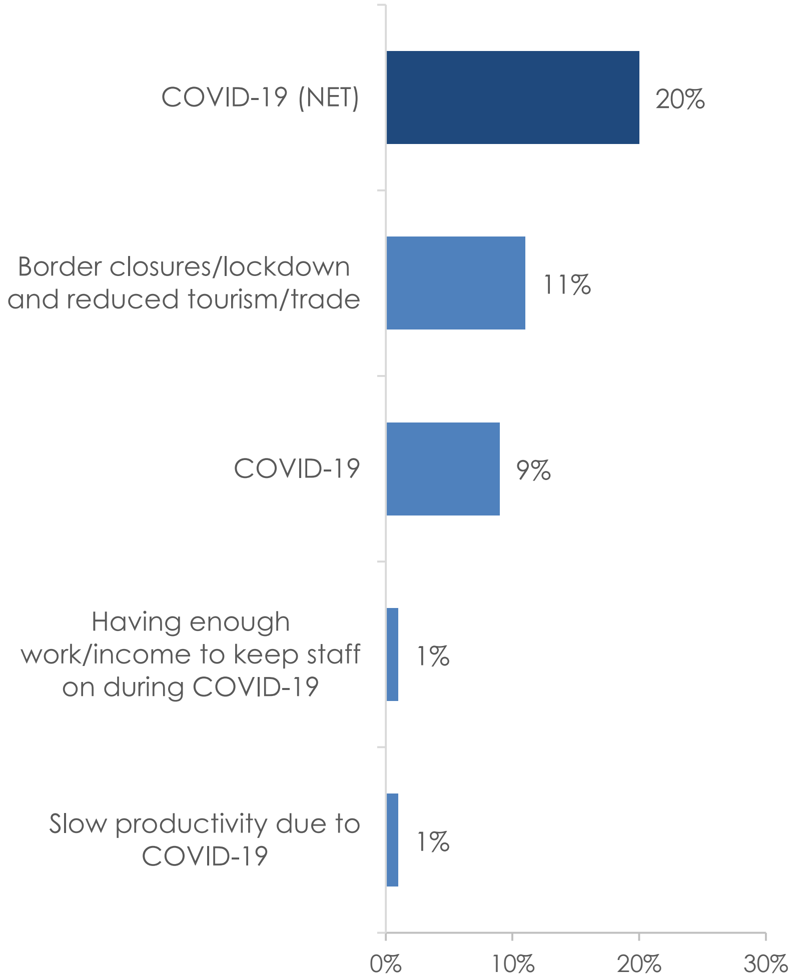
Please see Appendix A for full list of responses

Businesses were also asked an open-ended question about the main challenges they face – main coded responses are provided in the above chart (see Appendix A for full list).

Attracting and retaining staff, COVID-19 related issues, business operations and development are top of mind when it comes to challenges faced. The main net sub-totals are explored further on the following slides.

Main Challenges – COVID-19

12. What do you see as your main challenges?



"The uncertainty around the covid situation. The roller coaster ride of cancelled bookings and lack of consumer confidence"

"Covid19 and loss of international, inter-state and intra-state visitors"

"Border closures inhibiting tourism, opportunity for greater collaboration with dnsw and esc and ta on joint campaigns"

Base: N=174

COVID-19 has impacted businesses in many ways, with the most obvious one being reduced tourism and trade as a result of border closures and lockdown in Greater Sydney. Ultimately, there is a lot of uncertainty, with difficulties in estimating income, maintaining staff and productivity levels.

Main Challenges – Business Operations

12. What do you see as your main challenges?

Base: N =174

"Getting the word to the right audience, promotion in the right area"

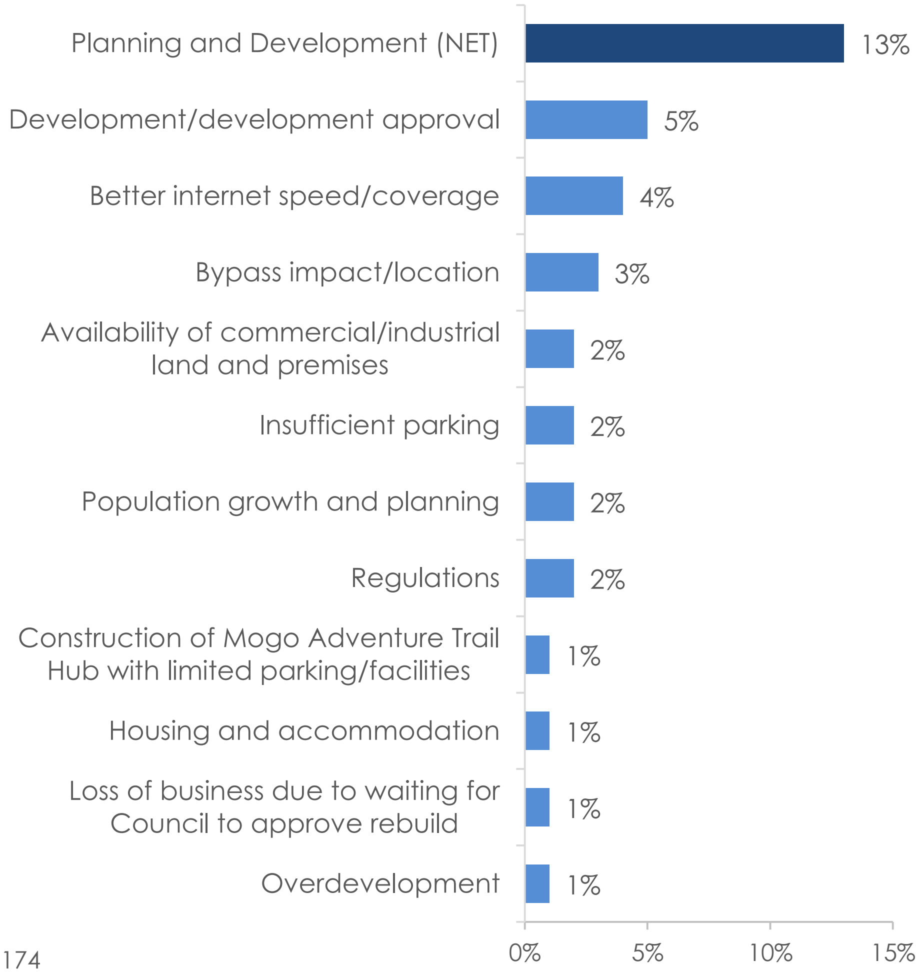
"Finding the most accurate information and advice on how to produce an online campaign"

"Eurobodalla is a case of who you know not what you know or the quality of workmanship"

Marketing to customers, and especially reaching customers online is a key operational challenge that is becoming more important as a result of COVID and reduced face-to-face interactions with customers. Developing digital literacy is seemingly essential for businesses (see also Slides 35 and 36).

Main Challenges – Planning/Development and Infrastructure

12. What do you see as your main challenges?



Base: N=174

"…Restrictions on building plans, slow process times"

"…Council needs to get moving on developments and push to make commercial and industrial land available for business expansion"

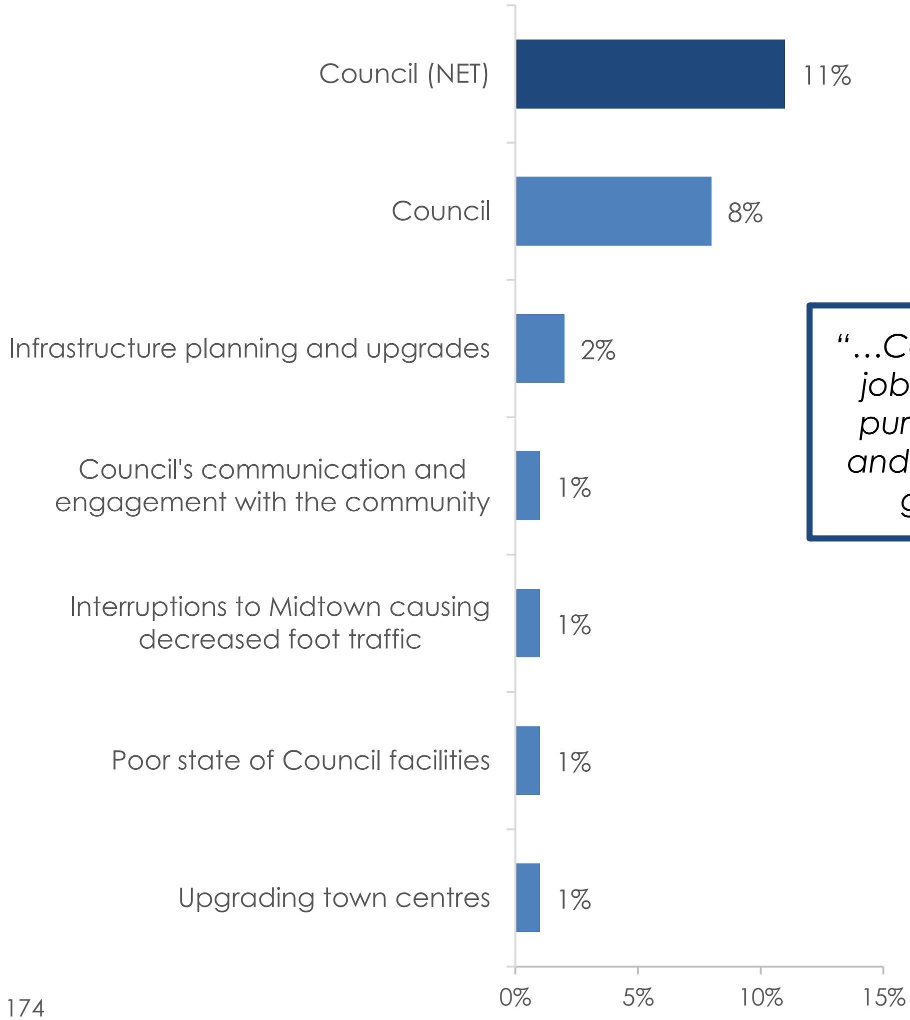
"Poor planning with respect to population increases…"

"Planning/development/red tape and Council costs making affordable housing impractical for a lot of people"

Planning and development is seen as a barrier to growth for business expansion as well as local population growth.

Main Challenges – Council

12. What do you see as your main challenges?



Base: N = 174

"Poor state of Council owned and run facilities, e.g. public toilets, parks etc. Batemans Bay's unique identity being eroded by Council policy and activities is ruining potential tourism…"

"…Council using out of shire trades for their jobs, big and small – kind of defeats the purpose in building business confidence and saying you support local if you're not going to actually support locals…"

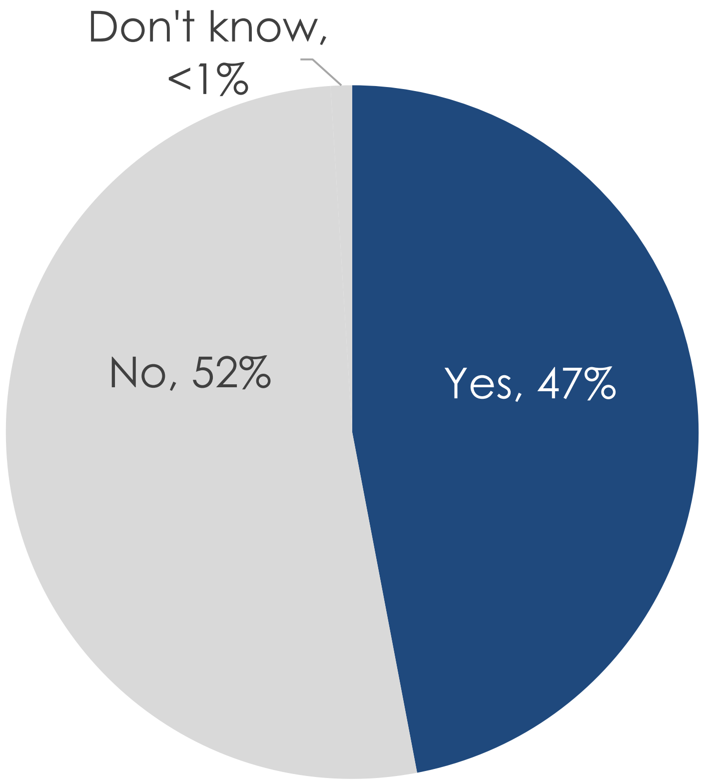
"Lack of municipal infrastructure upgrade, slowing development"

"Council lack of transparency and certainty in regard to responding to the community concerns and their lack of clear communication with the public"

Specific challenges that mentioned Council were in regards to decision making, transparency and maintenance and upgrades of community infrastructure.

Awareness of Assistance through Council

13. Are you aware of the assistance available to businesses through Council?



	N=174
Yes (NET)	**47%**
Yes	28%
Yes, but there's not sufficient support available or doesn't apply to my business	10%
Yes, but limited awareness	9%
No	52%
Don't know	1%

Base: N = 174

Nearly half (47%) of those surveyed expressed some level of awareness of the assistance available to businesses through Council. However, there is certainly room for improvement with 10% saying that support is not sufficient or doesn't apply to them and a further 9% who have limited awareness.

Awareness of Assistance Available

13. Are you aware of the assistance available to businesses through council?

		Area			Annual Revenue		Number of Employees		Years in Operation	
	Overall	North	Central	South	Less than $500K	More than $500K	Less than 20	More than 20	10 years or less	More than 10 years
Yes %	47%	51%	44%	42%	49%	43%	47%	43%	43%	48%
Base	174	77	52	45	99	75	192	15	56	118

	Industry			
	White Collar	Tourism & Leisure	Blue Collar, Construction and Agriculture	Retail
Yes %	40%	64%▲	36%	49%
Base	52	39	44	39

	Q19. Majority of Business Sales					
	Return customers	Word of mouth	Local customers	Visitors	Bookings	Walk-ins
Yes %	53%▲	48%	43%	56%▲	49%	56%
Base	100	100	97	64	45	36

▲▼ = A significantly higher/lower rating (by group)

Tourism & Leisure businesses and those who rely on return customers or visitors have significantly higher awareness of assistance available through Council, indicating that these businesses are perhaps more likely to require support from Council.

2. Business Trade & Promotion

Detailed Results

1. Business Operations and Outlook

2. Business Trade and Promotion

3. Business Development

4. Impact of COVID-19

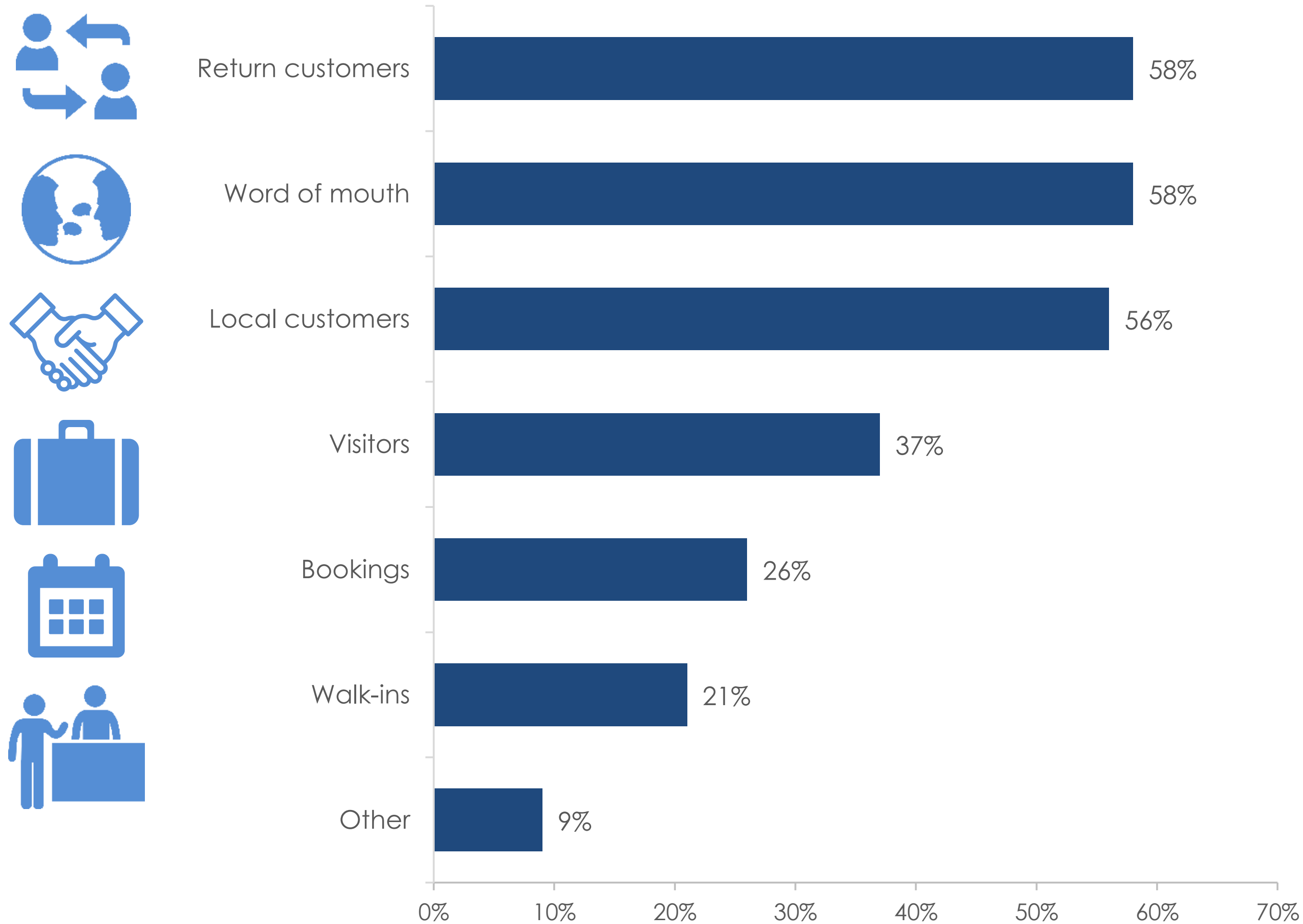
This section explores sources of trade that make up the majority of sales for businesses, and provides insight into advertising channels used.

eurobodalla shire council

micromex research

Business Trade

19. Which of the following makes up the majority of your business sales?



Base: N = 173

Please see Appendix A for other responses

Return customers, word of mouth and local customers are the primary sources of trade as identified by businesses surveyed. 37% say visitors make up a major part of their business trade.

Business Trade

19. Which of the following makes up the majority of your business sales?

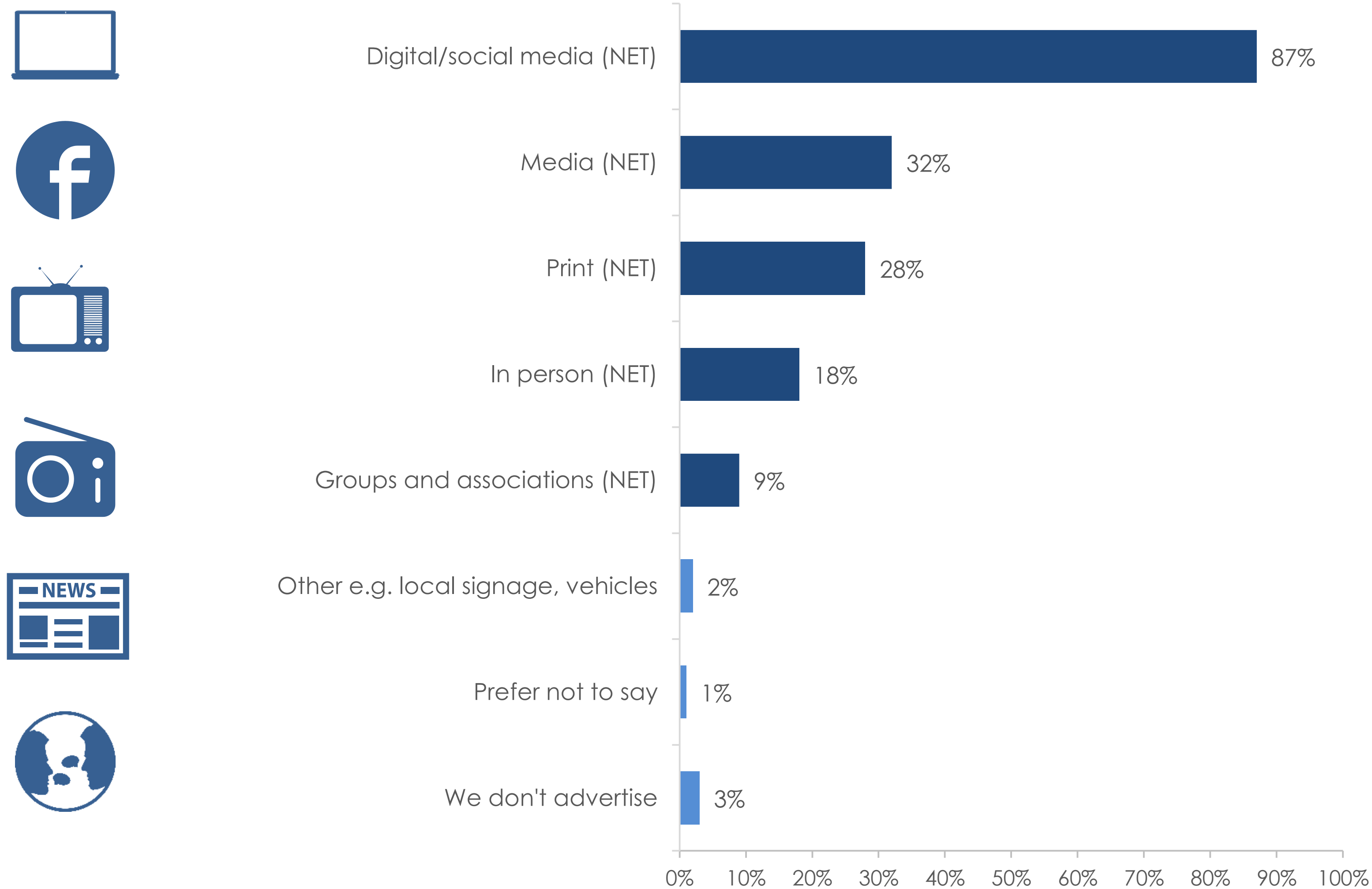
Column %	Return Customers	Word of Mouth	Local Customers	Visitors	Bookings	Walk-ins
Return Customers	100%	72%	68%	73%	71%	78%
Word of Mouth	72%	100%	67%	64%	62%	75%
Local Customers	66%	65%	100%	72%	51%	83%
Visitors	47%	41%	47%	100%	58%	75%
Bookings	32%	28%	24%	41%	100%	47%
Walk-ins	28%	27%	31%	42%	38%	100%

Base: N = 173

The above table cross-analyses Q19 by itself, so that patterns of trade can be established (table is read down the columns). For instance, in general, businesses that say visitors make up a majority of their business sales also rely on local (72%) and return (73%) customers. This spread of sales may provide some protection to these businesses if lockdowns continue elsewhere.

Business Promotion

18. How do you advertise your business?



Base: N = 174

Please see the next slide for a detailed response list

Digital and social media is the top mentioned channel for business advertising, made up primarily of websites, Facebook and Instagram (see overleaf). Media and print are also frequently used channels. In person (primarily word of mouth) is mentioned as a source of advertising by 18% of those surveyed. See overleaf for a detailed list of NETs and sub-codes.

Business Promotion

18. How do you advertise your business?

Digital/social media (NET)	87%
Website	75%
Facebook	74%
Instagram	47%
LinkedIn	2%
Online media/newspapers	2%
Online advertising e.g. Google	2%
Affiliate marketing	1%
Email marketing/database	1%
Online search engines e.g. Google	1%
SMS	1%
Travel/accommodation websites	1%
Twitter	1%

Media (NET)	32%
Radio	25%
Television	16%
Medical Centre TV advertising/business TV	1%

Print (NET)	28%
Newspapers	17%
Trade magazines	11%
Print advertising e.g. leaflets and catalogues	2%
Phone book	1%

In person (NET)	18%
Word of mouth/referrals	16%
Loyal/repeat customers	1%
Tourist information centre	1%

Groups and associations (NET)	9%
Sponsorships and supporting community groups	3%
Groups/networking	2%
Chamber of Commerce	1%
Collaborations with other businesses	1%
Industry trade shows	1%
NDIS registration	1%

Base: N = 174

Digital and social media is mostly made up of websites, Facebook and Instagram while other types of digital marketing have fewer mentions. Again, the importance of digital literacy is indicated as a key function of business promotion.

3. Business Development

Detailed Results

This section explores the current level of planning that businesses undertake including business plans, strategy plans, resilience/continuity plans and exit plans.

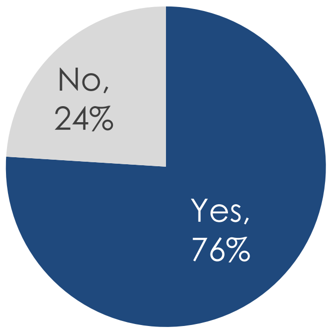
eurobodalla shire council

micromex research

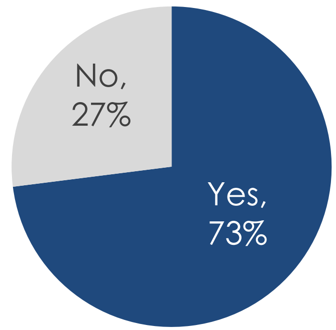
Business Development

14. *Do you have a current business plan?*
15. *Do you allocate time each year to strategy planning?*
16. *Do you have a business resilience/continuity plan?*
17. *Do you have an exit plan in place?*

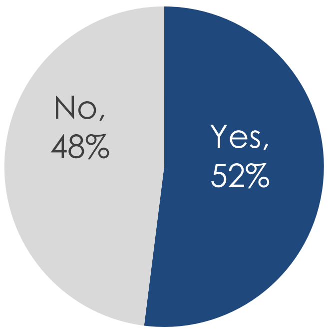
Summary



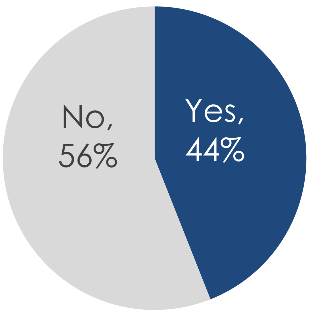
Current Business Plan



Strategy Planning



Business Resilience/ Continuity Plan



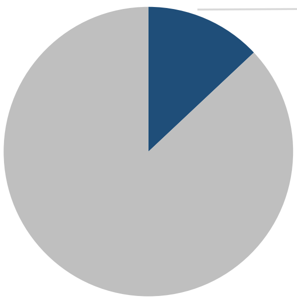
Exit Plan

Base: N = 174

This slide summarises the key findings of the four questions in this section. Detailed results are on the slides that follow.

Businesses Potentially at Risk

14. Do you have a current business plan?
15. Do you allocate time each year to strategy planning?
16. Do you have a business resilience/continuity plan?
17. Do you have an exit plan in place?



13%

of businesses do not have ***any*** business development plans in place

	Overall	Area			Annual Revenue		Number of Employees		Years in Operation	
		North	Central	South	Less than $500K	More than $500K	Less than 20	More than 20	10 years or less	More than 10 years
'No' to Q14/15/16/17	13%	12%	6%	24%	15%	11%	14%	0%	14%	13%

	Industry			
	White Collar	Tourism & Leisure	Blue Collar, Construction & Agriculture	Retail
'No' to Q14/15/16/17	8%	13%	16%	18%

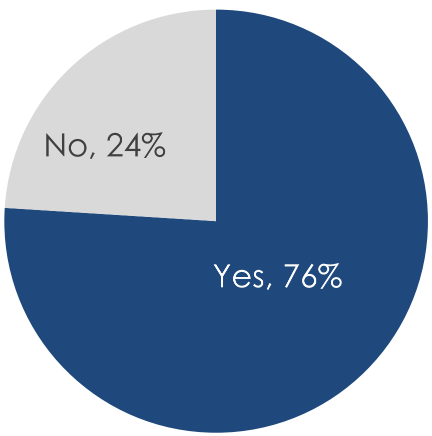
Base: N = 174

23 of the 174 businesses (13%) that answered the four questions on the previous slide said 'No' to all four of the business development questions – as such, they are potentially an 'at-risk' group. Whilst the sample sizes are small, there is a sense in the data that businesses in the South, those with less than 20 employees and businesses other than white collar are more likely to be at risk.

Current Business Plan

14. Do you have a current business plan?

	Overall	Area			Annual Revenue		Number of Employees		Years in Operation	
		North	Central	South	Less than $500K	More than $500K	Less than 20	More than 20	10 years or less	More than 10 years
Yes %	76%	83%	75%	67%	70%▼	85%	74%▼	100%	75%	77%
Base	174	77	52	45	99	75	160	14	56	118



	Industry			
	White Collar	Tourism & Leisure	Blue Collar, Construction & Agriculture	Retail
Yes %	85%	82%	73%	64%▼
Base	52	39	44	39

Base: N=174

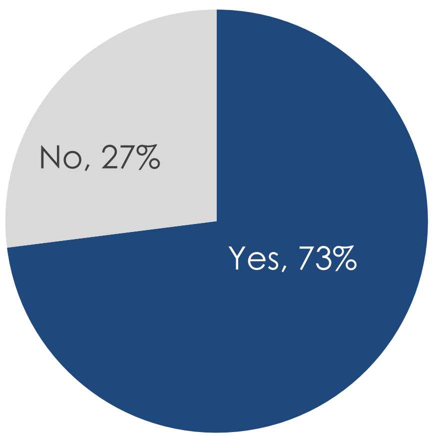
▲▼ = A significantly higher/lower percentage (by group)

Overall, 76% of those surveyed have a current business plan. This is significantly higher for more established businesses, i.e. those with more than $500K in annual revenue and more than 20 employees. Conversely, Retail businesses are significantly less likely to have a business plan.

Strategy Planning

14. Do you allocate time each year to strategy planning?

	Overall	Area			Annual Revenue		Number of Employees		Years in Operation	
		North	Central	South	Less than $500K	More than $500K	Less than 20	More than 20	10 years or less	More than 10 years
Yes %	73%	77%	81%	58%▼	68%	80%	71%▼	100%	77%	71%
Base	174	77	52	45	99	75	160	14	56	118



	Industry			
	White Collar	Tourism & Leisure	Blue Collar, Construction & Agriculture	Retail
Yes %	83%	85%	68%	54%▼
Base	52	39	44	39

Base: N = 174

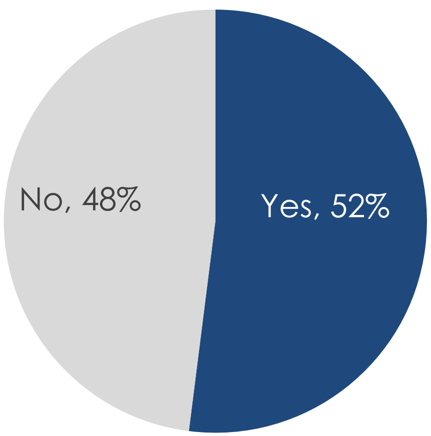
▲▼ = A significantly higher/lower percentage (by group)

73% of businesses surveyed allocate time each year to strategy planning. This is significantly lower for those in the South area, Retail businesses and those with less than 20 employees.

Resilience/Continuity Plan

16. Do you have a business resilience/continuity plan?

	Overall	Area			Annual Revenue		Number of Employees		Years in Operation	
		North	Central	South	Less than $500K	More than $500K	Less than 20	More than 20	10 years or less	More than 10 years
Yes %	52%	62%▲	54%	33%▼	44%	63%▲	51%	71%	45%	56%
Base	174	77	52	45	99	75	160	14	56	118



	Industry			
	White Collar	Tourism & Leisure	Blue Collar, Construction & Agriculture	Retail
Yes %	60%	51%	45%	51%
Base	52	39	44	39

Base: N = 174

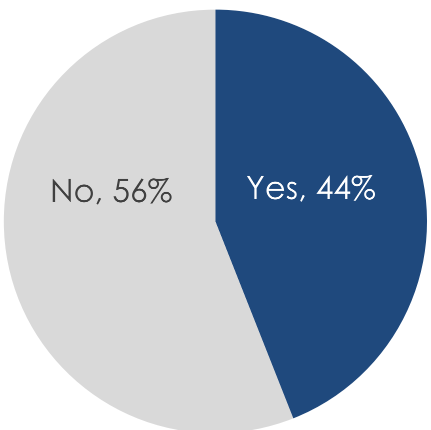
▲▼ = A significantly higher/lower percentage (by group)

Slightly more than half (52%) say they have a business resilience/continuity plan in place. This is significantly higher among those in the North area (Mogo/Batemans Bay) and businesses with more than $500K revenue.

Exit Planning

17. Do you have an exit plan in place?

	Overall	Area			Annual Revenue		Number of Employees		Years in Operation	
		North	Central	South	Less than $500K	More than $500K	Less than 20	More than 20	10 years or less	More than 10 years
Yes %	44%	43%	48%	42%	38%	52%	44%	43%	43%	45%
Base	174	77	52	45	99	75	160	14	56	118

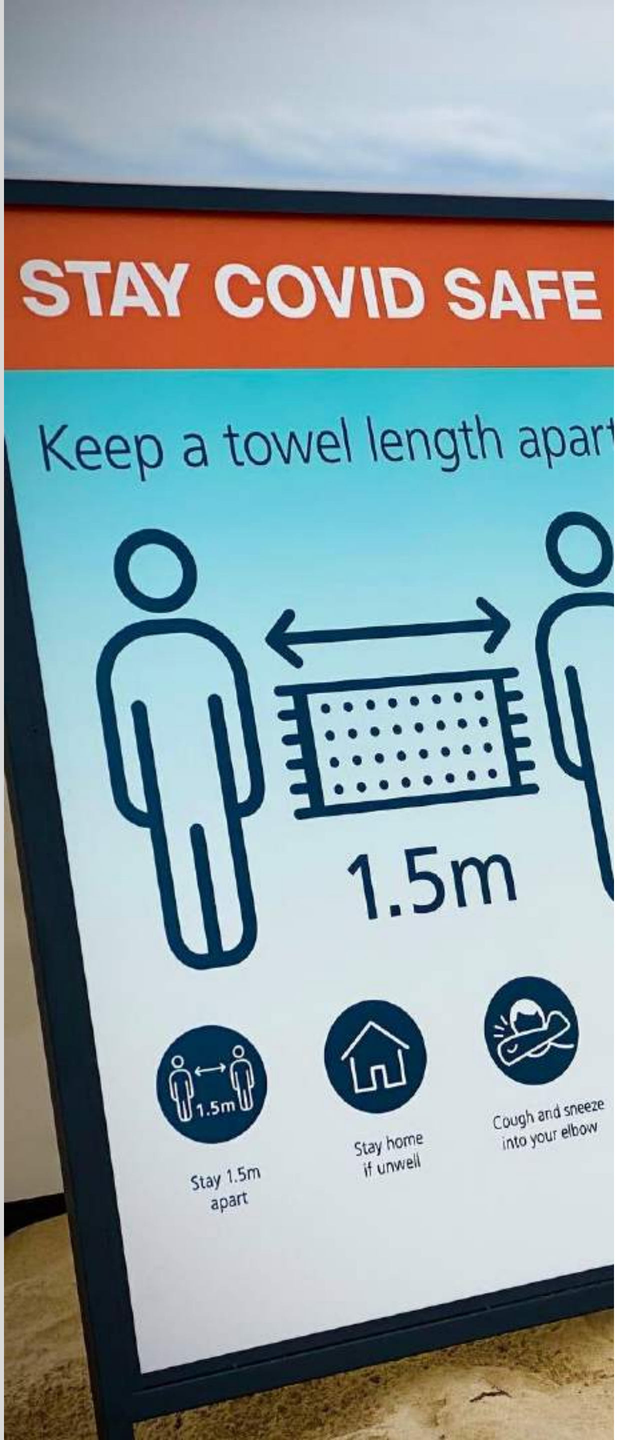


	Industry			
	White Collar	Tourism & Leisure	Blue Collar, Construction & Agriculture	Retail
Yes %	46%	44%	43%	44%
Base	52	39	44	39

Base: N = 174

Only 44% have an exit plan in place. There are no significant differences by region or business type, however, it is slightly more likely for businesses with annual revenue of more than $500K.

4. Impact of COVID-19



Detailed Results

1. Business Operations and Outlook

2. Business Trade and Promotion

3. Business Development

4. Impact of COVID-19

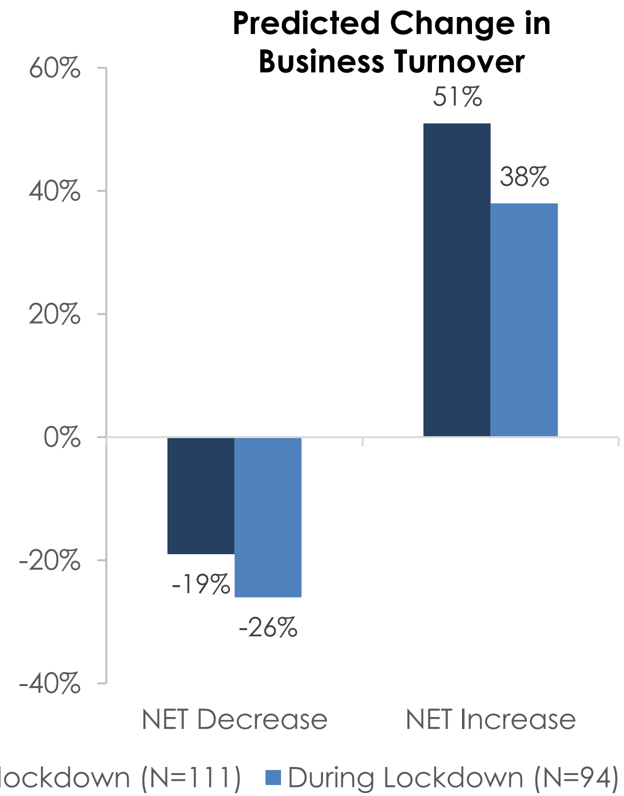
Whilst this survey was not specifically designed as a COVID-focussed survey, the fact that Wave 2 COVID restrictions for Greater Sydney and NSW more broadly were introduced while the survey was in field allowed us to analyse some key questions by those who answered the survey before and after the new restrictions were introduced.

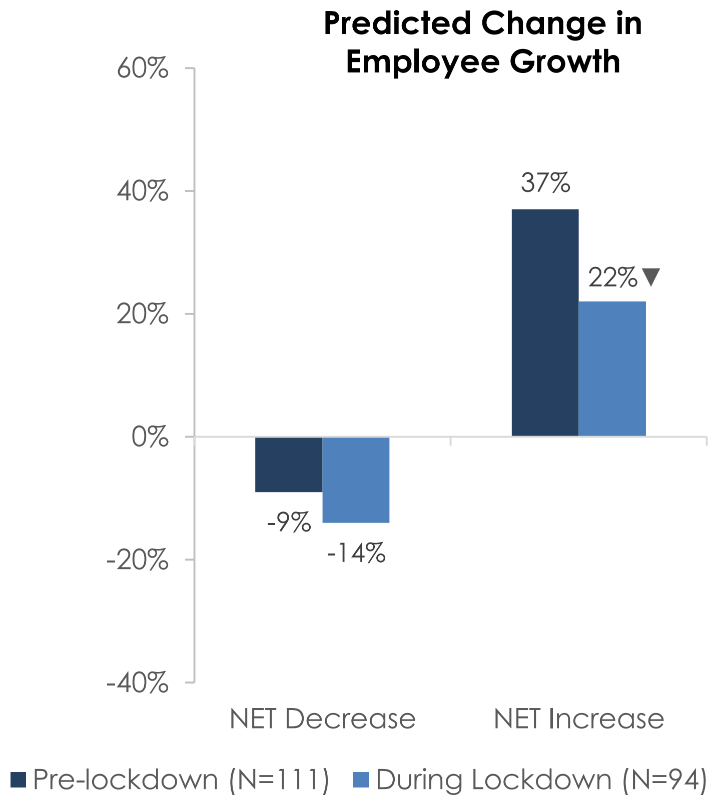
eurobodalla shire council

micromex research

Impact of COVID on Business Turnover and Employee Growth

6. *Do you predict any change to your business turnover?*
7. *If you predicted change in Q6 by what approximate percentage do you expect it to change by?*
8. *Do you predict your current level of employees will change?*
9. *If you predicted change in Q8 by what approximate percentage do you expect it to change by?*





Pre-Lockdown refers to all survey responses submitted before June 27th
During Lockdown refers to all survey responses submitted on or after June 27th

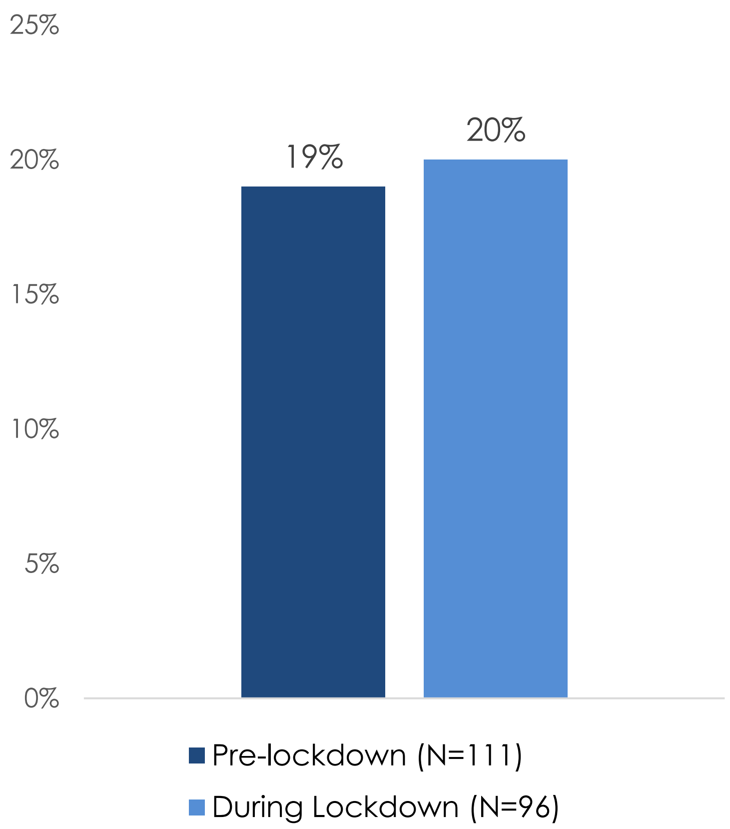
▲▼ = A significantly higher/lower percentage (by group)

Comparing results pre-Greater Sydney lockdown (before June 27th) to those during the Greater Sydney lockdown (which coincided with the June-July 2021 NSW school holidays), businesses were slightly more likely to predict a decrease in turnover once the lockdown started, with fewer reporting a likely increase in turnover in the next 12 months. Similarly for employee growth, results during lockdown show a significantly lower level of businesses predicting an increase compared to pre-lockdown.

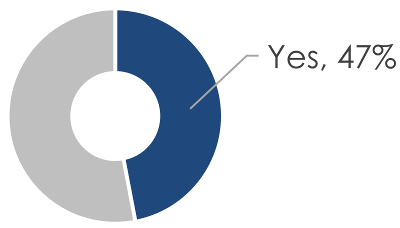
Impact of COVID Lockdown

10. Are you considering preparing to sell or close your business?
13. Are you aware of the assistance available to businesses through council?

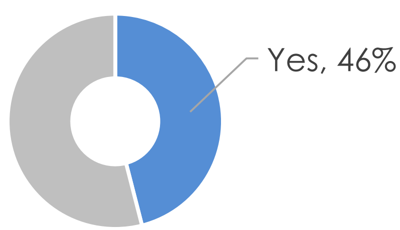
Plans to Sell or Close the Business



Awareness of Assistance through Council - Pre-lockdown



Awareness of Assistance through Council - During Lockdown



Pre-lockdown: N=89
During Lockdown: N=85

Plans to sell or close the business and awareness of assistance available through Council do not appear to be impacted by the Greater Sydney lockdown, however, the fieldwork was probably conducted too early into the latest COVID restrictions to tell the impact that this Greater Sydney lockdown will have on business decisions.

Appendix A: Additional Analyses

eurobodalla shire council

micromex research

Main Opportunities

11. What to do you see as the main opportunities of your business?

Table 1 of 2

	N=174		N=174
Tourism destination/experience (NET)	**24%**	**Business growth/expansion (NET)**	**13%**
Increased tourism in the region	16%	Future growth/expansion opportunities	5%
Promotion of/increase in domestic travel	5%	Broader reach e.g. regional, interstate and international	2%
Location	2%	Growth in the building and construction industry	2%
Destination shopping experience	1%	Council contract work	1%
Expanded operations for Mogo Camping e.g. daily operation	1%	Expanding retail supply/distribution networks	1%
Removal of COVID/travel restrictions	1%	Growth industry	1%
Local population growth	15%	Increasing farm operations to grow the business	1%
Sales and marketing (NET)	**22%**	Work outside of the Eurobodalla region	1%
Increased demand/sales	7%	**Infrastructure and investment (NET)**	**7%**
Growth in online business sales and advertising	6%	Increased investment in the area/industry	3%
Meeting consumer/community needs	6%	Infrastructure investment	2%
B2B and B2C marketing	1%	New hospital	2%
Customer service	1%	New bypass	1%
Diversity in services offered	1%	Public transport	1%
Families and young adults	1%	**Development (NET)**	**6%**
Getting recognition	1%	Housing demand/development	4%
Supporting other local businesses and organisations	1%	Land availability	1%
Trusted brand	1%	Redevelopment/rebuilding	1%
Walk-in trade	1%	Removing barriers in the development process	1%

Main Opportunities (continued)

11. What to do you see as the main opportunities of your business?

Table 2 of 2

	N=174		N=174
Local Economy (NET)	**3%**	Improved supply chain	1%
More disposable income as people move into the area	2%	Nature based solutions for Forest Carbon Credits	1%
Increasing local employment opportunities	1%	Provision of NDIS funded services	1%
Promotion of in-store shopping locally	1%	Quality workmanship	1%
Government (NET)	**2%**	Re-establish workshops and events	1%
Fewer Government rules and regulations	2%	Source of income	1%
Change of Government	1%	Staying in business	1%
Other codes		Surveying and engineering services	1%
Flexibility/ability to work from anywhere	2%	Weddings and events	1%
Technology and digital transformation	2%	None e.g. due to COVID, economy in decline	3%
Change of direction	1%	Don't know/can't say	3%
Competitors retiring	1%		

Main Challenges

12. What do you see as your main challenges?

Table 1 of 2

	N=174
Attracting and retaining skilled staff	22%
COVID (NET)	**20%**
Border closures/lockdown and reduced tourism/trade	11%
COVID-19	9%
Having enough work/income to keep staff on during COVID-19	1%
Slow productivity due to COVID-19	1%
Business Operations (NET)	**14%**
Marketing e.g. attracting customers	4%
Social media and online marketing	2%
Keeping up with the workload	2%
Business reluctance to invest in change/future planning	1%
Changes in technology	1%
Coordinating jobs so they don't overlap	1%
Growth	1%
Human resources	1%
Product quality improvements	1%
Professional training and development	1%
Putting business procedures in place	1%
School holidays has slowed down services	1%
Time/family commitments	1%

	N=174
Planning and Development (NET)	**13%**
Development/development approval	5%
Better internet speed/coverage	4%
Bypass impact/location	3%
Availability of commercial/industrial land and premises	2%
Insufficient parking	2%
Population growth and planning	2%
Regulations	2%
Construction of Mogo Adventure Trail Hub with limited parking/facilities	1%
Housing and accommodation	1%
Loss in income due to waiting for council to approve rebuild	1%
Overdevelopment	1%
Council (NET)	**11%**
Council	8%
Infrastructure planning and upgrades	2%
Council's communication and engagement with the community	1%
Interruptions to Midtown causing decreased foot traffic	1%
Poor state of Council facilities	1%
Upgrading town centres	1%

Main Challenges (continued)

12. What do you see as your main challenges?

Table 2 of 2

	N=174		N=174
Competitive Market (NET)	**9%**	Limited growth despite domestic travel	1%
Local businesses unable to compete with outside/internet businesses	3%	Opening of international borders/travel	1%
Local competition	3%	Promotion of Moruya	1%
Competitive industry	1%	**Trade and Supply (NET)**	**6%**
Gaining economies of scale	1%	Supply chain issues	5%
Reduced market opportunities	1%	Ability to source materials locally	1%
Costs and Revenue (NET)	**9%**	Not enough other stores open on Sundays	1%
Seasonal income/work	3%	**Affordability (NET)**	**3%**
Financial assistance	2%	Lack of consumer confidence	2%
Growing business costs	2%	Cost of living for lower income earners	1%
High rent	1%	**Land and Environment (NET)**	**2%**
Increase in fees and charges to offset carbon emissions	1%	Land and environmental management	1%
Loss in income for self employed can affect capacity for investment/expansion	1%	Climate change	1%
Retaining tenants	1%	Recovery from natural disasters e.g. bushfire, floods	1%
Tax e.g. requirements/regulations	1%	**Location (NET)**	**2%**
Promotion of Domestic Tourism (NET)	**8%**	Distance from the town centre	1%
Need more tourism marketing/promotion for the region	3%	Location	1%
Closure of tourist information centres	1%	Nothing	1%
Lack of inclusion of Bodalla in area publications	1%	Unsure/don't know	2%
Lack of promotion for Narooma	1%		

Business Trade

19. Which of the following makes up the majority of your business sales?

	Count
Wholesalers	2
Advertising	1
Consumer shows	1
Council work	1
Direct to customer	1
Direct to other farmers	1
Federal government	1
Google	1
Investors	1
Local builders	1
NGOs	1
Online sales	1
People moving to the area	1
Processor via the sale yards	1
State government	1
Sydney market	1
Telephone	1
Transport for NSW	1
Tourism	1
Prefer not to say	1

Appendix B: Further Demographics

Demographics

2. *Which of the following best describes the principal industry of your business?*

	N=221		N=221
Retail	23%	Telecommunications, Technology, Internet & Electronics	3%
Accommodation	10%	Agriculture	2%
Construction, Machinery, and Homes	10%	Automotive	2%
Professional	9%	Finance & Finance Services	2%
Food & Beverages	5%	Manufacturing	2%
Healthcare	5%	Transportation & Delivery	2%
Hospitality	5%	Aquaculture	1%
Tourism	5%	Education	1%
Trade	5%	Entertainment & Leisure	<1%
Personal Services	4%	Business Support & Logistics	<1%
Real Estate	4%		

Demographics

3. *What is your annual revenue?*
4. *How many employees do you have?*
5. *How many years has the business been in operation?*

Annual Revenue	N=221
Less than $100K	26%
$100K to $500K	31%
$501K to $1M	17%
More than $1M	26%

Number of Employees	N=221
Less than 20	92%
21-50	5%
51-100	2%
More than 100	1%

Years in Operation	N=221
Less than 2	9%
2-10	24%
More than 10	67%

Appendix C: Questionnaire

eurobodalla shire council

micromex research

EUROBODALLA SHIRE COUNCIL BUSINESS CONFIDENCE QUESTIONNAIRE

Initial Data:

1. Business Location
    - 2536
    - 2537
    - 2540
    - 2545
    - 2546

2. Which of the following best describes the principal industry of your business?
    - Accommodation
    - Aquaculture
    - Agriculture
    - Automotive
    - Business Support & Logistics
    - Construction, Machinery, and Homes
    - Education
    - Entertainment & Leisure
    - Finance & Financial Services
    - Food & Beverages
    - Healthcare
    - Hospitality
    - Manufacturing
    - Personal Services
    - Professional
    - Retail
    - Real Estate
    - Telecommunications, Technology, Internet & Electronics
    - Tourism
    - Trade
    - Transport and Delivery

3. What is your annual revenue?
    - <$100K
    - $100K - $500K
    - $501K -$1M
    - >$1M

4. How many employees do you have?
    - <20
    - 21 -50
    - 51 – 100
    - >100

5. How many years has the business been in operation?
    - < 2
    - 2 – 10
    - >10

The next twelve months:

6. Do you predict any change to your business turnover?

- Increase
- Decrease
- Stay the same

7. If you predicted change in Q6 by what approximate percentage do you expect it to change by?
    - 1% to10%
    - 11% to 20%
    - 21% to 30%
    - 31% to 40%
    - More than 40%

8. Do you predict your current level of employees will change?
    - ○ Increase
    - ○ Decrease
    - ○ No change

9. If you predicted change in Q8 by what approximate percentage do you expect it to change by?
    - 1% to 10%
    - 11% to 20%
    - 21% to 30%
    - 31% to 40%
    - More than 40%

10. Are you considering preparing to sell or close your business?
    - ○ Yes
    - ○ No

In relation to operating your business:

11. What to do you see as the main opportunities of your business?
    - ○ Comment line

12. What do you see as your main challenges?
    a. Comment line

13. Are you aware of the assistance available to businesses through Council?
    - ○ Yes
    - ○ No

Business development:

14. Do you have a current business plan?
    - ○ Yes
    - ○ No

15. Do you allocate time each year to strategy planning?
    - ○ Yes
    - ○ No

16. Do you have a business resilience/continuity plan?
    - ○ Yes
    - ○ No

17. Do you have an exit plan in place?
    - ○ Yes
    - ○ No

Business promotion:

1. How do you advertise your business?
    - ○ Social media
        - ▪ Website
        - ▪ Facebook
        - ▪ Instagram
    - ○ Print
        - ▪ Newspapers
        - ▪ Trade magazines
    - ○ Media
        - ▪ Television
        - ▪ Radio
    - ○ Other (please specify)
        - ▪ Comment line

Business trade:

1. Which of the following makes up the majority of your business sales?
   - Walk ins
   - Bookings
   - Online sales
   - Return customers
   - Local
   - Visitors
   - Word of Mouth
   - Other (please specify)

Comment line

Telephone: (02) 4352 2388
Web: www.micromex.com.au
Email: mark@micromex.com.au