



SNOWY MONARO
REGIONAL COUNCIL
Stronger together Better together

Snowy Monaro Business Confidence Survey August 2019

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1. Background

Looking forward to the next five years, there are many exciting and once in a lifetime opportunities that will become available to businesses in the Snowy Monaro Region, particularly with Snowy 2.0., other renewable energy projects and private investments.

Snowy 2.0 and other renewable energy projects such as the proposed stage 2 of Boco Rock wind farm and the Granite Hills wind farm will bring many new faces to our region and we as a community need to brace ourselves for the pressures and challenges that will come with an increased population and fly-in, fly-out workforce.

Private investment across the region, including at the Ski Resorts in Kosciusko National Park, government grants announced to date and the Go Jindabyne Master Plan will dramatically change the look and amenity of our region, just as advancements in technology and the online economy will alter how we do business into the future.

Over the coming three years, Council's Economic Development and Tourism Group will further implement recently finalised strategies including the Regional Economic Development Strategy 2018 – 2022 and Destination Management Plan. We are also working over the next 24 months to finalise the Region's Strategic Land Use strategies, including a Settlements Strategy, Rural Land Use Strategy, an Employment Lands Analysis, and a consolidated Local Environmental Plan.

So that Council, state and federal government, and local business advisory agencies can provide more relevant support to local businesses, a priority for the Economic Development unit is to gain a more informed understanding of the issues and in a general sense track business growth and trends in the community.

The inaugural Snowy Monaro Business Confidence survey opened during August 2019 and was promoted via email, Facebook, flyers, local radio and Chambers of Commerce.

The survey questions were designed to help us understand business confidence and the challenges local businesses are facing in finding skilled employees and accessing education and training within the region.

Going forward we will undertake this survey on a bi-annual basis to better report on changes in business confidence and challenges over time, with a goal of receiving responses from approximately 10% of businesses or 250 responses in the region in the coming 24 months.

Great thanks to those who took the time to complete the survey. It can be daunting to reflect on past performance and openly share it with an external party!

2. Economic Overview of the Snowy Monaro Region

Population: 20,733

Businesses: 2,673

Jobs: 10,688

GRP: \$1.19billion

Source: <https://economy.id.com.au/snowy-monaro>

Industry	Number of businesses	FTE	Average FTE/business
Accommodation and Food Services	193	1,520	7.9
Administrative and Support Services	68	215	3.1
Agriculture, Forestry and Fishing	779	1,294	1.7
Arts and Recreation Services	33	694	21.2
Construction	448	615	1.4
Education and Training	36	576	16.1
Electricity, Gas, Water and Waste Services	6	308	49.1
Financial and Insurance Services	96	53	0.5
Health Care and Social Assistance	92	621	6.7
Information Media and Telecommunications	11	52	4.6
Manufacturing	77	511	6.6
Mining	6	47	7.5
Other Services	80	308	3.8
Professional, Scientific and Technical Services	197	310	1.6
Public Administration and Safety	6	534	86.6
Rental, Hiring and Real Estate Services	173	178	1.0
Retail Trade	197	957	4.9
Transport, Postal and Warehousing	117	267	2.3

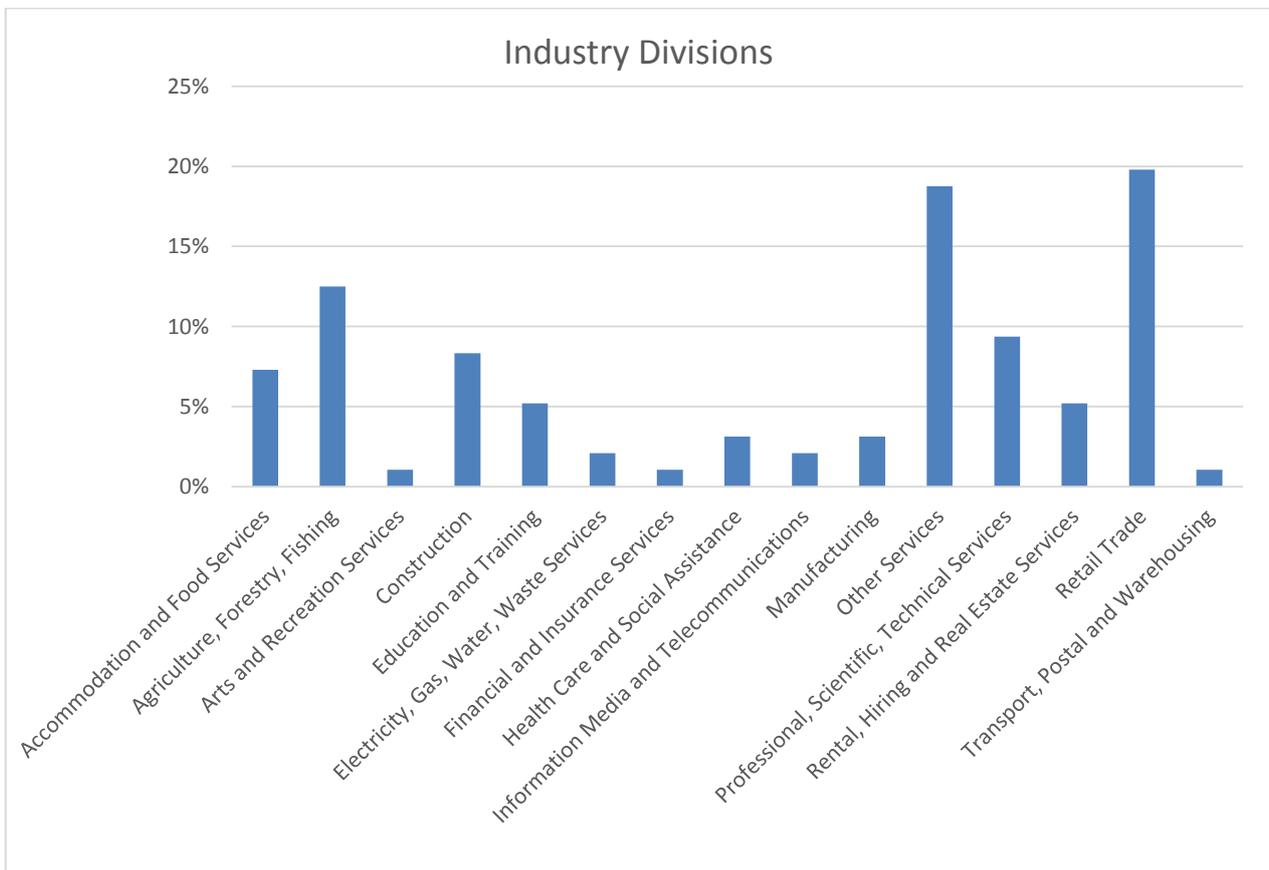
Source: <https://economy.id.com.au/snowy-monaro/number-of-businesses-by-industry>;
<https://economy.id.com.au/snowy-monaro/employment-by-industry-fte>

3. Survey Demographics

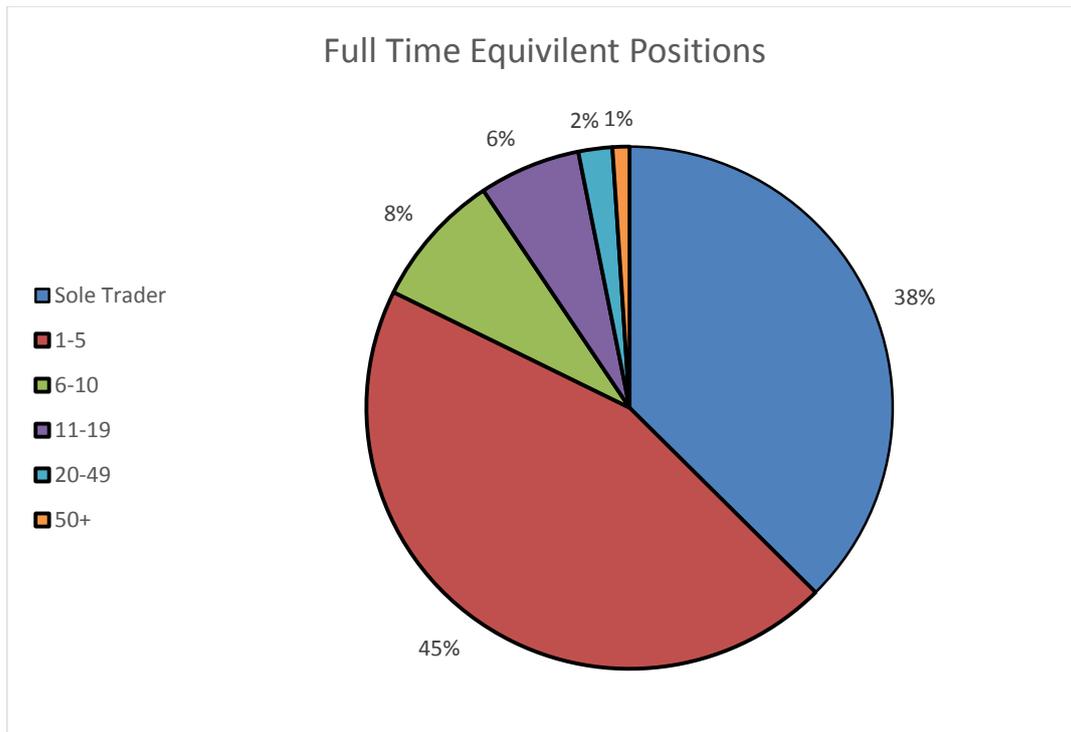
96 businesses from the Snowy Monaro region completed the survey and their main locations were diverse, capturing responses from across our region. Unsurprisingly, the majority of responses were received from Cooma and Jindabyne based businesses:



Respondents represented almost every Industry Division, demonstrating how diverse our region’s economic offering is. Retail trade was the most common Industry, followed by other services:



The majority of businesses have between 1 and 5 full-time equivalent (FTE) employees, closely followed by sole traders:



This demonstrates that our local economy and employment rate is heavily reliant on Small and Medium Enterprises.

A long term goal for Council is to increase the number of businesses that employ between 6 and 10 full-time equivalent positions. Hopefully the actions outlined in the remainder of this report will help achieve this, increasing business capacity to employ skilled staff and the available employment opportunities.

4. General Business Confidence

How has your business performed?	Much weaker	Somewhat weaker	About the same	Somewhat stronger	Much stronger	Don't know
PAST How has your business/organisation performed in the last 6 months relative to the previous 6 months?	7%	11%	40%	31%	6%	4%
FUTURE How do you believe your business/ organisation will perform in the next 6 months compared with the last 6 months?	4%	14%	40%	33%	6%	2%

The majority of businesses experienced performance that was about the same or somewhat stronger than the previous 6 months, and anticipate performance to remain that way for the future 6 months.

It is great that past and future performance was and is expected to be positive, with only 18% of respondents anticipating performance to be somewhat or much weaker over the coming 6 months.

Some of the reasoning for scoring performance as above was:

We have always had constant work. Can only do as much as we can do. We could do more if there were employable in the region.

Because I market and put in the hard work.

Commodity price uplift.

I have managed to secure an excellent staff member who is contributing to the business both professionally and physically with excellent insights and suggestions we have taken on-board 100%.

Marketing strategies have changed, customer service, more visitors due to focusing on the down times and offering packages to focus groups e.g. fishing.

Continual marketing, better serving our customer needs, offering a more diverse product range.

More customers purchase their goods online or out of town, digital technology has reduced the need for our products.

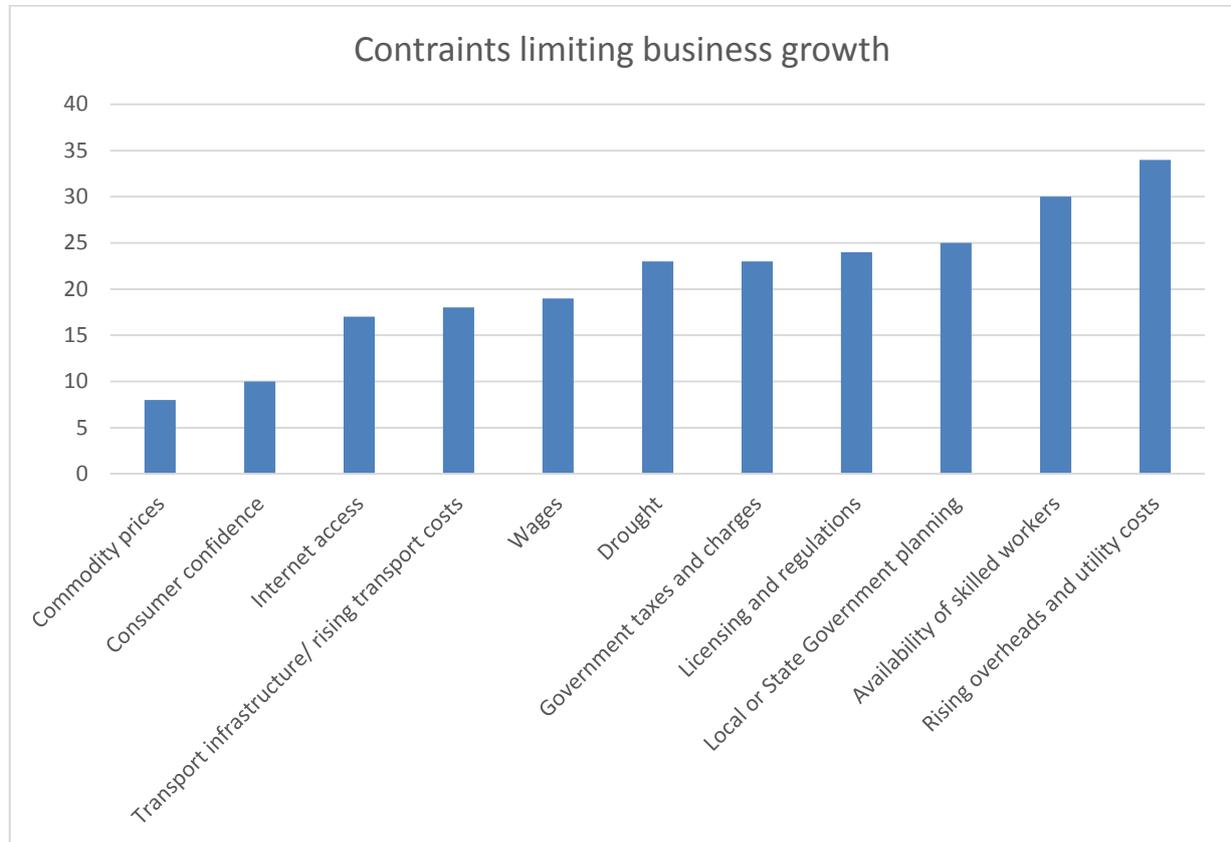
Lack of tourism outside of winter and summer holidays.

Drought.

Change in seasonal demand

5. Constraints on Business Growth

Respondents were able to select all relevant answers to the question: “In your opinion, what are the major constraints on the growth of your business?” Rising overhead costs and the availability (or apparent lack of) skilled employees are the greatest constraints:



Other responses to this question include:

Explosion of weeds and pest animals and increasing cost of control.

Failure of government to control its feral animals.

My own availability and time

Lack of coordination in regional marketing.

Space - need to expand.

Financial constraints and access to appropriate levels of finance because of the rural location - land size, zoning, joint residential and commercial property

Online shopping would be the biggest constraint to growth in most small town retail stores.

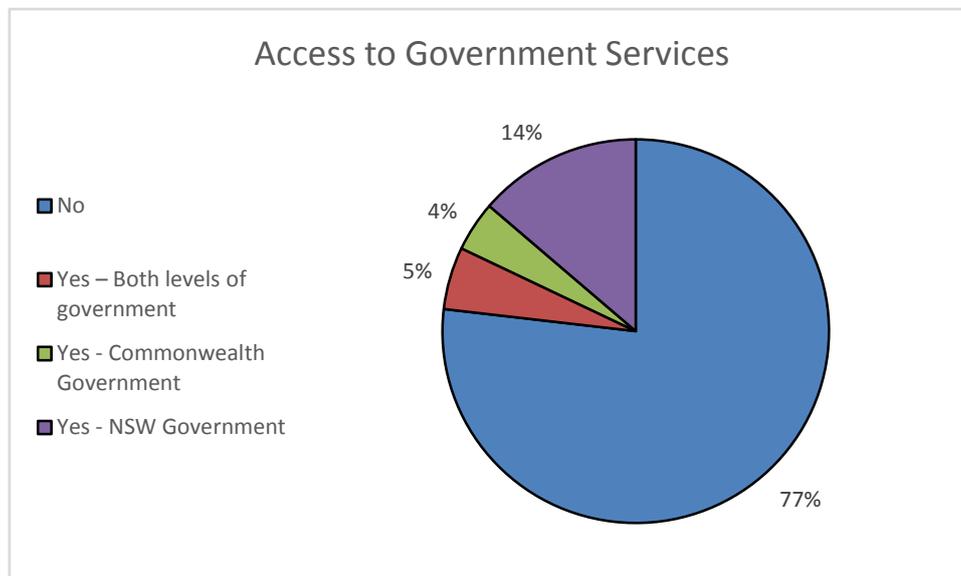
We need more people stopping and shopping in Cooma.

Competition.

Our lease restricts our trade.

6. Access to Government Services

Respondents were asked if they have accessed any State or Federal government business related services in the past 2 years:



The response was an overwhelming no which raises several questions about the accessibility of government services for businesses in the Snowy Monaro Region.

Whilst there can be strict eligibility criteria for some programs (particularly federal offerings), these services can help with things like strategic planning, accessing grant funding and connecting business owners with relevant experts as needed.

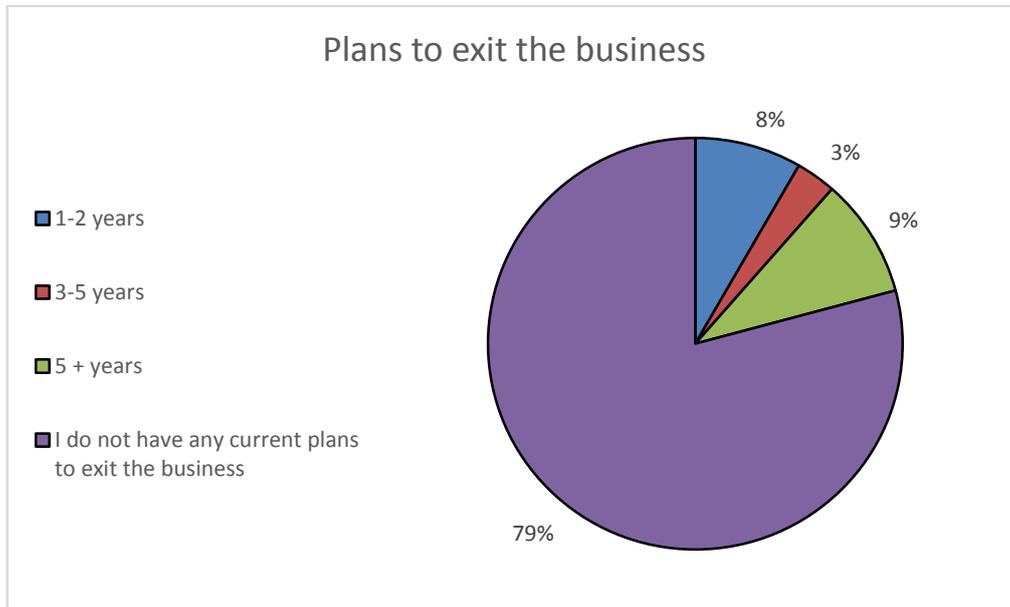
ACTION: Further investigate why take up of government services for business is so low:

Expand on questioning in the next business confidence survey to identify:

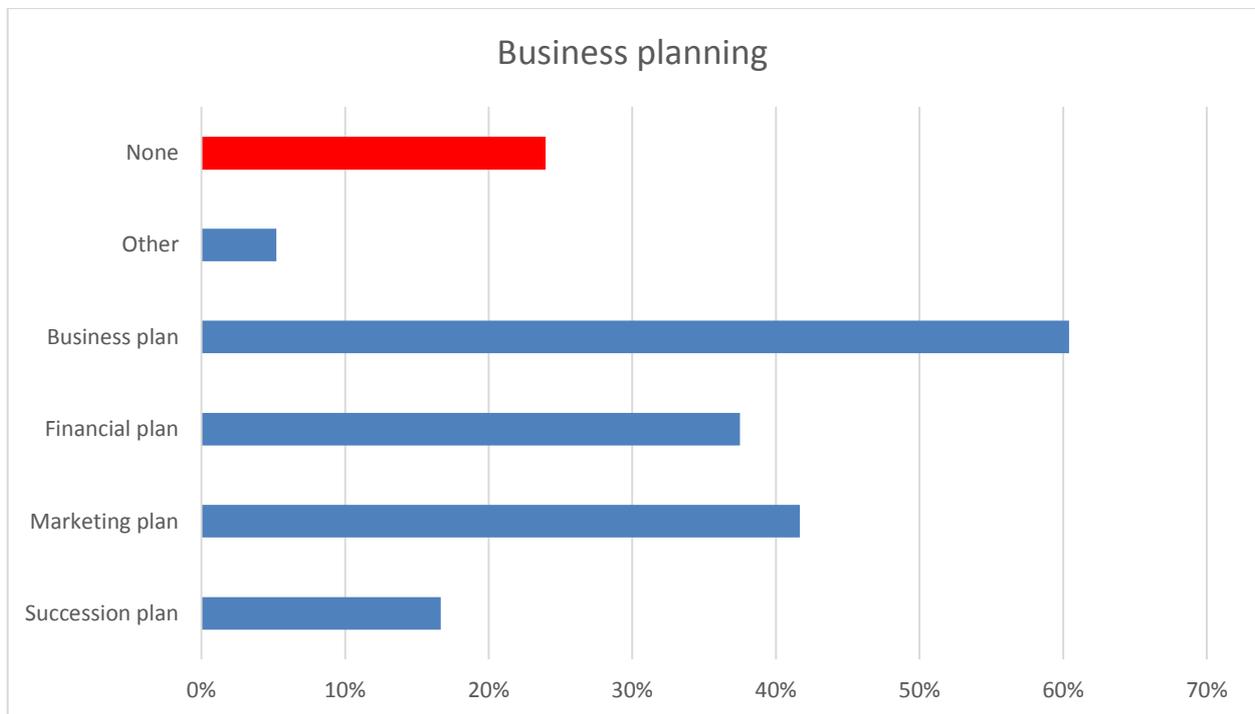
- Is it hard to know where to start or find the right service?
- Are the services missing the mark i.e. not specialised enough?
- Are local businesses ineligible for the available services?
- Is there a perception that such services add no value or assumed because you are accessing services, that you are an unsuccessful business owner?

7. Planning

Respondents were asked if they are planning to exit their business within a set time period or at all. Encouragingly, 79% of respondents have no plans to exit their business:



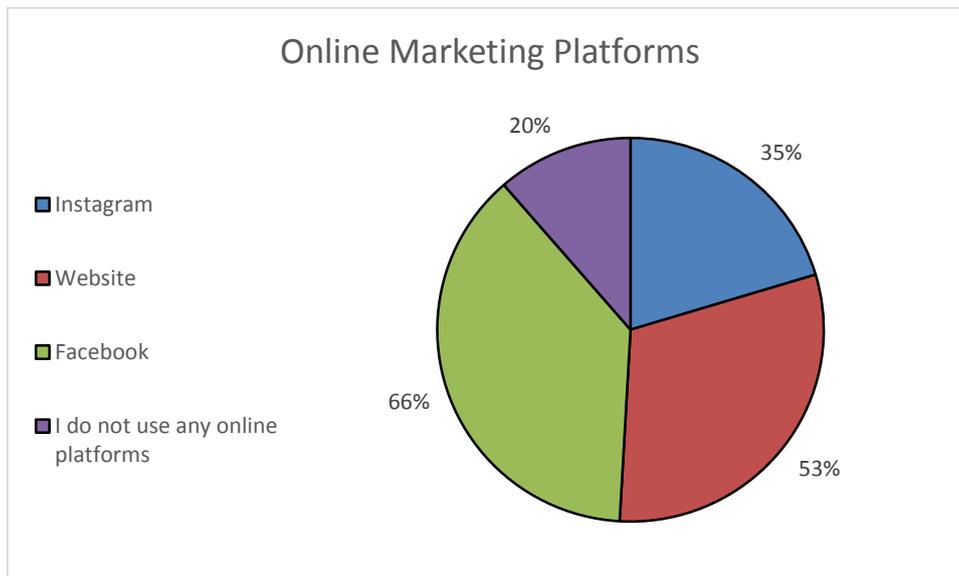
Respondents were then asked if they have any plans in place and if they are regularly referred to medium term future.



It is assumed that only 17% of businesses have a succession plan in place because most business owners are not contemplating leaving the business in the future. The most concerning statistic is that 24% of respondents don't have any formal plans in place for their business and only 65% actively refer to their plans, meaning they may be missing out on opportunities and be lacking direction or vision in their business.

8. Marketing

Respondents were asked if they use any online platforms as a marketing tool for their business and remarkably over 80% of businesses have at least one internet profile:



Other platforms or marketing tools mentioned are:

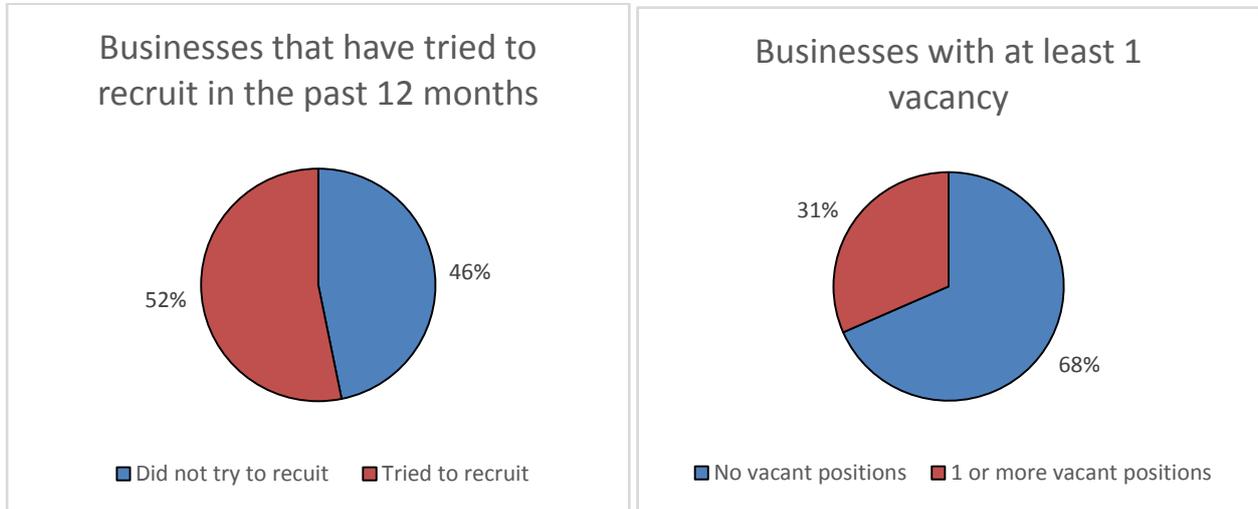
- eBay
- Gumtree
- Pinterest
- Wikicamps
- TripAdvisor
- NSW Tourism
- YouTube
- Canva
- LinkedIn
- Twitter
- Google+
- Hipages
- Yellow pages
- Print media

Word of mouth was the most popular other marketing tool used by businesses in the region.

Word of mouth is a low cost marketing tool that can be powerful at selling a product or service to new customers; as long as existing customers have had a positive experience with the business. It can be hard to report against, so it is important to ask new customers how they learnt about your business as this helps measure the success of your marketing campaigns

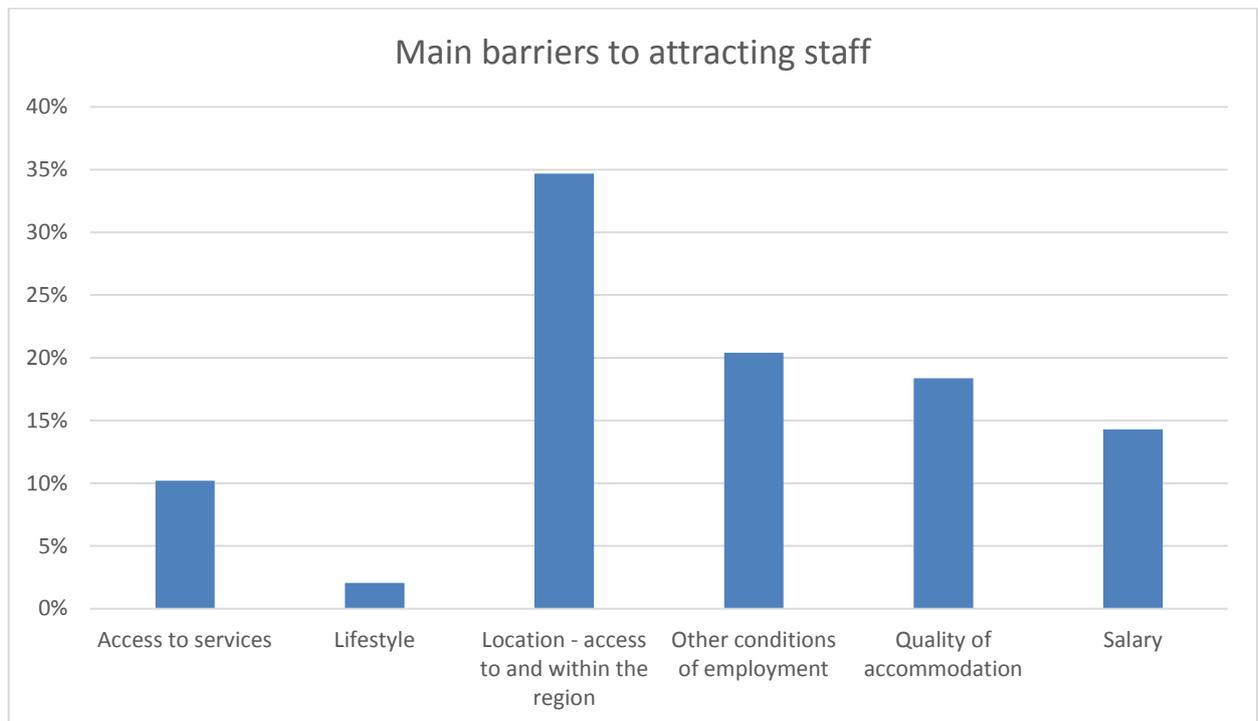
9. Recruitment

One of the messages Council has been hearing in the Community is that businesses are finding it difficult to attract skilled employees into their business. This challenge is exacerbated by to our low unemployment rate (4.10 %; .id, 2019) and the quality and availability of accommodation.

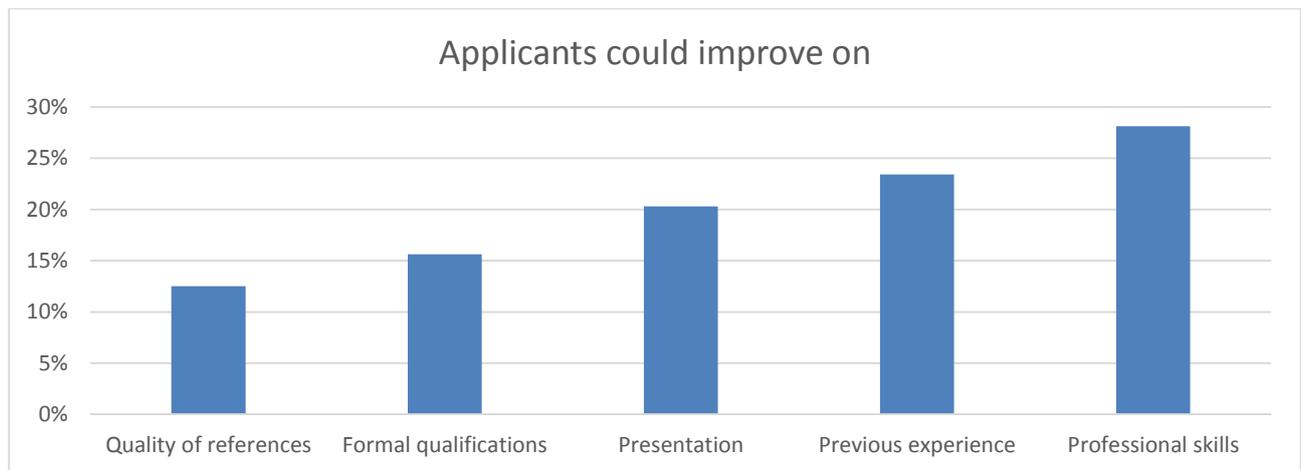


Of the respondents who have tried to recruit in the past 12 months, 26 still have at least one vacant position.

Respondents who said they have tried to recruit were asked what they believe are they greatest barriers to attracting new staff; our location and the requirement to have a personal motor vehicle are a common challenge across industry divisions.



Respondents who have tried to recruit in the past 12 months were then asked what areas applicants could improve on.



Professional skills was the greatest weakness of applicants, which is unsurprising given leadership, communication and interpersonal skills are not a skillset that schools and universities are necessarily prioritising.

Other comments include:

Consistency of employment due to seasonal nature and value as an employee. Able to reward continuing service plus offer training and opportunities.

Commitment to the work.

We require a casual, most people require a more structured or long term option for their employment.

Turning up full stop – reliability.

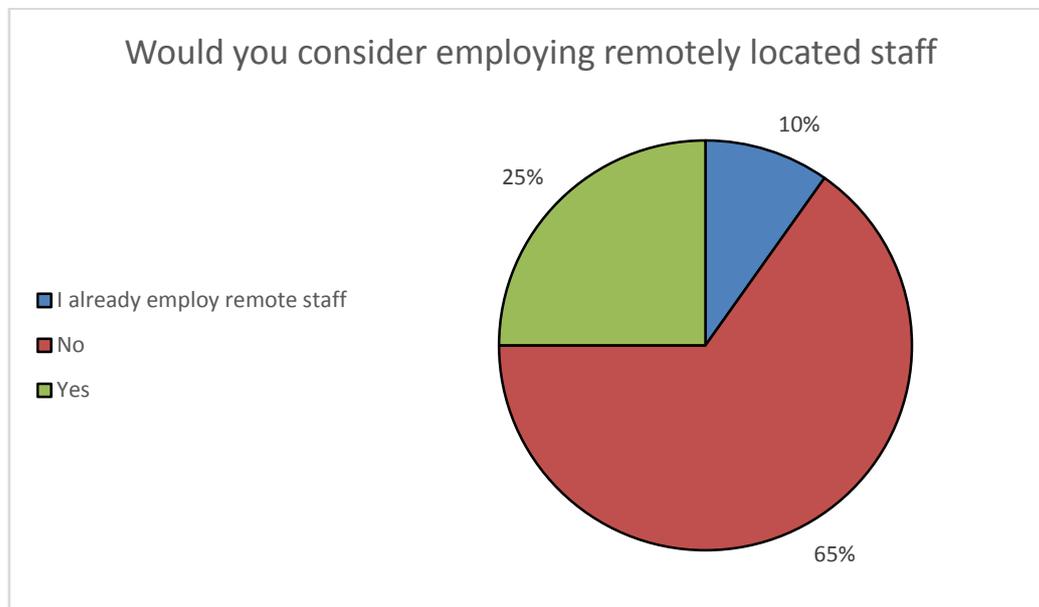
Actually wanting to work.

38% of respondents said they would partner with other businesses to recruit staff for the below situations and reasons they would consider recruiting with others:



Almost 35% of respondents recognised the importance of spousal employment to attract employees into our region. Spousal employment is a growing concern across the region and we need to investigate how we can increase spousal opportunities and/or ensure there are a mix of roles advertise at any one time so improve perception about available jobs in the region.

The majority of businesses would not consider employing remotely located staff:



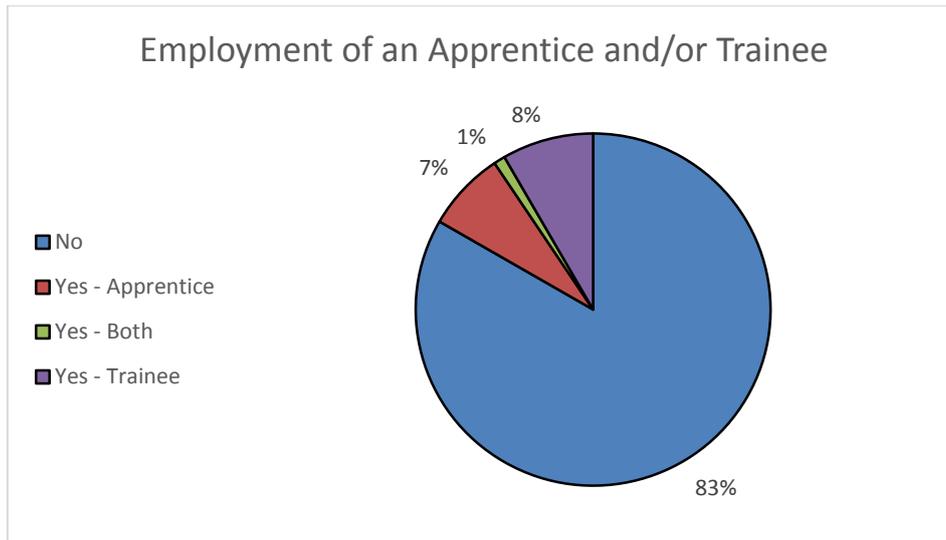
This is an unsurprising result given the nature of our main Industry Divisions; agriculture requires on farm labour and advice, and tourism or hospitality is very customer facing and requires people on ground in the region.

ACTION: Consider how as a region or business community, we can more strategically undertake recruitment and attract new people into our region.

Develop a means of facilitating connections between businesses interested in partnering through the recruitment process to recruit new staff from outside of the region.

ACTION: Develop a lifestyle prospectus for the Snowy Monaro that local businesses can utilise when trying to attract new skilled workers to the region.

10. Apprentices and Trainees



Employment of an apprentice and/or trainee in the region seems to be quite low for the high number of youth in our region (14.6 % of population, [id, 2016](#)). Of the 16 businesses that employ an Apprentice or Trainee, only 1 was school-based (SBAT).

Respondents were asked what the most challenging part of employing an Apprentice or Trainee is and/or what may prevent them from taking on an Apprentice or Trainee in the future. Some of the responses include:

Trainee or apprentice positions are not required or seen as irrelevant to the business.

Finding someone who is interested in remaining in the region for the long term and who is teachable. The sector of my business is specific - not everybody wants to work in this space. Frustrating to lose a trainee at the end of their training which is happening more often than not.

Attracting quality candidates with the interest, soft skills and commitment to undertaking an Apprenticeship or trainee and remaining with the business once complete.

Employing an apprentice or trainee is more difficult for small business – financially, capacity, supervision requirements etc.

A lack of information about the benefits and process of employing Apprentices and Trainees; Complexity of the system; hard to navigate or know who to contact for assistance.

Poor access to a local Registered Training Organisation that delivers the desired course; the delivery model of the desired course i.e. no options for online study.

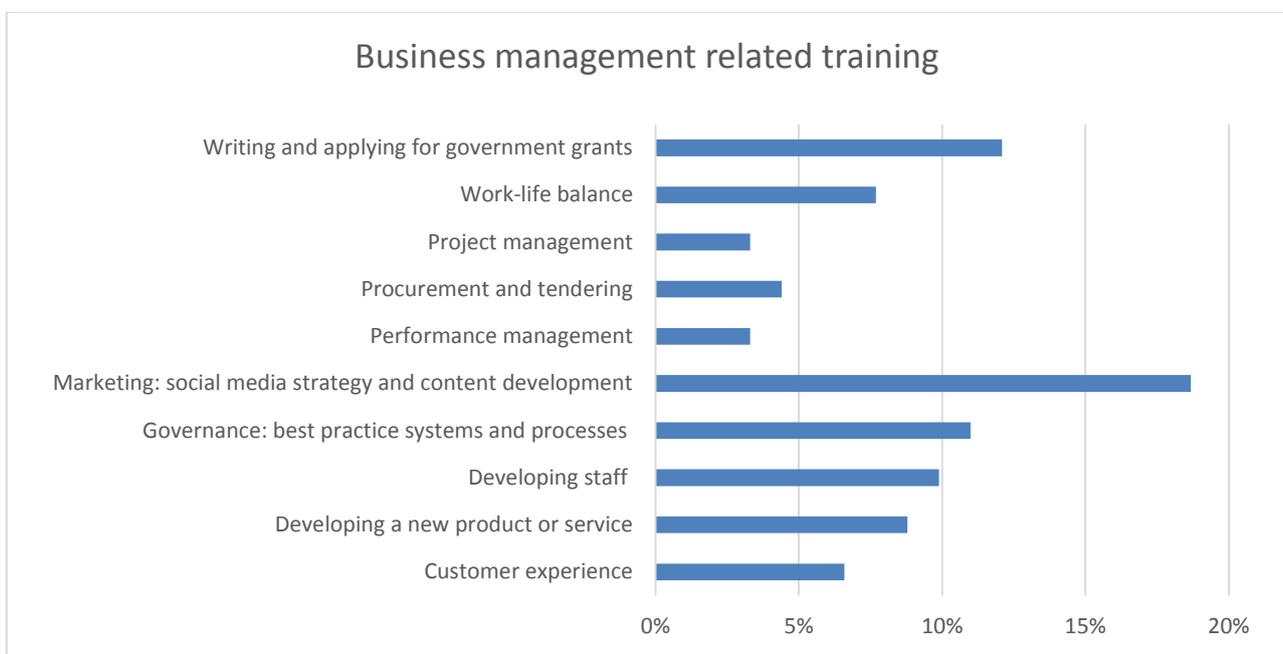
You cannot have an apprentice or trainee in some areas e.g. Health.

ACTION: Encourage greater engagement with schools regarding Apprenticeship or Traineeships and develop an information pack for local businesses about employing an apprentice or trainee

Work with the Regional Industry Education Partnerships project officer to deliver a careers expo for local school leavers and 18-24 year olds.

11. Training and Development

Respondents were asked about their business management and employee related training priorities (more than one response was allowed):



Other responses include:

Basic financial skills/accounting for businesses.

Safety skills and awareness.

Business profitable and sustainable growth in the region.

Government requirements e.g. Office of fair trading (NCAT & licensing etc.).

Briefings on relevant support possibilities.

Control of Love Grass and other significant weeds and pest animals, improvement of transport infrastructure.



It is unsurprising that customer experience training is so popular, as is communication and leadership skills because these strongly relate to many of the retail and other customer facing businesses in our region.

Other employee training needs include:

Financial services

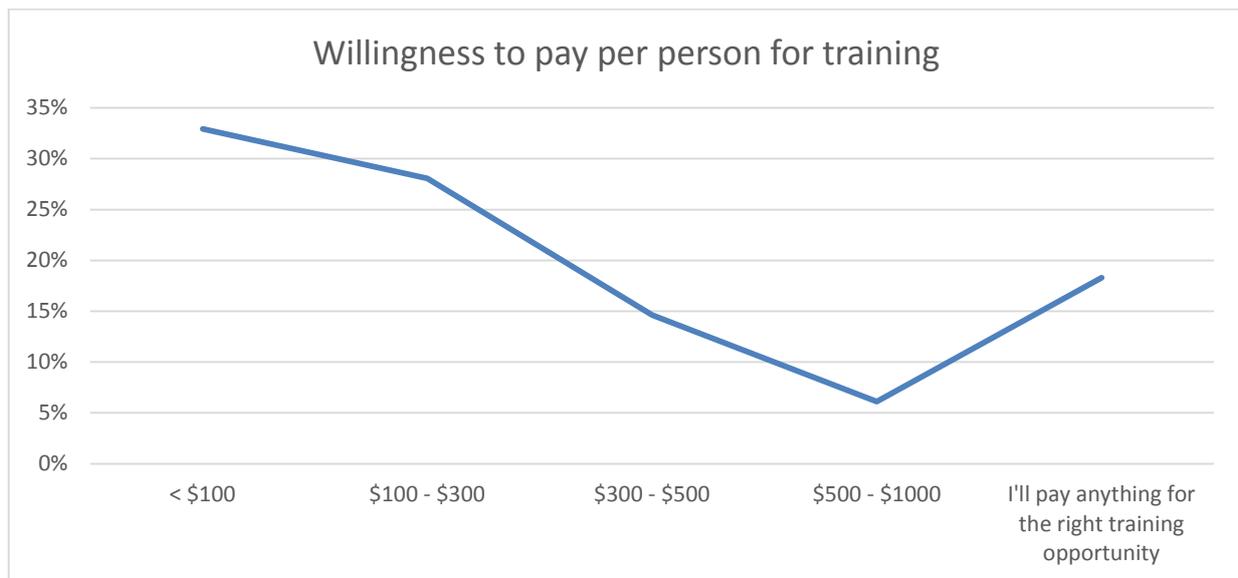
WHS understanding and compliance

Opportunities for work experience/mentoring facilitated through Council's networks.

Safety training

General soft skills

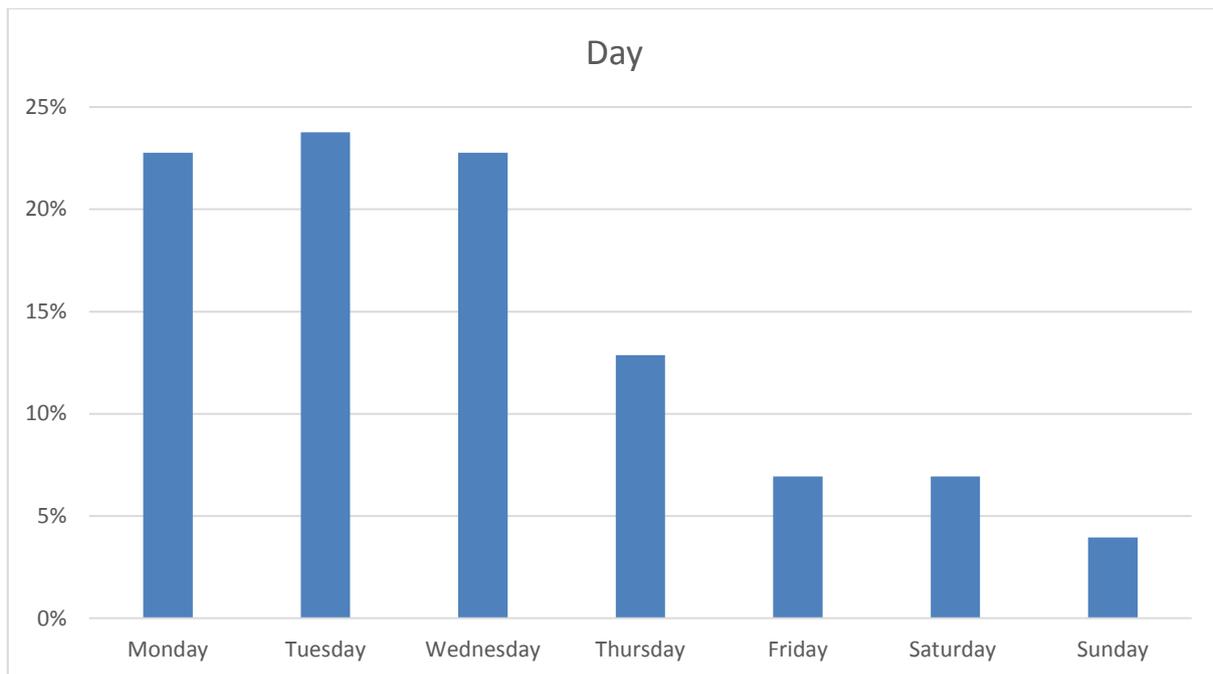
Respondents were asked how much they would be willing to pay per person for the “right” training opportunity:



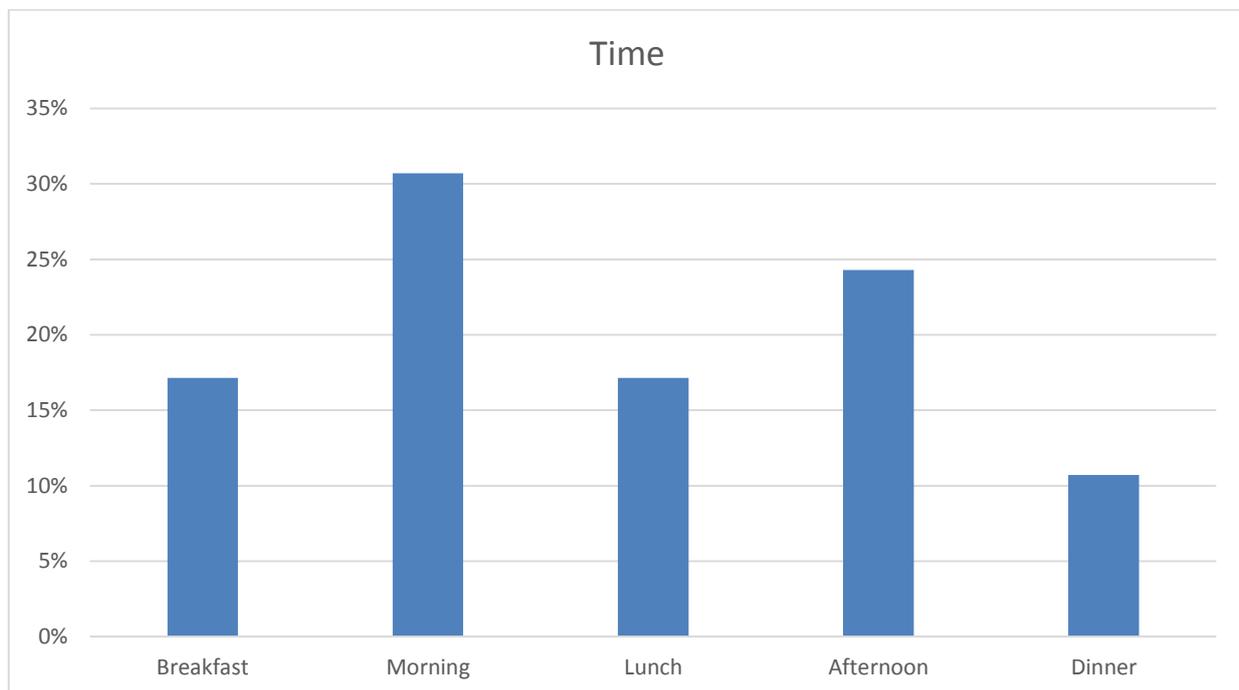
This result makes it clear that cost is a barrier to accessing necessary training in our region, as there is an obvious decline in appetite to pay for training as the costs increase, however there is a segment of the market that would be willing to pay anything for the right training opportunity.

Because the sample size is only 96, there is no one cost bracket that stands out as being preferred by one industry division or location within the region although it is assumed that a broader sample size would yield a similar result.

Respondents were able to select one or more day and time that suits them for training. The beginning of the working week is most popular, with Tuesday the most popular day of the week:



The morning was by far the most popular time of day to take time out to work on the business:



ACTION: Share this report with relevant government and training service providers so they are better informed of what day and time locally delivered training may yield the greatest engagement from Snowy Monaro Businesses.

12. Chambers of Commerce

The final survey question asked “Are you a member of your local Chamber of Commerce? Why or why not?”.

Much of the feedback received from businesses who aren't members is that they are not aware of the benefits Chambers of Commerce can provide business, or the best way to reach out to them.

Member feedback:

Business sharing.

Networking.

They are vital to have our voice heard. Dedicated individuals passionate about local economy.

Networking opportunities.

Because I thought they might be useful. I'm not sure I get my monies worth though.

Hoping to get some momentum into the commercial life of the town.

Stronger together.

My personal interest in assisting local business growth.

Staying in the loop with business matters in Jindabyne.

Networking with other local business owners creates business for me.

Access to information and resources I might not otherwise have.

Benefits that filter down from the NSW Business Chamber

To communicate ideas etc. with other local business, so as to perform better as a business, and community.

Help grow our business.

Non-member feedback

New business.

Have only just started up and still finding my way.

Can't see the benefits of being a member.

Have not considered it.

Distance and timing of meetings.

Too busy.

Just haven't had much time to learn about it or to sign up.

Know nothing about it. Have never been approached or informed about a local Chamber.

Don't know much about it.

ACTION: Share comments about membership with the relevant Chambers of Commerce to improve their awareness of how they can better serve their members.

13.Acknowledgements

Snowy Monaro Regional Council acknowledges that Aboriginal people were the first people of this land. Council recognises the Ngarigo people as the traditional custodians of the majority of the region we now know as the Snowy Monaro region. We pay respect to knowledge holders and community members of the land and waters and to Elders past, present and future.

We wish to thank the local Chambers of Commerce, business and industry groups who encouraged their members to complete this survey. Their contribution is always appreciated.