



# BUSINESS CAPABILITY STUDY 2019

SUPPORTING THE  
RETENTION AND EXPANSION  
OF EXISTING BUSINESSES



Australian Government

**BUILDING OUR FUTURE**



## OPENING STATEMENT

*Taking a strategic leadership role, Councils can facilitate outcomes that will stimulate enterprise, investment, job creation, resilience & an environment conducive to business. Regional Economic Development is a long term strategy impacted by local microeconomic impacts and larger macroeconomic variables happening at the national and global levels.*

*Regionally, economies are microcosms, organic and susceptible to change. In Regional Australia, economies are more vulnerable and less resilient to changes to mono-industry such as the decline of mining and traditional manufacturing. With the scaling down of these sectors and the threat of decline of traditional jobs looming, regional areas such as Cessnock City need to strategically manoeuvre their delicate business environments ready for long term sustainable prosperity and resilience.*

*This report provides detailed information on the responses provided by businesses. It provides overview of the methodology, sector and subregional analysis of businesses, and information on the capacity and capability of businesses and the business environment for Cessnock City.*

*The Cessnock City Business Capability Study report was adopted by the Cessnock City Council at its Ordinary Meeting of Council on XX November 2019 (Resolution Number XXXX).*

### Disclaimer

Any representation, statement, opinion or advice, expressed or implied, in this publication is made in good faith, but on the basis that Cessnock City Council or its employees are not liable (whether by reason of negligence, lack of care or otherwise) to any person for any damage or loss whatsoever, which has occurred or may occur in relation to that person taking (as the case may be) action in respect of any representation, statement or advice referred to above.

### This document was prepared by:

Cessnock City Council: Economic Development Unit  
PO Box 152  
Cessnock NSW 2325

Email: [Economic.Development@cessnock.nsw.gov.au](mailto:Economic.Development@cessnock.nsw.gov.au)

Web: [www.cessnock.nsw.gov.au](http://www.cessnock.nsw.gov.au) | [www.advancecessnock.com.au](http://www.advancecessnock.com.au)

**Cover photo:** Local chef and barista Darwin Corpuz, Darwin's on Vincent Café.

### ***COPYRIGHT STATEMENT***

This report cannot be copied, whether in part or whole, without the express written permission of Cessnock City Council.

# ACKNOWLEDGEMENT

Cessnock City Council's Economic Development Unit would like to make the following acknowledgement for this project:

**The Cessnock City Business Capability Study is a project which has been jointly funded by the Australian Government and the Cessnock City Council.**



This project has been delivered by Council's Economic Development Unit as part of the Advance Cessnock City partnership of Cessnock City Council and local chambers and industry bodies.



## Advance Cessnock City Partners:



The support and contribution of the Advance Cessnock City partners above has been invaluable to the delivery of this project. The partnership is a vehicle that enables a strategic and collaborative economic development approach.

The Council would like to acknowledge the individual business people who completed the surveys, business people who gave their time to be interviewed, and operators who provided valuable background information. It would also like to acknowledge Council staff for their input into the study. Your input is appreciated.

Cessnock City Council's Economic Development Unit have undertaken the data analysis and presentation for this report.

# CONTENTS

OPENING STATEMENT	2
ACKNOWLEDGEMENT	3
CONTENTS	4
1 EXECUTIVE SUMMARY	5
2 INSIGHTS AND STRATEGIC DIRECTIONS	7
3 KEY FINDINGS	9
4 PROJECT OVERVIEW	14
5 SURVEY PARTICIPATION	18
6 TYPES OF BUSINESSES	21
7 BUSINESS LIFECYCLE	26
8 PLACE OF BUSINESS	30
9 BUSINESS OPTIMISM & PERFORMANCE	34
10 BUSINESS SIZE	44
11 DIGITAL PRESENCE & CAPABILITY	48
12 IMPORTING AND EXPORTING	53
13 THE BUSINESS ENVIRONMENT	54
14 SKILLS SHORTAGES & TRAINING NEEDS	66
15 Trend analysis	70
16 FURTHER INFORMATION	73
APPENDICES	75

# 1 EXECUTIVE SUMMARY

The community's vision adopted in the Cessnock 2027 Community Strategic Plan is:

*Cessnock will be a cohesive and welcoming community living in an attractive and sustainable rural environment with a diversity of sustainable business and employment opportunities supported by accessible infrastructure and services which effectively meet community needs. Cessnock – thriving, attractive and welcoming.*

Governments who engage business stakeholders can achieve greater outcomes in line with:

- a) Creation of much needed jobs to boost and replace local employment reducing under-employment and unemployment in the region;
- b) Identification of existing businesses and opportunist traders, as well as supply chain opportunities;
- c) Determine the needs of businesses in relation to workforce, skills and labour gaps;
- d) Improve the business environment, and the resources they need to prosper and grow;
- e) Attract greater investment in critical infrastructure to unlock enterprise and jobs growth;
- f) Providing avenues for Indigenous economic development and business development;
- g) Procurement opportunities to supply by local businesses;
- h) Promote the liveability of a region; and
- i) Increase the resilience and capacity of the local economy to grow, invest or employ.

Council recognises it can bring together diverse community interests in ways that will stimulate enterprise and investment as well as create an environment conducive to business. As Economic Development is a long term strategy, it is critical that the Council comprehensively understands its industries, businesses, their capacity and needs. By taking a strategic leadership role, Council can strategically stimulate enterprise and investment as well as create an environment conducive to conduct business.

Understanding business capability within the LGA and the collective needs of businesses is essential to developing a responsive economic development strategy and better planning for workforce development, business environment and investment in infrastructure and promoting regional liveability.

A consultative approach to economic development provides the foundation blocks for solid and, an advanced understanding of the economic base for better decision making. This study is a tool which provides the intelligence enabling rapid action for government and business projects. The result is stimulated enterprise, investment, job creation outcomes, and economic resilience, and it creates an environment conducive to business.

In 2018-19, the Economic Development Unit secured \$15,000 (ex GST) funding for the Cessnock City Business Capability Study under the Australian Government's *Building Better Regions Fund* Community Investment Stream. As a result, the Cessnock City Council in 2019 undertook the development of the Cessnock City Businesses Capability Study.

The Business Capability Study identified how many businesses operate within the region, their size, employment capacity, export and import status, and also determines prime opportunities to encourage investment and jobs within the region. The results will drive future economic development programming, and inform what can be done to support and nurture existing businesses.

The study identified there were a total of 3,017 businesses, of which 186 were unwilling to participate in the survey. This represented a response rate of 29.78% that included industrial, commercial and home based businesses across the Cessnock LGA.

The main types of businesses were Retail Trade with 141, Accommodation and Food Services 119, closely followed by Other Services at 83. Manufacturing business accounted for 47 followed by Construction with 53 and Professional Services at 49.

The majority of businesses at 86.44% were Micro businesses (less than 5 employees) and small businesses (less than 20 employees). A total of 45 businesses were found to be of Medium size (21 to 100 employees) with 16 businesses identified at Large (greater than 100 employees).

Whilst 37.15% of businesses have been operating in the region for less than 6 years. A massive 16.98% of businesses have been operating longer than 25 years, with 6.67% operating longer than 50 years.

The most popular Social media profile for business is Facebook with 93.16% of respondents having a Facebook profile with 53.68% of businesses also interacting with Instagram.

Of business in the Cessnock LGA 45.60% responded they had not experienced skills shortages. 52.09% of businesses responded that they had difficulty in attracting and retaining skilled workers, whilst 22.92% of business had general issues with work ethic and attitude to work. Skills shortages cited included tradespeople, soft skills, technical experience and overall general qualified people.

There were an identified 53 business who are importing goods, with 45 business exporting from the LGA.

In addition 31 potential exporters were identified in the survey. This offers an excellent opportunity for the Council to engage with experienced and knowledgeable exporters and increase global markets for other local businesses.



## 2 INSIGHTS AND STRATEGIC DIRECTIONS

### 2.1 Directions for Economic Development Planning

The following recommendations are directions supported by both desktop research as well as the data from the Cessnock City Business Capability Study.

#### Direction 1: Biennial Study (occurring every two years)

It would be beneficial to ensure a biennial study to be undertaken for comparative purposes and to assess:

- I. Any changes and/or trends in growth, in terms of employment, skills shortages, capacity and issues which may have an impact on the local economy;
- II. Changes or trends in types, size and business numbers by sub region and sector;
- III. Changes and trends in market conditions, changes and disrupters, needs etc.;
- IV. Changes in attitudes of Cessnock LGA businesses, by assessing the advantages and disadvantages they cited, barriers or pain points, and business optimism and performance;
- V. Studies which provide identification of business perspectives on issues which inform strategic decision making for future programming.

#### Direction 2: Business Investment Attraction

The data provided in the Study is extensive and detailed. This offers the Council the opportunity to mine that data in more depth to assist in development further programs. Using the advantages and disadvantages derived by business responses can be utilised to reinforce the current selling tools used in the city's Business Investment Attraction program.

A positive direction would be to use the study as the basis to conduct a future study into the drivers of investment for newly established and relocated businesses into the city. The gaining of in-depth knowledge of the sources of supply and markets of businesses will then lead to the development of a more strategic and robust Business Investment Attraction Program. Of the businesses surveyed, many expressed a positive outlook of Cessnock LGA as a place to operate a business, citing having local demand for product, a sense of community and the fortitude for loyal custom and repeat business.

#### Direction 3: Business Engagement and Advance Cessnock City

It is recommended that the Council continue to engage businesses in the community through the established Advance Cessnock City business portal website and business news monitor.

The partnership with the local Chambers of Commerce and networks is recognised as a positive initiative by businesses. Advance Cessnock City is perceived to be reactive to major issues and advocate for business needs. It has also enabled council to effectively engage its business community and achieve greater participation in economic development programs, reinforcing capacity in businesses, workforce development, access to support and improved business environment.

#### Direction 4: Build Capacity in businesses and Workforce Development

Strategies combatting employability and worker traits, and even preventing disengagement of young people through appealing immersive education such as a focus in STEM could have greater results in the regions.

Business capability in terms of Information Technology and capacity is critical, programs should be designed to support businesses to get online, utilise social media, develop websites and increase knowledge and understanding of multi-media to expand their online presence. Education programs and workshops to build capability and capacity within our industries, support and assistance relating to skills shortages and workshops which assist businesses to grow.

#### Direction 5: Facilitate Support and improve Business Environment

Providing greater support for existing businesses may prove invaluable towards sustaining and stimulating more employment and economic growth in the region. While there is merit to regions prioritising diversification and pursuing exciting new business investment attraction, a key asset to sustainable economic development is also in supporting a positive business environment in the regions. Local

government can play an integral role in by facilitating, collaborating and enabling local economic outcomes and generating the business environment conducive to do business.

Cessnock LGA has a high proportion of micro and small businesses who employ less than 20 people, as well as a high proportion of newer businesses that are less than 5 years operational. Micro and small businesses have the greatest capacity for employment growth, given the right economic conditions and business environment. It is also known that businesses with higher turnovers have greater survival rates<sup>1</sup>, thus it is critical programs to support these businesses be adopted and implemented.

#### **Direction 6: Growing Regional Exports and supporting Importers**

A strategic approach to the data provided on industry and sub-regional exporters and potential exports, as well as importers, needs to be taken to provide pathways to businesses in order to grow capacity in the area. It is also critical that we create a network/cluster of exporters that can together create stronger exporting growth within the area.

#### **Direction 7: Support and Promote Employment Outcomes**

The study had a significant response to businesses intending to employ more staff, attracting qualified workers and general issues with work ethic being a problem for a lot of businesses. Employing, managing, motivating staff was a lead point for businesses wanting training in this area. As one of the largest costs of doing business the benefits to providing employers with training could have significant outcomes to improving confidence in employing more people.

Raising awareness of employment processes, highlighting positive case studies and re-education of businesses through local economic development initiatives at the Council level could prove to be a successful strategy towards reversing negative attitudes to employing locally or employing in general.

#### **Direction 8: Lobbying and Targeting Major Capital Grants**

A positive step would be to lobby for a reduction in red tape for small business, hastening approvals and assisting small business to navigate requirements, approvals, taxation, employment and other challenges identified through the study. Addressing critical infrastructure, and digital connectivity shortfalls as identified in this study such as infrastructure, poor roads, improved parking, lack of public transport, limited local procurement and low socio economic issues through appropriate funding mechanisms would make serious headway in providing positive catalysts for the attraction, growth and diversification of business. It is essential that there be a commitment for the continuation of a longer term outlook on infrastructure priorities to support regional growth and prosperity. This Study can for funding submissions in justifying demand and building a robust business case.

#### **Direction 9: Liveability**

The Business Capability Study has now successfully identified business owners and managers who live and work in the Cessnock LGA. The communication and business engagement capacity of the Economic Development Unit will enable a future program to segment these respondents for future more detailed analysis of living and working in the city.

Providing employment opportunities close to where people live can have positive social, economic and environmental outcomes as people reduce travel times for work. From an economic development perspective, employing staff from outside the LGA effectively moves that money out of the local economy, as those staff spend their money at businesses that are close to where they live (consumption effects). Based on the results of the Cessnock Skills Audit 2018, not all skill deficits can be met from within the LGA. Skilled professionals earn higher than average wages, and in order to benefit the local economy it is preferable that these skilled workers reside within the LGA.

A future study into liveability of the region as perceived by workers and business owners can support determining more appropriate strategic directions in pursuit of this outcome.

<sup>1</sup> Australian Bureau of Statistics (2016). Counts of Australian Businesses, Including Entries and Exits. Jun 2014 to Jun 2018, Online version accessed 23 August 2019, [www.abs.gov.au/ausstats/abs@.nsf/mf/8165.0](http://www.abs.gov.au/ausstats/abs@.nsf/mf/8165.0)



### 3 KEY FINDINGS

The following is a summary of the key findings of the 2019 Cessnock City Business Capability Survey. This section provides a simplified and condensed capture of the results, and it is recommended that each chapter in the report be reviewed for a more complete view and relevant interpretation of each of the topics covered by the business survey.

<b>Business Overview</b>	
<i>Number of Businesses surveyed by Area</i>	
<b>Cessnock and surrounds</b>	308
<b>Kurri Kurri and surrounds</b>	110
<b>Lovedale</b>	31
<b>Pokolbin</b>	128
<b>Wollombi Valley</b>	34
<b>Mt View – Millfield</b>	9
<b>Branxton Greta</b>	50
<b>Rural East and Outlying Areas</b>	43
<b>TOTAL</b>	713
<i>Top 10 Sectors by number of Businesses surveyed</i>	
<b>Retail Trade</b>	141
<b>Accommodation and Food Services</b>	119
<b>Agriculture, Forestry &amp; Fishing</b>	83
<b>Other Services</b>	83
<b>Manufacturing</b>	53
<b>Professional, Scientific &amp; Technical Services</b>	49
<b>Construction</b>	47
<b>Administration &amp; Support Services</b>	43
<b>Arts and Recreation Services</b>	31
<b>Health Care &amp; Social Assistance</b>	29
<i>Length of Business Tenure</i>	
<b>&lt;1 years</b>	89
<b>2– 6 years</b>	145
<b>7 – 14 years</b>	129
<b>15 – 24 years</b>	118
<b>25 – 49 years</b>	107
<b>55 – 99 years</b>	27
<b>100+ years</b>	15
<b>TOTAL</b>	630

<i>Planned Growth by businesses</i>	
Responses cited, (businesses could select multiple answers)	
<b>No plans to expand</b>	143
<b>Yes, employ more staff</b>	122
<b>Yes, expand my service or product</b>	212
<b>Yes, purchase or upgrade equipment or assets</b>	271
<b>Not sure</b>	246
<b>Total</b>	994
<i>Location Type</i>	
<b>Commercial Premises CBD</b>	184
<b>Commercial Premises non-CBD</b>	110
<b>Industrial Premises</b>	21
<b>Primarily a mobile business</b>	63
<b>Primarily internet based, online</b>	28
<b>Rural Property</b>	196
<b>Other</b>	104
<b>All Respondents</b>	706
<i>Business Optimism 0-100</i>	
Ratings and responses	
<b>0-10</b>	1.90% (13)
<b>20+</b>	4.51% (31)
<b>50+</b>	26.53% (182)
<b>90+</b>	35.42% (243)
<b>100 (very confident or positive)</b>	31.63% (217)
<b>Total</b>	686
<i>Business Perceived Performance</i>	
Ratings and responses	
<b>Much Improved</b>	15.21%
<b>Slightly Improved</b>	36.47%
<b>Same as previous 12 months</b>	32.67%
<b>Worse than previous 12 months</b>	15.65%
<i>Size of Business by number of employees</i>	
<b>Micro business (5 or less employees)</b>	61.11%
<b>Small business (6 – 20 employees)</b>	25.33%
<b>Medium business (21 – 100 employees)</b>	10.00%
<b>Large business (greater than 100 employees)</b>	3.56%

<i>Top 5 Sectors by Number of Employees</i>	
<b>Retail Trades</b>	1359
<b>Accommodation and Food Services</b>	1214
<b>Public Administration &amp; Safety</b>	1161
<b>Health Care and Social Services</b>	678
<b>Manufacturing</b>	386
<i>Proportion of Online Sales by Sector</i>	
<b>Agriculture, Forestry &amp; Fishing</b>	3%
<b>Mining</b>	0%
<b>Manufacturing</b>	14%
<b>Construction</b>	29%
<b>Wholesale Trade</b>	2%
<b>Retail Trades</b>	19%
<b>Accommodation and Food Services</b>	12%
<b>Transport, Postal &amp; Warehousing</b>	19%
<b>Information Media &amp; Telecommunications</b>	58%
<b>Financial &amp; Insurance Services</b>	17%
<b>Rental, Hire and Real Estate Services</b>	8%
<b>Professional, Scientific &amp; Technical Services</b>	18%
<b>Administrative &amp; Support Services</b>	6%
<b>Public Administration &amp; Safety</b>	0%
<b>Education &amp; Training</b>	21%
<b>Health Care and Social Services</b>	14%
<b>Arts &amp; Recreation Services</b>	16%
<b>Other Services</b>	27%
<i>Information Technology - Social media platforms</i>	
<b>Facebook</b>	93.16% (354)
<b>Instagram</b>	53.68% (204)
<b>Linked In</b>	11.58% (44)
<b>Twitter</b>	27.37% (104)
<b>TripAdvisor</b>	8.16% (31)
<b>Pinterest</b>	0.53% (2)
<i>Importing and Exporting</i>	
<b>Number of Importers</b>	53
<b>Number of Exporters</b>	45
<b>Interested in Exporting</b>	31
<b>Total Responses</b>	555

<i>Top Advantages of Doing Business in Cessnock LGA</i>	
Loyal and repeat Business	
Opportunities from Tourism	
Friendly community	
Great location to work	
Sense of community	
Picturesque and beautiful area	
Population growth	
Accessible by road	
<i>Main Disadvantages of Doing Business in Cessnock LGA</i>	
Poor roads and infrastructure	
Low Socio economic issues	
Council support of businesses	
Traffic issues CBD, more parking needed	
Council services e.g. regulations, policies	
CBD appearance / attraction not bringing customers	
Products not available from local businesses	
Lack of public transport	
<i>Pain points of businesses</i>	
Proportion of respondents who cited (could provide multiple responses)	
Rising costs of doing business	55.03%
Changes in customer markets	41.11%
Public infrastructure	38.26%
Access to reliable digital connectivity	36.07%
Government red tape	25.17%
Staffing issues	24.50%
<i>Skills Shortages</i>	
I have not experienced any skills shortage	45.60%
Difficulty in attracting appropriately qualified workers	24.54%
Difficulty in attracting skilled workers	27.55%
Difficulty in retaining skilled workers	10.19%
General issues with work ethic and attitude to work	22.92%
Too hard to find any workers	11.11%
Unreliable workers	19.44%
Workers too inexperienced	12.50%
Workers not job ready or lack key worker traits	12.96%
Not sure or other	23.84%

<i>Training needs</i>	
Digital Marketing and social media	56.96%
Growing business / franchising	17.35%
Financial management	21.51%
Digital business and technology	26.89%
Business planning	22.98%
Sales and merchandising	22.98%
Green business practices	16.87%
Home based businesses	10.02%
Employing, managing, motivating staff, retention, training	28.11%
Customer service	25.42%
Importing and exporting	5.37%
Networking	28.85%
Women in business	14.42%
Growing an aboriginal business	5.62%
Exiting, selling, or succession planning	9.29%
Policies, procedures and protocols	13.44%
Workplace health and safety	22.00%
New business ideas/ how to start up a business	8.80%
<i>Skills shortages</i>	
I have not experienced any skills shortage	45.60%
Difficulty in attracting appropriately qualified workers	24.54%
Difficulty in attracting skilled workers	27.55%
Difficulty in retaining skilled workers	10.19%
General issues with work ethic and attitude to work	22.92%
Too hard to find any workers	11.11%
Unreliable workers	19.44%
Workers too inexperienced	12.50%
Workers not job ready or lack key worker traits	12.96%
Not sure or other	23.84%

## 4 PROJECT OVERVIEW

### 4.1 The Business Capability Study Project

#### 4.1.1 Rationale

For successful Economic Development it is critical that there is a comprehensive understanding of industry, businesses, their capacity and needs. A paucity of data is a barrier to effective economic development.

In Council's *Cessnock 2027: Community Strategic Plan*, identifies the need to attract a diverse range of businesses, industries and services together with improved access to education, training and employment opportunities to ensure we have a sustainable and prosperous economy in Cessnock in 2027. The community's desired outcome is for a sustainable and prosperous economy.

As part of this desired outcome, a key action in Council's Delivery Program 2017-21 and Operational Plan 2019-20 is to "Deliver the Business Capability Study and develop a toolkit to support the project".

In 2018-19, in anticipation for the project, the Economic Development Unit secured \$15,000 (ex GST) funding for the Cessnock City Business Capability Study under the Australian Government's *Building Better Regions Fund* Community Investment Stream.

The research provides a geography based report of detailed business and sector analysis, and builds on the comprehensive system for contacting and informing businesses of opportunities within the region.

The study determines how many businesses operate within the region, their size, employment capacity, ICT take up, export and import status, skills shortages. It will collate to a searchable database in order to contact businesses for ongoing opportunities and capacity building.

The data provided in the study is extensive and detailed. This offers Council the opportunity to mine that data in more depth to assist in the development of further programs.

It also supports identification of appropriate opportunities and barriers to doing business, or driving investment within the region. The business capability study will also provide the basis for informing strategic future capacity building economic development programming e.g. export assistance, business development opportunities, skills development etc.

#### 4.1.2 Scope

The Business Capability Survey was conducted over an 8 week period from 3 July 2019 to on 30 August 2019.

The project involved:

1. Development of a survey instrument;
2. Form a data collection team;
3. Identification of businesses using all available avenues online, catalogues, ABR and via fieldwork;
4. Surveying of businesses regarding size of business, number of employees, sector, ICT take up, export/import status, skills shortages, opportunities, barriers, etc. (by email, phone calls, visitation);
5. Data capture, analysis and report writing including time series data comparison; and
6. Develop and present a toolkit for councils across Australia with the "model" for business engagement.

The survey instrument (**Error! Reference source not found. C**) included multiple choice and open ended questions and were formulated to gain insight into the business's opinion on conducting business understand their strengths and weaknesses and learn how they believe the Council may provide assistance or respond.

Businesses were asked to share their needs, gaps, and barriers to growth and become part of the solution.

The study will provide governments and decision makers with a comprehensive profile of Cessnock City's businesses, their capacity and needs.



The Business Capability Study is the driver of future programming, and informs what can be done to support and nurture existing businesses; plan for growth, encourage increased productivity, employment and; attract meaningful jobs into the region for our young people and unemployed.

The survey was left open for 59 days, which gave respondents approximately 8 weeks to complete and return the survey.

## 4.2 Data Assessment

### 4.2.1 ANZSIC Classifications

The Australian and New Zealand Standard Industrial Classification (ANZSIC) has been developed for use in both countries for the production and analysis of industry statistics. At the completion of the surveying process, ANZSIC codes were applied based on the nature of each business identified in the survey.

The Australian Bureau of Statistics encourage other organisations to use the classification in their own work in order to improve the comparability and usefulness of statistics. Cessnock City Council has ANZSIC coded each business surveyed in order to provide useful benchmarks where their core business could be identified and alignment with macroeconomic data available.

Great care has been taken to ensure businesses cannot be identified by the data in this report, and to respect the privacy of individuals who supported the research.

ANZSIC codes support in identification of groupings of businesses which carry out similar economic activities. The similar economic activities characterise the businesses so that individual business can then be assigned an appropriate industry category on the basis of its predominant activities. There are 17 divisions within the ANZSIC each identified by an alphabetical character:

- A. Agriculture, Forestry and Fishing
- B. Mining
- C. Manufacturing <sup>2</sup>
- 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. Finance 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 <sup>3</sup>

<sup>2</sup> Manufacturing Includes Beverage Manufacturing (including Beer, Spirit, Wine and other Alcoholic Beverage)

<sup>3</sup> The Other Services Division includes a broad range of personal services; religious, civic, professional and other interest group services; selected repair and maintenance activities; businesses mainly engaged in providing a range of personal care services, such as hair, beauty, diet and weight management services; providing death care services; promoting or administering religious events or activities; or promoting and defending the interests of their members.

#### 4.2.2 Sourcing business information

Cessnock City Council has undertaken a process of collating publicly accessible information pertaining to business activity in the city. Alternatively, when businesses and other organisations, including government bodies and non-profit organisations register for an Australian business number (ABN), their identity information is stored in the Australian Business Register (ABR). Non-public data is available to eligible government agencies including council. The data can be used for service delivery, planning and economic development. This data was merged and mined to identify businesses to contact for the survey and in identifying / benchmarking business information such as ANZSIC codes.

#### 4.2.3 Area of Study

The survey was performed across the Cessnock local government area.

Survey personnel teams were dispersed across the local government area in order to undertake the survey interviews direct with businesses.

In commercial areas such as the CBDs of Cessnock, Kurri Kurri and Branxton, teams were able to walk commercial areas on foot. Other arterial roads were captured by driving and discretionary assessment of business activity.

A survey call centre was established, a two member team was set up to contact businesses in the business catalogue via phone. This enabled any businesses that were home based, or mobile such as trades or businesses who did not necessarily have a shop front or were not present during the drop ins to be surveyed.

Businesses determined difficult to visit on a drop in scenario such as industrial areas, high risk businesses, and rural properties were covered with a request for meeting time, where a survey team member would visit during a suitable time.

In order to assess smaller areas, the geography by smaller areas of Cessnock local government area were defined by:

- Cessnock and Surrounds
- Kurri Kurri and Surrounds
- Lovedale
- Pokolbin (including part of Around Hermitage)
- Wollombi Valley
- Mount View - Millfield
- Rural East and Outerlying areas
- Branxton - Greta (part)

#### 4.2.4 Questions in the study

For a business to be successful every owner or manager must ensure their business is operating efficiently and effectively as possible.

The survey investigated the following economic directions:

- Market performance, optimism and direction - how well individual businesses perceive performance, market challenges, optimism for their future, and how to improve performance.
- Products and services - opportunities in the market for renewal or growth and understanding of their markets, importing and exporting.
- Operational matters – business lifecycle, innovation, premises, methods, processes, IT adoption and capability.
- Business environment: support for business, business planning and networks.
- Advantages, disadvantages supporting the Cessnock City business environment.
- Organisation and people – productivity, staffing structures, workforce planning issues, training and development gaps.
- Underpinning any barriers to growth and identifying immediate needs of businesses to facilitate economic development outcomes.
- Determining regional liveability markers and business owners who live and work in the city.

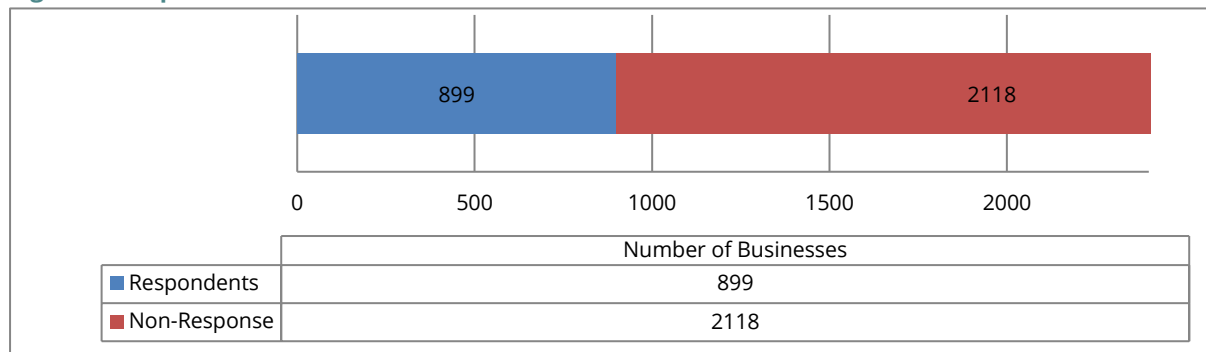
## 5 SURVEY PARTICIPATION

### 5.1 Response Rates

The Business Capability Survey was conducted over an 8 week period from 3 July 2019 to on 30 August 2019.

Of all known and identified businesses captured (N=3017), 899 businesses responded. This represents a total response rate of 29.80% of all businesses identified.

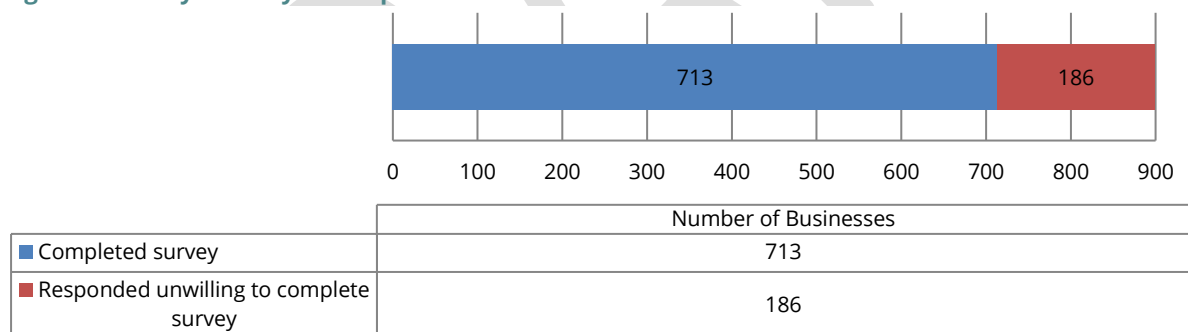
**Figure 9: Response Rate – all Cessnock LGA businesses**



A total of 713 businesses completed the survey and 186 responded but were unwilling to participate in the survey. Overall, 79.31% of all respondents completed all or part of the survey, and 23.63% of all known businesses completed all or part of the survey.

This response rate is deemed significant as explained in the next section.

**Figure 10: Study - Survey Participation**



## 5.2 Statistical significance and confidence levels

Based on the total population of known businesses within the LGA (N=3017), for the survey to have achieved a 95% confidence interval and a 5% margin of error, a minimum sample size of 341 was required. The sample size required to enable a confidence interval of 95%<sup>4</sup> was determined by the following formula:

$$\frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left( \frac{z^2 \times p(1-p)}{e^2 N} \right)}$$

**N = Total number of businesses or total population size = 3017**

**e = margin of error = 5%**

**z = z-score = 1.96 for 95% confidence level**

**Ideal Sample size = 314**

The ideal sample size for the study to be deemed statistically significant, would then be 314 completed surveys. With a total number of respondents at 899 and of that, 713 completing the survey, the sample size strengthens the accuracy and reliability of the data captured.

<sup>4</sup> The 95% confidence level means that nineteen times out of twenty the result would fall into the same interval confidence interval. The 95% confidence level is the most commonly used.

## 5.3 Benchmarking

### 5.3.1 Official ABSBR

According to the most recent Australian Bureau of Statistics Business Register (ABSBR) for June 2018, Cessnock LGA had 2,911 businesses. This can be used as a benchmark for the study as a baseline despite the dataset remaining independent from the study.

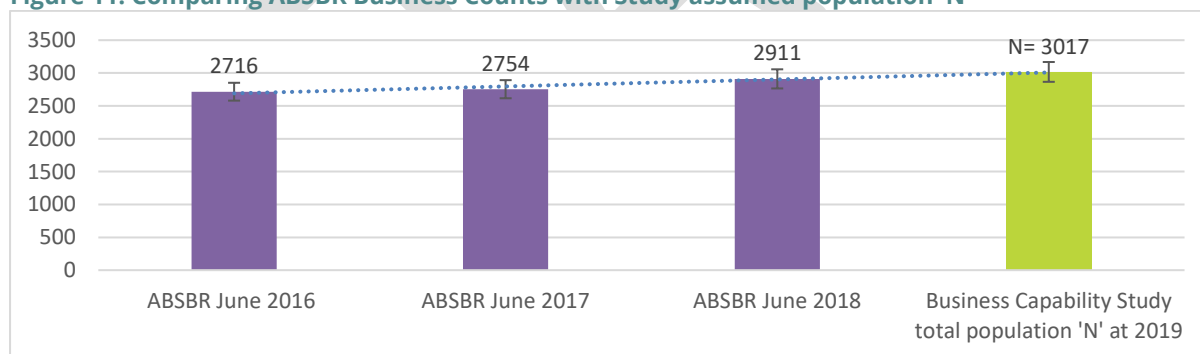
The official counts of businesses is based on actively trading businesses as at June 2018 and includes businesses which actively traded in goods or services based on the Australian Business Register (ABR), which is maintained by the Australian Taxation Office (ATO).

The total assumed population of businesses in this study for 2019 does compare reasonably with the ABSBR business count in 2018 as a benchmark (2,911). The Cessnock City Business Capability Survey assumes total population as all businesses identified in the catalogue as either confirmed active, responsive, and according to GST registration status at 2019 (N=3017). The study's total population (N=3017) also takes into account and subtracts the number of responses identified as operating outside the city, observed as no longer trading, or responses which identify they are not connected to a business. This is similar to the ABS's business exits adjustments.

The total population number N=3017 is a number based on researching and capturing publicly accessible information pertaining to active business activity in the city, merged with the ABR data available to councils. Similarly to how the ABS make adjustments to narrow down ABN counts to "business counts", the researchers in this study narrowed the catalogue of businesses in terms of having actively engaged with the study (shop front open, opened email status, phone responsive, responding to survey), and secondly, by narrowing the catalogue by GST registration status.

The following graph depicts the study's assumed total population in 2019 which is attributed to 'N' (3017) against the official ABSBR business counts for 2016, 2017, 2018. At the time of this report 2019 ABSBR remains unpublished for June 2019.

**Figure 11: Comparing ABSBR Business Counts with Study assumed population 'N'**



The above graph demonstrates the assumed total population of N=3017 does follow observed parameters within the published ABSBR populations as a result, the total assumed population of businesses for this study is to some extent reliable. The above graph also depicts a 5% standard deviation error.

### 5.3.2 Limitations to official ABSBR

There are limitations to identifying and defining a business by the ABSBR. Many of these were identified by the researchers when contacting ABN holders requesting them to complete the survey.

For a relatively small number of businesses, the ABN unit is not necessarily an identifier of true business activity. ABNs are registered for a number of reasons which may include strata, family trusts, superannuation, hobbies or supplementary income etc. ABNs are registered to a location that is not necessarily the location of where the "business" actually operates. In some instances, the contacts for the ABNs were connected to accountancy and financial advice firms.



## 6 TYPES OF BUSINESSES

### 6.1 Businesses surveyed by location

*Q: What product(s) or service(s) does this business produce/provide?*

Surveys were conducted with those who conduct their business in the Cessnock LGA. In order to plan meaningful future programming and assess smaller areas, the geography by smaller areas of Cessnock local government area were defined by:

- Cessnock and Surrounds
- Kurri Kurri and Surrounds
- Lovedale
- Pokolbin (including part of Around Hermitage)
- Wollombi Valley
- Mount View - Millfield
- Rural East and Outerlying areas
- Branxton - Greta (part)

**Table 1: Share of Businesses surveyed by location**

Sub Region	Number of businesses surveyed	Share of businesses surveyed
Branxton - Greta - Dalwood	50	7.01%
Central Pokolbin	128	17.95%
Cessnock & Surrounds	308	43.20%
Kurri Kurri & Surrounds	110	15.43%
Lovedale	31	4.35%
Mount View - Millfield	9	1.26%
Rural East - Outerlying Districts	43	6.03%
Wollombi Valley	34	4.77%
<b>CESSNOCK LGA</b>	<b>713</b>	<b>100.00%</b>

## 6.2 Businesses surveyed by sector

Businesses in the catalogue that were sourced through the ABR explorer for the purposes of economic development retained the official ANZSIC classifications that were attributed by the ABSBR through the ATO. All others were manually coded an ANZSIC division based on the information they provided about their core or predominant business. Businesses were asked what type of product or service they produced or provided in order to understand and attribute an ANZSIC Division.

**Figure 12: Number of Businesses surveyed by sector.**

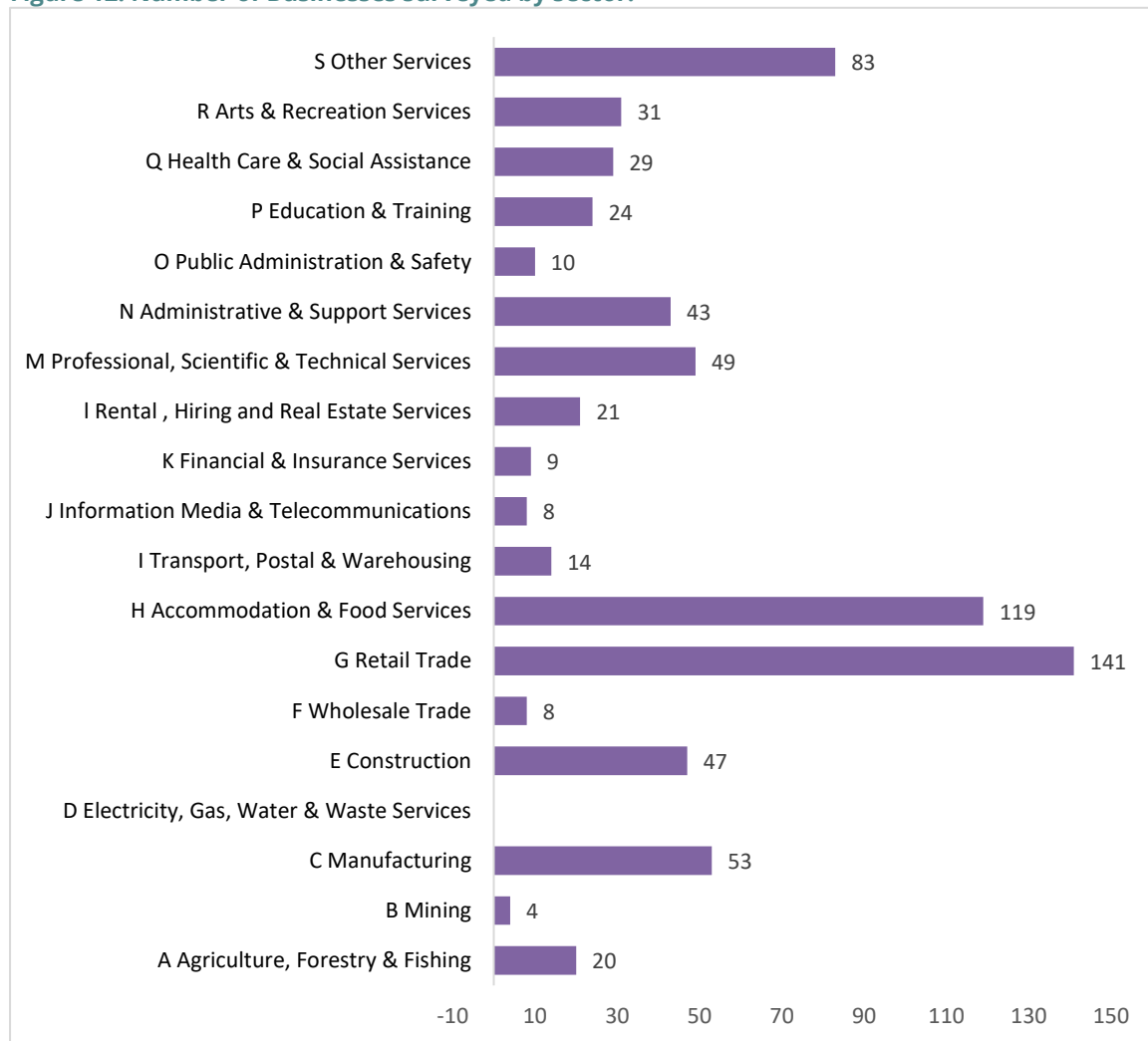
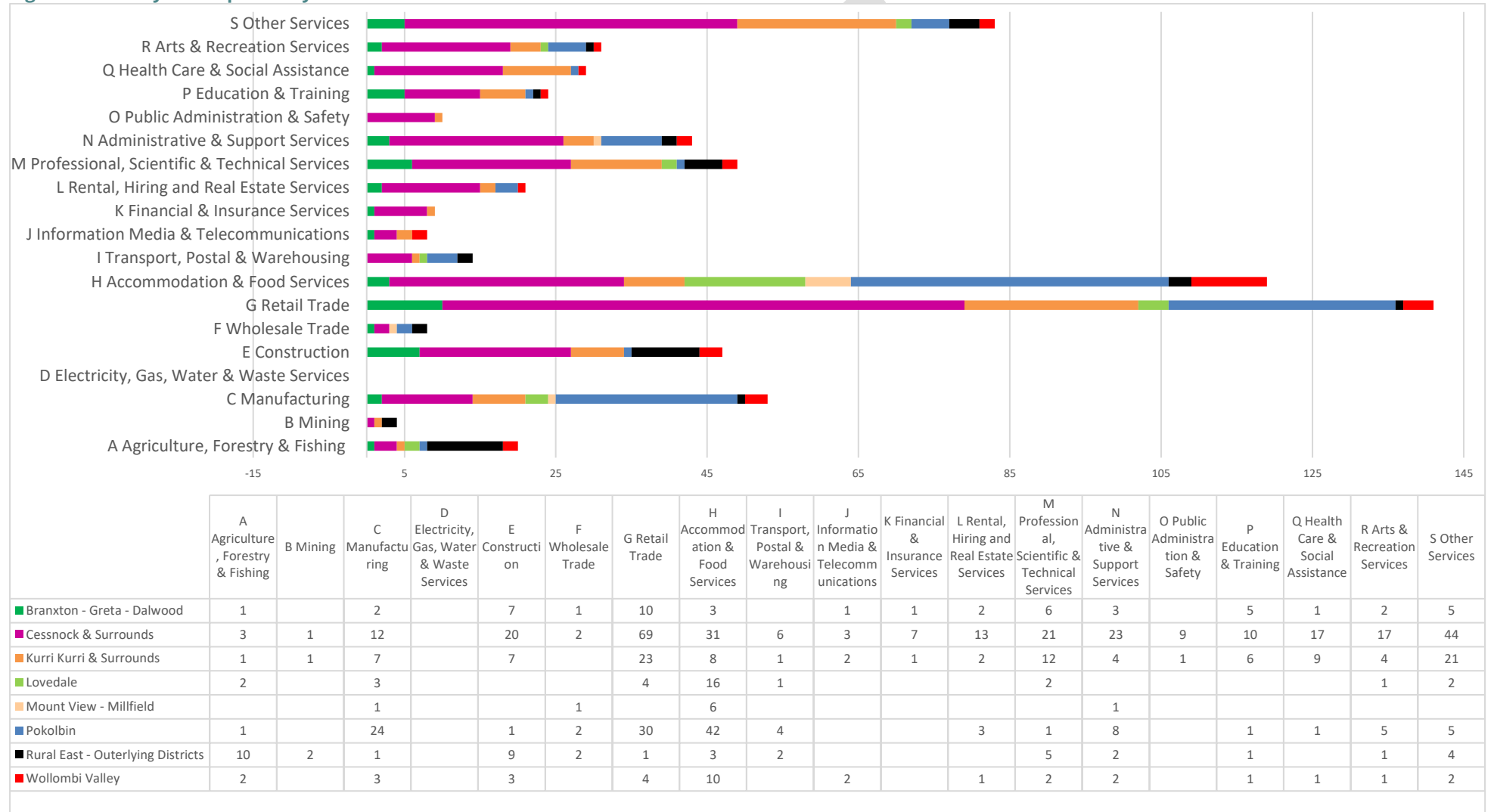


Figure 13: Survey Participation by location provides a snapshot of all businesses surveyed according to their identified sector.

## 6.3 Businesses surveyed by location vs sector

Figure 13: Survey Participation by location vs sector



## 6.4 Who do our businesses service?

*Q: Does this business provide goods and service for?*

*B2B - Business to Business*

*B2C - Business to Customer*

*Community service or not for profit (NFP)*

Respondents were asked to indicate who their customer markets were. The response allowed multiple answers to be provided in the case that some businesses might service one or a combination of the response options.

### DEFINITIONS

#### B2B – Business to Business

B2B refers to 'business to business' sales and services. B2B refers to companies who primarily sell products and services to other businesses. Transactions at the wholesale level are usually B2B. B2B sales typically have higher order values, longer sales cycles and are often more complex than B2C sales.

#### B2C – Business to Customer

B2C refers to 'business to customer' sales and services. B2C refers to companies who primarily sell products and services direct to the general public. Transactions at the retail level are usually B2C.

#### Community Services and Not For Profit (NFP)

These organisations can be run by paid staff or volunteers or a combination of both. They may operate for social causes, educational, sporting or cultural pursuits; with religious, charitable or political affiliations. A community service or NFP organisation usually does not operate for profit or personal gain in the same way the private sector would.

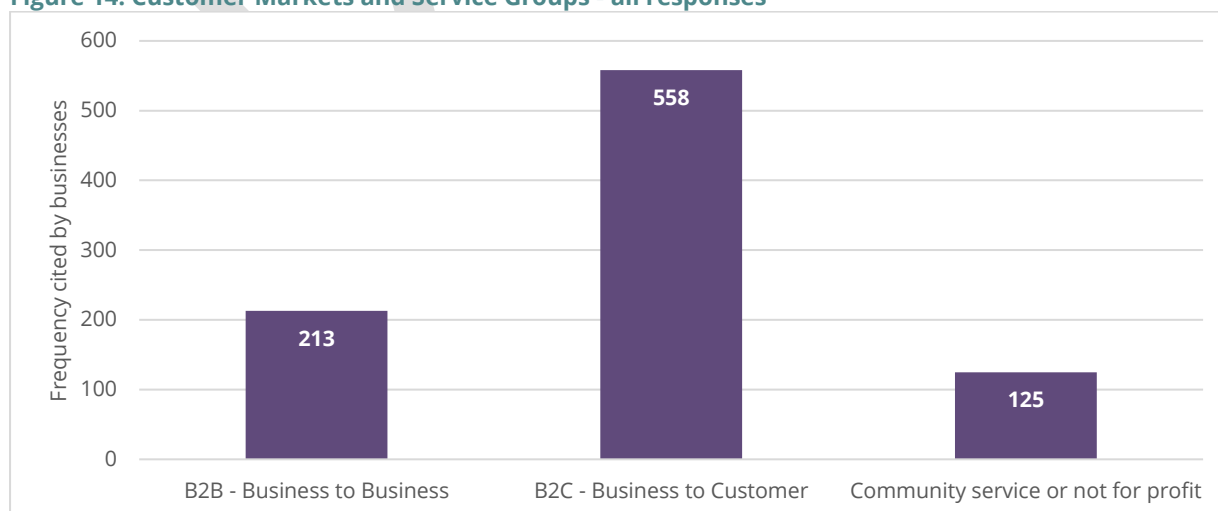
### 6.4.1 Customer Markets

Of all respondents, 648 businesses Markets provided at least one response to this question providing a response rate of 90.88%. A company selling products and services to businesses may also sell directly to consumers or also be a NFP enterprise, hence in some cases multiple responses have been provided.

NFP were included in the survey as they conduct business, contribute to the local economy, and they may also employ as a business does. Many NFP enterprises have a lot in common with for profit organisations and use similar business tactics and management techniques to run their business.

The options provided with the question for B2B, B2C and Community service or NFP were cited a total of 896 times, by 648 businesses.

**Figure 14: Customer Markets and Service Groups - all responses**



With some businesses citing multiple customer markets and service groups, the following is provided:

**Table 2: Combinations of customer markets and service groups cited**

B2B - Business to Business	35
B2B - Business to Business, B2C - Business to Customer	118
B2B - Business to Business, B2C - Business to Customer, Community service or not for profit	53
B2B - Business to Business, Community service or not for profit	7
B2C - Business to Customer	370
B2C - Business to Customer, Community service or not for profit	17
Community service or not for profit	48
<b>All respondents</b>	<b>648</b>

#### 6.4.2 Discussion

The business environment is constantly changing, and these changes affect all organisations. Competition comes and goes, economic conditions change, there are always new laws and regulations to comply with no matter what type of business.

In order to keep up with today's constantly changing business environment, there is no "change" per se, only adaptability. Adaptability is the capacity to change and to do so sustainably. Businesses who can adapt and respond to change and economic stimuli, create and generate demand or respond to market needs readily may be more resilient to economic shock and disruption.

It is promising to see the sample of businesses surveyed in Cessnock LGA who can clearly articulate and understand who their customer groups are. It is also positive to see many businesses have taken advantage of responding to and servicing more than one core customer group.

## 7 BUSINESS LIFECYCLE

### 7.1 Business Tenure

*Q: In what year did the business establish?*

Of the 713 Cessnock LGA businesses who completed the survey, 88.36% (630) provided a response to this question.

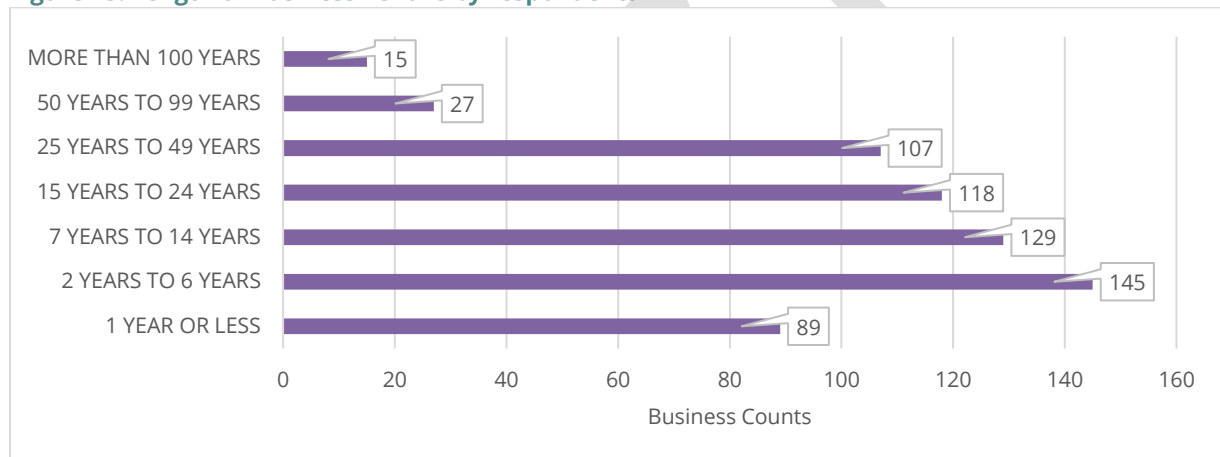
As is expected, there are a greater number of newer businesses than businesses with a longer term tenure.

There were 89 businesses (14.13%) who identified they had been operating for one year or less.

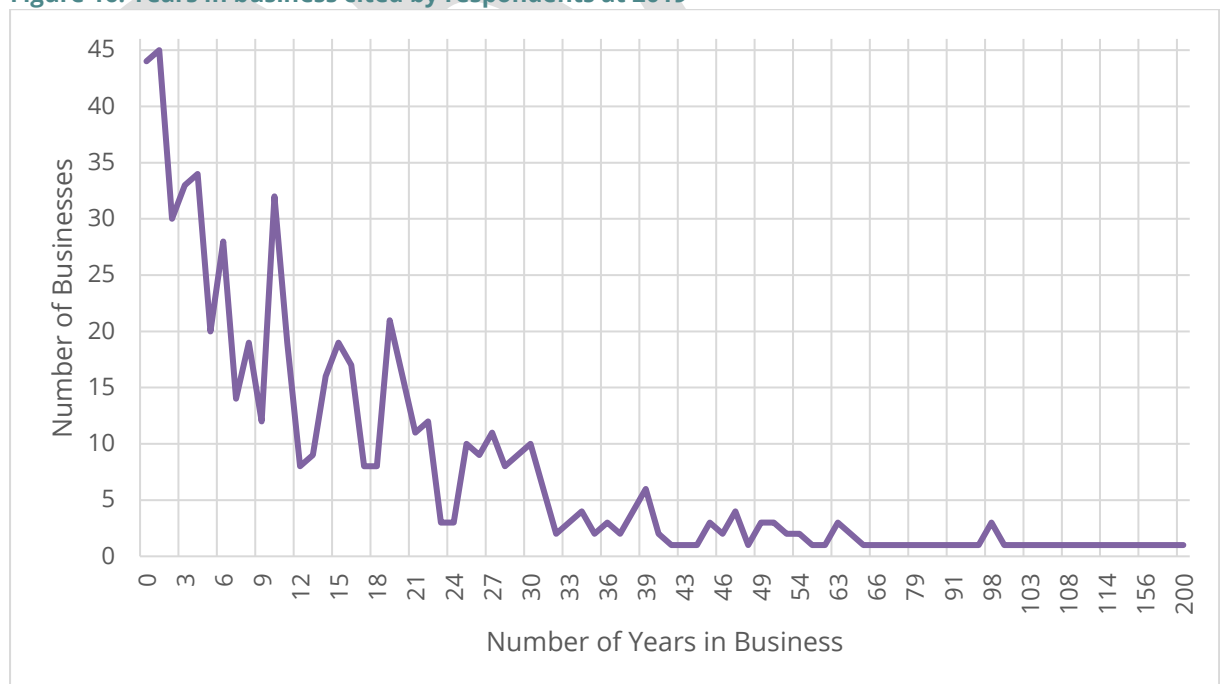
There were 145 businesses (23.02%) who have been operating for between 2 and 6 years, 129 (20.48%) operating between 7 and 14 years, 118 (18.73%) between 15 and 24 years and 107 (16.98%) for between 25 and 49 years.

There were 27 businesses (4.29%) operating between 50 and 99 years and 15 (2.38%) operating longer than 100 years, with one business even citing 200 years of operation.

**Figure 15: Length of Business Tenure by respondents**



**Figure 16: Years in business cited by respondents at 2019**





## 7.2 Stage of Business

*Q: Which of the below best describes the stage of life for this business?*

*Intender*

*Early Stage or Start-up*

*Established or operating*

*Exiter*

Of the 713 Cessnock LGA businesses who completed the survey, 93.41% (666) provided a response to this question.

### DEFINITIONS

INTENDER - planning to start, may have registered business names, ABN, investigated next steps, seeking funds.

EARLY STAGE OR START-UP - May have commenced trading in a beta stage. Product or service might be still in development.

ESTABLISHED OR OPERATING - business is operating as usual and may be seeking to grow or maintain.

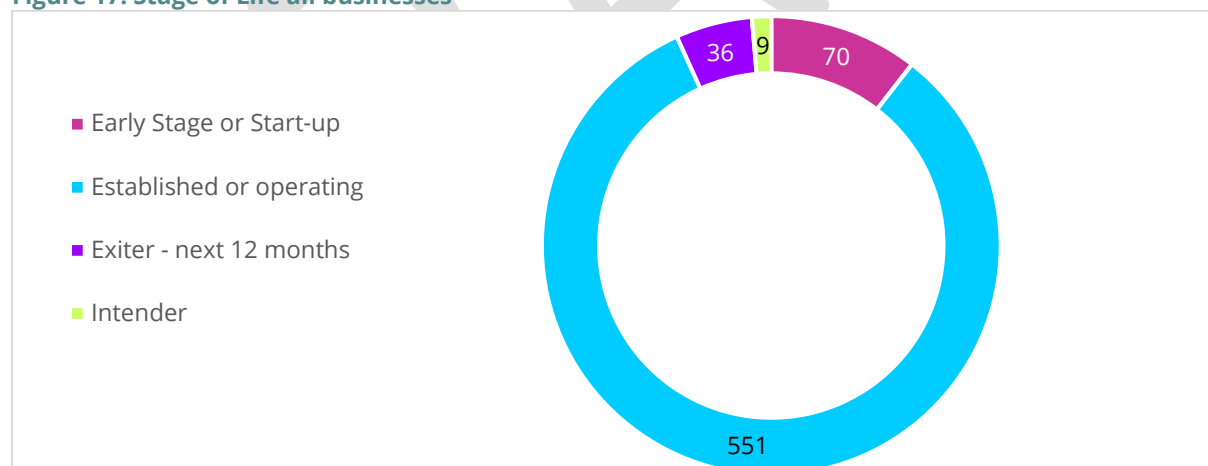
EXITER - business planning to wind up, close or sell, owner planning to retire or pass onto kids.

The vast majority of businesses surveyed identified as established or operating according to the above definitions provided. 551 businesses or 82.73% of all respondents were established or operating.

Only 9 businesses or 1.35% of respondents identified as intenders, and 70 (10.51%) were early stage or start-up businesses.

Of the businesses surveyed, 36 businesses or 5.41% indicated they were exiters, or planning to wind up, close or sell the business. In some cases exiters intended on passing the business onto the next generation and in this case, highlights a possible need for succession planning, business advice pertaining to winding up a business or specialist advice on the best way to exit a business.

**Figure 17: Stage of Life all businesses**



### 7.3 Planned growth for the business

Q: Do you intend to expand or grow your business in the next 2 years?

No

Yes, employ more staff

Yes, expend my service or product

Yes, purchase or upgrade equipment or assets

Not sure

Of the 713 Cessnock LGA businesses who completed the survey, 92.85% (662) provided a response to this question. The response allowed multiple answers to be provided as some businesses might select a combination of response options.

The 662 respondents cited 994 answers as detailed in Table 3.

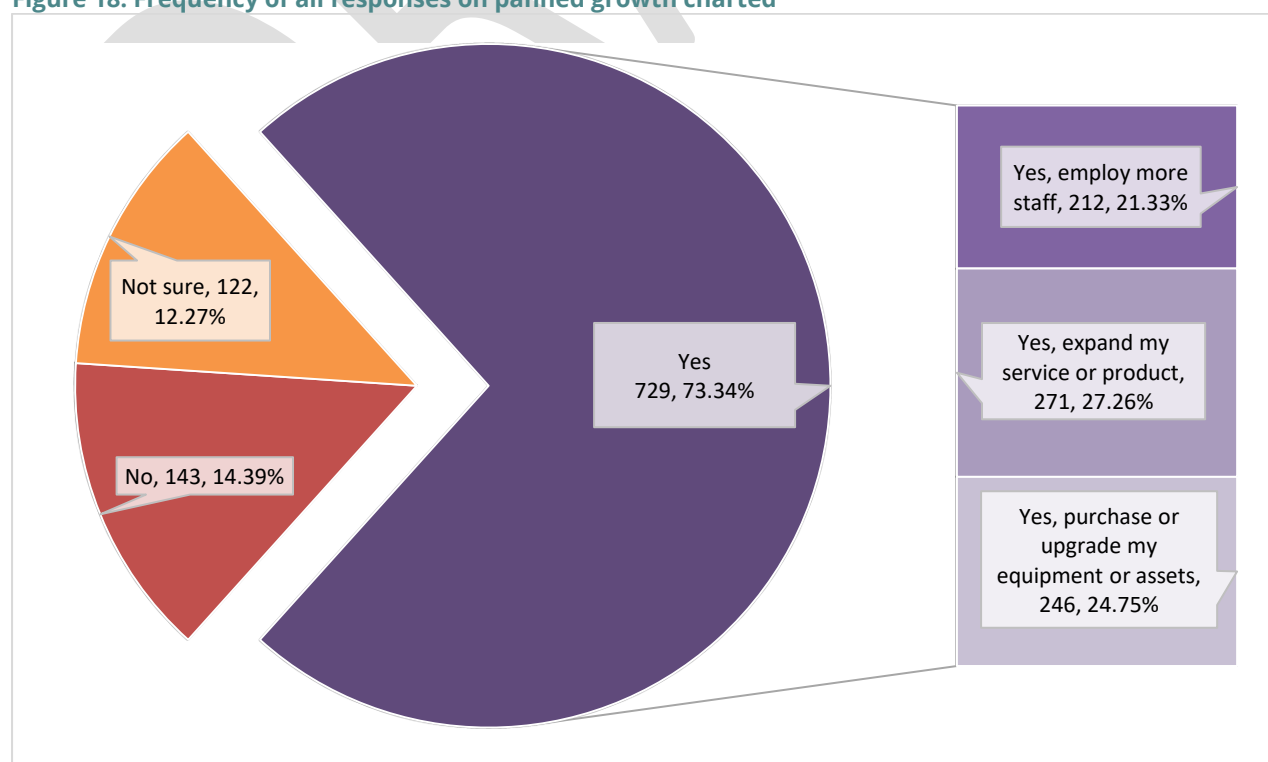
**Table 3: Frequency of all responses on planned growth**

Response	Times cited
No	143
Yes, employ more staff	122
Yes, expend my service or product	212
Yes, purchase or upgrade equipment or assets	271
Not sure	246
<b>Total responses</b>	<b>994</b>

A significant proportion of businesses indicated they intend on expanding or growing their businesses in the next two years, with 73.34% or 729 businesses declaring a 'yes' response.

Of the respondents who said they were intending to expand or grow their business, 212 (21.33% of all responses) said they intended to increase their staff; 271 businesses (27.26% of all responses) said they intended to expand their service or product, and 246 responses (24.75% of all responses) said they would purchase new or upgrade their equipment or assets.

**Figure 18: Frequency of all responses on planned growth charted**



Only 14.39% or 143 businesses declared no intent to expand or grow. This is not necessarily a negative indicator as no intent to grow, does not necessarily indicate any intent to retract, these businesses may continue as is. Of all responses, 122 or 12.27% responded with “not sure”.

Some businesses expressed intent to realise growth in multiple areas simultaneously, as outlined Table 4: Combinations of responses to planned growth:

**Table 4: Combinations of responses to planned growth**

<b>Response</b>	<b>Times cited</b>
No	143
Not sure	122
Yes, employ more staff	45
Yes, employ more staff, Yes, expand my service or product	22
Yes, employ more staff, Yes, expand my service or product, Yes, purchase or upgrade my equipment or assets	124
Yes, employ more staff, Yes, purchase or upgrade my equipment or assets	21
Yes, expand my service or product	84
Yes, expand my service or product, Yes, purchase or upgrade my equipment or assets	41
Yes, purchase or upgrade my equipment or assets	60
<b>All Respondents</b>	<b>662</b>

## 8 PLACE OF BUSINESS

The following presents information provided by businesses captured in the Business Capability Survey on Location type.

Rental and market outlooks, access to finance for business, customer expectations and a financial position and maturity of the business all contribute towards factors of decision making regarding where to locate a business. There are many deciding factors on whether the status of the business premises is a lease or whether the entity purchases a dedicated space.

### 8.1 Location type

*Q: Where is your business located? Location type*

*Commercial premises / Shopfront in the CBD*

*Commercial premises non-CBD*

*Rural or Property*

*Industrial Premises*

*Primarily internet based, online*

*Primarily a mobile business from a vehicle*

*Other*

Of the 713 Cessnock LGA businesses who completed the survey, 99.02% (706) provided a response to this question.

The largest proportion of business respondents or 27.76% (196 businesses) said they operate their business from a rural location or property. This could have implications for planning, subdivision, permissible activity, and zoning in terms of planning for economic and employment lands.

The next largest group of respondents, 184 businesses (26.06%) identified as operating their business from a commercial or shopfront premises in a CBD.

More respondents said they operate their business from a vehicle than business respondents in an industrial premises.

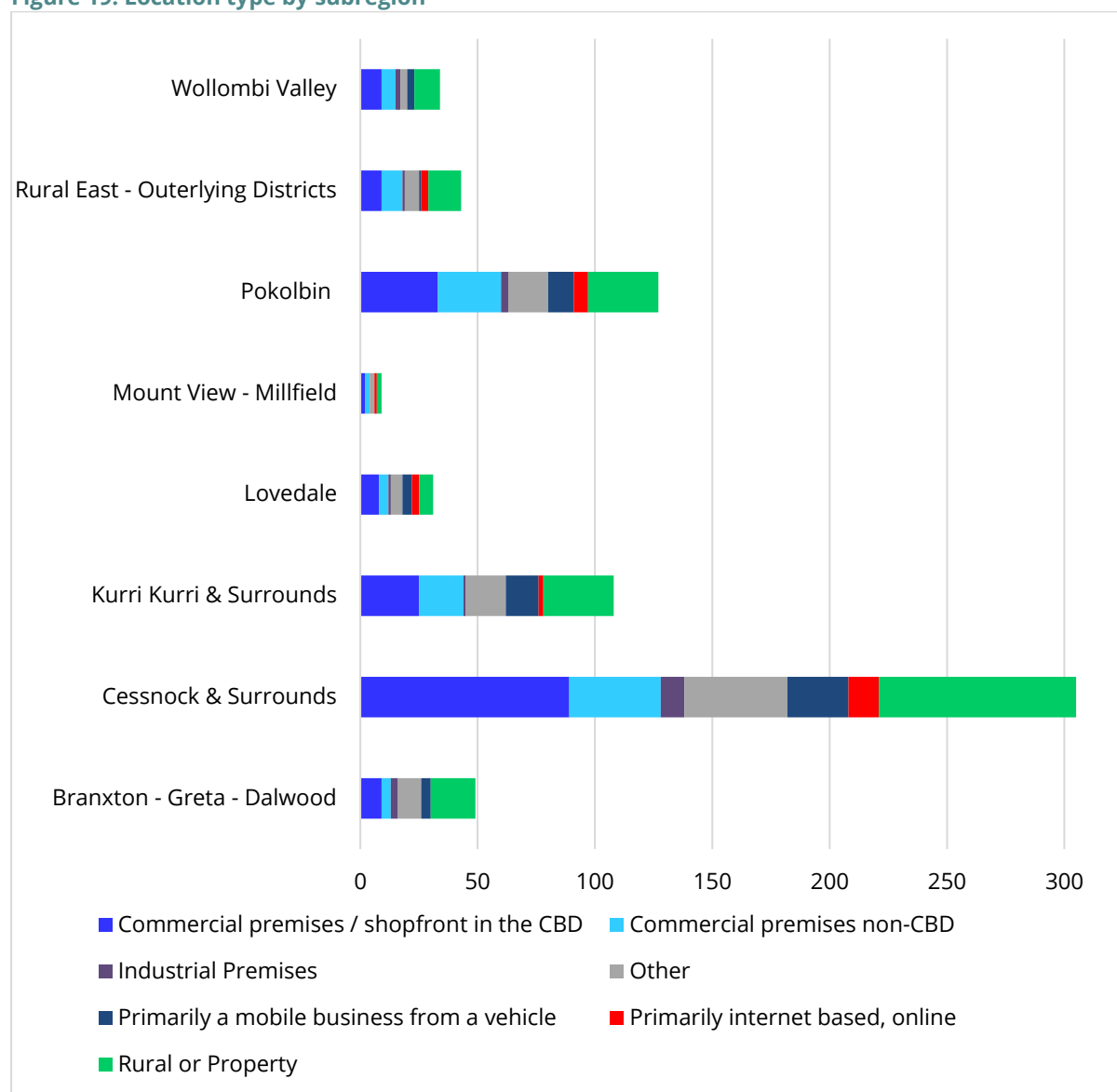
A small proportion of businesses (28 or 3.97%) cited their business was primarily operated online or internet based, however further analysis on the total participation in ecommerce and doing business online will be discussed from page 48.

**Table 5: Location Type**

Location Type	Number of Businesses	Share of Respondents
Commercial premises / shopfront in the CBD	184	26.06%
Commercial premises non-CBD	110	15.58%
Industrial Premises	21	2.97%
Primarily a mobile business from a vehicle	63	8.92%
Primarily internet based, online	28	3.97%
Rural or Property	196	27.76%
Other	104	14.73%
All respondents	706	100.00%

### 8.1.1 Location Type by Subregion

Figure 19: Location type by subregion

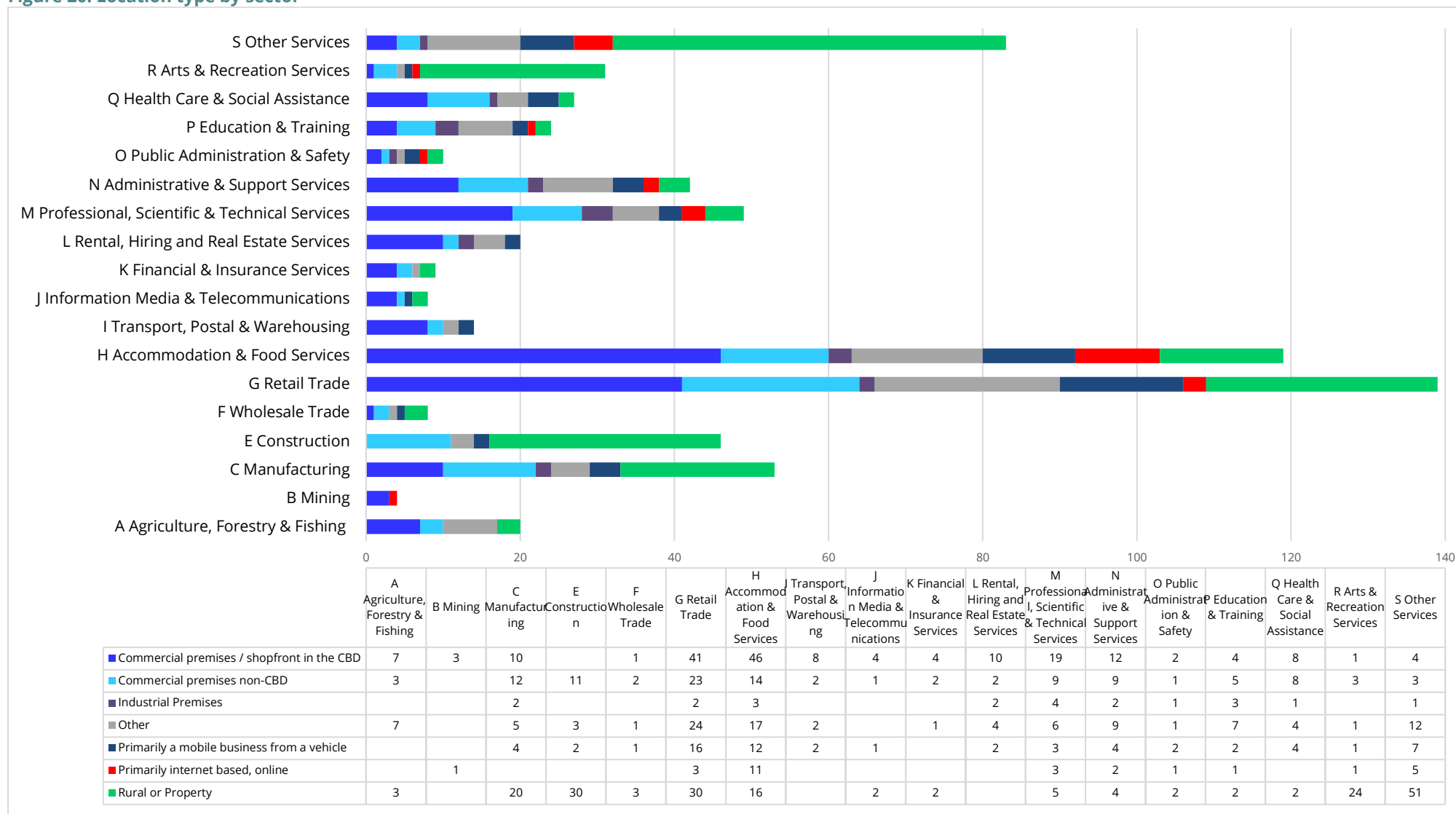


### 8.1.2 Location Type by Sector

Sectors with a larger proportion of tourism businesses such as Accommodation & Food Services, Other Services and Manufacturing (which includes winemaking), have a dominant trend for having a larger proportion of businesses located on rural or property locations.

CBDs and town centres are proving to remain relevant to the Cessnock LGA local economy and not just for traditional main street presence industries such as retail. Accommodation & Food Services, Retail Trade, and Professional Scientific and Professional services all have the largest volumes of businesses located in commercial premises.

Figure 20: Location type by sector





## 8.2 Premises Own, Rent or Mortgage Status

There are factors to consider when businesses decide to lease, buy or rent a business premises. The following may be relevant:

- Control of the property.
- The long-term costs of leasing versus purchase.
- Location.
- Suitability of property.
- Appreciating land values when purchasing.
- Tax benefits.
- Cash flow vs working capital.
- Maintenance duties.
- Expansion opportunities.
- Funding for growth
- Property security
- Lease provisions
- Insurance and liability
- Zoning and land use

Each factor weighs differently for each particular business circumstances.

*Q: Does the business operate from a premises which is?*

Rented

Owned

Mortgaged

Of all respondents, 544 businesses responded to this question providing 76.30% response rate.

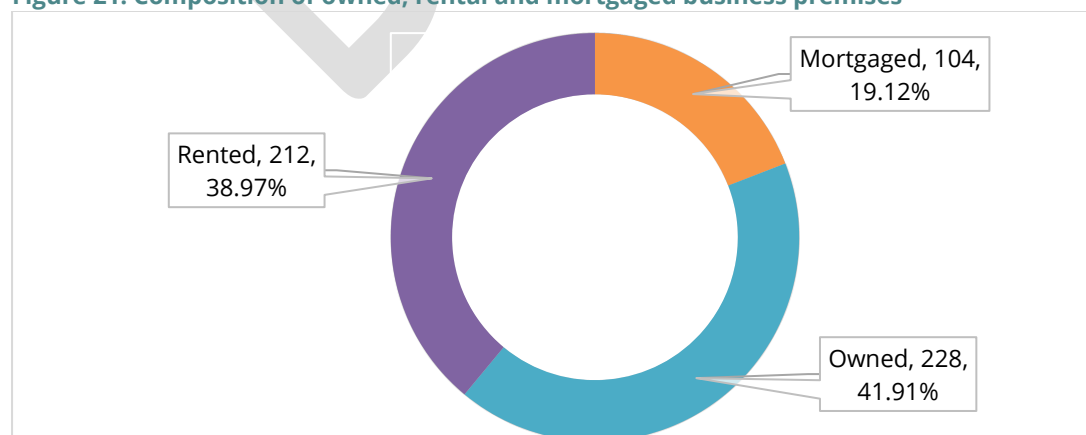
A large proportion of businesses identified that they indeed own the premises they operate from. This represents 41.91% or 228 businesses.

The number of mortgaged and owned business premises is 332, or 61.03% of respondents.

**Table 6: Composition of owned, rental, mortgaged business premises**

Status	Number	Proportion of respondents
Rented	212	38.97%
Owned	228	41.91%
Mortgaged	104	19.12%

**Figure 21: Composition of owned, rental and mortgaged business premises**



## 9 BUSINESS OPTIMISM & PERFORMANCE

The following presents feedback provided by businesses captured in the Business Capability Survey on business optimism and perceived performance of the business.

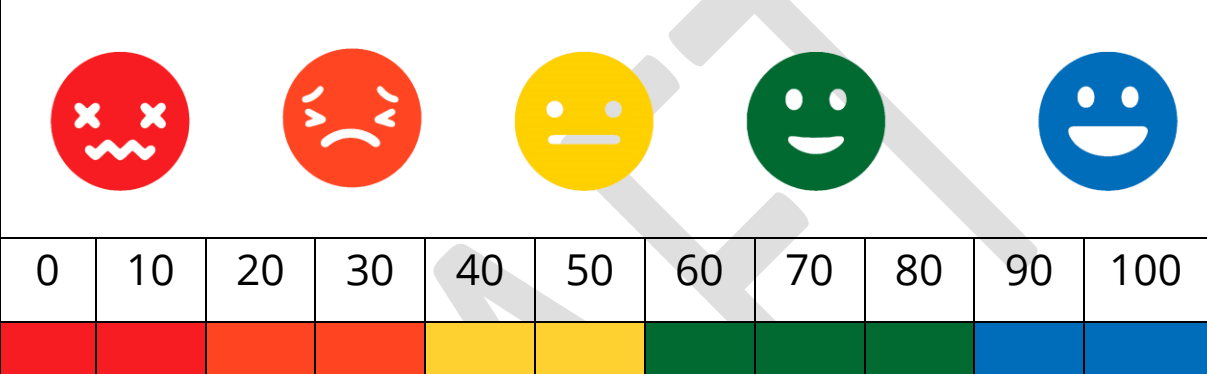
### 9.1 Business Optimism

#### 9.1.1 Business Optimism Scale

Businesses were asked to rate their perceived optimism for the future of their business on a sliding scale of 0-100 where 0 represented “very concerned or negative” and 100 represented “very confident or positive”.

In order to present the findings, the scale has been colour coded as per Table 7: Optimism Scale below:

**Table 7: Optimism Scale represented by emojis**

										
0	10	20	30	40	50	60	70	80	90	100

#### 9.1.2 Business Optimism

*Q: On a scale of 0-100, how optimistic are you about the future of your business?  
100 = Very Confident or positive, and 0 = Very concerned or negative*

Of the 713 Cessnock LGA businesses who completed the survey, 96.21% (686) provided a response to this question.

Businesses in Cessnock LGA are overwhelmingly optimistic about the future of their business. A vast majority of all respondents (91.55% or 628 businesses) stated their business optimism as a score between 50 to 100.

Indeed, 14.29% of respondents (98 businesses) provided a perfect score of 100 on the optimism scale, and 31.63% (217 businesses) provided a score of 90 or above indicating they are very confident or positive about their business future. These are represented by the blue emoji.

Only 13 businesses (1.90%) expressed a score of 10 or below, indicating a very concerned or negative outlook (represented by a red emoji).

The data is presented for the optimism scale and distribution of the scores for both location, and sector in the following section.

### 9.1.2.1 Business Optimism by location

Figure 22: Business Optimism stacked by subregion

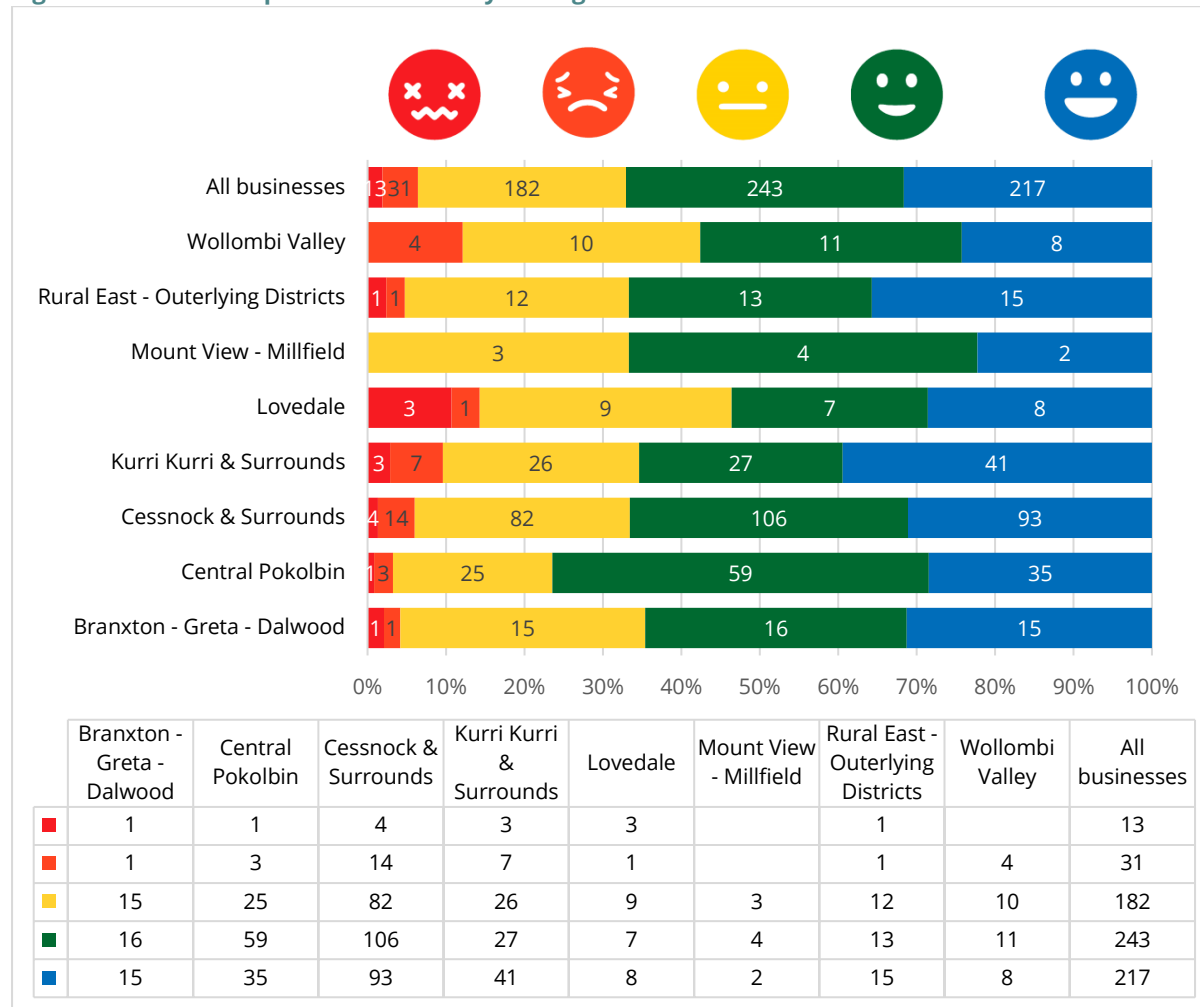


Figure 23: Distribution of business optimism score 0-100 by subregion



Figure 24: Business Optimism by sector by proportion

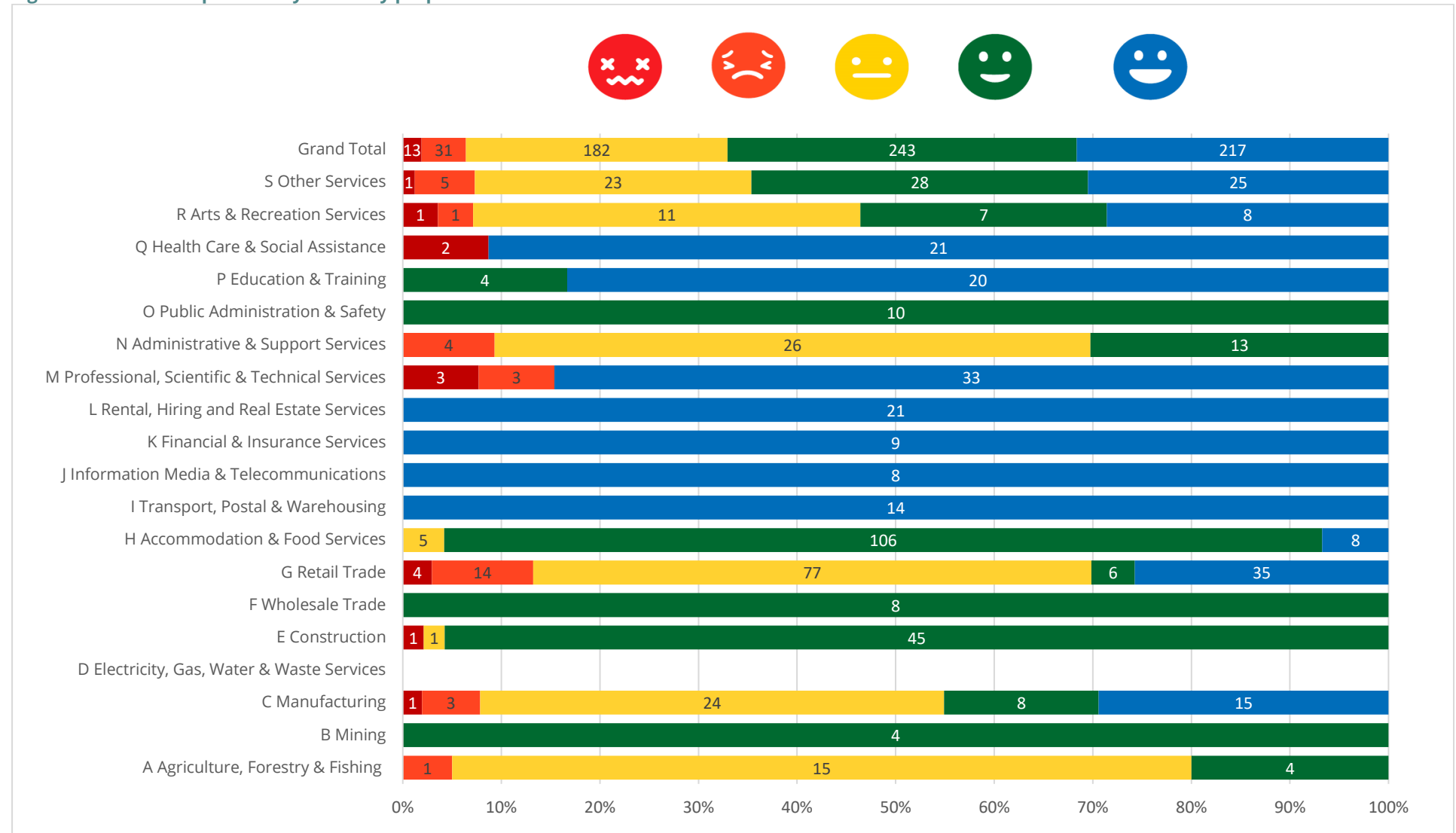
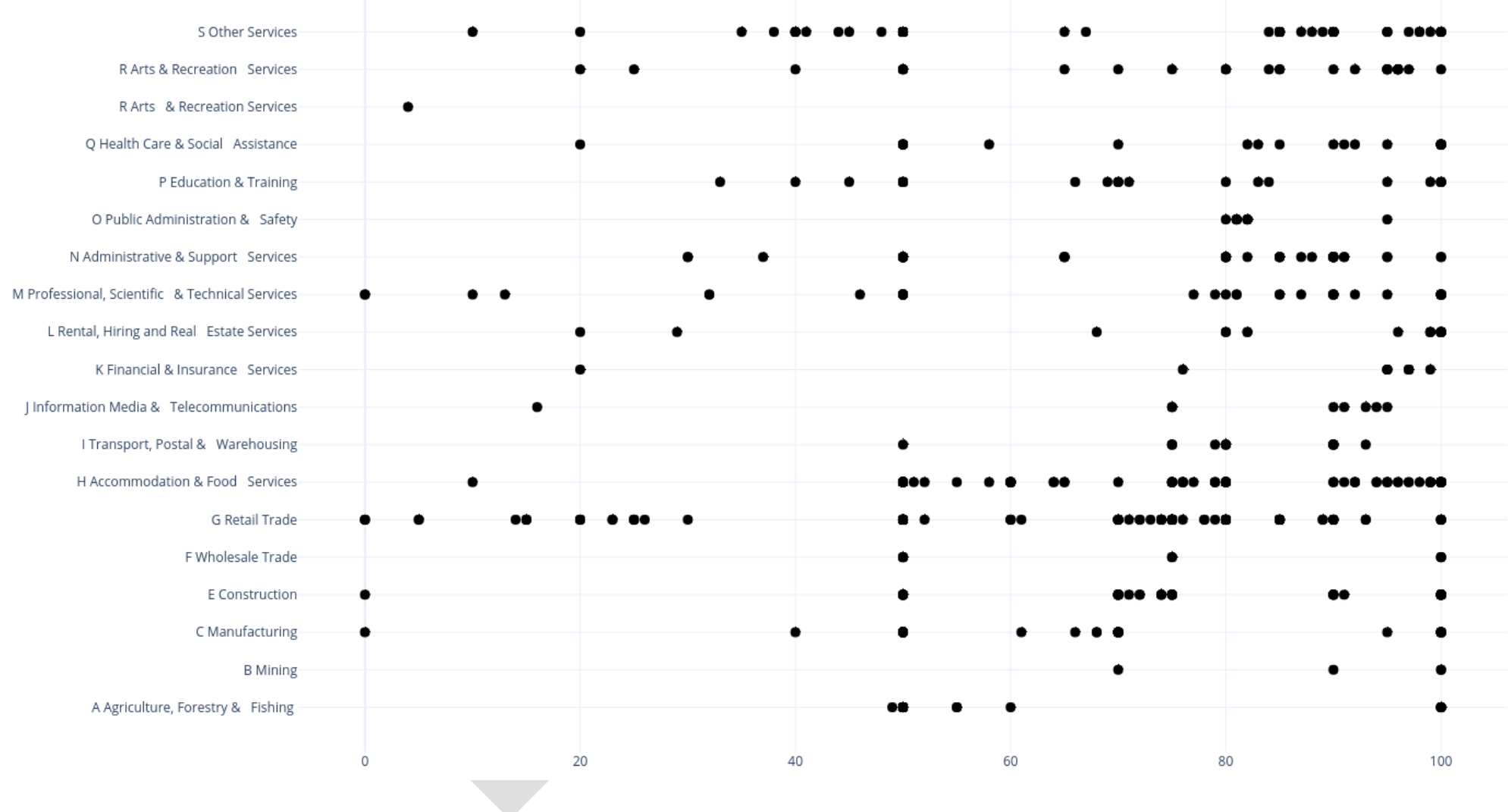


Figure 25: Distribution of business optimism score 0-100 by sector



## 9.2 Perceived performance

*Q: Based on the previous 12 months, do you perceive your business to be performing...*

*Much improved*

*Slightly Improved*

*Same*

*Worse*

Of the 713 Cessnock LGA businesses who completed the survey, 92.29% (658) provided a response to this question.

Over half or 51.67% (340 businesses) stated their business performance had improved over the past 12 month period. Of this, 36.47% (240 businesses) said business was 'slightly improved', and 15.2% (100 businesses) stated they perceived their business to be performing 'much improved'.

Of all respondents, 32.67% (215 businesses) felt their business performed the same over the previous 12 month period.

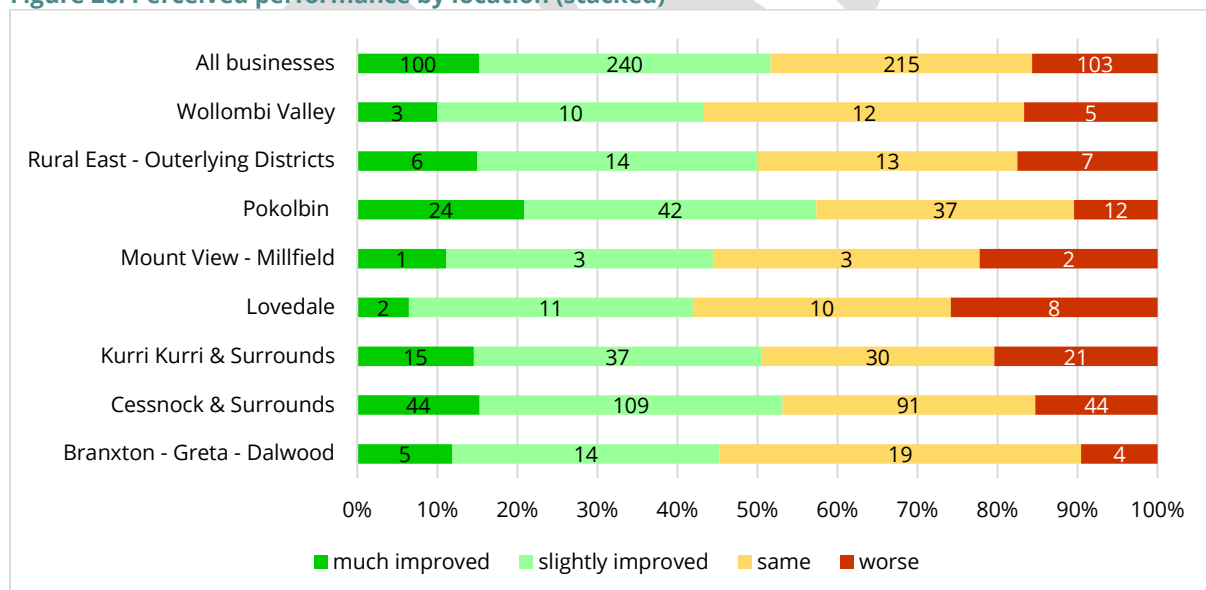
Only 15.65% of all respondents (103 businesses) perceived their performance to be worse over the past 12 month period.

### 9.2.1 Perceived performance by location

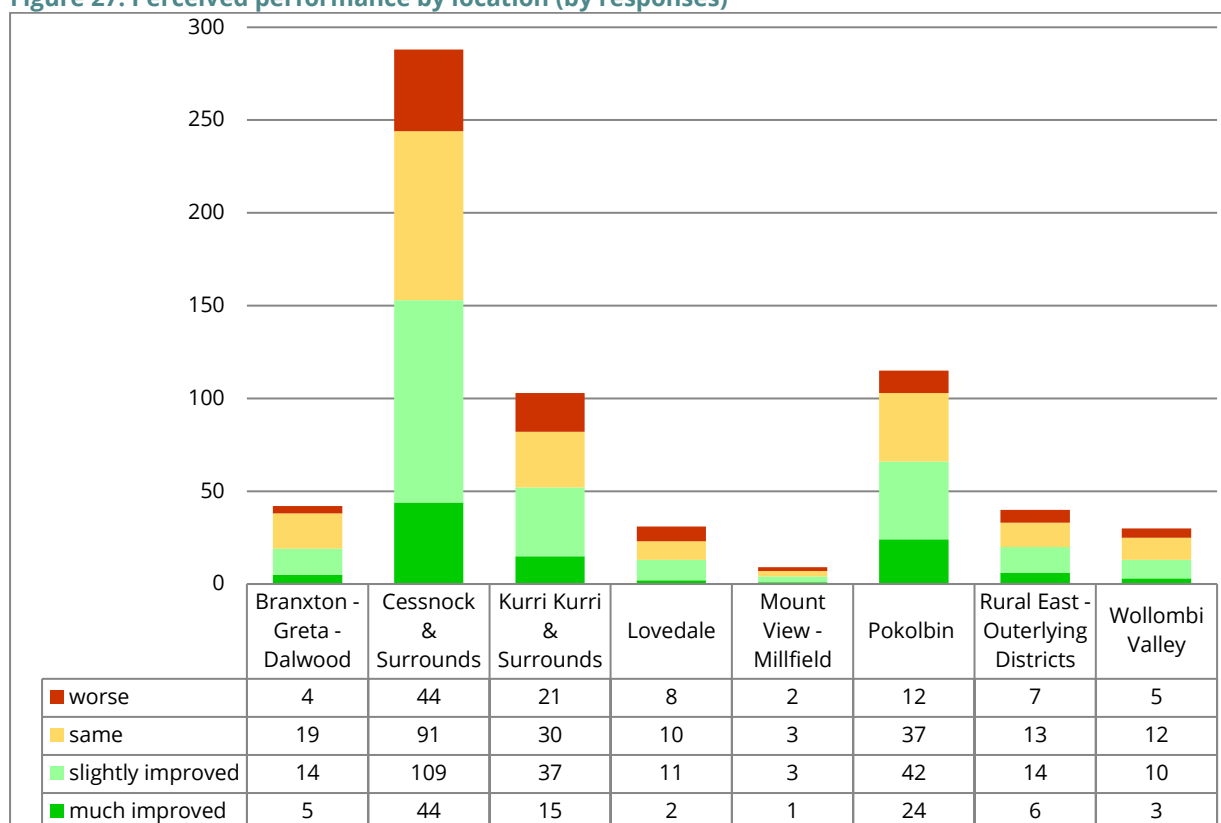
Businesses had a fairly consistent perception of their performance over the past 12 months across the different subregions, however some clear distinctions are emerging.

Proportionally, the perception of respondents in Pokolbin shows a consistent view that performance of their businesses has improved, where businesses in Lovedale and Kurri Kurri have expressed they believe they are performing worse. This is demonstrated by Figure 26: Perceived performance by location (stacked) looking at responses as a percentage.

**Figure 26: Perceived performance by location (stacked)**



Alternatively, when looking at the individual number of responses per subregion with Figure 27: Perceived performance by location (by responses), there are more businesses in Cessnock and Kurri Kurri who responded their business performed worse. Despite this, Cessnock, Kurri Kurri and Pokolbin also had the largest numbers of businesses stating they also believed their performance had improved.

**Figure 27: Perceived performance by location (by responses)**

### 9.2.2 Perceived performance by sector

Proportionately, some industries have indicated they may be performing worse over the previous 12 months as shown by Figure 28: Perceived performance by sector (stacked).

Agriculture, forestry and fishing is one sector of businesses that may have felt encumbered by a drought, similarly Retail may be suffering the impact of harsher economic conditions felt at a national level. There is little doubt the retail sector Australia wide is struggling as companies big and small deal with numerous challenges. These include legacy lease arrangements, the rise of e-commerce, the internationalisation of the local market and weak consumption growth. Supporting this, the official data showed Australian retail spending slowed during September 2019, landing below the level predicted by economists and experienced during the previous month<sup>5</sup>.

It is not all a negative outlook. Proportionately, the sectors which perceived they had an improved performance over the previous 12 months were Rental, Hiring and Real Estate Services and Financial & Insurance Services.

Growth in Rental, Hiring and Real Estate Services is supported by property data according to Pricewatch where property in the LGA is increasingly lucrative. Residential property alone appreciated 11.5% in 2016, 9.7% in 2017 and 10.3% in 2018.

Financial & Insurance Services are likely realising increased demand in the wake of increasing legislation and regulation. For example, this year has businesses concerned about increasing and more onerous regulation, more businesses are likely seeking professional advice to ensure that they are covered and keeping up to date with ever changing rules, an example of this would be "single touch payroll".

As shown in Figure 29, the largest volumes of businesses responding with increased performance over the previous 12 months were also Retail Trade, and Accommodation & Food Services as well as Other Services.

<sup>5</sup> ABS (Nov 2019) 8501.0 - Retail Trade, Australia, Sep 2019

While retail trade may be feeling the brunt of economic climate as already discussed, this research supports that a large volume of retail businesses in Cessnock LGA have also reported positive performance over the previous twelve months. This certainly isn't unusual when compared nationally, as it is known hardware retail is going well on the back of building industry performance.

This follows on from positive performance in construction trades in Cessnock City. Latest ABS figures on new home building approvals indicate that activity across the Hunter continued to perform strongly in 2018. These results point to very healthy levels of activity for the residential construction sector in early 2019 which could align with reported performance of Construction businesses.

Other Services leads on from many service industry areas which include repair and maintenance businesses, personal care, and services in tourism which include celebrants. With a rising population and increasing visitor economy, these types of businesses are well supported.

Tourism is a significant force in the LGA with no surprise that these businesses in Accommodation and Food Services perceiving to have both realised improved performance, as well as same or worse performance. With changing market expectations, it will be increasingly important for these businesses to adapt to technology, expectations and demands which lead with experiences and bookable product.

**Figure 28: Perceived performance by sector (stacked)**

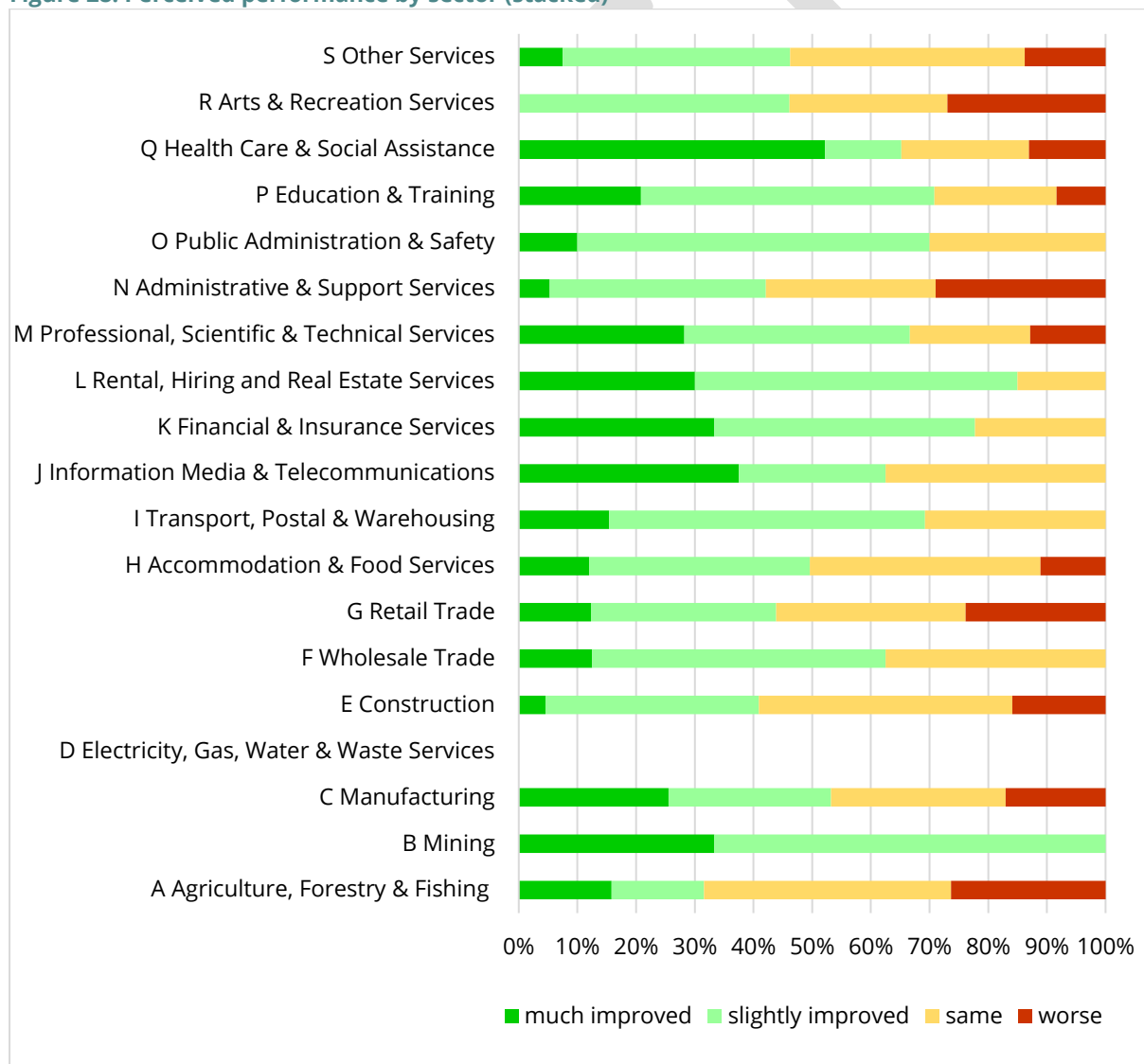
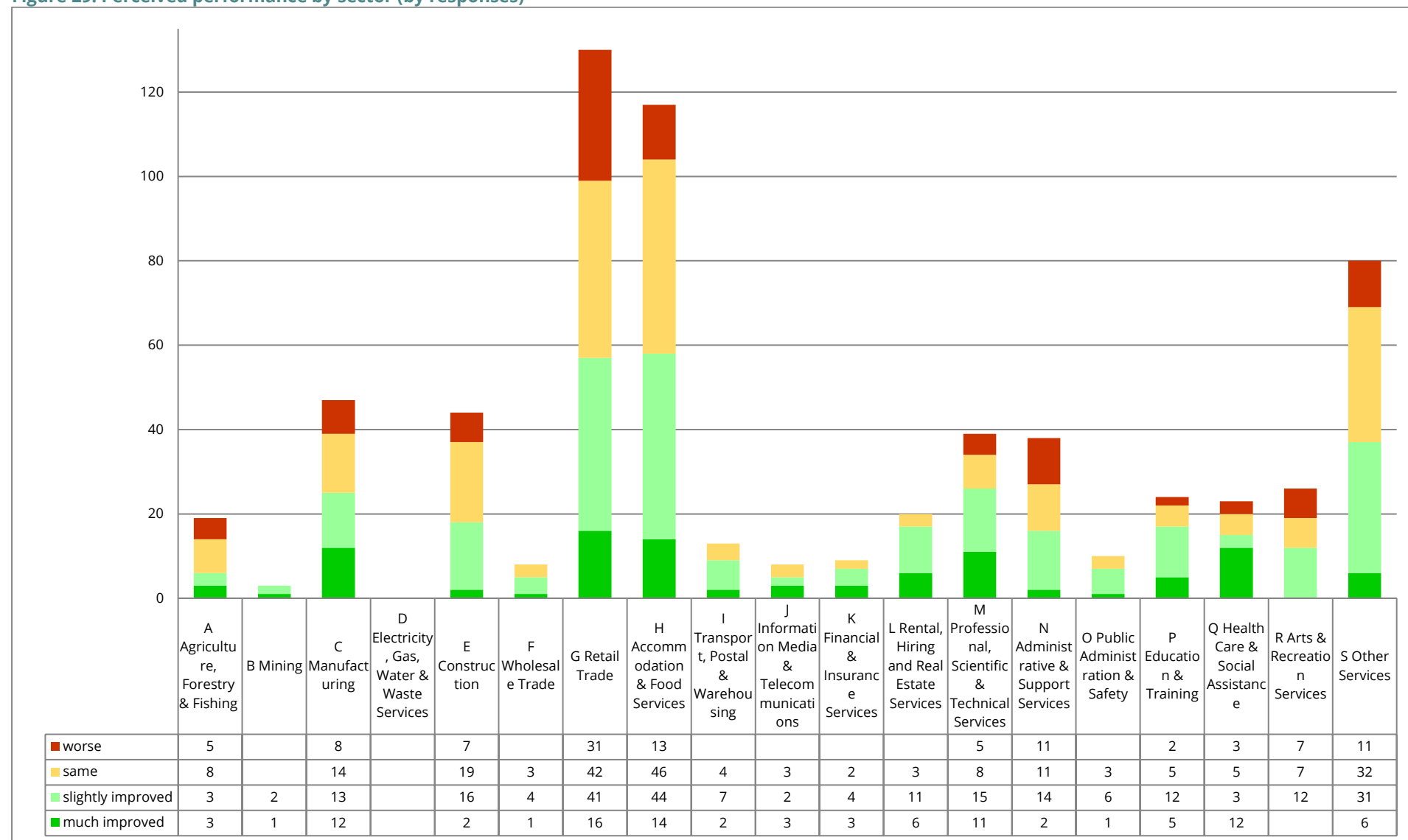




Figure 29: Perceived performance by sector (by responses)



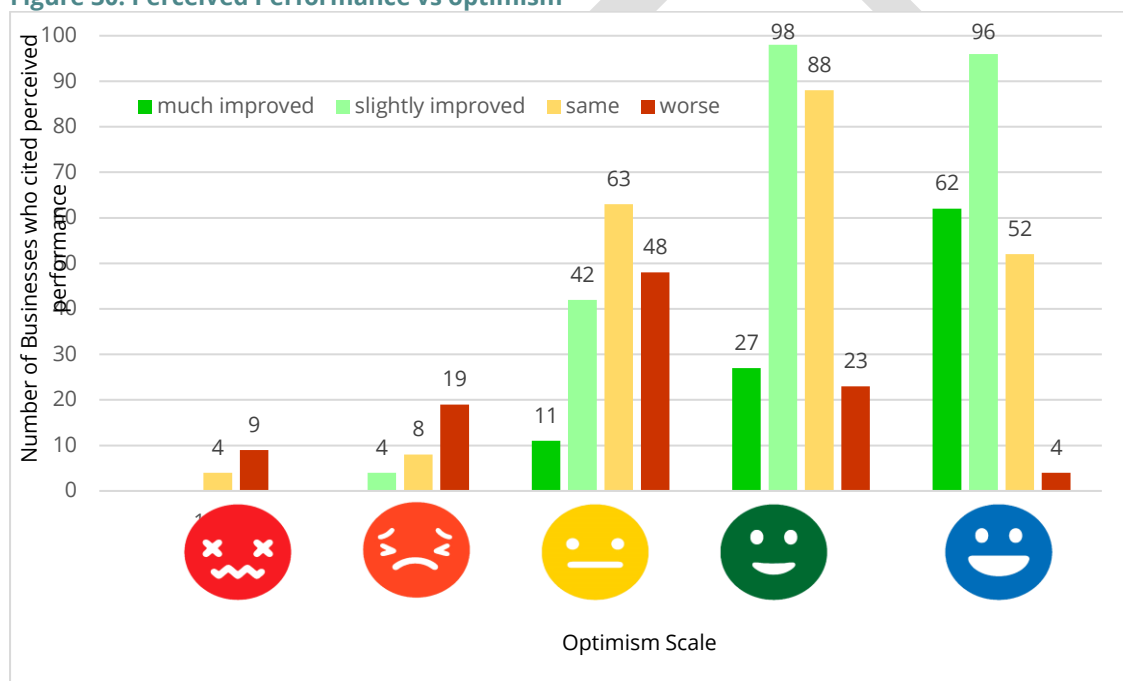
### 9.3 Cross analysis: perceived performance vs optimism

Some cross analysis was conducted to assess whether perceived performance over the previous 12 months had any impact on business optimism ratings for their future. Businesses were asked to rate their perceived optimism for the future of their business from “very concerned or negative” to “very confident or positive”. As per the explanation on Business Optimism on page 34, the optimism scale has been broken up and represented by five emojis.

As shown in Figure 30: Perceived Performance vs optimism, it has been observed that businesses who generally had perceived to have performed worse over the previous 12 months were also less optimistic in the rating they gave for the future of their business. This is represented by both the red and dark orange emojis.

Similarly, businesses who perceived they performed slightly or much improved in their previous 12 months, were more confident in their level of business optimism for the future of their business. In this sample, higher performance led to generally more optimistic businesses, as shown below in the green and blue emojis.

**Figure 30: Perceived Performance vs optimism**



### 9.4 Cross analysis: stage of business vs optimism

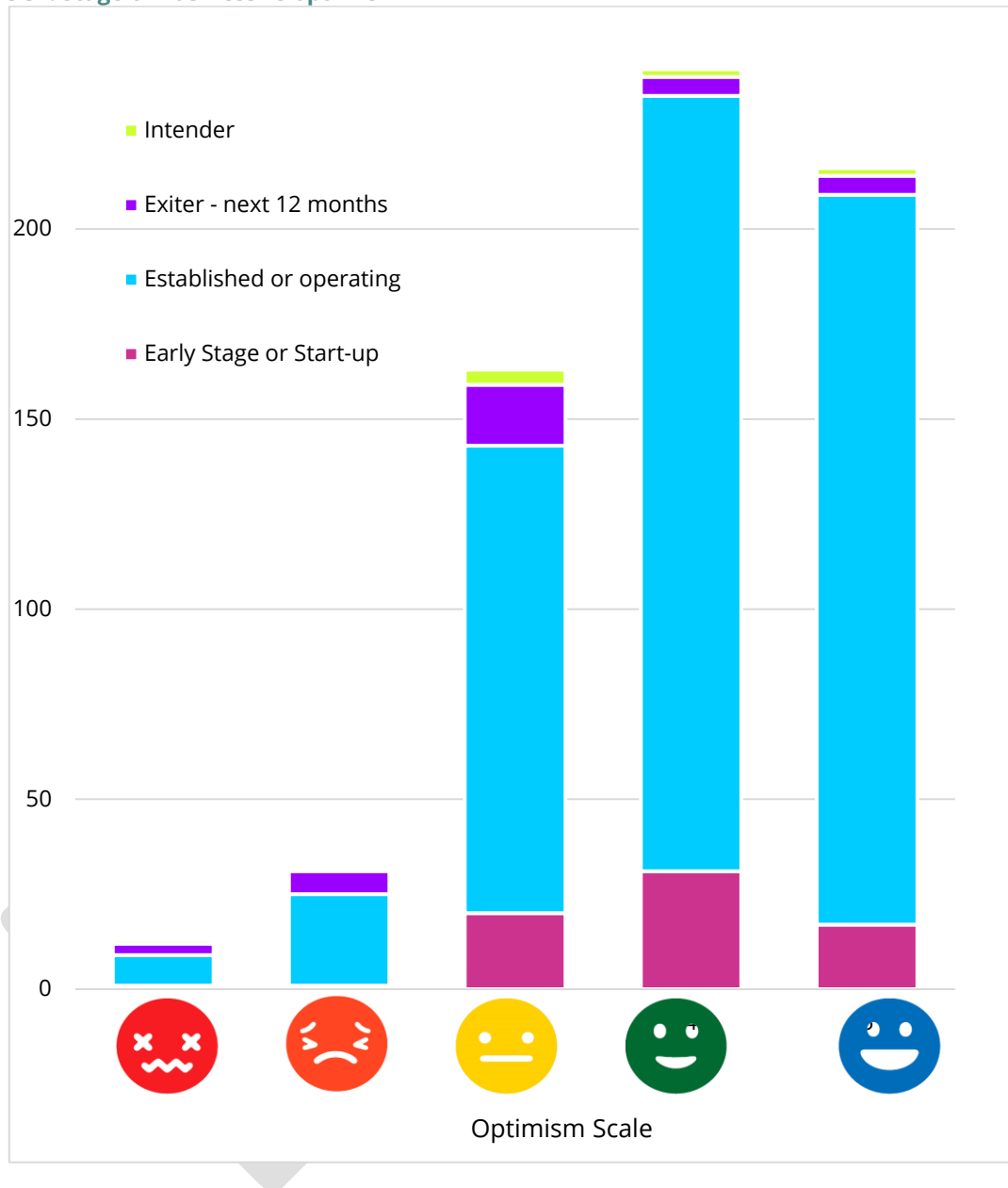
A good sign of economic wellbeing in a community is that established and operating businesses are still feeling optimistic about their future. A majority or 94.19% of the respondents (519) identified as established or operating cited a business optimism score of between 40 and 100 where 100 represents “very confident or positive”.

Indeed 396 businesses representing 71.87% of established and operating businesses provided an optimism score of between 60 and 100 represented in Figure 31: Stage of Business vs optimism, by the green and blue emojis. Overwhelmingly, this depicts existing and operating businesses in Cessnock LGA are feeling optimistic about the future of their business.

New businesses are generally optimistic about their future. We are currently in a period of technological change and transformation. Businesses are constantly adapting to change. This ability to adapt is viewed with optimism and reflects the opportunity created by their new business. Similarly, it is expected that new businesses intending or planning to start trading, or early stage and start-ups would be feeling optimistic about their future.

Nearly half or 45.71% (16) of all identified Exiters who responded to the optimism scale provided a score of between 40 and 50 on the optimism scale for their business future. This score is represented on the optimism scale by a yellow emoji. It is reasonable to expect that if the business intends to wind up or close that the business owners would be indifferent in terms of optimism.

**Figure 31: Stage of Business vs optimism**



## 10 BUSINESS SIZE

The following presents the employee data captured in the survey. It is provided for comparative purposes and to provide context. The survey was conducted on a sample, or a smaller subset of the total population of businesses, with the sample being deemed significant.

### 10.1 Size of Business by Number Employees

*Q: Including the business owners/partners, how many people are employed in your business?*

Of the 713 Cessnock LGA businesses who completed the survey, 63.11% (450) responded to this question and told us they employ a total of 6,613 employees.

From the 450 responses received, the average number of staff per business was 15. The mean may be skewed higher in the study as the researchers committed to ensuring many larger employing businesses were represented in the study.

The median number of staff was 4.

The businesses were classified into 4 categories based on the number of employees:

**Table 7: Business Size classification and numbers of business**

Category	Classification	Number of Businesses	Proportion of respondents
Micro business	(5 or less employees)	275	61.11%
Small business	(6 to 20 employees)	114	25.33%
Medium business	(21 to 100 employees)	45	10.00%
Large business	(greater than 100 employees)	16	3.56%
<b>Total</b>	<b>All businesses surveyed</b>	<b>450</b>	<b>100.00%</b>

Of the micro businesses identified, 115 only employ 1 or less representing 25.56% of all responding businesses. There were 57 micro businesses who employ 12.67%.

#### 10.1.1 Employees in the sub-regions

Cessnock and Surrounds had 3832 employees or 57.94% of all employees identified in the Business capability Survey.

Kurri Kurri and Surrounds had 14.19% of all employees identified equating to 939 employees

Central Pokolbin identified to have 1209 (18.28%), Lovedale 121 (1.82%) employees, Branxton Greta had 180 (2.72%) identified employees.

Wollombi Valley had 57 employees (0.86%) Mount View – Millfield 68 employees (1.02%) and Rural East – Outlying areas identified employees as 207 (3.13%).

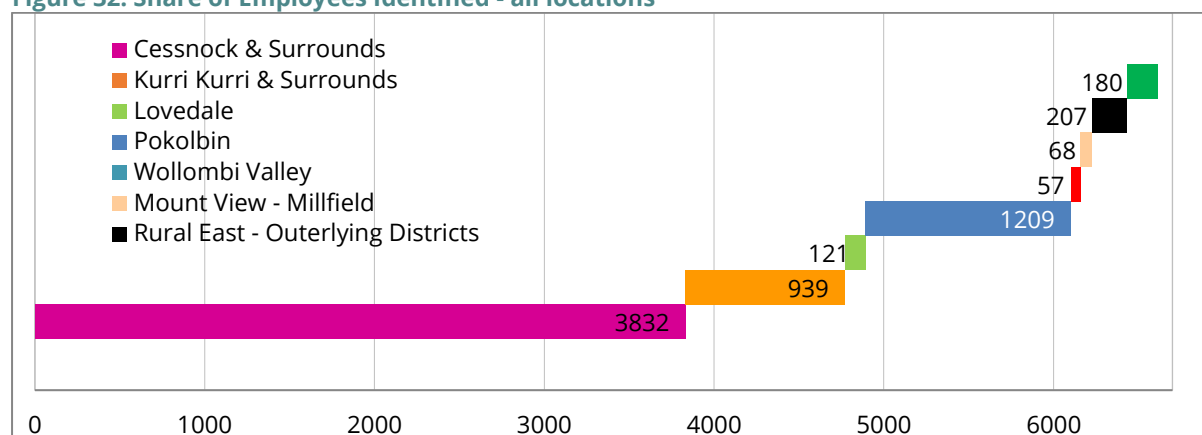
**Figure 32: Share of Employees Identified - all locations**

Table 8: Average Number of Employees per Business by sub region provides the total employees for each sub region as well as the average number of employees per business.

**Table 8: Average Number of Employees per Business by sub region**

Subregion	Total Employees	Average Number of Employees per business	Number of businesses who responded
Branxton - Greta - Dalwood	180	5	33
Central Pokolbin	1209	15	80
Cessnock & Surrounds	3832	20	194
Kurri Kurri & Surrounds	939	13	72
Lovedale	121	6	20
Mount View - Millfield	68	11	6
Rural East - Outerlying Districts	207	9	22
Wollombi Valley	57	2	23
<b>Grand Total</b>	<b>6613</b>	<b>15</b>	<b>450</b>

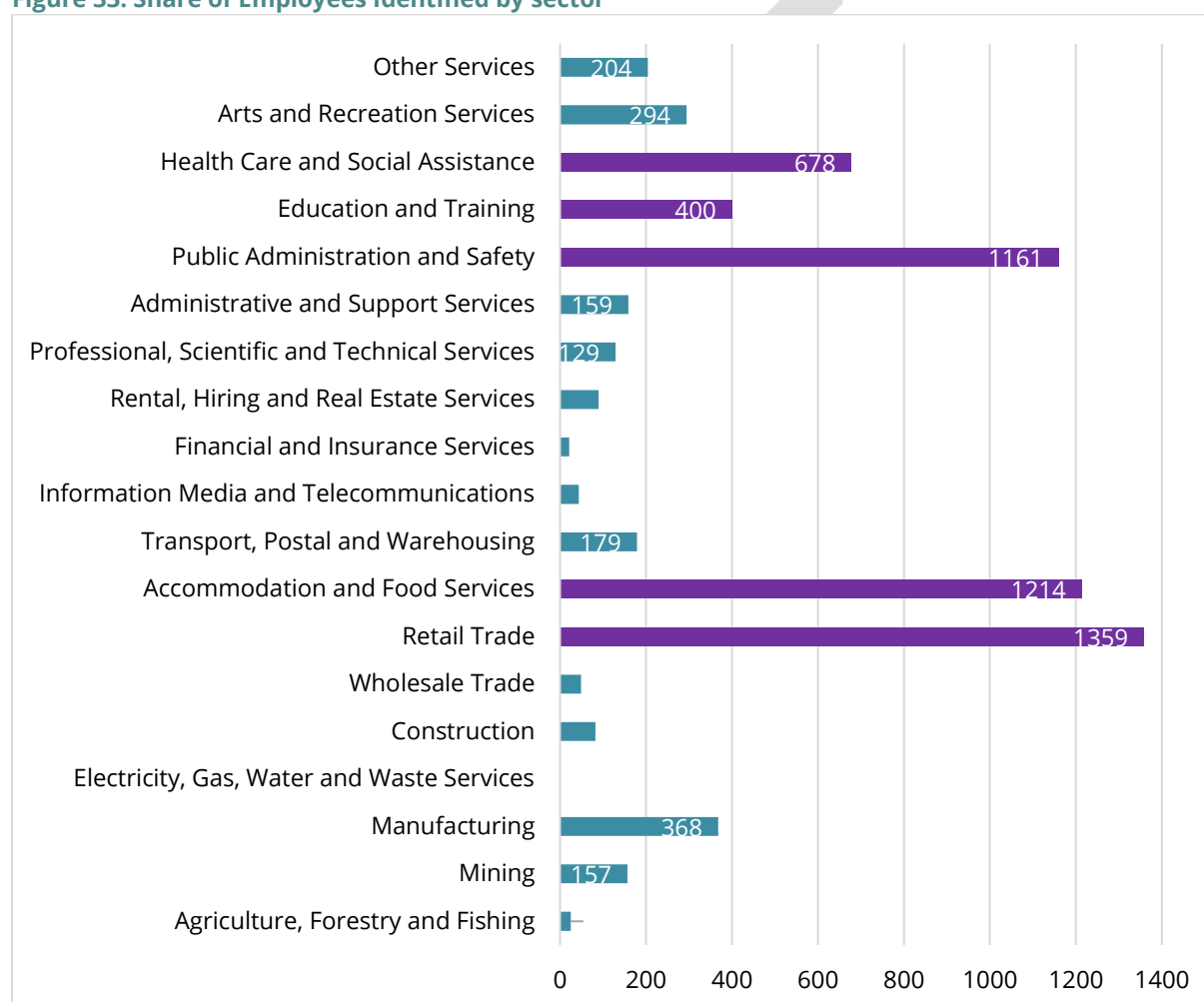
### 10.1.2 Employees by Sector

The top 5 sectors in Cessnock City where businesses cited employee numbers were:

1. Retail Trades 20.55% (1359 employees)
2. Accommodation and Food Services 18.36% (1214 employees)
3. Public Administration & Safety 17.56% (1161)
4. Health Care and Social Assistance 10.25% (678 employees); and
5. Manufacturing 5.56% (386 employees)

Other important sectors for Cessnock LGA based on employment and jobs according to the study are, Manufacturing, Arts and Recreation, Transport Postal and Warehousing and Other Services. Whilst some sectors remain as significant employers, the survey reflects a sample of businesses operating within the LGA.

**Figure 33: Share of Employees Identified by sector**



**Table 9: Average Number of Employees per business per sector**

<b>ANZSIC Division</b>	<b>Total Employees</b>	<b>Average Number of Employees per business</b>	<b>Number of businesses who responded</b>
Agriculture, Forestry and Fishing	25	2	13
Mining	157	52	3
Manufacturing	368	12	32
Electricity, Gas, Water and Waste Services	0	0	0
Construction	82	3	25
Wholesale Trade	49	10	5
Retail Trade	1359	13	103
Accommodation and Food Services	1214	16	77
Transport, Postal and Warehousing	179	22	8
Information Media and Telecommunications	44	11	4
Financial and Insurance Services	21	4	6
Rental, Hiring and Real Estate Services	90	7	13
Professional, Scientific and Technical Services	129	4	31
Administrative and Support Services	159	6	26
Public Administration and Safety	1161	166	7
Education and Training	400	25	16
Health Care and Social Assistance	678	42	16
Arts and Recreation Services	294	15	19
Other Services	204	4	46
<b>ALL SECTORS</b>	<b>6613</b>	<b>15</b>	<b>450</b>

## 11 DIGITAL PRESENCE & CAPABILITY

This type of research can assist in identifying opportunities to support business growth using social media channels, or identify where businesses might be able to be supported to develop more strategic marketing plans to ensure their social media investments are impactful and return on their investment.

### 11.1 Online sales

*Q: What percentage of your goods and services sold is online?*

Of all survey respondents (713), 489 provided a response to this question, resulting in a response rate of 68.58%.

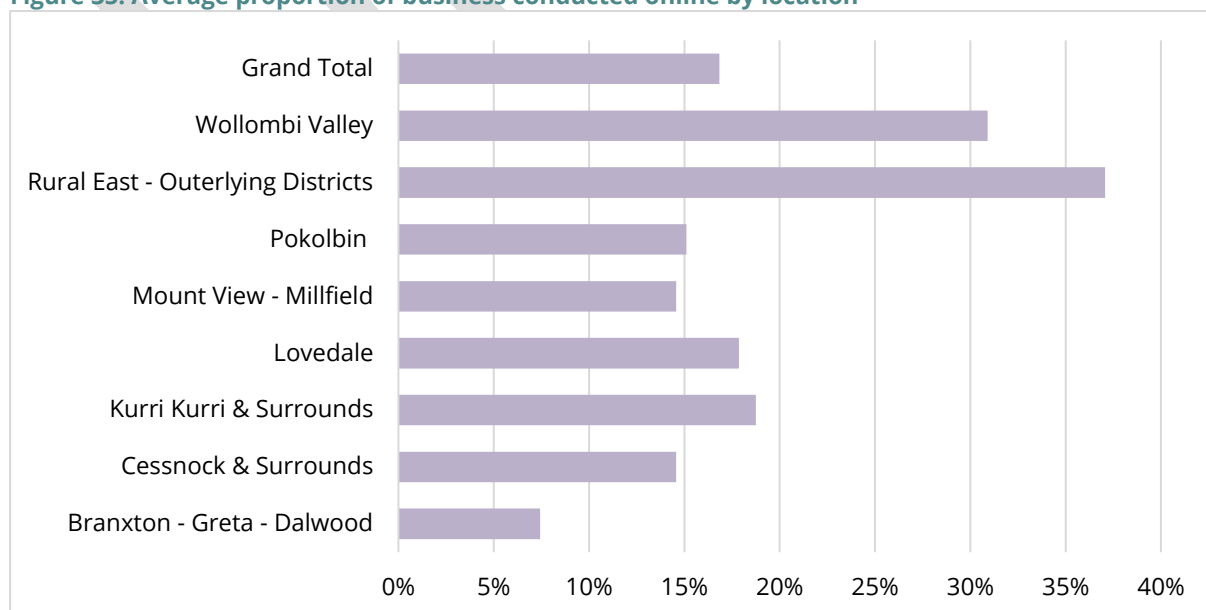
#### 11.1.1 Proportion of sales are online by location

Online sales by location is reflective of the type of businesses operating by sector within the selected area. Rural and outlying areas have a stronger need to do business on line due to the nature of their location, e.g.; access by road, remote locations.

**Figure 34: Percentage Goods and Services Sold Online - average response by location**

Sub-Region	Minimum Response	Maximum Response	Average Response
Branxton - Greta - Dalwood	0%	80%	7%
Cessnock & Surrounds	0%	100%	15%
Kurri Kurri & Surrounds	0%	100%	19%
Lovedale	0%	100%	18%
Mount View - Millfield	0%	100%	15%
Pokolbin	0%	100%	15%
Rural East - Outerlying Districts	0%	100%	37%
Wollombi Valley	0%	100%	31%
<b>All respondents</b>	<b>0%</b>	<b>100%</b>	<b>17%</b>

**Figure 35: Average proportion of business conducted online by location**





### 11.1.2 Proportion of sales are online by Sector

Sales by Sector could reflect that the market is researching online without purchase, wholesale trade would be a very established supply chain with the majority of sales being B2B.

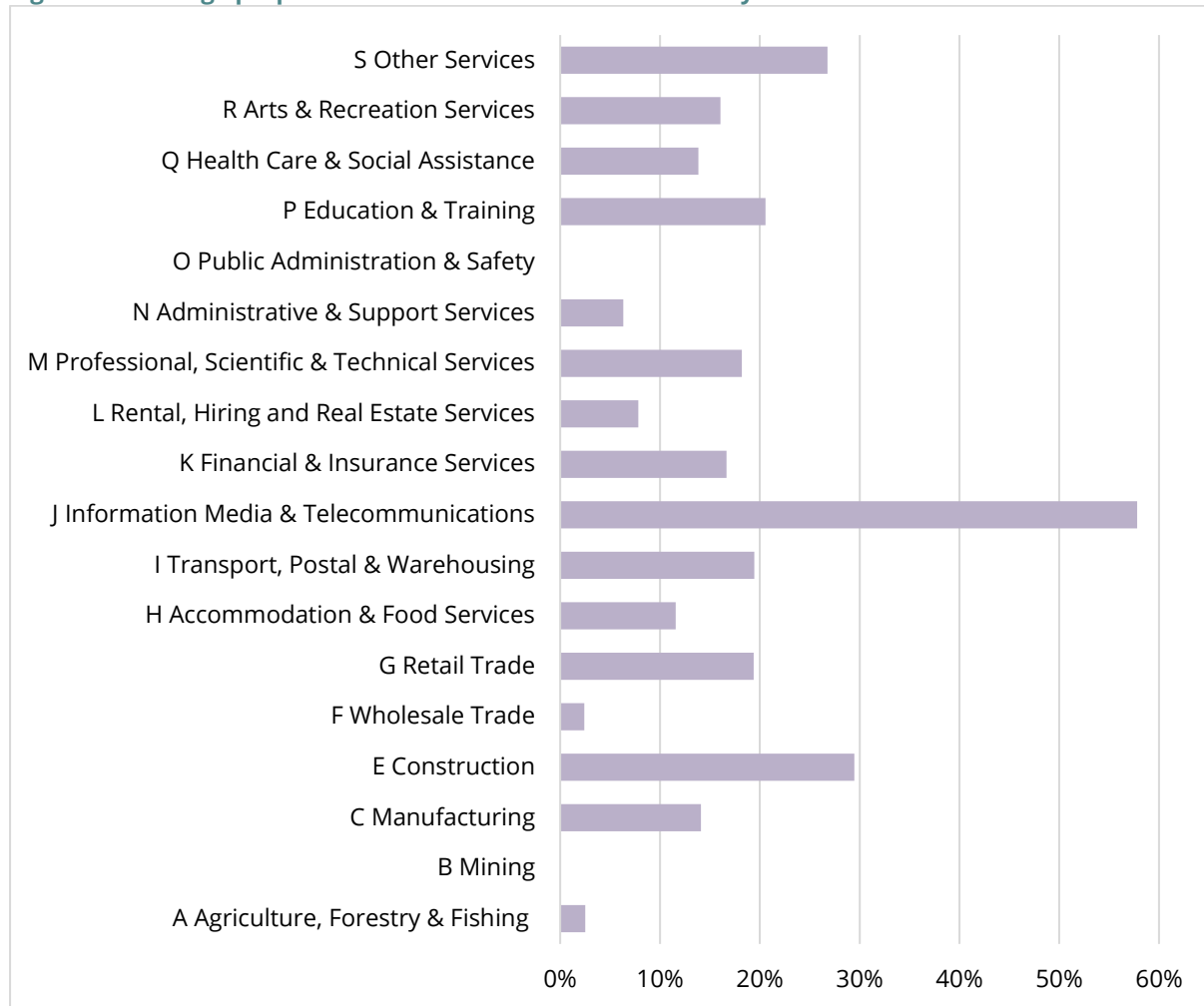
**Figure 36: Percentage Goods and Services Sold Online - average response by sector**

ANZSIC	Minimum	Maximum	Average Response
<b>A Agriculture, Forestry &amp; Fishing</b>	0%	30%	<b>3%</b>
<b>B Mining</b>	0%	0%	<b>0%</b>
<b>C Manufacturing</b>	0%	95%	<b>14%</b>
<b>E Construction</b>	0%	100%	<b>29%</b>
<b>F Wholesale Trade</b>	0%	10%	<b>2%</b>
<b>G Retail Trade</b>	0%	100%	<b>19%</b>
<b>H Accommodation &amp; Food Services</b>	0%	99%	<b>12%</b>
<b>I Transport, Postal &amp; Warehousing</b>	0%	100%	<b>19%</b>
<b>J Information Media &amp; Telecommunications</b>	0%	100%	<b>58%</b>
<b>K Financial &amp; Insurance Services</b>	0%	100%	<b>17%</b>
<b>L Rental, Hiring and Real Estate Services</b>	0%	75%	<b>8%</b>
<b>M Professional, Scientific &amp; Technical Services</b>	0%	100%	<b>18%</b>
<b>N Administrative &amp; Support Services</b>	0%	80%	<b>6%</b>
<b>O Public Administration &amp; Safety</b>	0%	0%	<b>0%</b>
<b>P Education &amp; Training</b>	0%	100%	<b>21%</b>
<b>Q Health Care &amp; Social Assistance</b>	0%	100%	<b>14%</b>
<b>R Arts &amp; Recreation Services</b>	0%	100%	<b>16%</b>
<b>S Other Services</b>	0%	100%	<b>27%</b>

The top sectors conducting business online as demonstrated by the average of respondents were Information Media & Telecommunications, construction, Other services and education and training. Conducting business online doesn't just purely relate to ecommerce and this is notable by the top sectors.

Surprisingly, retail is not a sector which ranks in the top 4 sectors doing business online. This is a huge opportunity for Cessnock LGA retail businesses, as conducting business online provides access to much larger markets.

Another sector which could be taking advantage of online sales and exposure due to advanced logistics and accessibility of the region is agribusiness.

**Figure 37: Average proportion of business conducted online by sector**

## 11.2 Social media

*Q: Does this business have an active business page on the following:*

Facebook  
Instagram  
Linked in  
Twitter  
TripAdvisor  
Other

### 11.2.1 Social media profiles

Of all businesses who responded to the survey, 380 businesses provided a response to this question (53.30% response rate). The response allowed multiple answers to be provided as some businesses might select a combination of response options.

The 380 respondents cited 739 different active social media profiles as detailed in Table 10: Social Media profiles held by businesses.

**Table 10: Social Media profiles held by businesses**

Social Media	Number of social media account responses	Proportion of all social media accounts	Proportion of surveyed businesses who have this profile
Facebook	354	47.90%	93.16%
Instagram	204	27.60%	53.68%
Linked in	44	5.95%	11.58%
Twitter	104	14.07%	27.37%
TripAdvisor	31	4.19%	8.16%
Pinterest (other)	2	0.27%	0.53%
<b>All active business accounts</b>	<b>739</b>	-	-

The most popular social media profile for business is Facebook cited by 354 businesses and comprising 47.90% of all business social media profiles identified in the survey. 93.16% of businesses surveyed had a Facebook profile.

Around half (53.68%) of all businesses surveyed had an Instagram account, with around a quarter (27.37%) having Twitter, and around 11.58% having Linked In. 31 businesses said they had a TripAdvisor account, and 2 mentioned Pinterest.

### 11.2.2 Businesses with multiple social media profiles

According to this research, on average each business respondent would have 1.94 social media accounts. Only 39.74% of businesses surveyed (151) held just one social media profile.

As respondents could choose multiple answers, analysis has shown some social media profiles are inclined to be kept simultaneously.

**Table 11: Combinations of Social Media profiles held by businesses**

Social Media Channels held by respondents	No. responses	% of respondents
Facebook	128	33.68%
Facebook, Instagram	89	23.42%
Facebook, Instagram, Linked in	12	3.16%
Facebook, Instagram, Linked in, TripAdvisor	8	2.11%
Facebook, Instagram, Linked in, TripAdvisor, Twitter	5	1.32%
Facebook, Instagram, Linked in, Twitter	5	1.32%
Facebook, Instagram, TripAdvisor	61	16.05%
Facebook, Instagram, TripAdvisor, Twitter	8	2.11%
Facebook, Instagram, Twitter	7	1.84%
Facebook, Linked in	10	2.63%
Facebook, Linked in, TripAdvisor	2	0.53%
Facebook, Linked in, Twitter	1	0.26%
Facebook, Pinterest	1	0.26%
Facebook, TripAdvisor	13	3.42%
Facebook, Twitter	4	1.05%
Instagram	7	1.84%
Instagram, Linked in	1	0.26%
Instagram, Pinterest	1	0.26%
Linked in	9	2.37%
Linked in, Twitter	1	0.26%
TripAdvisor	7	1.84%
Twitter	0	0.00%
Pinterest	0	0.00%
<b>All respondents</b>	<b>380</b>	<b>100.00%</b>

A large proportion of businesses 62.11%, (236) held two or more social media profiles in combination as opposed to a standalone profile on one channel.

A greater proportion of businesses (59.47%) had a Facebook business profile in conjunction with a second type of business social media profile, than businesses who kept Facebook on its own (33.68%). Similarly, 20.45% of businesses on Linked in only had Linked in, and a staggering 3.43% of businesses with Instagram had only Instagram.

According to the survey, Twitter and Pinterest were only held by businesses in combination with other social accounts, but not as any businesses' only account.

## 12 IMPORTING AND EXPORTING

Successful exporters can bring significant rewards when sending their products to overseas markets. Time, energy, effort and expertise are required to commit to exporting. It is important to identify how many of our businesses are exporting and if not, are they interested in finding out more or connecting to export support and training opportunities that can be offered through the council.

Businesses importing products or components from overseas may be able to add value to clusters of similar businesses through collective purchasing. It is important to identify businesses that import from overseas, and the types of products they are importing. Imports could be identified as an opportunity to source or manufacture new items locally. Identifying importers provides opportunities to expand the market, or identify strategic businesses to attract to establish locally and become part of the supply chain.

### 12.1 Importing

*Q: Do you currently export your product(s) or service(s) to overseas?*

There were 555 respondents providing a 77.84% response rate.

A majority of businesses or 90.45% (502) responded they do not import. Only 9.55% of respondents were importers (53 businesses).

**Figure 38: Import Status**

Response	Do you currently import any products from overseas?
No	502
Yes	53
<b>All responses</b>	<b>555</b>

### 12.2 Exporting

*Q: Do you currently export your product(s) or service(s) to overseas?*

There were 554 respondents providing a 77.70% response rate.

A majority of businesses or 91.88% (509) responded they do not export, while 31 of these did state they would be interested in investigating export.

Only 8.12% of respondents were exporters (45 businesses).

**Figure 39: Export Status**

Response	Do you currently export your product(s) or service(s) to overseas?
No	478
No, but interested	31
Yes	45
<b>All responses</b>	<b>554</b>

Identified exporters can be marked in the catalogue to assist in future export programs to assist new exporters. Interested exporters will be targeted for training opportunities on an annual basis and to connect with NSW export advisor.

## 13 THE BUSINESS ENVIRONMENT

The following presents information provided by businesses captured in the Business Capability Survey for liveability and perceived advantages and disadvantages of doing business in Cessnock City. This type of analysis supports understanding the business environment, allowing economic development practitioners to respond to issues strategically. It also supports identification of saleable and marketable features to include in marketing programming to attract new residents and develop business investment attraction strategies. Ensuring businesses are well supported by networks and business organisations such as Chambers of Commerce and industry bodies also provides a strengthened business environment.

### 13.1 Liveability

*Q: Does the primary business owner/manager live and work in the Cessnock LGA*

There were 553 businesses who responded to this question resulting in a response rate of 77.56%.

A vast proportion or 70.71% (391) of business owners or managers who responded to this question have stated they do also live and work in the Cessnock LGA. It could be said that the most engaged business owners or managers with Cessnock City Council may also be residents of the LGA, thus there was a large number of respondents in this group.

**Figure 40: Live and Work**

<b>Live and work in Cessnock LGA?</b>	<b>Total</b>
No - Only conduct business, live elsewhere	162
Yes - Live and work in Cessnock Local Government Area	391
<b>All responses</b>	<b>553</b>

There is an opportunity to catalogue and target business owners and managers who responded to this question with more detailed research questions on liveability.

This is also a critical way of targeting residents within the city for other purposes, for example during the management of natural disasters and to distribute meaningful information for community and stakeholder engagement on other projects.

## 13.2 Advantages of Cessnock City

*Q: What do you believe are the advantages of doing business in the Cessnock LGA?*

*Accessible - via road*

*Affordable*

*Friendly community*

*Great location to work*

*High demand for my products*

*Lifestyle attributes*

*Loyalty and repeat business*

*Opportunities from tourism*

*Picturesque and beautiful area*

*Population growth*

*Rural landscape*

*Supply Chains Available*

*Sense of community*

### 13.2.1 Advantages – selected options

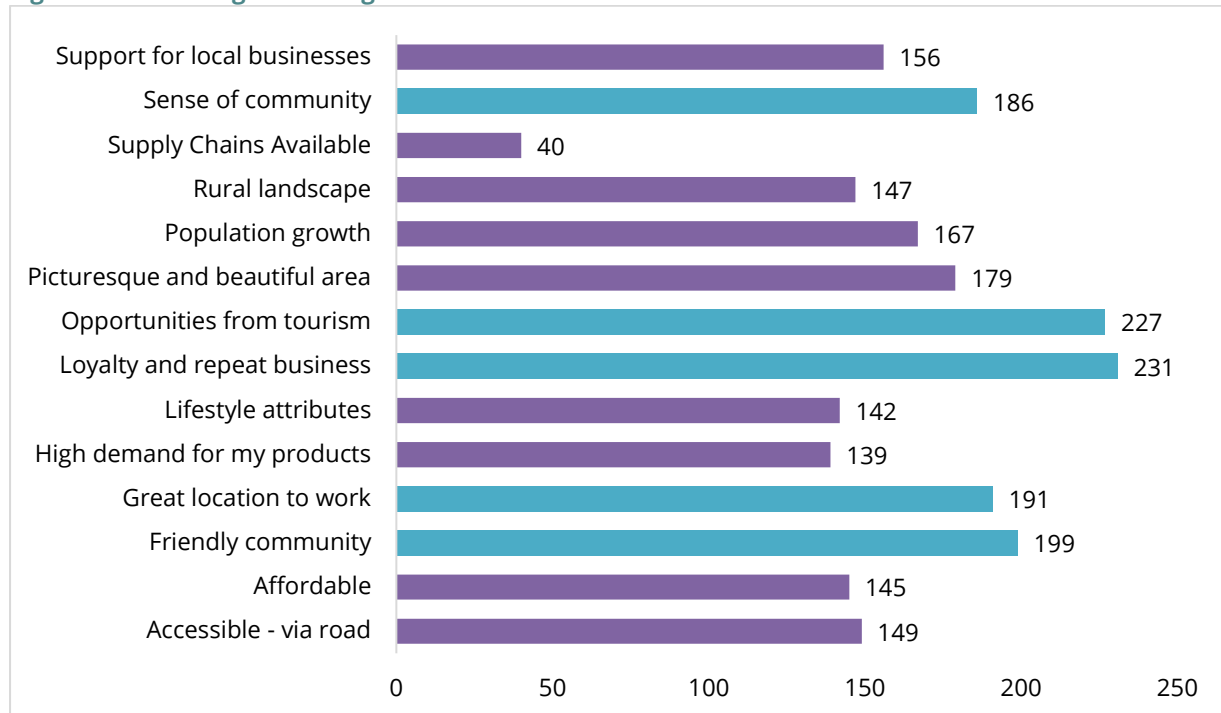
There were 478 businesses who responded to this question, representing a 67.04% response rate. These businesses cited the differing advantages 2298 times.

Nearly half of all respondents said that an advantage of doing business in Cessnock City was the loyalty and repeat business (48.33% of respondents), and the opportunities from tourism (47.49%).

The next largest responses rated the area as a friendly community (41.63%) and a great location to work (39.96%).

**Table 12: Advantages responded**

Advantage	Frequency	Proportion of respondents who cited
Accessible - via road	149	31.17%
Affordable	145	30.33%
Friendly community	199	41.63%
Great location to work	191	39.96%
High demand for my products	139	29.08%
Lifestyle attributes	142	29.71%
Loyalty and repeat business	231	48.33%
Opportunities from tourism	227	47.49%
Picturesque and beautiful area	179	37.45%
Population growth	167	34.94%
Rural landscape	147	30.75%
Supply Chains Available	40	8.37%
Sense of community	186	38.91%
<b>Support for local businesses</b>	<b>156</b>	<b>32.64%</b>

**Figure 41: Advantages of doing business in Cessnock LGA**

The top five responses are coloured blue.

### 13.2.2 Identifying other Advantages from open comments

143 business voluntarily added more open ended comments to the above question. From these comments it was established that they could be categorised into the listed items. The open comments added weight to the advantages of doing business in the LGA.

**Table 13: Open ended advantage comments - themed**

Themes of other advantages comments	Frequency
Lifestyle Attribute	6
Population Growth	4
Opportunities for tourism	20
Sense of Community	8
Support for local businesses	13
Loyal and repeat business	20
High demand for my product	9
Great location to work	23
Accessible – via road	11
Supply chains available	1
Picturesque and beautiful area	3
Rural landscape	0
Friendly community	8
Affordable	0



### 13.2.3 Further comments on all Advantages – verbatim responses

More comments of the advantages of doing business are presented verbatim:

- a. Cessnock LGA offers a great location to live and do business:**
  - ➔ *"Great location, reasonable internet, easy access to airports, good time zone to Asia."*
  - ➔ *"Tranquillity in my work environment enabling more focus"*
  - ➔ *"Central location in the hunter valley"*
  - ➔ *"Low urbanisation"*
- b. Opportunities for Tourism and existing industry recognised:**
  - ➔ *"Well established wine region"*
  - ➔ *"Tourism in the area is growing"*
  - ➔ *"Vineyards, wine making, restaurants and events attract tourism"*
  - ➔ *"Concerts in the vineyards"*
  - ➔ *"High calibre professional performances held locally"*
  - ➔ *"An olive growing centre"*
- c. Advantages of loyal and repeat business:**
  - ➔ *"Customers are parochial and loyal, I do not leak customers to Maitland and surrounds"*
  - ➔ *"Long term clients"*
  - ➔ *"Business is established"*
  - ➔ *"Old fashioned service"*
  - ➔ *"Word of mouth is a great promotor of business"*
  - ➔ *"Sense of community between local businesses"*
  - ➔ *"Local people are loyal and regular customers"*
- d. Region is accessible:**
  - ➔ *"Close to major centres – Newcastle, Sydney"*
  - ➔ *"Access to clients in other areas"*
  - ➔ *"Close to other major centres"*
- e. Support for local business:**
  - ➔ *"Collaboration"*
  - ➔ *"Very supportive council, local suppliers"*
- f. Sense of community and place:**
  - ➔ *"I would rather shop local to assist local businesses in my area"*
  - ➔ *"Supporting local businesses enables them to give back"*
  - ➔ *"Unique businesses that you won't find elsewhere"*
- g. Well serviced and infrastructure in place:**
  - ➔ *"Availability of gas"*
  - ➔ *"The availability of NBN"*
  - ➔ *"The airport"*
- h. Opportunities in the market:**
  - ➔ *"Love to see more crazy days shopping events supporting local businesses"*
  - ➔ *"Vast range of businesses to service"*
  - ➔ *"First Korean food in the area"*
  - ➔ *"Purely on line business only"*

## 13.3 Disadvantages

*Q: What do you believe are the disadvantages of doing business in Cessnock LGA?*

### 13.3.1 Disadvantages

There will always be perceived disadvantages of doing business which may be connected to workforce issues, market conditions, infrastructure backlogs, and other issues impacting the macro and microeconomic spheres. Asking businesses to identify and expand on these disadvantages can support economic development practitioners to address these issues, lobby for better outcomes, attract investment in infrastructure through major capital grants, and build greater trust in institutions to respond appropriately to issues impacting the local economy.

Of all respondents, 333 businesses responded with perceived disadvantages in an open question. These responses were separated into 18 themes, and 37 respondents specifically responded stating they had not experienced any disadvantage in doing business locally.

**Table 14: Disadvantages**

Category	responses
Traffic issues CBD, more parking needed	28
CBD appearance / attraction not bringing customers	14
Council support of business	29
Lack of Public Transport	12
No large industry/ Manufacturer / Employer	7
Poor Roads and infrastructure	59
Drought/ Flood / Drainage	5
Too much competition from other businesses	14
Poor and uncertain economy	12
Low socio economic issues	32
Cost of doing business	5
High Rent for commercial properties	9
Public perception of Cessnock	11
Council services e.g.; Waste/ Sewage / Regulations / approvals / policies	25
Promoting local businesses required by Council	10
Telecommunications issues / Black spots / poor NBN	11
Products not available from local business, travel outside LGA	13
Specified there were no disadvantages	37
All responses	333

Some of the broader themes above had in depth comments that can be unpacked in order to strategically respond. Some of the comments that Council can respond to in future programming are explained in Table 15: Explanation of comments on some themes.

**Table 15: Explanation of comments on some themes**

29 responses on <b>Council support for businesses</b> . Requests for regulation e.g. AirBNB, and suggestions of increased economic development programming through expanding training, information, communication, advertising, shop local campaigns.
14 comments on the <b>presentation and appearance of CBDs</b> impacting attraction of customers, user amenity and visitation.
59 comments were received about the <b>poor conditions of roads</b> around transport, including congestion in some areas that require improvement.
25 comments were requests for <b>investment in public infrastructure</b> such as bush walking amenities, airport upgrades, lighting, signage, and CBD renewals.
32 respondents made mention of the <b>low socio economic symptoms</b> raised through high unemployment, and homeless people.
25 complaints were in regards to <b>Council</b> services, planning, regulation, approvals, waste and policy issues.

### 13.3.2 Further comments on Disadvantages – verbatim responses

The free text comments were reviewed and assessed in terms of themes and issues presented by the businesses. Relevant themes, issues and verbatim quotations of comments received have been compiled below.

**Table 16: Comments and additional information provided by businesses on perceived disadvantages**

No.	Theme	Samples 1	Samples 2
1	Not enough parking in CBD	<i>"carparks nearby are often full, customers always comment that is difficult to get a park in or near Vincent street"</i>	<i>"we get told daily there are no car parks, so they go to Green hills or Kurri as there is easier access, especially for the elderly population, lack of parking is killing off the CBD."</i>
2	CBD appearance / attraction is poor	<i>"Not enough foot traffic, shops are closing down"</i>	<i>"poor commercial area with a significant number of empty shops, for all the beauty of the area, the town itself does not live up to the standards"</i>
3	Council regulation and approval of business	<i>"The council puts too many restrictions on businesses."</i>	<i>"Lack of support from the local government, highly dependent on tourism NSW and overseas."</i>
4	Lack of Public transport	<i>"Transport options are limited for those that rely on public transport"</i>	<i>"Limited public transport to vineyards, also from outer regions/towns to CBD"</i>
5	Reliance on mono industry, No one major industry/ Manufacturer / Employer	<i>"No industry workers to keep us going, not enough work going locally"</i>	<i>"No large housing developments" "area is too reliant on tourism"</i>
6.	Poor Roads and infrastructure	<i>"Poor unsealed, unmaintained roads that tourists are reluctant to use." "Terrible roads, always in need of repair"</i>	<i>"Traffic flow poor, congestion and getting into businesses hard." "No toilets in the CBD"</i>
7.	Too much competition in some sectors	<i>"Competition from Airbnb ." "too many of the same businesses"</i>	<i>"Six months after I began my business another two shot up doing the same thing, makes it hard when a unique market becomes flooded."</i>
8.	Poor Economy	<i>"Not getting paid promptly by customers" "customers have dropped off" "People are spending less now"</i>	<i>"Business does depend largely on tourism, weekdays can be quiet" "The downturn in the mining industry has had a negative flow on effect"</i>
9.	Low socio economic issues	<i>"Crime rates, break-ins, theft, damage to property" "Low family income area"</i>	<i>"lack of young self-motivated workers" "Unemployment, crime, burnt out cars, drugs, lack of police presence"</i>
10.	Council services e.g.; Waste/ Sewage / regulation and policies	<i>"DA process is too slow" "Council red tape"</i>	<i>"lack of direction as regards infrastructure development and maintenance, the legal restrictions, red tape and costs placed on licensed businesses that seek to explore different approaches to expanding and attracting business"</i>

## 13.4 BUSINESS PAIN POINTS

Pain points for businesses comprise the challenges, barriers to growth and concerns for business owners and managers in conducting their enterprise. No matter what the region, most small business owners will share a number of the same pain points. Pain points are diverse and can be as varied as businesses themselves.

Advocating for small businesses in your community, economic development practitioners can lobby for better outcomes to some of these national, state or regional issues or support governments to plan more strategically to address and respond. A question on business pain points provides government intel on the needs of local business. Councils and local government can play a critical role in the small business ecosystem, and can stimulate, facilitate and collaborate to support businesses to be better equipped at coping with pain points.

*Q: What do you perceive to be the most significant pain points or barriers to growth for your business and for the next 2 years? (Select and expand)*

### 13.4.1 Pain Points of Businesses

DEFINITIONS OF PAIN POINT OPTIONS
Access to reliable digital connectivity (e.g. NBN or internet connections, mobile blackspots)
Public Infrastructure (e.g. roads, cycleways, playgrounds, public amenity, transport)
Changes in customer markets (e.g. less customers, decline in visitor numbers, customer expectations)
Policy environment (e.g. liquor licensing changes, Dealing with regulation and staying up-to-date)
Staffing issues (e.g. retaining and hiring, penalty rates, skills shortages)
Government Red tape (e.g. approval processes, mandatory online payroll changes, online changes to superannuation etc)
Taxation issues
Cash flow, access to funding or capital (e.g. banks not lending)
Changing nature of technology (e.g. cyber security, peer reviews and impact of e-commerce etc)
Innovation Disruption (e.g. obsolete traditional products or service, self driving cars, competition from Uber and Airbnb or booking.com)
Commercial spaces to rent or buy (e.g. right floor spaces and available spaces to grow, rents too high)
Rising cost of doing business

There were 596 businesses who responded to this question, representing an 83.59% response rate.

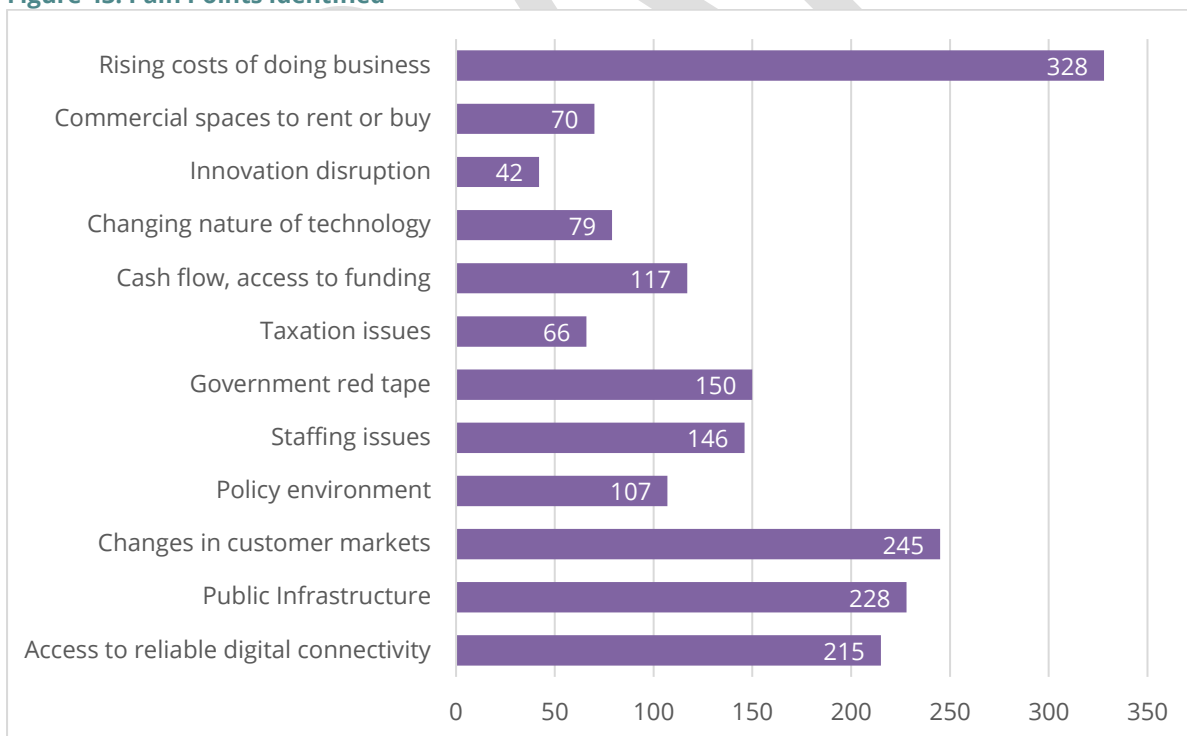
The largest pain point as identified by 328 businesses in this survey and cited by over half of respondents (55.03%) was the rising cost of doing business.

41.11% of respondents (245) cited changes in customer markets as a key pain point. This includes less customers, decline in visitor numbers, and changes in customer expectations. Businesses can be supported to overcome this with enhanced training opportunities in marketing, product development support, and adaptability through adoption of technologies and remaining up to date with trends. Continued support and advocacy for increased regional exposure is also a strategy.

The next most common pain points felt by Cessnock LGA businesses were limitations and shortfalls in public infrastructure such as roads, cycleways, playgrounds, public amenity, transport, and this was cited by 228 respondents (38.26%). This is a huge opportunity for Council to lobby and secure more grant funding opportunities to curb this trend, and unlock opportunities for local businesses through improving public assets.

**Figure 42: Pain points**

Pain Point Option	Frequency	Proportion of respondents who cited
Access to reliable digital connectivity	215	36.07%
Public Infrastructure	228	38.26%
Changes in customer markets	245	41.11%
Policy environment	107	17.95%
Staffing issues	146	24.50%
Government red tape	150	25.17%
Taxation issues	66	11.07%
Cash flow, access to funding	117	19.63%
Changing nature of technology	79	13.26%
Innovation disruption	42	7.05%
Commercial spaces to rent or buy	70	11.74%
Rising costs of doing business	328	55.03%
<b>Total</b>	<b>1793</b>	-
Other – Open ended responses	156	26.17%

**Figure 43: Pain Points identified**

156 businesses also responded with open ended discussion on perceived pain points which will be further discussed in the next section.

### 13.4.2 Further comments on Pain Points

There were 160 businesses who added more open comments to other issues causing pain points, the majority of comments were extension to the current categories with specific issues raised concerning their business. They were themed and tallied as below:

**Table 17: More Pain Points cited by businesses**

Category	Responses
Access to reliable digital connectivity	10
Public Infrastructure	25
Changes in customer markets	47
Policy environment	20
Staffing issues	12
Government red tape	4
Taxation issues	1
Cash flow, access to funding	0
Changing nature of technology	0
Innovation disruption	2
Commercial spaces to rent or buy	1
Rising costs of doing business	21
Weather, drought related	4
Retirement	6
No issue	12

The vast majority of respondents said they believed that changes customer in customer markets will affect business in the next 2 years.

Airbnb and policies around them caused significant issue with accommodation businesses, others perceived that the economy might currently be entering an uncertain period which creates lower spending when consumer confidence is down. A range of businesses were concerned, but primarily businesses in retail and tourism industries.

## 13.5 Networks

*Q: Is the business currently a member of any local chamber of commerce or member based association?*

Networks and membership associations are important for small business in local communities. The benefits to networking include meeting new contacts and referrals, raising personal profile, helps businesses remain current, find solutions to business problems, share knowledge and experience, collaborate or invest on ideas, boost confidence and form new friendships with likeminded people.

Good networks strengthen the business environment.

Many businesses in Cessnock LGA are already realising the benefits of connecting to their business networks. Cessnock LGA has a number of local networks for businesses, many of which are partnered with Cessnock City Council's dedicated business platform, Advance Cessnock City.

This analysis is provided to demonstrate from this survey, that local businesses did nominate that they value and support their networks and membership based entities. The question may also identify opportunities for these networks to expand, collaborate and support more businesses in the city.

Of the 713 Cessnock LGA businesses who completed the survey 39.13% (279) provided a response to this question. While this appears low, businesses who are not a member of any chamber would have intentionally skipped the question, thus the response is considered high.

### 13.5.1 Findings on Networks

The 279 businesses who responded to the question cited they participated in 479 counts of membership across 52 entities.

This significant result provides that Cessnock LGA businesses hold on average 1.72 memberships with networks such as chambers of commerce and industry associations.

The intent of this question is not to provide an exhaustive count or comparison of memberships per chamber of commerce or network body.

The top 19 responses include any network named more than twice and are depicted in a word cloud below.

**Word Cloud 1: Networks named by businesses (>2)**





### 13.5.2 Business comments on joining Networks

In order to support local chamber of commerce and business networks to grow, it is important to identify in the feedback, how to unlock opportunities for local businesses to better connect with their networks as well as opportunities to augment membership offers. Instead of providing a response to “other”, some businesses volunteered extra information on their memberships which can be used to assist chambers and networks to leverage more businesses to join or add value back to businesses.

It is acknowledged that a majority of the local business chambers and associations in the region already conduct business satisfaction surveys which is a positive approach to continuous improvement. This section provides an independent view from a broad number of businesses from across the city, irrespective of their affiliations. Businesses were not prompted to provide this feedback, it was included by respondents additionally.

Some of the themes from free comments about membership networks can be used constructively to add value or raise better awareness of the benefits of joining a network. Themes emerged from the feedback on networks, with verbatim quotations included:

**a. Businesses are supportive of chambers and business networks and their activities and hold them in esteem:**

- ➔ “[Network name retracted] is very active and supportive”
- ➔ “love the customer service awards”

**b. Businesses have expressed positive feedback in Cessnock City Council’s economic development partnership with the local networks under Advance Cessnock City:**

- ➔ “Advance Cessnock is a good conduit between chambers and council”

**c. Businesses perceive it can be cost prohibitive to join a network:**

- ➔ “For small businesses like ours, it is hugely expensive (\$3,600 and \$450 p/annum) to belong to just 2 strategic memberships”
- ➔ “Too expensive to retain membership so have failed to renew.”
- ➔ “Membership costs too high.”

**d. Businesses might not be aware of all the networks available to them or have been exposed to all networks:**

- ➔ “Love to join more”
- ➔ “How can I join more commerce groups in the hunter valley? E.g. Cessnock, Lovedale.”

**e. Networks need to communicate more frequently with their businesses, and the value of being a member:**

- ➔ “We were a member of [Network name retracted], but did not see any value in continuing.”
- ➔ “Not a member of any. None have added any value to my business for some time”

**f. Some feedback pointed to an underlying assumption that participating in a network would exhaust valuable time of a small business operator:**

- ➔ “nil, not enough time”

**g. Networks might need to refresh or renew their engagement methods:**

- ➔ “used to be in chambers but found it was set up for old members only”

## 14 SKILLS SHORTAGES & TRAINING NEEDS

The following presents information provided by businesses captured in the Business Capability Survey on their training needs and workforce skills shortages. This question follows on from a 2018 comprehensive skills audit conducted by Cessnock City Council, and provides opportunity to look at this type of data from a time series. It also looks at specific capacity building needs of businesses and can be used to inform Council, Advance Cessnock City and network partners to develop an upskilling program that is relevant to the needs of businesses.

### 14.1 Training Needs

*Q: If training was to be offered to businesses, which subjects are most relevant to this business? Select all that apply.*

#### 14.1.1 Training Needs

Of all respondents, 409 businesses provided at least one response the following topics as relevant to their business.

**Table 18: Training needs identified by business**

Training need	responses	Proportion of respondents who cited
Digital Marketing and social media	233	56.96%
Growing your business / franchising	71	17.35%
Financial Management (book keeping, budgeting, taxation)	88	21.51%
Digital business and technology	110	26.89%
Business planning (market research, risk management)	94	22.98%
Sales (merchandising, pricing, and e-commerce)	94	22.98%
Green business and sustainable practices	69	16.87%
Home-based businesses	41	10.02%
Employing, managing, motivating staff, staff retention, training	115	28.11%
Customer Service	104	25.42%
Importing and exporting	22	5.37%
Networking	118	28.85%
Women in business	59	14.42%
Growing your Aboriginal business	23	5.62%
Exiting, selling, or succession planning	38	9.29%
Policies / procedures / protocols	55	13.44%
Workplace Health and Safety	90	22.00%
New business ideas/ how to start up a business	36	8.80%

### 14.1.2 Training needs, additional comments expanded

*Q: If Training was offered to businesses, which subjects are most relevant to this business – other training?*

The free text comments were reviewed and assessed in terms of themes and issues presented by the businesses. Relevant themes, issues and types of comments received have been compiled below.

66 businesses added more comments to other training, 27 businesses replied that they don't require any training. The majority of the comments were extensions to the programs listed.

General comments made were:

- ➔ *"Tourism training and language training - The history of the towns and region. Why is this region critical for all to protect for current and future visitation and economic. How to welcome/speak visitors."*
- ➔ *"Having Experienced Mentors that actually care about your success"*
- ➔ *"Understanding Council requirements when running an accommodation business"*
- ➔ *"More free training in the domestic violence area, at the moment it is cost prohibitive for small services"*
- ➔ *"There is a lack of horticulture training oriented to the olive industry"*

Specific training requested:

- Winemaking
- Poly Welding
- Food handling
- Protecting intellectual property
- Inventory control and stock control
- Attracting volunteers
- Supporting employees with a disability
- Safety and security
- Basic Computer training e.g. outlook, word, excel etc.

### 14.1.3 Discussion on training needs

Business capability in terms of Information Technology and capacity is critical, while retail is experiencing a slump nationwide, the latest NAB Online Retail Sales Index<sup>6</sup> shows all online retail categories except fashion saw growth in month on month terms. While fashion saw a 1 per cent drop over the month, online sales of games and toys grew 9 per cent and online grocery and liquor sales grew by about 1.7 per cent month on month. Thus building local capacity for businesses to harness the opportunities in e-commerce is increasingly important to a resilient economy.

Programs should be designed to support businesses to get online, utilise social media, develop websites, overall digital strategy and increase knowledge and understanding of multi-media to expand their online presence.

Education programs and workshops to build capability and capacity within our industries, support and assistance relating to skills shortages and workshops which assist businesses to grow relative to the findings e.g. networking, women in business, Workplace Health and Safety etc.

Employing, managing, motivating staff, staff retention, training was significant issue for businesses and they indicated training would support them in this area. This is consistent with the Skills Audit (2018) which found that small and micro businesses are overwhelmed with not only attracting quality workers and the cost of employing but also daunted by the process. Raising awareness of employment processes, highlighting positive case studies and re-education of businesses through local economic development initiatives. There has been a need identified which is reinforced by this study for an employment clinic where businesses are supported to navigate the employment process. Council's new Jobs Portal launching in 2019 reinforces much of this and adds value to future training programs.

<sup>6</sup> <https://www.nra.net.au/media-release/september-sales-australia/>

## 14.2 Skills shortages

*Q: Does your business experience these types of skills shortages?*

This question follows on from a 2018 comprehensive skills audit conducted by Cessnock City Council, and provides opportunity to look at this type of data from a time series.

### 14.2.1 Skills shortages identified

A total of 432 businesses responded to this question, providing 910 counts of responses and a response rate of 60.59%. A total of 235 respondents experienced a skills shortage (54.40%) citing 713 responses.

**Table 19: Skills Shortages**

Skills Shortage Identified	Frequency	Proportion of Respondents who cited	Proportion of Respondents with a skills shortage
I have not experienced any skills shortages.	197	45.60%	-
Difficulty in attracting appropriately qualified workers	106	24.54%	45.11%
Difficulty in attracting skilled workers	119	27.55%	50.64%
Difficulty in retaining skilled workers	44	10.19%	18.72%
General issues with work ethic and attitude to work	99	22.92%	42.13%
Too hard to find any workers	48	11.11%	20.43%
Unreliable workers	84	19.44%	35.74%
Workers are too inexperienced	54	12.50%	22.98%
Workers not "job-ready" or lack key worker traits	56	12.96%	23.83%
Not sure	23	5.32%	9.79%
Other	80	18.52%	34.04%

**Figure 44: Skills Shortages**



Over half or 50.64% of all businesses who said they had a skills shortage cited they experienced 'difficulty in attracting skilled workers'. And two out of five skills shortages included 'general issues with work ethic and attitude to work'. 23.83% said 'workers not "job-ready" or lack key worker traits'.

### 14.2.2 Skills shortages, additional comments expanded

*Q: Does your business experience these types of skill shortages – other?*

The free text comments were reviewed and assessed in terms of themes and issues presented by the businesses. Relevant themes, issues and types of comments received have been compiled below.

67 businesses added more comments to skill Shortages. Outside of the general skilled workers category, some businesses are experiencing shortages in the following areas:

- Mining engineers
- Chefs
- Hospitality
- Cellar door
- Town Planners
- Farm workers
- Aircraft Pilots
- Balloon pilots
- Bakers
- Therapists

### 14.2.3 Discussion on Training Needs

Research<sup>7</sup> supports that funding should be used for job creation where training is linked to jobs and a pathway to a permanent job is created. Work placements and on the job experience are more beneficial for employment outcomes than group work projects to a student's aptitude and experience valued by employers<sup>8</sup>. This creates candidates of greater value to employers as they have acquired appropriate work skills.

The need for diversification of industry also leads to a need for diversification of the labour force. There needs to be an emphasis on building a labour force with 'transferable skills' – that is, skills that can adapt to changes within the industry of employment as well as across diverse industries (recognition of opportunities horizontally across industries). A pathways program could assist to upskill existing workers to move up into higher level roles, creating job vacancies and career entry opportunities for clients from government employment programs such as Jobactive or Disability Employment Services, contributing to lowering the overall local unemployment rate. Aspirational pathways and horizontal pathways across industries can be identified.

One key finding of the Cessnock City Skills Audit 2018 is the connection between businesses and the tertiary education sector as the missing link. This is not only a local matter, the separation of training outputs and business workforce needs is a nationally recognised issue. The Skills Audit (2018) findings in relation to skills was much more robust in terms of detail and forecasting needs, and are continued to be supported by the current findings in the Business Capability Study (2019).

Hefferan and Fern<sup>9</sup> (2018) insist on the value of skills development and the role of government agencies in facilitating and supporting networks between training providers, business associations and individual firms by providing facilities that are relevant in that location. Training programs that directly address the identified skill shortages can be established in collaboration with TAFE NSW, chambers of commerce and local businesses.

<sup>7</sup> Borland, J. (2015) "The Australian Labour Market: The More things Change..." *The Australian Economic Review*, 48:3, pp225-42

<sup>8</sup> Australian Jobs 2015, Department of Employment

<sup>9</sup> Hefferan and Fern (2018). Questioning the Value of Government Support for Start-Up, Knowledge-Intensive Companies: Emerging Evidence and Future Options. *Australasian Journal of Regional Studies*, Vol. 24, No.1

## 15 TREND ANALYSIS

The total number of businesses identified in Cessnock LGA in the Business Capability Study in 2014 was 2287. In 2019 the number of known active businesses has risen to 3017. This represents an increase of 730 businesses. This represents an annual growth rate of 6.38%.

Comparisons are made with the Business Capability Survey (BCS) 2014 and the Skills Audit 2018 and the Business Capability Survey 2019.

The data sets may be presented as either a percentage or proportion of respondents in the respective year or as a whole number. The data collection, methodology and sample rates have been similar over each of the studies, however it must be noted there may be limitations to linear comparisons.

**Table 20: Top 10 proportion of responses by businesses in each sector 2014-2018-2019**

Top 10 percentage of Businesses by Sector			
Comparison to 2014 BCS and Skills Audit 2018	2014	2018	2019
Retail Trade	18.28%	22.45%	21.82%
Accommodation and Food Services	16.70%	20.74%	18.42%
Agriculture, Forestry & Fishing	3.37%	0.87%	12.84%
Other Services	16.31%	10.75%	12.84%
Manufacturing	5.38%	6.65%	8.20%
Professional, Scientific & Technical Services	4.07%	1.27%	7.58%
Construction	9.93%	2.42%	7.27%
Administration & Support Services	N/A	14.06%	6.65%
Arts and Recreation Services	3.94%	4.44%	4.79%
Health Care & Social Assistance	3.67%	11.17%	4.49%

**Table 21: Size of businesses 2014-2018-2019**

Size of Businesses			
Comparison to 2014 BCS and Skills Audit 2018	2014	2018	2019
Micro business (5 or less employees)	73.20%	66.13%	61.11%
Small business (6 – 20 employees)	20.77%	26.20%	25.33%
Medium business (21 – 100 employees)	5.24%	5.75%	10.00%
Large business (greater than 100 employees)	0.79%	1.92%	3.56%

**Table 22: Length of tenure 2014-2019**

<b>Length of Business Tenure</b>		
Comparison to 2014 BCS	<b>2014</b>	<b>2019</b>
<1 years	36.87%	14.13%
2– 6 years	13.08%	23.02%
7 – 14 years	12.98%	20.48%
15 – 24 years	9.66%	18.73%
25 – 49 years	9.66%	16.98%
55 – 99 years	6.14%	4.29%
100+ years	4.63%	2.38%

An assumption by the above is it could be noted that many micro businesses have survived longer than 12 months and are now moved passed the start-up stage and are continuing to trade. A further point as that the survey team ensured that larger employers were included in the 2019 study.

**Table 23: Advantages of doing business cited by businesses 2014-2019**

<b>Advantages of doing business in the Cessnock LGA</b>	
<b>2014</b>	<b>2019</b>
<i>Order of importance</i>	<i>Order of importance</i>
1. High demand for my product	1. Loyal and repeat Business
2. Opportunities from Tourism	2. Opportunities from Tourism
3. Sense of community	3. Friendly community
4. Loyal and repeat Business	4. Great location to work
5. Sense of community	5. Sense of community
6. Great location to work	6. Picturesque and beautiful area
7. Population growth	7. Population growth
8. Word of mouth	8. Accessible by road
9. Accessible by road	9. High demand for my product

Slightly different priorities were expressed by businesses in their responses but the advantages are mostly consistent. The line of questioning in both years allowed open ended responses, but in 2019 businesses were offered suggested themes.

**Table 24: Top disadvantages of doing business cited by businesses 2014-2019**

<b>Top disadvantages of doing business in the Cessnock LGA</b>	
<b>2014</b>	<b>2019</b>
<i>Order of importance</i>	<i>Order of importance</i>
Poor roads and infrastructure	Poor roads and infrastructure
Traffic Issues CBD, More parking needed	Low Socio economic issues
Council services e.g. regulations, policies	Council support of businesses
Slowing economy	Traffic issues CBD, more parking needed
Local procurement options limited	Council services e.g.; regulations, policies
Low socio economic issues	CBD appearance / attraction not bringing customers
Decreasing employment opportunities	Products not available from local businesses
Lack of Public transport	Lack of public transport

Very similar responses received as to what the disadvantages are between the two periods.

**Table 25: percentage of businesses importing and exporting comparison 2014-2019**

<b>Importing and Exporting</b>		
Comparison to 2014 BCS	<b>2014</b>	<b>2019</b>
Number of Importers	5.14%	9.54%
Number of Exporters	2.79%	8.10%
Interested in exporting	36	31

In 2014 more emphasis and data was chased in regards to importing and exporting, a larger base response received in 2014 but still similar number to enquiring about exporting

**Table 26: Skills shortages comparison 2018-2019**

<b>Skills shortages</b>		
<i>Types of shortages experienced by businesses, multiple answers cited</i>	<b>2018</b>	<b>2019</b>
I have not experienced any skills shortage	42.93%	45.60%
Difficulty in attracting appropriately qualified workers	62.36%	24.54%
Difficulty in attracting skilled workers	43.91%	27.55%
Difficulty in retaining skilled workers	12.31%	10.19%
General issues with work ethic and attitude to work	14.06%	22.92%
Too hard to find any workers	18.74%	11.11%
Unreliable workers	15.62%	19.44%
Workers too inexperienced	14.06%	12.50%
Workers not job ready or lack key worker traits	10.93%	12.96%
Not sure or other	15.21%	23.84%

These results are very consistent, the economy has not changed significantly in this time, and the total number of responses were also consistent between the studies.



## 16 FURTHER INFORMATION

The following presents commentary on comments provided by businesses captured in the survey across all open ended questions.

### 16.1 Themes emerging from the final open comments

*Q: Please use the following space for any other comments, or to provide additional information.*

The free text comments were reviewed and assessed in terms of themes and issues presented by the businesses. Relevant themes, issues and types of comments received have been compiled below.

Of 713 respondents, 114 businesses added comments to additional information. The majority of comments extended information on previous topics. A summary is captured below.

**Table 27: Comments and additional information provided by businesses**

No.	Theme	Response examples
1	Local business in CBD 20 businesses responded to further comments to issues with the CBDs	<i>"we get told daily there are no car parks, so they go to Green Hills or Kurri as there is easier access, especially for the elderly population, lack of parking is killing off the CBD."</i>
2	Business and Tourism Signage 6 businesses wished that more signage would be rolled out to assist airport, tourism, and general wayfinding.	<i>"We need more Airport signage"</i> <i>"Lack of visible tourism 'vineyards' signage at the Lovedale road end of Wilderness."</i> <i>"Signage on the M1 is inaccurate and seems to deter traffic from the Hunter Expressway Lovedale road route"</i> <i>"We need a sign on Broke road letting visitors know there is a shopping village there"</i>
3	Policies and Regulation 22 respondents made further comments in regards to dealing with Council, approvals, regulations, planning, infrastructure, and waste services.	<i>E.g. "Council needs to look into the standards of some business types"</i> <i>"You should build a local park with children facilities as we have many guests asking for it."</i> <i>"You want people to stop dumping- make it cheap to dump"</i>
4	Opportunities 9 comments were for opportunities to do extra	<i>e.g. "Events need to spread across the weekends, better planning needed"</i> <i>Council could look at promoting the big wine bottle, visitors love having their photos taken with big icons"</i> <i>"run a buy local campaign"</i>
5	Positive Comments 15 businesses added positive comments to the survey	<i>"Happy with everything"</i> <i>"All dealings with council so far have been good. Thank you for making this a peaceful place to conduct my business."</i> <i>"getting feedback is good, stay pro economic development"</i> <i>"Thank you for at least asking the businesses. It will be interesting on the feedback you receive."</i>
6	Road improvements identified.	<i>"Roads need improving to cater for increased tourist traffic and expanding housing. "</i> <i>"Better roads"</i>

		<p><i>"Lomas lane needs to be sealed so visitors can safely access businesses"</i></p> <p><i>"Lack of safety barriers at Bimbadeen Mountain, underutilised lookout at Bimbadeen"</i></p> <p><i>"Talga road Lovedale needs to be linked to Wine Country Drive for light vehicle and mini bus accredited access"</i></p> <p><i>"O'Connor's roads needs speed bumps"</i></p> <p><i>"Cessnock area needs bike paths, kids could ride to school safely"</i></p> <p><i>"Lack of maintenance of nature strips by CCC"</i></p> <p><i>"They favour rebuilding sealed roads and safe roads to ensure their budgets don't drop year on year over sealing dirt roads used by tourists and residents."</i></p> <p><i>"Lewis road off Mt View road is a dirt road, not capable of handling the large traffic on weekends and events"</i></p> <p><i>"Poor roads and streets give tourists a bad impression"</i></p>
7	Requests for improvements to public infrastructure	<p><i>"Visitors value natural environment experiences, but are poorly maintained, -few bush walks, amenities or rest areas with toilets, no parks in the vineyard area, little information regarding area wild life, birds and vegetation."</i></p> <p><i>"Cessnock area needs bike paths"</i></p> <p><i>"Have been waiting 6 – 12 months for lighting in a car park owned by council."</i></p> <p><i>"Airport carpark needs sealing"</i></p> <p><i>"Weston needs a new coat of paint and some love."</i></p>
8	Rising costs of doing business and challenges of doing business broadly	<p><i>"Too expensive to advertise"</i></p> <p><i>"Freight costs from Sydney"</i></p> <p><i>"Waste disposal costs at the dump"</i></p> <p><i>"High rent for property"</i></p> <p><i>"Not getting paid promptly by customers"</i></p> <p><i>"Drought effected cost increases"</i></p>

## APPENDICES

### A. PROMOTING THE SURVEY:

**WIN!** Complete the survey by 16 August 2019 for your chance to win a share of \$500 in gift cards!

NSW Permit No. LTPS/19/35910\*

## How can we help you grow your business?

**Please complete our survey!**

This is your chance to tell us your needs, gaps, and barriers to growth and become part of the solution!

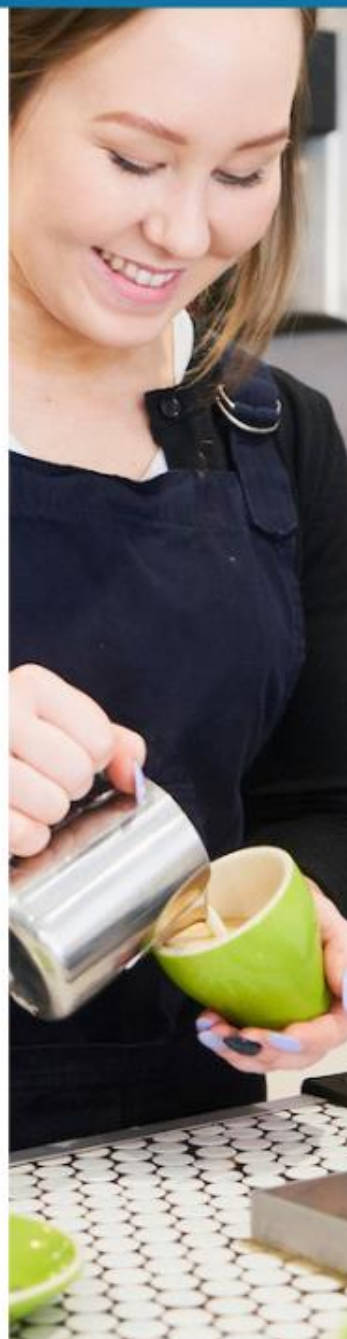
Spare 5-10 minutes and check your inbox for your unique link or go to

**[advancecessnock.com.au/survey/](https://advancecessnock.com.au/survey/)**

Phone Rhiannon Stevens on 4993 4257 or Brad Sangster on 4993 4325 to discuss or receive further information on the Business Capability Study.



\*Terms and conditions apply



## B. MEDIA RELEASE

# Advancing Cessnock City through business engagement

Published on Jul 8, 2019

Feel free to share



Council's economic development team is determined to make the region a better place to do business! Under the Advance Cessnock City partnership, the team are rolling out a survey to better understand the capacity of local businesses.



Brad Semster, and Rhannon Stevens of Council's Economic Development Unit assist Darwin Cooper at Darwin's on Vincent to complete his survey.

Mayor of Cessnock, Councillor Bob Pynsent, urges local businesses to participate by completing a short 8-10 minute survey. The Council wants to know about individual business needs, capacity and optimism, as well as the potential pain points to running a small business in regional Australia.

The Business Capability Study will determine how many businesses operate within the region, their size, employment capacity, export and import status, and also identify opportunities to encourage investment and jobs within the region. The study is focused on finding solutions and stimulating enterprise. The results will drive future economic development programs, and inform what can be done to support and nurture existing businesses.

"The best part about this study is that any opportunities identified will be used to assist businesses to grow and, leverage more for Cessnock local government area," said Mayor Pynsent.

## Similar News

[View All Similar News](#)

Topic:



Water restrictions - what does it mean for businesses?

September 16, 2019



Changes to Restaurant and Wine Industry Awards

September 16, 2019



Retrenching an employee: where can you get help?

September 16, 2019

## Recent News

[View All News](#)



Water restrictions - what does it mean for businesses?

September 16, 2019



Changes to Restaurant and Wine Industry Awards

September 16, 2019



Retrenching an employee: where can you get help?

September 16, 2019

## What will the data be used for?

The data provided in the study will enable the economic development team to contact businesses with ongoing opportunities, and provide more impactful training and development under the Advance Cessnock City partnership.

Council's Acting Economic Development Manager, Rhiannon Stevens, says the survey will allow Council and other decision makers to better respond to the needs of businesses in the community.

"We need the intel of our business owners and managers so governments at all levels can make smarter economic decisions for the future of regional Australia".

"For successful economic development to occur, it is absolutely critical that there is a comprehensive understanding of industry and businesses, along with their capacity and needs, which this study will provide. It is a credit to the economic development team who continue to excel in these initiatives," added Mayor Pynsent.

Cessnock City Council secured matched funding for the study under the Australian Government's Building Better Regions Fund Community Investment Stream.

All local business owners/operators are invited to participate in the survey. [Email](#) or phone council on 4993 4325 to receive your unique link to complete the survey online or access it direct via [Business Capability Survey](#)

For more information on the study, [read more](#).

Or, businesses can find their own unique link in their inboxes. Please contact Brad Sangster on 4993 4325 for more information.



## D. THE SURVEY INSTRUMENT

## Cessnock Business Capability Survey 2019

Advance Cessnock City is conducting a survey to better understand the capacity of our local businesses. This is your chance to tell us your needs, gaps, and barriers to growth and become part of the solution! More information and a background to the study is available at [advancecessnock.com.au/bcs-more-info/](http://advancecessnock.com.au/bcs-more-info/)

WE ESTIMATE THE SURVEY SHOULD TAKE AROUND 5-10 MINUTES TO COMPLETE. COMPLETE AND RETURN IN FULL BY 2PM, 16 AUGUST 2019 TO GO IN THE DRAW TO WIN A SHARE IN \$500 OF GIFT CARDS. LPTS/19/35910

### Business Details

**Full Name of Business:**

**ABN:**

**Business Address:**

**Where is this business located? Location Type**

- ☒ Commercial premises / shopfront in the CBD
- ☐ Commercial premises non-CBD
- ☐ Rural or Property
- ☐ Industrial Premises
- ☐ Primarily internet based, online
- ☐ Primarily a mobile business from a vehicle
- ☐ Other

**Business Website**

**Facebook page name, if applicable**

**Name**

**Position**

**Email Address**

**Secondary contact**

**Name**

**Position**

**Email Address**

**In what year did the business establish?**

**Does the primary business owner/manager live and work in the Cessnock Local Government Area?**

- ☐ Yes - Live and work in Cessnock Local Government Area
- ☐ No - Only conduct business, live elsewhere

Does this business operate from a premises which is:

- ☐ Rented  
☐ Owned  
☐ Mortgaged

## More about Your Business

What product(s) or service(s) does this business produce/provide?

What percentage of your goods and services sold is online?

Does this business provide goods and service for?

- ☐ B2B - Business to Business  
☐ B2C - Business to Customer  
☐ Community service or not for profit

On a scale of 0-100, how optimistic are you about the future of your business? 100=Very Confident or Positive, and 0=Very Concerned or Negative.

Do you intend to expand or grow your business in the next 2 years? This could be investment in new assets such as equipment, new products or ventures or adding to your staff. (Tick all that apply)

- ☐ No  
☐ Yes, employ more staff  
☐ Yes, expand my service or product  
☐ Yes, purchase or upgrade my equipment or assets  
☐ Not sure

Based on the previous 12 months, do you perceive your business to be performing...

- ☐ worse ☐ same ☐ slightly improved ☐ much improved

Which of the below best describes the stage of life for this business?

- ☐ Intender  
☐ Early Stage or Start-up  
☐ Established or operating  
☐ Exiter

## The business environment

What do you believe are the advantages of doing business in the Cessnock Local Government Area?

- |   |   |
|---|---|
| <input type="checkbox"/> Lifestyle attributes         | <input type="checkbox"/> Great location to work         |
| <input type="checkbox"/> Population growth            | <input type="checkbox"/> Accessible - via road          |
| <input type="checkbox"/> Opportunities from tourism   | <input type="checkbox"/> Supply chains available        |
| <input type="checkbox"/> Sense of community           | <input type="checkbox"/> Picturesque and beautiful area |
| <input type="checkbox"/> Support for local businesses | <input type="checkbox"/> Rural landscape                |
| <input type="checkbox"/> Loyalty and repeat business  | <input type="checkbox"/> Friendly community             |
| <input type="checkbox"/> High demand for my products  | <input type="checkbox"/> Affordable                     |

**More comments of the advantages of doing business in the Cessnock Local Government Area:**

**What do you believe are the disadvantages of doing business in the Cessnock Local Government Area?**

**What do you perceive to be the most significant pain points or barriers to growth for your business now and for the next 2 years?**

- ☐ Access to reliable digital connectivity (e.g. NBN or internet connections, mobile blackspots)
- ☐ Public Infrastructure (e.g. roads, cycleways, playgrounds, public amenity, transport)
- ☐ Changes in customer markets (e.g. less customers, decline in visitor numbers, customer expectations)
- ☐ Policy environment (e.g. liquor licensing changes, Dealing with regulation and staying up-to-date)
- ☐ Staffing issues (e.g. retaining and hiring, penalty rates, skills shortages)
- ☐ Government Red tape (e.g. approval processes, payroll changes, online changes to superannuation etc.)
- ☐ Taxation issues
- ☐ Cash flow, access to funding or capital (e.g. banks not lending)
- ☐ Changing nature of technology (e.g. cyber security, impact of e-commerce etc.)
- ☐ Innovation Disruption (e.g. obsolete traditional products or service, self-driving cars, competition from Uber and Airbnb or booking.com)
- ☐ Commercial spaces to rent or buy (e.g. right floor spaces and available spaces to grow, rents too high)
- ☐ Rising cost of doing business of 9

**Optional: Provide other, or expand on any of the above**

**Do you currently export your product(s) or service(s) to overseas?**

- ☐ Yes
- ☐ No
- ☐ No, but interested.

**Do you currently import any product(s) or service(s) from overseas?**

- ☐ Yes
- ☐ No

## Advance Cessnock City

**If training was to be offered to businesses, which subjects are most relevant to this business? Select all that apply:**

- ☐ Digital Marketing and social media
- ☐ Growing your business / franchising
- ☐ Financial management (bookkeeping/budgeting, taxation)
- ☐ Digital business and technology
- ☐ Business planning (market research, risk management)
- ☐ Workplace health and safety



- ☐ New business ideas / how to start up a business
- ☐ Sales (merchandising, pricing and e-commerce)
- ☐ Green business and sustainable practices
- ☐ Home-based businesses
- ☐ Employing, managing, motivating staff/staff retention, training
- ☐ Customer service
- ☐ Importing and exporting
- ☐ Networking
- ☐ Women in business
- ☐ Growing your Aboriginal business
- ☐ Exiting (succession planning/selling)
- ☐ Policies / procedures / protocols
- ☐ Other - please specify below:

**Other training**

**Including the business owners/partners, how many people are employed by this business?**

**Does your business experience these types of skills shortages?**

- ☐ I have not experienced any skills shortages.
- ☐ Difficulty in attracting skilled workers
- ☐ Difficulty in retaining skilled workers
- ☐ Difficulty in attracting qualified workers
- ☐ Workers are too inexperienced
- ☐ Workers not "job-ready" /lack key worker traits
- ☐ Unreliable workers
- ☐ Too hard to find any workers
- ☐ General issues with work ethic/attitude to work
- ☐ Not sure
- ☐ Other

**Other skills shortages**

**Does this business have an active business page on the following:**

- ☐ Facebook
- ☒ Instagram

- ☐ Twitter  
☐ Linked in  
☐ TripAdvisor  
☐ Other

**Social Other**

**Is this business currently a member of any local chamber of commerce or membership based association?**

- ☐ Cessnock Chamber of Commerce  
☐ Kurri Kurri District Business Chamber  
☐ Around Hermitage  
☐ Wollombi Chamber of Commerce  
☐ Lovedale Chamber of Commerce  
☐ Parish of Pokolbin  
☐ Central Hunter Business Chamber  
☐ Hunter Valley Wine & Tourism Association  
☐ Hunter Valley Hub  
☐ HunterNet  
☐ Hunter Business Chamber  
☐ BNI  
☐ Other

**Other membership.**

**Please use this space to provide any other comments, or provide additional information:**

**Privacy Disclosure:**

- Purpose:** The information collected through online forms or surveys via Advance Cessnock City has been collected by Council for the purposes of economic development. All information collected in this survey will remain confidential and only be stored and processed exclusively by the Council's Economic Development Team for lawful purposes directly relating to economic development in the Council. No details will be utilised for regulatory purposes. No individual businesses will be identified in the final report, but quotes could be extracted without identification.
- Intended recipients:** Cessnock City Council's Economic Development Unit.
- Supply:** Voluntary.
- Consequence of non-provision:** Council cannot use your information to develop improved outcomes for businesses in Cessnock LGA.
- Storage and security:** The information you provide will be stored in accordance with Council's Record Management Policy in accordance with the relevant legislation. The information will only be utilised by Council officers within the Economic Development Unit. Council's address is 62-78 Vincent Street CESSNOCK NSW 2325
- Access:** You may correct or update your personal information by contacting Council's Economic Development Team on 4993 4257 or please email [economic.development@cessnock.nsw.gov.au](mailto:economic.development@cessnock.nsw.gov.au). You can manage your own email preferences via links on the footer of emails sent by us.

**Thank you for participating in this survey.**