Geelong Chamber of Commerce

August 2015

BARRIERS TO BUSINESS SURVEY RESULTS

CommunicationTree
STRATEGIC & ONLINE PR ADVISORY

Introduction

In July 2015, the Chamber sought feedback from its members on barriers to business growth and productivity via an online survey.

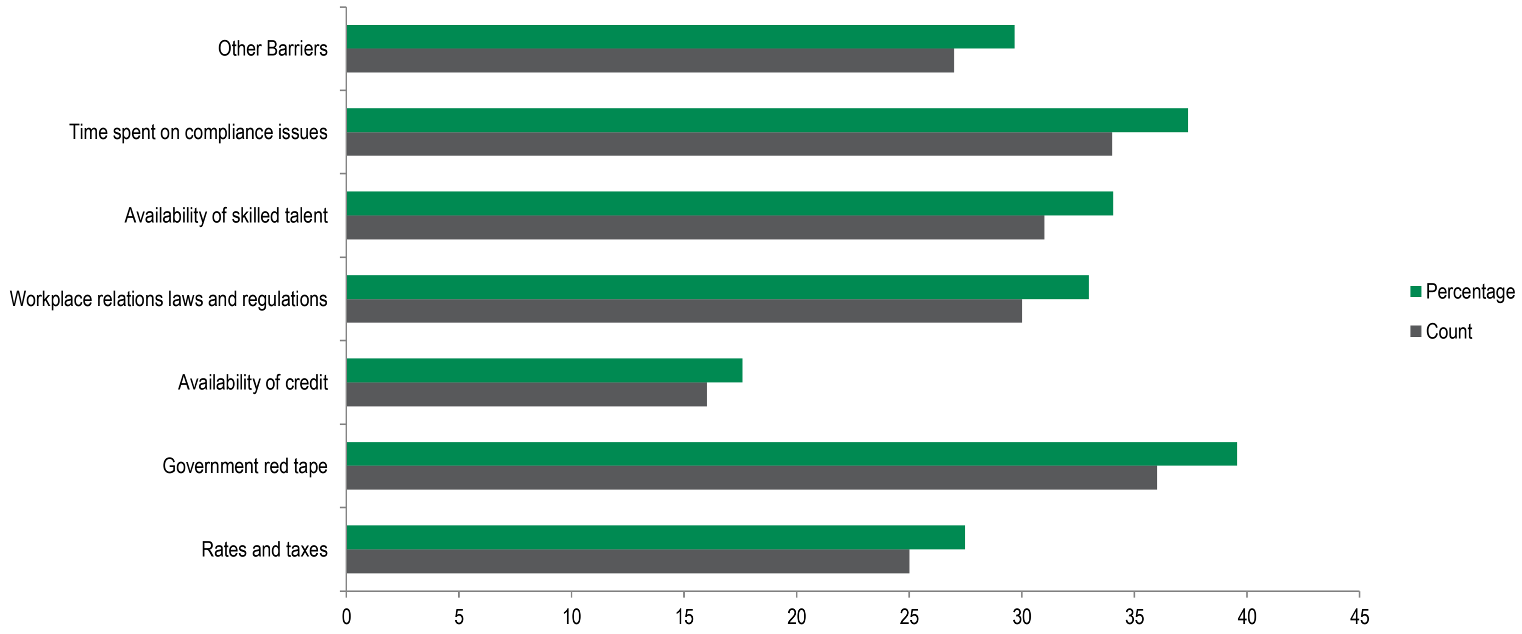
A total of 91 people filled out the survey, equating to approximately eleven percent of the Chamber's membership. This response rate means the results can be considered indicative of the views of the Chamber's general membership. However, the results should not be deemed as reflecting the opinions or situation of the wider Geelong business community.

Key results

- Almost 40 per cent of respondents considered *Government red tape* as a key barrier in their business
- Over 37 per cent identified *Time spent on compliance issues* as a barrier
- Only 17.6 per cent believe *Availability of credit* is a problem.

See the table and chart below for further details on the main barriers chosen by the respondents.

	Rates and taxes	**Government red tape**	**Availability of credit**	**Workplace relations laws and regulations**	**Availability of skilled talent**	**Time spent on compliance issues**	**Other Barriers**
Count	25	36	16	30	31	34	27
Percentage	27.47	39.56	17.58	32.97	34.07	37.36	29.67



"As a medium size company trying to grow in a declining market, we have too many taxes and [in] our current system there is no incentive to grow."

"This year and last have been the slowest we have seen since starting the business. It is difficult to grow in a low sales environment when people seem to be saving their money - in case something bad happens. There needs to be a change in sentiment in the community - towards optimism - to drive sales. Government actions so far have failed to deliver any optimism across the areas that we sell into."

"People simply don't have the skills required and want too much money when they don't have the skills. Have spoken with Skilling the Bay and the Gordon explaining our frustration. If Geelong wants to emerge into a new economy, new age city and leave that industrial wasteland tag behind then we need to educate our kids accordingly."

"Knowing who the key people/organisations are in Geelong that will enable a business to be established e.g. what bureaucracy one must negotiate at federal, state and council level (particularly the latter)"

In addition to the barriers included in the survey questions, other themes emerged in the open comments section of the survey.

Most notably, five respondents mentioned **internet** services as a major problem.

“Poor internet infrastructure greatly affects my home office in Grovedale. I would pay more for my internet connection if I was GUARANTEED a faster service.”

“[We need] Stable broadband services. Current up-time levels are detrimental to our productivity through poor response times and outages”

Several respondents mentioned compliance issues around **employing staff** with three respondents specifically identifying **penalty rates** as a problem.

“For those employing people, I believe red tape and compliance work - or paying those properly qualified and skilled - can be prohibitive to progress and business building. It erodes the entrepreneurial heart.”

“The estimation and certification of salaries paid in order to calculate Workcover is time consuming, bothersome and too complex for something that could be a lot simpler.”

“While weekend penalty rates exist my business will not grow.”

“We would like to expand - taking on another employee (casual) however set up costs would be prohibitive initially.”

Three respondents were specifically concerned about **time management** issues.

“As a small / micro business operator, I can't afford to have people working for me until I grow the business. To do this properly requires a dedicated effort, which is impossible if you are also providing the services.”

Competition was an issue mentioned by three respondents.

"Have found it difficult in my sector to compete as a private business when large charitable organisations are able to seek massive grants to provide services and also other businesses who receive government funding locally are then able to offer certain services free which makes it very hard to compete when the reality is that our taxes are paying that private business to deliver services to others."

Other concerns reported included the need for **better training** incentives and issues with **government tendering**.

"With a continual ageing work force and declining apprenticeship intake, there needs to be a farther greater subsidy to employers to take on apprentices and have them complete their training and apprenticeship"

"Preferential treatment of local government looking to larger/Melbourne firms and not giving local firms an opportunity."

Results based on industry sectors

The respondents were categorised under eight industry sectors consistent with those included in the 2014 Geelong Region Survey of Business Trends.

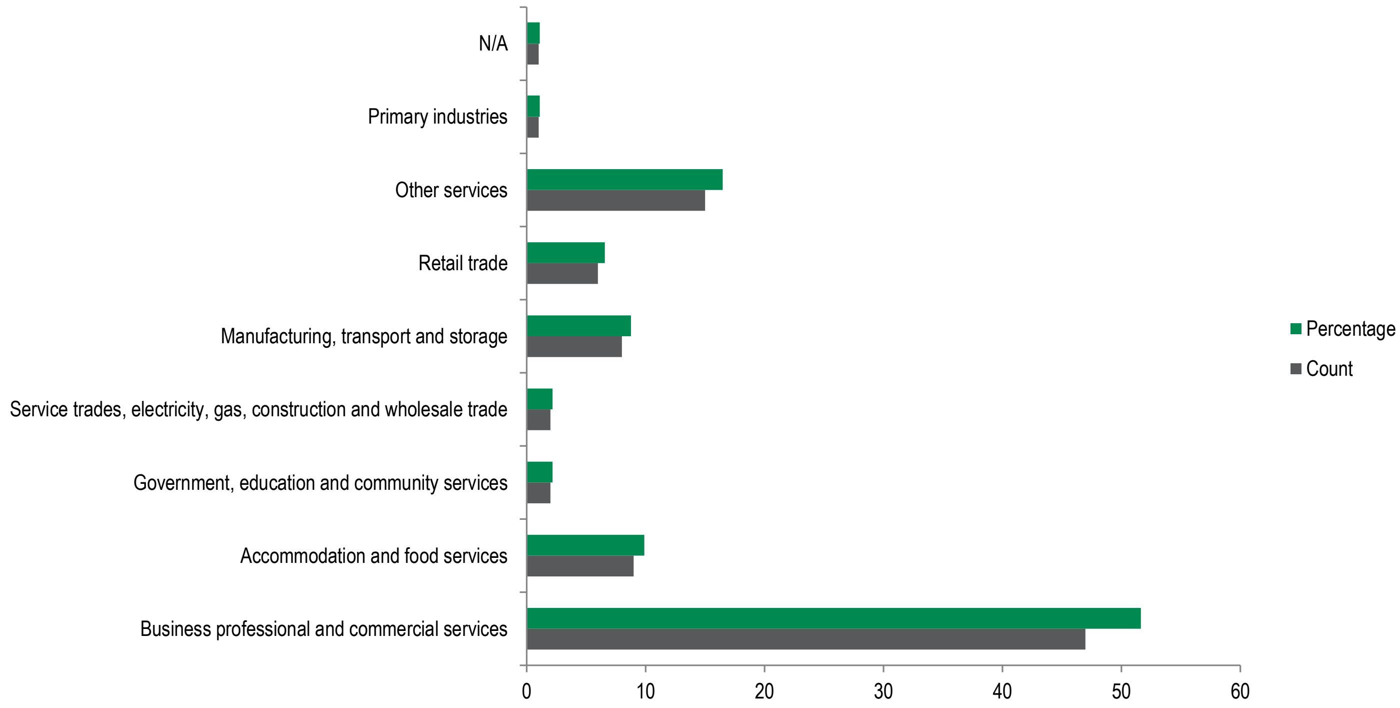
More than half of the respondents fell into the *Business professional and commercial services* sector. As such, the results provide a good indication of the views in that sector.

However, other sectors such as *Government education and community services*; *Service trades, electricity, gas, construction and wholesale trade;* and *Primary industries* attracted very limited response rates. Therefore, the results in those sectors cannot be necessarily considered as reflecting the views of other businesses in those industry categories.

One respondent declined to provide details on their business type.

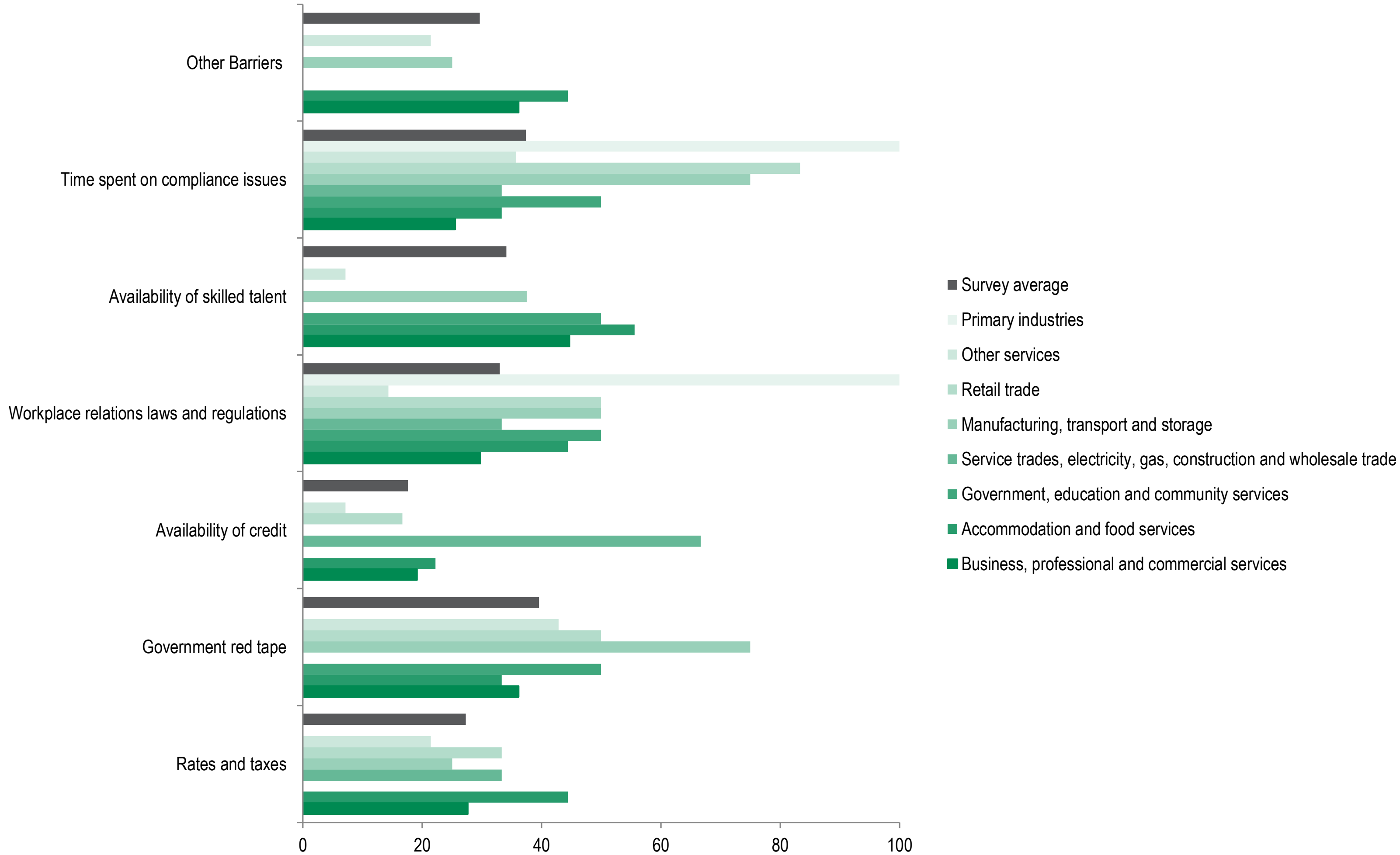
Number and percentage respondents in each industry sector

	Business professional & commercial services	Accommodation & food services	Government, education & community services	Service trades, electricity, gas, construction & wholesale trade	Manufacturing, transport & storage	Retail trade	Other services	Primary industries	N/A
Count	47	9	2	2	8	6	15	1	1
Percentage	51.65	9.89	2.2	2.2	8.79	6.59	16.48	1.1	1.1


N/A
Primary industries
Other services
Retail trade
Manufacturing, transport and storage
Service trades, electricity, gas, construction and wholesale trade
Government, education and community services
Accommodation and food services
Business professional and commercial services
0
10
20
30
40
50
60
Percentage
Count

The table and chart below show the barriers selected by the percentage of respondents in each sector.

	Rates and taxes	Government red tape	Availability of credit	Workplace relations laws & regulations	Availability of skilled talent	Time spent on compliance issues	Other Barriers
Business, professional & commercial services	27.66	36.17	19.15	29.79	44.68	25.53	36.17
Accommodation & food services	44.44	33.33	22.22	44.44	55.56	33.33	44.44
Government, education & community services	0	50	0	50	50	50	0
Service trades, electricity, gas, construction & wholesale trade	33.33	0	66.67	33.33	0	33.33	0
Manufacturing, transport & storage	25	75	0	50	37.5	75	25
Retail trade	33.33	50	16.67	50	0	83.33	0
Other services	21.43	42.86	7.14	14.29	7.14	35.71	21.43
Primary industries	0	0	0	100	0	100	0
Survey average	**27.27**	**39.56**	**17.58**	**32.97**	**34.07**	**37.36**	**29.67**


Other Barriers
Time spent on compliance issues
Availability of skilled talent
Workplace relations laws and regulations
Availability of credit
Government red tape
Rates and taxes
0
20
40
60
80
100
Survey average
Primary industries
Other services
Retail trade
Manufacturing, transport and storage
Service trades, electricity, gas, construction and wholesale trade
Government, education and community services
Accommodation and food services
Business, professional and commercial services

Results based on business size

Respondents were categorised by business size as follows:

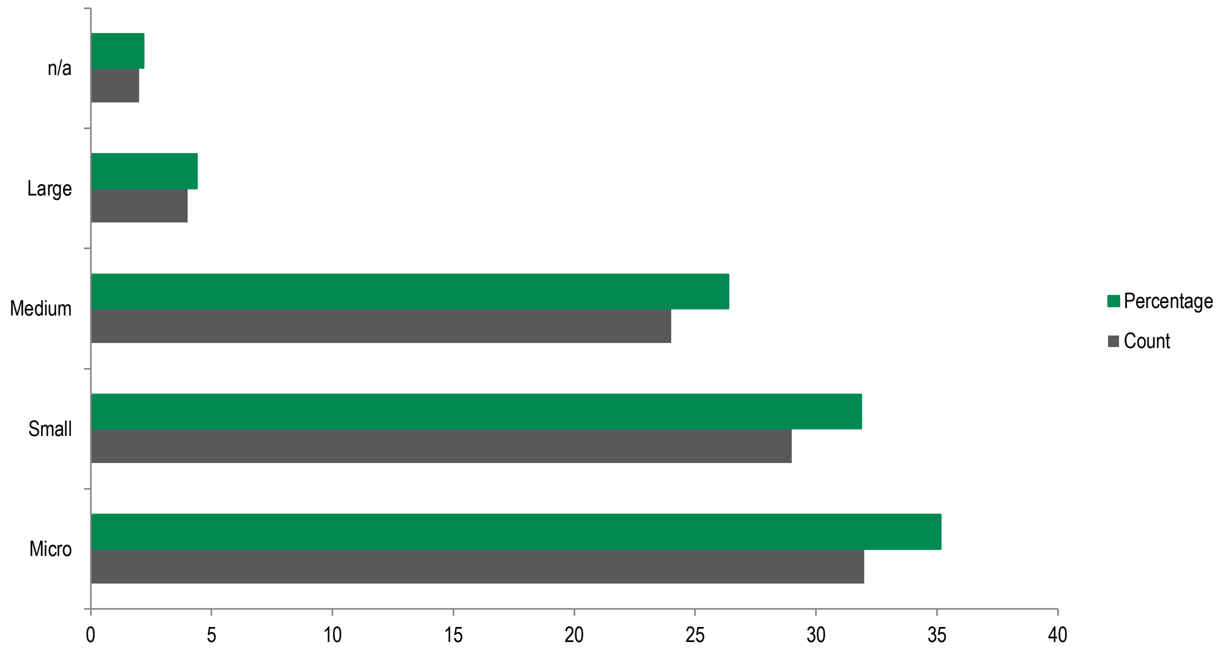
- Micro: less than 3 employees
- Small: 3 to 19 employees
- Medium: 20 to 199 employees
- Large: 200+ employees

Approximately two thirds of respondents employ less than 20 staff.

Two respondents declined to provide staff number details.

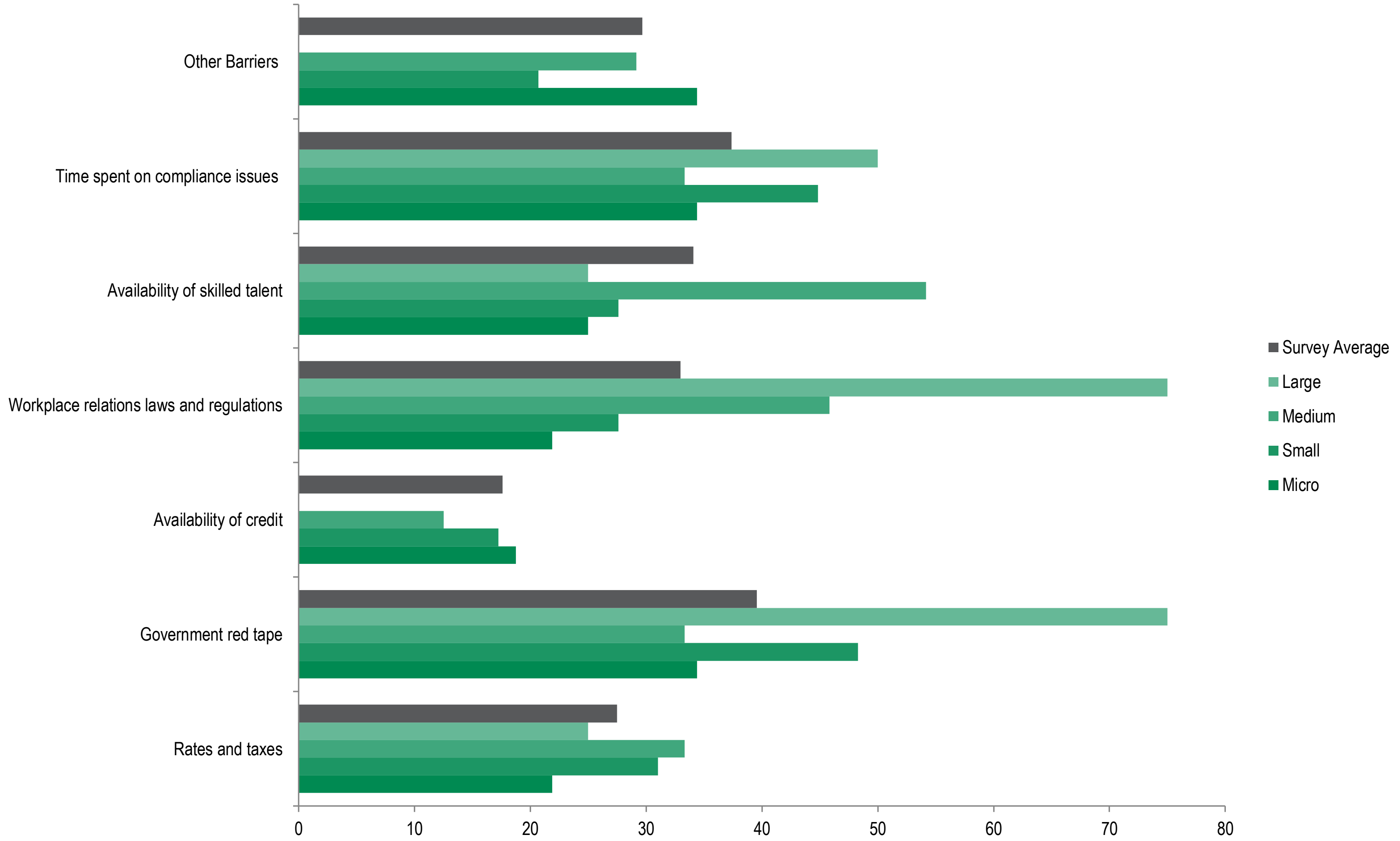
Number and percentage respondents by business size

	Micro	Small	Medium	Large	N/A
Count	32	29	24	4	2
Percentage	35.16	31.87	26.37	4.4	2.2



The table and chart below show the barriers selected as a the percentage of respondents by business size

	Rates and taxes	Government red tape	Availability of credit	Workplace relations laws & regulations	Availability of skilled talent	Time spent on compliance issues	Other Barriers
Micro	21.88	34.38	18.75	21.88	25	34.38	34.38
Small	31.03	48.28	17.24	27.59	27.59	44.83	20.69
Medium	33.33	33.33	12.5	45.83	54.17	33.33	29.17
Large	25	75	0	75	25	50	0
Survey average	**27.47**	**39.56**	**17.58**	**32.97**	**34.07**	**37.36**	**29.67**


Other Barriers
Time spent on compliance issues
Availability of skilled talent
Workplace relations laws and regulations
Availability of credit
Government red tape
Rates and taxes
0
10
20
30
40
50
60
70
80
Survey Average
Large
Medium
Small
Micro

Results based on business location

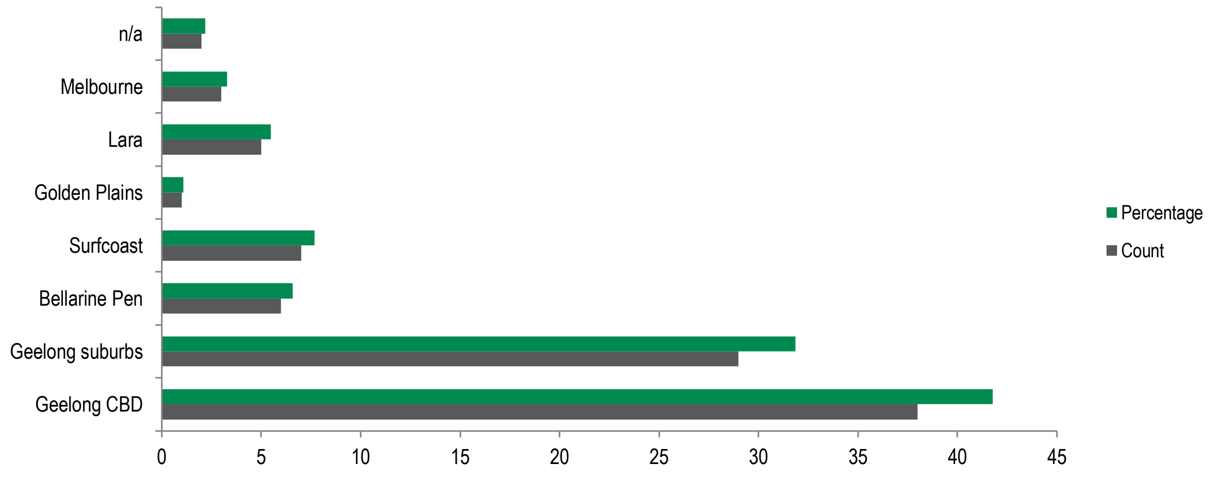
Nearly three quarters (73.6 per cent) of respondents are located within central Geelong and its suburbs.

However, there were limited responses from other locations, particularly from the Golden Plains and Melbourne areas. Therefore, the results in those locations cannot be necessarily considered as reflecting the views of other businesses in those areas.

Two respondents declined to state their location.

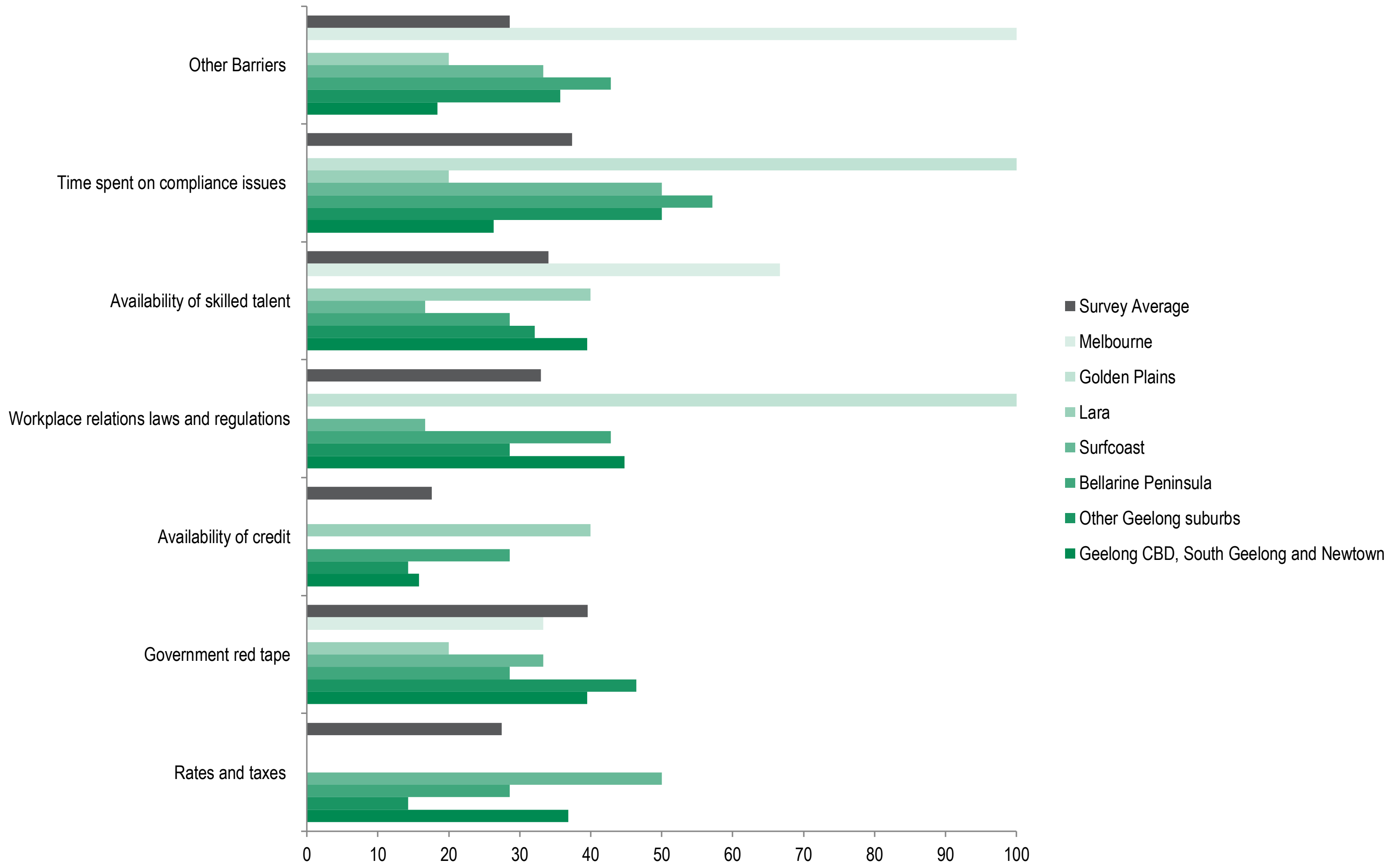
Number and percentage respondents in each location

	Geelong CBD, South Geelong & Newtown	Other Geelong suburbs	Bellarine Peninsula	Surfcoast	Golden Plains	Lara	Melbourne	N/A
Count	38	29	6	7	1	5	3	2
Percentage	41.76	31.87	6.59	7.69	1.1	5.49	3.3	2.2



The table and chart below show the barriers selected by the percentage of respondents by business location

	Rates and taxes	Government red tape	Availability of credit	Workplace relations laws & regulations	Availability of skilled talent	Time spent on compliance issues	Other Barriers
Geelong CBD, South Geelong & Newtown	36.84	39.47	15.79	44.74	39.47	26.32	18.42
Other Geelong suburbs	14.29	46.43	14.29	28.57	32.14	50	35.71
Bellarine Peninsula	28.57	28.57	28.57	42.86	28.57	57.14	42.86
Surfcoast	50	33.33	0	16.67	16.67	50	33.33
Lara	0	20	40	0	40	20	20
Golden Plains	0	0	0	100	0	100	0
Melbourne	0	33.33	0	0	66.67	0	100
Survey average	**27.27**	**39.56**	**17.58**	**32.97**	**34.07**	**37.36**	**29.67**



Other Barriers
Time spent on compliance issues
Availability of skilled talent
Workplace relations laws and regulations
Availability of credit
Government red tape
Rates and taxes
0
10
20
30
40
50
60
70
80
90
100
Survey Average
Melbourne
Golden Plains
Lara
Surfcoast
Bellarine Peninsula
Other Geelong suburbs
Geelong CBD, South Geelong and Newtown

Results based on years in business

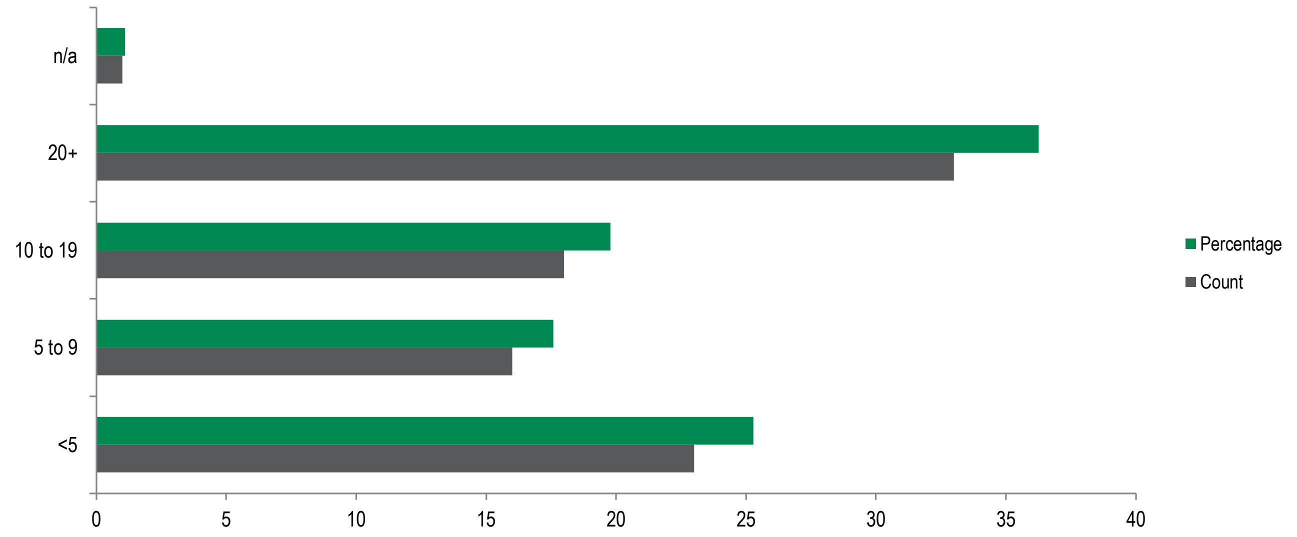
More than a third (36 per cent) of respondents are from companies in business for 20 or more years.

A quarter of respondents are from businesses that have been operating for less than five years.

One respondent declined to state the number of years their business had been operating.

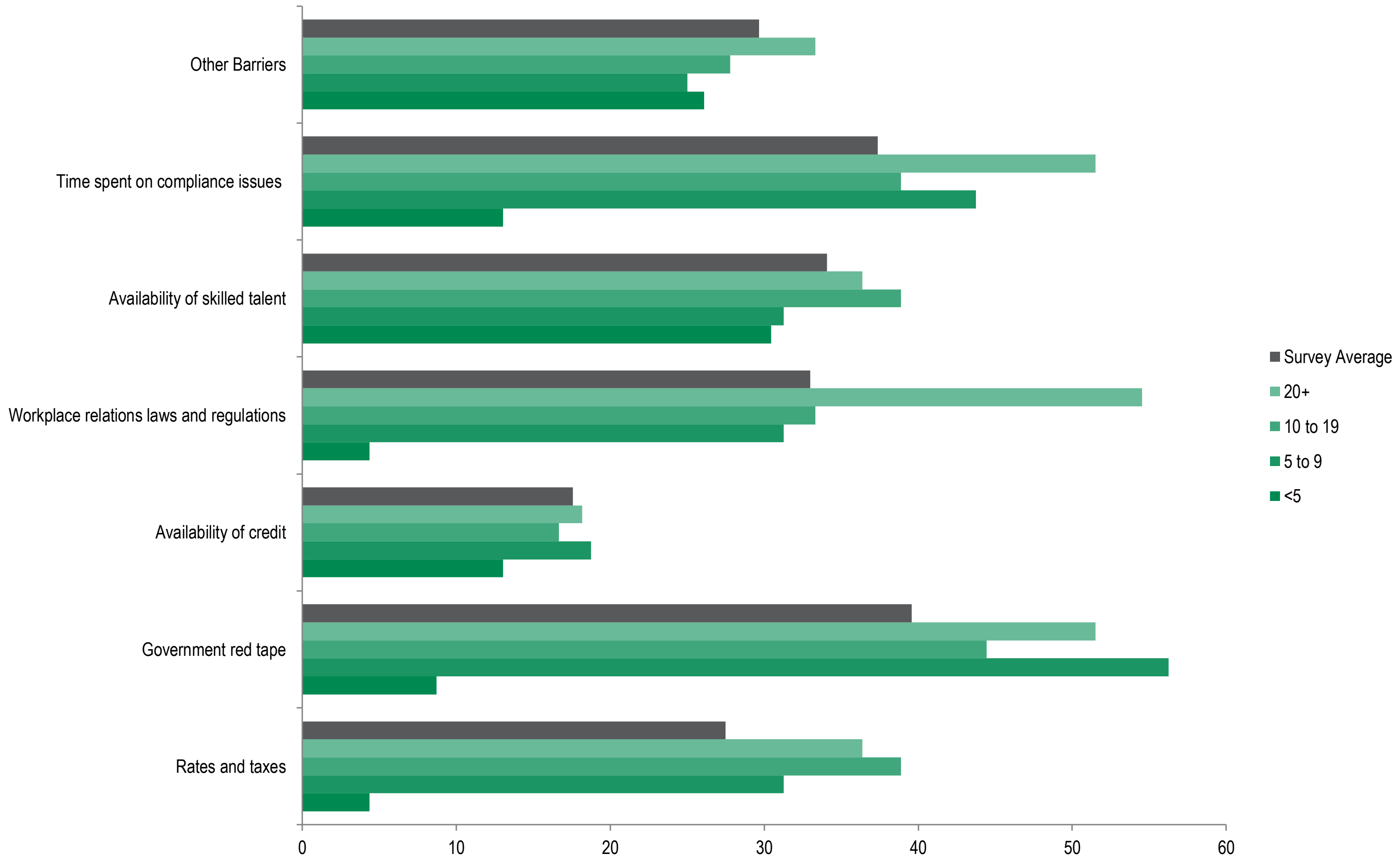
Number and percentage respondents by years in business

	Less than 5 years	5 to 9 years	10 to 19 years	20+ years	N/A
Count	23	16	18	33	1
Percentage	25.27	17.58	19.78	36.26	1.1



The table and chart below show the barriers selected by the percentage of respondents by years in business.

	Rates and taxes	Government red tape	Availability of credit	Workplace relations laws & regulations	Availability of skilled talent	Time spent on compliance issues	Other Barriers
Less than 5 years	4.35	8.7	13.04	4.35	30.43	13.04	26.09
5 to 9 years	31.25	56.25	18.75	31.25	31.25	43.75	25
10 to 19 years	38.89	44.44	16.67	33.33	38.89	38.89	27.78
20+ years	36.36	51.52	18.18	54.55	36.36	51.52	33.33
Survey average	**27.27**	**39.56**	**17.58**	**32.97**	**34.07**	**37.36**	**29.67**


Other Barriers
Time spent on compliance issues
Availability of skilled talent
Workplace relations laws and regulations
Availability of credit
Government red tape
Rates and taxes
0
10
20
30
40
50
60
Survey Average
20+
10 to 19
5 to 9
<5