



GEELONG CHAMBER OF COMMERCE BUSINESS SURVEY

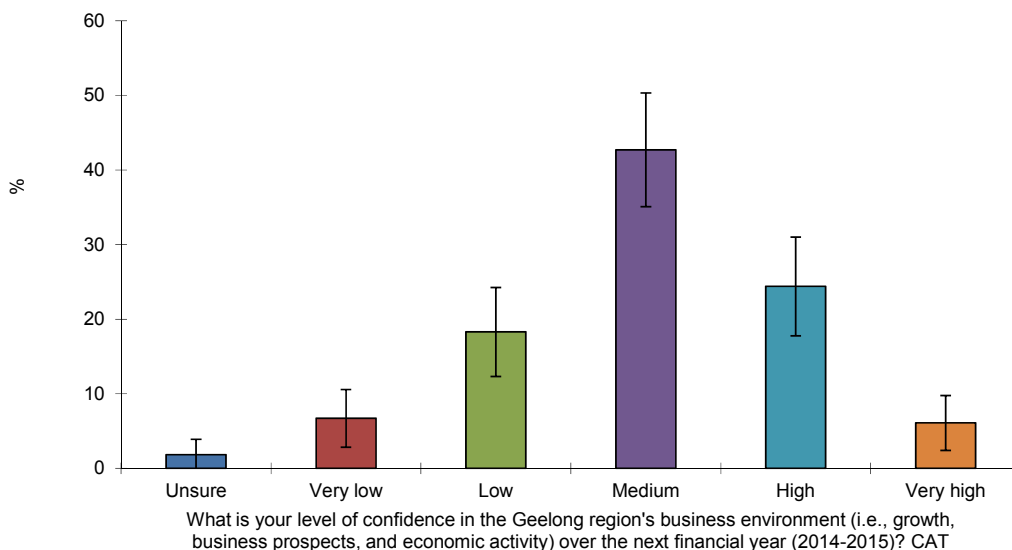
Fact Sheet

We Are Geelong and We Are Resilient

Geelong’s business community has indicated it has thrown away the shackles of doubt and is confident about the City’s business future with a majority of respondents expecting a successful 2014-15 for their organisations.

The past 12 months have seen Geelong dealt many blows but our business community has continued to show great resilience. Our survey discovered a solid level of confidence in the future of the City with 43 per cent of respondents indicating a medium level of confidence in Geelong’s business environment in 2014-15. A further 30 per cent have high confidence (this could be as much as 38 per cent).

Figure: Level of confidence in Geelong region business environment – percentage



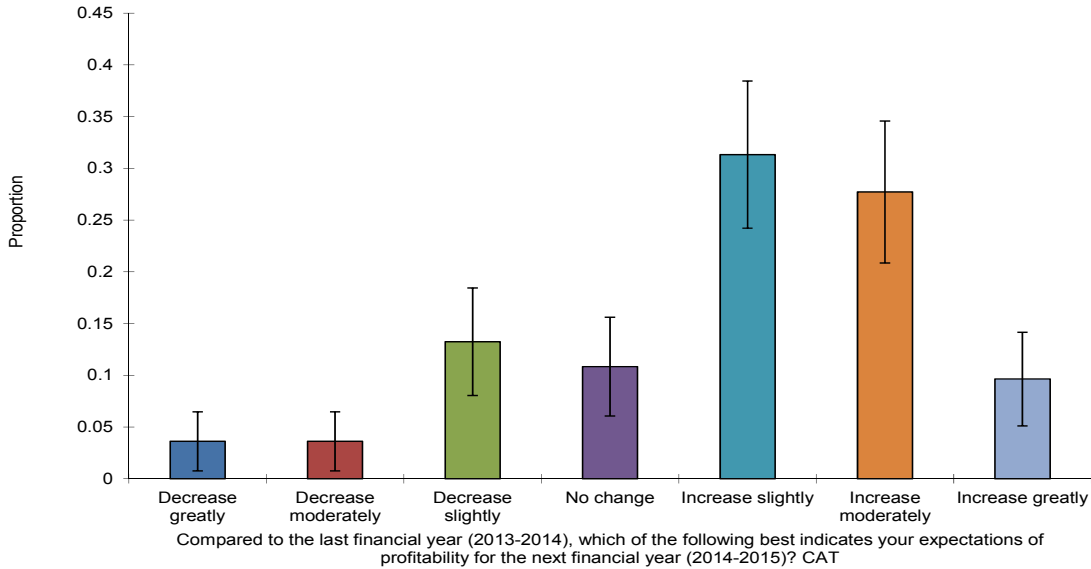
Similarly, there is strong optimism amongst many firms about their own business’ success with 71 per cent of our survey respondents expecting their business activity will at least increase in the 2014-15 year compared to 2013-14. This estimate could be as high as 77 per cent. That is, three out of every four businesses in the Geelong region expect to improve their economic position this financial year.



Other key findings

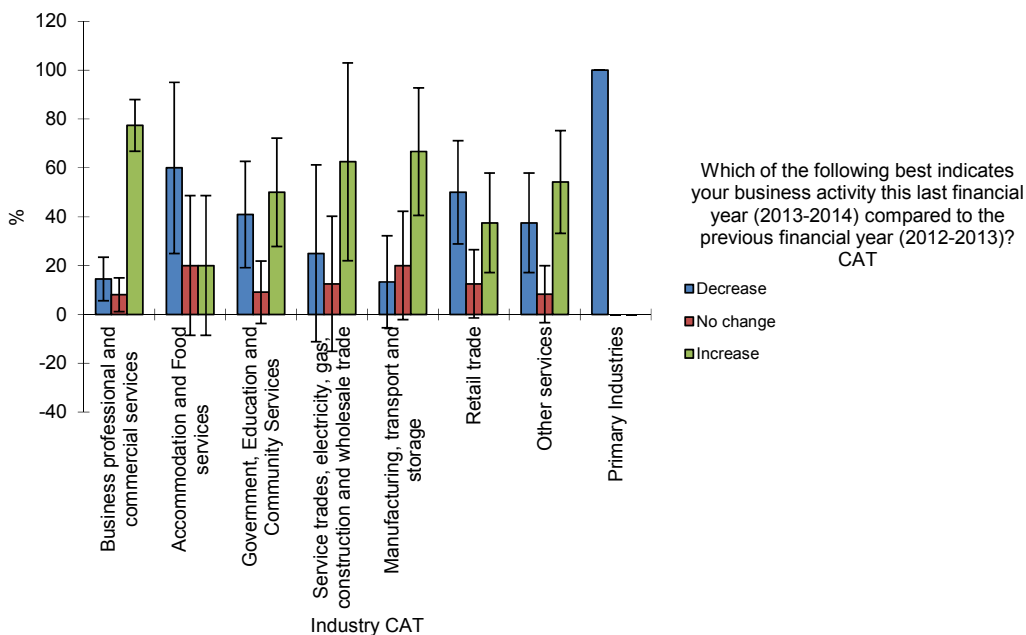
- 69 per cent expect a more profitable 2014-15 and this could be as high as 75 per cent of all businesses in Geelong. A fifth (20 per cent) expects a drop in profitability which could be as high as 26 per cent of all businesses. Therefore, a significantly higher proportion of Geelong businesses - possibly as many as three out of every four - expect an increase in profitability.

Figure: Expectations of profitability (2014-15 and 2013-14) – proportion



- 86 per cent indicated their employee numbers would either remain unchanged or would increase in 2014-15 with 39 per cent expecting to hire additional staff this financial year.
- 60 per cent indicated business activity rose in 2013-14 compared to 2012-13 while 29 per cent indicated a decrease. The Business, Professional and Commercial Services sector had a significantly larger increase in business activity compared to other groups: 70 per cent indicated an increase compared to 37.5 per cent for Retail Trade. BP&CS also indicated a significant increase in profitability.

Figure: Industry Sector and Changes in Business Activity – percentage



- 57 per cent of all businesses indicated profitability had increased from 2012-13 to 2013-14 while 31 per cent indicated it fell. Forty-two per cent of respondents felt prospects for future investment in their business in 2014-15 could be high with 24 per cent indicating it would be low. We found a statistically-significant positive relationship between businesses that had an increase in profitability in 2013-14 and those forecasting and increase for 2014-15.



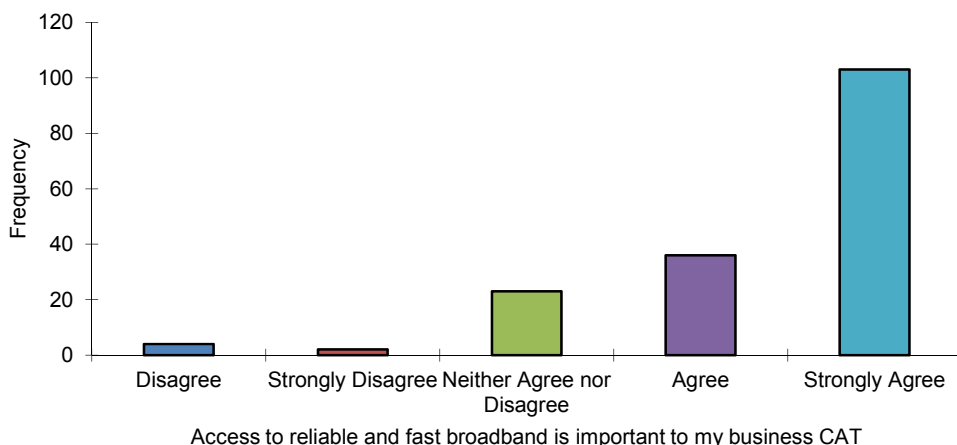
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Internet performance

As many as nine out of every ten Geelong businesses recognise a fast and reliable broadband internet connection is vital for their success. However, many remain frustrated by a lack of access to a high-performing internet service in the region.

The latest Australian Bureau of Statistics figures show 93 per cent of all Australian businesses have internet access and almost half (47 per cent) have a web presence.¹ Our survey found this fact is not underestimated by Geelong businesses with 83 per cent of those questioned agreeing access to reliable and fast broadband is important to their business (this estimate could be as high as 88 per cent of all businesses registered with the Chamber).

Figure: Importance of Broadband to business (frequency)



However, reality is far from expectations for many of our businesses. The survey discovered an underlying frustration with low speed and unreliable internet connections and security. This coupled with concerns about access to affordable training and development has left many in Geelong with the view that business growth is being inhibited.

¹ Australian Bureau of Statistics - Summary of IT Use and Innovation in Australian Business, 2012-13

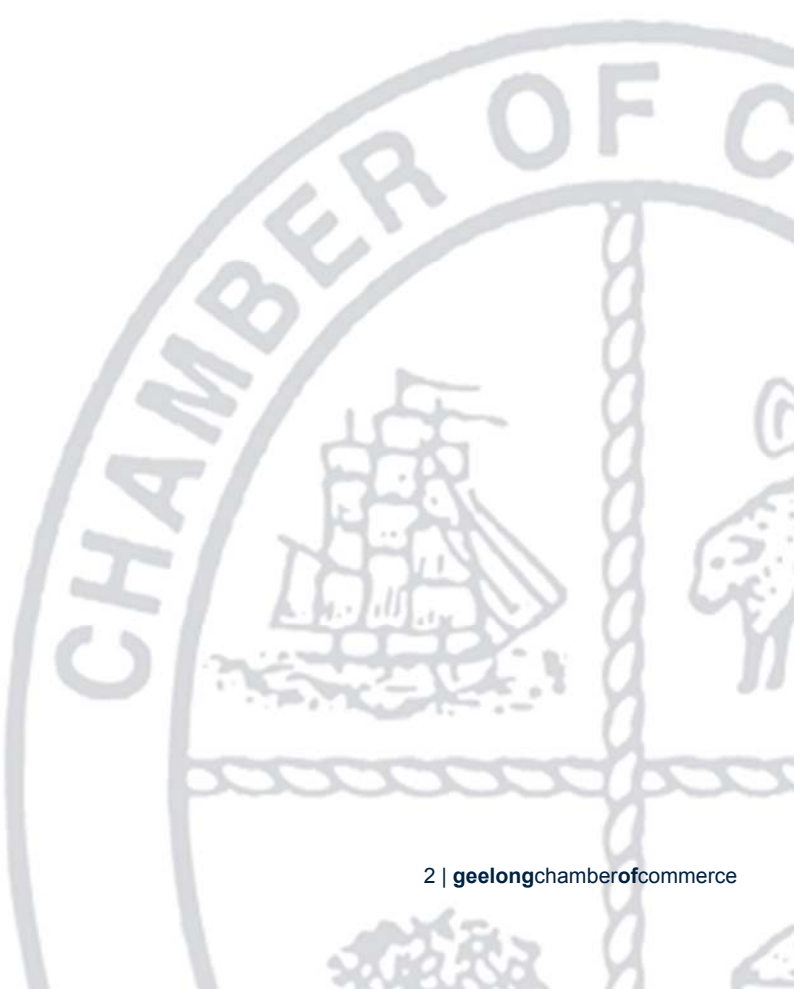


Other key findings

- 87 per cent of respondents agreed understanding the internet is important. This estimate could be as high as 91 per cent - that is, 9 out of 10 businesses believe understanding the internet is important.
- 77 per cent of respondents indicated the cost of the internet is important.
- 55 per cent of businesses surveyed indicated they generate sales from the internet (generate as opposed to sell via the internet). The estimate could be as high as 63 per cent.
 - 17 per cent indicated the internet accounts for half or more of their sales. This estimate could be as high as one out of every four businesses.
 - Newer businesses tend to be more internet-savvy with 70 per cent of businesses trading for less than five years indicating they generate 25 per cent or more of their sales from the internet. Only 27 per cent of businesses trading for more than five years indicated generating 25 per cent or more sales from the internet.

Table: Internet sales and years of business operation (percent of row)

What percentage of your business sales are generated through the Internet?				
		All	Less than 25%	25% or more
Years your business has been operating?	All	100	59.34	40.659
	Less than 5 years	100	28.57	71.429
	5 years or more	100	73.02	26.984





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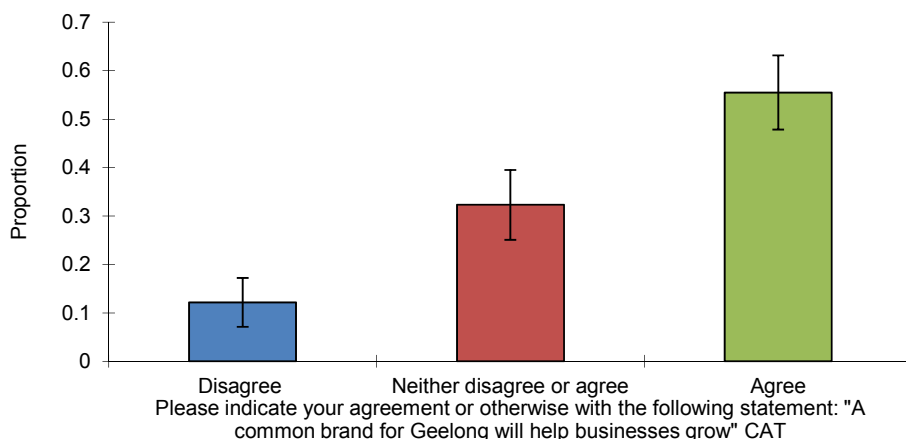
A Geelong Brand

Many Geelong businesses want a strong and clear brand to help promote the city, enhance its image and grow business potential.

The Chamber is a long-time proponent of a Geelong branding strategy and our survey has found the need for such an approach is stronger than ever before. Our city's recent history has been peppered with news on the closure of Ford and Alcoa, leading many of our businesses to feel outsiders have a negative perception of Geelong.

Respondents commented about the need for a more concerted effort to sell Geelong's assets and develop a clear Geelong 'story'. Our survey suggests 55 per cent of businesses believe a common Geelong brand would help business growth (this estimate could be as high as 62 per cent of all businesses). Furthermore, they want increased acknowledgment of our business successes and better support to market local firms.

Figure: Geelong brand for growth –proportion (recoded)

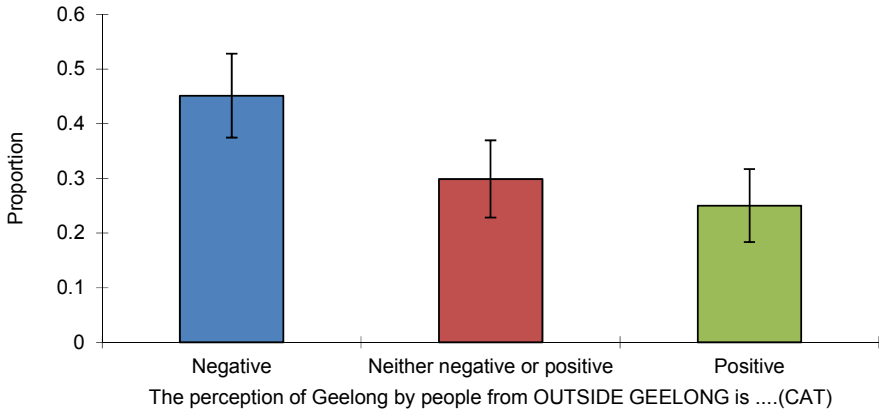


Other key findings

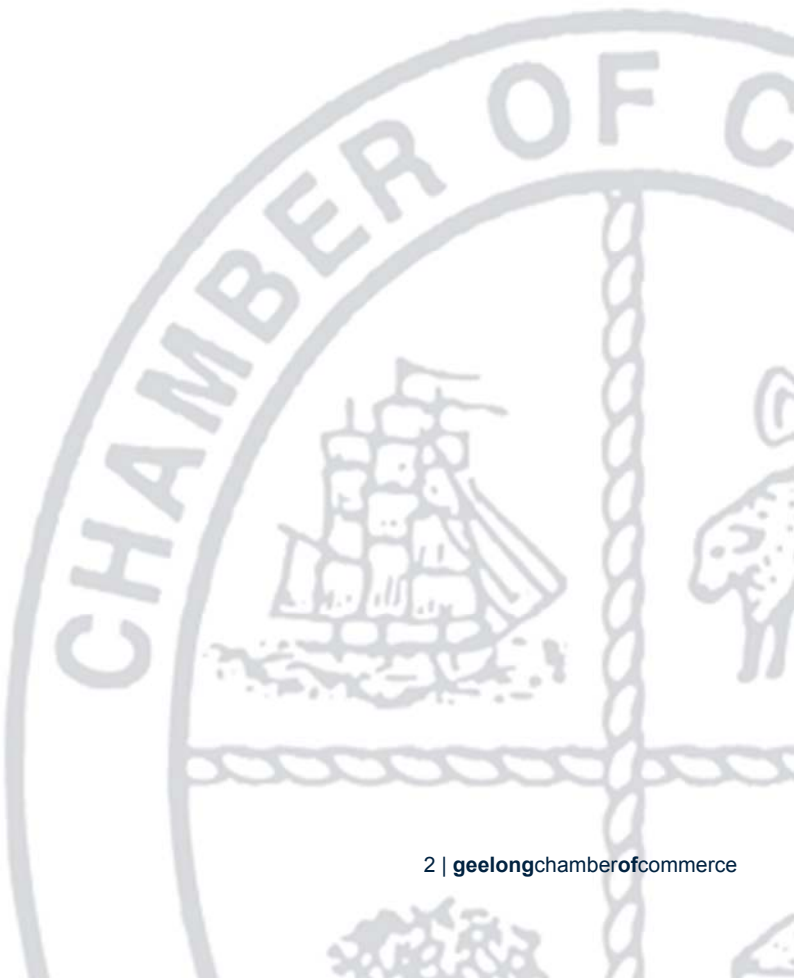
- 46 per cent of respondents indicated the "perception of Geelong" by Geelong-based clients is positive but approximately 30 per cent indicated the perception is negative. This could be as high as 37 per cent of all businesses.
- 45 per cent indicated that outsiders have a negative perception with 25 per cent indicating the perception is positive. Thirty per cent indicated perception would be neutral.



Figure: Perception of Geelong by people from outside Geelong – percentage



- Our survey respondents reported that 60 per cent of sales were generated in Geelong – the estimate could be as high as 66 per cent with Melbourne clients also receiving a high proportion of sales (19 per cent). The rest of Victoria and Australia take up the next biggest slice with 17 per cent.





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Greater Support for Businesses

Many Geelong businesses want to be more innovative and show more leadership but find a lack of access to the relevant skills; affordable training; and best practice business planning are major barriers.

The heart of a successful business is a strong strategy. More than two-thirds (69 per cent) of our survey respondents agreed and have a growth strategy for their organisation. Unfortunately, more than a quarter of respondents (27 per cent) don't have a formal strategy as they find they are limited by resources to create and implement strategies and feel any decrease in income would hinder their ability to fund growth.

We received numerous comments on a lack of access to skilled and experienced workers in Geelong and the need for investment in greater innovation not only in products and services but in how they are delivered and how businesses operate.

While our business community is not seeking hand-outs, they do want more recognition from all levels of government. This includes opportunities to quote for work alongside the need for greater education and recognition for hiring Geelong firms to undertake work in our City.

Similarly, they are seeking a credible, longer-term view and planning from governments to generate a more cohesive growth and development strategy across the private and public sectors to attract greater business investment in the region.

Other key findings

- 18 per cent of businesses indicated they had decreased employee numbers in the previous 12 months. Almost all (97 per cent) of those businesses came from organisations that had been trading for five or more years. The results indicate older businesses were more likely to decrease employee numbers while younger businesses were more likely to maintain or increase staffing levels.
- The 69 per cent of businesses with a growth strategy are evenly distributed across all industry groups.



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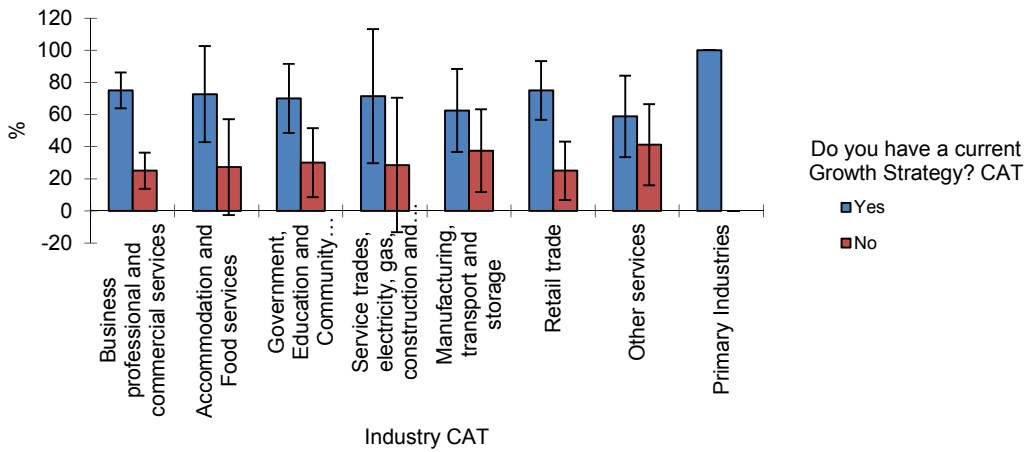
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Figure: Growth strategy by industry sector – percentage



- There is a significant relationship between having a growth strategy and having greater confidence about future investment. More than half (53 per cent) of businesses with a growth strategy also indicated future prospects for investment in their business was high. Whereas 43 per cent of businesses that indicated they didn't have a growth strategy believed future prospects for investment into their business was low.

Figure: Growth strategy and investment prospects – percentage

