

EXPORTING FROM THE SUNSHINE COAST

The Sunshine Coast business community is diverse, representing a variety of business types, sizes and industry sectors across a range of locations. It is no surprise therefore that a wide variety of goods and services are being exported from across the region.

An industry survey was conducted during August 2012 asking local businesses about their current exporting activities and intentions.

With 60 responses to the survey, the following profile has been developed and will be developed upon over time, as further information is gathered.

TYPES OF PRODUCTS AND SERVICES BEING EXPORTED FROM THE REGION

General products and equipment included:

Electronic alarms, clothing, chainsaw equipment, trays for mineral exploration, glass, odour filters, plumbing fittings, power boards, kitchen boards, sealing products, coatings, and zinc & aluminum anodes.

Clean-tech products & equipment included:

LED lamps, equipment for PV solar installations, hybrid power systems, polyurethane insulating panels, wall system technology, water treatment and controlled environment agricultural equipment.

Knowledge products & services included:

Cook books, children's books, art and music, writing services, business and consultancy services, helicopter services, education and training services, coaching, student support services, publishing journals and mining services. Services made up 20% of the type of products being exported from the region.

Food products included:

Confectionary, Australian native foods, dog food, seafood, gluten free grain products, organic wine, Alcoholic spirits, roasted nuts, nougat, and processed/packaged foods.

Sunshine Coast exporters largely identify themselves as being from the Manufacturing industry sector (41%), followed by Wholesale Trade (12%), Education and Training (10%), Agriculture Fisheries and Forestry (7%), Professional, Scientific and Technical Services (7%) and Art and Recreation Services (7%).

EXPORT DESTINATIONS

A total of 87% of survey respondents wish to expand their exporting activities and seek to include Europe and Russia amongst a variety of other destinations.

The majority of survey respondents are sending their goods and services to the Pacific, PNG and New Zealand (55%), closely followed by the United States (45%) and South East Asia (45%).¹

Those new to exporting often start in the Pacific, PNG and New Zealand regions and then add other regions as their experiences and networks develop.

■ Current Destinations
■ Future Destinations

¹ Multiple destinations per respondent

PROFILE OF SUNSHINE COAST EXPORTERS

Smaller businesses with less than 10 employees and a turnover of less than \$5 million made up the highest number of survey respondents (67-75%). This is a predictive result given that 85% of businesses in the region, and indeed Australia wide, are classified as small business.

The average proportion of exports to total sales was measured at approximately 30%, with a majority of respondents (58%) stating that exports as a percentage of total sales were indeed growing.

Over 40% of respondents also indicated that the percentage of sales dedicated to export activities made up less than 10% of their total sales.

If exporting for longer than 10 years results showed that there was a higher proportion of exports as a percentage of total sales, indicating that it takes time to establish secure and robust export markets.

It was notable that businesses exporting services had a much higher proportion of exports to total sales at 63% compared with those exporting goods, which was on average 20%.

SUMMARY OF KEY SURVEY STATISTICS	%
Proportion of respondents intending to expand their export activities	87%
The majority of respondents indicated they had been exporting for less than 5 years	50%
The majority of respondents indicated that they were currently exporting to Pacific, PNG and New Zealand	55%
The majority of respondents were from the manufacturing sector	41%
The majority of respondents intending to expand their exporting activities nominated Europe & Russia as the primary destination	42%
Proportion of respondents who were exporting services (i.e. education, consulting, knowledge)	20%
The majority of respondents had 10 or less employees	67%
The majority of respondents had less than a \$5 million turnover	75%
Average value of export activity as a % of total sales (goods)	20%
Average value of export activity as a % of total sales (services)	63%
The majority of respondents indicated that their export activity as a % of total sales was growing	58%
Proportion of respondents preferring direct contacts as primary source of information	25%

Table 1. Source: Boardroom Business 2012

SUPPORTING OUR LOCAL BUSINESS COMMUNITY

There is a strong willingness amongst the Sunshine Coast business community to share information regarding export experiences (when not competing directly). Opportunities for information sharing are around key export destinations and regions encompassing topics such as direct contacts and country-specific market intelligence. Forums, advisory panels and mentoring were all mentioned by exporters as viable activities.

Exporting advice offered by those exporting the longest (over 10 years) included; 'understand your market and do your research'; 'pay close attention to distribution channels and freighting arrangements' and also 'know when to walk away'.

Other advice from local exporters included; 'plan for significant variance in the Australian dollar', 'be persistent and keep the communications going', 'have patience', 'develop personal relationships' and 'always be closing'.

There are a few key issues many Sunshine Coast exporters are still attempting to resolve. These issues include freight costs, currency fluctuations, internet speed, intellectual property protection, choosing the right distributors, navigating high import taxes and the valuing of services.

As a result of this survey and one-one-one discussions with local businesses, the Sunshine Coast Council will work in partnership with Trade & Investment Queensland to help deliver initiatives to grow the Sunshine Coast export sector.

For further information on exporting visit www.export.qld.gov.au