



Gympie region
**Business
Confidence
Survey**

June 2015



Conducted by Boardroom Business
on behalf of Gympie Regional Council
www.boardroombusiness.com.au



CONTENTS

Executive summary.....	2
Survey methodology.....	3
Industry sectors.....	4
General business confidence.....	5
Business confidence in detail.....	6
Survey index.....	7
Constraints.....	8
Exports.....	9
What would make a difference?.....	11
Acknowledgements.....	12



“ The Gympie region has a proud tradition of a high standard of excellence in business, creating an excellent foundation for growth. We truly value our local businesses opinions and thank them for the ongoing partnership approach towards regional economic development. ”

Cr Mick Curran
Mayor – Gympie Regional Council



Business Confidence is a unique barometer of economic activity. It is the measurement of what businesses think is going to happen in the future. Therefore business confidence reports are one of the few forward projecting data sets available to the business community.

Business confidence reports are, however, one of many sources of information available to businesses. Because of the uncertainty involved it is highly recommended that a variety of information sources be utilised by both the business community and policy makers for decision-making.

Boardroom Business, in partnership with Gympie Regional Council and the many business and government organisations in the region, set about to understand confidence levels over time and created this series of surveys.

The objective was to assist local businesses in their decision-making by understanding LOCAL data and information. Businesses therefore do not have to solely rely on national data, or the media, for information on business confidence levels.

This is the tenth instalment of the survey for the Gympie region and we wish to sincerely thank all the businesses and various organisations that made this survey possible.

We wish to especially thank the many business owners and managers that spent the time participating in the survey and answering the questions.

FAST FACTS

ECONOMIC OVERVIEW OF THE GYMPIE REGION

48,143	Estimated population of the region (2013)
4300	Estimated number of businesses in the region (2103)
\$2bn	Estimated gross regional product of the region (2013/14)
8.1 per cent	Growth of the regional economy in real terms
\$250k	Median house price in Gympie (2014)

Source: Lawrence Consulting, Gympie Region Economic Brief Dec 2014



EXECUTIVE SUMMARY

Gympie region business confidence is the (equal) highest it has been since the survey series began over five years ago. The June 2015 Boardroom Business Confidence Index is at 106 points, three points higher than the June 2014 result, and a total of 15 points higher than the 2011 result.

The June 2015 results continue the increase in confidence trend, however the growth rate in confidence has begun to slow, with many respondents reflecting in their commentary their concerns about the recent slowing of the mining sector, and the resulting impact on local business.

The Gympie Region business confidence upward trend is parallel with state-wide business confidence, with the CCIQ Pulse Survey June 2015 Quarter report stating that the moderately improving confidence appears to be translating into better business performance, with June quarter results showing an improvement across all key indicators. And on the national stage, the latest NAB survey showed business confidence building

on top of a rise in May, to be back around Federal election levels. That contains the promise, or at least possibility, that non-mining business investment might be finally coming to the party later this year. Unlike consumer confidence which actually has little correlation with consumer spending, business confidence often (though not always) presages business investment six months later.

Nationally, the building and construction sector is holding its own, and many commentators are placing their hopes on a national revival to counter the downward movement in mining. On the local front, the Wide Bay-Burnett region was ranked number three in the list of top 10 best buyer's markets nationally, by Commonwealth Bank Home Buyers Index (April 2015).

Export Focus

The June 2015 survey asked respondents to provide details on their export activities and/or aspirations. Only seven per cent (n16) of respondents answered that they were either exporting or planning on exporting. In summary, those either exporting and/or interested in exporting were primarily in agribusiness or tourism, targeting a range of countries and exported over \$1m worth of products annually successfully for at least the past five years. The biggest factors affecting the respondents were exchange rates and Government policies. Businesses who indicated that they wish to be contacted on this topic, will be contacted by the Gympie Regional Economic Development Unit over the coming months.

SURVEY SUMMARY

- Business Confidence levels (equal) highest of all time at 106 points.
- 231 business responses, representing a good mix of industry sectors from across the entire region.
- Rising overheads and utility costs remain the single most important constraint on local businesses.
- Survey series continues to be strongly supported by all chambers and business.

Chambers and Business Groups in your Region

Chamber	Contact details
Gympie Chamber of Commerce	www.gympiechamber.net.au
Mary Valley Chamber of Commerce	www.maryvalleychamberofcommerce.com.au
Tin Can Bay Tourism and Commerce	www.tincanbaytourism.org.au
Rainbow Beach Commerce and Tourism Association	www.ourrainbowbeach.com.au

If you are a member of a local business group and it is not listed above, please contact us and we will ensure you are included in future Business Confidence Survey activities.



SURVEY METHODOLOGY

The survey was designed and executed to capture business responses within the Gympie Regional Council boundaries.

The survey questions were designed with input from the Economic Development Unit of the Gympie Regional Council and local chambers of commerce, and were designed to be able to benchmark the Gympie region over a period of time.

Opening on 25 May and closing on 3 July 2015, the survey was distributed via established business network groups across the region and via Council's database. 231 businesses responded to the survey.

Conducted online and through paper based questionnaires, the survey allowed for anonymous participation and consisted of six questions.

The privacy of all respondents will be maintained at all times. All previous reports are available at www.boardroombusiness.com.au. This report was made public September 2015.

Exporting from Gympie

The establishment of global business relationships is an increasing opportunity for regions such as Gympie, which are well recognised in the industry sectors of agriculture, horticulture and manufacturing. The Federal and State governments continue to focus on trade opportunities with Asia and provide resources and channels to enter markets and form strong commercial relations. The region is well positioned to identify and capitalise on the strong demand for Australian products and services.

Gympie Regional Council's Economic Development Unit will work with targeted business and industry personnel who are currently working in the international trade and export environment to investigate ways of growing those opportunities.

Source: Gympie Region, Perfectly placed for Growth. Economic Development Strategy 2014 – 2019

ECONOMIC DEVELOPMENT UNIT, GYMPIE REGIONAL COUNCIL

Do you:

- have a great business idea?
- want to buy a business?
- want to expand your existing business?

We're here to help!

We are committed to building a strong and diverse Gympie region economy. Our Economic Development Unit offers support to businesses to get them on the right track for success.

Having accurate, accessible information can make the difference between the success or failure of your business. We have helpful resources about business licences, training, planning, and market and industry opportunities.

For further information, contact our Economic Development Unit on (07) 5481 0744 or by email at economicdevelopment@gympie.qld.gov.au.



INDUSTRY SECTORS

QUESTION 1

Which industry do you belong to?

Using the Australian and New Zealand Standard Industry Classification codes (ANZSIC) for purposes of national comparisons.

Retail Trade	36
Accommodation, Cafes and Restaurants	30
Agriculture, Forestry and Fishing	28
Property and Business Services	26
Tourism	20
Manufacturing	15
Construction	12
Financial and Insurance	11
Wholesale Trade	11
Transport and Storage	10
Health and Community Services	7
Personal and Other Services	7
Communication Services	5
Cultural and Recreational Services	4
Education	4
Electricity, Gas and Water Supply	3
Mining	1
	231

QUESTION 2

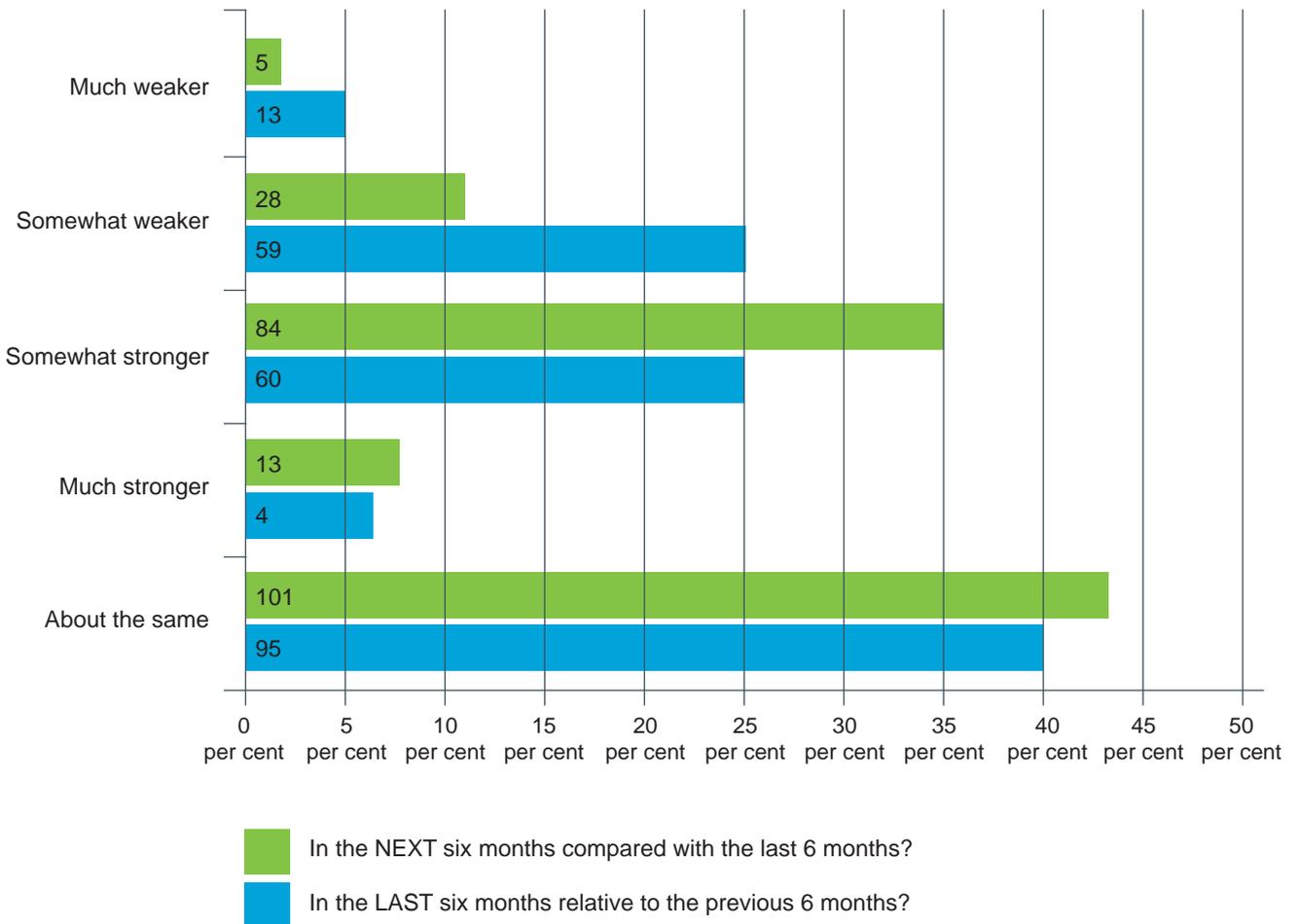
In which region do you primarily operate your business from?

Gympie	108
Multiple Gympie Region locations	21
Rainbow Beach	17
Tin Can Bay	11
Imbil	10
Goomeri	10
Kilkivan	9
Southside	7
Goomboorian	6
Chatsworth	4
Amamoor	3
Carters Ridge	3
Curra	3
Dagun	2
Gunalda	2
Mothar Mountain	2
Sexton	2
The Palms	2
Traveston	2
Glastonbury	1
Jones Hill	1
Kia Ora	1
Kybong	1
Veteran	1
Widgee	1
Woolooga	1
	231

GENERAL BUSINESS CONFIDENCE

QUESTION 3

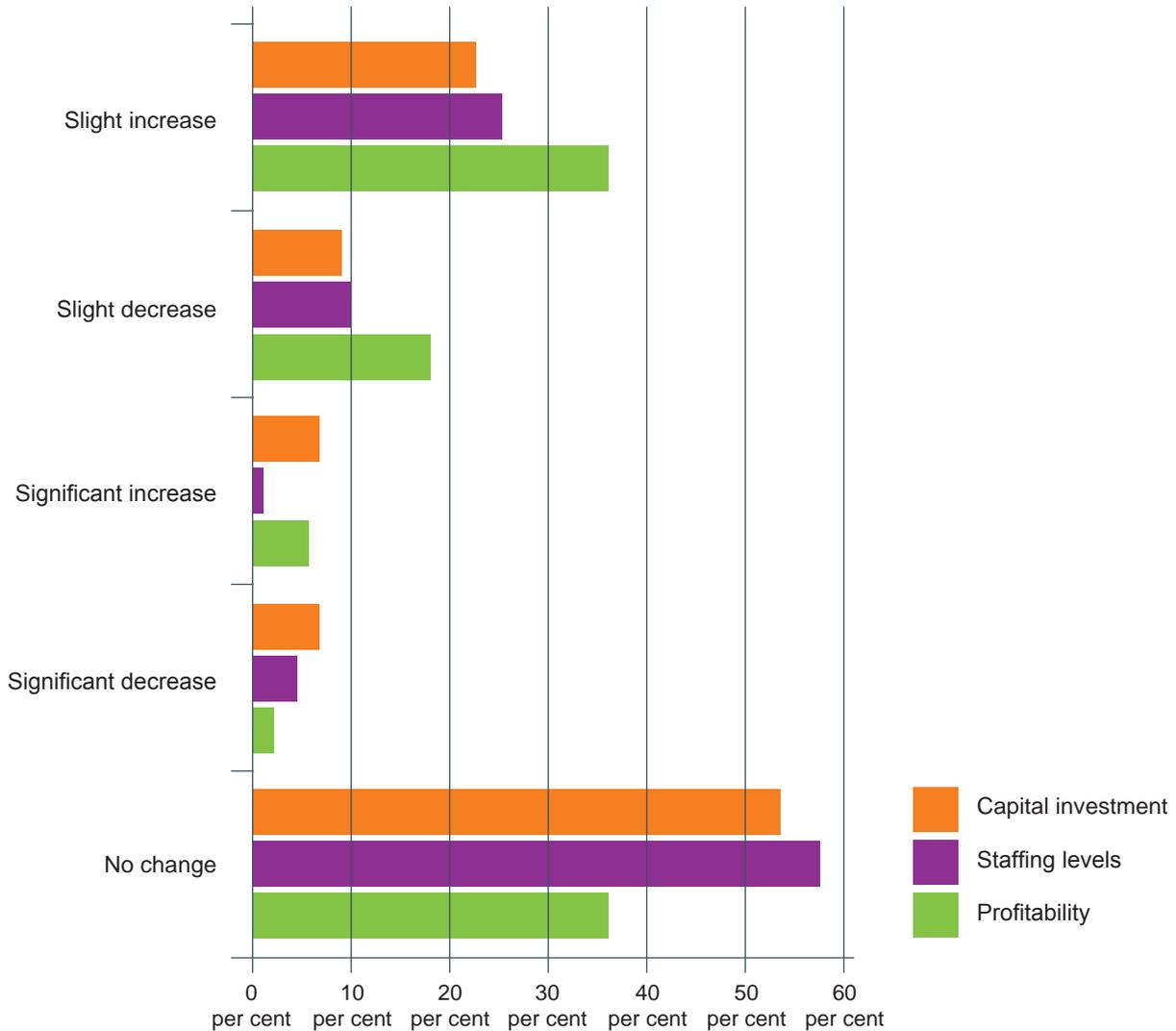
How has your business/organisation performed?



BUSINESS CONFIDENCE IN DETAIL

QUESTION 4

In your business/organisation do you expect an increase, decrease or no change over the next six months in profitability, staffing levels and/or capital investment?



SURVEY INDEX

The June 2015 survey is the tenth in the Gympie Region Business Confidence Survey series.

Using the data collected since 2010, we have created the *Boardroom Business Confidence Index* to demonstrate confidence trends over time.

This index has been designed with the help of respected economist Michael Emerson of EMDA¹. For a full explanation of how this index is calculated, please see our dedicated Gympie survey web page:

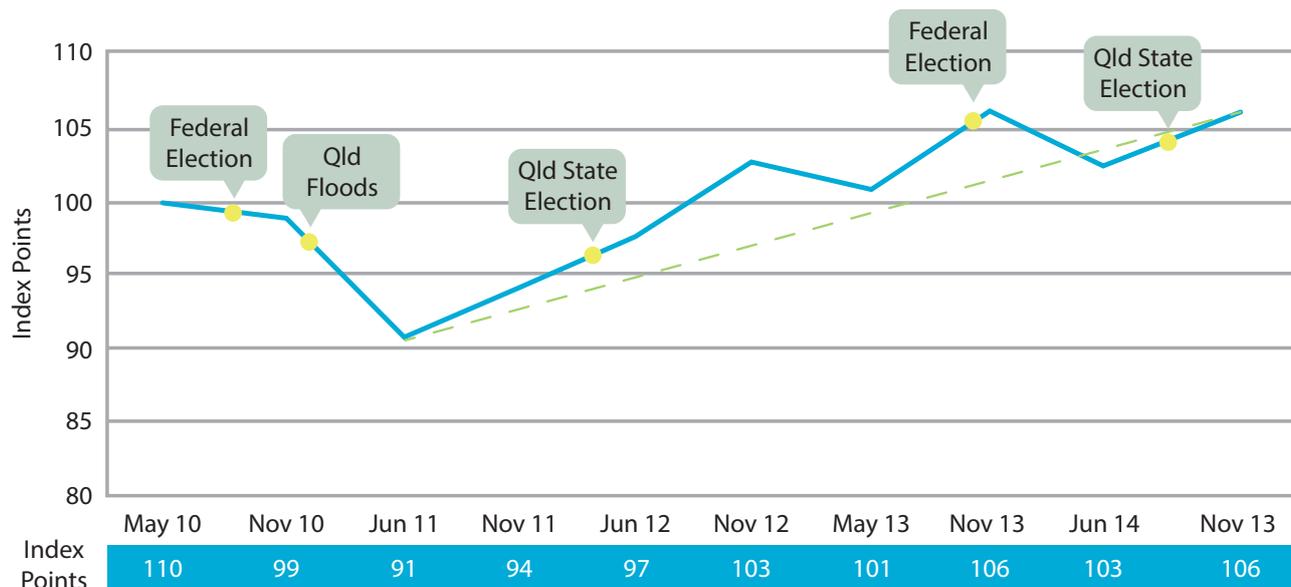
www.boardroombusiness.com.au/gympie

Business confidence has been on a steady increase since the lows of the GFC really hit Australia in 2011.

The longer term trend remains positive. Over the past four years, the index has risen 15 points resulting in the June 2015 index at 106 points.

Confidence measures over time often have a slight lag effect from major events, as demonstrated by the major events mapped to the index in the graph below.

Boardroom Business Confidence Index – Gympie Region 2015



Source: Boardroom Business (2015) Gympie Business Confidence Survey (June 2015)

¹EDMA are economic and market development specialists. Michael Emerson, Founding Director of EMDA, is the author of The Fairfax Media Employment Forecasts for Australia, Australia's most accurate Employment Forecasts. (www.emda.com.au).



EXPORTS

QUESTION 6

Are you currently exporting or planning to export?

Of the 231 businesses completing the survey, 16 respondents (7 per cent) indicated that they are either currently exporting (n11) or planning on exporting (n 5).

QUESTION 7

What product or service do you export?

Currently exporting	Planning on exporting
Beef	Accommodation for self drive tourists
Engineering consultancy	Agricultural products
Fruit	Beef, beef jerky
Import tourists	Lime products
Engineering consultancy	Prints, stickers and transfers
Macadamia nuts	Software
MDF	
Tourism (two)	
Vines, hoyo and rare and hard to find plants	
Wild caught Australian seafood	

QUESTION 8

Please list the countries to which you export in order of sales revenue.

Currently exporting	Planning on exporting
70 countries, the main ones are UK, Germany and Scandinavia	All English speaking countries
Canada, China, India	Asian Market
Europe and UK, USA and Canada, South Africa, South America, Asia	China (two)
Germany, Denmark, UK, Scandinavia, Ukraine, Uzbekistan, South Africa	Asia
Germany and Singapore	Europe and North America
Germany, UK, Scandinavia and 67 other countries	Online – so the World!
Japan, USA, South Korea, Malaysia, Middle East, Indonesia, Taiwan, North Africa, Thailand, SE Asia	
Singapore, Malaysia, Hong Kong	
The world	
USA, Japan, China, Germany, New Zealand, Korea, Spain, Middle East, Singapore, Malaysia, Taiwan.	

EXPORTS

QUESTION 9

What is the approximate annual value of your current exports?

\$0 - \$50,000	One response
\$50,001 - \$250,000	One response
\$250,001 - \$1M	Two responses
More than \$1M	Seven responses

QUESTION 10

How long have you been exporting?

Over 80 per cent of respondents to this question have been exporting longer than five years.

QUESTION 11

What are the key impacts on your export activities?

	0 per cent	13 per cent	27 per cent	Count	Percent
Australian dollar/exchange rate				9	26.47
Government policies/restrictive rules and regulations				6	17.65
Language/cultural				3	8.82
Tariffs				3	8.82
Transportation difficulties				2	5.88
Foreign practice incompatible with domestic practice				2	5.88
Competition				2	5.88
Cost of goods				2	5.88
Lack of market knowledge				1	2.94
Collection of payment				1	2.94
Technical/after sales surface				0	0
No access to distribution channels				0	0

Additional comments:

"Cost of professional labour in Australia is high in competition to the rest of the world. Distance and travel costs from Australia to markets."

"We have had sales requests from other countries but to date cannot find answers to whether we are able to import to those countries to fill the orders, hence no sale."

"Slow processes at Immigration."

"Overall upturn in Australia's economic outlook to expand the domestic tourism market and lower Australian dollar to expand the international tourism market. Increased technological capacity as in broadband would also assist connectivity and content that we could present to both the internal and external markets."

WHAT WOULD MAKE A DIFFERENCE?

QUESTION 12

What would make a difference to the profitability or viability of your business?

There were over 100 responses to this question, with some respondents providing quite detailed feedback and suggestions. These anonymous responses are valued and help provide a clearer picture of issues impacting the Gympie regions business community. Below are some selected responses to this question.

"A tiered approach to safe food licensing regulations to enable sole operator Cheesemaking products to be able to be sold at markets on a small scale. Current costs for licenses and audit requirements are prohibitive to artisan producers."

"As an online business, getting better internet speeds will be essential going forward."

"Australia remains as one of the most expensive countries to visit. Topped with a flooded market in our industry not only locally but with Brisbane and Sunshine Coast markets due to the mining sector bust we cannot see significant improvement for the next five years."

"Better roads, reliable high speed internet, less government red tape and taxes, reliable and motivated staff, more transport options from and to the Gympie region."

"Flood levy or the like to increase my confidence to invest in my business and Gympie."

"If more local builders and trades were used by this town instead of its obsession with using out of town builders trades and contractors."

"No winter. But seriously, more co-operation amongst tour services - working together instead of in competition would be nice."

"Quicker service of visas from the Department of Immigration."

"Recovery in the Australian mining and heavy engineering industries."

"Stimulation of pedestrian traffic in lower Mary Street which has been drastically reduced, as the vacancy rate of retail stores in the area continues to rise. Of particular concern is the large gap of retail activity in the middle of Mary Street in the former Crazy Clarks area."

"We'd love to export but just couldn't compete on price."

"Tourism infrastructure like Spray Park, second Marina. Updated dolphin feeding/viewing infrastructure. Completion of stages A and C of Bruce Hwy. Construction of Coast Road including Coondoo Bridge upgrade."

"Continued upswing of housing market."

"Local slaughter for cattle at a reasonable price so able to value add beef locally."

ACKNOWLEDGEMENTS

Without the support of the following organisations this survey would not have been possible.

We would like to sincerely thank the following:

- Australian Industry Group
- Gympie Central
- Gympie Chamber of Commerce
- Mary Valley Chamber of Commerce
- RDA Wide Bay Burnett
- Rainbow Beach Commerce and Tourism Association
- The Gympie Times
- Tin Can Bay Chamber of Commerce.

If you would like to take part in further involvement in the confidence survey series you can subscribe online to receive the email alerts and be among the first to download the results.

Go to www.boardroombusiness.com.au.

CONTACT US:

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www.boardroombusiness.com.au

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