



Albury Wodonga  
**business  
directory**

[www.alburywodonga.gov.au](http://www.alburywodonga.gov.au)

A joint initiative of



# **Albury Wodonga**

## **Local Business Survey**

### *Key Findings Summary*

Prepared By: *Albury Wodonga Corporation, AlburyCity and the City of Wodonga*

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## INTRODUCTION

This report contains the key findings from the 2009 Albury Wodonga Local Business Survey.

The Albury Wodonga Local Business Survey was completed in late August 2009, and was the most comprehensive survey of Albury and Wodonga businesses in more than five years. The survey was also the first major initiative to stem from the Albury Wodonga Business Directory project, a joint initiative of the Albury Wodonga Corporation (AWC), AlburyCity (ACC) and the City of Wodonga (CoW).

The results from this survey have provided an important snapshot of local business and industry, and will allow the AWC and the two Councils to better understand and consider the challenges and opportunities being faced by businesses.

The information from this survey will be utilised in the creation and implementation of regional economic development strategies, and as a tool to guide the strategic direction of regional economic development lobbying of State and Federal Government by Council, industry groups and other key stakeholder organisations.

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## **ECONOMIC CLIMATE**

The past 12 months have seen the global economy endure one of the most turbulent times in modern history. Global equity markets are estimated to have lost approximately US\$32 trillion in value since their peak, which is the equivalent of the combined Gross Domestic Product of the G7 countries in 2008. In January 2009, the International Labour Organisation (ILO) estimated that an additional 30 million jobs could be lost if the financial turmoil persists through the remainder of 2009. This would increase the global unemployment rate to 6.5%, compared to 6% in 2008 and 5.7% in 2007.

Nationally, business and consumer confidence plummeted towards the end of 2008. The Australian share market experienced the worst financial year in 28 years, while full-time employment fell by 217,400 jobs between September 2008 and September 2009. Part-time employment increased by 181,900 jobs for the same period. As at August 2009 national unemployment was 5.8%, compared to 4.2% in August 2008. Recent reports have found that Australia's economy has outperformed most other developed nations of late, expanding 0.6 percent in the second quarter of 2009 from the previous three months, when it grew 0.4 percent.

As at December 2008, Albury Wodonga's Gross Regional Product (GRP) was valued at approximately \$4.76Billion, which was a 13.5% increase compared to November 2007. Unfortunately, GRP estimates for 2009 will not be available until early 2010. The local economy is diverse, and has historically coped well with economic downturns. The Department of Education, Employment and Workplace Relations (DEEWR) indicates that the rate of unemployment in Albury Wodonga rose from 4.2% to 5.1% between December 2007 and December 2008, however anecdotal evidence suggests that business activity is starting to increase as the economy shows signs of recovery.

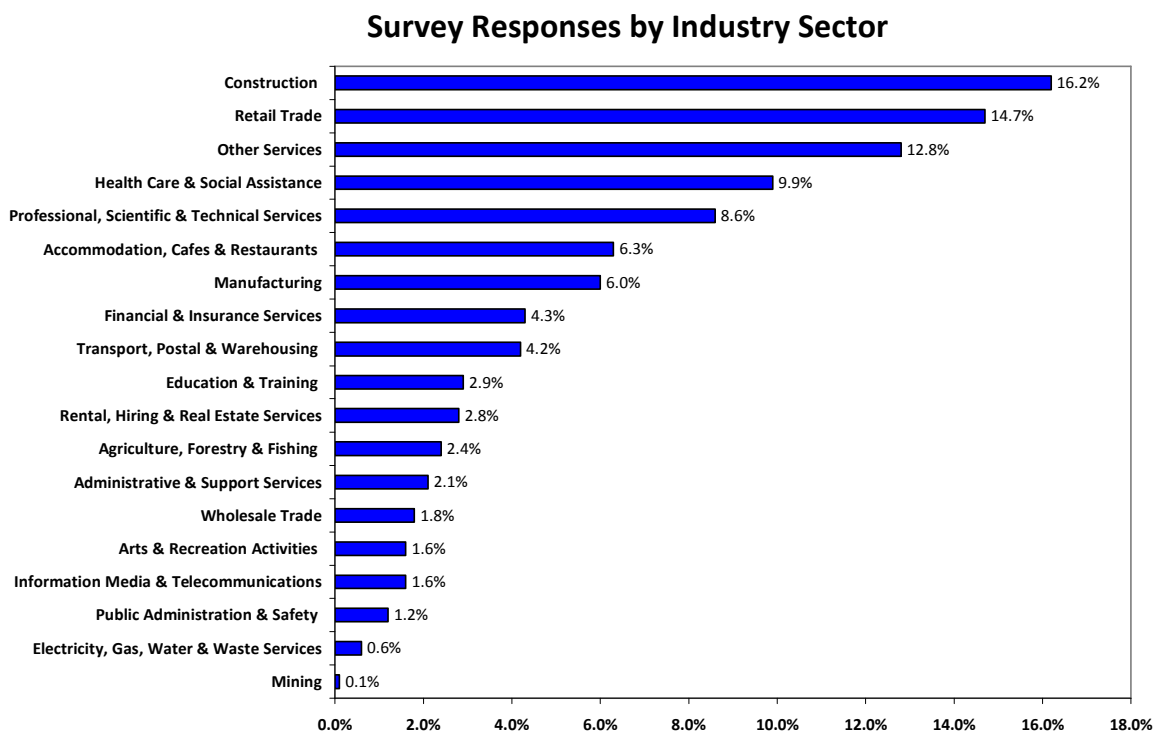
While the national economy has significantly contracted in the last 12 months, recent reports indicate that the Australian economy is showing signs of growth. According to a report released by the Australian Industry Group and Pricewaterhouse Coopers, Australian manufacturing grew in September 2009 for a second straight month as companies boosted production, inventories and deliveries. The Australian Bureau of Statistics also released figures indicating national retail sales were up a seasonally adjusted 0.9% in August. Economists had predicted a 0.5% sales growth.

## KEY FINDINGS

### Response Rate

Of the 6,450 surveys distributed to registered businesses in the Albury and Wodonga local government areas, 854 responses were received. This represents a response rate of 13.4%. This level of response ensures that the information gained is representative of the Albury Wodonga business region and therefore holds a high degree of credibility when being utilised to analyse local business trends.

Survey responses were received from all 19 industry sectors, as demonstrated below:



The spread of responses highlights the diversity of the Albury Wodonga economy and ensures a more accurate reflection of broader business community attitudes in survey results.

The construction and retail sectors accounted for 260 responses, or approximately 30%. Other Services (108), Health Care & Social Assistance (82) and Professional, Scientific & Technical Services (71) also accounted for an approximately 30% of responses.

### **Business Establishment**

83.5% (713) of businesses responded to the survey questions concerning business establishment. Of those:

- 13.0% (93) have been operational for the last five years.
- 30.0% (214) have been operational for the last ten years.

89.0% (760) of businesses responded to the survey questions concerning business ownership. Of those:

- 25.3% (192) had changed ownership since establishment.
- 74.7% (568) were still in original ownership.

### **Employment**

94.9% (810) of businesses responded to the survey questions concerning employment. Of those:

- 56.9% (461) expect no change to employment at their business in the next year.
- 18.8% (152) are unsure if there will be any changes to employment at their business in the next year.
- 24.3% (197) expect a change to employment at their business in the next year, and of those:
  - › 77.7% (153) expect to increase employee numbers.
  - › 8.6% (17) expect to decrease employee numbers.
  - › 7.1% (14) expect to alter the composition of employee numbers (i.e. increase full-time staff while decreasing part-time staff.)
  - › 6.6% (13) expected a change in employee numbers, however did not indicate the type of change.

Nearly 11,000 people were employed by survey respondents. Of the 11,000 employees, 7,080 were full-time employees, 2,010 were part-time employees and 1,730 were casual employees.

Employees were predominantly based in the Transport, Postal & Warehousing (14.2%), Health Care & Social Assistance (13.2%), Public Administration & Safety (11.6%) and Accommodation, Cafes & Restaurants (9.4%) sectors.

### **Capital Investment**

Businesses were asked to indicate whether they intended to make a any capital investment in the next 12 months. 812 of the 854 respondents, or 95.1% chose to answer this question. Of those:

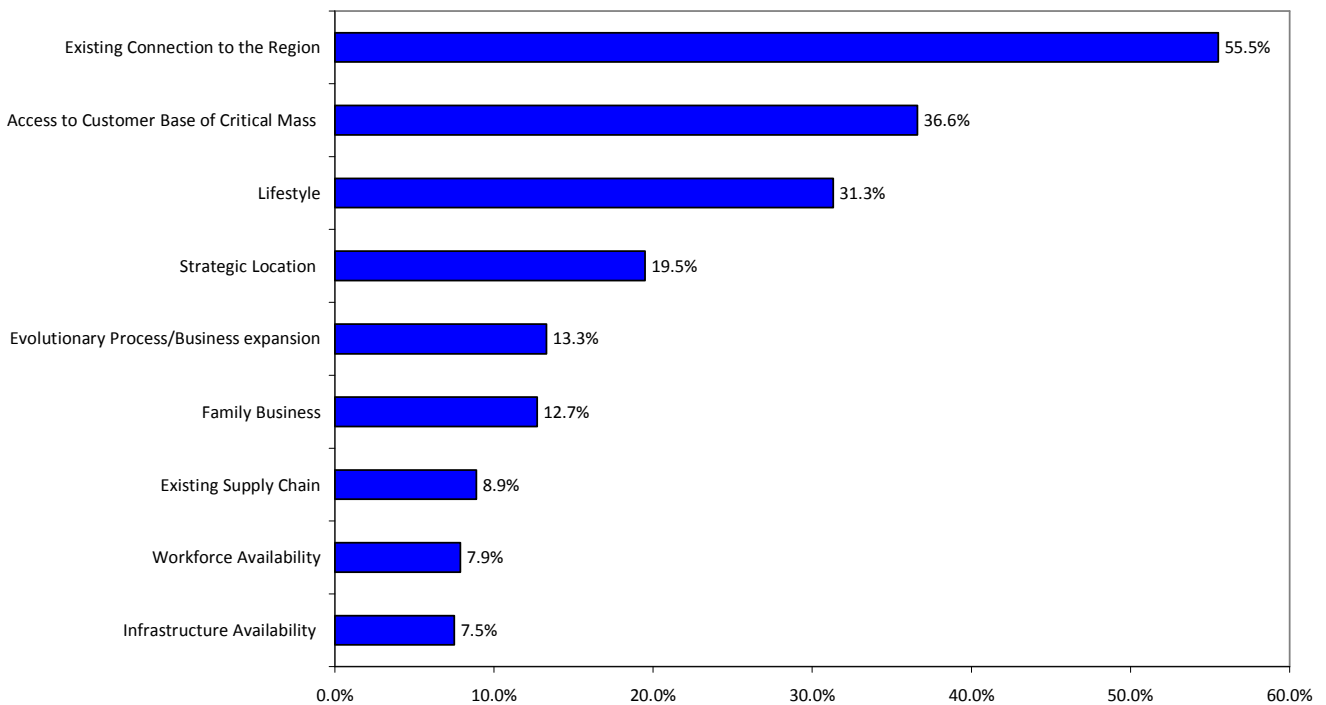
- 52.2% (424) intend to make a capital investment in the next year.
- 47.8% (388) do not intend to make a capital investment in the next year.

### Why Albury Wodonga?

Respondents were asked to indicate which key factors influenced their decision to operate the business from Albury Wodonga. 813 of the 854 respondents, or 95.2%, chose to answer this question. Respondents were able to nominate multiple responses.

As expected, the results demonstrate that an existing connection to Albury and Wodonga was one of the key reasons respondents choose to operate a business in the area. Those with a connection include existing residents, people who grew up and/or undertook tertiary education in the region and decided to return to the area as a resident or those that have friends or family living here. Given Albury Wodonga’s position as the regions major retail, commercial, administrative and cultural centre and its central location between Melbourne and Sydney, ‘Access to Customer Base of Critical Mass’ and ‘Strategic Location’ were also strong motivating factors.

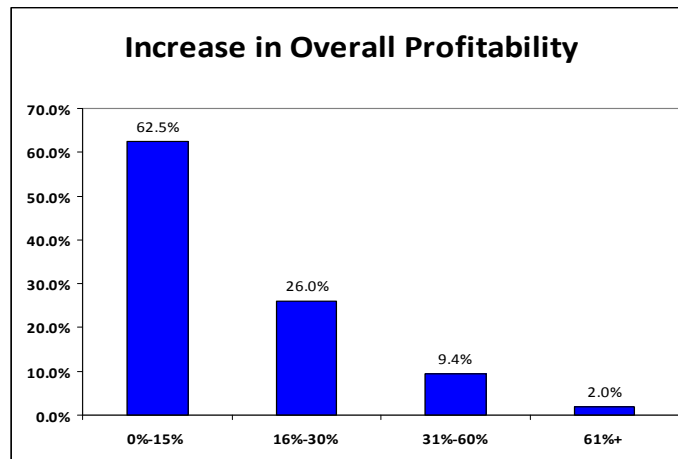
### What were the key motives for operating in Albury Wodonga?



### Business Profitability

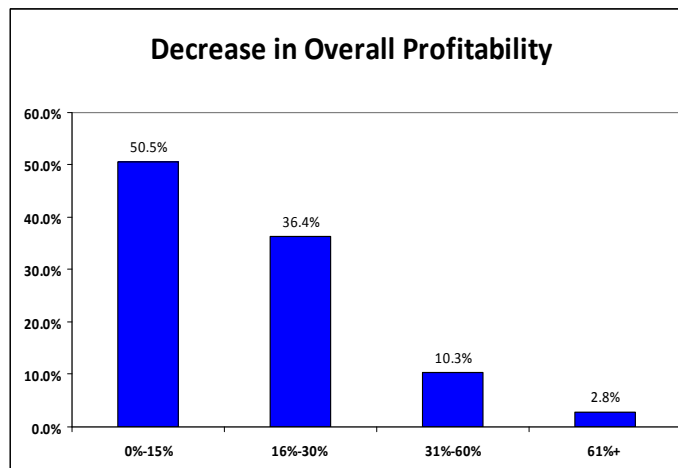
Respondents were asked if they had experienced a change in overall business profitability in 2008/09 compared to 2007/08. 795 of the 854 respondents, or 93.1%, chose to answer this question. Of those:

- 35.5% (282) of businesses experienced **no change** in overall profitability.
- 37.6% (299) of businesses experienced an **increase** in overall profitability. Of those:
  - › 62.5% (187) experienced a 0% - 15% increase in profitability;
  - › 26.0% (78) experienced a 16% - 30% increase in profitability;
  - › 9.4% (28) experienced a 31% - 60% increase in profitability; and
  - › 2.0% (6) experienced an increase in profitability greater than 61%.



27.0% (214) of businesses experienced a **decrease** in overall profitability. Of those:

- › 50.5% (108) experienced a 0% - 15% decrease in profitability;
- › 36.4% (78) experienced a 16% - 30% decrease in profitability;
- › 10.3% (22) experienced a 31% - 60% decrease in profitability; and
- › 2.8% (6) experienced a decrease in profitability greater than 61%.



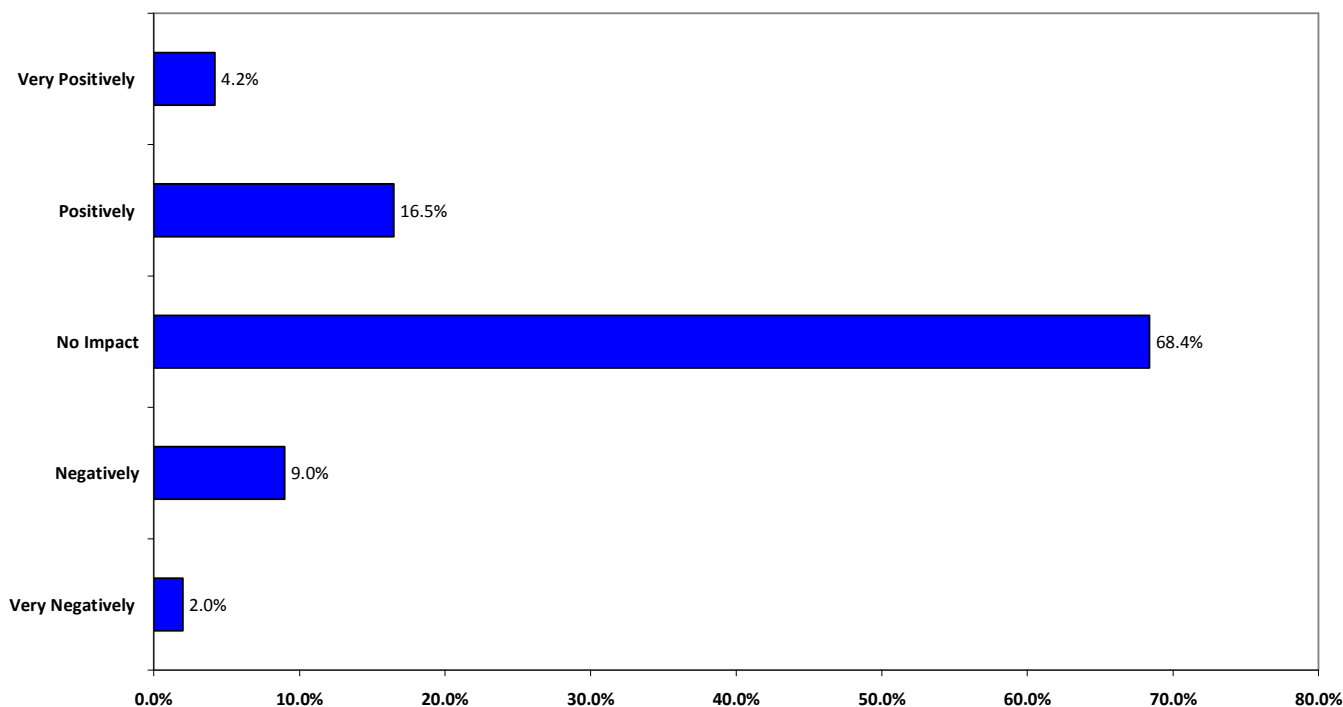
### Key Issues Affecting Business

Respondents were asked to identify the key issues that have impacted their business in the last year, and the nature of that impact.

#### ***Access to Finance***

746 of the 854 respondents, or 87.4%, chose to answer this question.

### Access to Finance



Of the 152 respondents that believed access to finance had had a **very positive** or **positive** impact on their business:

- 24.3% (37) were in the Construction sector;
- 13.8% (21) were in the Retail Trade sector; and
- 12.5% (19) were in the Other Services sector.

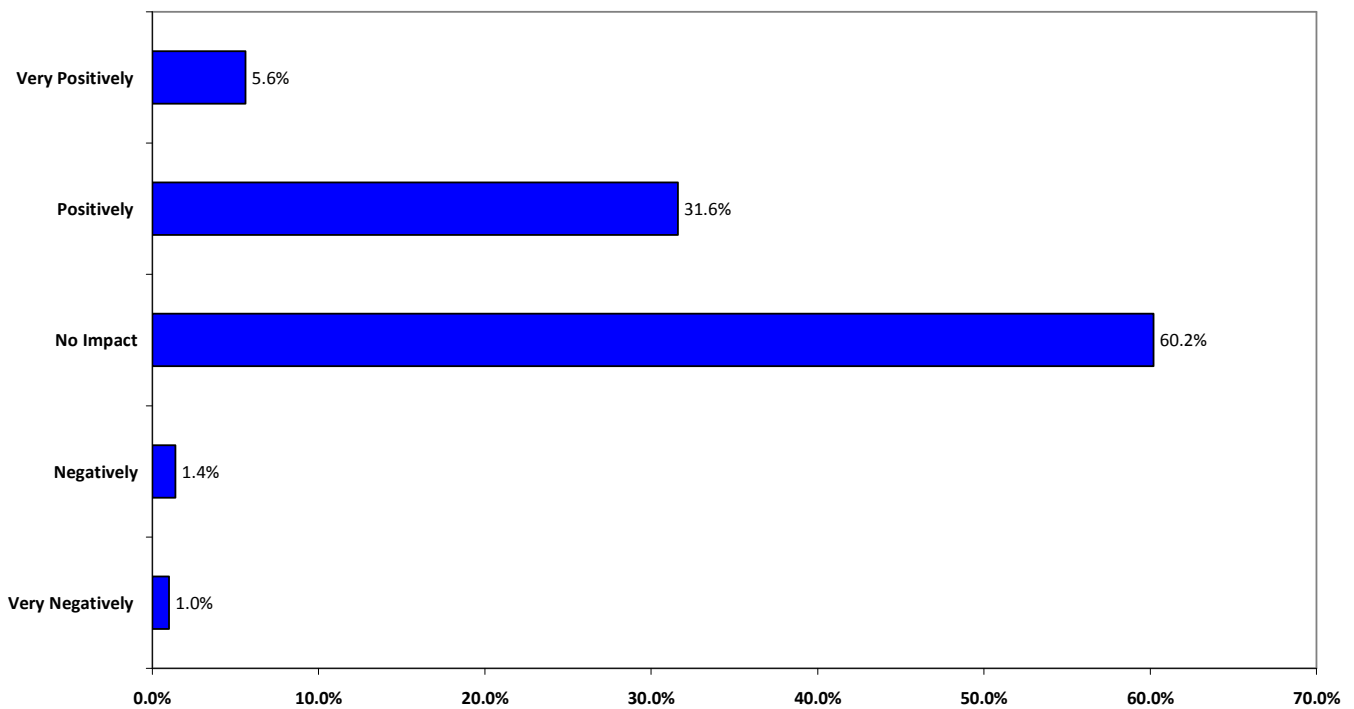
Of the 508 respondents that believed access to finance had **not impacted** on their business:

- 14.8% (75) were in the Retail Trade sector;
- 14.0% (71) were in the Construction sector; and
- 13.8% (70) were in the Other Services sector.

### **Government Stimulus Package**

763 of the 854 respondents, or 89.3%, chose to answer this question.

### **Government Stimulus Package**



Of the 283 respondents that believed the Government Stimulus Package had had a **very positive** or **positive** impact on their business:

- 24.4% (69) were in the Retail Trade sector;
- 21.2% (60) were in the Construction sector;
- 8.1% (23) were in the Professional, Scientific & Technical Services sector; and
- 7.1% (20) were in the Accommodation, Cafes & Restaurants sector.

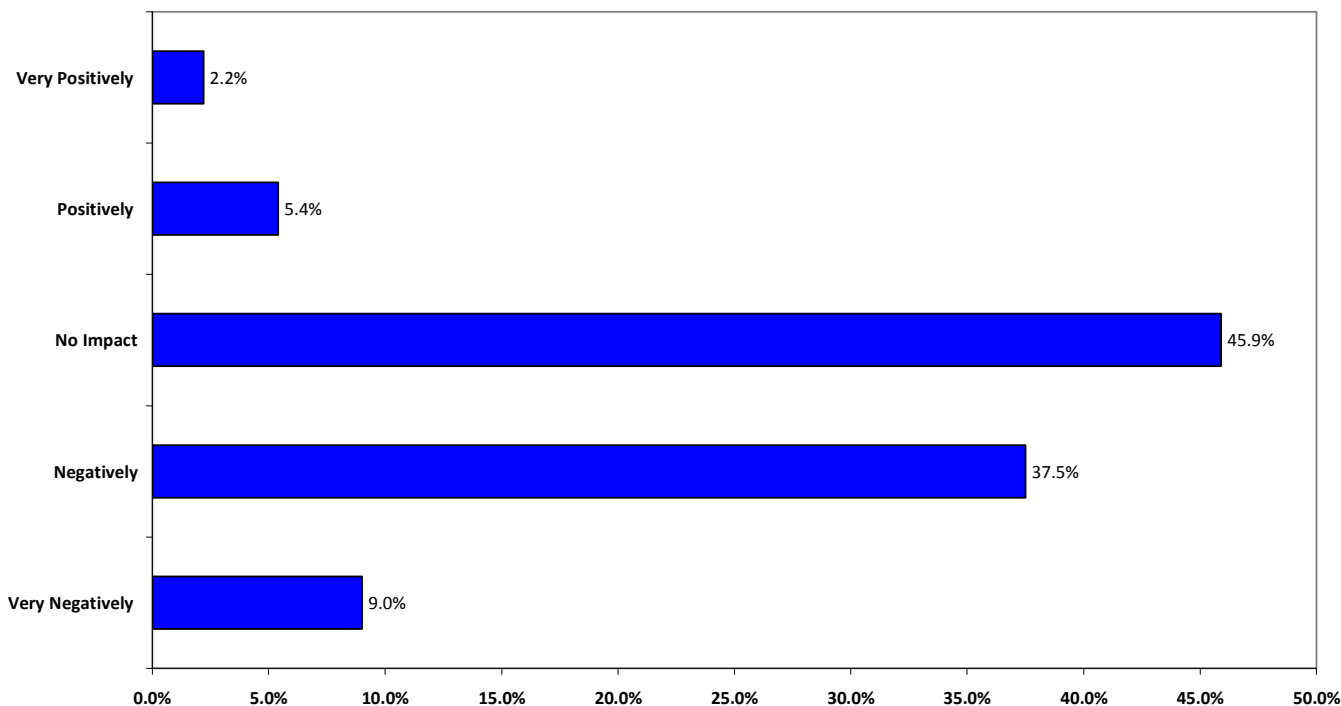
Of the 454 businesses that believed the Government Stimulus Package had **not impacted** on their business:

- 15.9% (72) were in the Other Services sector;
- 13.9% (63) were in the Construction sector; and
- 10.6% (48) were in the Health Care & Social Assistance sector.

## Drought

728 of the 854 respondents, or 85.2%, chose to answer this question.

### Drought



Of the 348 businesses that believed the drought had **not impacted** on their business:

- 20.7% (72) were in the Construction sector;
- 11.8% (41) were in the Health Care & Social Assistance sector; and
- 11.5% (40) were in the Retail Trade sector.

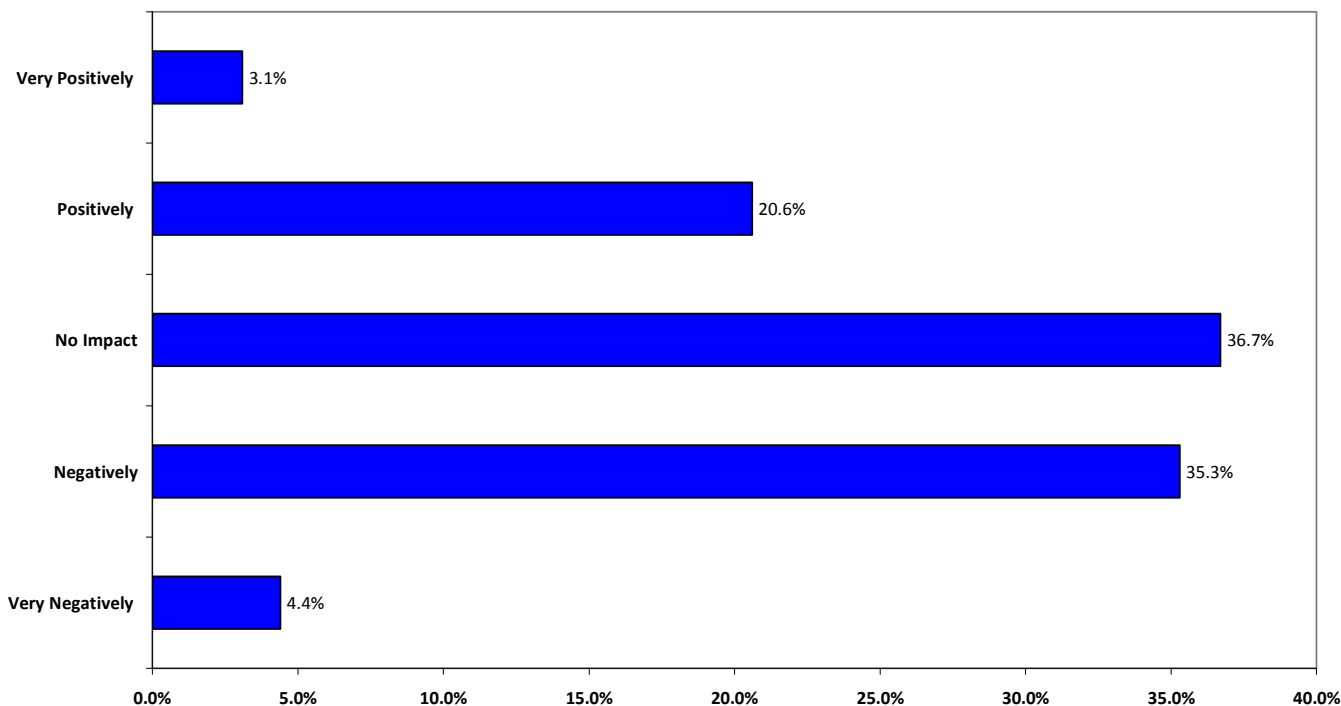
Of the 352 businesses that believed the drought had had a **very negative** or **negative** impact on their business:

- 17.9% (63) were in the Retail Trade sector;
- 13.3% (47) were in the Construction sector;
- 12.2% (43) were in the Other Services sector; and
- 9.7% (34) were in the Professional, Scientific & Technical Services sector.

### **Business Confidence**

753 of the 854 respondents, or 88.2%, chose to answer this question.

#### **Business Confidence**



Of the 128 businesses that believed that business confidence had had a **positive impact** on their business:

- 19.5% (25) were in the Construction sector; and
- 18.0% (23) were in the Other Services sector.

Of the 273 businesses that believed that business confidence had **not impacted** on their business:

- 15.4% (42) were in the Health Care & Social Assistance sector; and
- 15.4% (42) were in the Retail Trade sector.

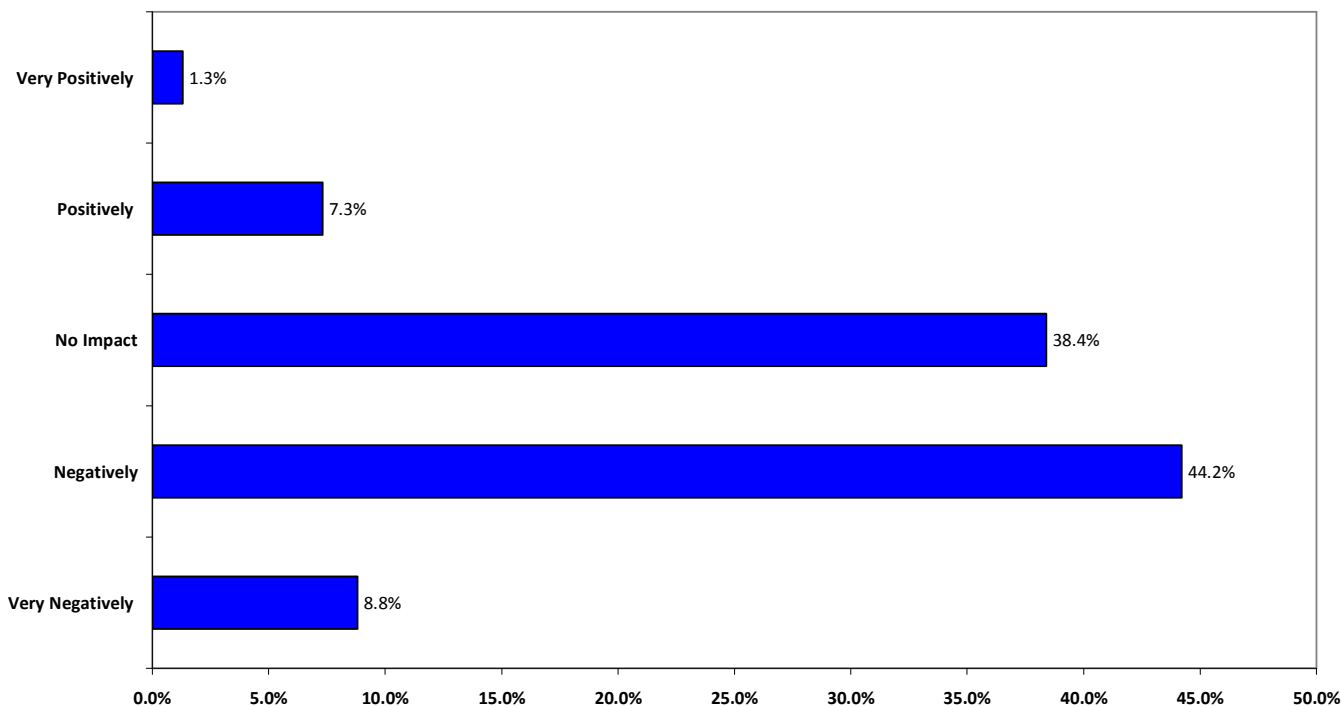
Of the 265 businesses that believed that business confidence had had a **negative impact** on their business:

- 20.4% (54) were in the Construction sector; and
- 15.1% (40) were in the Retail Trade sector.

### Global Economic Crisis

753 of the 854 respondents, or 88.2%, chose to answer this question.

### Global Economic Crisis



Of the 291 businesses that believed the Global Economic Crisis had **not impacted** on their business:

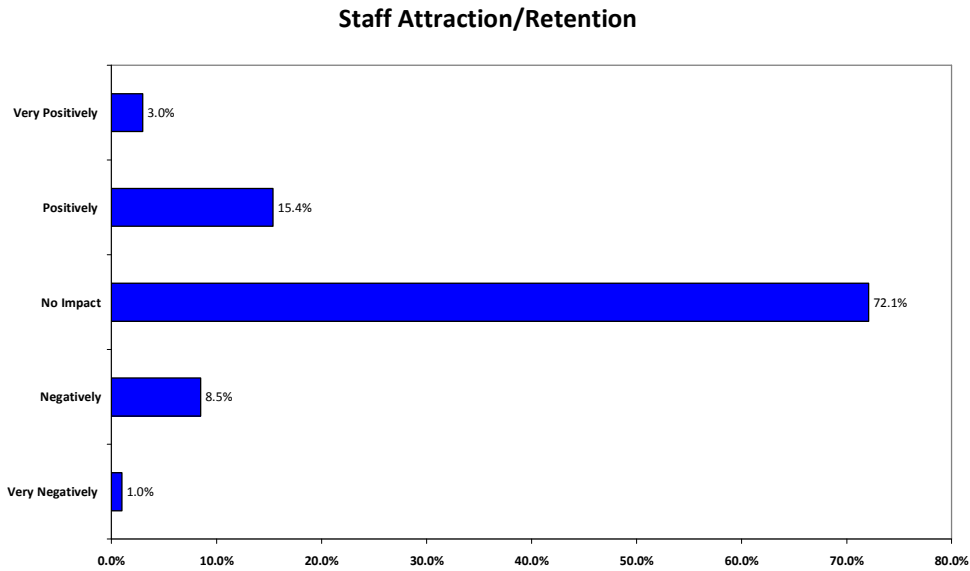
- 15.8% (46) were in the Other Services sector;
- 15.5% (45) were in the Health Care & Social Assistance sector;
- 13.0% (38) were in the Construction sector; and
- 13.0% (38) were in the Retail Trade sector.

Of the 406 businesses that believed the Global Economic Crisis had had a **very negative** or **negative** impact on their business:

- 19.9% (81) were in the Construction sector;
- 15.3% (62) were in the Retail Trade sector;
- 9.8% (40) were in the Professional, Scientific & Technical Services sector; and
- 9.3% (38) were in the Other Services sector.

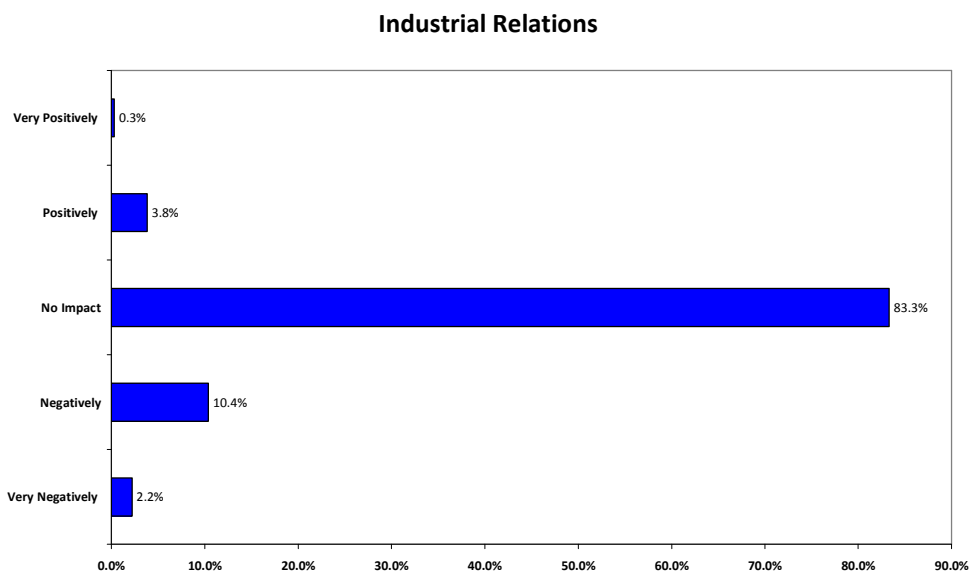
**Staff Attraction/Retention**

728 of the 854 respondents, or 85.2%, chose to answer this question.



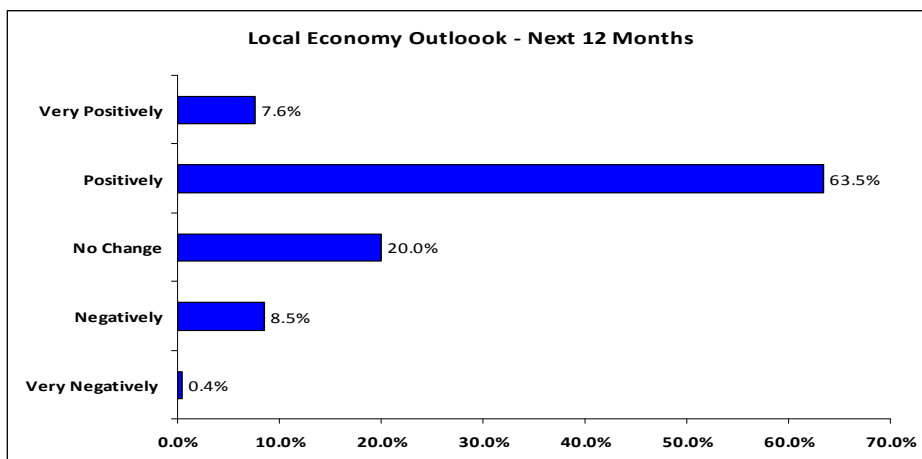
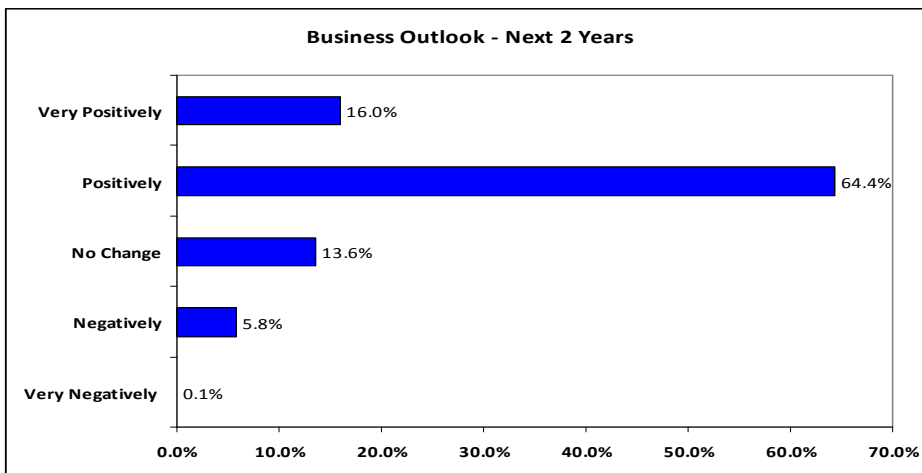
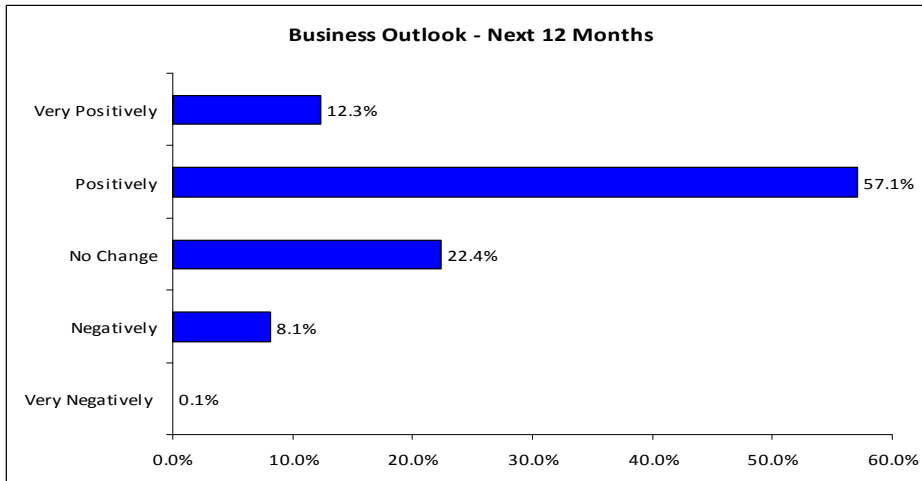
**Industrial Relations**

733 of the 854 respondents, or 85.8%, chose to answer this question.



## Business Outlook

Respondents were asked to rate the outlook for their business and the Albury Wodonga economy. 807 of the 854 respondents, or 94.5%, chose to answer these questions.



# **SAMPLE LOCAL BUSINESS SURVEY**

*Distributed August 2009*

## *Albury Wodonga*

# Local Business Survey

### MY BUSINESS

**ABN:** \_\_\_\_\_  
**Business Name:** \_\_\_\_\_  
**Street Address:** \_\_\_\_\_  
**Suburb:** \_\_\_\_\_ **State:** \_\_\_\_ **Postcode:** \_\_\_\_  
**Postal Address:** \_\_\_\_\_  
**Suburb:** \_\_\_\_\_ **State:** \_\_\_\_ **Postcode:** \_\_\_\_  
**Telephone:** (\_\_\_\_) \_\_\_\_\_  
**Website Address:** \_\_\_\_\_  
**Business Email:** \_\_\_\_\_  
**Contact Person:** \_\_\_\_\_  
**Contact Person Email:** \_\_\_\_\_  
**Industry Group:** \_\_\_\_\_  
**Business Description:** \_\_\_\_\_

- The above details are correct.
  I would like a **FREE** listing in the Albury Wodonga Business Directory.

What details would you like included in your **FREE** listing in the Albury Wodonga Business Directory?

- |  |   |
|--|---|
| <input type="checkbox"/> Business Name, Telephone Number | <input type="checkbox"/> Postal Address |
| <input type="checkbox"/> Street Address                  | <input type="checkbox"/> Website        |
| <input type="checkbox"/> Email Address                   |   |

### BUSINESS ESTABLISHMENT

This business was established in \_\_\_\_ (Year).

**OR**

This business has changed ownership since it was established:

- Yes It has been in current ownership since: \_\_\_\_ (Year).  
 No

**WHY ALBURY WODONGA?**

Please select the key motives for the business operating in Albury Wodonga.

- Existing Connection  
*(Owner grew up in region, attended University/TAFE in region, family & friends located in region.)*
- Infrastructure Availability  
*(Including transport, gas, electricity and water infrastructure.)*
- Evolutionary Process  
*(Business expansion, new branch opening, internal promotion.)*
- Strategic Location  
*(Proximity to Hume Freeway, Riverina/Murray Valley Highway, location between Melbourne and Sydney.)*
- Access to customer base of critical mass  
*(Including both local and regional customers.)*
- Existing Supply Chain  
*(Part of a local supply chain/business network.)*
- Family Business  
*(Family member took over business operation, business growth/additional branch.)*
- Workforce  
*(Availability of suitably skilled and qualified employees.)*
- Lifestyle  
*(Education, health, affordable housing etc.)*
- Other

**EMPLOYMENT**

As at June 30 2009, how many people did the business employ?

	<i>Full Time</i>	<i>Part Time</i>	<i>Casual</i>	<i>TOTAL</i>
No. Employees				

Do you expect any change in the number and composition of employees at the business in the next year?

- Yes (Please complete table)

	<i>Full Time</i>	<i>Part Time</i>	<i>Casual</i>	<i>TOTAL</i>
Employee Increase				
Employee Decrease				

- No     Unsure

**PROFITABILITY**

Was there a change in the overall profitability of the business in the 2008/09 financial year compared to the 2007/08 financial year?

Yes (Please complete table)  No

	<i>Increase</i>	<i>Decrease</i>
0% - 15%	<input type="checkbox"/>	<input type="checkbox"/>
16% - 30%	<input type="checkbox"/>	<input type="checkbox"/>
31% - 60%	<input type="checkbox"/>	<input type="checkbox"/>
61% - 90%	<input type="checkbox"/>	<input type="checkbox"/>
91% - 120%	<input type="checkbox"/>	<input type="checkbox"/>
120% +	<input type="checkbox"/>	<input type="checkbox"/>

**BUSINESS ISSUES**

Please identify how each of the following issues have affected the business operations in the 2008/09 financial year.

	<i>Very Positively</i>	<i>Positively</i>	<i>No Impact</i>	<i>Negatively</i>	<i>Very Negatively</i>
Access to finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government Stimulus Package	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Staff Attraction/Retention	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drought	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Confidence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Global Economic Crisis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industrial Relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**CAPITAL INVESTMENT**

Will there be business investment in building, technology, plant or equipment in the coming 12 months?

Yes  No

**INTERNATIONAL TRADE**

Is the business involved in international trade of goods?

- Import  Export

**THE LOCAL ECONOMY**

How would rate the outlook for:

	<i>Very Positive</i>	<i>Positive</i>	<i>No Change</i>	<i>Negative</i>	<i>Very Negative</i>
The business over the next year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The business over the next two years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Albury Wodonga economy over the next year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**BUSINESS & INDUSTRY ASSOCIATIONS**

This business is a member of the following business and industry associations:

- |  |   |
|--|---|
| <input type="checkbox"/> Destination Albury Wodonga        | <input type="checkbox"/> VECCI                              |
| <input type="checkbox"/> Albury Central                    | <input type="checkbox"/> Australian Industry Group          |
| <input type="checkbox"/> Albury Wodonga Motel Association  | <input type="checkbox"/> NSW Business Chamber               |
| <input type="checkbox"/> AW Regional Exporters Network     | <input type="checkbox"/> Housing Industry Association (HIA) |
| <input type="checkbox"/> Master Builders Association (MBA) | <input type="checkbox"/> The Chambers of Commerce           |

**COMMENTS**

If you have any other comments, please include them in the space provided.

**Thank you for taking the time to complete this survey – your time and effort is greatly appreciated.**