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executive summary

This report contains the key findings from the 2016 Albury Wodonga Business Survey. The survey is run annually by AlburyCity and Wodonga Council, and is an important mechanism in measuring the conditions of the local economy. This year 517 respondents completed the survey.

Key findings allow stakeholders to gain a greater understanding of the major trends, opportunities, challenges and considerations of the local business community. Results are also useful in guiding the strategic direction of regional economic development conversations with State and Federal Government, industry groups and other key stakeholder organisations.

Employment
- Survey responses show 21% of businesses expect to increase their staff numbers within the next 12 months, slightly down from 2015. The majority of businesses (50%) expect no change to employment levels, with a further 26% unsure and 3% anticipating a decrease in employees.
- Over 11,200 people were employed by survey respondents. Of these, 8,643 were employed full time, 1,108 part time and 1,489 casual.
- While 75% of businesses did not experience difficulties filling job vacancies, of the 25% that did, technicians and trade workers and professionals were the most challenging positions to fill.

Profitability
- 43% of businesses experienced an increase in profitability over the last 12 months, with the large majority (89%) reporting profitability increases between 1% - 30%.
- 22% reported a decrease in profitability and of those, 54% indicated that the decrease was in the range of 1%-15%.

Key factors impacting business
- 22% of businesses reported that access to finance had a positive, or very positive impact on their business operations.
- Business confidence has improved from 2015, with 43% of businesses reporting positive and very positive effects on local businesses.
- Industrial relations issues continue to have negligible impacts on the majority of local businesses, with 76% reporting 'no impact'.
- There was a 8% decline from 2015 in the negative impacts of increased costs, and a 7% increase in those businesses reporting no impact from this external force.
- Global economic conditions had no impact on more than half of surveyed businesses.
- Albury Wodonga’s location on the Victorian and NSW border presented cross border challenges for 41% of businesses - 1% decrease from 2015.

Digital economy
- More than half (53%) of survey respondents generate sales through the internet, with website, Facebook and email marketing the most popular online products used in business operations.
- The biggest digital barriers continues to be the time and effort required to implement new systems and the costs involved.

Business confidence and future growth
- Capital investment continues to trend positively, with 59% of respondents intending to invest in building, technology, plant or equipment over the next 12 months.
- Local businesses have shown a continued commitment to giving back to the local community, with 96% of respondents reporting sponsorship, dollar donations or in-kind contributions over the last 12 months.
- The number of businesses engaging in international trade has remained steady over the last 12 months, with 87% of respondents indicating no intention to trade beyond national borders.
- Respondents continue to be optimistic about their business outlook, with 68% reporting a positive or very positive year ahead.
- Similarly, confidence levels are strong for the local economy with more than half of business operators (57%) predicting positive or very positive impacts over the next 12 months, and only 13% indicating the local economy will have a negative impact on their operations - a decline of 4% on 2015 figures.
The Albury Wodonga Business Survey has been conducted annually for eight consecutive years. The 2016 survey was run over a three week period, from Monday, 8 August 2016 to Friday, 26 August 2016.

This year 2,958 surveys were distributed to local businesses in the Albury and Wodonga Local Government Areas, with a total of 517 responses received (17%). This sample size ensures that the information gained is representative of the Albury Wodonga business region and therefore holds a high level of credibility when being utilised to analyse local business trends.

The survey was delivered online via Survey Monkey for the convenience of businesses and to continue to champion the digital approach.

The survey link was distributed to all businesses registered on the Albury Wodonga Business Directory (AWBD) website and AlburyCity and Wodonga Council business contact databases.

Additionally, the survey received ongoing promotion via the two councils’ internal marketing channels, with strong support from the Albury and Wodonga Chambers of Commerce and other peak local business bodies.

Survey findings have been collated, analysed and presented by staff of Wodonga Council and AlburyCity. This report, together with a short online video has been produced to ensure survey findings are easily understood and widely available.

A full copy of the 2016 survey questions can be found in Appendix A of this report.
response by industry

Businesses were asked to select the industry sector that best matches their business operations. 100% of respondents answered this question.

Survey responses were received from all 19 industry sectors. Responses from retail trade, other services and construction accounted for 42% of all responses.

The spread of responses highlights the diversity of the Albury Wodonga economy and ensures an accurate reflection of business views in results.

Other services include automotive repairs and maintenance, hairdressing, beauty services, laundry and other personal services including funeral and religious services.
business ownership

Businesses were asked how long their business had been in current ownership. 100% of respondents answered this question.

The majority of surveyed businesses have been in current ownership for more than ten years.

18% of survey respondents indicated they are a home based business. Of these, 8% will look to relocate to a commercial premises in the next two years.
change in employment

Businesses were asked if they expect any change in the number of employees over the next year. 95% of respondents answered this question.

50% of businesses expect no change in employment over the next year, and 21% expect to increase employee numbers.

More than 11,200 people were employed by survey respondents. Of these, 8,643 were employed full time, 1,108 part time and 1,489 casual.

These employees were primarily based in the healthcare and social assistance, manufacturing and public administration and safety.
Businesses were asked if they had any difficulty filling job vacancies in the last 12 months. 95% of respondents answered this question.

25% of businesses had trouble filling job vacancies in the last year.

Technicians and trade workers continue to be the most difficult positions to fill.

Businesses that faced skills shortages were asked to outline what positions were most challenging to fill. 23% of total survey respondents answered this question.

Positions in the ‘other’ category included: cleaners, chefs, travel agents, IT workers, hairdressers, vets, academics, fabricaters and disability support workers.
Businesses were asked if there was a change in profitability in 2015/16 compared to 2014/15. 94% of respondents answered this question.

43% of businesses had an increase in profitability over the last year. Of these, most experienced a 0-15% increase.

There was a 4% decrease in businesses reporting a 0-15% decline in profitability.

Businesses who indicated there was a change in profitability were asked to specify the change. 59% of total survey respondents answered this question.
key factors impacting business

Businesses were asked how access to finance impacted business operations in 2015/16. 85% of respondents answered this question.

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<tbody>
<tr>
<td>Very positively</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Positively</td>
<td>17%</td>
<td>21%</td>
<td>16%</td>
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<tr>
<td>No impact</td>
<td>70%</td>
<td>65%</td>
<td>69%</td>
</tr>
<tr>
<td>Negatively</td>
<td>9%</td>
<td>7%</td>
<td>7%</td>
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<tr>
<td>Very negatively</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
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</table>

The positive effects of business confidence increased to 43% in 2016, representing a 5% upsurge.

Businesses were asked how business confidence impacted business operations in 2015/16. 85% of respondents answered this question.

<table>
<thead>
<tr>
<th>Business confidence</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td>Very positively</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Positively</td>
<td>33%</td>
<td>35%</td>
<td>37%</td>
</tr>
<tr>
<td>No impact</td>
<td>24%</td>
<td>28%</td>
<td>29%</td>
</tr>
<tr>
<td>Negatively</td>
<td>31%</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td>Very negatively</td>
<td>5%</td>
<td>6%</td>
<td>2%</td>
</tr>
</tbody>
</table>
key factors impacting business

Businesses were asked how increased costs impacted business operations in 2015/16. 86% of respondents answered this question.

### Increased costs

- **Very positively**:
  - 2016: 4%
  - 2015: 3%
  - 2014: 3%

- **Positively**: 2016: 9%, 2015: 8%, 2014: 9%

- **No impact**: 2016: 21%, 2015: 29%, 2014: 53%

- **Negatively**: 2016: 53%, 2015: 59%, 2014: 53%

- **Very negatively**: 2016: 7%, 2015: 8%, 2014: 1%

There was an 8% decline in the negative impacts of increased costs, and a 7% increase in those businesses reporting no impact from this external force.

Businesses were asked how industrial relations impacted business operations in 2015/16. 85% of respondents answered this question.

### Industrial relations

- **Very positively**:
  - 2016: 1%
  - 2015: 1%
  - 2014: 1%

- **Positively**: 2016: 7%, 2015: 5%, 2014: 4%

- **No impact**: 2016: 76%, 2015: 79%, 2014: 77%

- **Negatively**: 2016: 14%, 2015: 13%, 2014: 15%

- **Very negatively**: 2016: 2%, 2015: 2%, 2014: 3%
key factors impacting business

Businesses were asked how the Australian dollar impacted business operations in 2015/16. 85% of respondents answered this question.

**Australian dollar**

- Very positively: 1% (2016), 2% (2015), 1% (2014)
- Positively: 9% (2016), 9% (2015), 7% (2014)
- No impact: 66% (2016), 64% (2015), 74% (2014)
- Negatively: 19% (2016), 22% (2015), 17% (2014)
- Very negatively: 5% (2016), 4% (2015), 2% (2014)

Retail trade, wholesale trade and manufacturing are the sectors most negatively impacted by the Australian dollar.

Businesses were asked how global economic conditions impacted business operations in 2015/16. 85% of respondents answered this question.

**Global economic conditions**

- Very positively: 1% (2016), 2% (2015), 1% (2014)
- Positively: 8% (2016), 9% (2015), 6% (2014)
- No impact: 66% (2016), 54% (2015), 57% (2014)
- Negatively: 31% (2016), 33% (2015), 33% (2014)
- Very negatively: 3% (2016), 3% (2015), 4% (2014)

Global economic conditions had no impact on more than half of surveyed businesses.
key factors impacting business

Businesses were asked how the NBN impacted business operations in 2015/16. 85% of respondents answered this question.

NBN issues had no impact on 72% of businesses.

Businesses were asked to identify cross border challenges they face operating on the Victorian and NSW border. 89% of respondents answered this question.

‘Other’ included workcover processes, security and background checks, government funding, education and training requirements, cross border rivalry, public holidays, and justice of the peace certification.
digital products used

Businesses were asked which digital products were used to assist business operations. 88% of respondents answered this question.

Results show businesses continue to embrace the digital economy. In 2016, there was an increase in the use of website, Facebook, cloud computing, Twitter and Instagram to support business operations.

53% of businesses generate sales through the internet. Retail trade, other services and accommodation and food services are the sectors most likely to generate internet sales.

Other included Google adwords, yellow pages online, Google+, Gumtree, online booking services and Pinterest.
Businesses were asked what digital business barriers have prevented them from expanding their online presence. 88% of respondents answered this question.

**Digital business barriers**

- The time and effort of implementing a new system
- None
- The cost of implementing a new system
- Lack of information and training or technological expertise in the business
- Lack of customer demand or readiness
- The cost outweighs the benefits
- Lack of or insufficient internet connection (speed, bandwidth or reliability)
- Security concerns
- Other

The time and effort of implementing a new system continues to be the biggest barrier to digital business.

**Digital awareness training prospects**

- Website
- Email marketing
- None
- Facebook
- App software
- Cloud computing
- Online adverts
- YouTube
- LinkedIn
- Twitter
- Video conferencing
- Blog
- Instagram
- Ebay
- Other
- Skype

Results show businesses would primarily benefit from website, email marketing and Facebook training.
Businesses were asked if there will be capital investment in building, technology, plant or equipment in the coming 12 months. 88% of respondents answered this question.

59% of businesses plan to undertake capital investment over the next 12 months - a relatively consistent trend over the past 4 years.

Businesses were asked approximately how much they contribute to the local community through sponsorship, dollar donations or in-kind contributions. 87% of respondents answered this question.

96% of survey respondents contribute back to the local community by way of sponsorship, dollar donations, or in-kind contributions.
International trade

Businesses were asked if they will be involved in the international trade of goods over the next 12 months. 87% of respondents answered this question.

Businesses who indicated they would be involved in international trade were asked to specify import or export. 88% of total survey respondents answered this question.

87% of respondents answered that they anticipate export activities will continue to trend up (5% increase), and 77% of businesses will source imports in their operations.

The sector most likely to participate in international trade is manufacturing.

*Albury Wodonga Local Business Survey 2016*
business outlook

Businesses were asked to rate the outlook for their business over the next year. 86% of respondents answered this question.

In 2016 businesses reported a confident outlook for the next 12 months.

The percentage of respondents feeling either positive or very positive about their business outlook was in line with 2015 results.
Businesses were asked to rate the outlook for the Albury Wodonga economy over the next year. 86% of respondents answered this question.

In 2016 respondents were increasingly positive about the outlook for the local economy.

The percentage of respondents feeling either positive or very positive about the local economy increased by 4% in 2016.
Appendix A - copy of survey questions

**MY BUSINESS**
All survey responses are strictly confidential

**BUSINESS DETAILS**
Business Name: _______________________________________________________________
Street Address: _______________________________________________________________
Suburb: ______________________________ State: __ __ __ Postcode: __ __ __
Contact Email: _______________________________________________________________

Business Category (ANZIC) drop down list:
- AGRICULTURE, FORESTRY AND FISHING
- MINING
- MANUFACTURING
- ELECTRICITY, GAS, WATER AND WASTE SERVICES
- CONSTRUCTION – includes: building structure services (i.e. plumbers, electrical etc.) and site preparation services.
- WHOLESALE TRADE
- RETAIL TRADE – includes: motor vehicle and motor vehicle parts retailing, fuel retailing, supermarkets and grocery stores, liquor retailing and pharmaceuticals.
- ACCOMMODATION AND FOOD SERVICES
- TRANSPORT POSTAL AND WAREHOUSING
- INFORMATION MEDIA AND TELECOMMUNICATIONS
- FINANCIAL AND INSURANCE SERVICES
- RENTAL, HIRING AND REAL ESTATE SERVICES
- PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES – includes: architects, surveyors, legal and accounting services, research services and engineering.
- ADMINISTRATIVE AND SUPPORT SERVICES – includes: employment services, travel agency services, debt collection services, building cleaning & pest control services.
- PUBLIC ADMINISTRATION AND SAFETY – includes: local, state and federal government, justice, defence and public order and regulatory services.
- EDUCATION AND TRAINING
- HEALTH CARE AND SOCIAL ASSISTANCE – includes: medical, hospitals, allied health services, dental, aged care services, child care and social assistance services.
- ARTS AND RECREATION SERVICES
- OTHER SERVICES – includes: automotive repairs and maintenance, hairdressing and beauty services, laundry and dry cleaning, religious services, business and professional association services and funeral and crematorium services.

**HOME BASED BUSINESS**
Are you are a home based business?
- Yes
- No (skip to ‘business ownership’)

Are you planning to relocate to a separate commercial premises in the next 2 years?
- Yes
- No
- Unsure

**BUSINESS OWNERSHIP**
This business has been in current ownership for:
- Less than 1 year
- 6 – 10 years
- 1 – 2 years
- More than 10 years
- 3 – 5 years

**EMPLOYMENT**
How many people does the business employ in Albury/Wodonga? (including owner-operators).

Full Time __________ Part Time__________ Casual__________

One year ago, how many people did the business currently employ in Albury/Wodonga? (including owner-operators).

Full Time __________ Part Time__________ Casual__________

Do you expect any change in the number of employees over the next year?
- Yes
- No
- Unsure

If yes, in what capacity?
- Employee increase
- Employee decrease

Estimated increase/decrease
Full Time __________ Part Time__________ Casual__________
Appendix A - copy of survey questions

SKILLS SHORTAGE
Are you currently having, or have you had, difficulty in filling job vacancies in your business in the last 12 months?

- Yes
- No (skip to ‘profitability’)

What types of positions are most difficult to fill? (Please select all that apply).

- Clerical and administrative workers
- Community and personal service workers
- Labourers
- Machinery operators & drivers
- Managers
- None
- Professionals
- Sales workers
- Technicians and trade workers
- Other
- Other - please specify; ________________________________

PROFITABILITY
Was there a change in the overall profitability of the business in the 2015/16 financial year compared to the 2014/15 financial year?

- Yes (please complete table)
- No (skip to ‘key factors affecting business’)

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<thead>
<tr>
<th>Percentage Range</th>
<th>Increase</th>
<th>Decrease</th>
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<td>0% - 15%</td>
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<td>16% - 30%</td>
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<td>31% - 60%</td>
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<td>61% - 90%</td>
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<td>91% - 120%</td>
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<td>120% +</td>
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KEY FACTORS AFFECTING BUSINESS
Please identify how the following issues impacted on your business operations in the 2015/16 financial year.

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<tr>
<th>Issue</th>
<th>Very Positively</th>
<th>Positively</th>
<th>No Impact</th>
<th>Negatively</th>
<th>Very Negatively</th>
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<td>Access to finance</td>
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<td>Business confidence</td>
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<td>Increased costs</td>
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<td>Industrial relations</td>
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<td>Staff attraction/retention</td>
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<td>Australian dollar</td>
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<td>Government policy</td>
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<td>Global economic conditions</td>
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<td>National Broadband Network</td>
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<td>Other</td>
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Has your business faced cross border challenges given Albury Wodonga’s location on the Victorian and NSW border?

- Yes
- No (skip to ‘digital economy’)

In what capacity?

- Building and construction works requiring two sets of regulations, licensing fees and registration forms
- Car registrations
- Road laws
- Policies surrounding property and real estate
- Other - please specify; ____________________________
Appendix A - copy of survey questions

DIGITAL ECONOMY

Does your business generate sales through the internet?

☐ Yes    ☐ No

Which of the following digital products does your business use to assist in business operations? (Please select all that apply).

- App software
- Ebay
- Instagram
- Skype
- Website
- None

- Blog
- Email marketing
- LinkedIn
- Twitter
- YouTube
- Other

- Cloud computing
- Facebook
- Online adverts
- Video conferencing
- Other

BUSINESS CONFIDENCE AND FUTURE GROWTH

INVESTMENT

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

☐ Yes    ☐ No

On an annual basis, approximately how much does your business contribute to the local community through sponsorship, dollar donations or in-kind contributions?

☐ Nil
☐ $1-$500
☐ $501-$1,500
☐ $1,501-$5,000
☐ $5,001-$10,000
☐ $10,000+

What digital awareness and training prospects would your business benefit from? (Please select all that apply).

- App software
- Blog
- Cloud computing

- Email marketing
- LinkedIn
- Online adverts
- Video conferencing
- Other
Appendix A - copy of survey questions

INTERNATIONAL TRADE
Will the business be involved in the international trade of goods over the next 12 months?
Yes    No (skip to ‘the local economy’)

If yes;
Import
Export

THE LOCAL ECONOMY
How would you rate the outlook for:
Very       Very
Positively Positively No Impact Negatively Very
Negatively
The business over the
next year

The Albury Wodonga
economy over the next year?

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.