

WYNDHAM CITY BUSINESS TRENDS SURVEY 2016

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AT A GLANCE

GENERAL BUSINESS CONFIDENCE

- There is a generally positive level of confidence in the Wyndham region.
- Around 63% of businesses surveyed expect sales and profits to increase for 2016- 17.
- Around 43% of businesses expect to increase staff numbers.
- Around 71% of businesses expect to continue to invest in their businesses.

BUSINESS PERFORMANCE

- Around 70% of businesses surveyed indicated that their sales increased from 2015 financial year.
- Around 60% of businesses indicated that their profits increased from 2015 financial year.
- Nearly 42% of businesses increased staff numbers while 11% had a decrease in the number of employees.

BUSINESS SENTIMENT – INDUSTRY SPECIFIC RESULTS

- The Business, Professional and Commercial Services sector has around 35% of respondents indicating low to very low levels of confidence.
- Manufacturing, Transport and Storage businesses appear to be more concerned (36% of them) about falling profitability.

SPECIFIC ISSUES

- Internet speed, NBN access, cost and completion are the greatest pressing issues related to digital technology.
- About half the businesses responding believed perceptions of Wyndham by outsiders to be negative.

BUSINESS EXPECTATIONS FOR 2017

(Forthcoming year expectations follow the survey year – i.e. 2017 expectations follow 2016 survey year)

	Survey Year	Percentage of Businesses in Category		
		High	Medium	Low
Business sentiment – confidence (for 2017)	2016	32	43	25
		Increase	No Change	Decrease
Business sentiment – sales expectations (for 2017)	2016	63	17	20
Business sentiment – profitability expectations (for 2017)	2016	63	20	17
Business sentiment – employment expectations (for 2017)	2016	43	43	7
<i>Note: 7% of businesses were unsure at the time of the survey and did not indicate Increase, No Change or Decrease.</i>				
Industry Sector Confidence		High	Medium	Low
Business, Professional and Commercial Services	2016	29	36	35
Government, Education and Community Services	2016	21	58	21
Manufacturing, Transport and Storage	2016	25	50	25
Services, Trades, Electricity, Gas, Construction and Wholesale Trade	2016	36	36	28

BUSINESS SENTIMENT, FORECAST PERFORMANCE AND FORECAST HIRING

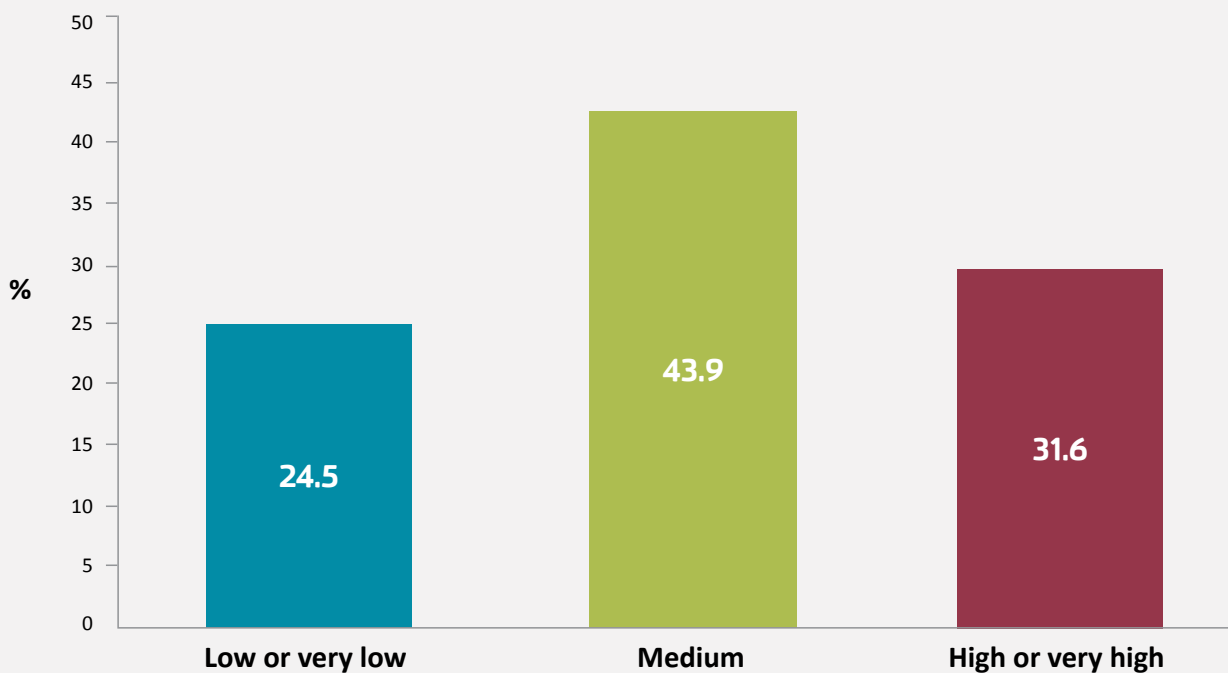
One in every four businesses surveyed indicated a low or very low level of confidence in the business environment over the next year. However, the overall

level of confidence of Wyndham City businesses is medium or better. The proportion of respondents who have high or very high confidence is 32%,

with 44% of respondents indicating a medium level of confidence. See Exhibit 1.

EXHIBIT 1

WHAT IS YOUR LEVEL OF CONFIDENCE IN THE WYNDHAM CITY BUSINESS ENVIRONMENT OVER THE NEXT YEAR?



FORECAST SALES AND PROFITS

Although one in five businesses (20%) expect sales to decline over the coming financial year, generally, Wyndham City businesses expectations for future

sales is positive. Sixty-three percent of responding Wyndham City businesses expect their sales and profits will increase this next financial year.

See Exhibit 2 and 3

EXHIBIT 2

HOW DO YOU EXPECT SALES WILL TREND NEXT YEAR COMPARED TO THIS YEAR?

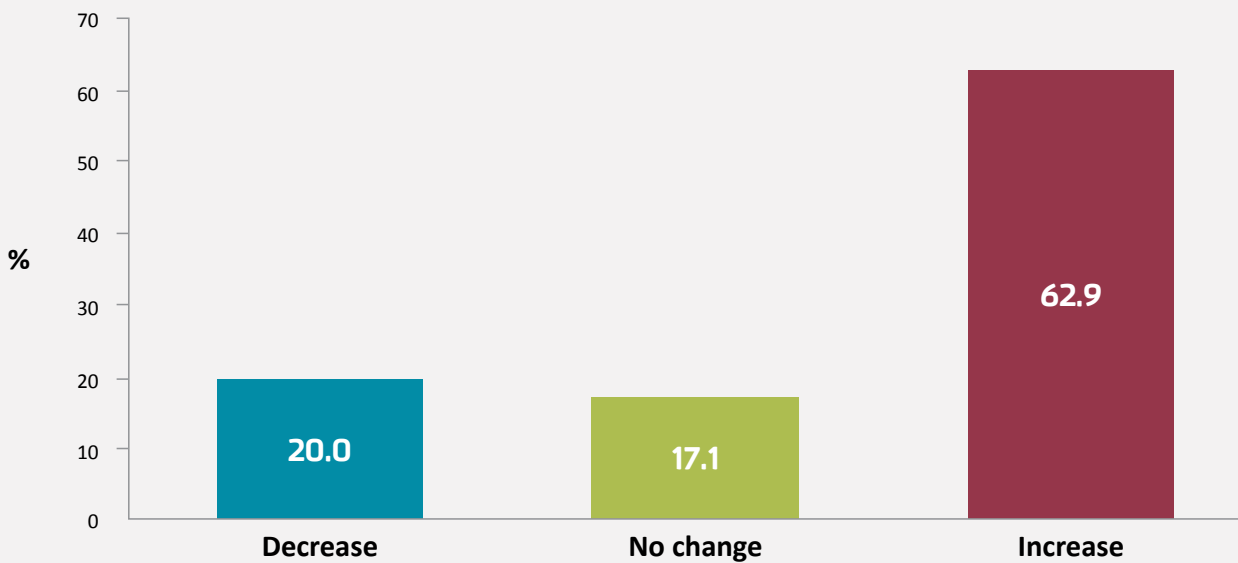
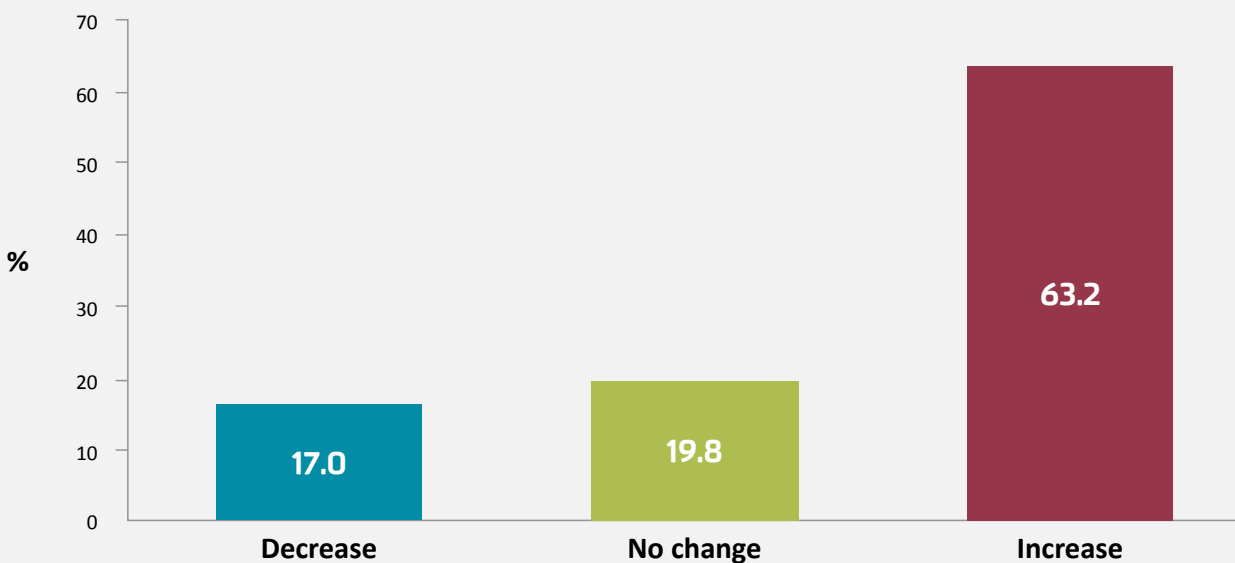


EXHIBIT 3

COMPARED TO LAST FINANCIAL YEAR, WHICH OF THE FOLLOWING BEST INDICATES YOUR EXPECTATIONS OF PROFITABILITY FOR THE NEXT FINANCIAL YEAR?



FORECAST INVESTMENT AND HIRING

Wyndham City businesses' expectations for likely future investment sits at 71%. Around one fifth of responding businesses (19% of them) expect that it is unlikely that they will invest in, for

example, their buildings, people, assets or IT over the next twelve months. Nine percent are unsure.

Forty-three percent of Wyndham City businesses expect that the number of people they employ in 2016-2017

to increase from last year. Similarly, 43% of responding businesses indicate that there will be no change in the number of people they employ. Only 7% of businesses expect that employee numbers will fall. See Exhibit 4 and 5.

EXHIBIT 4

HOW LIKELY IS IT YOU WILL INVEST (E.G. IN BUILDING, PEOPLE, ASSETS AND IT) IN YOUR BUSINESS OVER THE NEXT 12 MONTHS?

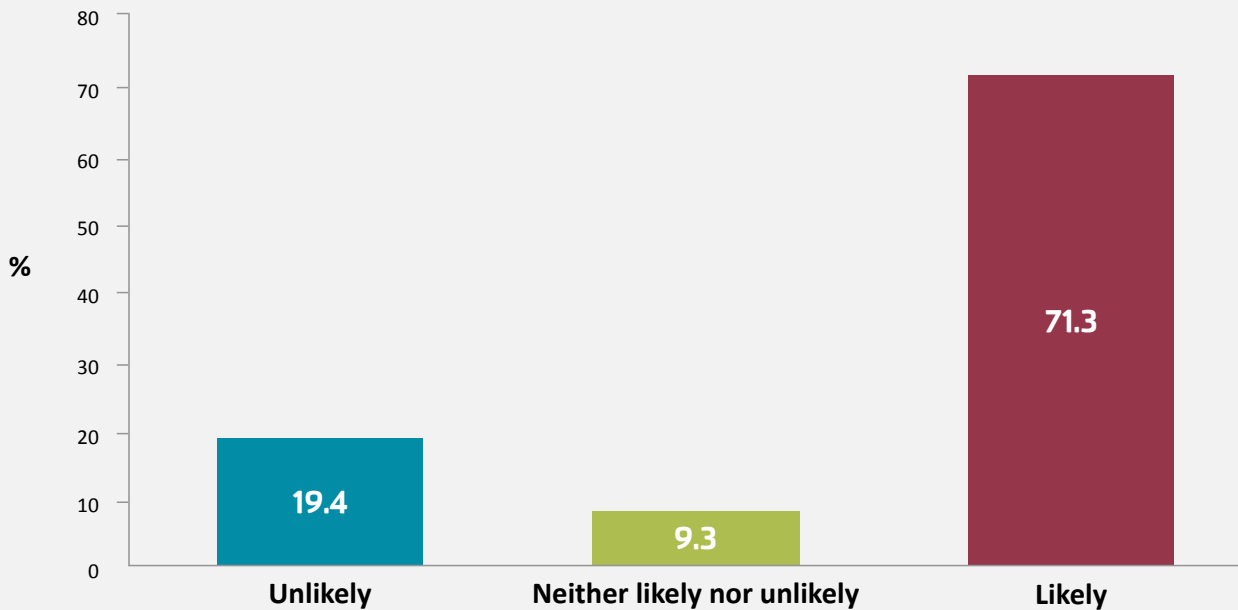
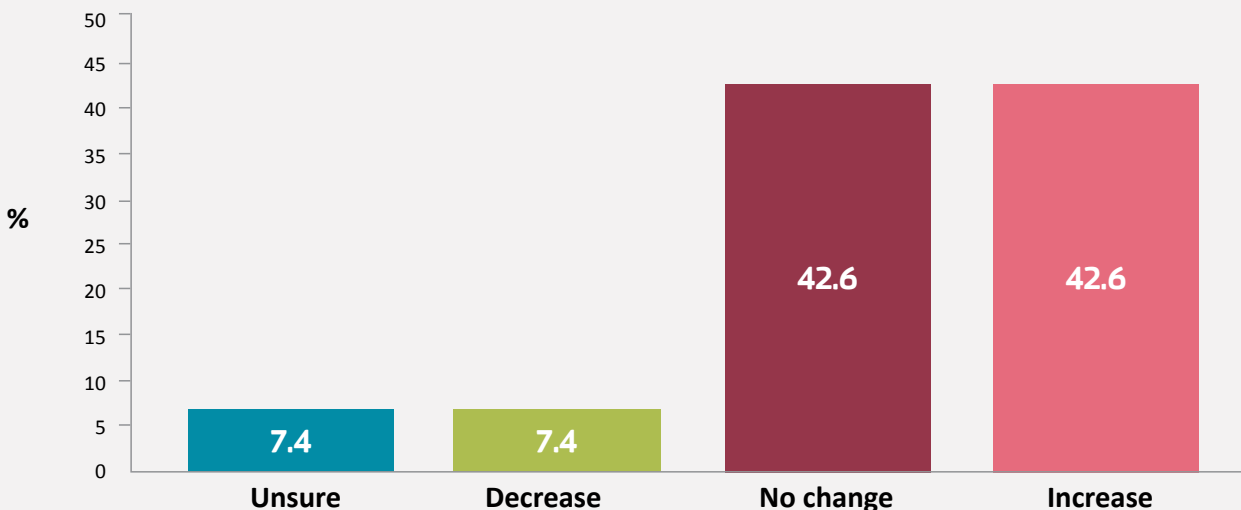


EXHIBIT 5

DO YOU EXPECT THE NUMBER OF EMPLOYEES IN YOUR BUSINESS TO INCREASE OR DECREASE OVER THE NEXT 12 MONTHS?



BUSINESS PERFORMANCE

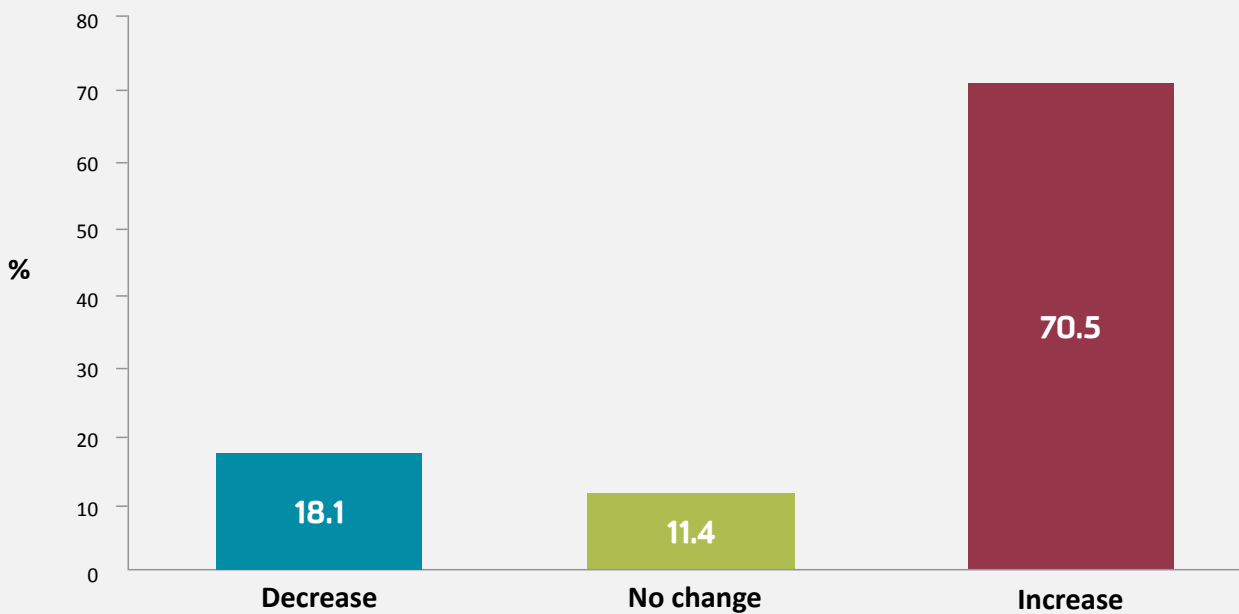
Overall, responding Wyndham City businesses report positive sales performance for the 2015-2016 period. Seventy percent of businesses indicated

their sales increased from the previous year, however, nearly one out of every five businesses (18%) reported that sales fell last year when compared to

the previous year. See Exhibit 6.

EXHIBIT 6

COMPARED TO THE PREVIOUS YEAR, HOW DID SALES TREND LAST YEAR?



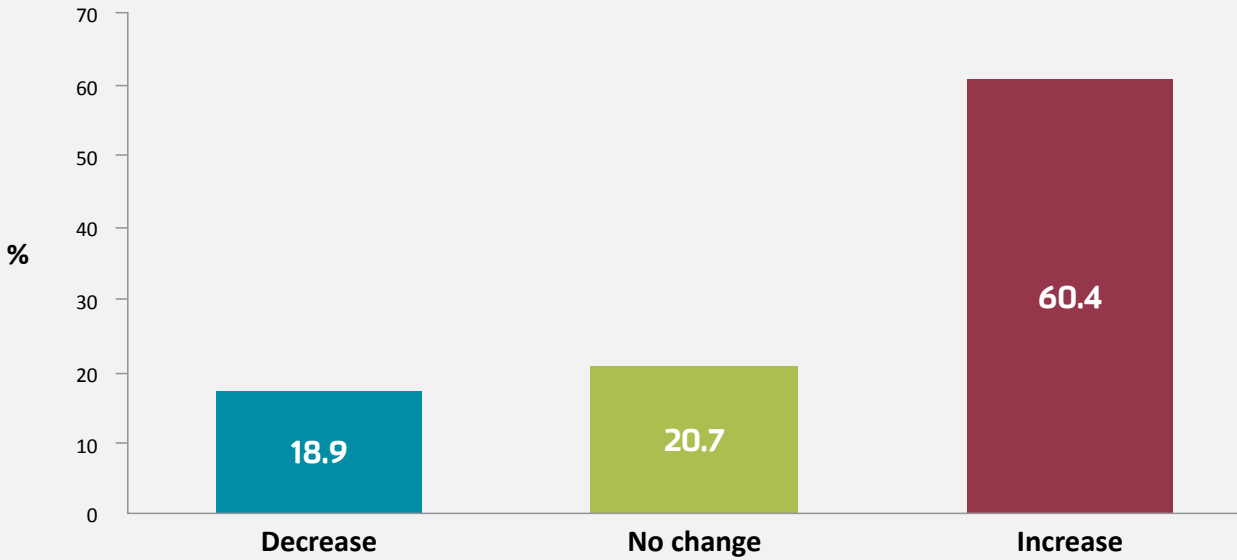
Most responding Wyndham City businesses report an increase in profits last year (60% of them). Approximately

19% of businesses indicate their profits decreased last year when compared to the previous year. Twenty-one percent

report that no change in profitability was evident between the two years. See Exhibit 7.

EXHIBIT 7

COMPARED TO THE PREVIOUS YEAR, HOW DID PROFITABILITY TREND LAST YEAR?



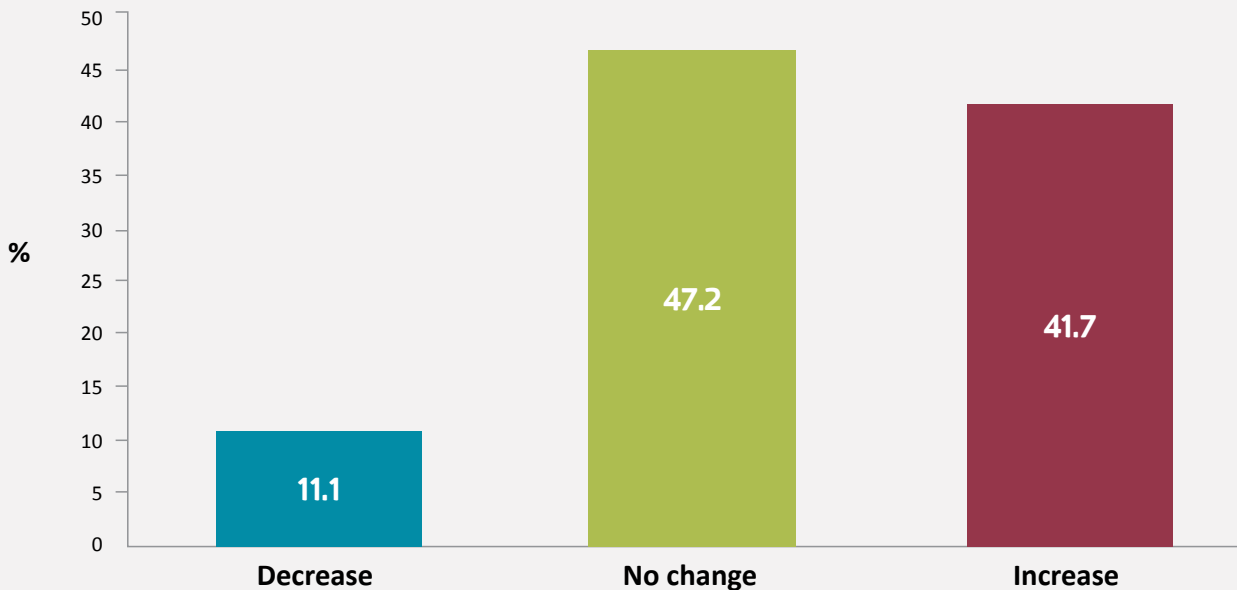
Overall, the percentage of Wyndham City businesses reporting an increase in employment numbers the past

financial year was around 42%, with 47% reporting that there was no change over the last 12 months. Eleven

percent of businesses report employee numbers dropped last year. See Exhibit 8.

EXHIBIT 8

HAS THE NUMBER OF EMPLOYEES INCREASED OR DECREASED OVER THE LAST 12 MONTHS?



BUSINESS PERFORMANCE – EXPORTS AND PURCHASES

While the majority of the sales and purchases of goods and services are within the Wyndham City area,

Melbourne West and the rest of Melbourne play an important part. Interestingly also 26% of sales and 23%

of purchases of responding firms are made outside of Victoria. See Exhibit 9.

EXHIBIT 9

Summary of sales and goods and services purchased:

Location	Average % sales to this region	Average % of goods and services purchased from this region
Wyndham City (Local Government Area)	41	36
Melbourne West (Cities of Brimbank, Hobson's Bay, Maribyrnong, Melton, Moonee Valley)	13	9
The rest of Melbourne	21	27
The rest of Victoria	10	6
The rest of Australia	13	12
Overseas	13	11

INDUSTRY SECTOR RESULTS

The business sentiment results provided in this section include only businesses in the following four categories:

1. **Business Professional and Commercial Services,**
2. **Government Education and Community Services;**
3. **Manufacturing Transport and Storage and**
4. **Service Trades, Electricity, Gas, Construction and Wholesale Trade.**

Collectively these industry categories represented nearly 78% of the respondents from the survey.

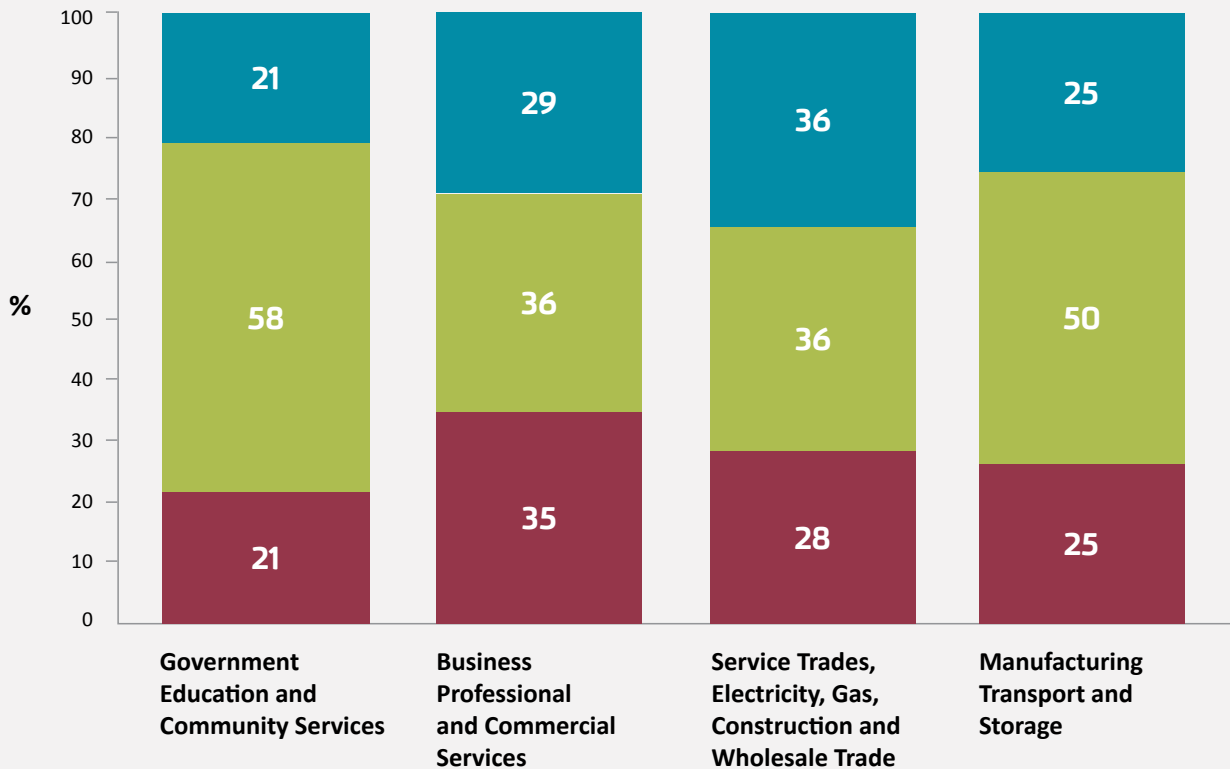
Around 35% of the Business Professional and Commercial services respondents indicate low to very low levels of confidence. This is significantly lower confidence than the overall consensus of all industries combined.

That is, a significantly greater proportion of this industry sector has lower confidence in the City’s business environment. See Exhibit 10.

EXHIBIT 10

WHAT IS YOUR LEVEL OF CONFIDENCE IN THE WYNDHAM CITY BUSINESS ENVIRONMENT (IE. GROWTH, BUSINESS PROSPECTS, AND ECONOMIC ACTIVITY) OVER THE NEXT YEAR?

■ HIGH OR VERY HIGH ■ MEDIUM ■ LOW OR VERY LOW



INDUSTRY SECTOR RESULTS – PROFITABILITY

In terms of expectations of profitability next year compared to this year, generally, most responding businesses (63% of them) believe that profitability will increase next financial year, with

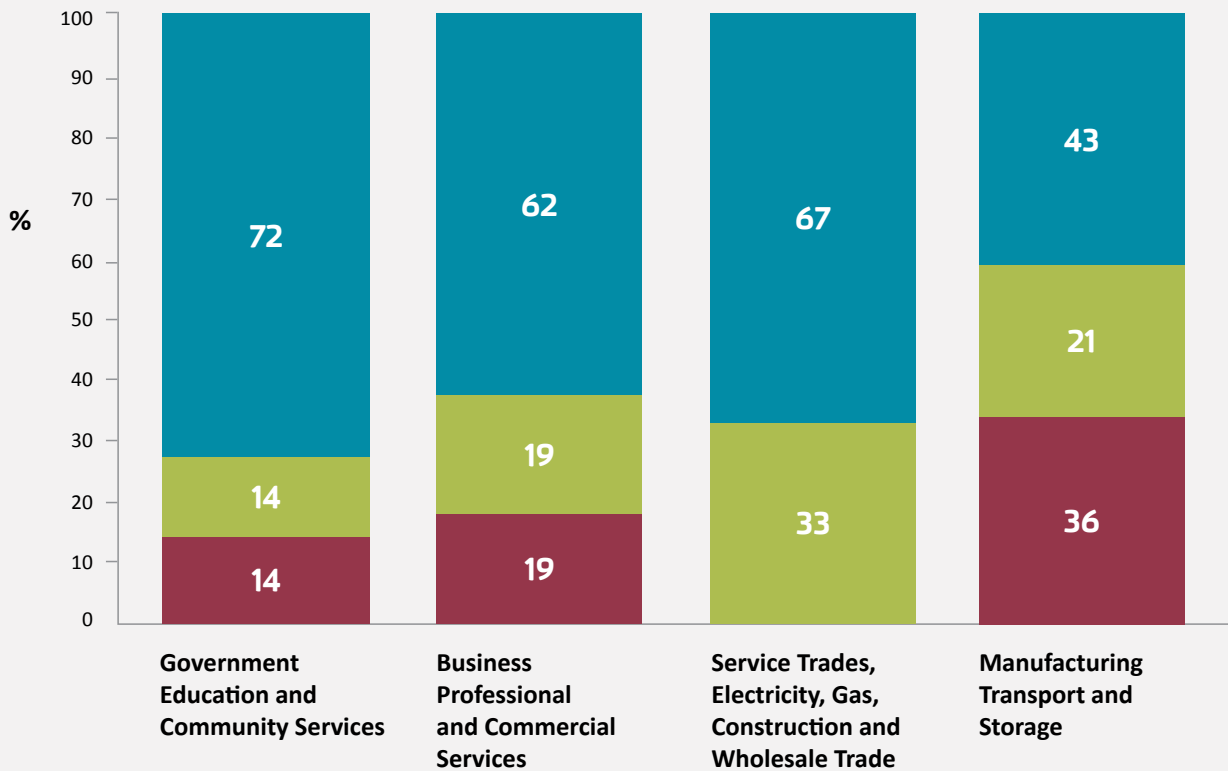
only 17% of businesses indicating that they are concerned it will fall. However, the respondents of the Manufacturing, Transport, and Storage industry sector appear to be more concerned (36% of

them) about falling profitability than any other industry sector. See Exhibit 11.

EXHIBIT 11

COMPARED TO THE LAST FINANCIAL YEAR, WHICH OF THE FOLLOWING BEST INDICATES YOUR EXPECTATIONS OF PROFITABILITY FOR THE NEXT FINANCIAL YEAR?

■ INCREASE ■ NO CHANGE ■ DECREASE



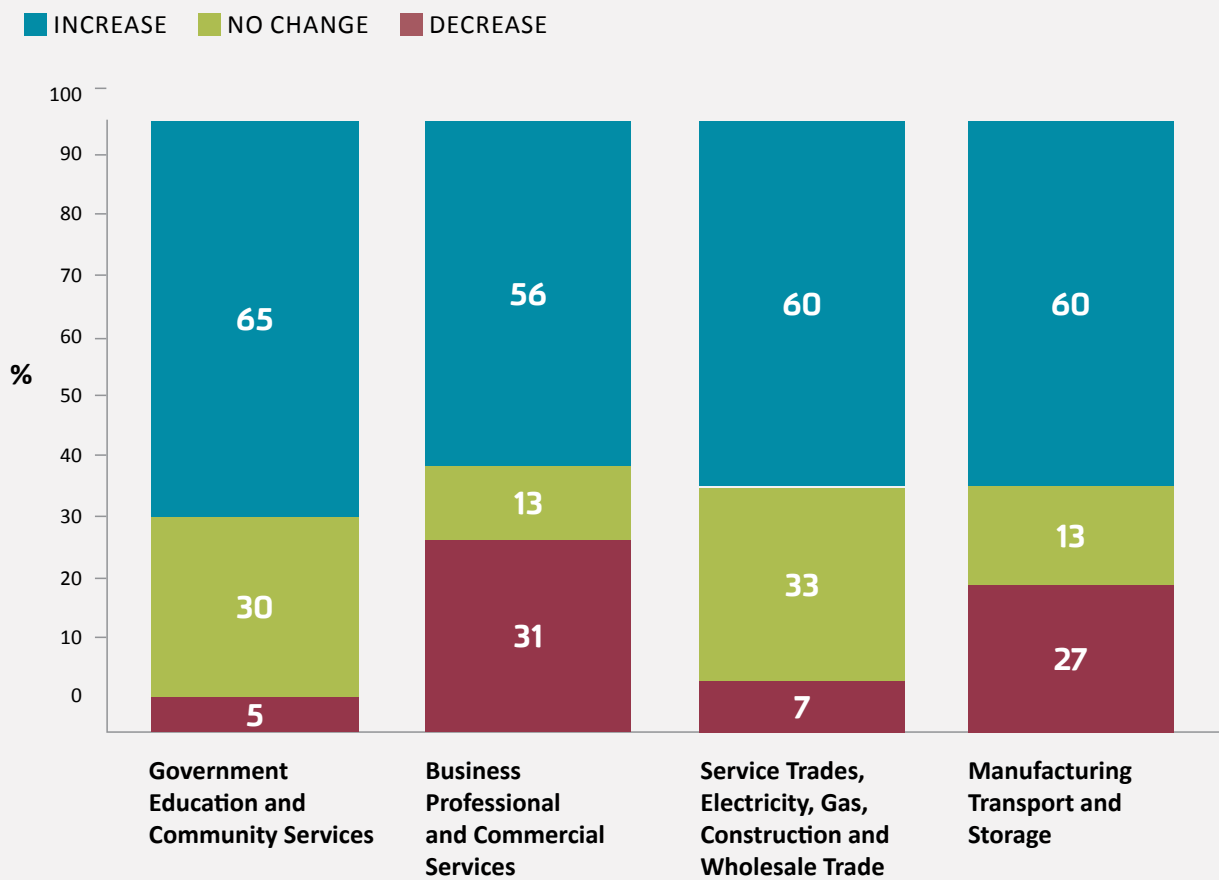
INDUSTRY SECTOR RESULTS – PROFIT TRENDS

Compared to the previous year, how did profits trend last year? Thirty-one percent of the Business Professional and Commercial services industry

sector respondents indicated that profit decreased last year compared to the average of all respondents on 19%. See Exhibit 12.

EXHIBIT 12

COMPARED TO THE PREVIOUS YEAR, HOW DID PROFITABILITY TREND LAST YEAR?



BUSINESS GROWTH AND TECHNOLOGY

PRESSING TECHNOLOGY ISSUES

The most pressing issues relating to digital technology in the city were around Internet speed, NBN access, completion and cost.

EXHIBIT 13 : A WORD CLOUD FOR THE THEMATICALLY RECODED TEXT BASED RESPONSES TO THE OPEN ENDED QUESTION: “WHAT ARE THE PRESSING ISSUES ABOUT DIGITAL TECHNOLOGY THAT NEED TO BE ADDRESSED IN WYNDHAM CITY?”



ASSISTING GROWTH AND DEVELOPMENT OF BUSINESSES

Government decisions/ regulations/ support were identified as being the most important mechanism to facilitate growth and development of Wyndham City businesses.

Better roads and some method to improve the awareness of local brands within the market place were also identified as opportunities that might afford significant support.



EXHIBIT 14: A WORD CLOUD FOR THE THEMATICALLY RECODED TEXT BASED RESPONSES TO THE OPEN ENDED QUESTION: “WHAT SERVICES / SUPPORT DO YOU THINK WOULD BEST ASSIST THE GROWTH AND DEVELOPMENT OF BUSINESSES IN THE WYNDHAM CITY REGION?”

SUMMARY OF RESULTS

The overall level of confidence in the future business environment at Wyndham City continues to be positive. Around 63% of businesses expect to increase their profit in the forthcoming 2017 financial year and 43% of businesses expect to increase the number of employees in their organisations.

There are some differences across industry sectors in the levels of confidence, expectations of future sales, profitability, expectations for future investment and employment. Around 35% of the Business Professional and Commercial Services sector respondents indicate low to very low levels of confidence. This is significantly lower confidence than the overall consensus of all industries combined. That is, a significantly greater proportion of this industry sector has lower confidence in the City's business environment.

Additionally, the Manufacturing, Transport and Storage industry sector appear to be more concerned (36% of them) about falling profitability than any other industry sector.

Government decisions/ regulations/ and support are identified as being the most important mechanism to facilitate growth and development of Wyndham City businesses.

Better roads and some method to improve the awareness of local brands within the market place are also identified as opportunities that might afford significant support.

On average, 27% of all sales for all industry sectors is generated using the internet. Not surprisingly, the Accommodation and Food Services industry sector generated most of their sales (58% of them) using the internet.

Some 15% percent of businesses indicated that they hope to relocate outside Wyndham City, most of those, over the next five years. This may be worthy of some more research.

A significant percentage of responding business (21% of them or 1 out of every 5) believe that the perception of Wyndham City by people from within Wyndham City is negative. Only half of the responding businesses think this opinion might be positive (53%). Additionally, half of the businesses responding believe that outside opinion about Wyndham City is negative.

ABOUT THE SURVEY

Data were obtained by email from the business database of the Wyndham City Council.

The survey is the first of its kind and was sent on 4 November 2016 with reminder emails sent to businesses until the survey closed on 16 December 2016.

The 2016 report is based on 108 responses. It is noted that there is inherent bias often present in self-selecting surveys and some groups might be disproportionately represented.

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