

***A REPORT ON THE
MANDURAH – PEEL BUSINESS COMMUNITY***

***PREPARED FOR: CITY OF MANDURAH
PEEL DEVELOPMENT COMMISSION
DEPARTMENT OF INDUSTRY & RESOURCES***

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Appendix A – Questionnaire

1.0 **SNAPSHOT**

This document reports on the findings of a major survey of business proprietors from Mandurah and the surrounding shires of Serpentine-Jarrahdale, Waroona, and Murray. The main survey method was self completion, supplemented by a telephone interview programme. For full details of the method see section 3.0.

2.0 **EXECUTIVE SUMMARY**

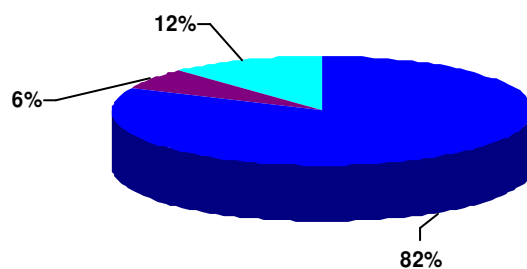
2.1 **BUSINESS PROFILE**

The survey of 725 businesses in the Mandurah – Peel region was weighted to accurately reflect the Australian Bureau of Statistics profile of businesses for the area. The data found that 92% report that they get their main income from their own business, 3% have other paid employment (deriving only a minority of their income from their business activities), and 4% report that they have other income from investments. Essentially, of business owners in the survey region derive most of their income from their business, as the residual derive only part of their income from their business, with the majority coming from either paid employment or other investment income.

2.1.1 *MOSTLY SMALL ENTERPRISES*

As Figure 2.1.1 below indicates, a great majority of businesses in the survey area have only one business outlet. 82% operate from one outlet/location only, 6% have two or more locations under their direct control, and 12% report multiple "related outlets".

Figure 2.1.1 Summary of Business Outlets



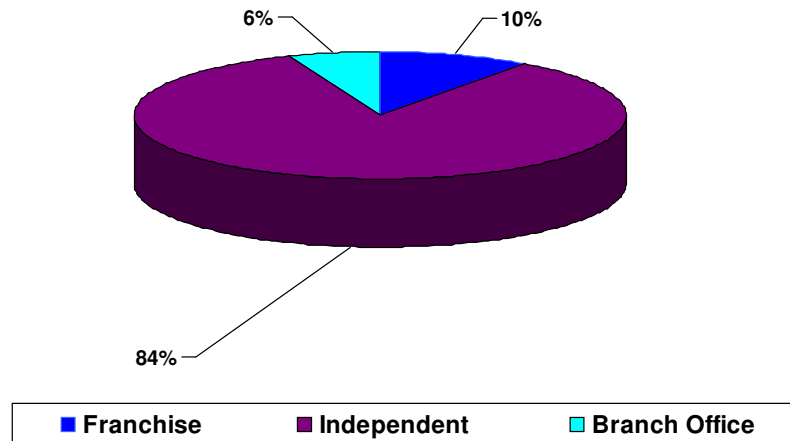
■ 1 only ■ more than 1 ■ One of Multiple Related Outlets

The above reflects the profile of the structure of businesses, with about one in 10 businesses being part of a franchise group.

2.1.2 MOSTLY INDEPENDENT OPERATORS

Figure 2.1.2 below illustrates the makeup of the business sector in the survey area. Whilst 84% report that they are “independent businesses”, 10% report that they are part of a franchise group, in fact 1% indicated that they were the franchisor, and 6% report that they are a branch office of a larger organisation.

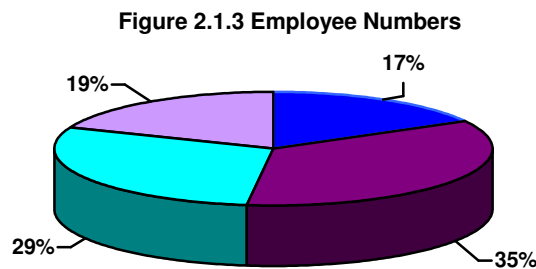
Figure 2.1.2 Mostly Independent Operators



Businesses within Mandurah were more likely to be part of a franchise group than were respondents from the rest of the Peel, and that only 5% of “Peel” respondents indicated that they were either a franchisee or a franchisor.

2.1.3 HALF HAVE UP TO FOUR EMPLOYEES

The employee numbers for businesses in the survey area showed a majority of businesses with up to four employees only. As Figure 2.1.3 overleaf indicates, slightly under one in five (17%) respondents indicated that they have only one employee (the survey respondent), 35% indicate that they have between two and four employees, making 52% of respondents with up to four employees. Twenty nine per cent report from five to 10 employees, and 19% report that they have 11 or more employees.



■ 1 only ■ 2 - 4 employees ■ 5 - 10 employees ■ 11 plus employees

The employee number profile of Mandurah and Peel businesses was very similar, except that Mandurah businesses were slightly less likely to have just one employee (16% of businesses in Mandurah have one employee compared to 20% in the Peel). The employment profile differs from one industry category to another. Table 2.1.3 below illustrates the way that employee number profiles differ from one category to another.

Table T2.1.3 - Employee Numbers by Business Category

	Specific Interest Business Categories							
	Total	Retail /Trade	Construction	Business/ IT/Prof Services	Tourism	Hospitality	Wholesale/ transport /storage	Manufact-uring
	N=725 %	N=212 %	N=104 %	N=103 %	N=57 %	N=43 %	N=22 %	N=66 %
1 only	17	10	26	15	7	5	27	15
2 – 4	35	33	32	34	42	26	27	46
5 - 10	29	37	21	32	28	30	27	31
11+	19	20	20	19	23	40	18	8
Total	100	100	100	100	100	100	100	100
Summary up to 4	52	43	58	49	49	31	54	61

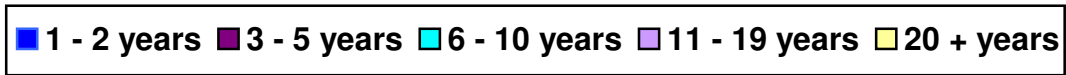
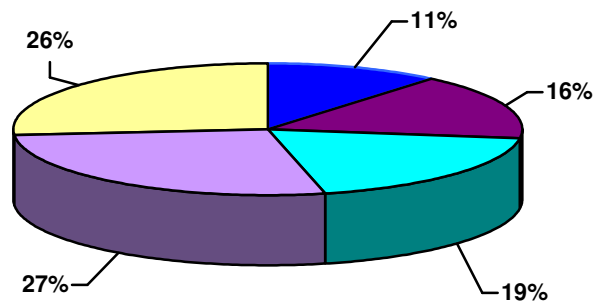
Note from the above that businesses in the hospitality sector were more likely than other categories to have five or more employees. 70% report having five or more employees, but it is probable that many of these are casual or part time. 39% of manufacturers have five or more employees, as do 45% of businesses operating in the wholesale, transport and storage sector.

In comparison with the other sectors, the construction industry had a slightly lower proportion reporting that they have five or more employees, with 41% of businesses in this sector reporting that number of employees. It should be noted that these figures include casual, part time and full time employees.

2.1.4 1 IN 10 RECENTLY ESTABLISHED

As Figure 2.1.4 below indicates, only 11% of businesses report that they have been in operation (under any owners/managers) for only one to two years. However, this suggests a relatively rapid recent growth in the number of businesses. Taking the current ABS estimate of 4200 businesses in the survey area, the implication is that about 400 of these have been established in the last two years.

Figure 2.1.4 Years in Operation



Whilst one in four (26%) have been in operation for 20 or more years, and 73% report that they have been in operation for over six years, the reciprocal of 27% have only been in business for up to five years. The implication is that there has been a relatively recent and rapid growth in business numbers in the survey area over the last five years.

As table 2.1.4 below indicates, the main growth on the last 5 years seems to have been in Hospitality and retail trade.

Table T2.1.4 Years the Business has been in Operation (Under any mgt)

	Total	Specific Interest Business Categories						
		Retail /Trade	Construction	Business/ IT/Prof Services	Tourism	Hospitality	Wholesale/ transport /storage	Manufacturing
	N=725 %	N=207 %	N=97 %	N=99 %	N=54 %	N=41 %	N=22 %	N=63 %
1 – 2 years	11	13	10	13	7	20	5	5
3 – 5 years	16	20	10	18	15	17	18	13
6 – 10 years	19	20	18	18	20	34	9	25
11 – 19 years	27	22	25	32	17	22	18	31
20+ years	26	25	37	18	41	7	50	25
Total	100	100	100	100	100	100	100	100
Summary up to 5 yrs	27	33	20	31	22	37	23	18

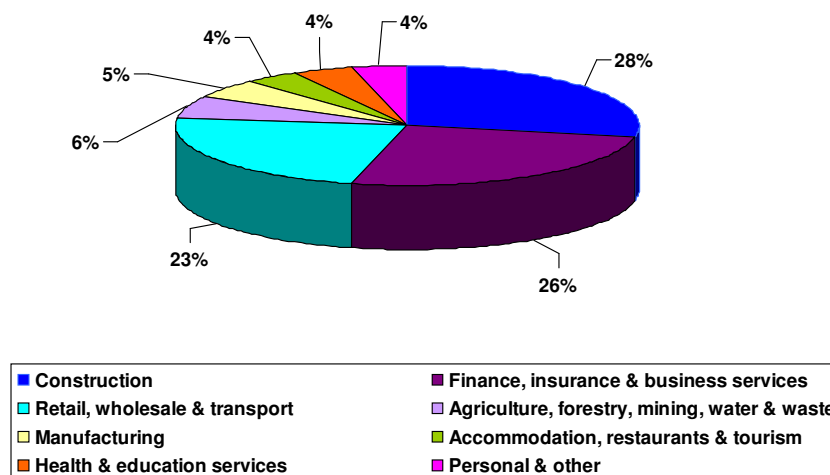
Note from the above that 37% of businesses in the hospitality sector report that they have been in operation for up to five years. Interestingly, the hospitality group has the lowest proportion reporting that they have been in operation for over 20 years. In contrast, the tourism sector appears to have shown little growth in recent years. Just 22% of tourism respondents reported having been in operation for up to five years, in fact 41% of them reported having been in operation for over 20 years. Given that the “tourism” sector includes accommodation, culture, leisure and tourism, it would seem that the expansion of this sector has lagged behind somewhat in recent years. Anecdotally there has been a rapid and recent expansion in cafes, restaurants and pubs etcetera, but not much expansion in accommodation and leisure activities. This may be related to the size of the investment that is required to enter these respective markets, but it does suggest that there should be some opportunities in the tourism (accommodation, culture, leisure and tourism activities) in the survey area.

It is interesting that retail trade appears to have expanded by about a third in the last five years, with 33% of respondents from the retail trade sector reporting that they had been in operation for only up to five years. The lowest rate of expansion in recent years has been in the manufacturing sector; only 18% of respondents in this sector reported having been in operation for up to five years.

2.1.5 CONSTRUCTION, FINANCE, BUSINESS SERVICES & RETAIL MAIN ACTIVITIES

Figure 2.1.5 below is sourced from the most recent (2006) Australian Bureau of Statistics data (ABS category number 8165.0). It shows the business activity profile for businesses in the Mandurah and Peel, including entries and exits in the period of 2003 to 2006. It shows the business activity profile for businesses in the survey area.

Figure 2.1.5 Profile of Businesses (ABS Data)



Overall, 28% report that they are operating in the construction industry. One in four are in finance, insurance and businesses services (26%) and a further 23% operate in retail, wholesale or transport and storage sector.

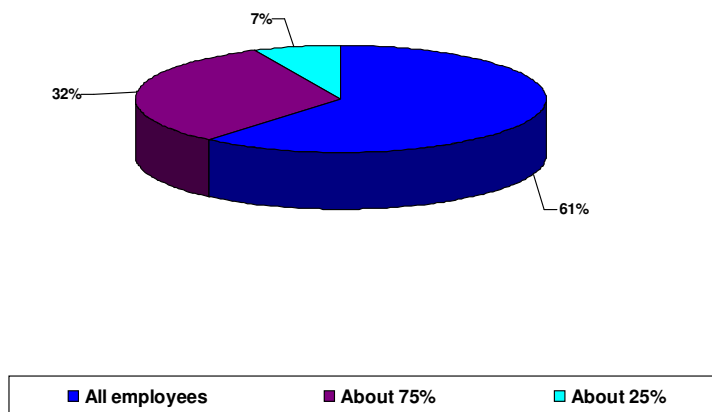
It may be of interest to note that the number of "construction" businesses listed by the ABS has fallen materially from 2001 through to 2006.

2.2 THE BUSINESS “FOOTPRINT”

2.2.1 WHERE EMPLOYEES LIVE

61% of Mandurah respondents indicated that all of their employees live within Mandurah. 32% indicated that about three out of four employees live within Mandurah, and 7% report that about one in four of their employees live within Mandurah. See Figure 2.2.1a below.

Figure 2.2.1a Where Employees Live (Mandurah)



We are able to estimate that about 88% of the Mandurah workforce actually lives in Mandurah and a further 12% comes from outside the city boundaries.

When we look into the data a little deeper in table 2.2.1 below, we find that overall 82% of the businesses **within Mandurah** report that 70% or more of their employees live within Mandurah.

Table T2.2.1

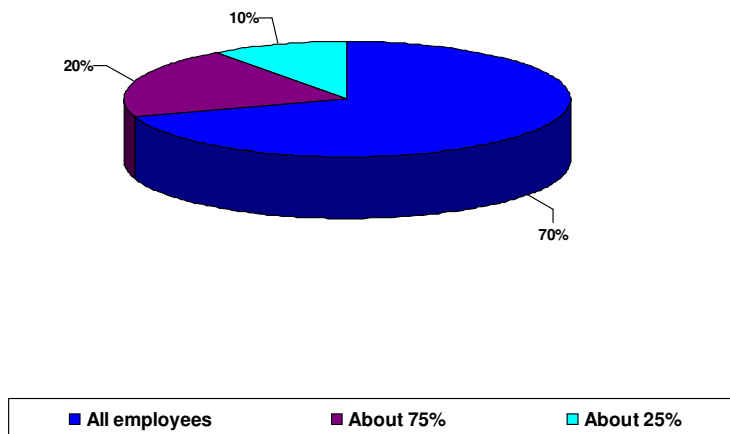
Proportion of Mandurah employees living in Mandurah

	Specific Interest Business Categories							
	Total	Retail /Trade	Construction	Business/ IT/Prof Services	Tourism	Hospitality	Wholesale/ transport /storage	Manufacturing
	N=529 %	N=173 %	N=62 %	N=79 %	N=31 %	N=35 %	N=16 %	N=51 %
Up to 25%	2	3	2	3	10	-	-	2
26% to 50%	11	11	10	10	13	6	6	24
51% to 69%	5	4	3	9	6	6	-	2
Over 70%	82	82	85	78	71	88	94	73
Total	100	100	100	100	100	100	100	100

Note from the above that respondents in the “wholesale and transport and storage” sector were most likely to report 70% or more of their employees living in Mandurah, and those in the tourism sector were least likely to do so. It should be noted that these figures are based on relatively small samples (see the sample sizes in the table) so the data should be treated as an indication of possible trends rather than “hard” reality.

When we look at the remainder of the Peel, we find a slightly higher proportion (70%) report that all employees live within the shire boundaries.

Figure 2.2.1b Where Employees Live (Remainder of Peel)



As the figure above shows, 70% of respondents **outside Mandurah** indicate that all of their employees live within the Peel, 20% report that about three out of four of their employees live within the Peel and about 10% indicate that about one in four of their employees live in that area.

In essence therefore, almost nine out of 10 employees in businesses in the total survey area live within their shire boundaries. The finding that the Peel sample had a higher proportion reporting all employees living within their shire is probably a reflection of the higher proportion of Peel businesses having one employee only (the business owner).

There are only 152 respondents from outside Mandurah, so examining the data by industry sector for this region is almost anecdotal.

Table T2.2.1a

Proportion of Peel employees living in Peel

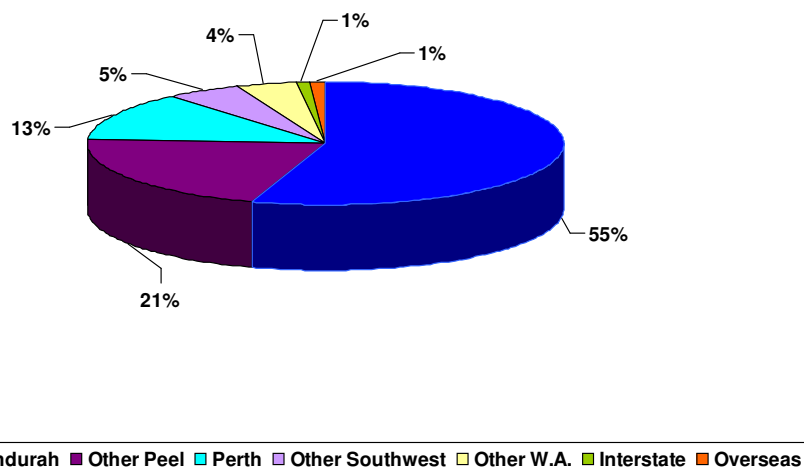
	Specific Interest Business Categories							
	Total	Retail /Trade	Construction	Business/ IT/Prof Services	Tourism	Hospitality	Wholesale/ transport /storage	Manufacturing
	N=111 %	N=22 %	N=19 %	N=8 %	N=21 %	N=6 %	N=3 %	N=10 %
Up to 25%	7	-	11	-	5	17	33	-
26% to 50%	13	14	21	-	14	-	33	30
51% to 69%	2	5	-	-	5	-	-	-
Over 71%	79	82	68	100	76	83	33	70
Total	100	100	100	100	100	100	100	100

A perusal of Table T2.2.1a indicates the sample sizes are in reality too small for any meaningful analysis to be made by industry sector.

2.2.2 WHERE SALES ARE MADE

Mandurah is the major “destination” for sales made from businesses in the survey area. As Figure 2.2.2 below indicates, 55% of sales are made within Mandurah, and a further 21% are made within other parts of the Peel.

Figure 2.2.2 Where Sales Are Made



Only 13% of sales are made in Perth, 5% of sales are made to other parts of the South West, 4% are made to other parts of Western Australia, and only 1% of sales go to interstate with the same proportion being made overseas.

Having noted that, 4% plan to either increase or start exporting in the foreseeable future.

Given the preponderance of businesses operating in construction and trade, retail trade or business and professional services, the above focus on sales made within the immediate area is not surprising.

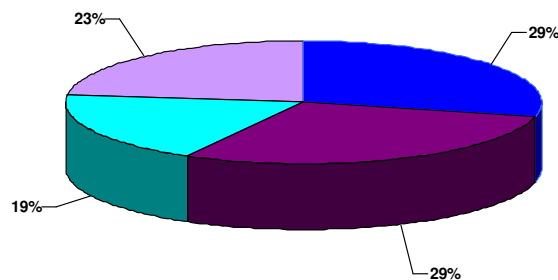
2.3 EDUCATION AND TRAINING

The survey asked a series of questions about the employer and employee education standards.

2.3.1 EDUCATION OF THE BUSINESS OWNER

The data showed that about three out of 10 business owners have a university degree (29%), the same proportion report a trade qualification, and almost one in five (19%) have some other form of TAFE qualification.

Figure 2.3.1 Education Profile of Business Owner



■ University degree ■ TAFE qualifications (Trade) ■ Other TAFE ■ None (post school)

The above educational profile is consistent with the preponderance of trade based business activities in the survey area, in particular, the construction and trades and retail trade areas. Note also the 19% reference to business or professional services/finance and insurance, that would have a high proportion of tertiary trained proprietors.

It is interesting that the proportion of business proprietors with a university degree is dramatically higher in Mandurah than in the Peel. 32% of those in the Mandurah component of the survey report a university degree compared to 13% of respondents from the Peel. Note also that whilst 23% overall report no formal training after leaving school, this proportion amongst the Peel respondents was 41%.

Overall, 28% of respondents indicated that they had a staff member with a university degree, 36% have staff with a trade certificate, and 25% have staff with some other form of TAFE qualification. 45% report that they have employees with no formal training after leaving school.

2.3.2 TRAINEES AND APPRENTICES

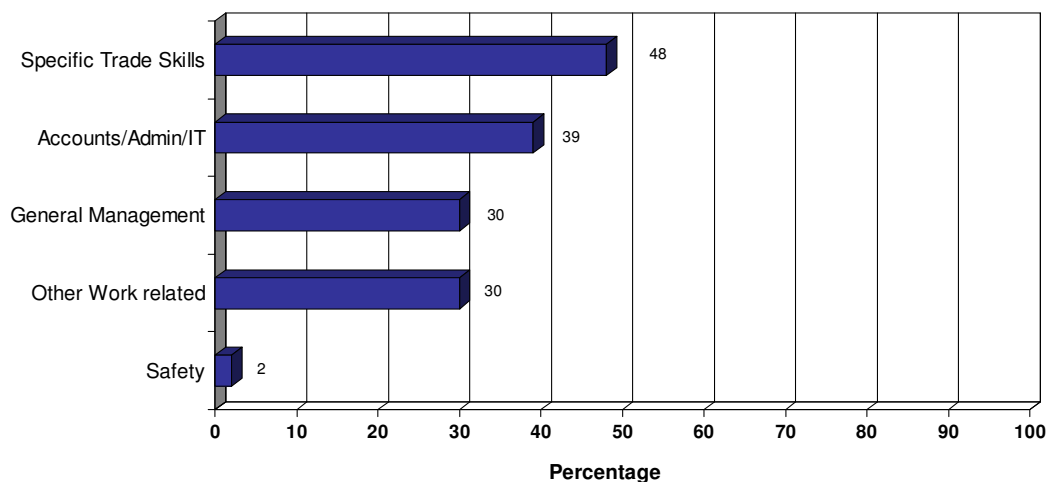
12% of respondents indicate that they have at least one trainee, and the same proportion report that they have at least one apprentice. Whilst the figures are the same (12% have one or more of each of the categories), they are not the same businesses. In fact, overall, 22% businesses have either a trainee or an apprentice on staff. Overall, 11% have one to two trainees, 8% have one to two apprentices. 1% have three or more trainees and 4% have three or more apprentices on staff. We also find that 10% of businesses overall have at least one staff member in some other form of training. In aggregate, the “net training exposure” is 28% of businesses. 72% of businesses report that none of their staff are currently involved in any form of formal training.

2.3.3 THE TYPES OF TRAINING OF MOST VALUE TO BUSINESS

46% of respondents indicated that their business would benefit from some form of work related training programmes for employees. This varied from 47% of Mandurah respondents to 41% of Peel respondents who believed that their businesses would benefit from some training programme.

Figure 2.3.3 below shows the type of training that businesses would regard as most value to them.

Figure 2.3.3 Types of Training of Most Value to Business

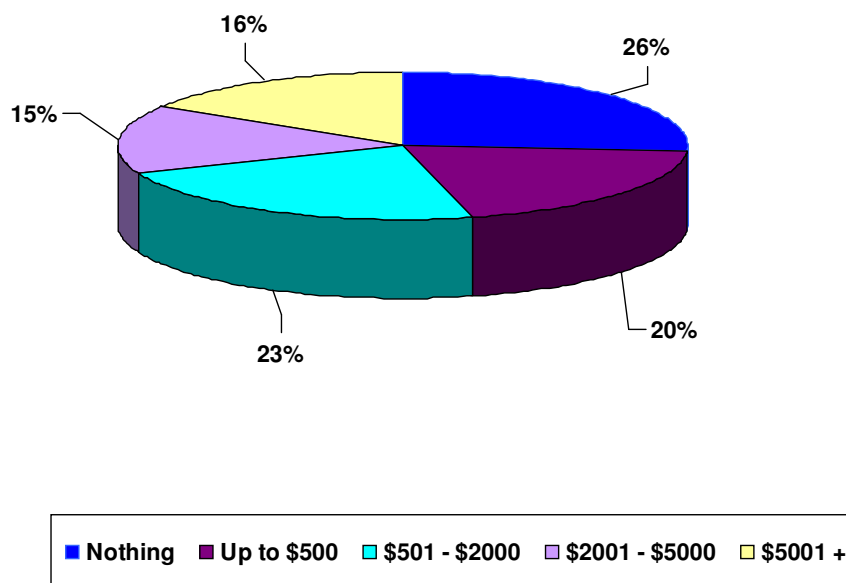


The major focus is on specific trade skills, followed by accounts, administration and information technology training. 30% indicate that they would benefit from some general management training, and 30% referred to some other work related training activity. 2% referred to safety. It should be noted however that "safety" was not one of the options that was presented for respondents. This "safety" response was nominated as a "other" training category that would be of value to respondents.

2.3.4 EXPENDITURE ON RESEARCH AND DEVELOPMENT

Respondents were asked to indicate the level of expenditure in the last 12 months on innovation, "process improvement and staff training or research and development". As Figure 2.3.4 below indicates, one in four reports spending nothing in these areas of research and development, and a further 20% spent only up to \$500. However, 23% spent between \$500 and \$2000, 15% spent \$2000 to \$5000, and 16% spent over \$5000 on training, research and development.

Figure 2.3.4 Expenditure on Training, Research & Development



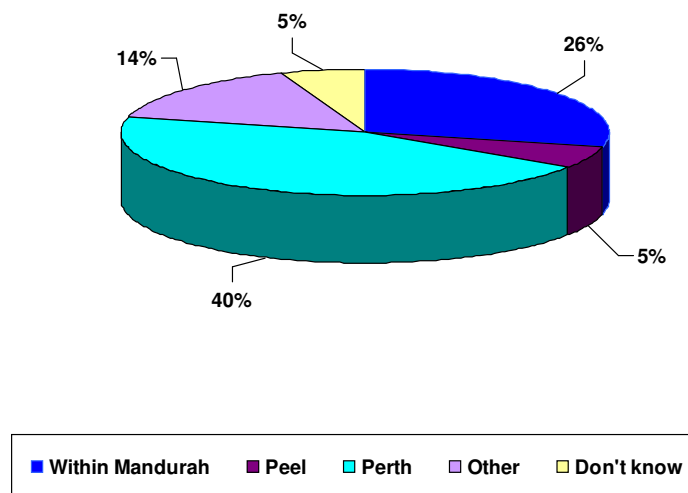
Franchises were more likely than independent businesses to spend more than \$5000 on training and product development. 25% of franchise owners reported doing so compared to just 15% of independent businesses. Note the above \$5000+ category includes 8% who spent \$5000 - \$10,000, and 8% who reported spending over \$10,000.

2.4 TRADING CONDITIONS AND PLANS

2.4.1 THE SOURCE OF STOCK AND RAW MATERIALS

The importance of Perth as a source of stock and raw materials is shown in Figure 2.4.1 overleaf. 40% of stock and raw materials that were bought into the businesses emanates from Perth, about a quarter (26%) emanates from within Mandurah itself, and just 5% is sourced from within the Peel. These figures exclude the purchase of power, water and other major utilities.

Figure 2.4.1 Sourcing of Stock and Raw Materials

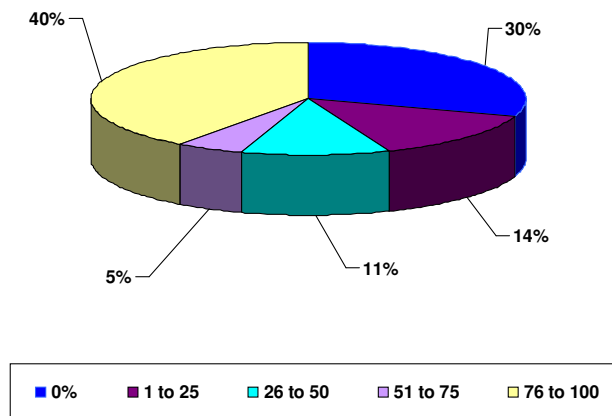


The “other” category in the above includes 2% from the South West, the same proportion from other parts of Western Australia, and the same proportion again (2%) sourced from overseas. In the main, raw materials and stock are sourced from Perth.

2.4.2 SOURCING PROFESSIONAL SERVICES

Respondents were asked to indicate where their businesses sourced the professional services for their firm (largely accounting and legal services etcetera). They were asked to indicate the extent of the services which came from Mandurah, the Peel and Perth (and elsewhere). Figure 2.4.2 shows the proportion of the sample that sources almost all (76% to 100% of services) through to none (0%) of their professional services from Mandurah. It would appear that four out of 10 source most of their professional services from within Mandurah and it would appear that the alternative is to source from Perth. Overall, 70% of respondents get at least some of their professional services from Mandurah, and 55% of respondents get at least some of their services from Perth.

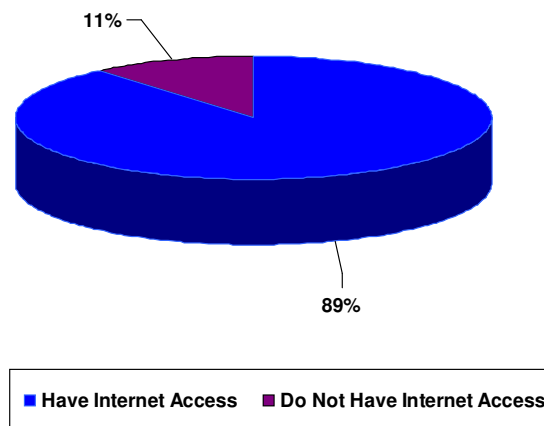
Figure 2.4.2 Sourcing of Professional Services in Mandurah



2.4.3 INTERNET ACCESS

As may be seen in Figure 2.4.3 below, nine out of 10 (89%) of businesses report internet access and only 11% report that they do not have such access. Though businesses in the Peel were slightly less likely to have internet access, with 86% of them reporting access compared to 91% of businesses within Mandurah.

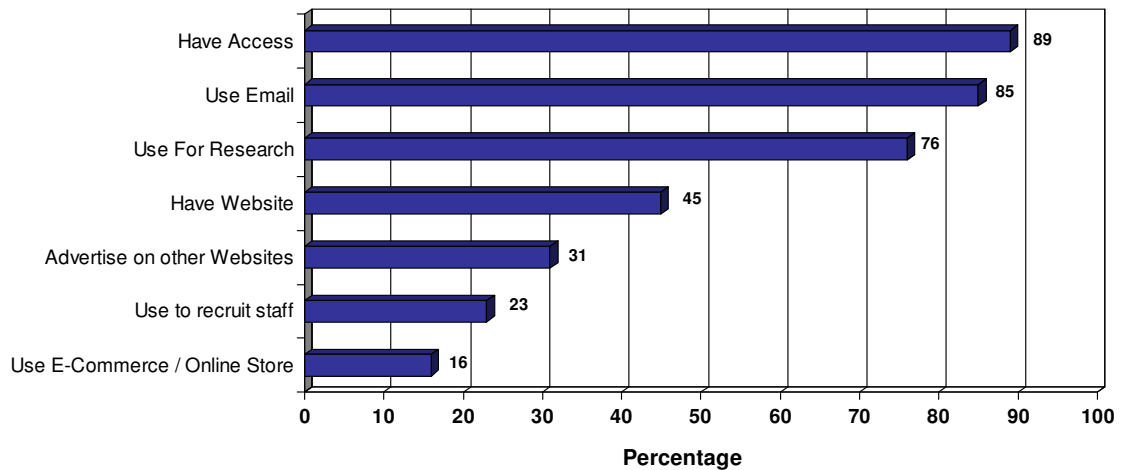
Figure 2.4.3 Internet Access



2.4.4 INTERNET USAGE PATTERNS

Respondents were asked to indicate the ways in which they use the internet. Figure 2.4.4 below summarises this data, expressing the activities as a proportion of the total sample, not just those who have internet access.

Figure 2.4.4 Internet Usage Patterns



As shown, 89% have internet access. However, the major usage of the internet seems to be limited largely to email communications, and for research purposes (seeking suppliers, prices, other information that may be necessary for the business). Only 45% of businesses have their own website, 31% advertise on websites (other than their own), and 23% use the internet to recruit staff. Only 16% use the internet for e-commerce or provide an online store. Franchises were more likely to use the internet in all categories than operators of independent businesses, and Mandurah businesses are broadly more involved in using the internet than are businesses located elsewhere in the Peel.

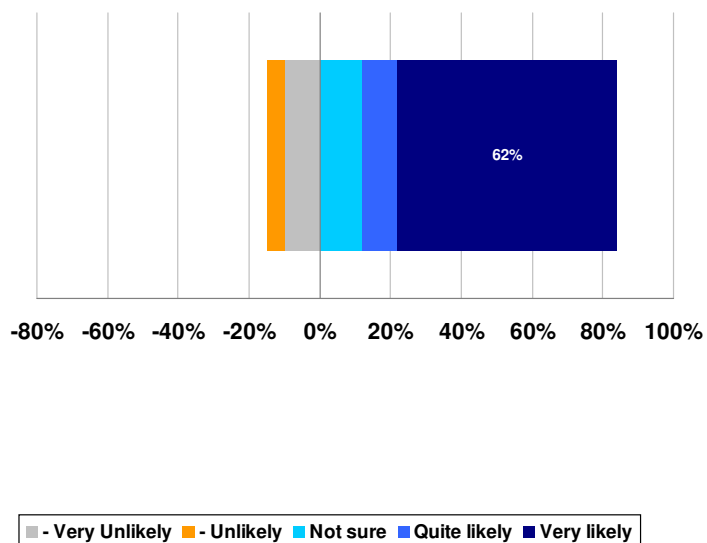
2.4.5 EMPLOYMENT TRENDS

The data relating to employee numbers and the propensity to increase employee numbers shows a high demand for employees, with significant numbers of positions vacant currently, and looking forward.

2.4.5.1 Confidence In The Future

One of the measures to establish confidence in the future economic conditions (and employment demand) is a measure of how likely businesses are to “immediately replace” a worker who had left. As Figure 2.4.5.1 below indicates, seven out of 10 (72%) indicated that they were at least quite likely to immediately replace a worker who left, though 12% are “not sure”, and 15% indicate that they are unlikely to do so. The propensity to not replace someone who was leaving, whilst in the minority, was skewed to the upper age groups. This links up with the widely held attitude amongst older business proprietors that they would be cutting back their hours or retiring “in the next few years”.

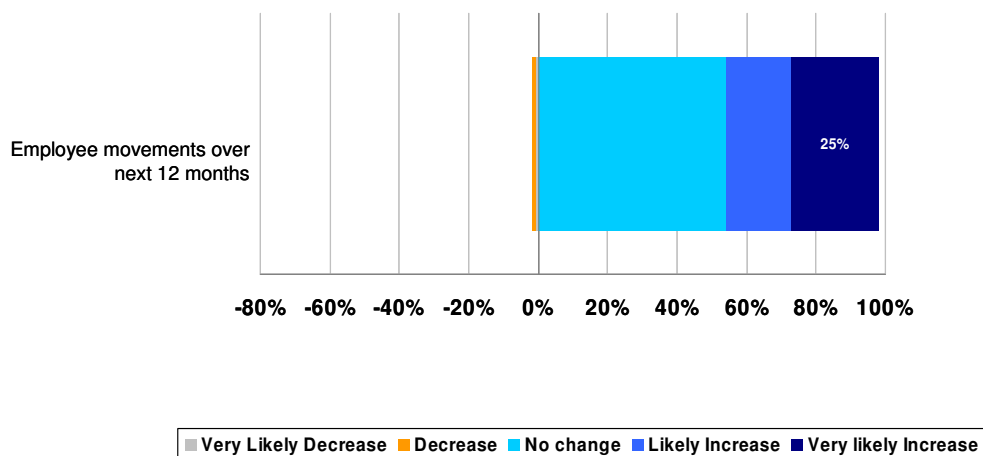
Figure 2.4.5.1 Propensity to Immediately Replace Worker Who Had Left



2.4.5.2 Propensity To Increase Or Decrease Employment Numbers

Respondents were asked to indicate if they planned to increase or decrease employee numbers of the next 12 months. Figure 2.4.5.2 overleaf reveals the underlying pressure on employment over the next 12 months. 25% are very likely to want to increase employee numbers, 19% are “likely” though 54% indicate that there would be no change in employee numbers. 2% overall indicate that they are either at least likely to decrease employee numbers over the next 12 months.

Figure 2.4.5.2 Planned increase or decrease employee numbers in next 12 months



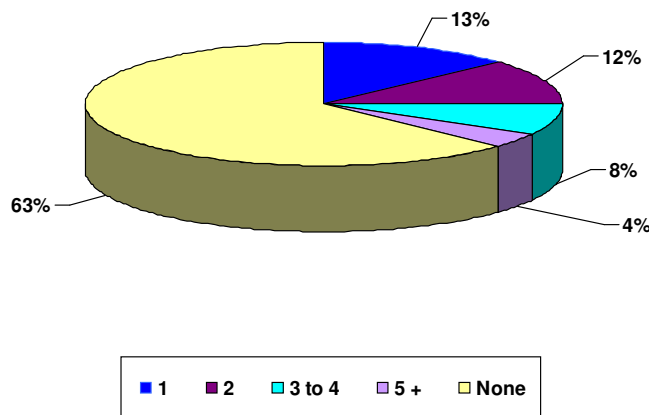
In interpreting the above two figures, it should be noted that Figure 2.4.5.1 reflects an attitude regarding growth and stability. Figure 2.4.5.2 however indicates an intention. Only 2% actually intend to decrease employee numbers over the next 12 months, but 15% (from Figure 2.4.5.1) would not replace someone who had left.

Overwhelmingly, the balance is towards an increase in employees over the next 12 months rather than a decrease.

2.4.5.3 Estimated Employee Number Changes

All respondents were asked to indicate their estimated increase in employee numbers over the next 12 months. As Figure 2.4.5.3 overleaf indicates, in the majority of cases, (63%) there is no anticipated change in employee numbers. However, 37% indicated that there will in fact be some increase in employee numbers, with 25% opting for one or two more employees, 8% believe they'll have three to four more employees and 4% indicate that they'll be increasing their employees by five or more positions over the next 12 months.

Figure 2.4.5.3 Estimated increase in employee numbers



The aggregate of employee movements reflected above equates to .93 employees per business, minus the .32 employees per business that are estimated in job losses. Over the next 12 months therefore, if we accept that 4,200 estimate for business numbers in the total survey area, the businesses currently operating within the region will be seeking an extra 3,800 employees over the next 12 months.

2.4.5.4 Current Positions Vacant

The projection of 3,800 extra jobs over the next 12 months may appear overly optimistic. However, when we asked about the current positions that were vacant, we found:

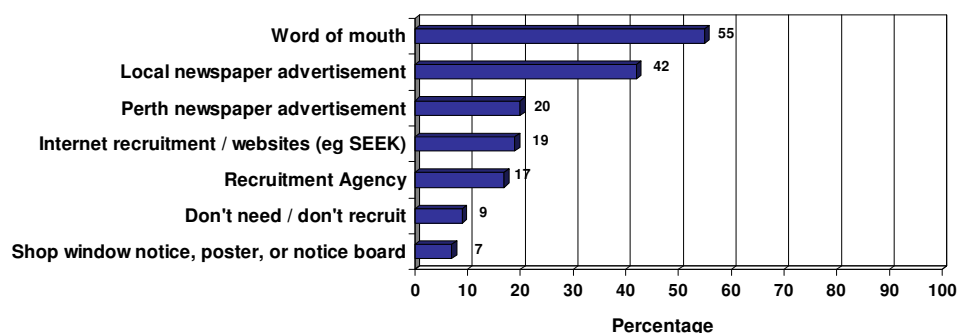
- 20% report that they have job opportunities currently available, and amongst those 20%, we found four out of 10 indicating that they have one position available, slightly over one in four (27%) indicated that they have two positions available and 18% indicate that they have three or more positions available.
- Overall, we were able to calculate an average of .34 positions available currently per business.
- Based on the estimate of 4,200 businesses across the total area, the indication is that currently, there are 1,400 positions vacant across the region.

It is not necessarily the case that all of the above are additional positions to the current workforce. We found that over the last 12 months, 49% of respondents had to replace at least one staff member. In other words, 49% of respondents report that they had at least one staff member leave and needed to be replaced over the last 12 months.

2.4.5.5 Means of Recruitment

When recruiting staff, we found “word of mouth” to be the most common means used. However, 42% used local newspaper advertisements, one in five used the Perth newspapers, and interestingly, one in five used internet recruitment websites (19%).

Figure 2.4.5.5 Means of Recruiting Staff



Given the very high staff turnover, and the reported plans to increase employee numbers over the next 12 months, it is surprising that only 17% report using a recruitment agency to help them find staff. The “word of mouth” response is an almost automatic “given” in that employees or contacts of the business proprietor may promote the availability of work to other people that they know regardless of whatever other recruitment mechanisms may be put into play. However the newspaper (particularly the local newspaper) is clearly the dominant recruitment mechanism that business owners are using.

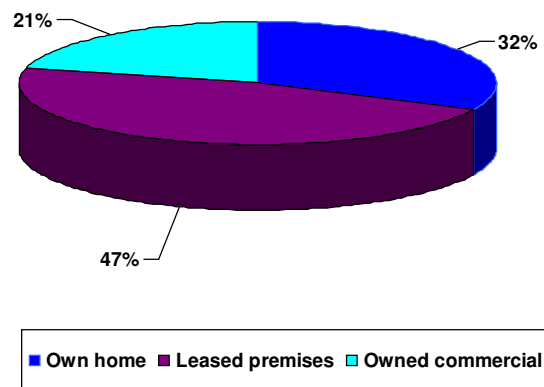
2.5 BUSINESS ACCOMMODATION

The survey found one in five businesses own their own commercial premises, and this appears to be an increasing trend.

2.5.1 A THIRD OPERATE OUT OF HOME

When asked where they currently operate their business, we found a third (32%) operate out of their own home, though almost half (47%) operate in leased premises and one in five (21%) operate out of commercial premises that the business proprietor owns.

Figure 2.5.1 A third out of home business premises



As may be anticipated, operators of independent businesses were more likely than franchise owners to operate out of their own home. It is also interesting that ownership of commercial premises does not appear to have been related to age of the proprietor once the business was past its early years. 19% of those in the 26 to 45 year age group own their own commercial premises as do 23% in the 46 to 55 group and 22% in the 56+ age group. Whilst only 13% of the 18 to 25 year olds own their own commercial premises, it would appear that once the business has established itself and has been in operation for some years, proprietors are using the equity in their business to purchase their own commercial premises. At least to the extent of slightly over one in five business proprietors.

2.5.2 BUSINESS PREMISES NEEDS

Slightly over three out of four (77%) of respondents indicate that they are not at all likely to move in the next two years. However amongst the 23% who indicate that they will be moving in the next two to three years, we found:

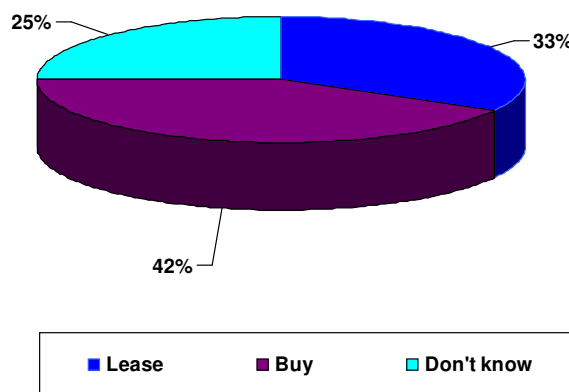
- 18% plan to move to larger premises
- 4% plan to move to premises of about the same size, and
- 1% plan to move into smaller premises.

Most of those who were planning to move into smaller premises were aged over 56 years, suggesting that the move into smaller premises is related to winding down the business more than it is an assessment of a general downturn of commercial activity.

2.5.3 DESIRE TO PURCHASE WHEN THEY MOVE

The survey found a strong desire for proprietors to buy their own commercial premises when they move. Amongst the 23% who indicated that they would be moving in the next two years, we found four out of 10 (42%) indicating an intention to purchase their next business premises rather than lease it.

Figure 2.5.3 Purchase or lease new premises?



Whilst one in four were unsure about whether they would lease or buy their premises when they move within the next two years, only a third would “definitely” lease. The tendency is for proprietors to want to buy their commercial premises when they move within the next two years. This propensity to buy was only partially related to age group. 53% of those in the 56+ age group indicated that when they move next time they will buy compared to 35% in the 46 to 55 age group and 41% in the 26 to 45 age group. The data for the 18 to 25 year old age group is unreliable due to lack of respondents.

The picture is of established and mature businesses seeking to capitalise on equity by purchasing the business premises rather than continuing a leasehold arrangement.

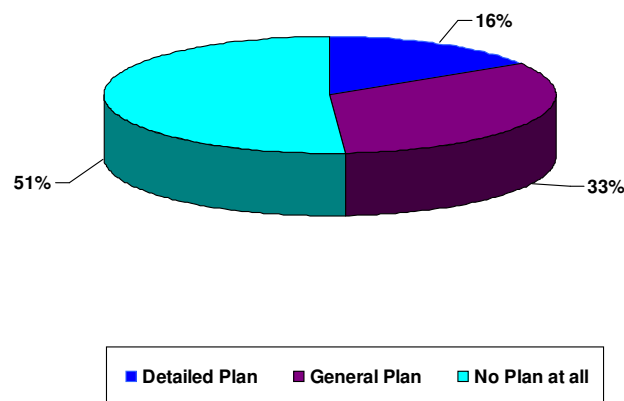
It should be noted that the above data is all based on the 23% of respondents who planned that they would move within the next two years.

2.6 GENERAL BUSINESS MANAGEMENT

2.6.1 HALF HAVE NO BUSINESS PLAN AT ALL

Respondents were asked to indicate if they had a business plan or a succession plan in place. As Figure 2.6.1 overleaf indicates, half (51%) have no plan at all, 33% claim to have a “general plan”, and only 6% report that they have a quite detailed written business plan or succession plan for their business.

Figure 2.6.1 Business plan or succession plan in place

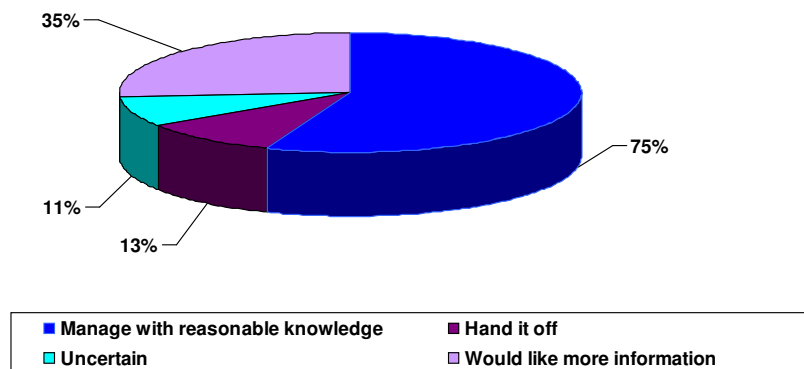


When queried about the possible benefits of a business plan however, we found that a third of businesses without a business plan believe that it would be a benefit to their business if they had one in place. Those with greatest interest in a business plan were in the “business building” years of 26 to 45 years of age. Interest in a formal business plan diminished with age groups beyond 45 years.

2.6.2 INDUSTRIAL RELATIONS MANAGEMENT

Most business proprietors manage their industrial relations issues themselves, and report that they have “a reasonable knowledge”. 54% manage with themselves or a spouse and report a “reasonable” knowledge, and a further 21% manage it themselves and believe that they know the industrial relations issues well.

Figure 2.6.2 Industrial Relations Management



13% report that they “hand it off” to a human resources manager (probably within the franchise organisation or amongst the respondents who manage a branch for a larger organisation), and 11% of proprietors manage their industrial relations themselves but feel uncertain about industrial relations issues.

Perhaps significantly, one in three (35%) would like more information about industrial relations issues.

2.6.3 BUSINESS ACTIVITY STATEMENTS

Four out of 10 report that they outsource the management of their Business Activity Statements to an accountant. 39% do it themselves manually, and 16% report preparing their BAS statements online. Only 4% report no need for BAS statements (presumably being below the turnover thresholds at which the BAS statements are required).

2.6.4 MEMBERSHIP OF THE PEEL CHAMBER OF COMMERCE AND INDUSTRY

One in four respondents reported that they are members of the Peel Chamber of Commerce and Industry. This was slightly higher amongst Mandurah respondents (29%) and was only amongst 7% in the remainder of the survey area.

Four out of 10 (39%) report that they are members of a professional or industry association but, **42% are not members of any trade or professional or business association.**

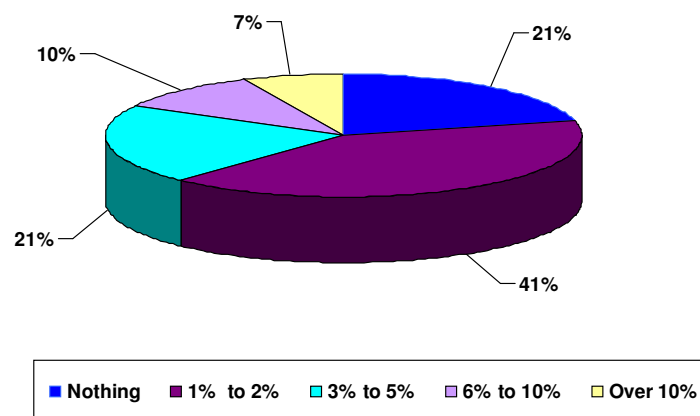
2.6.5 BUSINESS PROMOTIONS

About one in five businesses report that they don't undertake any marketing or business promotion advertising at all. Those who spend nothing on promotion tended to be in the Peel (33% of Peel businesses reported spending nothing on marketing compared to 19% in Mandurah).

2.6.5.1 Proportion Of Turnover Spent On Marketing

As Figure 2.6.5.1 below indicates, about six out of 10 (62%) spend between 1% and 5% of their business turnover on marketing expenses. 10% spend from 6% to 10% on marketing expenses, and 7% report spending over 10% of their business turnover on marketing expenses.

Figure 2.6.5.1 Share of turnover spent on marketing

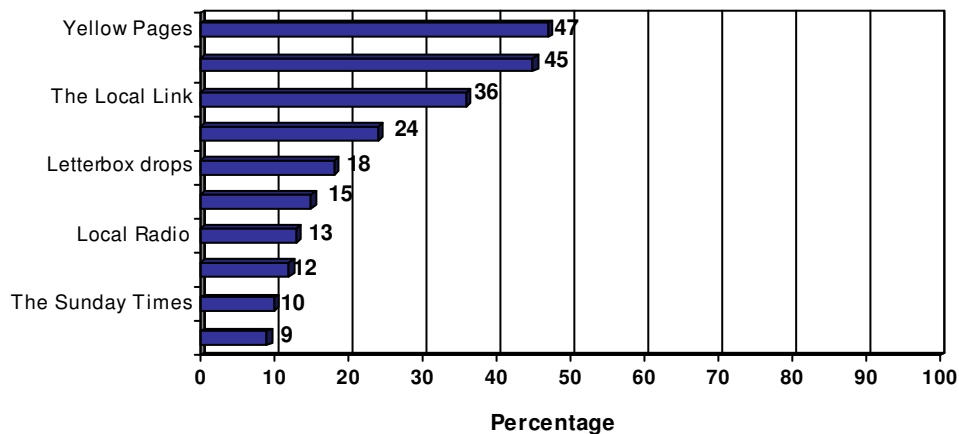


Franchise owners were more likely to spend more than 6% of their turnover on marketing than any of the other categories. 36% of franchise respondents report spending more than 6% of their business turnover on marketing expenses compared to 14% of respondents from an independent business and 21% of respondents who manage a branch for a larger organisation.

2.6.5.2 Where The Budget Is Spent

As Figure 2.6.5.2 below indicates, the most common area of promotion was an ad in the Yellow Pages (47%), followed by an ad in either of the local papers (45%). Note also that a third (36%) report using "the local link".

Figure 2.6.5.2 Where Budget Spent



One in four report using the internet in terms of banner ads or other advertising on websites. About one in five (18%) use letterbox drops, and 15% report advertising in the Peel Chamber Business Directory.

2.6.5.3 Usage Of Trade Shows

We found that exposure to trade shows was:

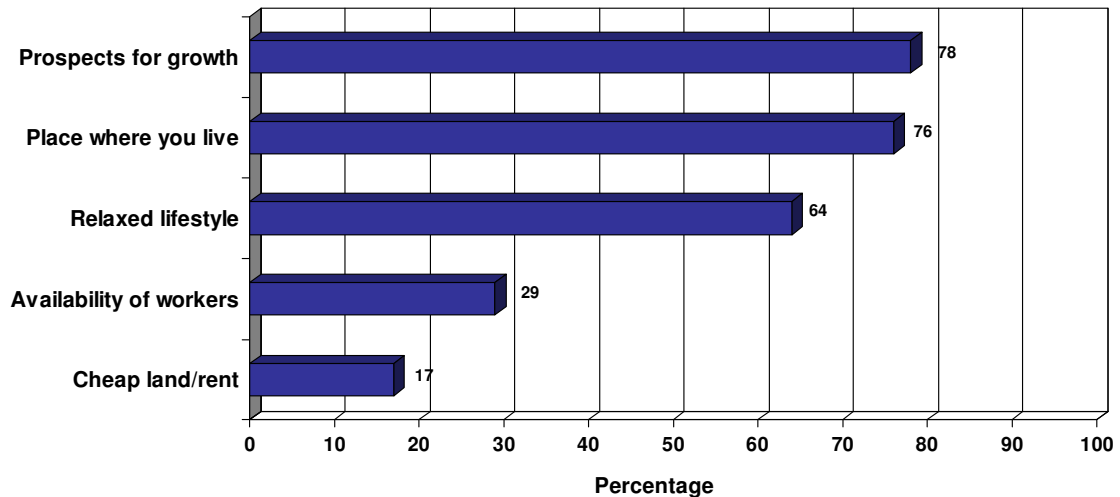
- About one in four go to an annual trade show or conference
- About four in ten go to a trade show or conference every two to three years, and
- About a third haven't been to a trade show or conference at all within the last five years.

About one in four respondents reported exhibiting at a trade show or presenting at a conference within the last five years.

2.7 THE APPEAL OF THE REGION – PROSPECT OF GROWTH THE MAJOR ATTRACTION

When respondents were asked to rate the appeal of several factors in setting their business up in Mandurah, we found the “prospect for growth” being the major attraction. As Figure 2.7 below indicates, this was the “number 1” appeal ahead of “the place where you live”.

Figure 2.7 Appeal of region as place to set up business

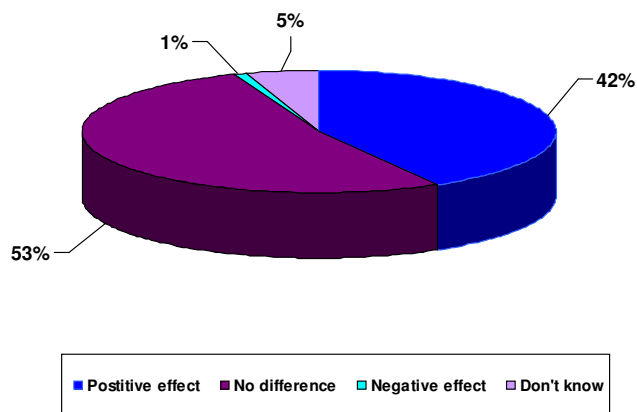


The figures in the above graph are the proportion of respondents who regard each of these attributes as a positive influence on them when deciding to buy or set up their business in Mandurah and/or the Peel region. Note that the “relaxed lifestyle” also features prominently with 64% rating it as a positive attribute of the region. Slightly less than three out of 10 (29%) indicated that the availability of workers was an important attribute in their decision to establish in Mandurah/Peel and only 17% indicated that the availability of cheap land or rent was a positive influence on their choice.

2.7.1 THE IMPACT OF PERTH TO MANDURAH RAILWAY

In a broad measure, businesses believe that the Perth to Mandurah Railway will have no difference or a positive affect on their business. As Figure 2.7.1 below indicates, slightly over half believe that the railway will have no difference on their business, though four out of 10 (42%) regard it as having a positive affect, and only 1% believe it will have a negative affect with the residual undecided.

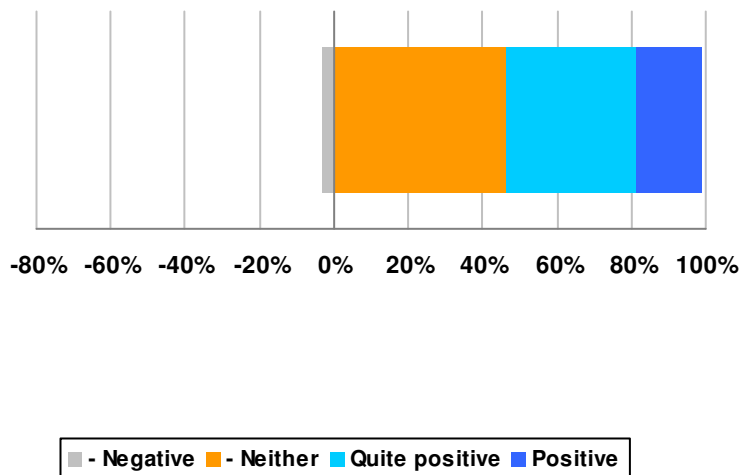
Figure 2.7.1 Impact of Perth/Mandurah Railway



2.7.2 THE AFFECTS OF BUSINESS SUPPORT SERVICES IN THE REGION

Respondents were asked to indicate if they felt the business support services provided by “local government, the Peel Development Commission and the Small Business Development Corporation” have either a positive or negative influence on businesses in the region. As Figure 2.7.2 below indicates, almost one in five (18%) believe that they have a very positive influence and a further 35% regard it as being quite positive. Slightly under half (46%) regard it as being neither positive nor negative, and 3% believe that the business support services actually have a negative impact on business.

Figure 2.7.2 Effect of business support services in region



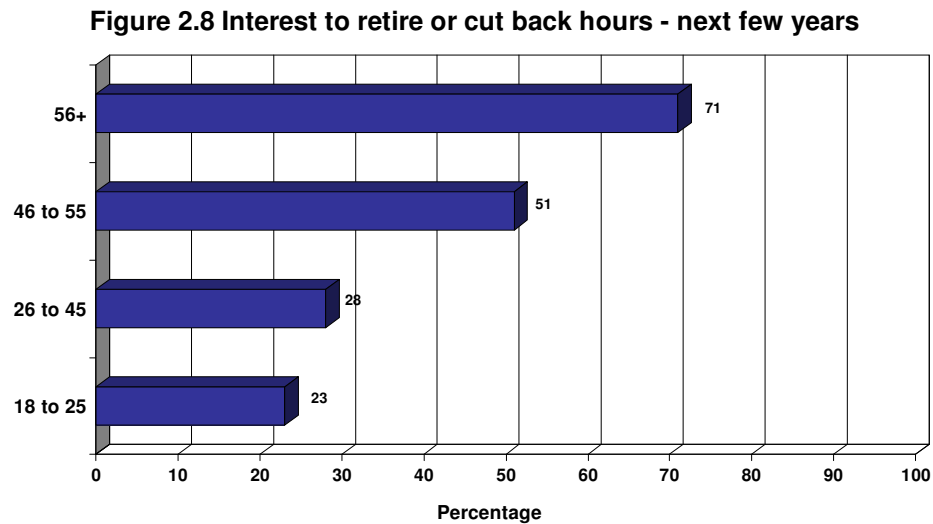
2.7.3 MENTOR PROGRAMMES

Whilst seven out of 10 indicated that they were not interested being neither a business mentor nor in having a mentor, we found:

- 17% were interested in having a mentor available for them and,
- 13% were interested in being a mentor. (There is some duplication in that some 3% of respondents indicated that they would be both prepared to be a mentor and interested in having a mentor for their own assistance).

2.8 RETIREMENT PLANS/CUTTING BACK ON WORKING HOURS

47% of respondents indicated that they either plan to retire or cut back their working hours in the next few years. This was naturally strongly related to age, as figure 2.8 below indicates.

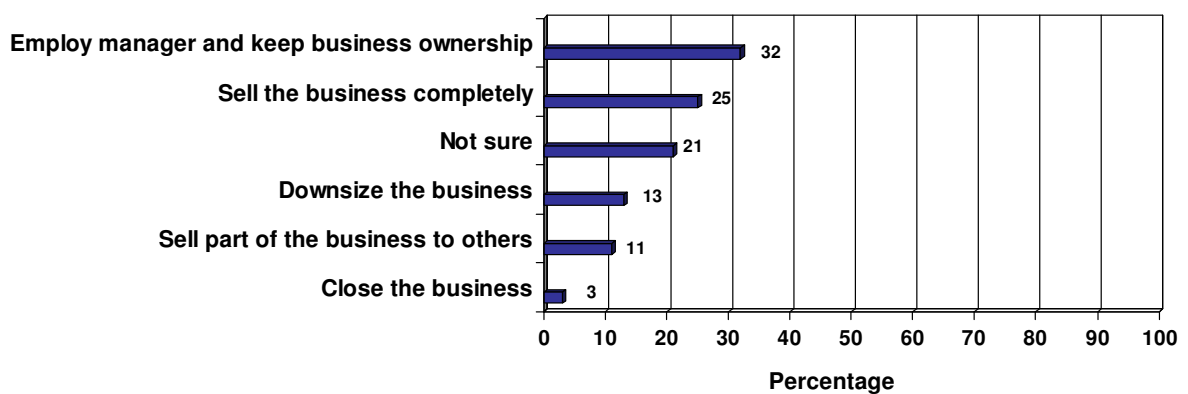


About seven out of 10 (71%) of proprietors aged 56 years or over plan to retire or cut back their working hours in the next few years. Even amongst 46 to 55 year olds, we find half indicating that they plan to cut back or retire. The notion that one in four younger proprietors (28% of those aged 26 to 45 and 23% of those 18 to 25) plan to cut back or retire in the next few years, suggests an inclination to convert business success into greater free time than necessarily all into greater financial gain. There is a sentiment that proprietors are putting in the hours and effort now in the hope that they would be able to cut back on their hours working in the business in the years to come.

2.8.1 THE MEANS OF CUTTING BACK

When asked how they plan to cut back on their own hours or retire, we found almost a third plan to employ a manager and to maintain their business ownership. This suggests that there will be a demand for the development of management expertise amongst both the current workers and new members of the workforce that may be attracted to the region.

Figure 2.8.1 How cut back in hours would be achieved



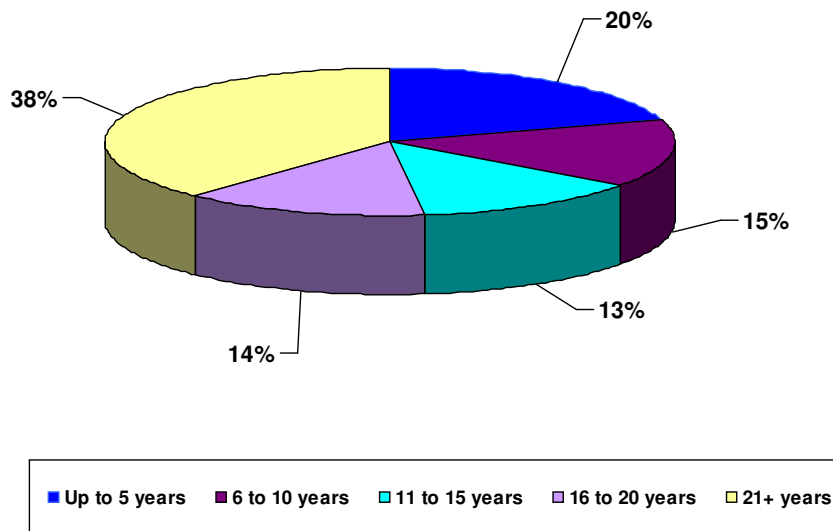
Note from the above that the most common means of cutting back on proprietor's hours is to employ a manager (32%). However, about one in four plan to sell the business completely (25%), 13% plan to simply downsize the business and 11% plan to sell part of the business to others (effectively taking on a partnership or diluting ownership by some other mechanism).

As may be anticipated, the propensity to sell the business completely is strongly related to age group in that those in the 56+ age group who are planning to cut back or retire are more likely than their younger counterparts to sell the business completely.

2.9 IS RETIREMENT A THREAT TO BUSINESS EXPERIENCE?

Almost four out of 10 business proprietors have 21 or more years experience in their industry. As Figure 2.9 overleaf indicates, one in five business proprietors has only up to five years experience in the industry, 15% have from six to 10 years, 13% from 11 to 15 years, and 14% from 16 to 20 years.

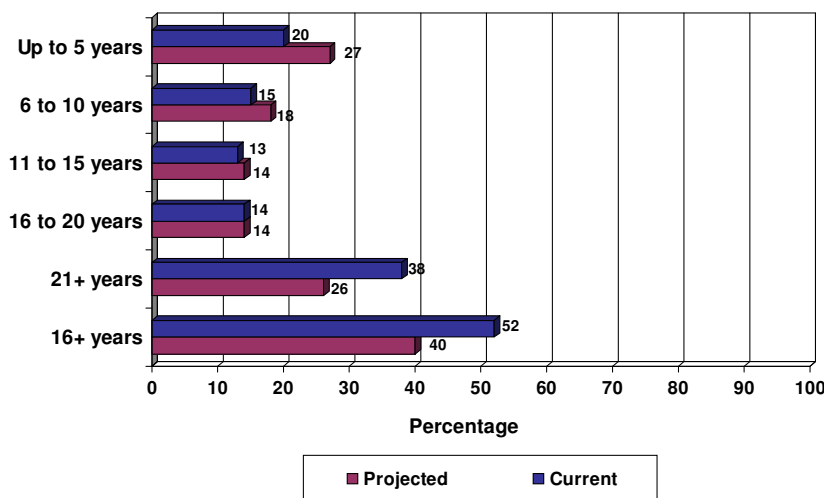
Figure 2.9 Industry Experience



2.9.1 THE LOOMING LOSS OF EXPERIENCE

The profile of “impending retirees” shows the potential impact of the retirement programme over the next few years on the level of business experience in the Mandurah region. When we focus on people aged 46 years and over who plan to retire or materially cut back their working hours over the next few years, we find six out of 10 of this group have more than 20 years experience in the industry. Figure 2.9.1 below compares the industry experience profile as it is now, and as it would be once the subset of people who are currently aged 46 years and over have retired or cut back on their hours.

Figure 2.9.1 Industry Experience Profile

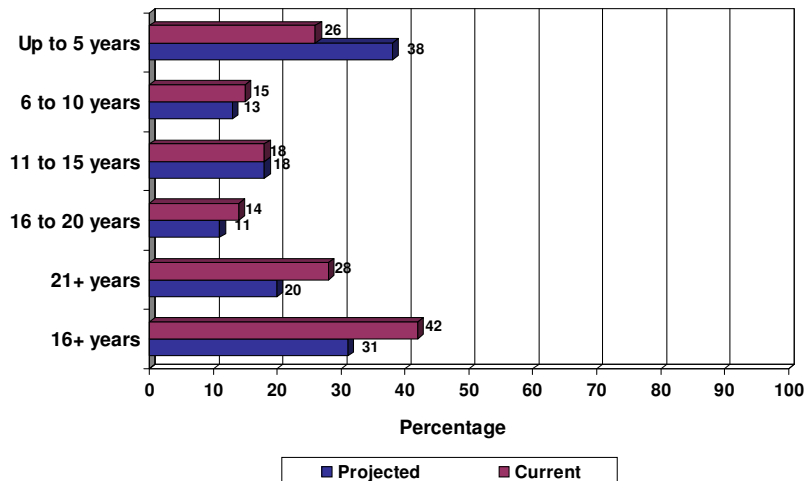


The transition is not dramatic, but we note that the proportion of proprietors with 20 or more years experience in the industry falls from 38% to 26%. In fact, the “16+” years experience falls from 52% from 40% of business proprietors. This represents a significant shift, but does not dramatically alter the experience profile of proprietors in the region.

2.9.2 EXPERIENCE RUNNING "YOUR OWN BUSINESS" MORE OF A FACTOR

Figure 2.9.2 below compares the level of experience "running your own business" of the current population with those who would have no plans for retirement in the next few years. In other words, it is a comparison of the current "own business management" profile with the projected profile once the senior business proprietors have retired.

Figure 2.9.2 The Loss of "Own Business Management" Experience



Note from the above that the proportion of proprietors with less than five years experience in business will jump from 26% to 38% of business owners. The proportion with 16 years or more experience falls from 42% to 31% of business proprietors.

The implication is that in the next few years, there will be a significant opportunity or need for general business management training for both new entrants to the industry, and for "middle management" staff members who will be encouraged to step up to manage the business for the proprietor once they try and step back from the front line from owning and managing their businesses.

2.10 TECHNOLOGY PARK

The survey asked a series of questions at its close about the respondent involvement in the technology sector. Respondents were asked:

“If you are a technology based organisation, please (answer a few extra questions)”.

8% of respondents claimed that they were involved in the technology sector. This represents 47 “real respondents”.

They mostly operate in the information technology sector, with a few in bio-technology, pharmaceutical sectors or in some support services relating to the technology sector.

They reported that their clients are mostly in information technology, the environment, or the mining sector.

2.10.1 INTEREST IN A BUSINESS “INCUBATOR”

Almost half of the respondents to this section of the survey (44%) indicated that they would be interested in support services provided by an incubator/innovation centre facility.

2.10.2 RESEARCH AND DEVELOPMENT

About half (52%) claim to do research and development activities. About one in five of that group indicated that they undertake their research and development in collaboration with a university. Where this is undertaken, it is largely in the use of university facilities, and or in the commercialisation of technology.

2.10.2.1 Alternatives to University Connections

Amongst the about four out of five of those who claim to do research and development who report that they are not in connection with a university, we find that about half of that group report doing the work “in house”, and the remainder do so working in collaboration with another company (generally located elsewhere).

2.10.3 INTEREST IN A “TECHNOLOGY HUB”

Almost six out of 10 of those involved in technology in some way are interested in any information about a technology hub or park to be developed in the region.

2.10.4 TECHNOLOGY PARK OVERVIEW

It should be noted that several respondents to this section of the survey programme indicated that they were “involved in technology”, but were involved in industries and activities that would not normally associated with the technology sector. These included automotive spare parts, retailers and other “low tech” activities that were connected to the technology sector by means of a supplier relationship to technology based organisations. Nonetheless, there would appear to be a small subset of the Mandurah-Peel business community that is involved in the information technology sector, and those businesses appear to have a high level of interest in any notion of a technology hub or a technology park being established in the region.

3.0 SURVEY METHOD

The survey was conducted by a hybrid research design involving self completion on a web based survey, self completion hard copy, and telephone interview. From previous experience in small business research, it was recognised that the target population of (predominantly) small business operators are very difficult to survey on any topic. They typically have little time available to talk to market research interviewers, and in the context of a survey which was more than 25 minutes in duration if administered as a telephone interview, the task of generating a reliable data set of feedback from the business community for the target area was always going to be a challenge.

This challenge was met by means of a self completion survey which was mailed to a large sample of the Mandurah and Peel business community. Respondents were invited to complete the survey questionnaire and return it by mail to the research company by means of a supplied reply paid envelope. To allow for the subset of people who prefer to work in an electronic environment, respondents were offered the alternative of doing the survey "on line". Approximately two weeks after the invitation to take part in the survey had been mailed to target respondents, target businesses that had not responded either on line or by my mail were telephoned and invited to take part in the survey "here and now" over the phone.

In recognition of the need for some incentive for respondents to take part in the survey, respondents were offered the incentive of entry into a prize draw of a half page advertisement in the Mandurah Mail, or a cash prize to the equivalent value. The winning survey participant was identified and has been informed of their win. The details of the winner may be found on the Patterson Market Research web page. For details go to www.marketresearch.com.au and click on the "winners" tab.

The Australian Bureau of Statistics June 2006 count of Australian businesses (including entries and exits) for Mandurah and Serpentine Shires shows a total of 4,218 businesses registered in the district. We were able to secure the postal address and telephone numbers for 3,500 of these businesses, and this subset of approximately 80% of theoretically known businesses formed the sample frame for the survey program. The survey was promoted in the local press (Mandurah Mail) and other local media to alert business owners to the impending survey.

The invitation and questionnaire was sent to 3,500 businesses, inviting business owners/managers to either complete the hard copy version of the survey questionnaire or go on line and complete the survey electronically. A total of 371 completed questionnaires were returned to the reply paid address provided. A further 42 self completion interviews were conducted on the web based survey. This provided a sample of 413 completed interviews.

This sample was boosted with a further 312 interviews conducted by telephone. The result was a total of 725 completed interviews, some 556 of which were from the City of Mandurah, and a further 145 were from the Peel. There were some residual businesses which appeared to be equally located in both districts who nominated neither district as their primary area of operation, and seven businesses did not nominate an area as their primary location.

3.1 SAMPLE PROFILE

It is a feature of any self completion, or predominantly self completion survey programme, that the profile of survey participants is largely beyond the control of the survey management. This survey has been no exception to that generalisation, to the effect that, whilst a reasonable approximation of the business community, the completed survey profile varied from the business composition profile as assessed by the Australian Bureau of Statistics (ABS). Table T3.1 below compares the ABS estimated number of businesses in the total Peel region (Mandurah and Serpentine Shires) with the actual survey profile. The third set of figures being the survey program data weighted to accurately reflect the Australian Bureau of Statistics assessment of the business profile for the target area.

**Table T3.1
Sample Profile Compared With ABS
Profile**

	Actual ABS Profile		Survey Profile		Weighted Survey Profile	
	Raw Number	%	Raw Number	%	Raw Number	%
Agriculture, Fishery & Forestry, Mining & Energy, Water & Waste	255	6	14	2	44	6
Manufacturing	225	5	63	9	40	5
Construction	1170	28	104	14.3	202	28
Retail, Wholesale & Transport	957	23	234	32	163	23
Accommodation, Restaurants & Tourism	183	4	100	14	29	4
Finance, Insurance, Property & Business	1098	26	103	14.3	190	26
Health & Education Services	171	4	68	9.4	29	4
Personal Services & Other	159	4	39	5	28	4
Totals	4218	100	725	100	725	100

It is evident from the above that the survey programme under-sampled businesses in the agriculture, fishing and forestry, mining and energy, water and waste disposal sectors. According to the Bureau of Statistics, these industries make up 6% of the business profile of the target area, but were only represented by 2% of our survey profile. In effect we under-sampled this category. Similarly, whilst only 5% of the businesses are classified by the ABS as "manufacturing" enterprises, 9% of the survey respondents were from this category.

It may be seen that whilst the sample was a reasonable approximation of the true business profile for the region, the survey relatively under-sampled businesses in the construction industries, but over-sampled those in the retail, wholesale and transport and storage sector. Similarly, our sample over-represented businesses from the accommodation, restaurant and tourism sector (14% of the survey sample, compared to the “real” proportion of 4%) and under-sampled businesses from the finance and insurance, property and business services sector (the ABS shows 26% to the survey sample profile of 14.3%). The survey sample also over-sampled businesses from the health and community services and education sector, and marginally over-sampled businesses from the personal services and other sectors.

To ensure that our interpretation of the data accurately reflected the true profile of the business composition of the survey area, the data was weighted to the figures in the right hand section of the table to accurately reflect the true business profile for the region.

We are confident that the survey provides an accurate representation of the business sector for the target survey area. The sample of 725 from a population of 4200 provides an overall theoretical survey error of +/- 3.5% at the 95% level of confidence.

4.0 DETAILED FINDINGS

4.1 SAMPLE PROFILE

The survey covered 725 businesses from the Mandurah/Peel Region. 556 respondents indicated that their primary business was located in Mandurah, 145 indicated that their primary business was located in the Peel and 17 indicated that their businesses were equally spilt between Mandurah and the Peel. (Seven businesses did not answer this question).

4.2 BUSINESS CATEGORY

Overall, 84% of respondents indicated that their business was an independent “stand alone” business. Ten per cent were in a business franchise (1% were franchisors and 9% franchisees), and 6% were managing a regional branch of larger organisation. Table T4.2 below shows the business category profile for the total sample, the age group of respondents, and the data for the Mandurah and Peel respondent groups.

**Table T4.2
Business Category**

	Total	Age Group				Business Base Location	
		18 - 25 yrs	26- 45 yrs	46 - 55 yrs	56 + yrs	Mandurah	Peel
		N = 725 %	N = 10 %	N = 268 %	N = 271 %	N = 173 %	N = 556 %
Franchise	10	8	13	9	7	11	5
Independent	84	69	79	85	89	82	92
Branch	6	23	8	6	3	7	3
Total	100	100	100	100	100	100	100

Overall, 84% of businesses are “independent” self managed businesses. Six per cent are branches of larger organisations (with a remote Head Office, often interstate) and 10% are in a franchise arrangement (1% are actually franchisors, the residual franchisees).

It is interesting to note that within the City of Mandurah, 11% of businesses are part of a franchise. This proportion is much lower in the Peel (5%).

4.2.1 OUTLETS SUMMARY

Eighty-two per cent of businesses have one outlet only. Six per cent report that they have two or more outlets under their own management, and 13% report that they have multiple “related” outlets (either being part of a franchise group, or a branch office of larger organisations).

Table T4.2.1
Summary of Business Outlets

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26- 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Independ-ent	Branch	Mandurah	Peel
	N =710 %	N =10 %	N =265 %	N =265 %	N =167 %	N =77 %	N =590 %	N =42 %	N =546 %	N =142 %
One Only	82	84	79	81	87	67	87	36	82	89
2 Plus	6	-	8	5	3	6	5	8	5	4
Multiple Related Outlets	13	16	14	14	10	27	8	57	13	7
Total	100	100	100	100	100	100	100	100	100	100

4.2.2 YEARS IN OPERATION

Almost 700 respondents completed the question about how long the business had been in operation. Of those, we found 11% reporting that the business had been in operation for up to 2 years, 16% reported a 3 to 5 year business life, and 38% reported having being in business from 6 to 15 years. Thirteen per cent reported a 16 to 20 year business life, and slightly over 1 in 5 businesses (22%) reported that the business had been in operation for 21 years or more. See Table T4.2.2 below.

	Total	Business Base Location	
		Mandurah	Peel
	N = 692 %	N = 531 %	N = 138 %
1-2 Years	11	12	10
3-5 Years	16	17	14
6-15 Years	38	39	38
16-20 Years	13	11	15
21+	22	21	23
Total	100	100	100

A third (35%) of businesses have been in operation for over 16 years, and would be regarded as “mature” businesses slightly over 1 in 4 (27%) have been in operation for 5 years or less. About 4 out of 10 have been in business for 6 to 15 years.

Almost two thirds (63%) of businesses reported that they started the business from scratch. One in 5 (21%) reported having bought into a business or developed a business into bigger premises, and 16% report that they had bought into the business and “keep it much the same”.

80% reported that their business was located in a single premises only. This varied from 80% in Mandurah to 88% amongst businesses in the Peel. 12% overall reported that they have related outlets elsewhere (for example as part of a franchise group), and 7% reported that they have more than one outlet under their control. The picture that emerges is a business sector that is very much based on “single location” operations.

Amongst Mandurah businesses, we find 4% reporting that they also have an outlet in Perth, 1% report an outlet interstate. There are also very minor references to outlets overseas or in other areas of Western Australia (for example the far north).

4.2.3 SINGLE OR MULTIPLE BUSINESS OWNERSHIP

Eighty-three per cent of business owner/managers report that they only own or manage one business. Twelve per cent report having an interest in two businesses and 5% report an interest in more than two businesses.

Ninety-two per cent report that their income is mainly from their (primary) business. Three per cent report that their income is mainly from other “paid” employment and 4% report that their income is mainly from investments or other sources.

4.2.4 NUMBER OF EMPLOYEES

The data for full time employee numbers shows twenty-eight per cent of businesses report that there is only one employee (themselves). Thirty-five per cent report that they have between two and four employees (including the business owner). Twenty-nine per cent have from five to ten employees, and just 9% have eleven or more employees. See Table T4.2.4 below.

Table T4.2.4
Full Time Employee numbers

	Total	Business Category			Business Base Location	
		Franchise	Independ -ent	Branch	Mandurah	Peel
		N =725 %	N =79 %	N =600 %	N =45 %	N =556 %
1 only	28	28	29	18	26	33
2-4	35	32	35	33	36	33
5-10	29	26	29	34	29	29
11+	9	14	7	15	9	5
Total	100	100	100	100	100	100

It is interesting to note from the above that 1 in 4 Mandurah businesses employ one employee only (26%) compared to a third (33%) of businesses with their primary location in the Peel. It would appear that businesses located outside of Mandurah tend to be smaller in terms of numbers employees than those located in Mandurah.

The analysis of total employees, whether full time part time or casual shows a different pattern, as table T4.2.4a below indicates. The total employee footprint shows just 17% with only one employee, with the most common circumstance being a pattern of 2 -4 personnel employed in either a full time or part time capacity.

Table T4.2.4a
Total Employee numbers

	Total	Business Category			Business Base Location	
		Franchise	Independ -ent	Branch	Mandurah	Peel
	N =725 %	N =79 %	N =600 %	N =45 %	N =556 %	N =145 %
1 only	17	8	20	4	16	20
2-4	35	32	35	33	36	33
5-10	29	26	29	34	29	29
11+	19	34	16	29	19	17
Total	100	100	100	100	100	100

4.2.5 BUSINESS CATEGORY

Businesses related to construction and trade activities had the highest representation of the Mandurah and Peel districts. Twenty-eight per cent of the overall sample was engaged in the construction and trades area. 20% were involved in retail trade, 19% were in business or professional services, 5% were engaged in finance and insurance and, the same proportion was in manufacturing and repairs. 4% were engaged in businesses providing personal and other services. See Table T4.2.5 below.

Table T4.2.5 Business Categories

	Business Category			Business Base Location		
	Franchise	Independent	Branch	Mandurah	Peel	
	N=79 %	N=600 %	N=45 %	N=556 %	N=145 %	
Construction & trades	28	8	32	4	25	37
Retail trade	20	33	18	32	22	14
Business or professional services	19	28	18	21	21	11
Finance & insurance	5	15	2	33	6	4
Manufacturing and repairs	5	5	6	1	6	5
Health and community services	4	1	4	4	4	4
Personal and other services	4	3	4	2	4	1
Agriculture, forestry & fishing	3	-	3	-	1	11
Cafes, restaurants, pubs	2	4	2	1	2	2
Communications and IT	2	-	2	-	2	-
Accommodation	1	-	1	1	1	3
Cultural leisure & tourism	1	1	1	1	1	2
Energy or water supplies	1	-	1	-	1	-
Mining and mining services	1	-	2	-	2	-
Wholesale trade	1	-	1	-	1	1
Transport, postage, couriers & storage	1	-	2	-	1	1
Waste removal services	1	-	2	-	1	2
Education	0	1	0	-	-	1
Total	100	100	100	100	100	100

4.2.6 LOCATION OF EMPLOYEES

Respondents were asked to indicate where their employees live. Amongst the Mandurah respondents, we found 61% reporting that all of their employees live within Mandurah. 32% report that between half and 90% of their employees live in Mandurah, and just 7% report that less than half of their employees live within Mandurah. See Table T4.2.6 below.

Proportion of the Mandurah Workforce Living in Mandurah	Mandurah
	N = 556 %
100%	61
50-90%	32
Less than 50%	7
Total	100

4.2.6.1 Location of Employees Amongst Peel District Businesses

Amongst the 145 business located in the Peel, we found 70% reporting that all of their employees live within the Peel, 20% report that between half and 99% of their employees live within the Peel and 10% report that less than half of their employees live within the Peel. See Table T4.2.6.1 below.

Proportion of the Peel Business Employees living in Peel	Peel
	N = 145 %
100%	70
50-99%	20
Less than 50%	10
Total	100

4.2.7 DISTRIBUTION OF SALES

Respondents were asked to indicate what proportion of their sales were made within Mandurah, within the Peel district, in the Southwest, in Perth, in other parts of Western Australia, interstate, and overseas. Table T4.2.7 below shows that across the total survey sample, slightly over half (54%) of all sales are made within Mandurah. A further 20.6% are made within the rest of the Peel, with 13% being made in Perth, 5% in other parts of the Southwest, 4.5% in other parts of Western Australia, and 1.1% of sales made interstate and the same proportion in overseas markets.

The data splits the responses by Mandurah and Peel respondents, and we are able to see the extent to which Mandurah businesses sell within Mandurah. We find from Table T4.2.7, that 69.3% of sales made by Mandurah businesses are made within Mandurah. The corollary of this is that effectively 30% (30.7%) of sales made from Mandurah businesses are made outside of Mandurah. The major “export” market is Perth (12.3% of sale go to Perth), followed by elsewhere in the Peel (8%). 4% of Mandurah business sales goes to other parts of the Southwest, with the same proportion going to other parts of Western Australia. Just 1% of Mandurah business sales go interstate, though 1.4% are indicated to go overseas.

Table T4.2.7
Where Sales are Made

	Total	Location	
		Mandurah	Peel
	N = 725 %	N = 556 %	N = 145 %
Within Mandurah	54.5	69.3	20
Other Peel	20.6	8.0	50
Perth	13.1	12.3	15
Other Southwest	5.1	4.0	7.7
Other Western Australia	4.5	4.0	5.7
Interstate	1.1	1.0	1.1
Overseas	1.1	1.4	0.5
Total	100	100	100

Note from the above that only half of the sales of businesses within the Peel remain within the Peel. 20% of Peel businesses’ sales are made in Mandurah, 15% go to Perth, with 7.7% in other parts of the Southwest, 5.7% going to other parts of Western Australia, 1.1% going interstate and 0.5% of sales from businesses in the Peel going over seas.

4.2.7.1 Plans to Increase Export Activity?

Just 4% of respondents indicated that they plan to start or increase export activities to other countries. This was found amongst 5% of businesses in Mandurah, and 1% amongst businesses from the Peel.

4.3 EDUCATION AND TRAINING

4.3.1 EDUCATION AND TRAINING OF BUSINESS MANAGER/OWNER

Business owners/managers were asked to indicate the highest level of schooling that they had achieved. We found that 3% report having not had any high school, 45% report having year 10 or 11 (or equivalent) in high school, and 48% report having year 12 high school. (The residual failed to answer the question).

Twenty-nine per cent report that they have some form of university degree or other professional qualification, 29% report having a trade qualification, a further 19% report having a TAFE or equivalent qualification and 23% report no formal training after leaving school.

Table T4.3.1 Business Owner's Post School Education

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Independent	Branch	Mandurah	Peel
	N =725 %	N =10 %	N =268 %	N =271 %	N =173 %	N =79 %	N =600 %	N =45 %	N =556 %	N =145 %
University degree/other professional qualification	29	21	28	24	37	43	28	19	32	13
TAFE trade qualification (or equivalent)	29	28	30	32	23	17	31	19	27	38
Other TAFE qualification (or equivalent)	19	20	20	20	16	27	17	25	20	14
No formal training after leaving school	23	32	26	30	32	18	30	36	26	41
Total	100	100	100	100	100	100	100	100	100	100

It is interesting that almost 3 in 10 (29%) business managers/owners have a university degree or other professional qualification. The same proportion has a TAFE or trade qualification, and a further 19% report having some other form of TAFE qualification (not necessarily trade related).

It is interesting to note that just 23% of business managers report having no formal training after leaving school. There is a difference between the Mandurah business base and that for Peel in that 26% of Mandurah business owners/managers have no formal training after leaving high school compared to 41% in the Peel. Note also that a third (32%) of Mandurah business managers/owners have a university or other professional qualification compared to 13% in the Peel.

4.3.2 EMPLOYEE EDUCATION STANDARDS

Respondents were asked to indicate how many of their employees had university, TAFE trade qualifications, other TAFE education or no formal training at all. Table T4.3.2 below shows the proportion of businesses reporting any of their staff having any of the following qualifications. As shown, 28% report that they have staff with a university qualification, 36% have staff that have a trade qualification from TAFE, 25% report that they have some staff with other TAFE qualifications (not necessarily trade related) and 45% of businesses report having some staff that have no formal training after they left school.

Table T4.3.2 Employee Education Standards

	Total N =725 %	Location	
		Mandurah N = 556 %	Peel N =145 %
Have a University degree	28	29	21
Have a TAFE trade	36	35	42
Other TAFE	25	25	23
No formal training	45	45	45
Total	134	134	131

The survey also showed that 9% of businesses have staff that have undertaken on the job or specific task related training (not necessarily based on a formal course), and 1% referred to having first aid or safety training. The same proportion indicated that some of their staff were still at school.

4.3.3 APPRENTICES AND TRAINEES

As Table T4.3.3 below indicates, only 12% of businesses report that they have one or more trainees and the same proportion report that they have one or more apprentices.

Table T4.3.3 Trainees and Apprentices on Staff	Trainees	Apprentices
	N =725 %	N =725 %
1-2	11	8
3+	1	4
None	88	88
Total	100	100

The above data shows that 11% of businesses have one to two trainees, 8% have one to two apprentices. One per cent have three or more trainees and 4% have three or more apprentices.

The fact that 12% of businesses have at least one trainee and the same proportion have at least one apprentices, suggests that the same businesses have both trainees and apprentices. However our analysis shows that 22% of businesses have either some trainees or apprentices on staff. This finding therefore shows that just 2% have both trainees and apprentices. We also find that 10% overall have at least one staff member in some other form of training (including school), though there is some overlap due to some businesses having at least some staff engaged in multiple categories. The net "training exposure" is 28% of businesses. Seventy two percent of businesses report none of their staff are currently engaged in any for of formal training.

4.3.3.1 Interest In Further Training

Forty-six per cent of respondents indicated that their business would benefit from some work related training programs for employees. This response was very much age related, in that the older respondents were less likely than their younger counterparts to indicate that their business would benefit from some work related training. Forty-seven per cent of Mandurah respondents and 41% of Peel respondents indicated that their business would benefit from some training program.

The types of training programs that the 46% of businesses would be interested in were largely related to specific trade skills, but interest was also high for training, accounting, administration and information technology. Table T4.3.3.1 below indicates the areas in which training would be of most value for businesses.

Table T4.3.3.1

Training Topics of Most Value to Business

	Total	Business Category			Business Base Location	
		Franchise	Independent	Branch	Mandurah	Peel
	N=355 %	N=45 %	N=284 %	N=26 %	N=276 %	N=63 %
General management	30	42	29	27	33	18
Accounts/admin/IT	39	40	40	31	44	19
Specific trade skills	48	43	49	40	44	64
General work related skills	30	31	30	20	28	29
Safety/First aid	2	2	3	2	2	6
Other	2	-	2	1	2	3
Not answered	1	-	0	3	0	1
Total	152	158	153	124	153	140

The figures in the above table are based on those respondents that indicated that some form of training would be of value to their business (46% of the overall sample). To get an approximation of the total business population's interest in these topics, the reader should effectively divide these proportions by two.

Having made that observation about the way to interpret the above data, it is clear that specific trade skills are of greatest interest to the overall sample, and this is particularly the case amongst respondents in the Peel (64% of those who were interested in training in the Peel noted specific trade skills as the area of their interest).

It is interesting that 4 out of 10 (39%) expressed an interest in accounts/administration and IT training, and a third (30%) expressed interest in "general management", and the same proportion referred to "general work related skills".

4.3.4 RESEARCH AND DEVELOPMENT

Only 1 in 4 respondents reported that they didn't spend any money on innovation, process improvement and staff training or research and development in the last 12 months. See Table T4.3.4 below.

Table T4.3.4 Expenditure on Research, Development/Training

	Business Category			Business Base Location		
	Total	Franchise	Independent	Branch	Mandurah	Peel
	N=725 %	N=79 %	N=600 %	N=45 %	N=556 %	N=145 %
Nothing	26	15	27	37	23	36
Up to \$500	20	20	21	9	21	17
\$501 to \$2000	23	24	24	11	25	18
\$2001 to \$5000	15	16	14	20	15	15
\$5001 to \$10 000	8	12	8	11	8	9
\$10 000 +	8	13	7	11	8	4
Total	100	100	100	100	100	100

It is interesting to note that 23% of businesses in Mandurah reported not spending any money on innovation or improvement in the last 12 months compared to 36% of businesses based in the Peel. Similarly, franchise operators were more likely than managers of independent businesses or even branch managers of larger organisations to have spent at least some money on these activities in the last 12 months. Overall, about 1 in 5 reported spending a relatively modest amount (up to \$500). About 1 in 4 (23%) spent between \$500 and \$2,000 (23%), and about 1 in 7 (15%) reported spending between \$2,000 and \$5,000. 16% overall spent more than \$5,000 on these activities, and this level of expenditure tended to be amongst franchises or branch managers of larger organisations.

4.4 TRADING CONDITIONS AND PLANS

This section addresses the proportion of raw materials that are purchased from within the local area and external to the Mandurah and Peel districts, the extent to which professional services are engaged locally, and the extent to which the Internet is used within business activities. It also investigates the propensity for businesses to hire new employees, the number of positions vacant, and the means by which they would go about recruiting staff.

4.4.1 THE PROPORTION OF STOCK AND RAW MATERIALS COMING FROM MANDURAH

Table T4.4.1 below indicates the proportion of stock and raw materials that respondents purchase from within Mandurah. The data shows that about 1 in 4 report buying none of their stock and raw materials from within Mandurah, whilst 28% buy up to a fifth of their stock and raw materials from Mandurah.

Only 13% report buying over 90% of their stock and raw materials locally. The table shows the sourcing pattern for stock and raw materials for the total sample, the Mandurah sample and the Peel sample.

Table T4.4.1 Proportion of Stock and Materials from Mandurah	Business Base Location		
	Total	Mandurah	Peel
	N=725 %	N=556 %	N=145 %
0%	26	21	40
1-20%	28	26	32
21-50%	13	12	14
51-75%	7	9	5
76-90%	9	10	5
91-100%	13	16	2
Don't know	4	6	2
Total	100	100	100

As may be anticipated, a higher proportion of Peel respondents indicated that they purchased none of their stock and raw materials from within Mandurah (40%), compared to 21% of Mandurah respondents.

4.4.2 ORIGINS OF BUSINESS EQUIPMENT "STOCK OR RAW MATERIALS"

Table T4.4.2 below summarises the sourcing of business equipment, stock and raw materials for the total sample. It should be noted that this assessment is based on a proportion of raw materials and stock bought in, not the raw values. It is a reasonable approximation of the source of stock and raw materials for businesses in the region, but no allowance has been made for variation in quantities purchased by very small up to very large businesses.

Sourcing Stock and Raw Materials	Total Sample
	N = 725 %
Within Mandurah	26
Peel	5
Perth	40
Other Southwest	2
Other Western Australia	2
Interstate	8
Overseas	2
Don't know	5
Total	100

It would appear that Perth and Mandurah are the two primary sources of stock and raw materials for businesses trading in the Mandurah and Peel districts. Eight per cent of materials come from interstate, 5% from within the Peel, 2% from other parts of the south west, other parts of Western Australia, and from overseas.

4.4.3 SUMMARY OF THE ORIGIN OF PROFESSIONAL SERVICES

Table T4.4.3 below shows the reported source of professional services for the total sample. It shows the proportion of respondents indicating their usage of professional services from Mandurah, Peel and Perth (the other districts being too small in number to be of interest).

The table shows that overall, 30% report not getting any of their professional services from Mandurah. Ninety-three per cent do not get any of their services from Peel and 45% do not get any of their professional services from Perth. Overall, 40% get from 76 to 100% of their professional services from Mandurah, just 1% get their or three quarters to all of their professional services from the Peel and 24% get three quarters to all of it from Perth.

Table T4.4.3 following summarises the sources of professional services for the total sample

Table 4.4.3 Source of Professional Services Overall Base: All respondents N = 725	Location		
	Mandurah %	Peel %	Perth %
0	30	93	45
1-25	14	4	14
26-50	11	0	11
51-75	5	1	3
76-100	40	1	24
Don't know	-	1	3
Total	100	100	100

Naturally, the above data is influenced strongly by the location of the business. Sections 4.4.3.1 and 4.4.3.2 following show the reported source of professional services for businesses located in Mandurah and in the Peel.

4.4.3.1 The Source Of Professional Services For Mandurah Businesses

Amongst Mandurah businesses, we find 44% reporting that they get three quarters of all of their professional services from within Mandurah, 22% get nearly all of their services from Perth, and 1% get nearly all of their services from Peel.

At the other end of the scale, we find 1 in 4 not getting any of their services from Mandurah, 96% do not get any of their professional services from the Peel and 47% report that they do not get any of their professional services from Perth.

Table 4.4.3.1 Mandurah Business Source of Professional Services Base: Mandurah Businesses N = 556	Location		
	Mandurah %	Peel %	Perth %
0	24	96	47
1-25	15	2	14
26-50	11	1	12
51-75	6	0	4
76-100	44	1	22
Don't know	0	0	1
Total	100	100	100

It would appear that the majority of the professional services for Mandurah businesses are sourced from within Mandurah itself. The “back up” to this is largely Perth, with almost 1 in 4 (22%) reporting that they get almost all of their professional services out of Perth.

4.4.3.2 Origin Of Professional Services For Peel Businesses

The 145 businesses from the Peel reported that their primary source of professional services was Perth. As Table T4.4.3.2 below indicates, a third (34%) **of the Peel district businesses** secure nearly all of their professional services from Perth. Twenty-three per cent of them get most of their services from Mandurah and 4% report getting three quarters of their services provided from the Peel.

Table 4.4.3.2 Peel Business Source of Professional Services
Base: Peel Businesses N = 145

	Location		
	Mandurah %	Peel %	Perth %
0	52	81	42
1-25	12	12	12
26-50	10	2	8
51-75	3	1	3
76-100	23	4	34
Don't know	-	-	1
Total	100	100	100

4.4.4 USAGE OF THE INTERNET

Eighty-nine per cent of respondents reported that they used the Internet or have Internet access. As Table T4.4.4 below shows, this access is slightly higher in Mandurah than it is in the Peel.

Table T4.4.4 Have Business Internet Access

	Total	Business Category			Business Base Location	
		Franchise	Independent	Branch	Mandurah	Peel
	N=721 %	N=79 %	N=596 %	N=45 %	N=553 %	N=144 %
Yes	89	98	88	89	91	86
No	11	2	12	11	9	14
Total	100	100	100	100	100	100

There was a slight age effect, in that 93% of respondents aged in the 26 to 45 age group reported Internet access in their business, and this fell slightly to 90% in the 46 to 55 age group and 84% in those in the 56 and over age group.

4.4.4.1 Usage Of A Web Site

Amongst all businesses, we find 45% reporting that they have a business web site. This varied from 47% amongst Mandurah businesses to 38% amongst the Peel businesses surveyed. Interestingly, 83% of franchises have a web site as do 88% of businesses that are a branch of a larger organisation. Just 38% of independent businesses have a web site.

Table T4.4.1

Have a Business Website?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Indepen- dent	Branch	Mandurah	Peel
		N =725 %	N =10 %	N =268 %	N =271 %	N =173 %	N =79 %	N =600 %	N =45 %	N =556 %
Yes	45	85	45	49	40	83	38	88	47	38
No	55	15	55	51	60	17	62	12	53	62
Total	100	100	100	100	100	100	100	100	100	100

4.4.4.2 Usage Of The Internet For Advertising

The survey found that 31% of businesses advertise on other web sites. This was strongly influenced by age, with younger age groups more inclined to advertise on web sites than their older counterparts. Similarly, franchise operators are more likely to advertise on a web site than are independent businesses in particular.

Table T4.4.2

Advertise on Other Web Sites?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Indepen- dent	Branch	Mandurah	Peel
		N =725 %	N =10 %	N =268 %	N =271 %	N =173 %	N =79 %	N =600 %	N =45 %	N =556 %
Yes	31	54	37	30	23	42	29	37	33	21
No	69	46	62	70	77	58	71	63	67	79
Total	100	100	100	100	100	100	100	100	100	100

Note also that businesses in Mandurah were more likely than those in the Peel to advertise on another web site.

4.4.4.3 Using Email

Overall, 85% of businesses report that they use Email for communication, which is almost the same as the 89% that have a business Internet access. See Table T4.4.4.3 below for details.

Table T4.4.4.3

Use Email?	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Indepen-dent	Branch	Mandurah	Peel
		N = 725 %	N = 10 %	N = 268 %	N = 271 %	N = 173 %	N = 79 %	N = 600 %	N = 45 %	N = 556 %
Yes	85	92	90	84	78	96	83	94	87	77
No	15	8	10	16	22	4	17	6	13	23
Total	100	100	100	100	100	100	100	100	100	100

Note that there is a slight age effect in the above table with younger people more likely than their older counterparts to use Email for communication.

4.4.4.4 The Usage Of E-Commerce

Just 16% of businesses surveyed report that they use the Internet for E-Commerce (selling on the Internet or having an online store). See Table T4.4.4.4 below.

Table T4.4.4.4

Use Ecommerce/Have an On-line Store?	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Indepen-dent	Branch	Mandurah	Peel
		N = 725 %	N = 10 %	N = 268 %	N = 271 %	N = 173 %	N = 79 %	N = 600 %	N = 45 %	N = 556 %
Yes	16	28	15	17	15	33	13	29	16	12
No	84	72	85	83	85	57	87	71	84	88
Total	100	100	100	100	100	100	100	100	100	100

It would appear from the above that involvement in a franchise is the greatest predictor of using the Internet for E-Commerce to either sell on the Internet or have an online store. A third of franchises indicate that they use E-Commerce in this way. On the other hand, only 13% of independent businesses report using the Internet for E-Commerce.

4.4.4.5 Using The Internet For Research

There is much greater usage of the Internet to search for suppliers or other information. Three out of 4 (76%) respondents indicated that they use the Internet in this way, though as Table T4.4.4.5 below indicates, membership of a franchise group is also the greatest predictor of usage of the Internet in this way.

Table T4.4.4.5

Use the Internet to research Suppliers or Other Information?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Independent	Branch	Mandurah	Peel
	N =725 %	N =10 %	N =268 %	N =271 %	N =173 %	N =79 %	N =600 %	N =45 %	N =556 %	N =145 %
Yes	76	77	82	77	67	90	74	79	78	68
No	24	23	18	23	33	10	26	21	22	32
Total	100	100	100	100	100	100	100	100	100	100

Nine out of 10 franchises use the Internet to research suppliers or other information compared to 3 out of 4 independent businesses (74%). There is a greater level of usage in Mandurah (78%) compared to Peel (68%) in line with the greater general Internet usage in Mandurah than in the Peel.

4.4.4.6 Usage Of The Internet To Recruit Staff

Almost 1 in 4 (23%) respondents indicated that they use the Internet to recruit staff. As Table T4.4.4.6 below indicates, there is a significant age effect in this phenomenon, with younger respondents more likely to use the Internet in this way than their older counterparts.

Table T4.4.4.6

Use the Internet to Recruit Staff?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Independent	Branch	Mandurah	Peel
	N =725 %	N =10 %	N =268 %	N =271 %	N =173 %	N =79 %	N =600 %	N =45 %	N =556 %	N =145 %
Yes	23	52	31	22	13	26	20	60	25	15
No	77	48	69	78	87	74	80	40	75	85
Total	100	100	100	100	100	100	100	100	100	100

In line with the generally lower level of Internet usage, we found the Peel respondents less likely to use the Internet to recruit staff (15%) compared to the Mandurah subset (25%). It is interesting to note that the respondents who were managing a branch of a larger organisation were more likely than any of the other groups to use the Internet in this way (60%) most likely as they are part of a larger organisation.

4.5 EMPLOYMENT

Respondents were asked a series of questions about employee numbers and the propensity to either increase or decrease employee numbers in the foreseeable future.

4.5.1 PROPENSITY TO REPLACE EMPLOYEES

When asked if they were likely or not to replace any employees that left the business “tomorrow”, we found 73% reporting that they were at least quite likely to do so (62% “very likely” and 10% “quite likely”). Only 10% indicated that they were “very unlikely” to do so and 5% were “quite likely” to replace people who left the business tomorrow. See Table T4.5.1 below for details.

Table T4.5.1
Replace a Worker Who Left Immediately?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Indepen- dent	Branch	Mandurah	Peel
	N =690 %	N =10 %	N =256 %	N =254 %	N =167 %	N =79 %	N =565 %	N =45 %	N =534 %	N =134 %
Very likely	62	73	63	65	57	72	60	71	63	58
Quite likely	10	13	11	10	10	13	10	7	13	3
Not sure	12	15	11	13	14	7	14	6	11	19
Quite unlikely	5	-	6	3	5	4	5	4	5	3
Very unlikely	10	-	9	10	14	4	11	12	9	16
NET LIKELY	73	85	73	75	68	85	71	78	75	62
NET UNLIKELY	15	-	16	13	18	8	16	16	14	19
Total	100	100	100	100	100	100	100	100	100	100

It would appear from the above that the very strong sentiment is towards replacing people immediately should they leave the business. This suggests that in the main, the businesses are running at or near full capacity, and it would be their expectation that the current favourable business conditions will continue. If there was doubt about the continued buoyant economy, one would find that a higher proportion of respondents would be less likely to immediately replace someone who left the business “tomorrow”.

4.5.2 STAFF TURNOVER

Forty-nine per cent of respondents indicated that they had to replace at least one staff member over the last 12 months. More specifically, 12% indicated that they had had to replace one staff member, 14% had needed to replace two staff members, and a further 7% had replaced three. See Table T4.5.2 below for details.

Table T4.5.2
Number of Staff Replaced Over the Last 12 Months?

	Total	Location	
		Mandurah	Peel
	N=725 %	N =556 %	N=145 %
None	51	49	56
1-2	26	27	27
3-4	11	11	10
5+	12	13	7
Total	100	100	100

Overall, about 1 in 4 (26%) have had to replace one to two staff members in the last 12 months. However, 1 in 10 (11%) have had to replace three or four staff members, and a similar proportion (12%) report having to replace five or more staff members over the last 12 months. It would appear that business managers in Mandurah are slightly more likely to have needed to replace at least one staff member than those in the Peel. However, this may be influenced by the differences in business size, in that businesses in Mandurah are more likely to have multiple employees (therefore having a potential to have to replace staff members) than are businesses in the Peel.

4.5.3 LIKELY EMPLOYEE NUMBER MOVEMENTS IN THE NEXT 12 MONTHS

As Table T4.5.3 below indicates, there is a very strong sentiment of an increase in employee numbers over the next 12 months. When asked how likely it was that they would increase or decrease the number of employees they have in the next 12 months, we found 54% indicating that there was most likely to be no change in their employee numbers. However almost the same proportion (44%) indicated that it was likely that they would want to increase the number of employees, whilst only 2% indicated that they would like to decrease the number of employees.

Table T4.5.3

Increase or Decrease in Employees Numbers in the Next 12 Months?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Indepen- -dent	Branch	Mandurah	Peel
	N =715 %	N =10 %	N =265 %	N =267 %	N =170 %	N =79 %	N =590 %	N =45 %	N =550 %	N =141 %
Very likely to increase	25	56	29	24	18	30	24	29	25	19
Quite likely to increase	19	16	28	18	8	21	18	32	17	28
Most likely no change	54	28	43	56	70	42	57	39	55	52
Quite likely decrease	1	-	0	2	2	5	1	-	2	0
Very likely decrease	1	-	-	0	2	2	1	-	1	0
NET INCREASE	44	72	57	42	26	51	41	61	42	47
NET DECREASE	2	-	0	3	4	7	2	-	3	1
Total	100	100	100	100	100	100	100	100	100	100

The above table indicates the implicit plans for the businesses. Note that the older the business manager, the less likely there is a propensity to increase employee numbers over the next 12 months. Whilst 72% of 18 to 25 year olds, 57% of 26 to 45 year olds plan to increase the numbers of employees in the next 12 months, we find this to be the case only amongst 42% of 46 to 55 year olds and 1 in 4 (26%) of those aged 56 years or older.

It appears that businesses in the Peel are slightly more likely than those in Mandurah to want to increase employee numbers over the next 12 months, with 47% of the Peel compared to 42% of Mandurah businesses indicating that they would like to increase employee numbers.

4.5.3.1 Estimated New Employee Numbers

Amongst those who indicated that they would be likely to increase their employee numbers, we find 31% suggesting that they would have just one new employee, 28% indicate that they will have two new employees and 12% would be seeking three new staff members. See Table T4.5.3.1 for details.

Table T4.5.3.1
Estimated Increase in Employee Numbers

	Total	Location	
		Mandurah	Peel
	N=725 %	N =556 %	N=145 %
1	13	13	16
2	12	11	16
3-4	8	9	3
5+	4	4	1
None	63	63	64
Total	100	100	100

The table above shows the proportion of the total sample, those for Mandurah and those for Peel who plan to increase employee numbers by one, two, three to four and five or more. Overall, 63% plan no increase in employee numbers (a few of these in fact plan to decrease employee numbers).

4.5.3.2 Estimated Real Numbers

Based on the latest (2006) Australian Bureau of Statistics estimation of business numbers for the survey area (approximately 4,200 businesses are in the Mandurah and Serpentine Shires) we are able to estimate the “real” movement in employee numbers “over the coming 12 months”. The data shows that across the 725 respondents to the survey, there is an estimated 674 new employees that would be put on staff over the next 12 months. This represents an average of .93 employees per business. Based on the total business number estimate of 4,200, we have an estimated 3,900 new employees to be taken up in the survey area over the coming 12 months.

Against this however we must plot the small estimated reduction in employee numbers. There is an estimated .032 employee losses per business over the next 12 months, which based on the population of 4,200 businesses, represent a net loss of 133 employees.

In essence, approximately 3,800 extra jobs will be created **over the 12 months following the date of the survey.**

4.5.4 CURRENT POSITIONS VACANT

The assessment that there will be approximately 4,000 new jobs created over the next 12 months in the survey area is reflected in the finding that 1 in 5 (20%) of businesses claim that they currently have some positions vacant. As Table T4.5.4 below indicates, this is effectively the same proportion for Mandurah and Peel, with respectively 20% and 19% reporting that they currently have positions vacant.

Table T4.5.4
Positions Vacant?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Independent	Branch	Mandurah	Peel
	N =725 %	N =10 %	N =268 %	N =271 %	N =173 %	N =79 %	N =600 %	N =45 %	N =556 %	N =145 %
Yes	20	15	24	21	14	23	19	31	20	19
No	80	85	76	79	86	77	81	69	80	81
Total	100	100	100	100	100	100	100	100	100	100

There is a slight age effect in the above table in that the businesses that are very young (with business owners in the 18 to 25 year old age group) and those at the other extreme (those aged 56 years and over) appear less likely to have current positions vacant than do people in the “higher intensity” years of 26 to 55.

4.5.4.1 Estimated Current Positions Vacant

Respondents with some current positions vacant were asked to indicate the number of such positions available. As Table T4.5.4.1 below indicates, the dominant position was for only one or two vacancies.

Table T4.5.4.1
Number of Positions Vacant

	Total	Location	
		Mandurah	Peel
	N=125 %	N =95 %	N=23 %
1	49	52	42
2	32	33	37
3	11	9	20
4+	8	6	1
Total	100	100	100

The above estimate of positions vacant amongst those 20% of respondents who have current positions vacant may be applied to the total business population for the survey area to achieve an estimate of current positions vacant.

Of the total sample of 725 businesses, there is a net of 245 positions vacant. This represents an average of .34 positions vacant per business. When this “vacancy rate” is applied to the estimated business population of 4,200, we arrive at an estimated 1,400 positions vacant across Mandurah and the Peel district.

4.5.5 STAFF RECRUITMENT

When asked how they normally go about recruiting staff, we found over half the respondents using word of mouth as a means of recruiting staff. This was followed by advertising in the local newspaper, the Perth newspapers, Internet recruitment sites (e.g. Seek) and recruitment agencies. See Table T4.5.5 for details below.

Table T4.5.5
Means of Recruiting Staff?

	Total	Business Category			Business Base Location	
		Franchise	Independent	Branch	Mandurah	Peel
		N=698 %	N=78 %	N=574 %	N=45 %	N=535 %
Word of mouth	55	53	57	36	54	60
Local newspaper advertisement	42	67	39	47	44	37
Perth newspaper advertisement	20	21	19	25	21	14
Internet recruitment/websites (e.g. SEEK)	19	18	16	50	19	13
Recruitment agency	17	11	16	31	16	17
Don't need/don't recruit	9	2	10	-	8	11
Shop window notice, poster, or notice board	7	6	7	7	7	4
Other	2	4	2	-	3	0
Job/career expos	1	1	1	-	1	0
Resumes/applications sent in	1	-	1	2	0	2
Internet	1	-	0	7	1	1
Total	174	183	168	205	174	159

It appears from the above that businesses in the Peel appear slightly more likely than those in Mandurah to rely on word of mouth as a means of recruiting staff. Sixty per cent of Peel businesses would use word of mouth compared to 54% of the Mandurah respondents.

4.6 TRADING HOURS

The highest level of business activity appears to be on Monday. Ninety-seven per cent of businesses indicate that they trade on Monday, 92% trade on Wednesday, 91% on Thursday, and the same proportion on Friday. Ninety per cent trade on Tuesdays, 59% on Saturday and 29% on Sunday. Thirty-four per cent overall report trading on Thursday night. Naturally this trading pattern varies according to business category, and Table T4.6 below shows the trading periods for the eight summarised business categories covered in the survey.

Table T4.6

Days of Normal Trading	Business Category Weights								
	Totals	Ag, Fish & Mine, Energy, Water & Waste	Manufacturing	Construction	Wholesale/Retail	Accommodation, Restaurants & Tourism	Fin, Property, IT & Bus Services	Health & EDN services	Personal Services
	N =720 %	N =14 %	N =63 %	N =102 %	N =232 %	N =100 %	N =103 %	N =68 %	N =38 %
Monday	97	93	100	97	97	89	98	97	92
Tuesday	90	93	92	87	95	86	88	90	95
Wednesday	92	100	92	88	96	87	88	93	100
Thursday	91	100	92	88	96	86	88	93	97
Thursday night	34	36	27	25	47	61	27	41	45
Friday	91	93	92	88	97	89	86	91	97
Saturday	59	64	51	48	87	88	44	44	71
Sunday	29	50	6	19	40	80	25	16	26
Total	583	629	552	540	655	666	544	565	623

4.6.1 THE IMPLICATIONS FOR FRIDAY NIGHT TRADING

Four per cent of businesses indicated that they will open more often or longer hours if retail trading hours were extended to allow Friday night trading. Naturally this is influenced by the business category. Amongst the wholesale and retail trade businesses, we found 11% would open more though 4% indicated that they would open less. Six per cent of accommodation and restaurant businesses would open more with late night trading as would 8% of businesses operating in the personal services area.

4.6.2 IMPLICATIONS OF SEVEN DAY TRADING

When asked of the implications of seven day trading, we found 5% would open their businesses more than currently. This again was influenced by the category of business, with 14% of the wholesale and retail trade indicating that they would open more for business, as did 6% of those in the accommodation, restaurant and tourism category. The other categories were hardly influenced at all.

4.7 THE BUSINESS PREMISES

A third (33%) of respondents indicated that their business operates mainly out of their home. Almost half (48%) operate in leased premises, but over a fifth (22%) reported that their business mostly operates from premises that they own. See Table T4.7 below for details.

Table T4.7
Where is Your Business Primarily Located?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Independent	Branch	Mandurah	Peel
	N =724 %	N =10 %	N =268 %	N =270 %	N =173 %	N =79 %	N =599 %	N =45 %	N =555 %	N =145 %
Your home	33	-	25	39	37	10	37	8	31	41
Commercial premises (leased)	48	87	58	39	44	74	43	68	52	30
Commercial premises (own)	22	13	19	23	22	17	22	27	20	29
Total	100	100	100	100	100	100	100	100	100	100

Note that respondents with an independent business were more likely than the other categories to operate a business from their home (37%). The independent business was also more likely than franchisees to operate from premises that they own (22%) compared to the franchisee (17%).

4.7.1 MOVING PREMISES IN THE NEXT 2 YEARS?

Almost 8 out of 10 (77%) of respondents indicated that they are not likely to move at all in the next 2 years. However, this means that 23% are indeed likely to move within the next 2 years, and the likely movements are:

- 18% are likely to move into larger premises
- 4% are likely to move into premises of about the same size, and
- 1% are likely to move into a smaller premises (77% are not likely to move at all).

It is perhaps worth noting that all respondents that indicated that they were likely to move to smaller premises within the next 2 years were aged 46 years and over. In fact most were aged 56 years and over, suggesting that the move to smaller premises is more related to “winding down” businesses than it is an assessment of a general downturn in commercial activity. In the main, businesses that are planning to move in the next 2 years indicate that they are likely to move into larger premises.

Table T4.7.1
Move Premises Within 2 Years?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Independent	Branch	Mandurah	Peel
	N =724 %	N =10 %	N =268 %	N =271 %	N =172 %	N =79 %	N =599 %	N =45 %	N =555 %	N =145 %
Likely to move to larger premises	18	36	24	16	12	23	17	26	20	9
Likely to move to same size premises	4	-	5	3	4	5	4	4	4	3
Likely to move to smaller premises	1	-	-	1	3	-	1	-	1	2
Not likely to move at all	77	64	71	80	81	72	78	69	75	87
Total	100	100	100	100	100	100	100	100	100	100

Amongst those who planned to move, we find that almost half have an indication that they planned to buy the premises that they will move into.

4.7.2 WILL MOVERS LEASE OR BUY?

As Table T4.7.2 below indicates, 42% of respondents who plan to move within the next 2 years have an intention to buy the property. Thirty-three per cent believe they will be leasing, and 1 in 4 (25%) are unsure about whether they will buy or lease.

Table T4.7.2

Buy or Lease New Premises?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Independent	Branch	Mandurah	Peel
	N =159 %	N =3 %	N =69 %	N =69 %	N =51 %	N =17 %	N =132 %	N =10 %	N =133 %	N =18 %
Leasing	33	22	25	47	29	53	27	60	35	15
Buying	42	78	41	35	53	20	49	13	38	69
Not sure	25	-	34	19	18	27	25	27	27	16
Total	100	100	100	100	100	100	100	100	100	100

The age data in the above is unreliable for the 18 to 25 year old respondents because it is based on only three respondents. Note, however, that the older age group of 56 years and over appears most likely to be considering buying in their next move. This suggests a strategy of buying the business premises as part of the business owners superannuation plans. It is a picture of an established and mature business seeking to capitalise on equity by purchasing the business premises rather than continuing a leasehold arrangement.

4.8 GENERAL BUSINESS MANAGEMENT

Respondents were asked a series of questions about their general business management.

4.8.1 FORMAL BUSINESS DEVELOPMENT OR SUCCESSION PLAN

Only 16% of respondents reported that they have a quite detailed formal business development for succession plan. A further 33% report that they have a “quite general” plan, and 51% overall report that they have no plan for business development or succession.

Table T4.8.1

Business or Succession Plan?

	Total	Age Group				Business Category			Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Franchise	Independent	Branch	Mandurah	Peel
	N =721 %	N =10 %	N =266 %	N =269 %	N =173 %	N =79 %	N =597 %	N =44 %	N =552 %	N =145 %
Yes – quite detailed	16	15	19	17	12	27	12	56	17	10
Yes – quite general	33	28	32	33	34	39	32	27	35	26
No	51	57	49	50	54	34	55	17	48	64
Total	100	100	100	100	100	100	100	100	100	100

It is interesting that businesses in the Peel are less likely than their counterparts in Mandurah to have any form of business development or succession planning. It may also be of interest that over half (54%) of businesses owned or managed by people in their mid fifties or older report having a business development or succession plan. It would appear that there is a significant need or opportunity for succession planning or business development planning persistence for businesses in the survey area.

Amongst businesses without a plan, a third (32%) indicate that they felt their business would benefit from the preparation of a formal business plan. As Table T4.8.1.1 overleaf indicates, the propensity to form the view that a business plan would be beneficial appears to be age related.

Note that the “peak” interest in a business plan amongst businesses that do not have one is found amongst the 26 to 45 year old group. Interest falls away quite dramatically in the older age groups.

Table T4.8.1.1
Would a Business Plan Benefit Your Business?

	Total	Age Group				Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Mandurah	Peel
	N =373 %	N =6 %	N =131 %	N =138 %	N =95 %	N =277 %	N =87 %
Yes	32	36	47	27	18	35	20
No	68	64	53	73	82	65	80
Total	100	100	100	100	100	100	100

4.8.2 HUMAN RESOURCES MANAGEMENT

It appears that most business managers/owners feel fairly comfortable with their business’s management and understanding of current employment conditions and awards as they relate to their industry. When asked about the status of their knowledge of the current employment conditions and awards as they apply to their business, we found:

- 54% “manage it myself or with spouse and have a reasonable knowledge”
- 21% manage it myself (or with spouse) and know the industrial relations issues well
- 13% report that they “have a human resources manager who is “across that”, and
- 11% “manage it myself (or with their spouse) and feel uncertain about industrial relations issues.”

Nonetheless, there is an appetite for more information about industrial relations issues. When asked specifically if they felt they needed more information about industrial relations issues, a third (35%) indicated that they did in fact want more information on this topic.

As Table T4.8.2 below indicates, this appetite for more information appears to be inversely related to age.

Table T4.8.2
Interest in More Information About Industrial Relations Issues?

	Total	Age Group				Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Mandurah	Peel
	N = 713 %	N = 10 %	N = 262 %	N = 269 %	N = 169 %	N = 545 %	N = 144 %
Yes	35	84	40	36	24	36	34
No	65	16	60	64	76	64	66
Total	100	100	100	100	100	100	100

4.8.3 PREPARATION OF BAS STATEMENTS

Respondents were asked to indicate who prepares their BAS statements. In the main, these are prepared in house (either manually or on line) though 4 out of 10 indicate that they outsource their BAS statements to an accountant. Just 4% overall reported that they are not required to provide BAS statements. See Table T4.8.3 below.

Table T4.8.3
Preparation of BAS Statements

	Total	Business Category			Business Base Location	
		Franchise	Independent	Branch	Mandurah	Peel
	N=718 %	N=79 %	N=595 %	N=43 %	N=551 %	N=143 %
Myself/staff member (manual)	39	42	40	6	38	39
Myself/staff member (online)	16	12	17	11	15	21
Outsource to an accountant	41	45	39	63	45	34
N/A – I am not required to provide BAS statements	4	-	3	20	3	6
Total	100	100	100	100	100	100

It is interesting to note from the above that 16% of businesses prepare the BAS statements on line, 39% prepare the BAS statements manually, and 41% overall outsource to an accountant. The propensity to outsource to an accountant is being related to the overall infrastructure behind the business. For example, 63% of "branch managers" outsource to an accountant as do 45% of franchisees, compared to 39% of "independent" businesses.

4.8.4 MEMBERSHIP OF TRADE OR PROFESSIONAL GROUPS

Twenty-four per cent of respondents indicate that they are members of the Peel Chamber of Commerce and Industry. Thirty-nine per cent report that they are members of a professional industry organisation and 8% report that they are a member of some other regional business association. Forty-two per cent overall are not members of any association.

Table T4.8.4
Membership of Business/Trade Organisations

	Total	Business Category			Business Base Location	
		Franchise	Independent	Branch	Mandurah	Peel
	N=725 %	N=79 %	N=600 %	N=45 %	N=556 %	N=145 %
Peel Chamber of Commerce & Industry	24	39	23	21	29	7
Other Regional business association	8	9	8	-	6	9
Professional or industry organisation	39	50	38	35	41	33
Other CCI	3	0	4	1	2	7
Other	2	2	2	2	1	4
Don't know	1	1	0	10	1	2
None	42	28	45	34	41	46
Total	100	100	100	100	100	100

Note that 29% of businesses in Mandurah are members of the Peel Chamber of Commerce and Industry compared to only 7% of those located in the Peel. However, the propensity to belong to some organisation is very similar for Mandurah and Peel businesses. Forty-one per cent of Mandurah businesses are not members of any organisation compared to 46% in Peel. It is evident that Mandurah businesses are simply more likely to be members of more than one organisation. Forty-one per cent of Mandurah businesses are members of a professional or industry organisation and 29% are members of the Peel Chamber of Commerce and Industry. Given that 41% are not members of any organisation, it would be evident that many respondents are members of more than one organisation.

4.9 MARKETING AND BUSINESS DEVELOPMENT

Seventeen per cent of respondents claim that they undertake no advertising or marketing activities at all. However as Table T4.9 below shows, almost half (47%) use the Yellow Pages Advertising (apart from their free listing), and almost the same proportion (45%) use one of the local papers. Thirty-six per cent use the "Local Link" and 24% report using the Internet other than their own web site, using for example banner ads or other paid Internet advertising.

Table T4.9

Forms of Business Promotion Used

	Total N=716 %	Location	
		Mandurah N =551 %	Peel N=142 %
Yellow Page (apart from the free listing)	47	50	37
Local Newspaper	45	49	23
The Local Link	36	40	21
Internet (other than your own website – e.g. banner ads)	24	26	10
Letterbox drops	18	20	11
N/A – no advertising at all	17	15	27
Peel Chamber Business Directory	15	17	7
Local Radio	13	15	3
The West Australian	12	12	6
Sunday Times	10	11	4
Regional or suburban paper	9	7	15
Other	7	7	8
TV	6	6	4
Perth Radio	4	3	2
Total	284	303	184

For listings of less than 4%, see Table 82 in the Data Appendix.

4.9.1 PROPORTION OF TURNOVER SPENT ON ADVERTISING AND MARKETING

Twenty-one per cent of respondents report that they spend none of their turnover on advertising and marketing expenses. The difference between the 21% reporting no expenditure and the 17% in Table T4.9 reporting that they spend no money on advertising at all is found in the proportion of people that rely on word of mouth/reputation only. (See the data in the appendix for details).

Table T4.9.1
Proportion of Turn Over Spent on Marketing

	Total	Business Category			Business Base Location	
		Franchise	Independent	Branch	Mandurah	Peel
	N=715 %	N=79 %	N=539 %	N=42 %	N=547 %	N=144 %
Nothing	21	2	23	31	19	33
1-2%	41	26	44	32	38	47
3-5%	21	36	20	17	24	13
6-10%	10	19	8	12	11	2
Over 10%	7	17	6	9	7	5
Total	100	100	100	100	100	100

Note that amongst franchises, a very small proportion report spending no money on advertising and marketing expenses (this was probably the sole franchisor in the survey sample). It is also interesting that businesses in the Peel were more likely to have zero expenditure on marketing expenses (33%) compared to those in Mandurah (19%).

Overall, 4 out of 10 spend from 1 to 2% of turnover on advertising and marketing, 1 in 5 spend from 3 to 5%, and just 17% spend more than 5% of their turnover on advertising and marketing expenses. Note however that 36% of franchises spend more than 5% of their turnover on marketing expenses, compared to 14% of businesses that are independently owned.

4.9.2 CONFERENCES AND TRADE SHOWS ATTENDED AND EXHIBITED AT

Respondents were asked to indicate the extent to which they had been to industry conferences or trade shows either as an exhibitor or as a visitor over the last 5 years.

4.9.2.1 Conferences And Trade Shows Visited

Thirty-four per cent of respondents indicated that they had been to no trade shows or exhibitions as a visitor in the last 5 years. Twenty-two per cent had been to one or two trade shows in that period, the same proportion (21%) had been to three to five shows in the last 5 years and 23% reported going to more than five trade shows or conferences in the last 5 years. See Table T4.9.2.1 overleaf.

Table T4.9.2.1

Trade Shows/Conferences Visited Over Last 5 Years

	Total	Business Category			Business Base Location	
		Franchise	Independent	Branch	Mandurah	Peel
	N=695 %	N=73 %	N=577 %	N=44 %	N=532 %	N=139 %
None in the last 5 years	34	22	36	27	33	40
1-2 in the last 5 years	22	13	23	8	22	21
3-5 in the last 5 years	21	33	20	17	21	23
More than 5 in the last 5 years	23	32	20	48	24	17
Total	100	100	100	100	100	100

The data in the appendix shows little variation in propensity to attend trade shows according to the age of the respondent. Note from the above however that there is a significant difference in propensity to go to trade shows based on the business category. Effectively, people who are involved in franchises are much more likely than those who are not to go to a conference or trade show. Only 1 in 5 (22%) of franchises report not having been to any trade shows or conferences in the last 5 years compared to 36% of respondents that own an independent business. At the other end of the scale, 40% of independent business owners report going to three or more trade shows in the last 5 years compared to 65% of franchise owners.

4.9.2.2 Exhibiting At Trade Shows

Three out of 4 (74%) respondents report that they have not exhibited at any trade shows, conferences or expos over the last 5 years. Eleven per cent report having exhibited at one to two shows, 8% have exhibited at from 3 to 5 shows. The same proportion (8%) reported exhibiting at more than 5 shows in the last 5 years.

As Table T4.9.2.2 below indicates, businesses that are part of a franchise are more likely than independently managed and owned businesses to have exhibited at an industry conference, trade show or expo.

Table T4.9.2.2

Exhibit at Trade Show, Conference or Expo in the Last 5 Years

	Total	Business Category			Business Base Location	
		Franchise	Independent	Branch	Mandurah	Peel
	N=533 %	N=60 %	N=432 %	N=40 %	N=398 %	N=113 %
None in the last 5 years	74	56	79	44	73	79
1-2 in the last 5 years	11	20	8	25	10	13
3-5 in the last 5 years	8	16	6	15	9	5
More then 5 in the last 5 years	8	8	7	16	9	4
Total	100	100	100	100	100	100

4.10 THE RELATIONSHIP WITH MANDURAH AND THE PEEL REGION

Respondents were asked to indicate the extent to which a range of features of the region influenced them in their decision to establish their business in the Mandurah and Peel Region. They were then asked to indicate the extent to which the same factors influenced them in any decision to remain in the locality. Table T4.10 below summarises the proportion of respondents that believed that each of these features were a positive influence in their decision to establish their business in the region, and in the second column, the proportion that indicate that the features were a positive influence in encouraging them to maintain their business presence in the locality.

Table T4.10 Appeal of Factors to Attract and Retain Business Presence (Total Sample N=725)	Appeal of Mandurah/Peel	
	To Establish Business %	To Remain %
Prospects for growth	78	75
Place where you live	76	82
Relaxed lifestyle	64	65
Availability of workers	29	30
Cheap land/rents	17	17
Total	264	269

The above table shows the proportion of respondents that believe that each factor listed above was at least a minor positive influence in encouraging them to establish their business in Mandurah. Note that 76% of respondents regarded that “place where they live” as a positive influence in their decision to establish their business in Mandurah/the Peel region. This suggests that about 3 out of 4 business owners and managers lived in the area when they established their business. The corollary of this observation is that about 1 in 4 moved to the area when they established their business.

It would appear that two thirds (64%) regarded the relaxed lifestyle of Mandurah/Peel district as a positive influence in helping them decide on where to set up their business. Note that the influence of these features on their decision to remain in the region is effectively the same as it had been in encouraging them to establish their business in the first place. The main difference is in the increase in the proportion referring to the “place where you live” as a feature that encourages them to stay in the region. The suggestion is that having established their business in the region and moved to the locality, there is a sense of resistance to any change that would move them away from the region.

4.10.1 THE INFLUENCE OF THE "PLACE WHERE YOU LIVE"

As noted, 76% regarded the "place where you live" as a positive influence on the decision to set up in Mandurah/the Peel. See Table T4.10.1.

Table T4.10.1 Influence of "Place Where You Live" on the Decision to Set Up Business: Mandurah/Peel	Business Base Location		
	Total	Mandurah	Peel
	N=701 %	N=536 %	N=141 %
A strong positive	67	67	69
A minor positive	9	10	7
Neither positive/negative	13	13	12
A minor negative	1	1	1
A strong negative	1	0	2
NET POSITIVE	76	76	77
NET NEGATIVE	2	1	3
N/A	9	10	8
Total	100	100	100

The figures are effectively the same for Mandurah and Peel businesses. Note that only 2% regarded the "place where they live" as a negative about setting up in Mandurah.

4.10.2 THE RELAXED LIFESTYLE

As noted earlier, almost two thirds (64%) regarded the relaxed lifestyle of Mandurah/Peel as a positive in their decision to set up their business there. As Table T4.10.2 below indicates, 3% regarded this as a negative aspect of setting up in this area.

Table T4.10.2 Influence of "Relaxed Lifestyle" on the Decision to Set Up Business: Mandurah/Peel	Business Base Location		
	Total	Mandurah	Peel
	N=680 %	N=520 %	N=139 %
A strong positive	46	45	51
A minor positive	18	21	6
Neither positive/negative	21	21	21
A minor negative	2	1	5
A strong negative	1	1	-
NET POSITIVE	64	66	56
NET NEGATIVE	3	2	5
Total	100	100	100

It appears that respondents from Mandurah were slightly more likely than their Peel counterparts to regard the relaxed lifestyle as a positive influence on their decision to set up in their region.

4.10.3 THE PROSPECTS FOR GROWTH

Seventy-eight per cent regarded the prospects for growth in the region as a positive that influenced them to set up their business in the region. This was more likely to be the case amongst respondents from Mandurah than from the Peel, but the differences are marginal.

Table T4.10.3
Influence of "Prospects for Growth" on the Decision to Set Up Business: Mandurah/Peel

	Business Base Location		
	Total	Mandurah	Peel
	N=693 %	N=531 %	N=138 %
A strong positive	65	68	54
A minor positive	13	12	18
Neither positive/negative	13	12	15
A minor negative	1	2	-
A strong negative	0	0	1
NET POSITIVE	78	80	72
NET NEGATIVE	2	2	1
N/A	7	6	12
Total	100	100	100

As maybe anticipated, there was effectively no negative sentiment on this measure, but it is interesting that 13% indicated a "neither positive nor negative" response. Overwhelmingly however it would appear that the prospects for business growth was regarded as a strong positive in the decision to set up business in the Mandurah/Peel region.

4.10.4 AVAILABILITY OF WORKERS

Only 29% regarded this as a positive attribute that influenced them when setting up their business. In fact, 13% rated it as a negative. This was the largest “negative” assessment, apart from the issue of the cost of land/rental.

Table T4.10.4
Influence of “Worker Availability” on the Decision to Set Up Business: Mandurah/Peel

	Total	Business Base Location	
		Mandurah	Peel
	N=667 %	N=509 %	N=135 %
A strong positive	15	14	18
A minor positive	15	14	16
Neither positive/negative	37	38	29
A minor negative	9	8	10
A strong negative	4	5	1
NET POSITIVE	29	28	34
NET NEGATIVE	13	14	10
N/A	21	20	26
Total	100	100	100

It appears that respondents from the Peel district were slightly more likely to be positive on this attribute than those from the Mandurah subset. Anecdotal feedback from the in depth interviews that we conducted suggests that some businesses are finding it difficult to find motivated workers. In the opinion of these business owners, the “relaxed” lifestyle of the Mandurah precinct has a negative aspect to it in the development of “who cares” mindset amongst young workers. Our observation is that this phenomenon however is not unique to Mandurah.

4.10.5 THE AVAILABILITY OF CHEAP LAND AND RENTS

Just 17% regarded the notion of cheap land and rents as being a positive factor on helping them decide where to set up their business. In fact, the same proportion regard it as a negative. Anecdotal feedback from our in-depth interviews in preparation for this survey suggested that the era of cheap land and rents in and around Mandurah has been and gone. Certainly, the most common response to this question was that the issue of the cost of land and rents was neither a positive nor negative factor on helping them to decide where to set up their business. It seems that the cost of land and facilities in and around Mandurah is regarded as being effectively the same as it is elsewhere.

Table T4.10.5
Influence of "Cheap Land and Rents" on the Decision to Set Up Business: Mandurah/Peel

	Business Base Location		
	Total	Mandurah	Peel
	N=662 %	N=507 %	N=133 %
A strong positive	8	8	9
A minor positive	9	9	10
Neither positive/negative	40	40	37
A minor negative	9	9	13
A strong negative	8	9	4
NET POSITIVE	17	17	19
NET NEGATIVE	17	18	17
N/A	26	25	27
Total	100	100	100

It is interesting to note that when asked about the extent to which these factors were influencing people to remain in Mandurah/the Peel, we found 21% regarding it as a negative, and 17% regarding it as a positive attribute. It would appear that the relatively recent and rapid rises in land and rental costs is having an effect on the mindset of business managers and owners.

4.11 ENVIRONMENTAL IMPACTS

Fifty-nine per cent of respondents reported that they had taken some deliberate steps to minimise the environmental impact of their business. As Table T4.11 below indicates, this appeared to be slightly more likely in businesses in the Peel rather than in Mandurah, but overall, it would appear that about 6 out of 10 businesses have taken some step to minimise the environmental impact of their businesses.

Table T4.11
Taken any Deliberate Steps to Minimise Environmental Impact?

	Business Base Location		
	Total	Mandurah	Peel
	N=710 %	N=545 %	N=141 %
Yes	59	58	66
No	41	42	34
Total	100	100	100

4.12 THE IMPACT OF CHANGING BUSINESS CONDITIONS

Respondents were asked whether the Perth to Mandurah Railway or the actions of business support services provided by the local government, the Peel Development Commission and the Small Business Development Corporation were having on their business. These issues are discussed below.

4.12.1 THE PERTH TO MANDURAH RAILWAY

Slightly over half (53%) of respondents believe that the Perth to Mandurah Railway will have no impact at all on their business. In fact, 1% believe that the impact will probably be negative. However, 42% overall believed that the railway will be a positive influence on their business.

Nineteen per cent believe that it will “definitely” be a positive influence for their business, and a further 23% believe that there will probably be a positive influence.

Table T4.12.1

Impact of Perth-Mandurah Railway?

	Total N=721 %	Business Base Location	
		Mandurah N=553 %	Peel N=144 %
Will definitely be a positive for my business	19	22	10
Will probably be a positive for my business	23	24	14
No difference	53	50	69
Will probably be a negative for my business	1	2	1
Will definitely be a negative for my business	0	0	1
Don't know	3	2	6
Total	100	100	100

As maybe anticipated, businesses in Mandurah were more likely to regard the railway as a potential positive for their business than were the people in Peel. Twenty-two per cent of those in Mandurah believe it will definitely be a positive impact on their business and a further 24% believe that a positive result is “probable”. In contrast, only 24% of those in the Peel believe that the railway will at least probably have a positive impact on their business. Seven out of 10 people in the Peel believe it will have no difference on their business outlook.

4.12.2 ASSESSMENT OF THE ACTIONS OF THE GOVERNMENT AUTHORITIES

When asked if they felt that the business support services provided by “local government (e.g. City of Mandurah), the “Peel Development Commission”, and “The Small Business Development Corporation” have either a positive or negative impact on business in the region, we found a generally positive view. Whilst 46% believe that the actions of these organisations were neither positive nor negative, and 3% regarded the actions as having a negative impact, as Table T4.12.2 overleaf indicates, over half (51%) regard the services as having a positive impact. Eighteen per cent regard the impact as “very positive”, and a further 33% regard it as being “quite positive”.

Table T4.12.2

Impact of Government Support Services on Business: The Region

	Total	Business Base Location	
		Mandurah	Peel
	N=710 %	N=548 %	N=139 %
Very positive	18	18	20
Quite positive	33	33	31
Neither one nor the other	46	46	45
Quite negative	2	3	1
Very negative	1	1	3
Total	100	100	100

There were effectively no differences in attitudes between the Mandurah and Peel business subsets, with slightly over 4 out of 10 (46% and 45% respectively for Mandurah and Peel) indicating that the actions are neither positive nor negative, and approximately 50% in each instance regarding their actions as having a positive impact on business outlook.

4.13 BUSINESS MENTORING

Respondents were asked to indicate how much interest they would have in either being a mentor for other local businesses, or having a relevant business contact as a mentor to them to bounce ideas off. As Table T4.13 overleaf indicates, slightly over 7 out of 10 (73%) were not interested in either being a business mentor or having a mentor.

However 17% were “quite interested” in having a business mentor and 13% were quite interested in being a business mentor. (These figures add slightly beyond 100% due to respondents expressing interest in both being and having a mentor).

Table T4.13
Interest in Business Mentor

	Total	Age Group				Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Mandurah	Peel
	N = 713 %	N = 10 %	N = 266 %	N = 266 %	N = 171 %	N = 548 %	N = 141 %
Not interested in either being or having a mentor	73	51	66	75	82	72	80
Quite interested in having a business mentor	17	23	26	14	8	17	14
Quite interested in being a business mentor	13	25	12	14	12	15	8
Total	100	100	100	100	100	100	100

The above table includes the age group demographic to demonstrate that there appears to be a negative relationship between age and the interest in being or having a business mentor. It suggests that people in the older age groups are not looking for ways to expand and develop their businesses, or that they believe that they “know enough” to manage their businesses independently. Note that the “lack of interest” proportion starts at 51% amongst the (very few) 18 to 25 respondents, then grows to 66% amongst the 26 to 45 year olds, 75% amongst the 46 to 55 year olds, and then 82% amongst those aged 56 years and over.

4.14 RETIREMENT PLANS

Nearly half the sample reported that they planned to retire or cut back their working hours in the next few years. As Table T4.14 below indicates, this is (predictably) strongly related to age, but it is interesting that as many as 28% of those in the 26 to 45 year olds plan to cut back their working hours over the next few years. This maybe a reflection of the “overload stress” that many businesses are currently working under, suffering from the “problem” of very heavy demand for products and services, whilst hampered with staff shortages and skill shortages. (Note the earlier reference to the plans to increase staff numbers, and the proportion reporting that they currently have staff vacancies available).

Table T4.14

Plans to Retire or Cut Back Working Hours?

	Total	Age Group				Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Mandurah	Peel
		N =721 %	N =10 %	N =268 %	N =270 %	N =173 %	N =553 %
Yes	47	23	28	51	71	48	46
No	53	77	72	49	29	52	54
Total	100	100	100	100	100	100	100

Note from the above that 71% of those in the 56 plus age category report that they plan to retire or cut back their working hours over the next few years. This proportion falls to 51% in the 46 to 55 year olds and 28% in the 26 to 45 year olds. There is effectively no difference between the Mandurah and Peel subsets on this question.

4.14.1 MEANS BY WHICH HOURS WOULD BE SHORTENED/RETIREMENT ACHIEVED

Amongst those planning to retire or to cut back their working hours, we find the most common approach being to employ a manager and retain business ownership. Table T4.14.1 below summarises the means by which business owners plan to cut back on their working hours over the next few years.

Note that these figures are of the subset (47%) of businesses that plan to cut back their hours or retire in the next few years.

Table T4.14.1
Means of Cutting Back Hours

	Total	Age Group				Business Base Location	
		18 - 25 yrs	26 - 45 yrs	46 - 55 yrs	56 + yrs	Mandurah	Peel
	N =322 %	N = 3 %	N =79 %	N =128 %	N =112 %	N =250 %	N =63 %
Employ a manager and keep business ownership	32	33	55	33	17	34	27
Sell part of the business to others	11	-	12	11	12	9	17
Sell the business completely	25	-	20	23	29	24	25
Downsize the business	13	-	10	15	12	13	11
Close the business	3	-	-	-	7	2	6
Not sure	21	67	13	22	24	21	20
Total	100	100	100	100	100	100	100

Note that 32% of those who plan to cut back have an idea of employing a manager and retaining their business ownership. One in 4 plan to sell the business completely, about 10% plan to sell part of the business to others, and 13% simply plan to downsize the business. Only 3% envisage closing the business altogether. Note however that 21% of those who hope to cut back on their hours or retire are not sure how they will achieve that.

4.14.2 INDUSTRY EXPERIENCE

One in five (20%) business owners report only up to five years experience in their industry. However, for 8 out of 10 respondents, we found experience in their current industry of more than 6 years. As Table T4.14.2 overleaf indicates, 15% have 6 to 10 years of experience, 13% have 11 to 15 years experience, 14% have 16 to 20 years experience, and a significant 38% report 21 years or more experience in the industry they are in.

As the table shows, respondents operating in a franchise are least likely to have long experience in their industry (34% have only up to 5 years experience), and those operating an independent business are most likely to have had over 20 years (40% of this group have 21 years or more experience in their industry).

Table T4.14.2
Industry Experience

	Business Category			Business Base Location		
	Total	Franchise	Independent	Branch	Mandurah	Peel
	N=719 %	N=79 %	N=594 %	N=45 %	N=551 %	N=144 %
Up to 5 years	20	34	18	31	20	22
6 to 10 years	15	19	14	21	16	9
11 to 15 years	13	12	13	16	13	16
16 to 20 years	14	9	15	9	14	16
21 + years	38	26	40	23	37	37
Total	100	100	100	100	100	100

It is interesting to note from the above that there is effectively very little difference between respondents from Mandurah and the Peel. Thirty seven percent of business owners in both regions report that they have 21 years or more experience, and respectively 20% and 22% of Mandurah and Peel respondents report that they have up to 5 years experience.

4.14.2.1 The Looming Loss of Experience

Table T4.1.4.2.1 below shows the industry experience amongst the subset of respondents that we might term “impending retirees”. The table is filtered to include only those aged 46 years and over who plan to retire or materially cut back their working hours over the next few years.

Table T4.14.2.1
Industry Experience Amongst “Impending Retirees”

	Business Category			Business Base Location		
	Franchise	Independent	Branch	Mandurah	Peel	
Total	N=20	N=214	N=10	N=186	N=50	
	%	%	%	%	%	
Up to 5 years	9	33	6	25	9	7
6 to 10 years	10	15	10	8	12	4
11 to 15 years	10	-	11	3	8	18
16 to 20 years	14	9	14	20	15	13
21 + years	57	43	58	44	56	57
Total	100	100	100	100	100	100

Note that 57% of impending retirees have 21 years or more experience in the industry, and a further 14% have from 16 to 20 years experience. It is interesting that there is very little difference in the experience profile of impending retirees in Mandurah and in the Peel district, but that those who plan to retire from the independent business category appear to have more experience than do those from the franchise or even branch manager categories. From Table T4.14.2 and T4.14.2.1 we are able to calculate the projected industry experience profile of businesses in Mandurah and the Peel once the “impending retirees” have stepped out of the industry.

Table T4.14.2.2 below compares the current industry experience profile with the projected profile once the “impending retirees” have retired.

Table T4.14.2.2 Industry Experience Profile – Current vs. Projected Profile (N=725)	Industry Experience Profile	
	Current Profile %	Projected Profile %
Up to 5 years	20	27
6 to 10 years	15	18
11 to 15 years	13	14
16 to 20 years	14	14
21 + years	38	26
Total	100	100
16 + years	52	40

** Due to minor rounding errors the net and total figures may not add up precisely*

The above table shows the current industry experience profile in the first column, and the projected profile once those aged 46 years and older and who plan to cut back or retire in the near future have implemented those plans. As may be anticipated, the “industry experience” profile shows a loss of experience at the upper end. Currently, 38% of business managers report having 21 or more years of industry experience. Once the flagged retirements take place over the next few years, this can be anticipated to fall to 26%. Overall, the “16+ years experience” profile falls from 52% of businesses to 40%.

There is an implication that there will be a significant loss of industry experience over the next few years as the senior members of the industries across the Mandurah and Peel districts move into retirement. However, whilst significant, the movement does not appear to be dramatic. The projected profile still finds 40% of business managers/owners to have 16 or more years of experience.

4.14.3 EXTENDED EXPERIENCE “IN THIS BUSINESS”

Whilst the previous section showed a significant level of experience “in the industry”, with 38% of respondents indicating that they had 21 or more years of experience in the industry, we find that their experience “in this business” is relatively short. As Table T4.14.3 below indicates, almost 4 out of 10 (39%) of business owners report that they have only up to 5 years experience “in this business”. Note from Table T4.14.3 that there appears to be a significant difference between Mandurah and the Peel in this measure, in that 41% of Mandurah businesses have been under this ownership for up to 5 years compared to 35% of those in the Peel. This is probably a reflection of the greater rate of growth of business activity in Mandurah than in Peel.

Table T4.14.3

Experience in this Business

	Business Category			Business Base Location		
	Total	Franchise	Independent	Branch	Mandurah	Peel
	N=717 %	N=79 %	N=592 %	N=45 %	N=549 %	N=144 %
Up to 5 years	39	53	36	60	41	35
6 to 10 years	21	27	21	19	21	21
11 to 15 years	16	7	17	10	15	17
16 to 20 years	11	9	12	4	10	16
21 + years	12	4	14	8	12	11
Total	100	100	100	100	100	100

The relatively long experience in the industry data shown from the previous section contrasted with the “experience in this business” data in the above table suggests that there have been many movements “in to my own business” for people with experience in the industry in recent years. It may be remembered from earlier in this report that the majority of business respondents reported that they had “started the business from scratch”. The data suggests that the last few years has seen a transition from being employees to being self employed in the same industry.

4.14.4 EXPERIENCE RUNNING “YOUR OWN BUSINESS”

The previous section indicated that 4 out of 10 (39%) of respondents had been in their current business for only up to 5 years. However, as Table T4.14.4 below indicates, only 1 in 4 report that have owned their own business for up to 5 years. This suggestion is that whilst 4 out of 10 respondents have been “in this business” for up to 5 years, in the main, this has not been the first business that they have owned or managed.

Three out of four business owners in the Mandurah and Peel districts report that they have 6 or more years experience in owning their own business.

Table T4.14.4

Experience in Own Business

	Business Category			Business Base Location		
	Total	Franchise	Independent	Branch	Mandurah	Peel
	N=698 %	N=78 %	N=583 %	N=37 %	N=536 %	N=139 %
Up to 5 years	26	36	23	58	27	24
6 to 10 years	15	23	14	6	16	13
11 to 15 years	18	11	19	9	17	20
16 to 20 years	14	9	14	17	14	13
21 + years	28	20	30	11	26	31
Total	100	100	100	100	100	100

It is interesting to contrast the “own business” experience of the independent business managers with those operating a franchise. Twenty three percent of those who own and manage their own business as an independent entity report up to 5 years experience in their own business, compared to 36% of franchisees.

4.14.4.1 “Own Business Experience” Amongst “Non-Retirees”

Respondents who indicated that they were not planning to scale back their hours over the next few years have significantly less experience in running their own business. As Table T4.14.4.1 below indicates, 38% of “residual business owners”, have from 1 to 5 years experience in their own business, compared to the 26% shown in the previous table. The implication is that once the “retirees” leave the market, there will be a significant increase in the proportion of business owners with only up to 5 years experience in managing their own business.

Table T4.14.4.1
Experience in Own Business Amongst “Stayers”

	Business Category			Business Base Location		
	Total	Franchise	Independent	Branch	Mandurah	Peel
	N=377 %	N=48 %	N=305 %	N=24 %	N=287 %	N=76 %
Up to 5 years	38	41	35	65	39	30
6 to 10 years	13	26	12	2	13	15
11 to 15 years	18	14	19	12	17	21
16 to 20 years	11	-	13	10	12	10
21 + years	20	19	21	11	19	24
Total	100	100	100	100	100	100

So whilst there does not appear to be a dramatic difference in the level of experience in the industry between the current profile of businesses and the profile that will be left after the “impending retirees” move out of the industry, there will be a significant difference in the “business ownership” profile. The implication is that there may be a need for broad management training for business owners/managers in the coming years.

APPENDIX A - QUESTIONNAIRE