



WARRNAMBOOL  
CITY COUNCIL

# WARRNAMBOOL BUSINESS SURVEY REPORT 2022

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& The Warrnambool City Council

**Beyond Bank**  
AUSTRALIA



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## WARRNAMBOOL BUSINESS TRENDS SURVEY 2011-2022

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# ABOUT THE SURVEY

The 2022 Warrnambool Business Survey was designed and established by the Warrnambool City Council's Economic Development and Investment Unit with support from Deakin University's Warrnambool campus and also Beyond Bank.

Council wishes to thank these partners for their support of the Survey in 2022.

The Warrnambool Business Survey is designed to track business sentiment and current issues facing Warrnambool based businesses so Council can provide the most accurate and beneficial support to our business community.

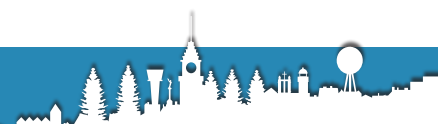
Data was obtained by an online survey distributed to businesses in the Warrnambool City Council district. Emails and distribution of the survey via DL flyers with QR codes linking to the online survey were provided to a majority of businesses with a commercial premises in the city. The Warrnambool City Council estimates there are approximately 3500 businesses in the municipality. The electronic survey was made available using Survey Monkey.

The survey was constructed based on surveys from previous years. Questions deemed not relevant to

the current Warrnambool situation were removed from the 2022 survey.

The survey invitations were distributed and available to all Warrnambool based businesses throughout the month of August 2022. The 2022 report is based on 310 responses received via the online survey. No hardcopies of the survey were distributed to businesses with the survey conducted entirely online.

With the exception of 2016 and 2018, data has been collected for this research annually since 2011. Data was managed using Microsoft Excel and all analysis was conducted using XLStatistics (R. Carr, 2017). Descriptive analytical methods in the form of summary statistics and charts have been used to outline overall trends and patterns in the data. Where necessary, some ordinal measures have been recoded to provide clearer summary information. In some instances, rounding errors may be apparent. It is noted that there is inherent bias often present in self-selecting surveys and some groups might be disproportionately represented. Further, some proportions are represented by very few responses and again, results should be considered with caution.







# AT A GLANCE

## General Business Confidence and Performance

- A significant increase in business confidence in 2022 compared to 2019 is evident. While most respondents (41% in 2019) believe they are faring 'good' or 'excellent' compared to other regional businesses, in 2022 this percentage has increased to 62%, an increase of 21 percentage points. This measure of confidence is higher than it has been in any year since 2011.
- More than 33% of respondent businesses report they are financially better off than they were 12 months ago, compared to 27% in 2019. Additionally, fewer businesses indicate they are worse off (38% in 2019 compared to 21% in 2022).
- Around 28% of responding businesses in 2019 believed that, in 12 months' time, they would be better off (compared to almost 40% in 2022). Around 20% of responding businesses in 2019 indicated they expected to be worse off, this has now halved to 9.8%.
- This year 39% of responding businesses expect to increase their number of employees, compared to 23.5% in 2019. This year in 2022, only 2% of businesses expect to decrease employee numbers, which is five times fewer

than this expectation in 2019 (11%).

- The proportion of businesses that generated sales online fell from 69% in 2019 to around 57% in 2022.
- The percentage of respondent businesses generating more than 50% of their sales online remains approximately the same in 2022 (21%) compared to 2019 (22%).
- In 2019, nearly 51% of respondent businesses advised that their confidence in Warrnambool's business environment was low to very low, this has now fallen significantly to 12.8%.

## Business Sentiment

- With the exception of Service Trades, Electricity, Gas, Construction and the Wholesale Trade industry sector, all other industry sectors indicate great optimism for the future due to an expectation to significantly increase their number of employees.

## Specific Issues

- Some observations incorporated into modelling for previous years were ignored if such data for specific cases were incomplete or did not conform to reworded questions and recorded responses.



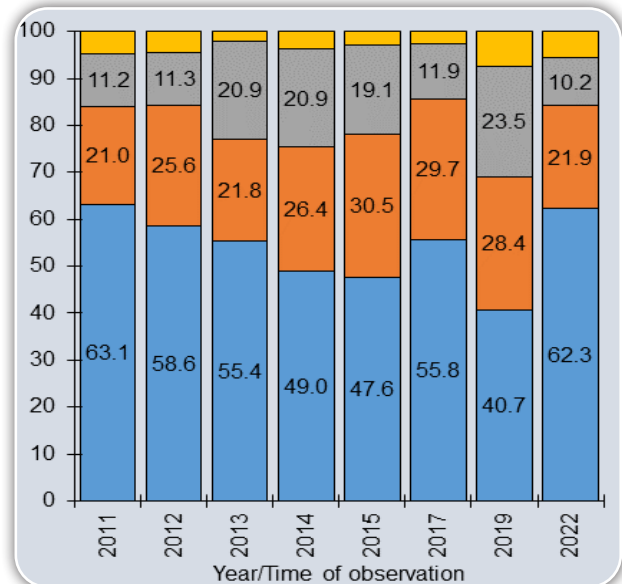




### How do you believe your business is currently faring in relation to similar businesses in other regional cities in Victoria?

Most respondents (62% in 2022) believe that they are faring 'good or excellent' compared to other regional businesses in Victoria. This is a significant improvement of 21.6 percentage points compared to 2019 data. Our local businesses have not expressed this type of confidence since 2011. That is, when comparing our regions businesses to other regional areas of Victoria, a significant majority of our businesses feel that they are faring better than elsewhere.

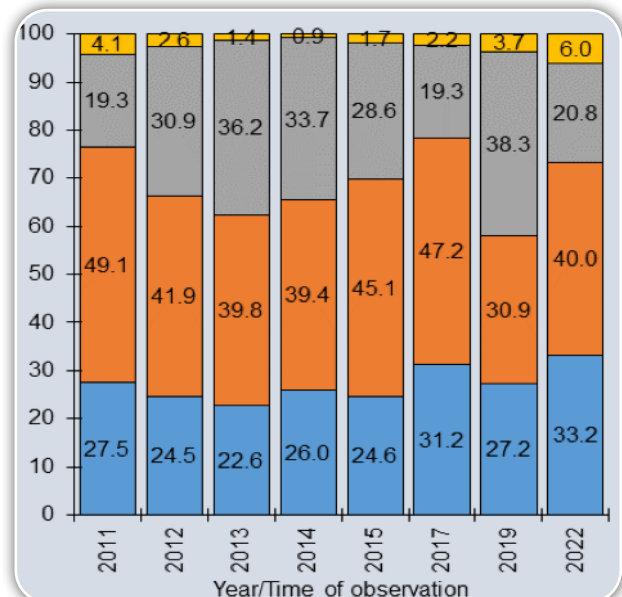
■ Don't know ■ Fair to poor ■ Average ■ Good or Excellent



### Do you believe your business is better off financially than it was 12 months ago?

This year in 2022, 21% of responding businesses report they are financially worse off when compared to 12 months ago. This is an exciting and significant improvement of 17.5 percentage points when compared to 2019 data. Similarly, when compared to the last 12 years, this year reveals more businesses indicating that they are financially better off than they were twelve months ago. Note though, that there has been an increase in the percentage of businesses that indicate uncertainty, up from 3.7% of all businesses responding in 2019, to 6% in 2022.

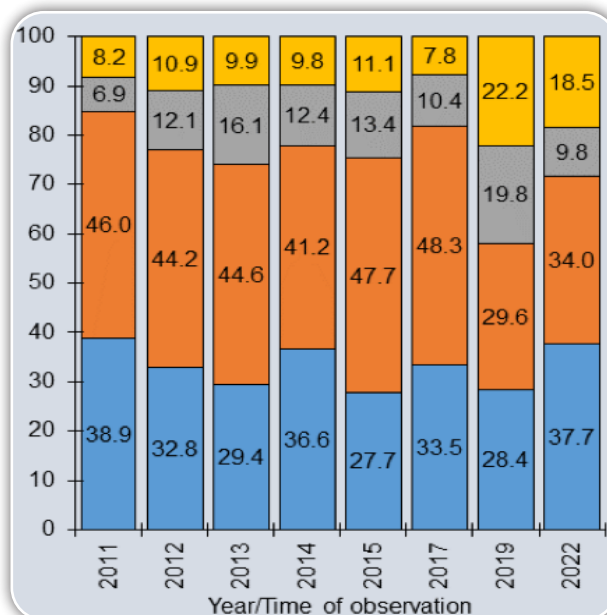
■ Uncertain ■ Worse Off ■ The Same ■ Better Off



### Do you expect your business will be in a better financial position in 12 months than it is currently?

More responding businesses in 2022 (38% in 2022 and 28% in 2019) believe that they will be better off in 12 months. Fewer businesses indicate that they expect to be worse off (10% in 2022 and 20% in 2019). 18.5% of responding businesses are uncertain whether they will be in a better financial position in 12 months.

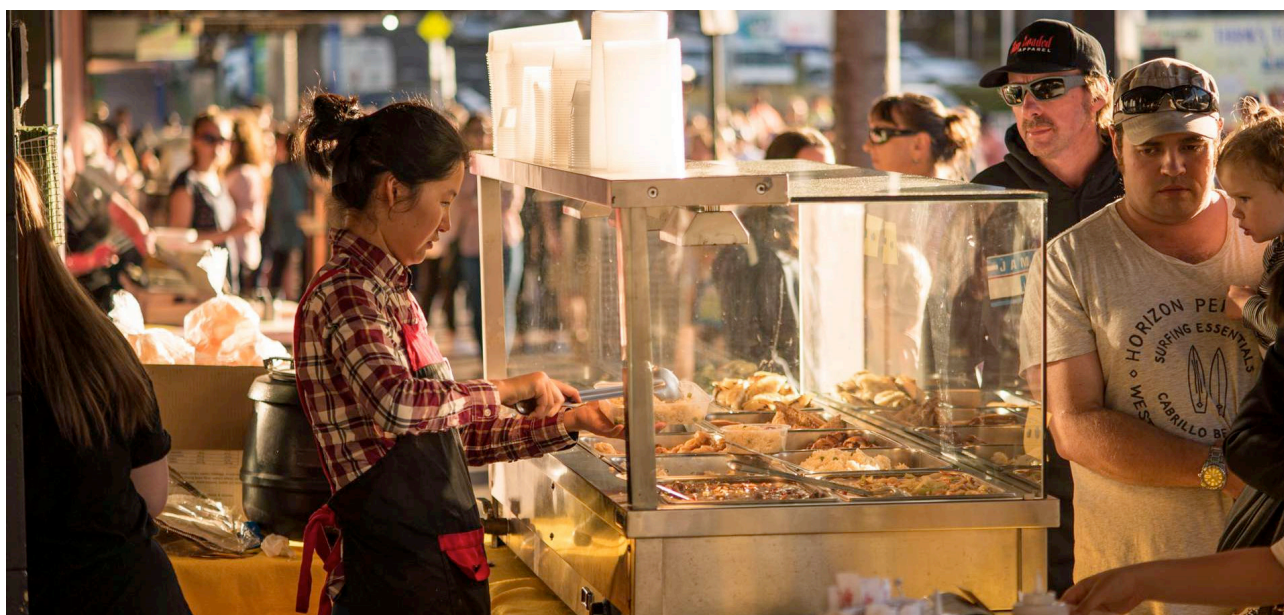
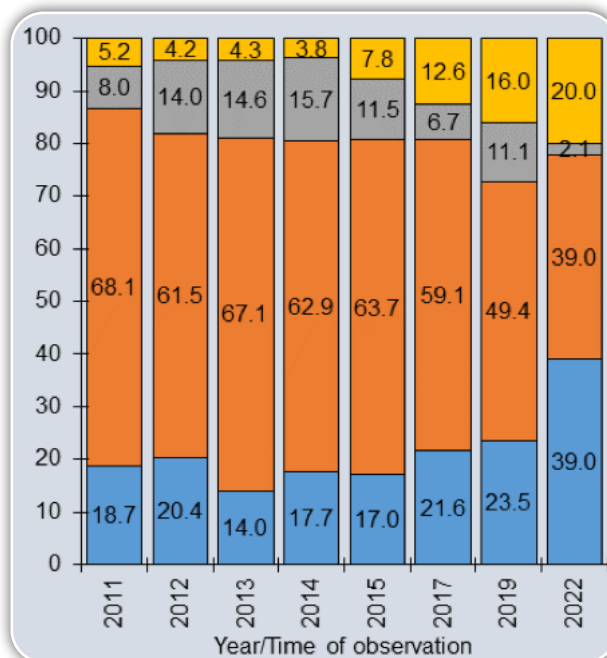
■ Uncertain ■ Worse Off ■ The Same ■ Better Off



### Over the next 12 months, do you expect to increase or decrease the number of individuals employed at your business in Warrnambool?

Considerably more local businesses in 2022 expect to increase their number of employees (39% compared to 23.5% in 2019). Further, this year reveals that our local responding businesses have the highest expectations for employee increase compared to all other measured years. There has been, however, a rise in the proportion of businesses that are uncertain (increasing from 16% in 2019 to 20% in 2022). Fewer businesses compared to any other year (39% of them), expect to keep the same number of employees. Similarly, only 2.1% of businesses are expecting to decrease their number of employees over the next twelve months. Overall, this indicates business confidence regarding increasing employee numbers over the next twelve months is generally, higher than it has previously been.

■ Uncertain ■ Decrease ■ Same ■ Increase



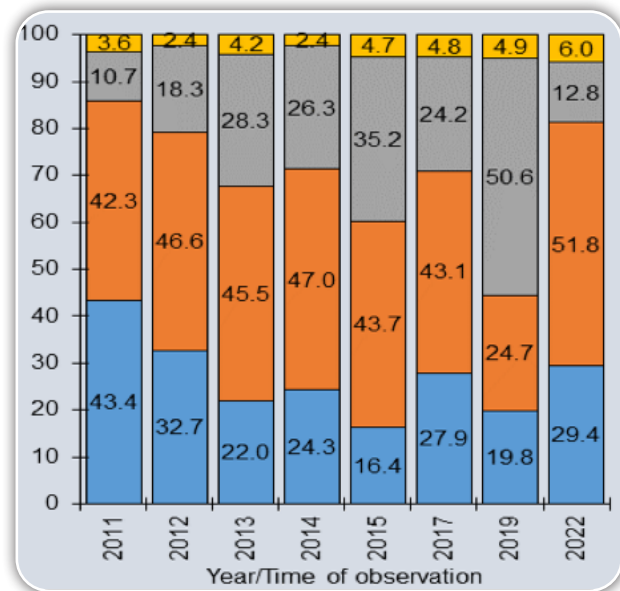


# BUSINESS SENTIMENT

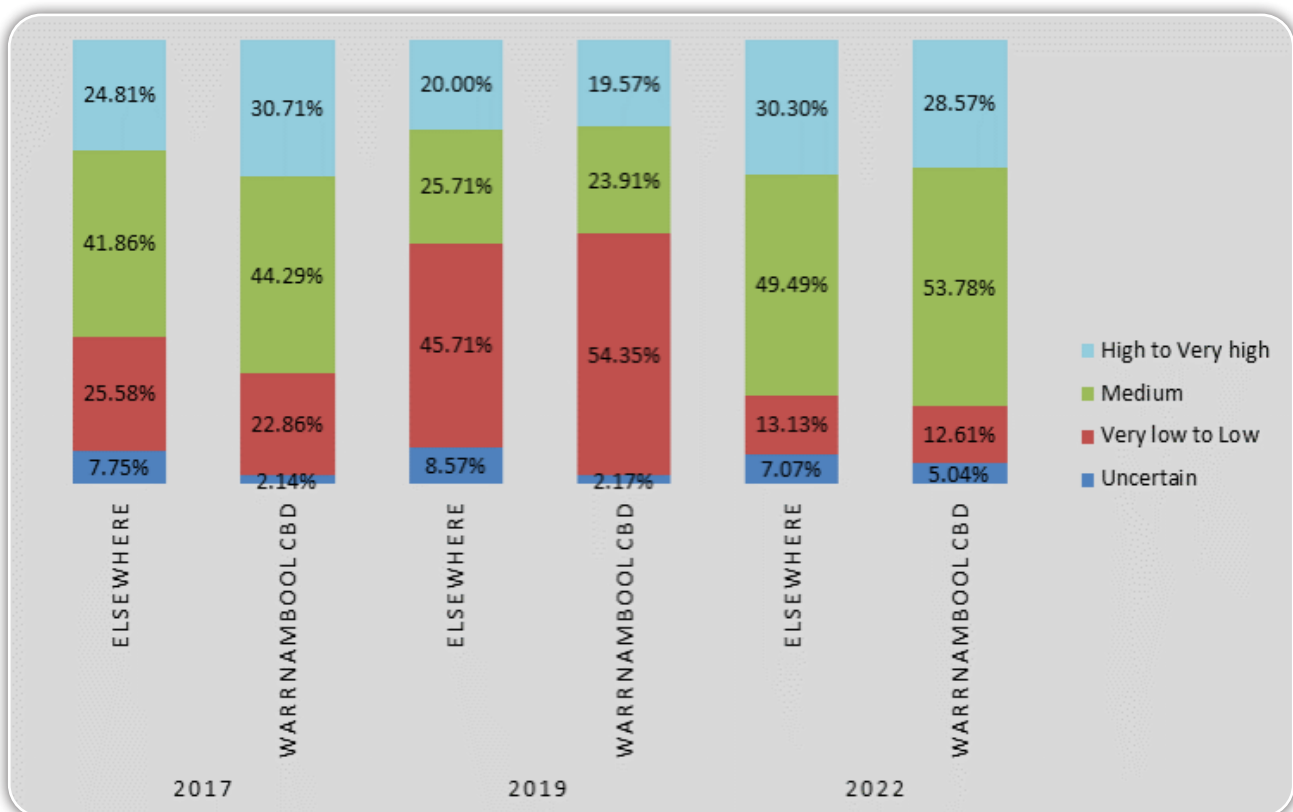
## Confidence in Warrnambool's business environment

The overall level of confidence (medium and high to very high) in Warrnambool's business environment for the forthcoming 12-months has increased significantly since 2019, rising from 44.5% in 2019, to 81.2% this year. Indicating almost twice as much confidence in responding businesses. Also of importance, is the very significantly reducing percentage of responding businesses that indicated a lack of confidence (very low to low) falling from 51% in 2019, to only 13% this year. This reveals that overall, business confidence, on average, is comparatively remarkably optimistic for responding businesses.

■ Uncertain ■ Very Low to Low ■ Medium ■ High to Very High



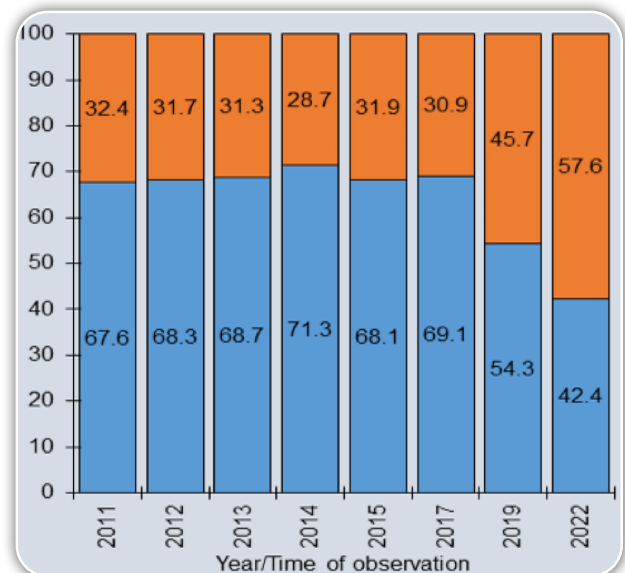
When comparing the confidence that responding businesses have in the business environment over the next twelve months for businesses both within the Warrnambool CBD, and those businesses outside the CBD (Elsewhere), there is little difference. Most businesses inside and outside the CBD, indicate at least a medium level of confidence (80% of businesses outside the Warrnambool CBD compared to 82% of businesses within the Warrnambool CBD).



## Trade outside of Warrnambool

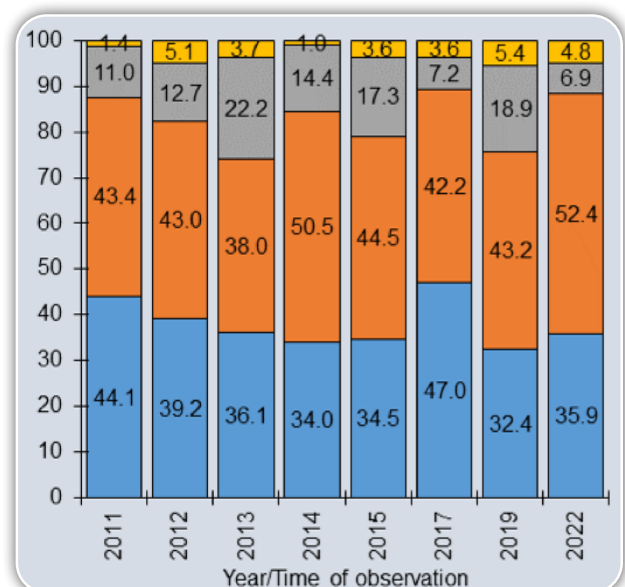
The proportion of businesses selling/exporting goods and services outside Warrnambool appears to be gradually increasing. Up from 31% in 2017 to 58% in 2022. Almost doubling in the last five years. Indicating Warrnambool's economy is increasingly supported by trade from outside of our local region.

■ Yes ■ No



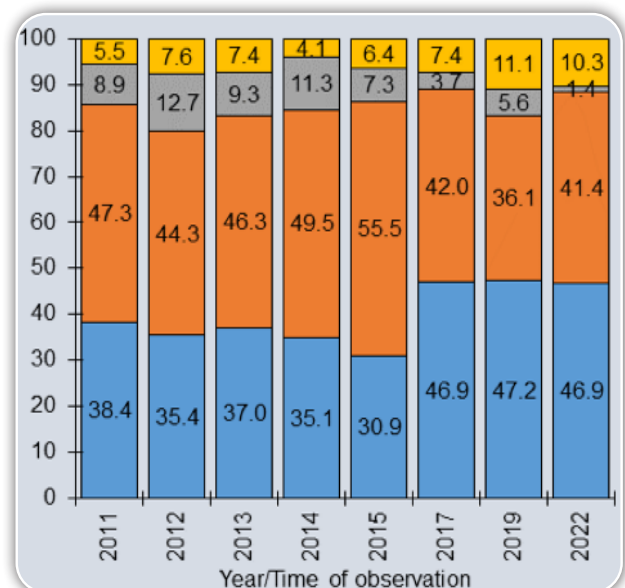
Respondents who said their businesses do sell outside Warrnambool were asked whether business exports increased or decreased in the previous 12 months. No trends are apparent, however, there is a slight increase in the percentage of goods being sold outside Warrnambool last year compared to the previous year (36% compared to 32%). A high proportion of businesses indicate continued exporting of goods and services to clientele outside of the Warrnambool region (52%).

■ Uncertain ■ Decrease ■ Same ■ Increase



Respondents who said their businesses do sell outside Warrnambool were asked whether they expect total exports to increase or decrease in the forthcoming year. There is a continuing expectation of increasing exported goods and services outside Warrnambool (47% in 2017, 47% in 2019 and 47% in 2022).

■ Uncertain ■ Decrease ■ Same ■ Increase

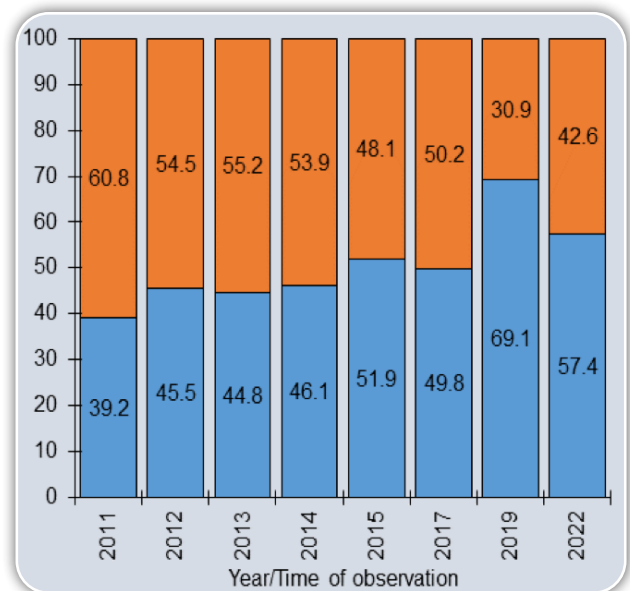




## Business sales over the Internet

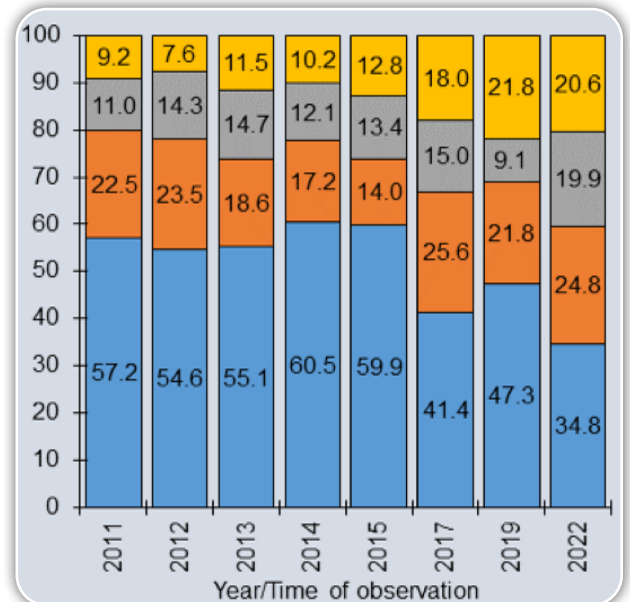
Respondents were asked Does your business generate sales over the internet? The proportion of businesses that generated sales online rose from 39% in 2011 to 69% in 2019. Overall, while the number of businesses in Warrnambool generating sales online has remained consistent over the years (averaging approximately 46% of businesses until 2017), in 2019 respondents indicated there was a substantial increase. Interestingly, in light of the evolving nature of the digital trading landscape over the previous 2 to 3 years in the wake of the Covid pandemic, unexpectedly, this proportion appears to have fallen from 69% to 57% of responding businesses, indicating that they use the internet for sales.

■ Yes ■ No



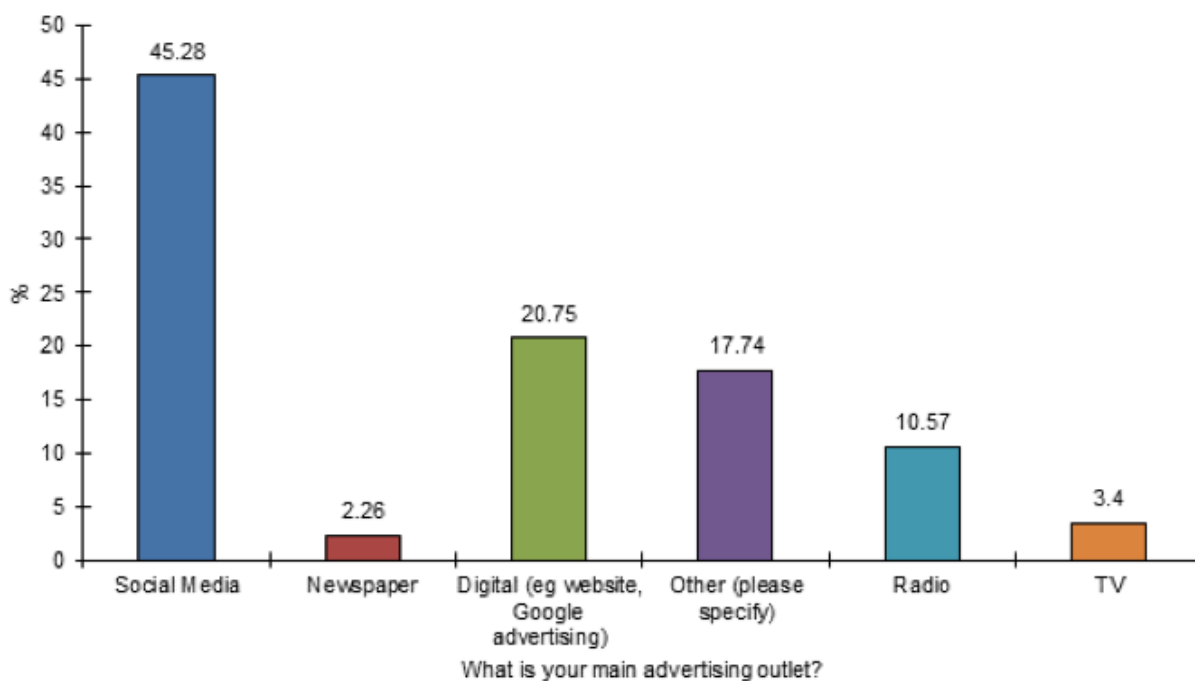
Over the period of measurement, the percentage of organisations that do sell goods and services using the internet is increasing the volume of sales. Specifically, only 35% of businesses that do use the internet as a sales platform, indicate that less than 10% of their sales are made there. 65% of all businesses that sell via the web, sell more than 10% of their goods and services on this digital platform.

■ More than 50%  
 ■ Between 25% and 50%  
 ■ Between 10% and 25%  
 ■ Less than 10%



# ADVERTISING

Most businesses (45% of them) use social media to network and advertise. Very few businesses use newspapers (2%) or TV (3%) to advertise.





# INDUSTRY SECTOR RESULTS

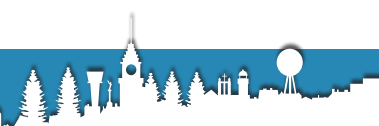
## Businesses responding

The initial survey was developed in 2011 and data was collected from local businesses in 2011, 2012, 2013, 2014, 2015, 2017, 2019 and again in 2022. The response rate varied significantly over the years:

	All	2011	2012	2013	2014	2015	2017	2019	2022
Response rates:	2445	463	266	354	351	351	269	81	310

Industry sector data was recoded to enable more useful analysis using the following reclassification guide:

Industry classification code		Recoded to
Agriculture, forestry & fishing	>	Primary industry
Mining	>	Primary industry
Manufacturing	>	Manufacturing, transport and storage
Electricity, Gas, Water & Waste Services	>	Service trades, electricity, gas, construction and wholesale trade
Construction	>	Service trades, electricity, gas, construction and wholesale trade
Wholesale Trade	>	Service trades, electricity, gas, construction and wholesale trade
Retail Trade	>	Retail trade
Accommodation, Hospitality & Food/Beverage Services	>	Accommodation, Hospitality & Food/Beverage Services
Transport, Postal and Warehousing	>	Manufacturing, transport and storage
Information, Media and Telecommunications	>	Business professional and commercial services
Banking and Insurance Services	>	Business professional and commercial services
Rental, Hiring and Real Estate Services	>	Business professional and commercial services
Professional, Scientific and Technical Services	>	Business professional and commercial services
Administrative and Support Services	>	Business professional and commercial services
Public Administration and Safety	>	Government, Education and Community Services
Education and Training	>	Government, Education and Community Services
Health Care and Social Assistance	>	Government, Education and Community Services
Arts and Recreation Services	>	Government, Education and Community Services
Other Services	>	Other services



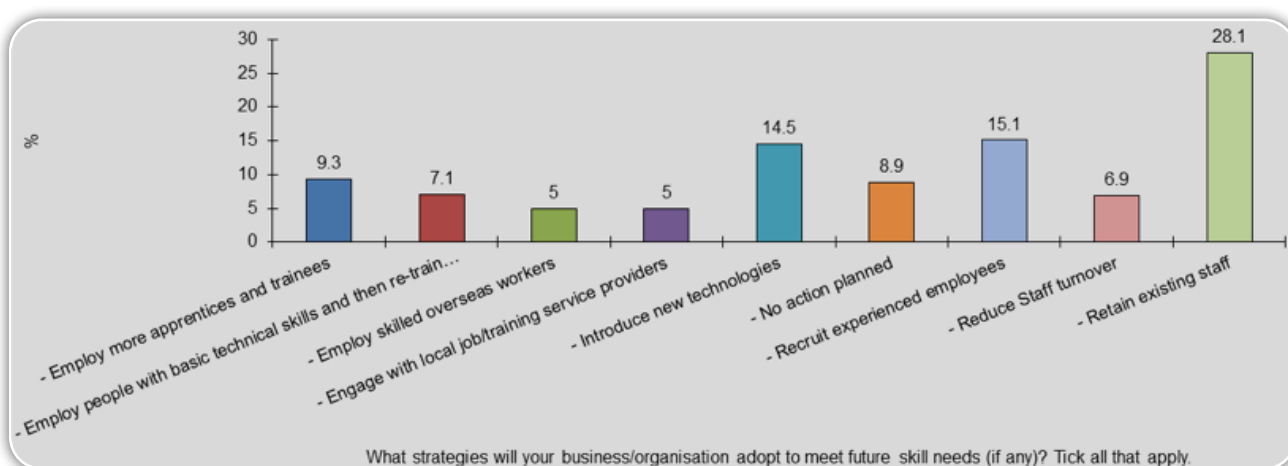
Across all years, most respondents (25% of them), have come from the Retail trade sector.

	Count	Percentage
All years	2438	100
Primary industry	72	3.0
Manufacturing, transport and storage	172	7.1
Service trades, electricity, gas, construction and wholesale trade	327	13.4
Retail trade	600	24.6
Accommodation, Hospitality & Food/ Beverage Services	323	13.2
Business professional and commercial services	339	13.9
Government, Education and Community Services	354	14.5
Other services	251	10.3

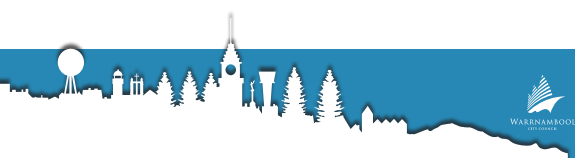
A trend that continues with the current data (26.5%):

	Count	Percentage
All 2022	310	100
Primary industry	22	7.1
Manufacturing, transport and storage	22	7.1
Service trades, electricity, gas, construction and wholesale trade	23	7.4
Retail trade	82	26.5
Accommodation, Hospitality & Food/ Beverage Services	40	12.9
Business professional and commercial services	29	9.4
Government, Education and Community Services	48	15.5
Other services	44	14.2

### Strategies to meet future skill needs



Most organisations intend to retain staff (28% of responding businesses). However, a significant proportion of responding businesses intend to introduce new technologies (14.5%) and/or recruit experienced employees (15%).



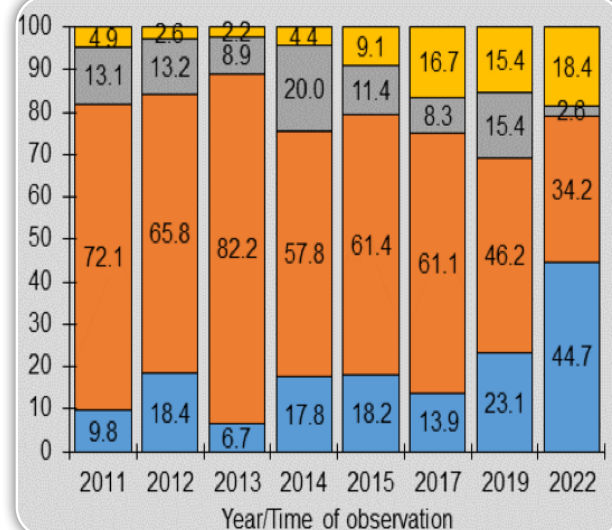


## Employment trends

The following presents an analysis of industry sector-specific responses to the question: Over the next 12 months do you expect to increase, or decrease the number of individuals employed at your business in Warrnambool?

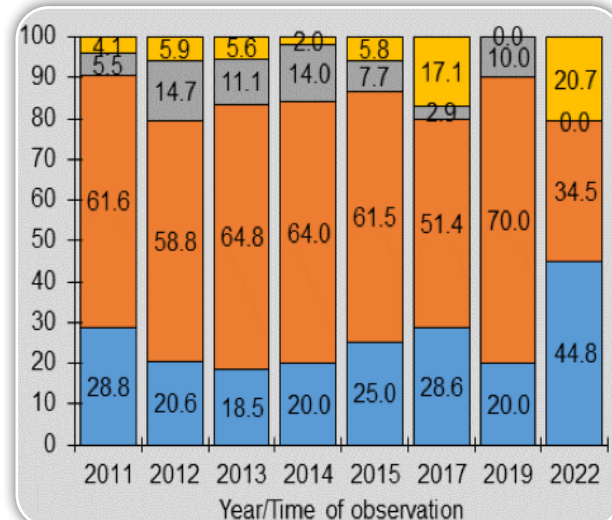
The Accommodation, Hospitality & Food/Beverage Services sector expectations of increasing staff have risen significantly since 2019 (23%), almost doubling in 2022 to 45%. The expectation in 2022 of decreasing staff numbers is, almost insignificant, now sitting at 3% of responding businesses. However, uncertainty about hiring new employees appears to be the highest since measurement began (18%). Excitingly, most businesses within this industry are expecting, on average, to increase their staff numbers in the coming 12 months. Overall, this industry sector is anticipating an increase in employees more than at any other time since measurements began.

■ Uncertain ■ Decrease ■ Same ■ Increase



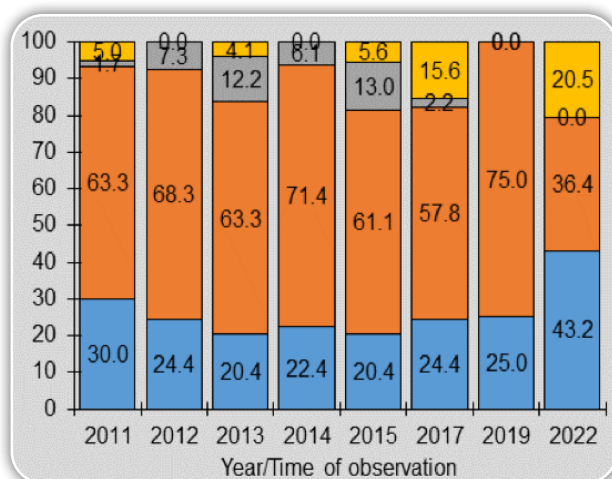
The Business Professional and Commercial Services sector has significantly increased expectations of increasing staff (20% in 2019 to 45% in 2022). Maintaining the same staff level has halved, from 70% in 2019, to 34.5% in 2022. Lower than any other surveyed year. Further, expectations of decreasing staff expectations have fallen away to nothing (0.0%). However, 21% of responding businesses within this industry sector indicate uncertainty when it comes to whether or not staff numbers will increase in the coming year. Overall, this industry sector is anticipating an increase in employees more than at any other time since measurements began.

■ Uncertain ■ Decrease ■ Same ■ Increase



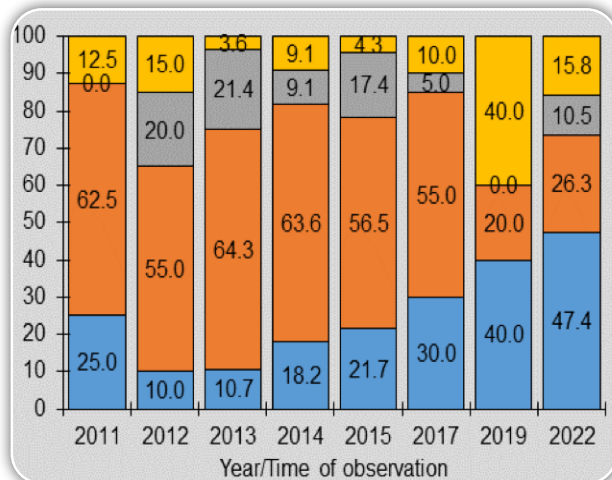
There appears to be a significant improvement in the expectation to increase staff numbers within the Government, Education and Community Services sector. Increasing from 24% in 2017 to 43% in 2022. Overall, this industry sector is anticipating an increase in employees more than at any other time since measurements began. No businesses within this industry sector are expecting to decrease their staff numbers in the coming 12 months.

■ Uncertain ■ Decrease ■ Same ■ Increase



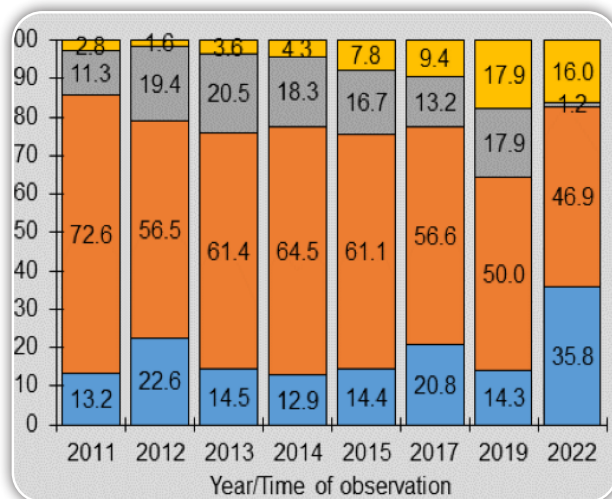
Expectations of increasing staff in the next year have again increased significantly within the Manufacturing, Transport and Storage sector, from 40% in 2019 to 47% in 2022. Uncertainty levels have similarly fallen significantly, from 40% in 2019, to 16% in 2022. Overall, responding businesses in this industry sector are anticipating an increase in employees more than at any other time since measurements began.

■ Uncertain ■ Decrease ■ Same ■ Increase



More respondents in the Retail Trade Industry sector expect an increase in staff numbers in 2022 (36%) when compared to any other time since measurement began. In fact, this expectation is two and a half times greater than it was in 2019 (14%). Very few expect staff levels to decrease in the coming twelve months (1.2% of responding businesses). Overall, responding businesses in this industry sector are anticipating an increase in employees more than at any other time since

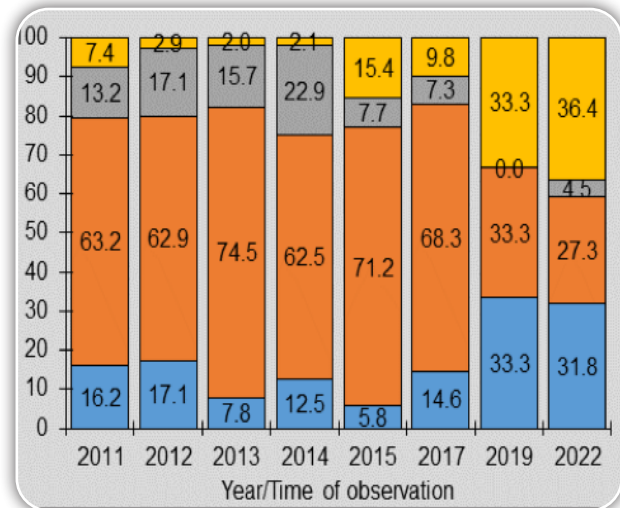
■ Uncertain ■ Decrease ■ Same ■ Increase





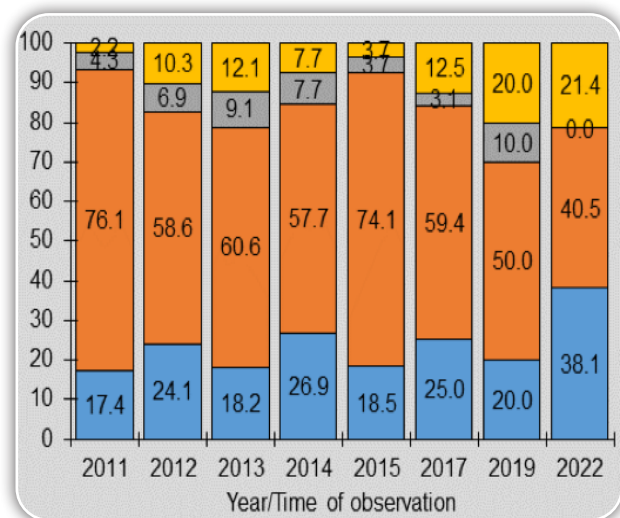
Responding businesses within the Service Trades, Electricity, Gas, Construction and Wholesale Trade industry sector expectations of increasing staff have not changed significantly since 2019. Decreasing staff levels have, however, slightly increased from 0% in 2019 to 4.5% in 2022. Similarly, those businesses indicating uncertainty have risen from 33% in 2019 to 36% in 2022, and those expecting to maintain staff numbers have fallen slightly, from 33% in 2019 to 27% in 2022.

■ Uncertain ■ Decrease ■ Same ■ Increase



Responding businesses of the Other Services industry sectors are also more optimistic about increasing staff numbers (almost doubling from 20% in 2019 to 38% in 2022). Uncertainty levels remain unchanged in 2022 compared to 2019 (21% and 20% respectively). Interestingly, no respondents expect their number of employees to decrease. Overall, responding businesses in this industry sector are anticipating an increase in employees more than at any other time since measurements began.

■ Uncertain ■ Decrease ■ Same ■ Increase



No analysis was able to be performed on the Primary Industry sector, because the number of responses over the years has been too low for meaningful insights to be drawn.







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