

# Warrnambool Business Trends Survey

## 2011–2024



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### WARRNAMBOOL BUSINESS TRENDS SURVEY 2011-2024

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The Warrnambool City Council  
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[www.warrnambool.vic.gov.au](http://www.warrnambool.vic.gov.au)





# At a Glance

## General Business Confidence and Performance

- The percentage of responding businesses that believe that they are faring 'good' or 'excellent' remains relatively high this year compared to 2022. While most respondents (62% in 2022) believed that they were faring 'good' or 'excellent', in 2024 this percentage remains high at 59%, a fall of only 3 percentage points.
- Almost 40% of responding businesses report they are financially worse off than they were 12 months ago (compared to almost 20% in 2022).
- In 12 months, most of our local businesses believe that they will be either in the same position financially, or better off financially (67% of them), a proportion that has fallen slightly since 2022 when it was 72% (down by 5% in 2024).
- Over the next 12 months, at least 25% of local businesses are expecting to increase their employee numbers.
- Sales outside our local area by businesses trading in this manner have increased slightly from 58% in 2022 to 61% in 2024. Continuing to indicate that Warrnambool's economy is increasingly supported by trade from outside of our local region.
- The proportion of businesses that generated sales online remains approximately the same. 57% in 2022 to 55% in 2024.
- The percentage of responding businesses generating more than 50% of their sales online remains approximately the same in 2024 (23%) compared to 2022 (21%).

## Business Sentiment

- Although most of our local business continue to remain optimistic about the future, the overall level of confidence (medium and high to very high) in Warrnambool's business environment for the coming 12-months has fallen significantly since 2022, falling from 81% in 2022, to 61% of respondents this year in 2024.

## Specific Issues

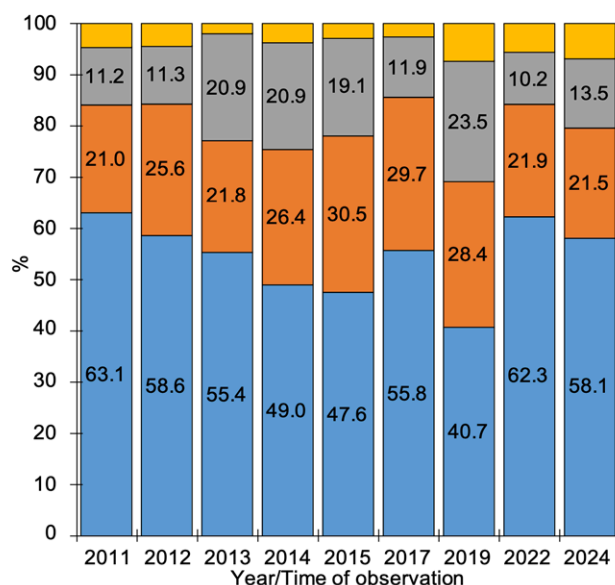
- Some observations incorporated into modelling for previous years were ignored if such data for specific cases were incomplete or did not conform to reworded questions and recoded responses.

# Business Expectations & Confidence

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

- 58% of respondents in 2024 rate their business performance as “good or excellent” compared to other regional businesses in Victoria.
- This reflects a slight drop of 4.2 percentage points from 2022.
- Local businesses continue to show high confidence in 2024.
- Slight increase in businesses rating their performance as “fair to poor,” rising from 10.2% in 2022 to 13.5% in 2024.
- Overall, a significant majority believe they are faring better than businesses in other regional cities.

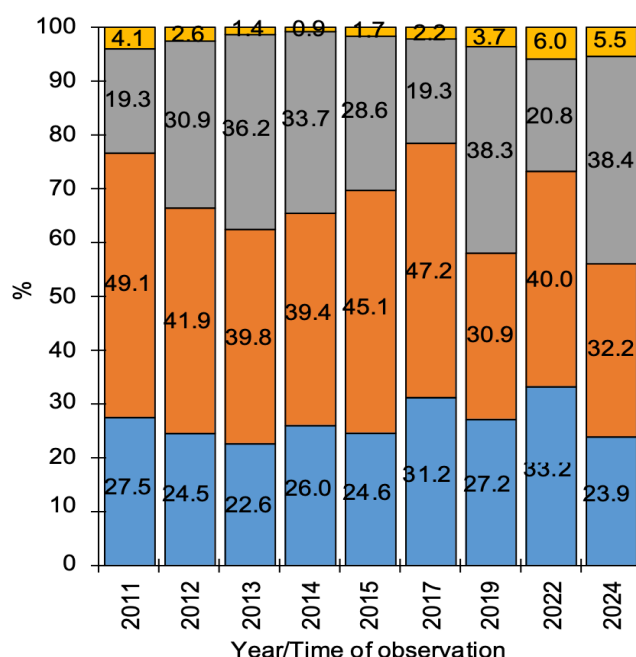
■ Don't know 
 ■ Fair or poor 
 ■ Average 
 ■ Good or excellent



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

- In 2024, 38.4% of businesses report being financially worse off compared to 12 months ago.
- This represents a significant rise of 17.6 percentage points from 2022.
- The highest proportion of businesses feeling financially worse off in the survey's 14-year history.
- Despite this, 56.1% of businesses report being either financially the same or better off in 2024.
- Overall, there is a noticeable increase in financial concerns among businesses this year.

■ Uncertain 
 ■ Worse off 
 ■ Same 
 ■ Better off

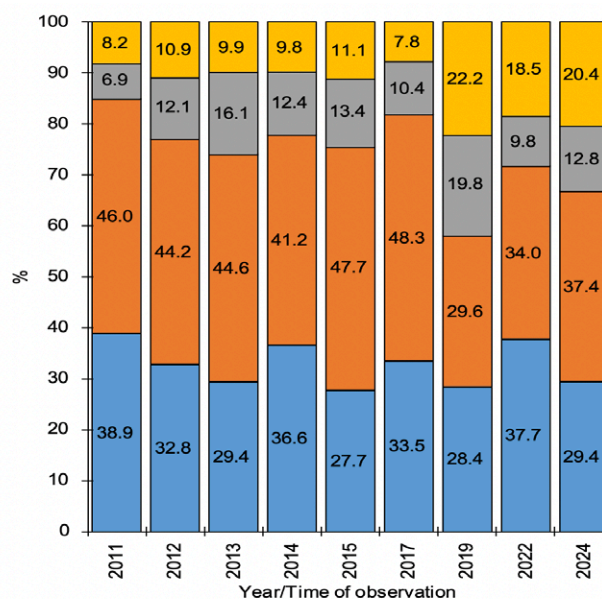




## Do you expect your business will be in a better financial position in 12 months than it is currently?

- In 2024, more businesses express uncertainty or expect to be financially worse off in 12 months, up 4.9% from 2022.
- 66.8% of businesses expect to be in the same or better financial position in 12 months.
- This proportion has decreased by 4.9% compared to 2022.

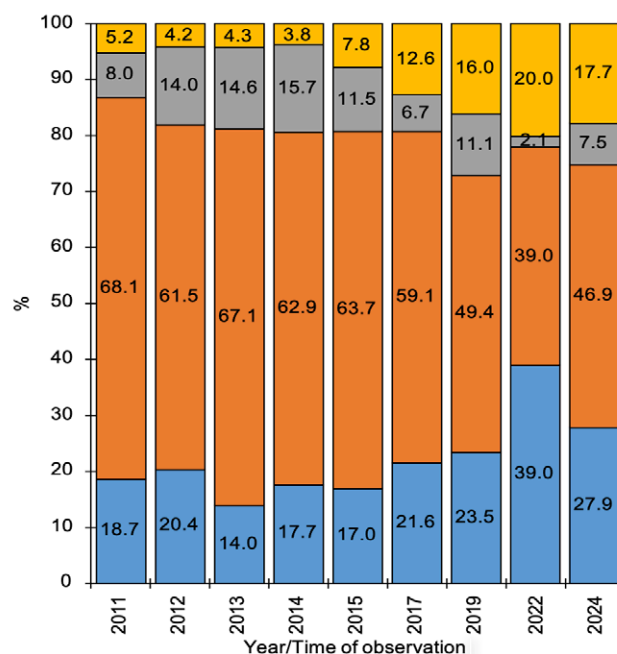
Uncertain Worse off Same Better off



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

- 7.5% of businesses expect to decrease staff in 2024, up 5.4% from 2022 (2.1%).
- 27.9% of businesses expect to increase staff in 2024, a significant drop from 39% in 2022 (down 11.1%).
- Despite the drop, optimism remains high: 46.9% of businesses expect employee numbers to stay the same, and over 1 in 4 expect an increase.

Uncertain Decrease Same Increase

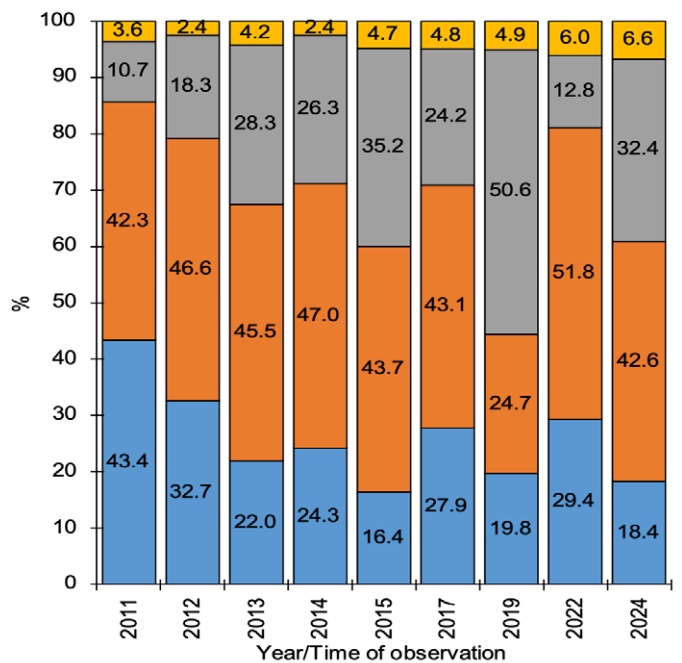


# Business Sentiment

## Confidence in Warrnambool's Business Environment

- Confidence in Warrnambool's business environment has dropped from 81.2% in 2022 to 61% in 2024 (a 20.2% decline).
- Businesses expressing uncertainty or low confidence increased from 18.8% in 2022 to 39% in 2024.
- Overall, there is significantly less confidence in the local business environment for the next 12 months.

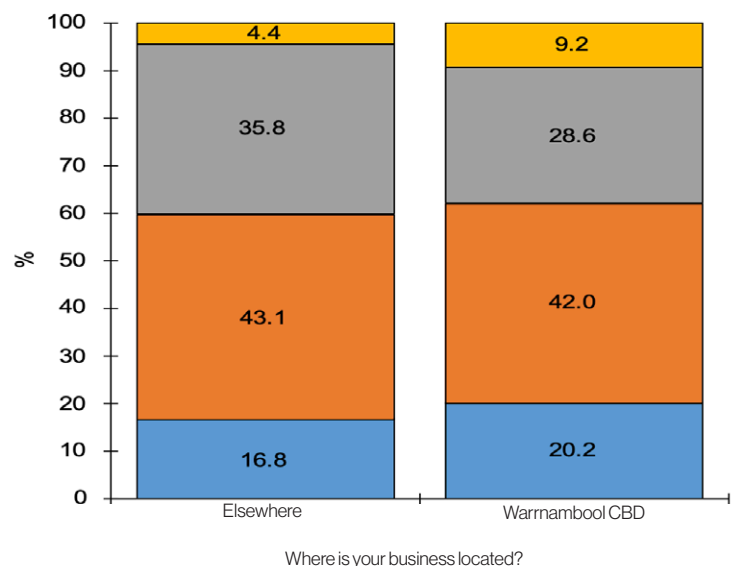
■ Uncertain 
 ■ Very low to low 
 ■ Medium 
 ■ High to Very high



## Confidence in the Business Environment: CBD vs. Non-CBD

- Minimal difference in confidence levels between businesses inside and outside the Warrnambool CBD.
- 62.2% of businesses within the CBD and 59.9% of businesses outside the CBD report at least medium confidence in the business environment.
- Slightly more uncertainty among CBD businesses: 9.2% express uncertainty, compared to 4.4% outside the CBD.

■ Uncertain 
 ■ Very low to low 
 ■ Medium 
 ■ High to Very high

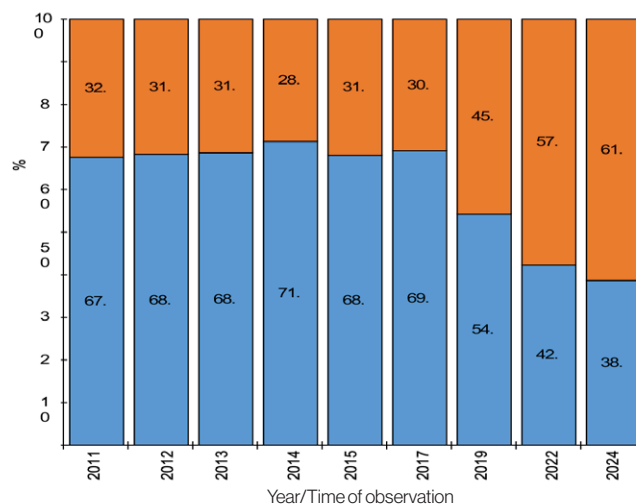


# Trade Outside of Warrnambool

## Warrnambool as Business Service Centre

The proportion of businesses selling/exporting goods and services outside Warrnambool has increased, from 57.6% in 2022 to 61.2% in 2024. This indicates Warrnambool's economy is increasingly supported by trade beyond the local region.

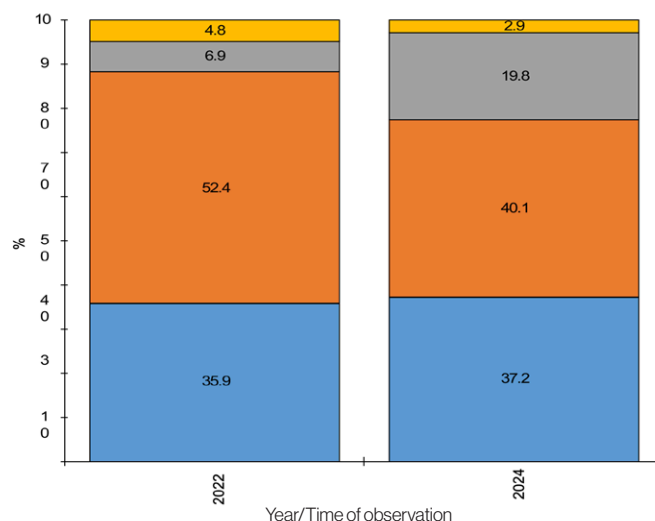
■ Yes ■ No



## Changes in Business Exports Over the Past 12 Months

- There was a significant decrease in the percentage of goods sold outside Warrnambool, from 19.8% last year to 6.9%.
- 77.3% of businesses continued to export goods and services or expected an increase in exports to regions outside Warrnambool.

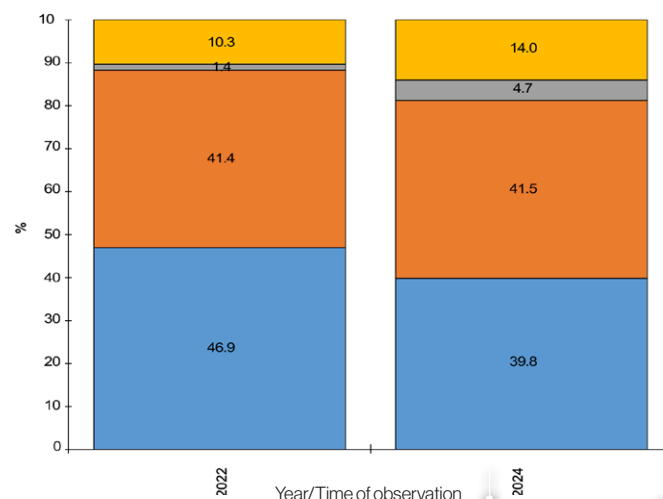
■ Uncertain ■ Decrease ■ Same ■ Increase



## Expectations for Future Exports

- The percentage of businesses expecting export growth has declined from 46.9% in 2022 to 39.8% in 2024.
- There is growing uncertainty about exports, rising from 10.3% to 14%.
- Expectations of a decrease in exports have also increased, from 1.4% to 4.7%.

■ Uncertain ■ Decrease ■ Same ■ Increase

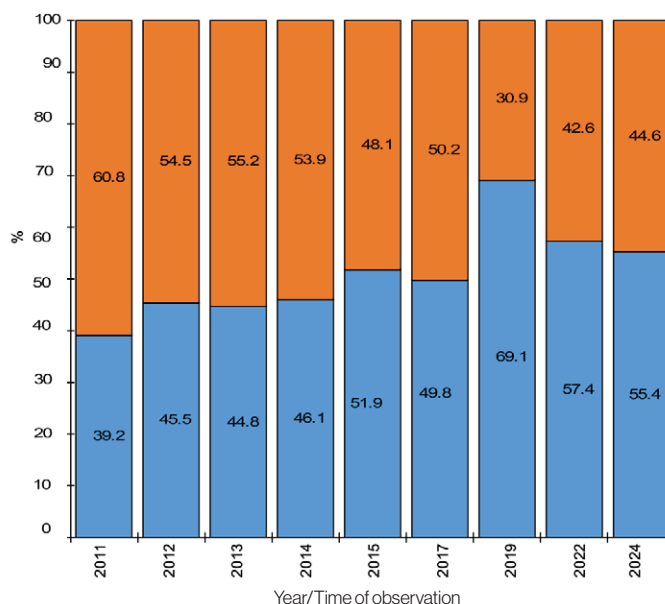


# Business Sales Over the Internet

## Trends in Online Sales

- The percentage of businesses generating sales online rose from 39% in 2011, peaking at 69% in 2019.
- Since 2019, this trend has declined, with online sales falling from 69.1% to 57.4% in 2022, and to 55.4% in 2024.

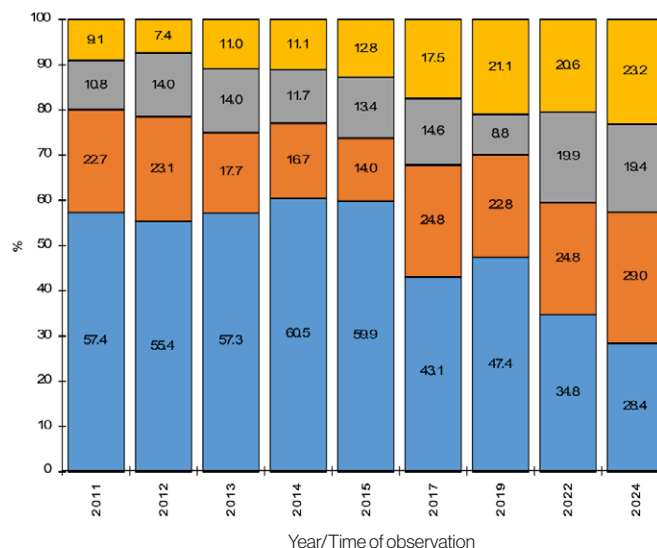
■ No ■ Yes



## Growth in Online Sales for Businesses Using the Internet

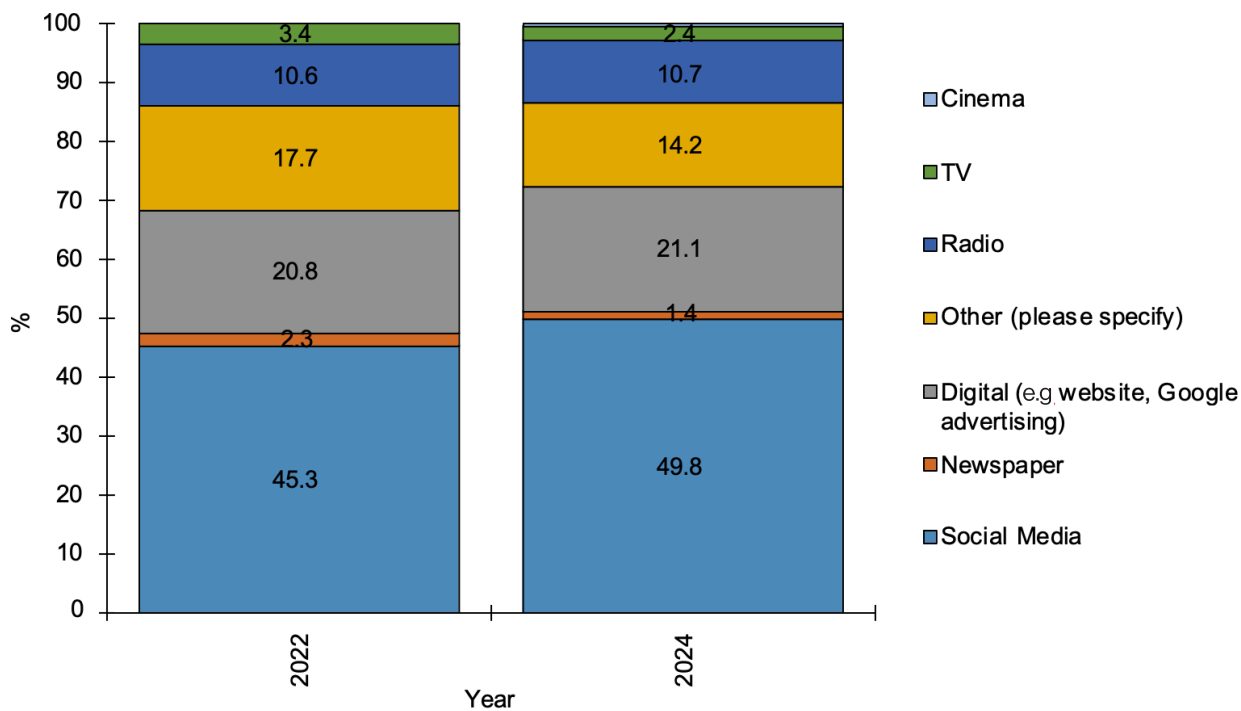
- Since 2011, the percentage of online sales by businesses that use the internet for trade has steadily increased.
- In 2024, 23.2% of these businesses report that more than 50% of their sales come from online transactions, more than double the 9.1% recorded in 2011.

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



# Advertising

Since 2022, advertising strategies have remained largely unchanged. With the exception of a slight increase in the use of social media, (up from 45.3% to 49.8%) and a decrease in the use of “other” options (down from 17.7% to 14.2%).



# 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, 2022 and in 2024. The response rate has varied significantly over the years:

	All	2011	2012	2013	2014	2015	2017	2019	2022	2024
Response rates	2767	463	266	354	351	351	269	81	310	322

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, the response rates from each industry sector has remained reasonably constant.

Raw count of responses	Year/Time of observation									
	All	2011	2012	2013	2014	2015	2017	2019	2022	2024
All	2760	463	266	354	344	351	269	81	310	322
Primary industry	75	15	6	7	5	5	7	5	22	3
Manufacturing, transport and storage	196	31	20	28	22	24	20	5	22	24
Service trades, electricity, gas, construction and wholesale trade	356	68	35	52	49	53	41	6	23	29
Retail trade	682	107	62	83	94	91	53	28	82	82
Accommodation, Hospitality & Food/ Beverage Services	384	61	38	45	46	44	36	13	40	61
Business professional and commercial services	378	73	34	54	52	52	35	10	29	39
Government, Education and Community Services	391	60	42	51	50	54	45	4	48	37
Other services	298	48	29	34	26	28	32	10	44	47

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

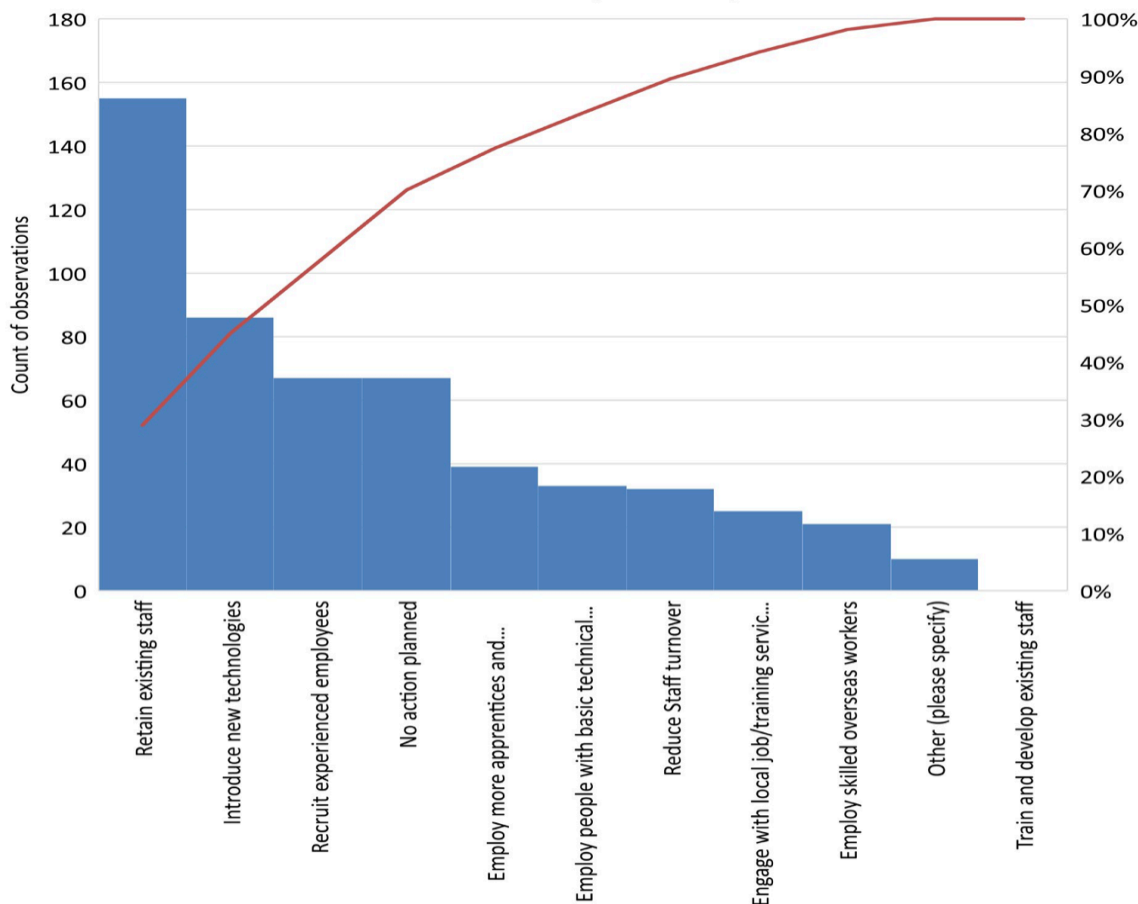
Percentage of responses	Year/Time of observation									
	All	2011	2012	2013	2014	2015	2017	2019	2022	2024
All	100	100	100	100	100	100	100	100	100	100
Primary industry	2.717	3.24	2.256	1.977	1.453	1.425	2.602	6.173	7.097	0.932
Manufacturing, transport and storage	7.101	6.695	7.519	7.91	6.395	6.838	7.435	6.173	7.097	7.453
Service trades, electricity, gas, construction and wholesale trade	12.9	14.69	13.16	14.69	14.24	15.1	15.24	7.407	7.419	9.006
Retail trade	24.71	23.11	23.31	23.45	27.33	25.93	19.7	34.57	26.45	25.47
Accommodation, Hospitality & Food/ Beverage Services	13.91	13.17	14.29	12.71	13.37	12.54	13.38	16.05	12.9	18.94
Business professional and commercial services	13.7	15.77	12.78	15.25	15.12	14.81	13.01	12.35	9.355	12.11
Government, Education and Community Services	14.17	12.96	15.79	14.41	14.53	15.38	16.73	4.938	15.48	11.49
Other services	10.8	10.37	10.9	9.605	7.558	7.977	11.9	12.35	14.19	14.6

The highest proportion of responses consistently appears to come from the retail trade business sector, typically representing 25% of all responses each year.

## Strategies to Meet Future Needs

	Count	%	Cumulative %
Retain existing staff	155	29	29
Introduce new technologies	86	16.1	45.1
Recruit experienced employees	67	12.5	57.6
No action planned	67	12.5	70.1
Employ more apprentices and trainees	39	7.3	77.4
Employ people with basic technical skills and then retrain to requirement	33	6.2	83.6
Reduce staff turnover	32	6	89.6
Engage with local job/training service providers	25	4.7	94.3
Employ skilled overseas workers	21	3.9	98.2
Other (please specify)	10	1.9	100
Train and develop existing staff	0	0	100
<b>Total</b>	<b>535</b>	<b>100</b>	

The count and cumulative proportion of the various strategies that businesses will adopt to meet future skills needs (Pareto chart).



Strategies that will be adopted to meet future skills needs

Most organisations intend to retain staff (29% of responding businesses). However, a significant proportion of responding businesses intend to introduce new technologies (16.1%) and/or recruit experienced employees (12.5%). Surprisingly, 12.5% of businesses have no action planned. These four approaches account for the majority of all strategies (70.1% of them) in place to meet future skills needs.

## Which of the following initiatives/events do you believe will best assist your business grow and encourage overall growth of the Warrnambool business community?

Respondents were allowed to select their top 5 options. 512 options were selected.

Rank	Initiatives/Events	Count	%	Cumulative %
1	Local Grant programs	108	21.1	21.1
2	Regular networking events	86	16.8	37.9
3	Business training workshops/mentoring opportunities	61	11.9	49.8
4	Formation of a Warrnambool business representative group (example 1, example 2)	55	10.7	60.5
5	Motivational/business speaking events	53	10.4	70.9
6	Support of business startups (e.g. business incubators/coworking spaces)	50	9.8	80.7
7	Placemaking Activities (e.g. laneway development/outdoor dining expansion program/street performance activation)	49	9.6	90.3
8	Business Awards	46	9	99.3
9	Business mentoring opportunities	1	0.2	99.5
10	Warrnambool centric marketing campaigns	1	0.2	99.7
11	Delivery of more business backed events	1	0.2	99.9
12	Renewal/upgrade works	1	0.2	100
	Total	512	100	

The most desired option is for a “Local grants program”, with 21.1% of all respondents indicating the same. That is, 1 out of every five preferences are for this option.

## Are there any specific challenges, issues or barriers that you believe will hinder the growth of your business over the next 12 months?

Among the various concerns raised, key challenges include the rising cost of living, increased operational costs, a shortage of qualified staff, higher interest rates, limited support from local council and government, declining tourism, CBD anti-social behaviors and parking difficulties. While numerous other issues were mentioned, these stood out as the most significant.

Of the 150 responses to this question, 28 (18%) highlighted the cost of living, 15% pointed to rising business operating costs, 13% noted staff shortages, 10% cited CBD anti-social behaviors and 10% mentioned increasing interest rates.



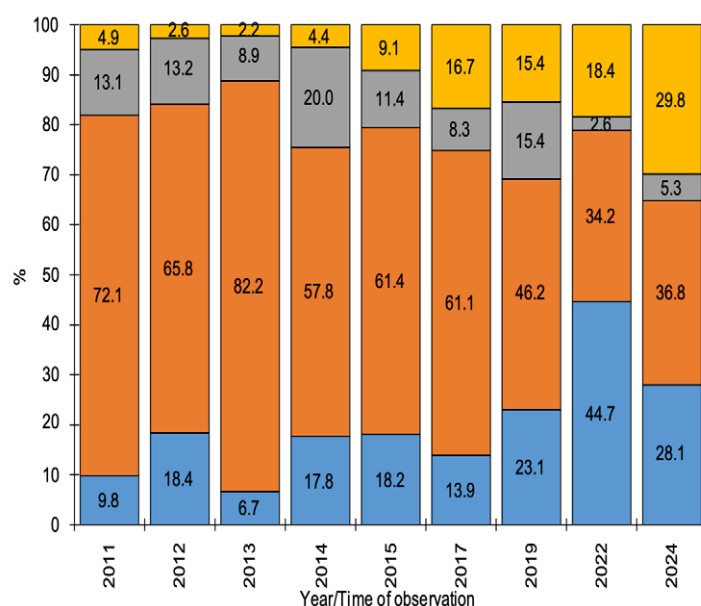
# Employment Trends

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

Accommodation, Hospitality & Food/Beverage Services Staffing Expectations

- Expectations of increasing staff have dropped from 44.7% in 2022 to 28.1% in 2024.
- Uncertainty in the sector has risen from 18.4% in 2022 to nearly 30% in 2024.
- The percentage expecting a decrease in staffing has doubled, from 2.6% to 5.3%.

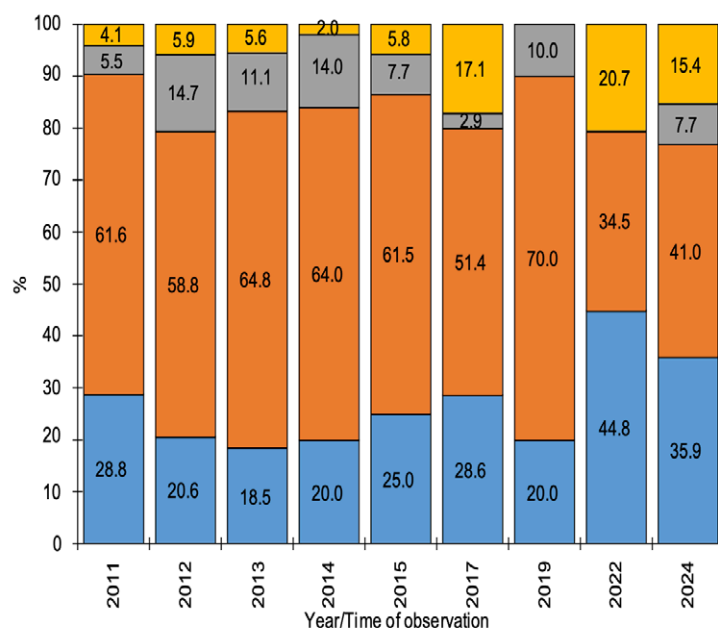
■ Uncertain ■ Decrease ■ Same ■ Increase



## Business Professional & Commercial Services Staffing Expectations

- In 2024, 7.7% of businesses expect to decrease staff levels, up from 0% in 2022.
- 35.9% of businesses still expect to increase staffing, but this has fallen from 44.8% in 2022 (a drop of 8.9%).

■ Uncertain ■ Decrease ■ Same ■ Increase

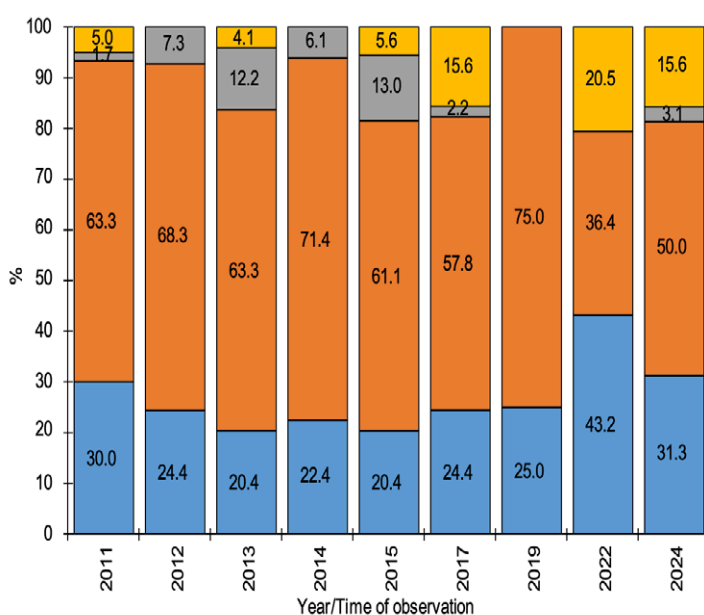




## Government, Education & Community Services Staffing Expectations

- Expectations of increased staffing have dropped from 43% in 2022 to a focus on stability in 2024, with 50% expecting no change and 31% expecting a decrease.
- 31.3% of respondents still expect an increase in staffing, but overall, the sector anticipates stability in employee numbers.

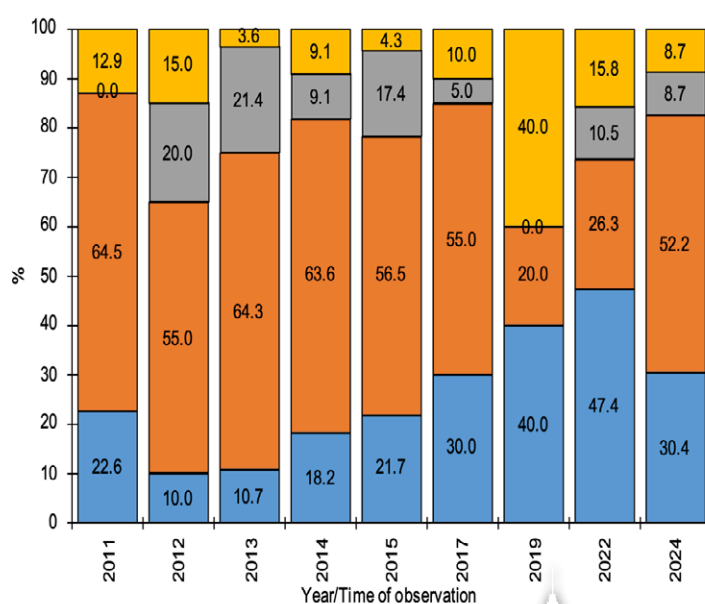
■ Uncertain ■ Decrease ■ Same ■ Increase



## Manufacturing, Transport & Storage Staffing Expectations

- Expectations of increasing staff have fallen from 47% in 2022 to 30% in 2024 (a 17% drop).
- Businesses expecting employee numbers to stay the same have risen from 26.3% in 2022 to 52.2% in 2024.
- Uncertainty has dropped from 15.8% in 2022 to 8.7% in 2024, with businesses anticipating stable employee numbers.

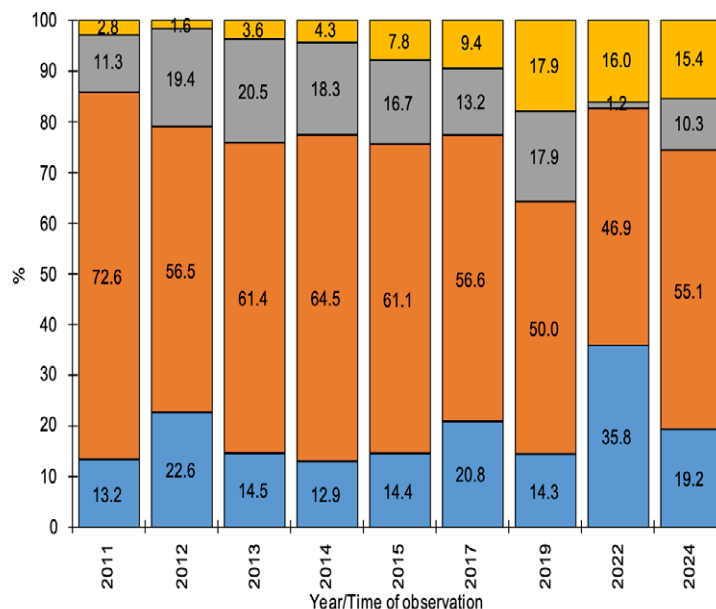
■ Uncertain ■ Decrease ■ Same ■ Increase



## Retail Trade Staffing Expectations

- 19% of respondents expect an increase in staff in 2024, down from 35.8% in 2022.
- Those expecting to decrease staff have risen from 1.2% in 2022 to 10.3% in 2024.
- Uncertainty in staffing levels remains steady at around 15.4%.

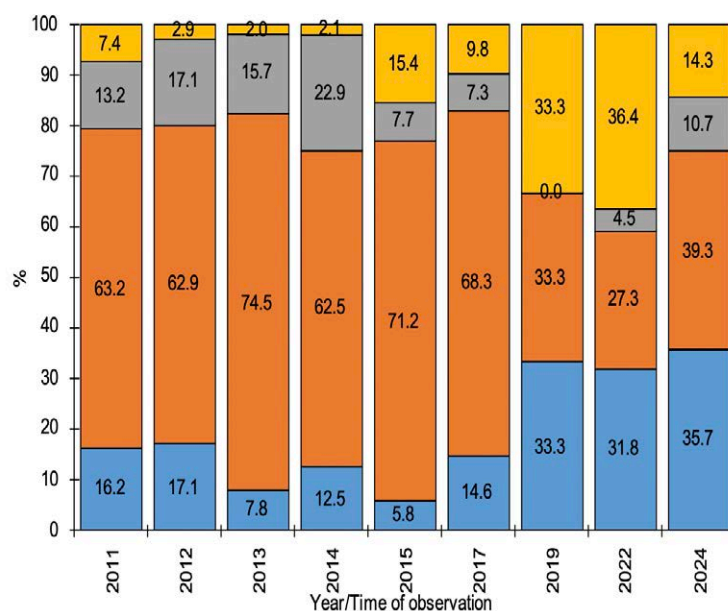
■ Uncertain ■ Decrease ■ Same ■ Increase



## Service Trades, Electricity, Gas, Construction & Wholesale Trade Staffing Expectations

- Expectations of increasing staff have remained stable since 2019.
- The percentage expecting to decrease staff has risen slightly, from 4.5% in 2022 to 10.7% in 2024.
- Uncertainty has dropped significantly from 36% in 2022 to 14.3% in 2024, while those expecting to maintain staff have increased from 27.3% to 39.3%.

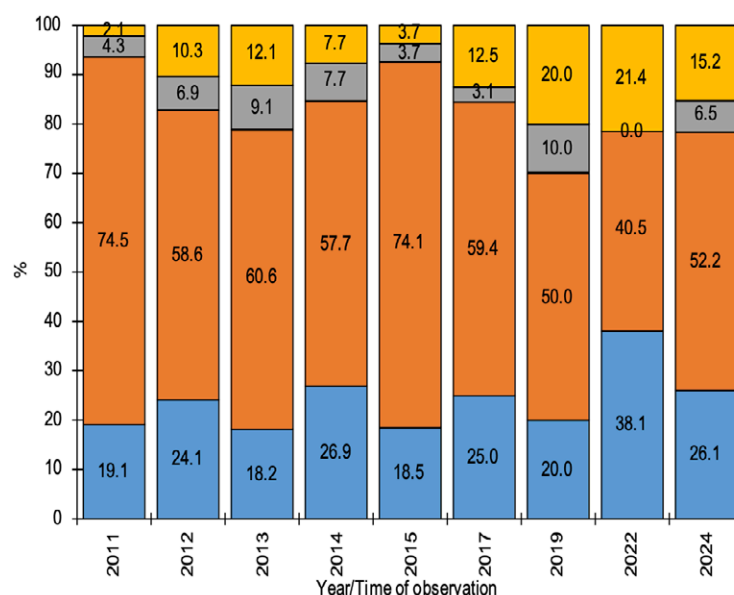
■ Uncertain ■ Decrease ■ Same ■ Increase



## Other Services Sector Staffing Expectations

- Optimism about increasing staff has declined from 38.1% in 2022 to 26.1% in 2024.
- Uncertainty has increased, from 40.5% in 2022 to 52.2% in 2024.
- 6.5% of respondents expect a decrease in staff numbers.

■ Uncertain ■ Decrease ■ Same ■ Increase





# About the Survey

**The 2024 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.**

**Council wishes to thank Deakin University and businesses for their support of the Survey in 2024.**

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 Local Government Area. 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. It is estimated that the Economic Development Team visited 713 businesses to promote the survey and encourage a cross sector of businesses to complete the survey.

The survey was constructed based on surveys from previous years. Questions deemed not relevant to the current Warrnambool situation were removed from the 2024 survey.

The survey invitations were distributed and available to all Warrnambool based businesses throughout the months of July and August 2024. The 2024 report is based on 322 responses received via the online survey\*. No hardcopies of the survey were distributed to businesses with the survey conducted entirely online.

Data has been collected for this research since 2011 (In 2011, 2012, 2013, 2014, 2015, 2017, 2019, 2022 & 2024). 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 and textural 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. Please also note that periodically data is redefined to meet the changing needs of analytical tools that are used, and as such, slight variations in results might be observed historically.

\*322 respondents were activated on the survey. Of this number it is estimated that 256 answered all mandatory questions with 66 partially completing the survey to varying percentages.

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**2011 – 2024**



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