

Far West Regional Economic Update December Quarter 2014

New Business Focus

2015 is upon us already and with it a new year of opportunities for the local businesses in our region. Last year saw our Regional Economic Updates focussing on regular updates from our local mining operations as well as delving into the tourism, manufacturing, construction industries and our local health services. In each industry numerous positives were identified providing plenty to focus on in 2015.

This economic update targets new businesses that have started up in the region during the past two years. Why they decided that now was a good time to invest in our region and what employment and growth opportunities are they generating. Between our research and statistics from Australian Business Register we found there were many more new businesses registered than we realised with some very interesting results.

OPPORTUNITY is the key word

From our interview summaries there was one word/phrase that kept repeating itself—"I had the opportunity to...", "The opportunity arose to....". Almost every new business began on this basis whether it was great timing, new premises becoming available, financial backers becoming available or finishing one career and taking the plunge on a new one.

Being in a position to take advantage of opportunities when they arose was a key catalyst to most new businesses starting up. Many businesses interviewed had identified a need for their services in the region, completed a business plan, had started working on their business part time, online or at home and took the opportunity to expand when they were able to.

Retail (39%) and Hospitality/Food (33%) were the main industries being invested in by new business with Media, Engineering, Business Services, Printing and Tourism also being represented.

New business Fast Facts

New businesses planning to expand their services within the next 12 months	61%
New businesses who will require more staff if expansions go ahead	50%
Amount of new employment opportunities anticipated in next 12 months	up to 41
Current total of new jobs generated by new businesses (local small business)	47
Current total of new jobs generated by new businesses (large national business)	194
% of new businesses positive about the current and ongoing success of their venture	72%

*** Figures based on new businesses interviewed only.

New Businesses

Total New Businesses

The amount of new businesses registered in the 2880 post code have changed very little during the past 5 years and even compared to 2001 are holding steady.

2001	2005	2010	2011	2012	2013	2014
280	297	247	257	222	243	220

Growth Opportunities

While the majority of businesses reported a positive level of success to date, there are still some issues that they consider may inhibit their level of growth and success and they included; our population, lack of capital, industry regulations and red tape, failure of other businesses in the same industry, geography (isolation) and economic fluctuations.

By comparison, many new businesses feel that there are no barriers to their growth and reported that:

- Business is going well
- They are happy with their current level of service and aren't looking to expand
- They have been well embraced by the town and are enjoying early success
- And that their business and our demographic mesh very well.

Of note and moving forward...

Many of the interesting comments and feedback provided to us by new businesses can't be presented statistically so a snapshot is presented below:

One new business has made the list of the Lonely Planets hottest new travel experiences for 2015.	An Argent St business provides income opportunities for local indigenous artists.
A new business is confident in employing older workers due to their friendliness, reliability and self sufficiency.	A new business believes that their business model and service will increase competition and quality within the local industry.
Approximately 38% of new businesses believe that Facebook advertising and marketing has been essential in generating awareness and interest in their new business.	All national major chains were quoted as saying they do not require specific skills and experience from their employees as they provide in-house induction and training schemes.
Only a minority of new businesses interviewed mentioned economic uncertainty as a potential factor in their business success or failure.	Most new businesses in the hospitality/food industry are also happy to train unskilled workers and see having a great attitude and being hardworking and reliable as more desirable qualities when hiring.
It was mentioned that the lack of NBN in the region may prevent people from starting new businesses as it inhibits them from being able to expand beyond Broken Hill.	A new owner believes their business has the ability to change the visitor profile of Broken Hill and surrounds, providing extra business opportunities.

Stay Informed. Our next Regional Economic Update is due out in early April and will be focusing on local mining and industry updates. To be receive your emailed copy, contact us on the details below:

The Regional Economic Update is researched and produced by Regional Development Australia Far West supported by the Broken Hill City Council. For all enquiries regarding the production of this report and information contained therein please contact Suzanne Walson at Regional Development Australia Far West on (08) 8087 8383. All information has been sourced through interviews with local businesses and organisations and we thank them for their time and generosity.