

Media Release

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Confidence, optimism dominate local SME sentiment, but still barriers to growth

Canberra's small business sector is optimistic about the future when it comes to growth prospects, according to new survey results, but red tape, rising costs and local skill shortages are seen as potential barriers to expansion.

"The Chamber has partnered with Deloitte to undertake a survey of business sentiment every six months in order to develop a time series," Canberra Business Chamber CEO, Robyn Hendry explained. "This is the second survey and the information captured gives us a snapshot of the Canberra Region small business sector – a sector that is an important driver of local employment and economic activity."

Key findings from the latest **Deloitte Private SME Survey** were released at the Chamber's Small Business Breakfast with the Hon Michael McCormack MP, Minister for Small Business. They include:

Growing against the odds

- 90% of SMEs want to grow their businesses
- 81% are as, or more, optimistic than they were last year when it comes to the next 12 months
- 70% say economic conditions are limiting their growth to some extent.

Barriers to growth

- 63% of SMEs said that local skill shortages were hampering growth opportunities
- 58% said red tape around employment was also limiting their capacity to take on new people
- 53% have seen their operating costs increase over the last 12 months, and 51% expect their costs to increase again over 2017.

Future plans

- 77% of local SMEs plan to diversify their products and services
- 94% are focused on increasing efficiency

The survey and resulting report aims to get a sense of the issues and priorities occupying the minds of SME leaders.

Deloitte Private Director Amer Qureshi said the overall sense of optimism was encouraging for the sector and the ACT.

"According to Deloitte Access Economics most recent Business Outlook, key local economic indicators for the ACT are looking better, and both retail and housing have been on the up," he said. "And our survey highlights a sense of confidence and optimism amongst local SMEs around their own prospects as well as the broader Canberra environment."

"The commencement of international flights into and out of Canberra, for example, has certainly made it easier for local businesses to explore new markets."

“That said, they are less optimistic about the broader national business environment and its impact on their growth ambitions.

“Concerns relating to the streamlining of regulation and red tape, particularly when it comes to recruitment, are very real and something for governments to consider as impediments to taking on new employees are stymying the desires of SMEs to grow their businesses.

“Greater action to grow the local skills base, as well as attract people with the right skills to Canberra also needs to be considered.”

Canberra Business Chamber CEO Robyn Hendry said: “The responses provided by business reflect what we have been seeing over the past 12 months, which is an optimistic outlook. Conditions are currently strong, but we need to address issues that have the potential to hinder future growth and protect against any shocks or challenges that may arise.

“In particular, ensuring adequate numbers of skilled workers is something we have been working on with local businesses, the ACT and Federal Government and training and education providers.

“This survey provides a concrete insight into business views. It is very useful to be able to monitor needs over time and make sure we address concerns before they become major problems. A real goal is to drive SME growth. SMEs make up the bulk of the ACT’s private businesses and if we can help them expand and employ, it will drive the region’s economy.

“I would like to thank all the businesses who took part in the survey and encourage others to do so as we move forward with this series.”

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About Canberra Business Chamber

Canberra Business Chamber supports business growth by connecting, advising and educating our members and by advocating for policy and investment decisions which will facilitate economic development in the Canberra Region. Canberra Business Chamber is the leading voice of business in a growing regional economy with increasing global reach.

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