

About the respondents

The survey covers a wide range of industries with the top five being professional services, health care and social assistance, construction, education and training, and wholesale and retail trade.

The majority of respondents have 1-10 employees and around 70% sell their product or service within Canberra and externally. Over a quarter sell overseas.

Chart 1: Business sizes

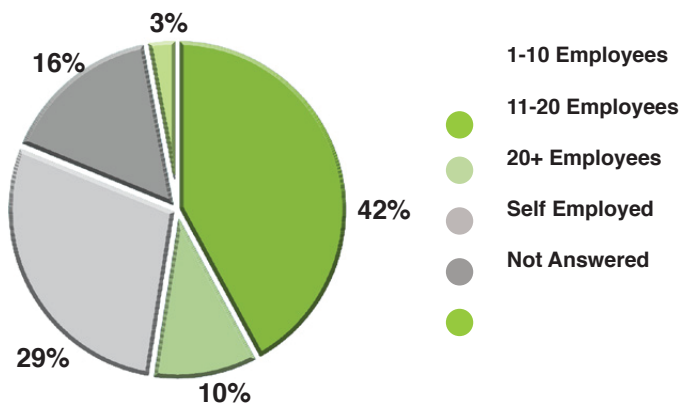
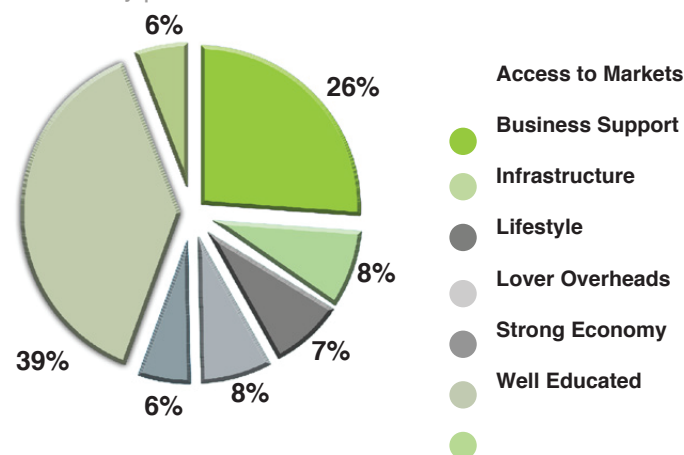


Chart 2: Key positive factors in Canberra



Historical conditions

Operating margins remain under pressure with cost inflation running slightly higher than top line revenue growth. 32% of respondents indicated that staff numbers have either increased slightly or significantly, suggesting confidence in the future business outlook.

Views on Canberra as a place of business

As compared to other regions and cities across Australia, the overwhelming majority of respondents indicated that they would recommend Canberra as a place to run their business. The key factors around this support were indicated as a strong economy (39%), access to markets (26%) and business support (8%).

Concerns around Canberra included higher overheads and difficulties in attracting or retaining staff.

Adapting towards a changing market place

Business owners are increasingly turning their thoughts towards adapting their organisation in the face of rapid societal and marketplace change. 80% of respondents are considering methods to managed marketplace changes arising from smart and autonomous technology and cyber risk. 70% are considering new models for acquiring the right workforce composition and skills needs. 71% are considering further investments in technology.

Areas of business growth

Respondents indicated they are most likely to grow by increasing market offerings – being new products or services versus current specifications. Expansion of market share in Canberra and Australia, increases in plant and machinery (including digital equipment) and increases in operational and management level staff members were also earmarked as key areas of potential growth.

Premises sizes and administrative staff counts were deemed to be generally sufficient for current growth plans.

Challenges to growth

Skilled labour and finding the time to work on the business, rather than in the business, are key hindrances to expansion. Of specific concern is that, while the requisite workers are available, low unemployment and competition from large organisations render salaries higher than can be afforded by many small businesses. Given the labour market environment, 72% of respondents indicated they would consider employing lower skilled workers and training them as required. Of note, respondents indicated access to capital (both financial and physical) is sufficient for growth requirements.

External factors

Improved digital connectivity and bandwidth, transportation and government procurement pipelines were listed as the top three potential external factors with flow on effects to business.

Key conclusions

1. Business and economic conditions have been positive for Canberra's business community.
2. Canberra was earmarked as an attractive region to base a business, with a strong local economy and access to regional markets.
3. Attracting and retaining staff with the right skillset and at a suitable salary remains a challenge.
4. Business expansion is likely to be driven via product and service expansion, as well as market share focus.
5. Emerging workforce models and investment in technology are clear priorities as businesses adapt to change.