2021-2022

Mornington Peninsula Business Survey

MORNINGTON PENINSULA Shire

Data Summary for Rosebud Township

Prepared by the Economic Development unit, April 2023

Executive Summary

The 2021-2022 Business Surveys provide a detailed firsthand account of the challenges facing local businesses as they navigated COVID lockdowns and recovery. With almost 2,000 surveys conducted across more than thirty localities, this is the largest business survey Council has ever conducted.

This report is derived from the Rosebud commercial business surveys conducted during 2021 and 2022.

As the surveys focussed on townships and villages, it is not surprising that just under two thirds of the businesses surveyed were Retailers or Accommodation, Cafes and Restaurants. Just under 35% of all businesses surveyed in Rosebud were less than five years old and 27% were more than twenty years old.

Businesses reported that the biggest challenges facing them in the next 12 months were around engaging staff and increasing revenue. Business confidence was positive with 64% of the businesses surveyed rating their confidence eight out of ten or higher.

77% of the businesses surveyed employ between less than 5 staff, with almost all businesses envisaging employment to either remain the same or increase over the next twelve months.

Over the past 12 months, just under a third of all businesses reported an increase in business income. The decrease in business revenue varied per township and Rosebud business income decreased by 43%.

Customer bases increased for just under half of the businesses surveyed and decreased for just under a quarter. Most businesses expected their income levels and customer base to either increase or remain the same in the next 12 months.

Insights gleaned will inform the development of the Economic Development and Tourism Strategy.

Rosebud commercial precinct

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1. Background

The Mornington Peninsula has a diverse economy that produces around $8.2 billion in gross regional product (GRP) each year. The economy is growing in overall size and level of employment but is changing both in terms of the relative contribution of various industry sectors and the employment they generate. There are approximately 15,800 businesses on the Mornington Peninsula with the vast majority (94%) employing less than 5 people.

The region is one of Melbourne's premier holiday destinations and is known for its landscapes, coasts and beaches which attract millions of visitors. The surrounding coast encompasses two bays and comprises 10% of the Victorian coastline. 70% of the municipality is green wedge hinterland which has significant agricultural and agritourism characteristics.

To identify ways to support businesses in their journey towards COVID recovery, Council needed to gain a deeper understanding of the current business climate. To do this it was important to hear from businesses in towns, villages, and industrial estates across the region.

State government COVID-19 recovery funding enabled the employment of Business Liaison Officers to conduct the surveys. While a small number of surveys had to be conducted via phone and email when lockdowns were imposed during the survey period, the vast majority were successfully conducted face to face.

2. Survey method

The Mornington Peninsula has a distinctive pattern of housing and land development which includes 44 separate towns and villages of varying sizes, with nine industrial estates spread across the Peninsula.

Information was gathered from 1,912 businesses via the survey between May 2021 and December 2022. This was the largest survey of businesses that Council had ever undertaken.

Surveys were conducted in one area at a time until completed. Businesses were mailed first to advise of the upcoming survey and invited to make an appointment if they preferred. The Business Liaison Officers visited every business in the allocated area and offered them the opportunity to participate in the survey. Not all businesses wished to participate, and some properties were vacant, or used for non-business activities.

Each survey participant was offered access to further business support that might benefit their business; workshops and mentoring, COVID-safe assistance, grants and funding opportunities, etc. Businesses told Officers that they appreciated the Shire speaking to businesses about their COVID experience. They felt listened to, supported, and valued for their contribution.

As each area was visited the insights gathered informed the support given, programs offered, and recovery resources shared. Relevant customer service information was also dispersed to other Council teams for their action, as well as external organisations, for example local police were notified about issues regarding security cameras in specific areas.

To increase the breadth of data collected, questions were not compulsory. For example, if a business did not wish to divulge financial information, the Officer moved on to the next question. This enabled the collection of a large amount of data on a wide range of topics.

The survey was designed to better understand what industry the businesses operate in, their issues, prospects, and what support they are looking for from the Mornington Peninsula Shire.

Overall survey results

SURVEY HIGHLIGHTS

- High business confidence
- Increased level of income for more than 50%
- Employment stable and increasing
- Growing customer base
- Businesses surveyed included those in areas without Chambers of Commerce or business associations
- Largest survey that Council has ever undertaken

ADDITIONAL OUTCOMES

- Businesses felt listened to
- Customer service issues were addressed
- Increased awareness of support offered
- Businesses got the information they needed
- Data already used in projects such as:
  - delivering COVID support
  - choice of workshop topics offered
  - increased mentoring service offerings
  - review and refresh of digital content

Rosebud commercial precinct

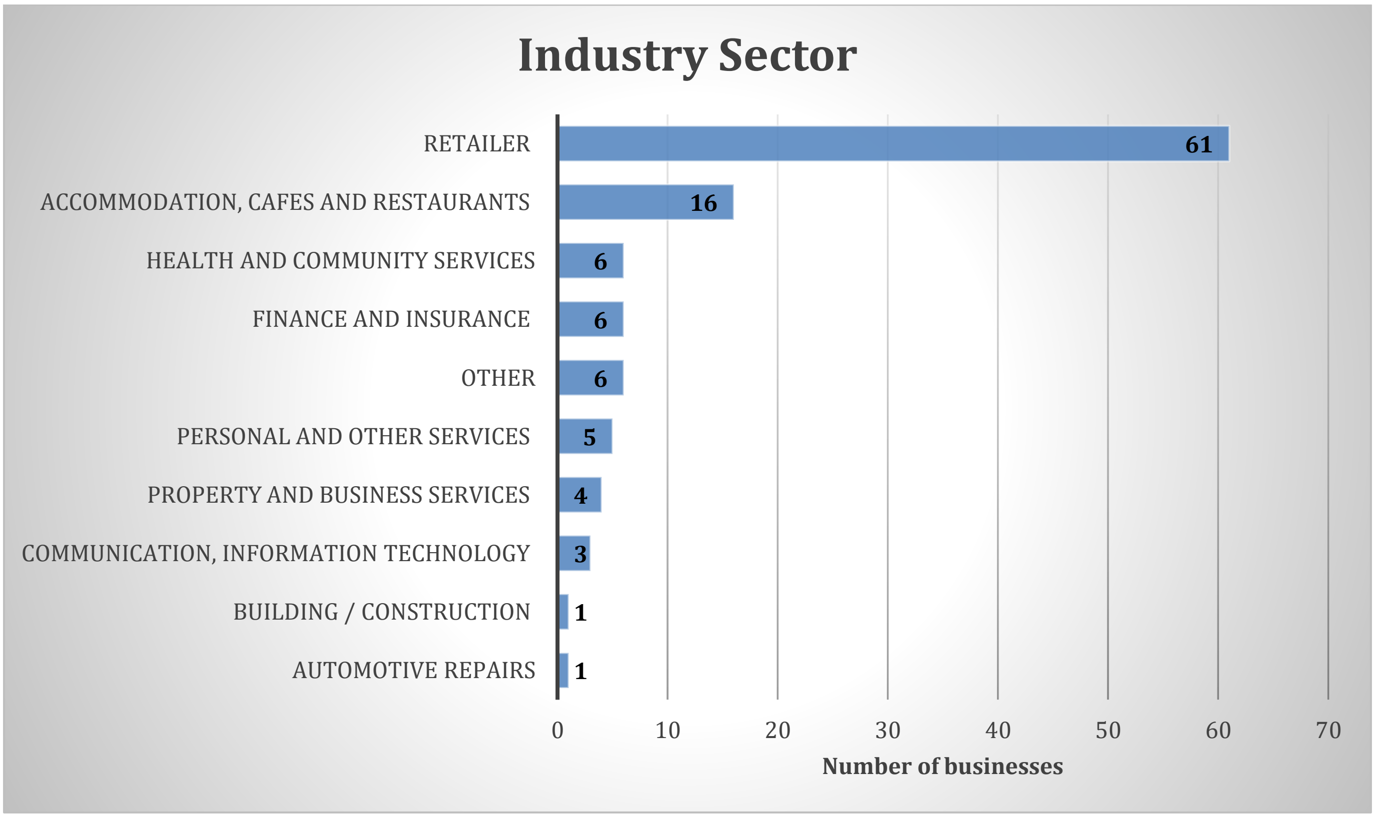
Of the 1,912 surveys conducted across the Mornington Peninsula, 127 were conducted in the retail precinct of Rosebud.

The following datasets are based on surveys completed by the Rosebud businesses.

The full business survey results are available on mpbusiness.com.au

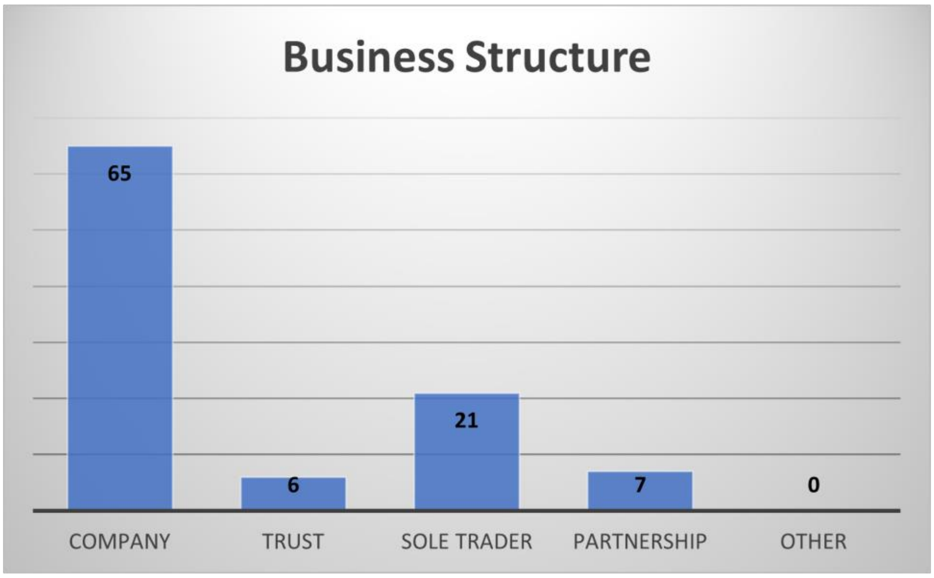
3. Industry sectors

The main industries that businesses surveyed included: Retailer (54.39%), Accommodation, Café and Restaurant (11.85%), Manufacturing (7.75%) and Building/Construction (6.70%).



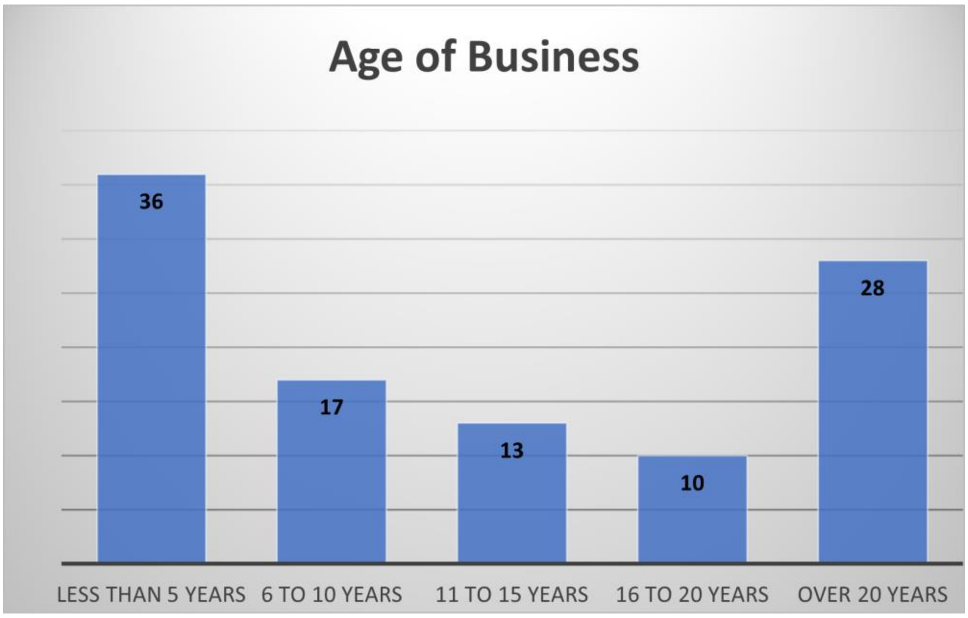
4. Business structure

Most businesses surveyed were set up as a Company, with Sole Trader as the second most popular structure in use.



5. Age of business

There are many long-term businesses across the peninsula, with businesses over 20 years old making up 26.92% of businesses surveyed in Rosebud. There are also 34.61% of businesses that are less than 5 years old. The smallest cohort is of businesses 16 to 20 years old.



6. Business confidence

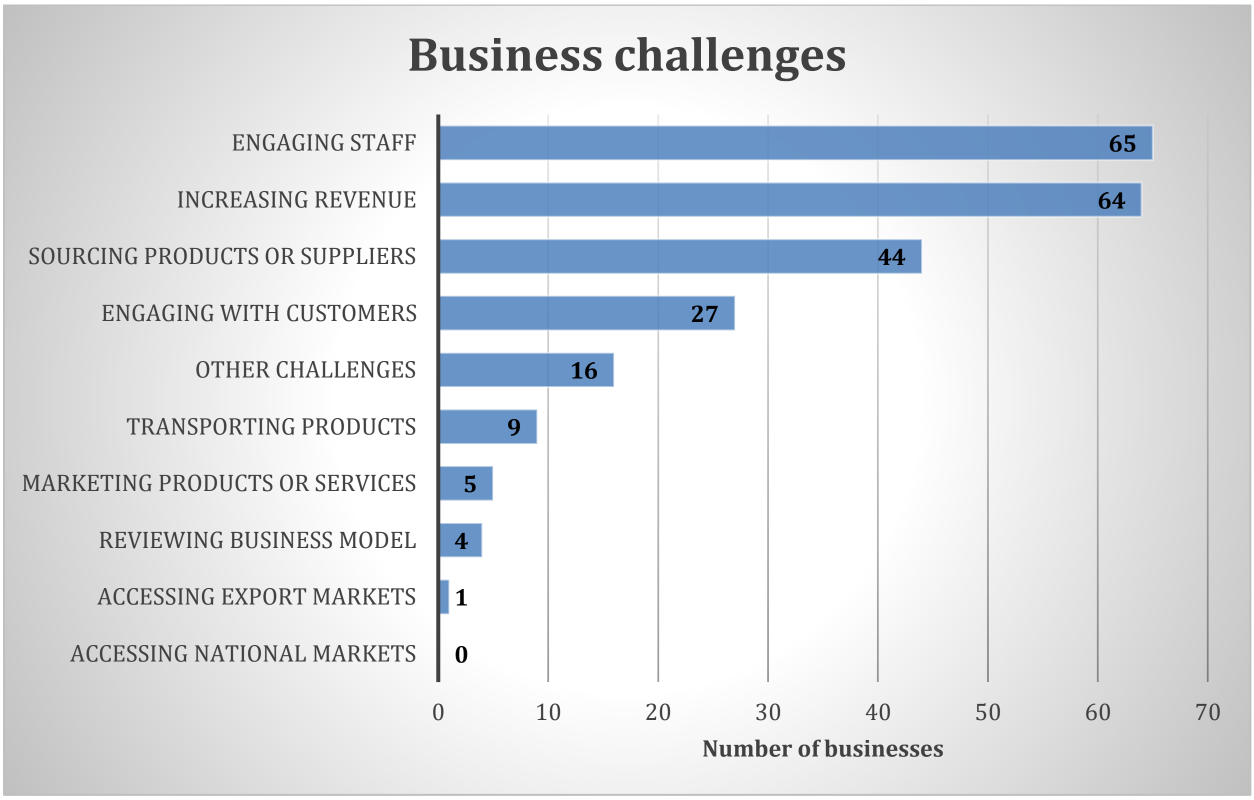
Rosebud businesses were asked what they rated their level of business confidence when looking ahead to the next 12 months, with a rating of 1 indicating extremely low business confidence and 10 being extremely high business confidence.

Overall business confidence is high with 77.66% of businesses rating their level of confidence five out of ten or higher, and 49.51% giving a rating of eight out of ten or higher. It is important to note that some respondents prefaced these levels of confidence on the condition that there would be no further shutdown periods.

Only 14.56% of businesses rated their confidence levels at below 5. These were businesses that were the most affected by shutdowns and travel restrictions and had compounding cashflow problems, for example gyms, travel agencies, tourism-based experiences, businesses catering to older people nervous about COVID risks, etc.

7. Forthcoming business challenges

Businesses were asked what challenges they think they will face within the next 12 months and the survey provided options that they were able to choose from.

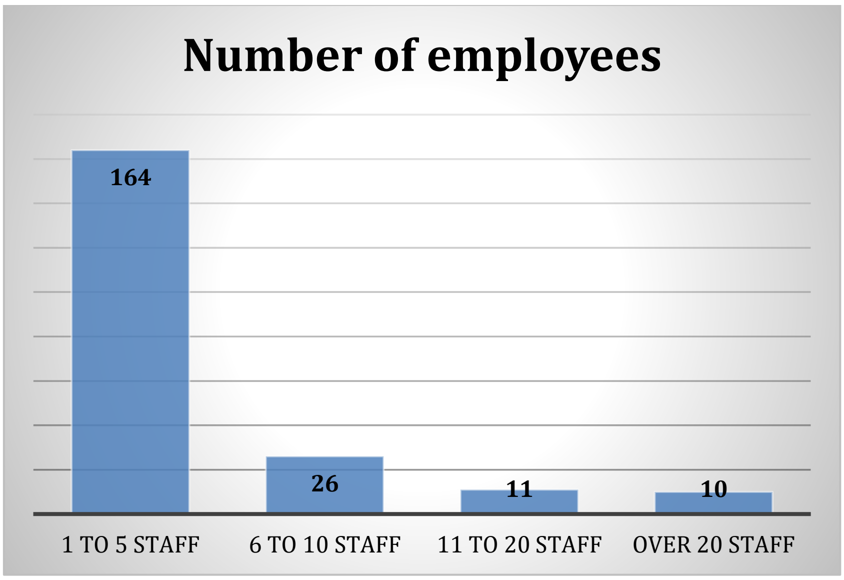


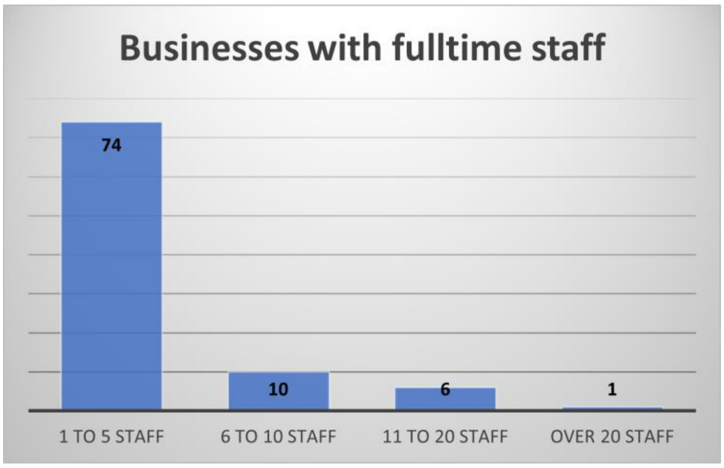
By far the biggest challenges facing businesses were engaging staff (42.20%) and increasing revenue (41.55%). The other main challenges included sourcing products or suppliers (28.57%) and engaging with customers (17.53%).

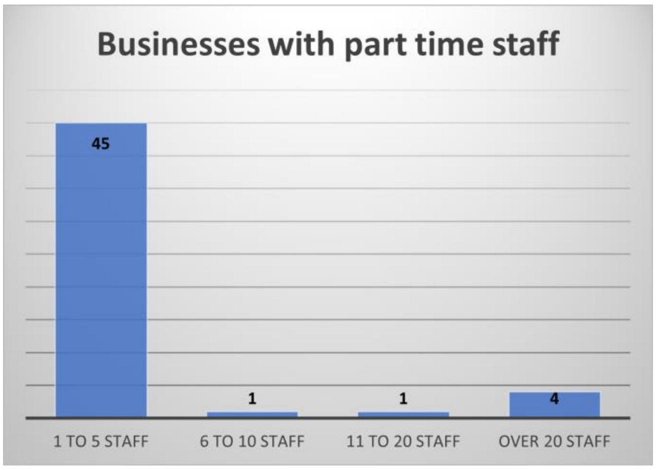
8. Employment information

Businesses were asked how many full time, part time and casual staff they employed. Business owners were included in the total number.

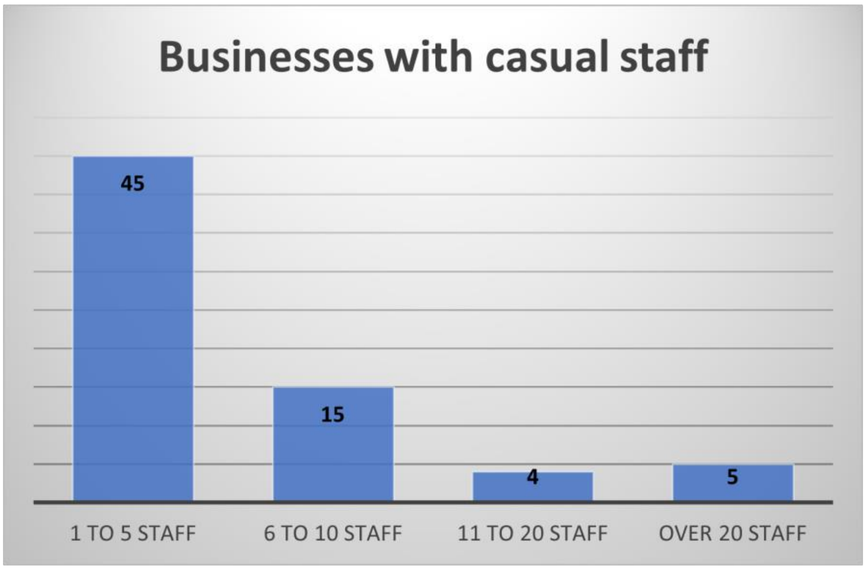
Rosebud businesses surveyed employed 5 staff or less. 81.31% of business that employ full time staff have 5 or less employees. While 84.5% of businesses that employ part time staff have 5 or less employees.





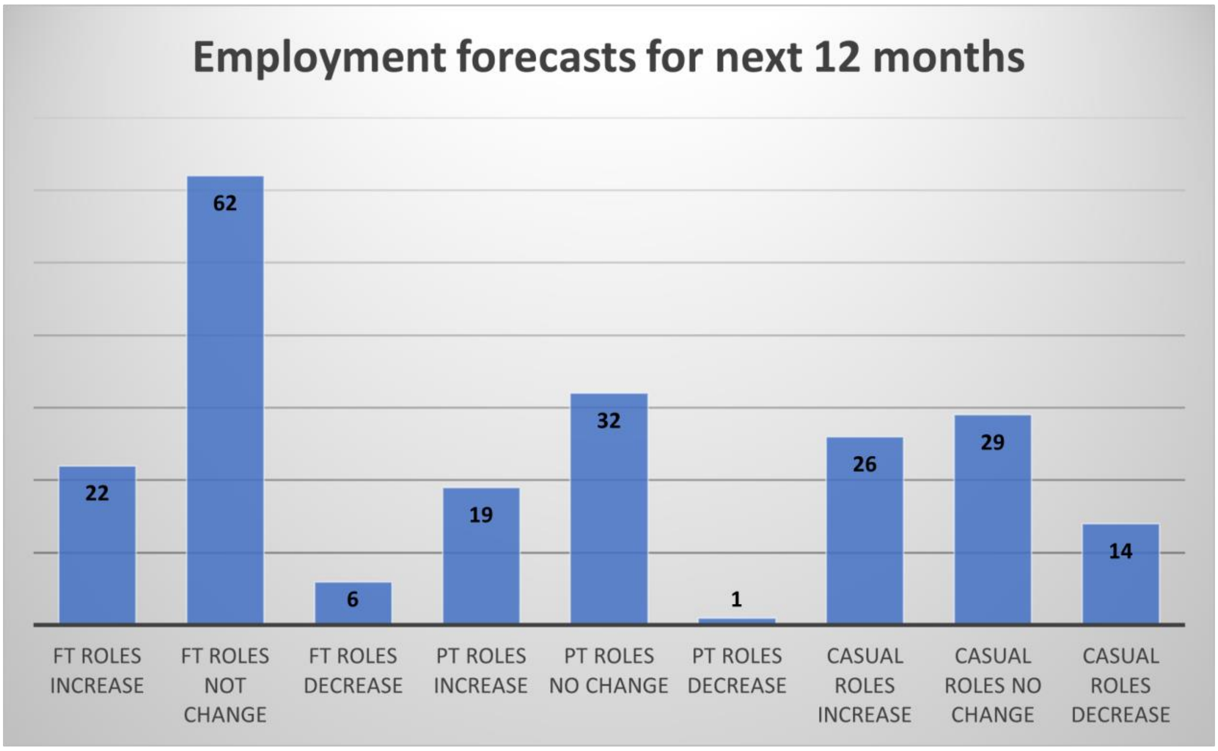


Of the businesses surveyed who employ casual staff, only 5 businesses employed more than 20 casual staff (7.24%).



9. Employment forecasts

Business owners were asked to forecast whether they expected the number of people they employed to increase, decrease, or remain the same over the next twelve months.



Most businesses surveyed either envisaged increasing the number of employees (31.75%) or remaining the same (58.29%). Only 9.95% businesses forecast a decrease in employment in the next twelve months.

Of the businesses that expected to increase employment, 32.83% expected to take on full time staff, 28.35% expected to take on part time staff, and 38.80% expected to take on casual staff. Some businesses expected to take on a combination of all three.

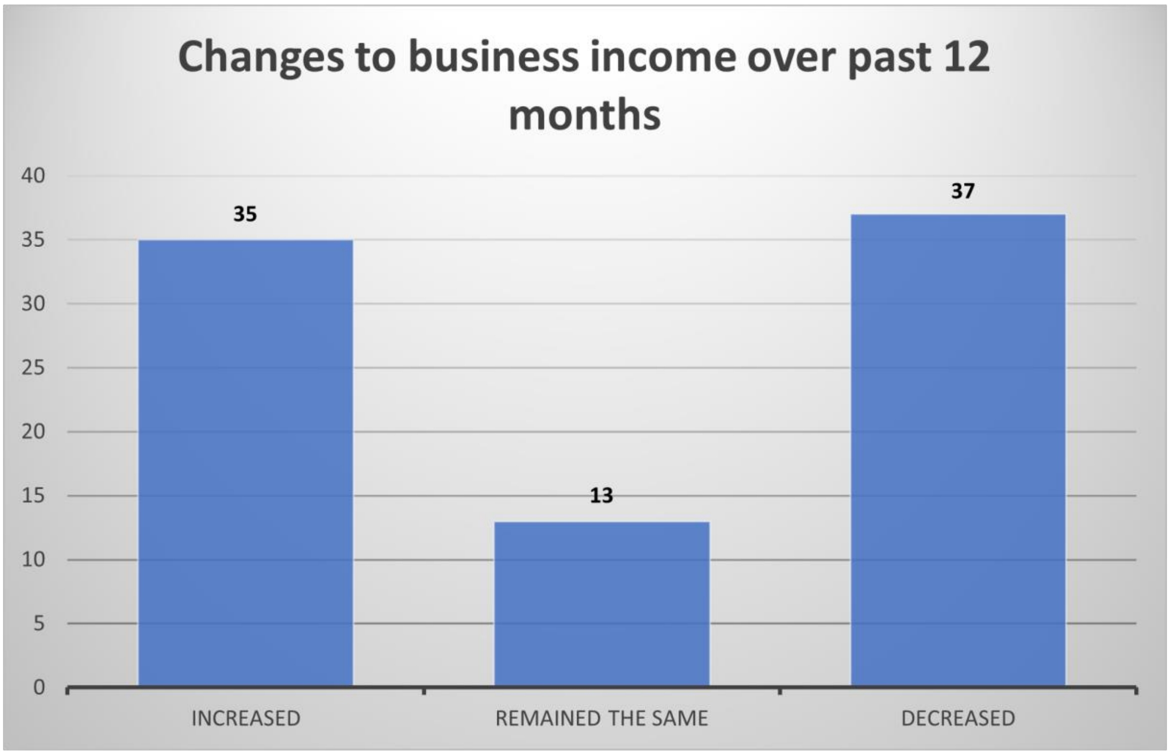
When asked if business had difficulty in filling vacancies 78.84% responded YES, and 21.15% responded NO.

10. Business income and customer base

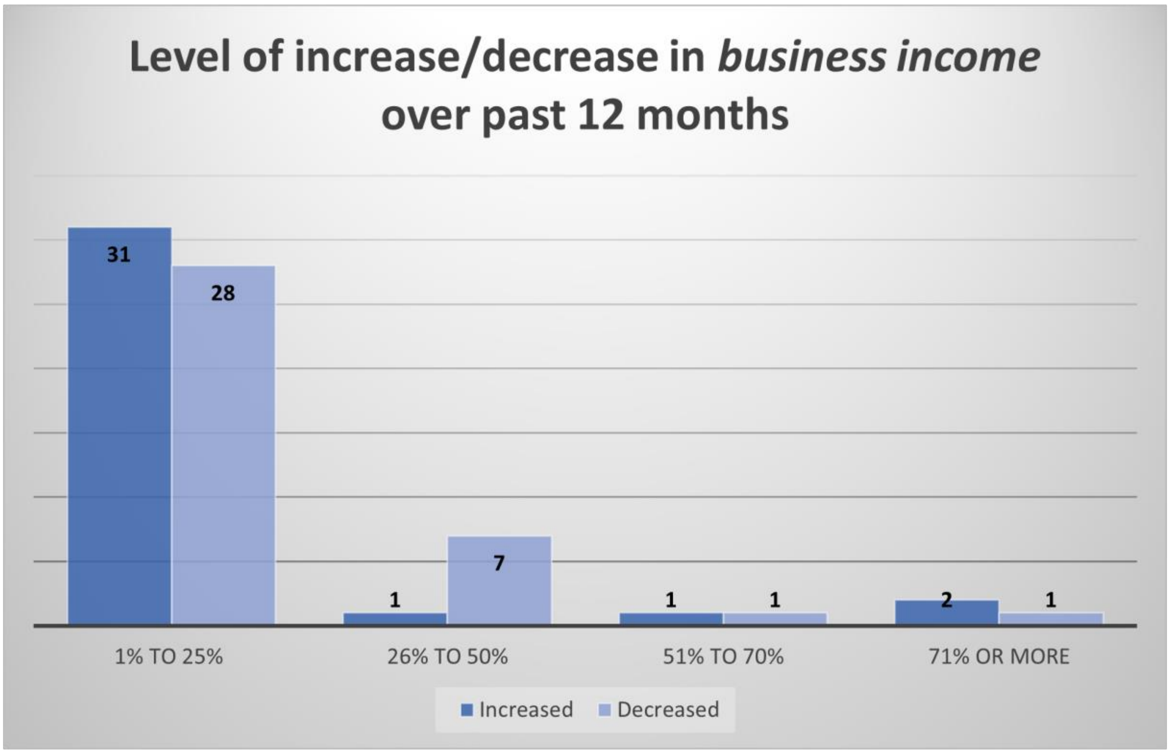
Businesses were asked if, and by how much, their gross business income and customer base had changed over the past twelve months, and how they thought it would change in the next twelve months.

10.1 Changes to gross business income over *past* 12 months

The table below looks at an overall view of whether businesses experienced an increase or decrease in their income over the past twelve months, or if it remained the same. Of the businesses responding, 43.52% reported a decrease in business income, and 41.17% reported an increase in business income.



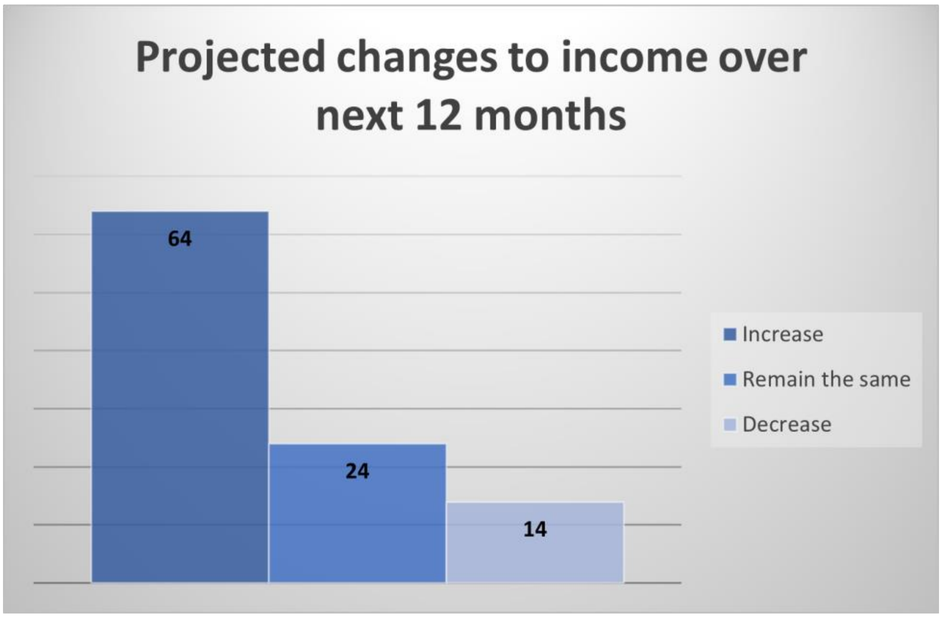
The below table indicates the percentage increase or decrease in gross business income experienced by businesses over the past twelve months. 81.94% were impacted with an up to 25% positive/negative change in their income.



Of the businesses negatively impacted, 24.32% experienced more than 26% decrease in their income, with 5.40% experiencing decreases of more than 50%.

10.2 Changes to business income over *next* 12 months

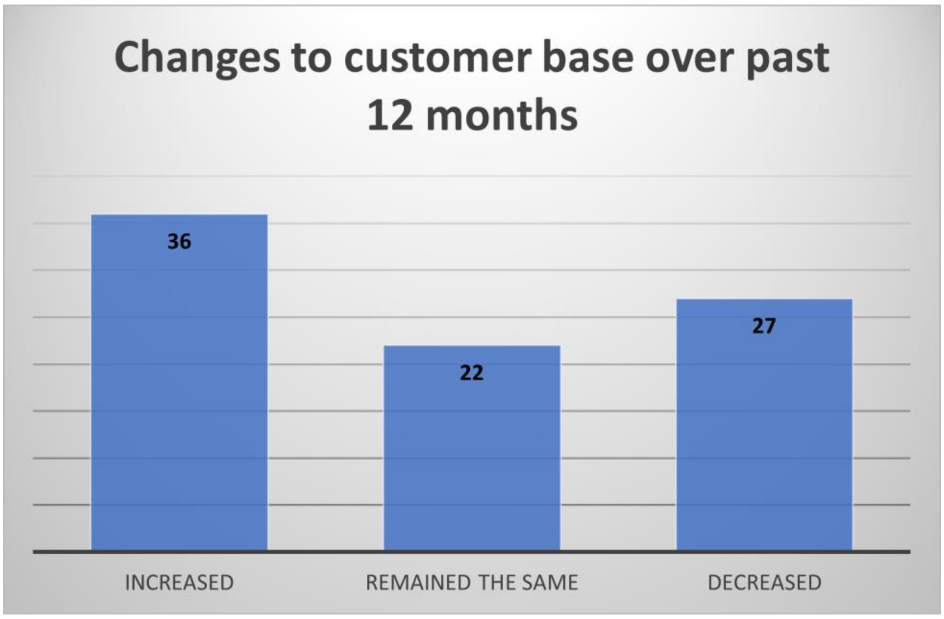
Businesses were then asked how they think their gross business income will change over the next twelve months.



Most of the business, 62.74% felt that their business income would increase over the next twelve months, with 23.52% expecting income to remain the same and 13.72% anticipating income to decrease.

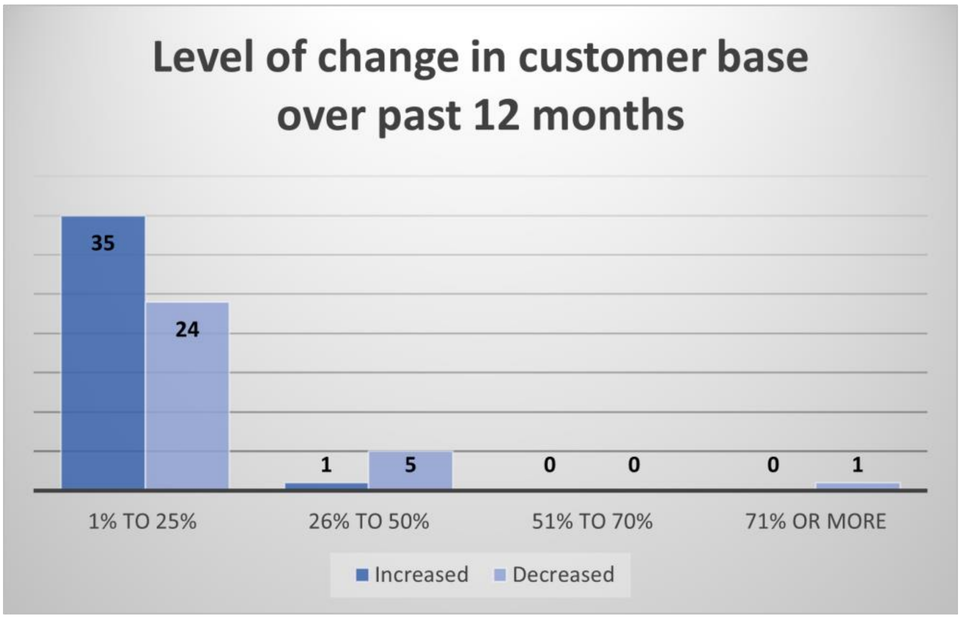
10.3 Changes to customer base over *past* 12 months

While customer base and business income are inextricably linked, there were sometimes noticeable differences.



The chart shows that the figures do differ from changes to income over past 12 months. 35.29% of businesses saw their customer base increase, 25.88% stayed the same and 31.76% saw their customer base decrease. Businesses that suffered a loss in income did not necessarily suffer a loss in customer base. Often their customer base remained the same, however their customers were prevented from being able to use their services due to the COVID restrictions that were in place, or their average sale value was reduced.

The below table indicates the increase or decrease in customer base that businesses experienced over the past twelve months. Of the businesses surveyed 28.23% of businesses experienced a decrease in their customer base, with 7.05% of businesses experiencing a decrease in their customer base of more than 26%.



10.4 Changes to customer base over *next* 12 months

Businesses were then asked how they think their gross customer base will change over the next twelve months.

Most business, 69.90% felt that their customer base would increase over the next twelve months, with 22.33% expecting it to remain the same and 7.76% anticipating it to decrease.