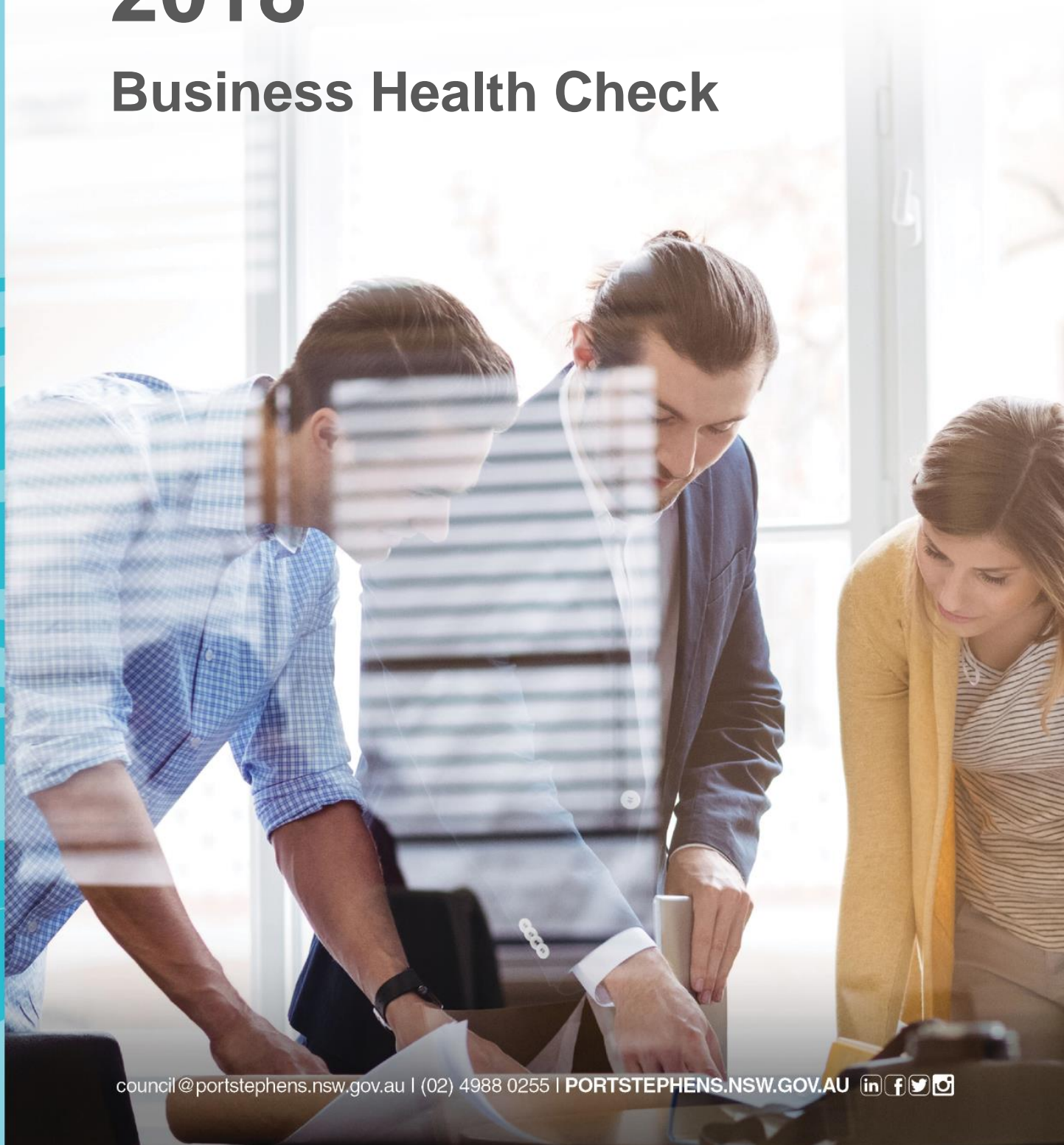




PORT STEPHENS
COUNCIL

Port Stephens 2018

Business Health Check



Analysis and Report

Introduction

Port Stephens Council is committed to leading an integrated and collaborative approach to the delivery of the community's focus of a liveable and vibrant place supporting local economic growth.

The Port Stephens Business Health Check was developed to provide an overview of business conditions across the community, insight into the needs of business, and emerging trends and opportunities. The survey also provides a platform for business to communicate concerns, provide feedback and suggestions on growing the Port Stephens economy.

The survey was conducted over an 8 week period between 12 June and 8 August 2018 attracting a total of 206 valid responses received online, in writing, or face-to-face with a member of the Economic Development and Tourism Team.

The results have helped inform actions within the new Economic Development and Tourism Strategy and will guide more informed decision making, leading to more effective outcomes.

The survey will be repeated every two years to monitor conditions and emerging trends across Port Stephens.

Key Findings

- Lifestyle and the natural assets are an important attractor
- The overall health of business in Port Stephens was good
- The future looks positive for business in Port Stephens

Key issues

- Youth preparedness for work and general recruitment difficulties
- Internet and mobile phone services
- Town centre amenity
- Seasonality

Key opportunities

- Engagement between business, local school and students
- Activating and engaging future workforce
- Town centre improvements
- Increased training and upskilling for local business
- Improved internet and mobile services

Methodology

The Department of State and Regional Development's Business Retention and Expansion (BRE) survey provided a foundation for the Port Stephens Health Check. The BRE was modified to suit the local Port Stephens business environment.

A draft version of the Health Check was tested by a cross-section of local businesses prior to being finalised and distributed. It was then launched with an integrated communications campaign to ensure it attracted a representative sample size from a wide cross-section of the business community. The Health Check survey was distributed via the following channels:

- PSC BizLink Newsletter
- Tomaree Business Chamber
- Destination Port Stephens
- Port Stephens Women in Business
- Face-to-face visits across Port Stephens
- Industry member meetings
- Media releases
- Social media marketing
- Let's Talk Tomago

About Port Stephens

Port Stephens is a significant economic hub and forms part of the Hunter Region, the largest regional economy in Australia. The Port Stephens' economy has a diverse industry and employment base built around the natural environment. Well established manufacturing, defence and aviation facilities together with access to markets in Sydney, the Hunter and the Port of Newcastle, are key strengths.

Location and access to transport infrastructure creates a strong competitive advantage, with key linkages to national markets via the M1 Pacific Motorway, Pacific Highway Corridor and New England Highway.

These transport networks support a robust manufacturing sector at Tomago leading in metals manufacturing, heavy engineering, and light industrial.

Port Stephens attracts over 1.5 million visitors per year, injecting more than \$539M into the local economy. Newcastle Airport, located in Port Stephens, is widely recognised as a major economic driver for the region, with over 1.2 million passengers per year and potential international capability to increase visitation.

POPULATION
71,736



\$4.8 billion
REGIONAL EXPORTS

\$3.6 billion
REGIONAL IMPORTS



27,346
JOBS

4849
ACTIVE
BUSINESSES



\$4.8 billion
GROSS REGIONAL
PRODUCT

\$10,913 million
OUTPUT



\$539 million
TOURISM
EXPENDITURE

SOURCE: REMPLAN January 2019



\$141.7 million
RESIDENTIAL
BUILDING
APPROVALS

Visitor economy

\$539m
in visitor
expenditure

1.5m
visitors per
annum

2,221
people
employed

Employment by industry

Public safety and administration **14.75%**

Manufacturing **11.79%**

Construction **11.41%**

Retail trade **10.48%**



Key drivers of output

Manufacturing **29.2%**

Construction **14.7%**

Public admin and safety **13.2%**

Renting, hiring and real estate **8.7%**



Strategic infrastructure assets

Newcastle Airport

RAAF Base Williamtown

Port of Newcastle

Defence and Airport Related Industrial Zone



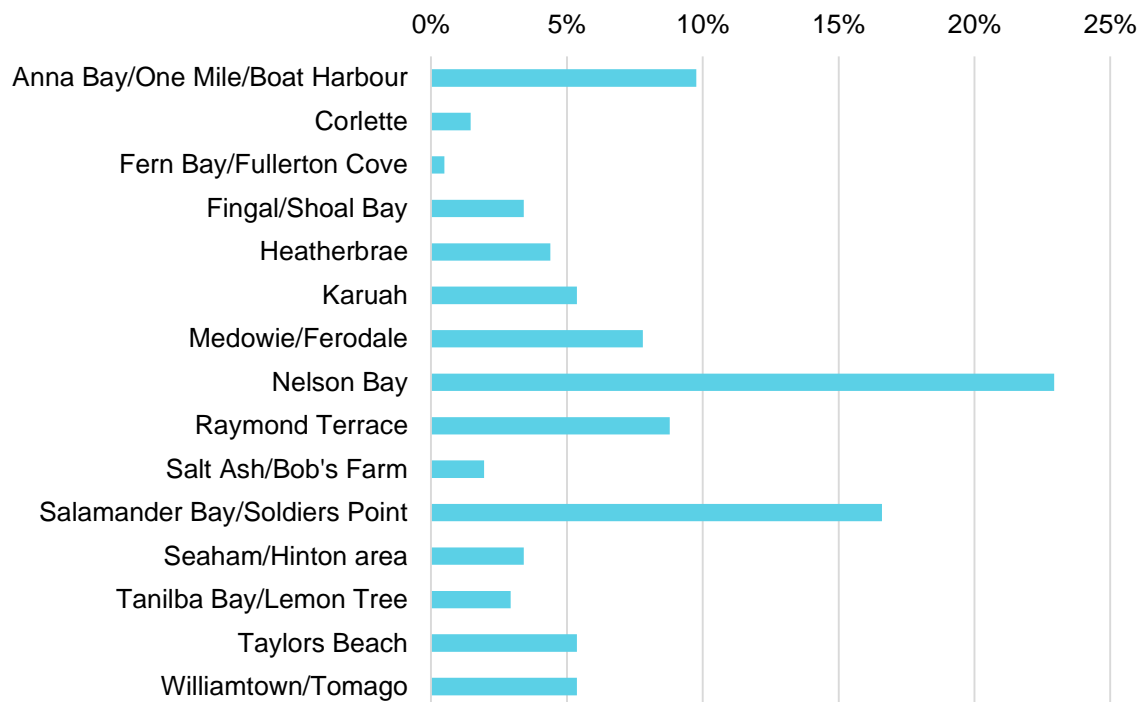
(DAREZ)

The Results

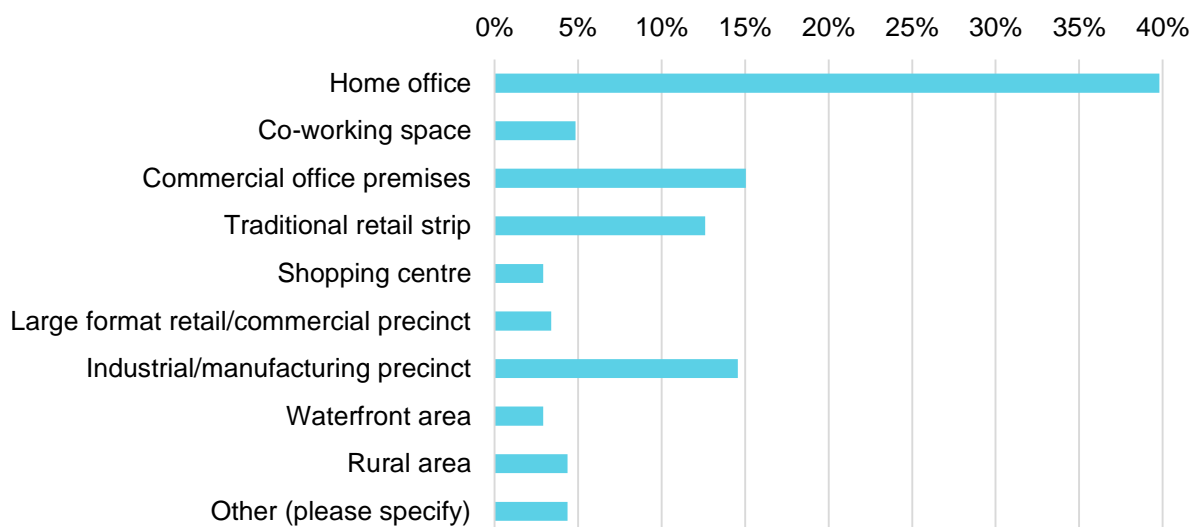
Part A: Business Profile

(To maintain privacy, responses to Questions 1 and 2 are not reported)

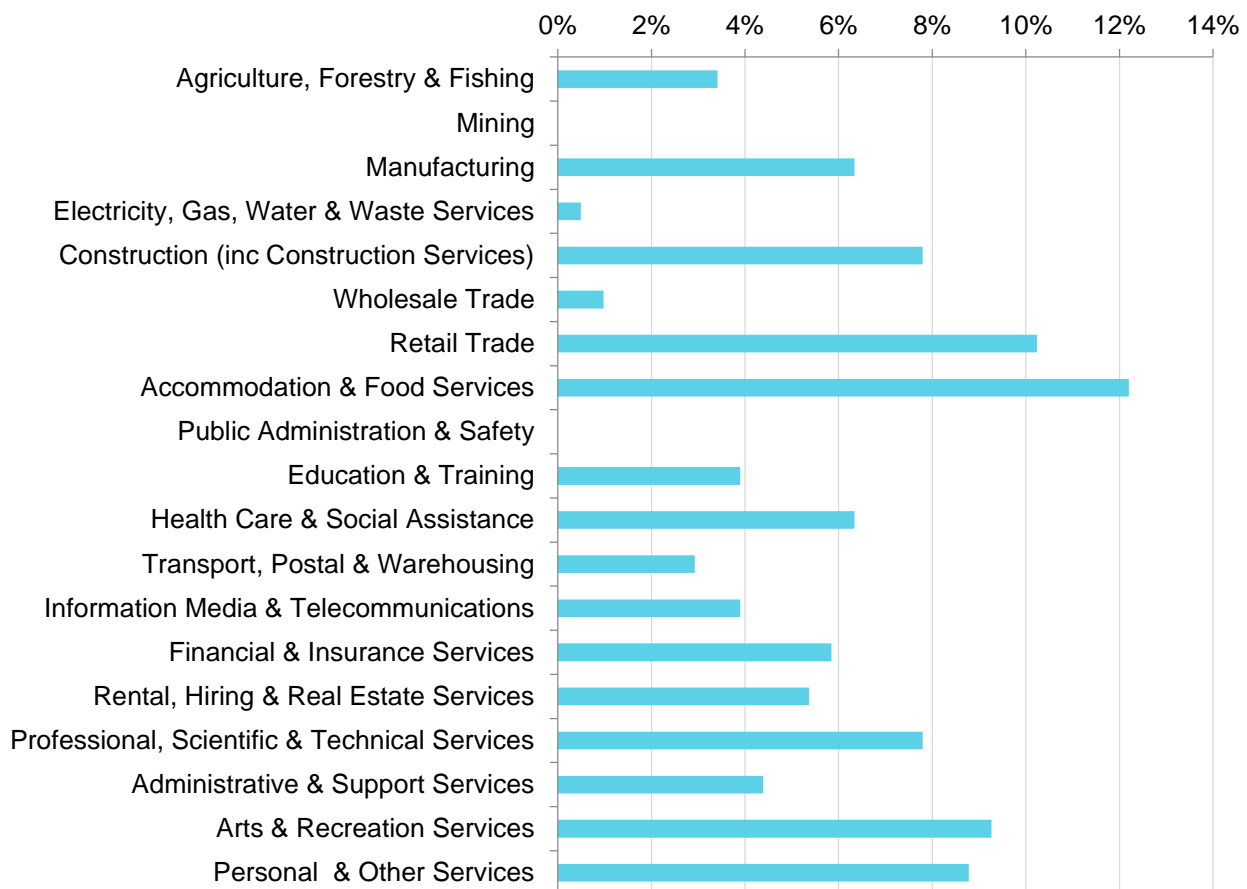
Question 3: What is the primary location of your business?



Question 4: Where does your business operate from?

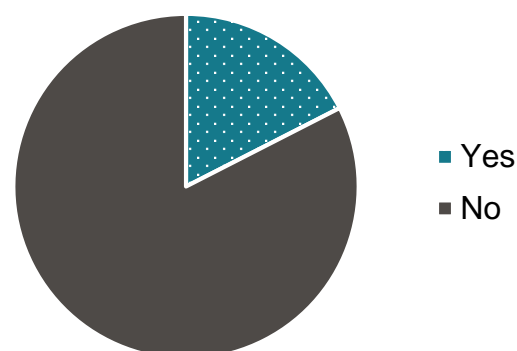


Question 5: Which one of the following (ANZSIC codes) most closely describes the main industry of your business?



Question 6: Provide a brief description of your business (responses not reported to maintain privacy)

Question 7: Has this business moved to Port Stephens from another area?

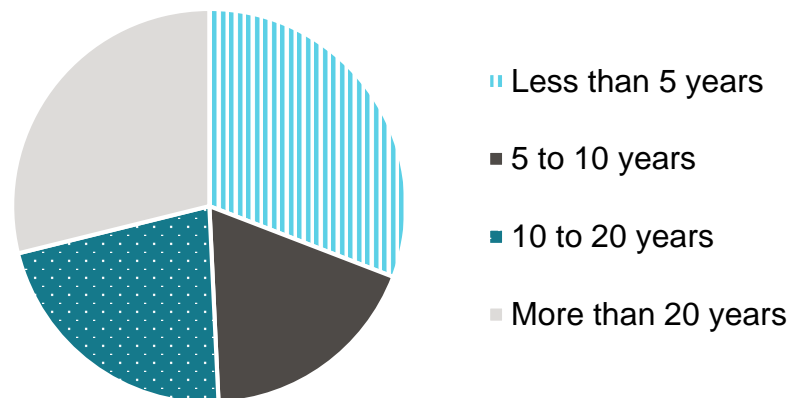


Question 8: If so, where did your business relocate from and why?

The decision to relocate a business was most frequently based around lifestyle which was perceived as better for the whole family. A key enabler is the trend towards remote working which increasingly enables people to choose their preferred home base, rather than residential location being dictated by work location. The majority of relocated businesses originated from Sydney and Newcastle.

"We moved to Salt Ash, mainly because the area is fantastic for raising our 3 children and the house/land size much larger compared to what we had"

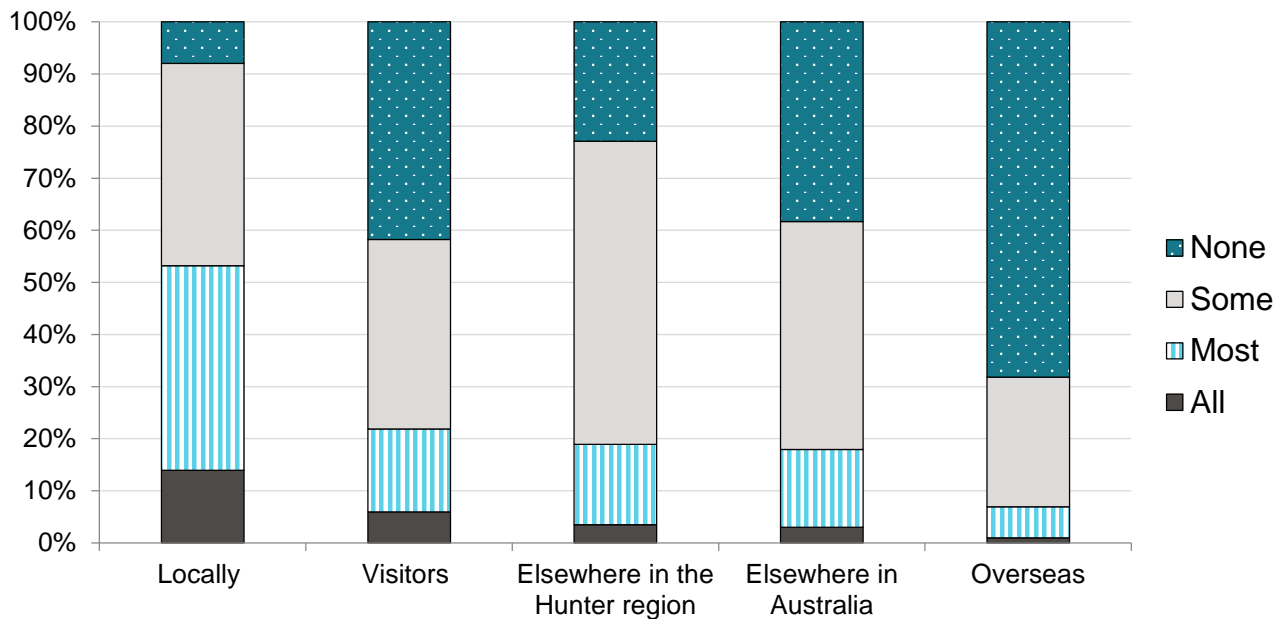
Question 9: How many years has this business been in operation?



KEY FINDING

Results are indicative of a stable and healthy business community, with the 31% of startups well supported by the 51% which have been in business for 10 or more years

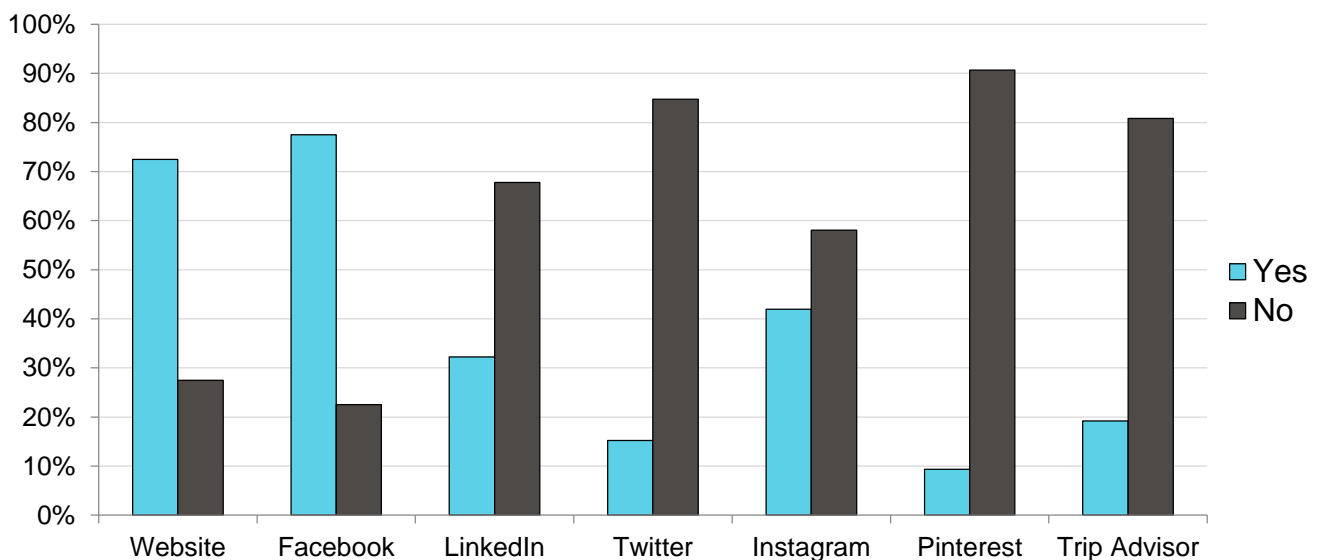
Question 10: Where do you sell your products/services?



KEY FINDING

Exports appear comparatively low, with only 30% of respondents reporting some level of export activity. This is not surprising considering the high survey response from smaller businesses, which are traditionally less likely to export. External export data for Port Stephens indicates the value of exports to be \$4,833M, half of which is derived from manufacturing exports. Manufacturers represented only 5% of survey respondents.

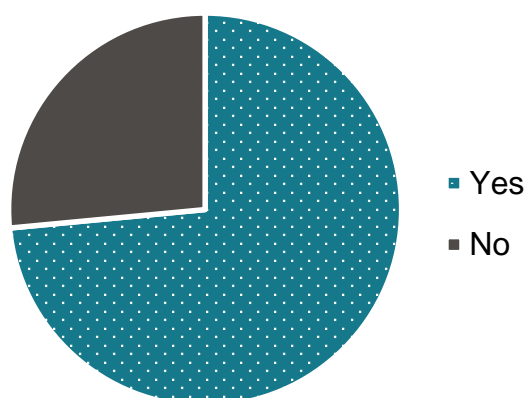
Question 11: Does your business have an active online presence?



**KEY
FINDING**

Of the 59% of businesses which derive at least some income from visitors (Q10), only 32% use TripAdvisor as part of their branding and communications strategy. It is encouraging however to note that in Question 27, 78% of respondents are interested in Marketing and Social Media training.

Question 12: Does your business support local community organisations, schools, sporting groups and events?

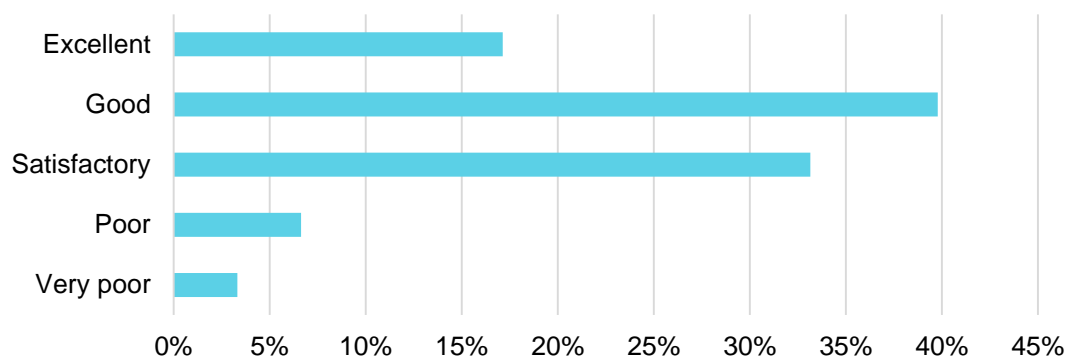


Question 13: Can you please describe the type of organisations and support you provide?

Local businesses are very community-minded, tending to support organisations and causes in which they have a personal interest. Support ranges from career advice and work experience to sponsorship, donation of prizes, cash support, use of space rent-free, loan of equipment and shared expertise. Some businesses even save their recyclable bottles for local schools to Return and Earn.

Part B: Business Environment

Question 14: What is your overall opinion of Port Stephens as a place to conduct business?



Why **Excellent**? The beauty of the natural environment and the opportunities it creates for business and an "idyllic" lifestyle. The supportive nature of the local community and the value of business networks.

"Excellent area for local customers, domestic and international visitors. The area is growing and changing which makes it an exciting time."

Why **Good**? Supportive business community, proximity to customers and transport links; access to services; location, lifestyle and opportunities presented by tourism.

Why **Satisfactory**? Difficulties with reliable internet services, accessing specialty staff and skilled trades, the need to leverage more from tourism and develop the off-season economy.

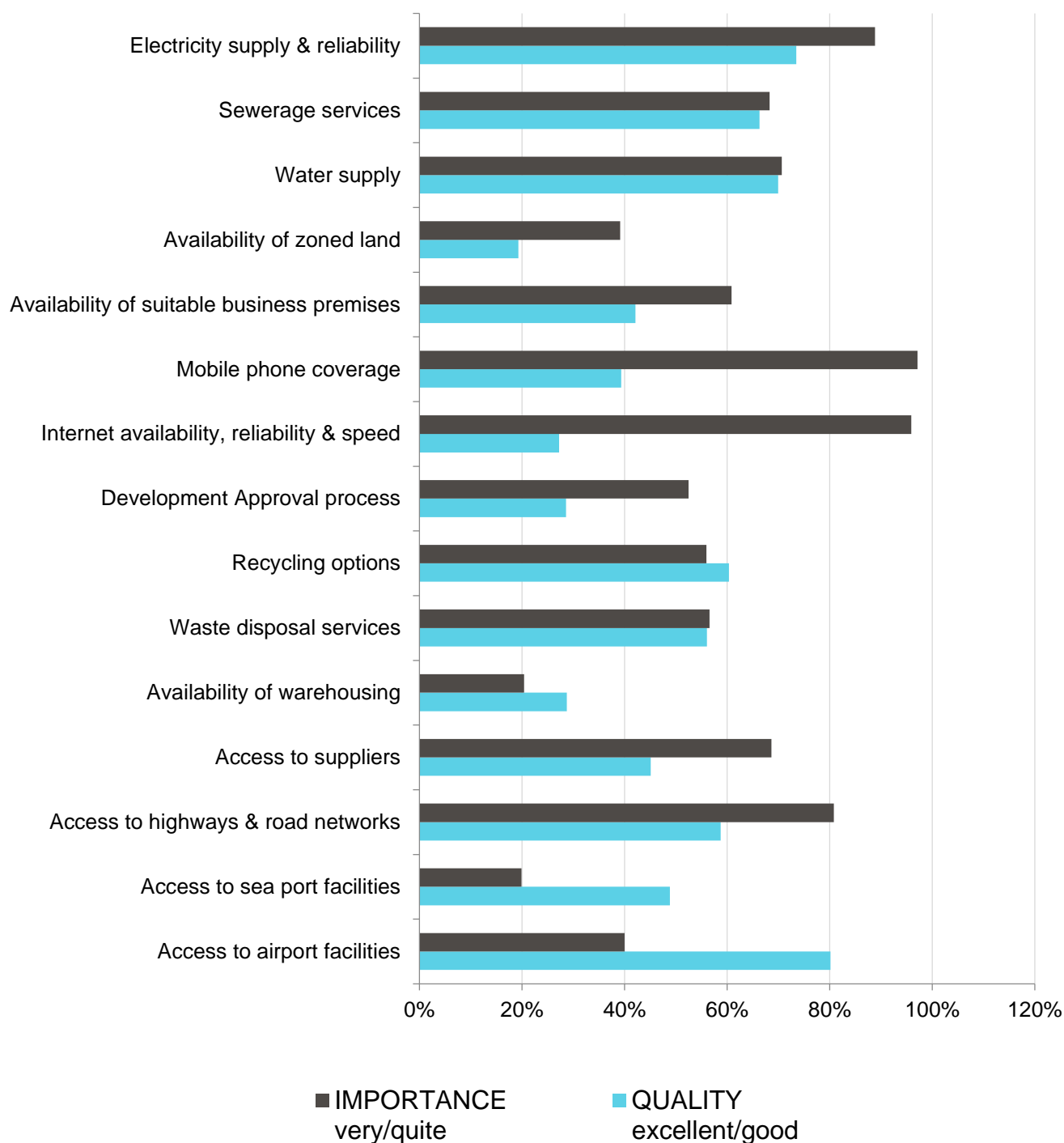
"The location and community are great, but the seasonal trade makes it really hard to budget and succeed in business".

Why **Very Poor or Poor**? A professional approach to business was generally thought to be lacking, and that the area seemed tired with too many vacant shops and poor digital services in some areas. Businesses also struggle with declining profitability, citing lack of customer loyalty, online shopping and the challenges of business survival in a seasonal economy.

"The area still feels like a closed shop to outsiders, and risk adverse."

Question 15: Please rate the following services and infrastructure on their quality and importance to your business

Respondents were asked to rank Port Stephens' infrastructure for Importance and Quality. Ideally, infrastructure items which are ranked highly for Importance should also rank highly for Quality. Unfortunately for a number of items, most notably Internet and Mobile Phone Services, this is not the case. The following chart illustrates perceptions of the gap between Importance and Quality. For all responses, see Appendix 1.

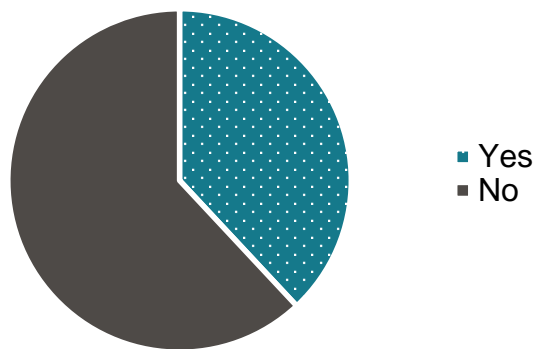


Question 16: Please rate the following lifestyle attributes on their quality and importance to you.

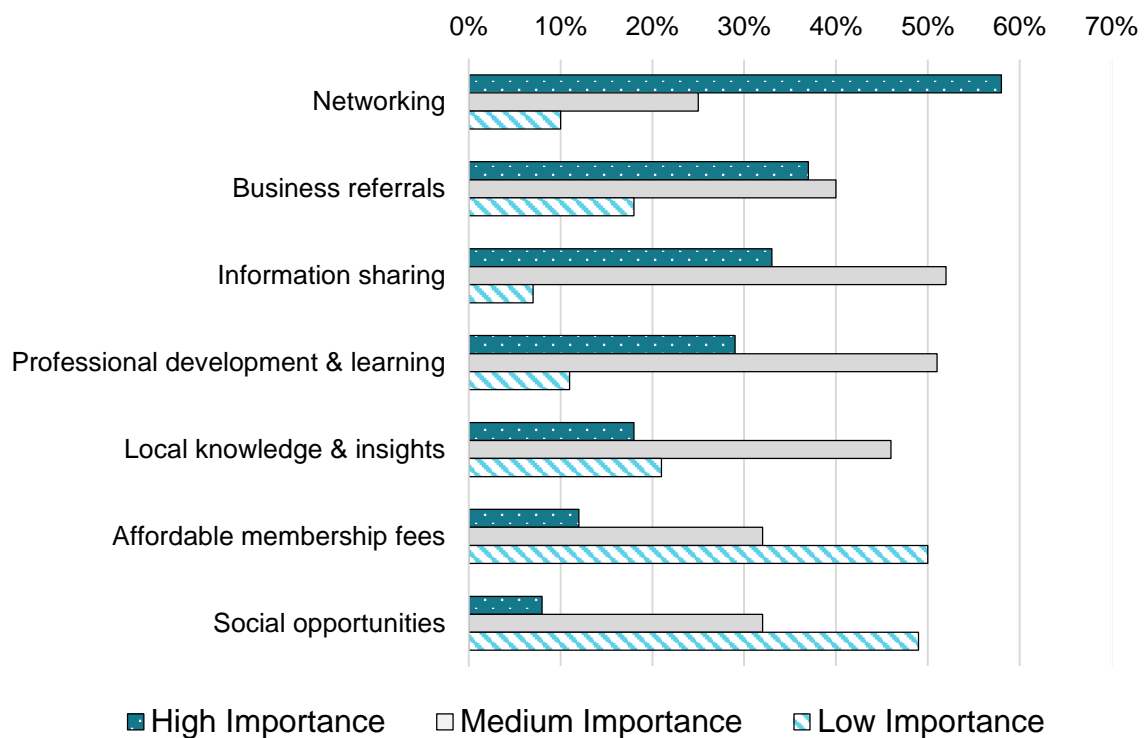
Respondents were asked to rank Port Stephens lifestyle attributes for Importance and Quality. Ideally, lifestyle items which are ranked highly for Importance should also rank highly for Quality. As with the previous chart, there are a number of areas in which the Quality ranking is significantly lower than the Importance ranking, most notably Town centre amenity, Employment and Higher education opportunities. The following chart illustrates perceptions of the gap between Importance and Quality. For all responses, see Appendix 2.



Question 17: Are you an active member of any business groups?

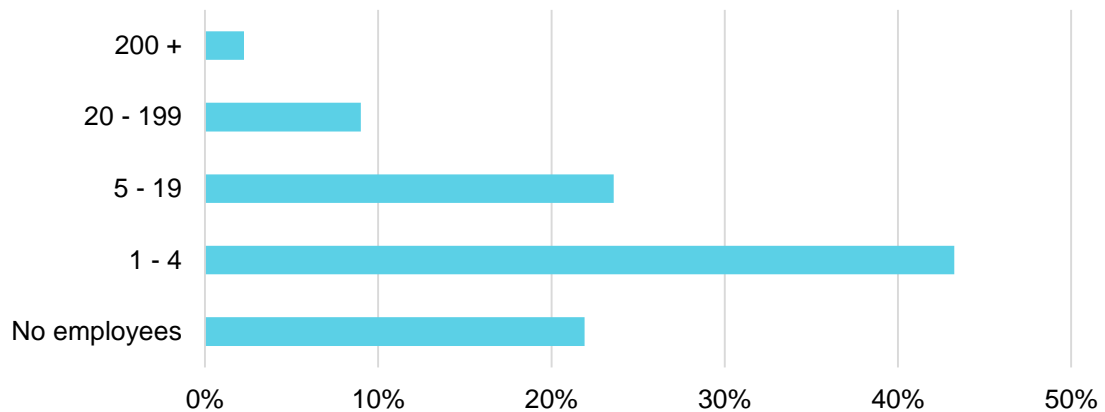


Question 18: If yes, please rank the benefits of your membership.

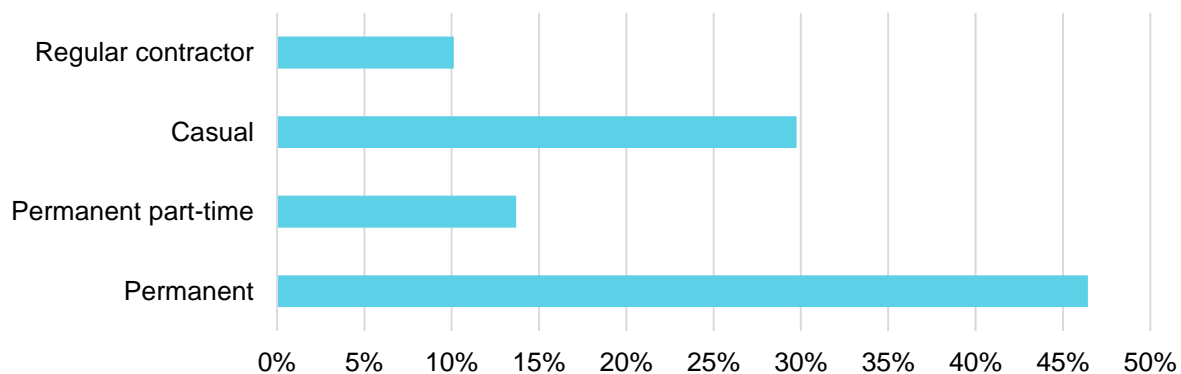


Part C: Employees

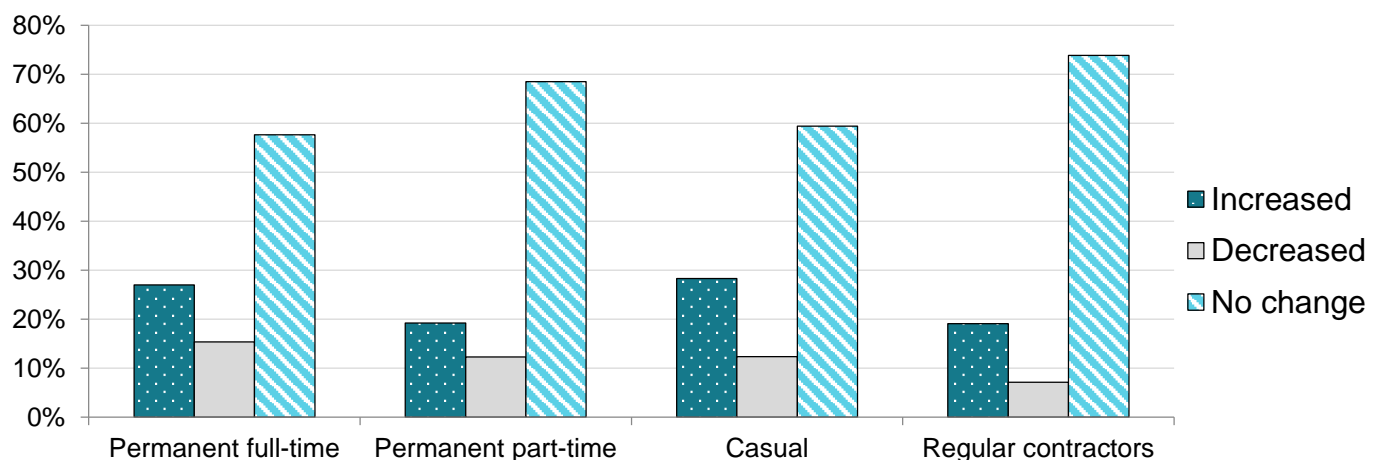
Question 19: How many people does the business employ? (Respondents with no employees skipped to Question 24 here)



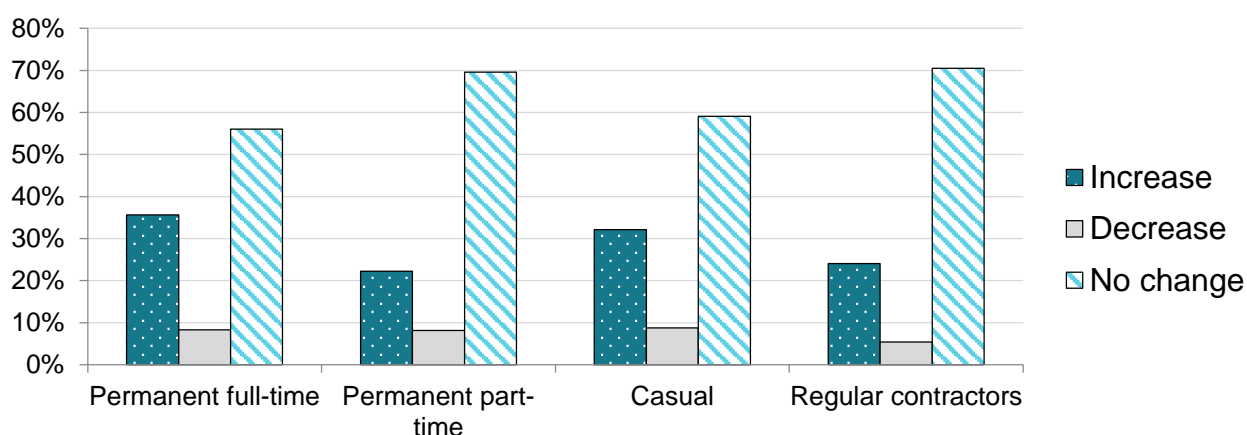
Question 20: Which employment type represents the majority of employees in your business?



Question 21: How have employee numbers changed in the past 2 years?



Question 22: How do you predict employee numbers will change in the next 2 years?



Question 23: Please outline the key factors underlying change in employment

Comments illustrate the diverse experience of employers in Port Stephens.

Respondents predicting a **growth in employment** attributed it to:

- Improved business practices;
- Diversification and expansion, including from visitors;
- A number of businesses noted a preference to utilize contractors and casuals as the business was growing, until the growth settled into a regular pattern, when full time permanent staff would be hired.

When compared to all respondents, it was noted that businesses predicting growth in full time employment were significantly more likely to be active members of a business group and employ apprentices/trainees, and significantly less likely to be located on a retail strip.

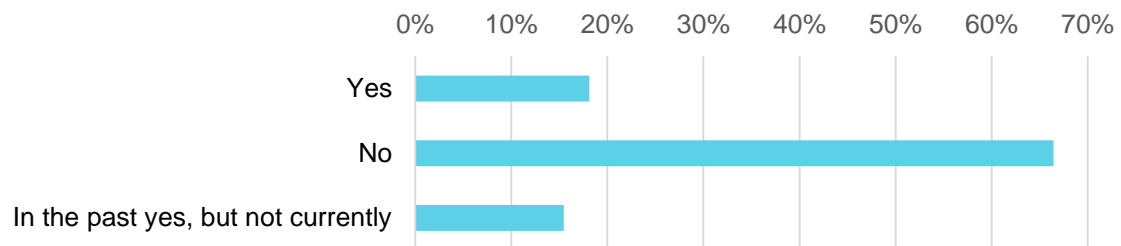
"Casuals and contractors are used for surge response. We tend to go for permanent when we are confident about the 'base load' (demand)"

Respondents predicting **declining employment** attributed it to:

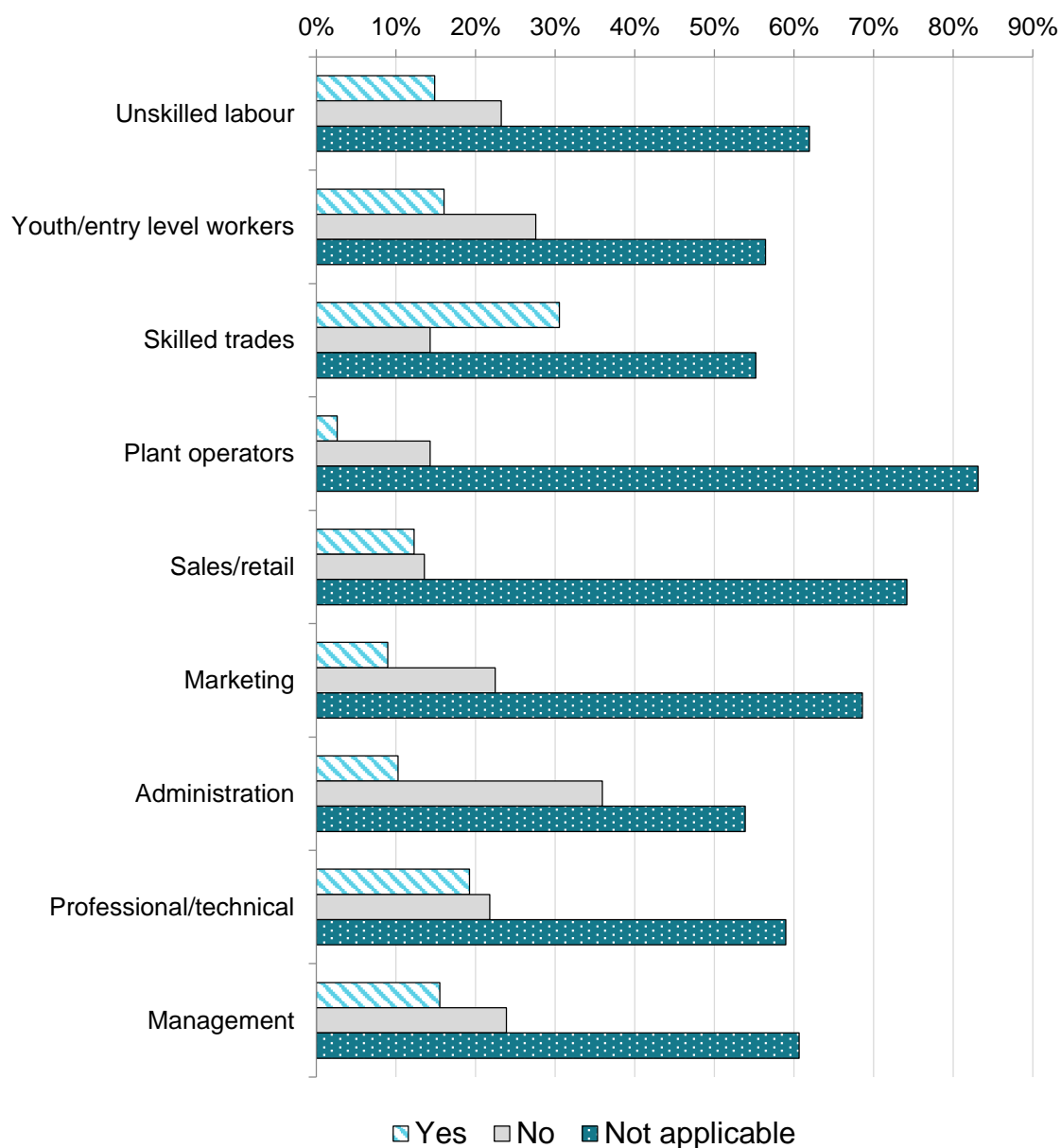
- Increased competition (notably new shopping centres, online retail and food vans);
- Technology and improved business processes rendering positions obsolete;
- Difficulties recruiting qualified, experienced and reliable staff;
- Reducing employee numbers as business owners scaled down towards retirement;
- Moving towards a more casualised workforce as a way to cope with increasing costs, the irregularity of demand and seasonality; and
- General business slow down.

When compared to all respondents, it was noted that businesses predicting a decline in full time employment were significantly more likely to be located on a retail strip, and significantly less likely to be an active member of a business group.

Question 24: Does your business currently employ apprentices or trainees?



Question 25: Does your business have difficulty recruiting in any of the following groups?



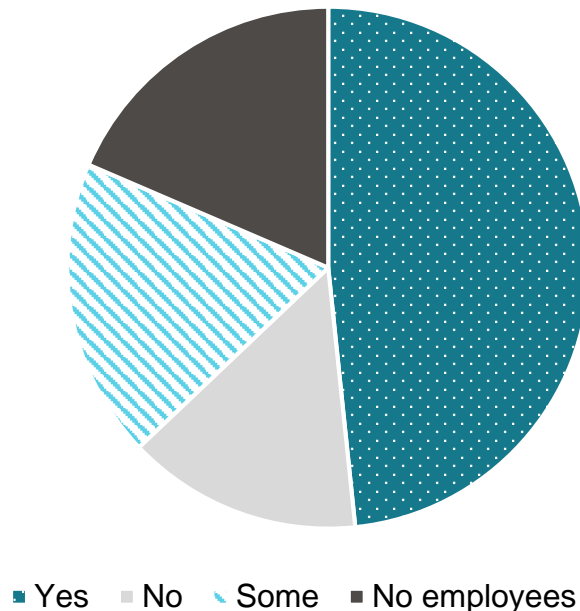
Respondents having difficulties described the issues they experienced:

- Number and quality of applicants, (particularly youth) and the perception of a sense of entitlement, poor standards, motivation, attitude and work ethic which are not consistent with the expectations of business. See Question 29 for more on Youth and Unemployment
- Generally difficult to find good, skilled staff and quality tradespeople.
- Losing staff to higher pay and quality jobs in Newcastle and the Hunter Valley;
- Candidates not wanting to travel for work;

Particular difficulties were noted with: marina related, administration, sales and marketing, skilled trades (mechanics, carpenters mechanical plumbers), and engineers, GPs, vets, experienced mortgage brokers, experienced managers, general professional/technical skills and chefs.

Part D: Training

Question 26: Is appropriate training for your employees reasonably accessible and available?



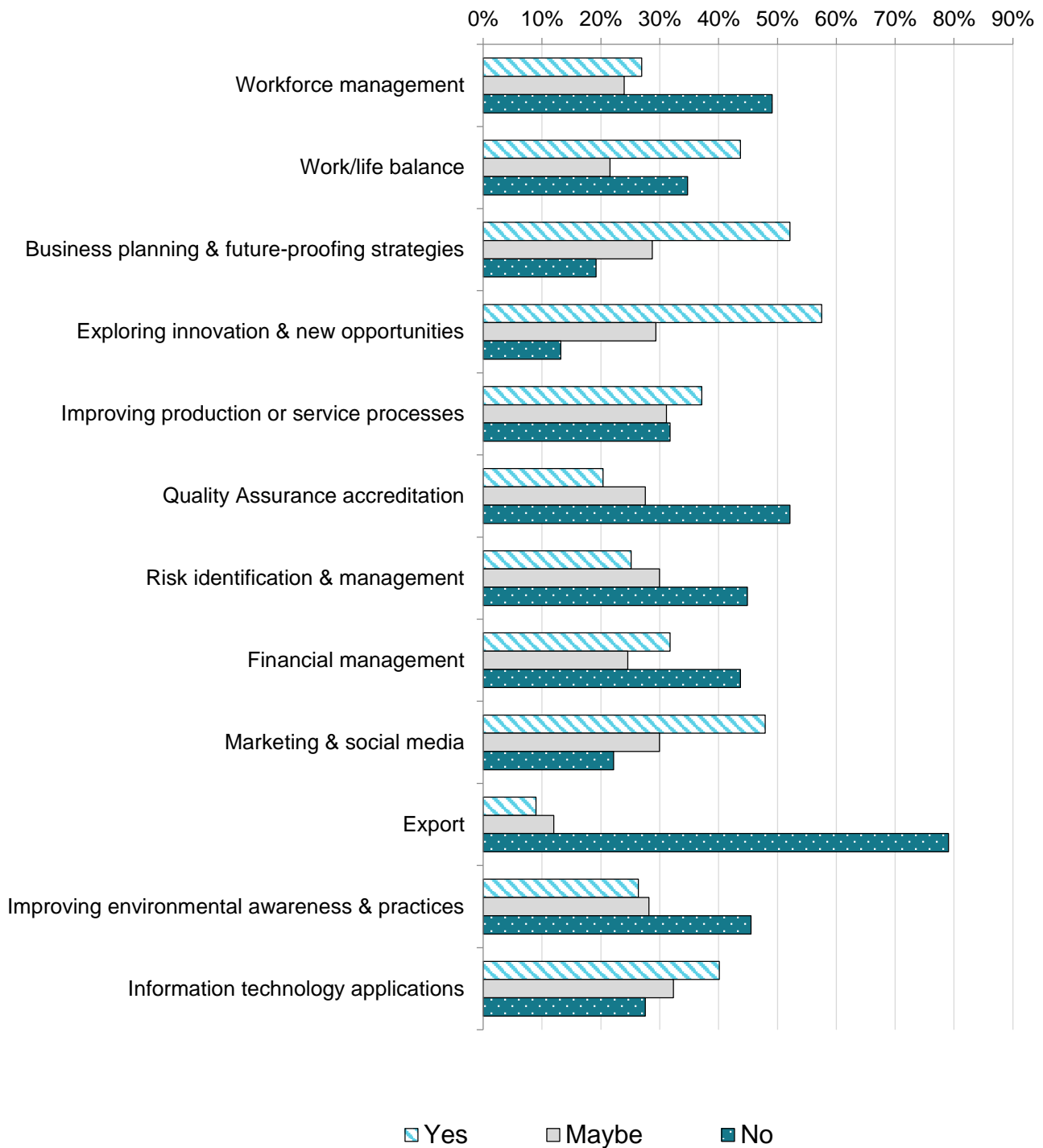
If no or some, what do you require that is not currently available?

A number of those businesses whose training needs are not currently being met identified the need for general training to support industry (such as safety and basic technical training).

KEY FINDING

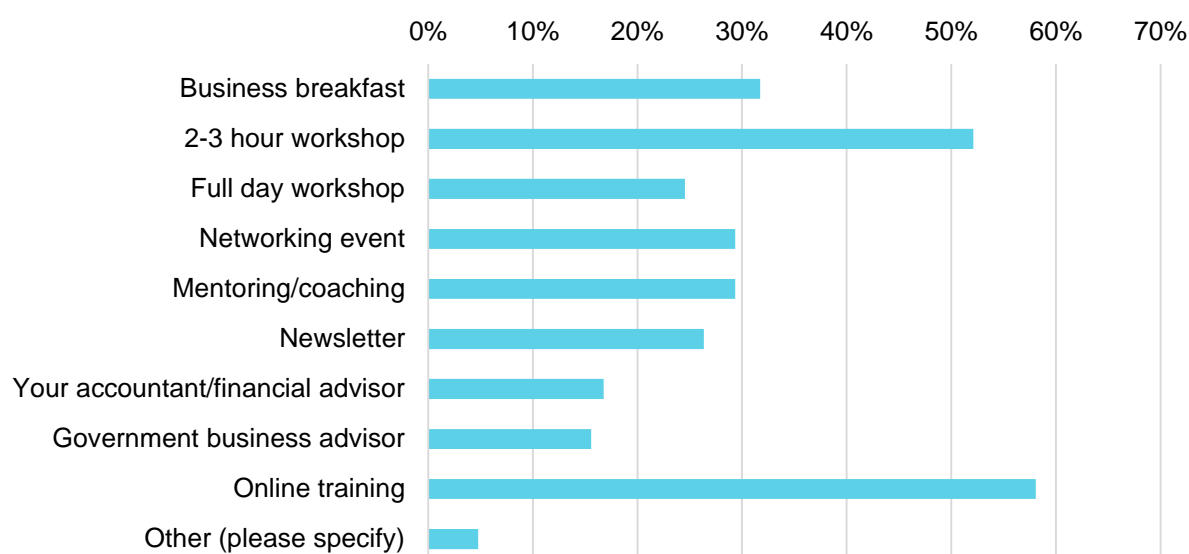
Specific mention was made by a number of respondents about the difficulties caused by apprentices having to commute long distances to fulfil their formal study, and the perceived lack of course options from TAFE.

Question 27: Thinking about your own business skills and knowledge, which areas are you most interested to develop?



"We need more professional development courses, and for businesses to actually attend! It makes a HUGE difference!"

Question 28: How would you prefer the information and training to be delivered?



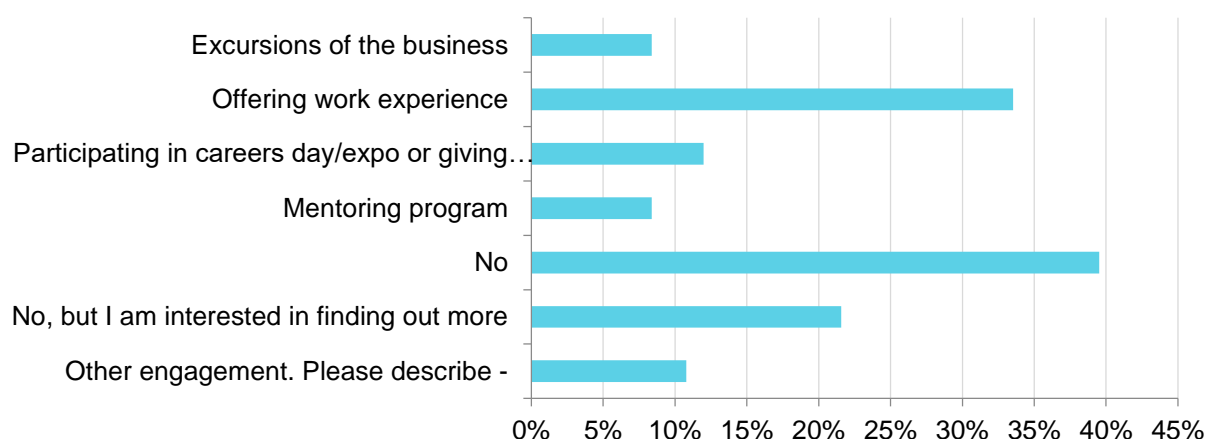
Question 29: Youth unemployment in Port Stephens is a key concern for the future social and economic wellbeing of the region. As a business person, what do you see as the reasons for this and what might be done to improve the situation?

The key issues raised were:

- Access to local training and jobs
- Workforce availability
- Local opportunities
- Business capacity and lack of incentives

A full summary of the issues raised and the solutions proposed by survey respondents is available at Appendix 3.

Question 30: Does your business engage with the region's schools via –



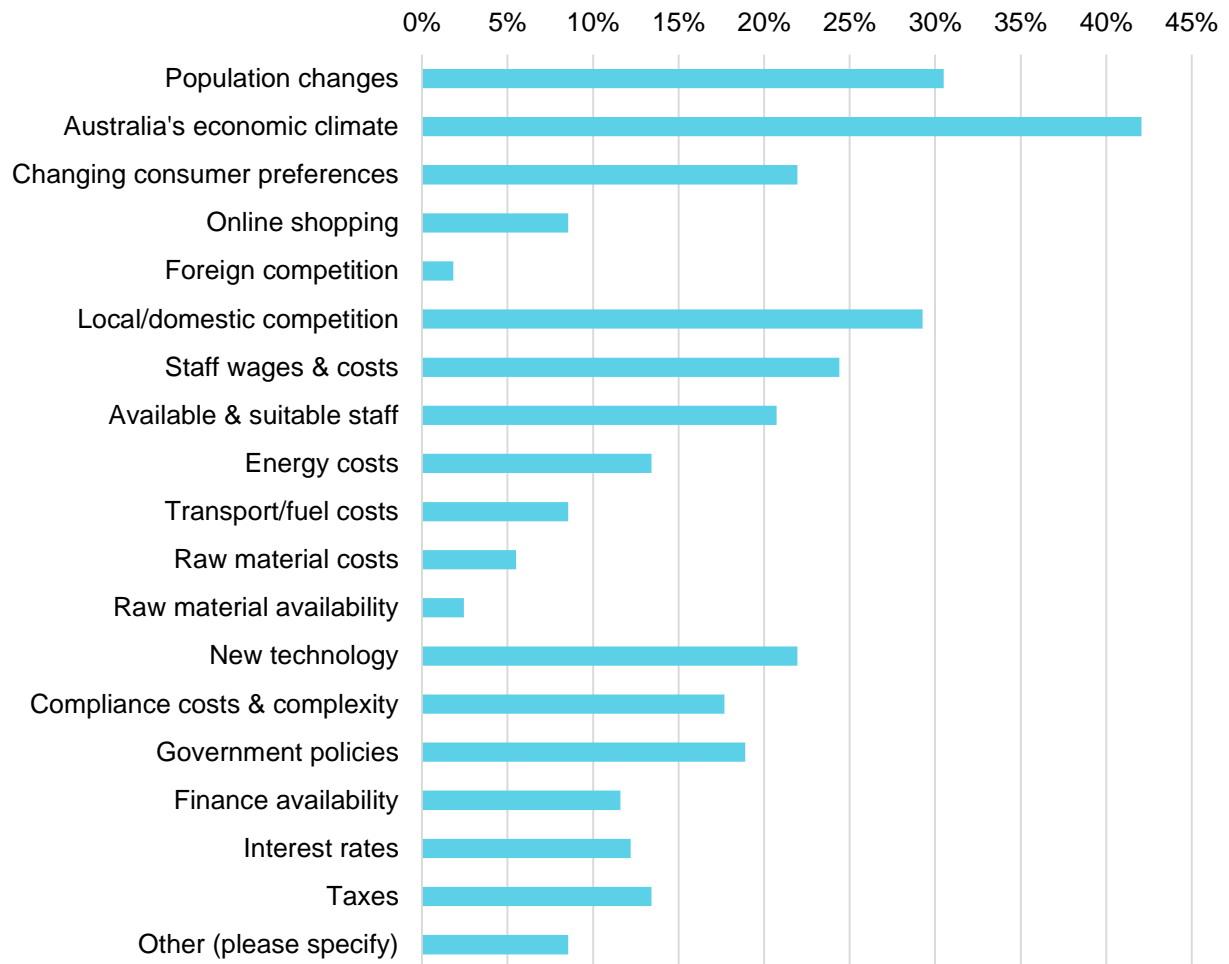
Respondents described working with local schools in a range of ways including:

- Donations and helping with fundraising activities for needed equipment.
- Engaging with the community through information days and displays.
- Hosting students for work experience and group excursions.
- Youth engagement within business events.
- Employing school age staff.
- Workshops at the business.
- Active engagement with programs such as Port Stephens P-Tech and Real Futures.

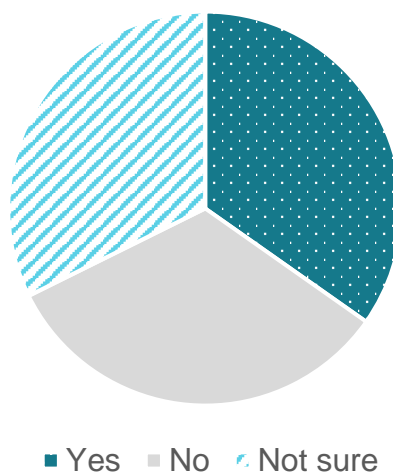
62% of respondents reported that they did not currently engage with schools, (including one which cited insurance and liability issues) however 22% were interested in finding out more.

Part E: The Future

Question 31: Please indicate the 3 factors most likely to impact most on your business' growth and sustainability over the next 2 years



Question 32: Are there major innovations or changes looming, particular to your industry sector, which might impact on your business?



Respondents anticipating some type of impact on their business, noted the following key issues:

- Impacts of the banking royal commission and greater scrutiny of the finance sector.
- High rate of litigation across NSW against the business sector and lack of protection from vexatious claims.

"Retail is being impacted by the government's slow response to the unfair advantage enjoyed by online suppliers who pay no tax, GST or duties in Australia."

- Increasing compliance and regulatory requirements (including environmental) and the costs incurred, time required to keep abreast of changes.
- Increasing cost of doing business, i.e. fuel. Increased transport costs affect all businesses.
- Policy changes affecting funding of primary healthcare, including natural therapies.

"There is also more information/technology available to the everyday person and skilled opinions and services are less called upon"

- Air BNB style lodging is a threat to traditional short stay accommodation market, and demand is increasing for good, cheap accommodation.
- NBN will be fixed wireless and I am concerned re impact on current internet speeds.
- Overseas outsourcing and other strategies to remain competitive. Competition from cheap imports.

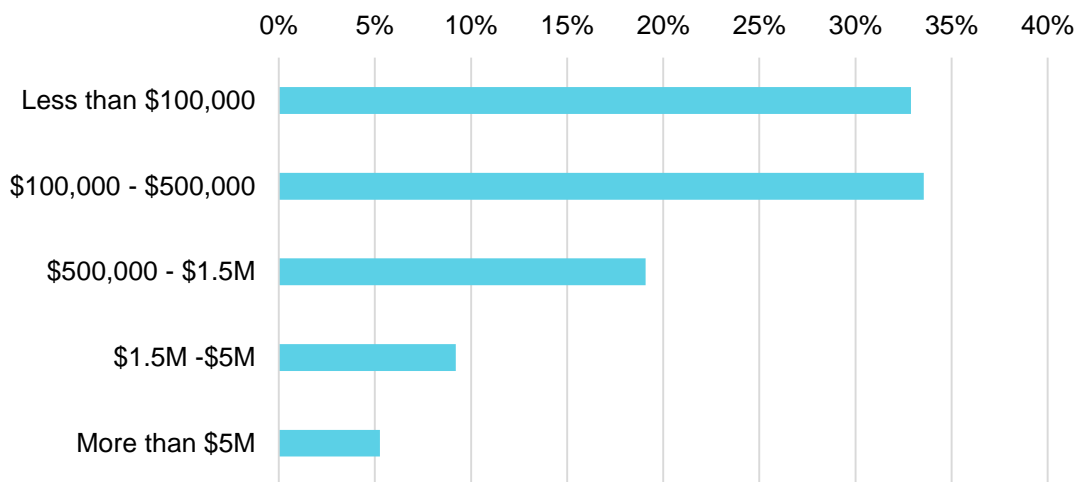
"Highway service centres. Karuah will be sandwiched between two of them when the new development at Tea Gardens is complete".

- Ageing volunteer workforce. Fewer young people have the desire or time to do volunteer work.

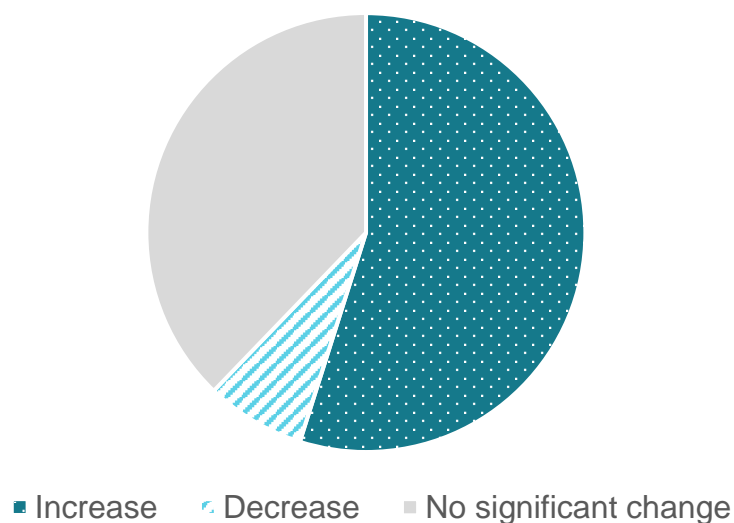
But on the positive side:

- Positive impact with the new accommodation being built at the RAAF;
- The University's newly appointed CEO's background in Defence and STEM research.
- More online businesses and new marketing technology and tools bring more opportunities.
- Businesses are moving away from the traditional 9 - 5 so there are more people flooding into my market.
- State government initiatives to foster and support startups, entrepreneurs, Jobs for NSW innovative programs, funding options may mean new type of business, different type of business in Port Stephens.

Question 33: What is the approximate turnover of your business?



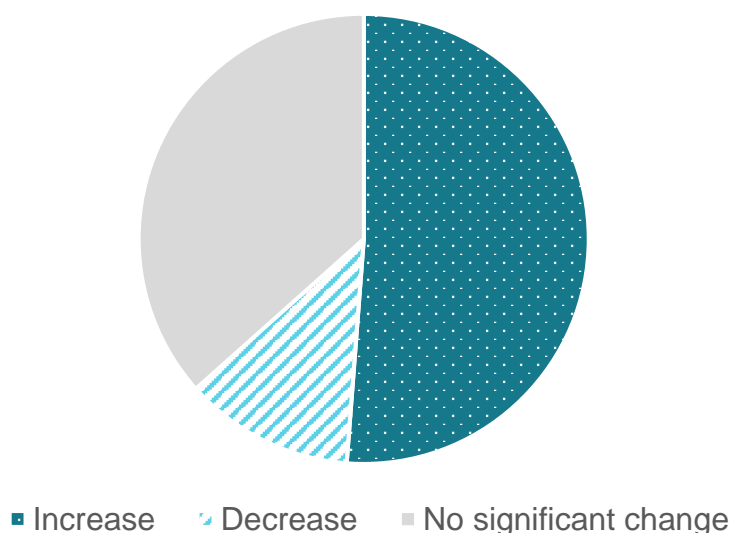
Question 34: During the next 2 years, do you anticipate demand for your products and services will change?



**KEY
FINDING**

Whilst predictions for increased demand for products and services are seen across most geographies and industry sectors, the most frequent are from Retail Trade, Accommodation & Food Services and Arts & Recreation Services.

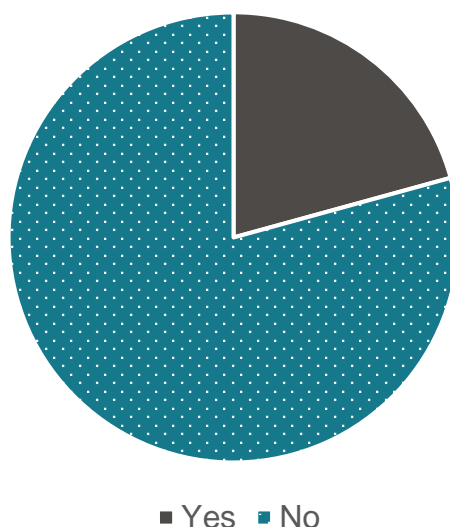
Question 35: During the next 2 years, do you anticipate the business' profitability will change?



Compared to all responses, the businesses which are predicting increased profitability over the next two years generally have a number of things in common. They are likely to be:

- An active member of a business group.
- Engaging with schools.
- Predicting increased employment (with explanatory comments reflecting maximising new opportunities and planned growth).
- Interested in learning about exploring innovation and business planning particularly, but approximately 10% more interested in professional development than all responses.

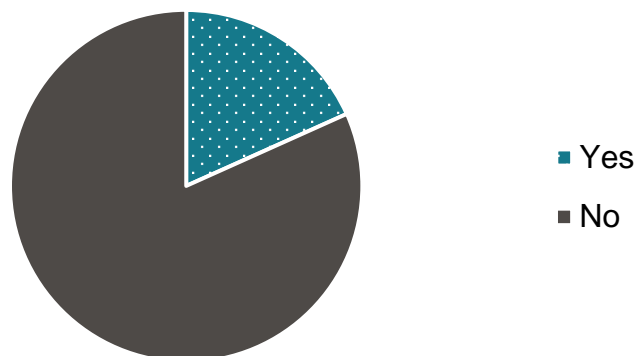
Question 36: Are you currently considering changing the location of your business?



The "yes" respondents described where to and why they were considering changing the location of their businesses. Comments are summarised below:

- **Downsizing:** A number of businesses stated that they were downsizing, either to reduce overheads or as part of a transition to retirement strategy. Generally these businesses are staying local, but moving to premises which are shared, more affordable or in the family home.
- **Expanding and diversifying:** For many respondents, the changed location is to meet demands for additional space in growing businesses, including transitioning from home to commercial office/workshop premises.
- **More suitable location (local):** Businesses are considering relocating to positions which are more central, have greater street appeal and increased passing pedestrian and vehicle traffic.
- **Elsewhere:** Locations cited include Newcastle and Maitland where some respondents considered premises to be better quality and more realistically priced, with access to higher population and retail environment. A number of respondents were considering expanding outside of Port Stephens, to expand market share, and to buffer the impacts of seasonality.
- **Internet:** Reliable internet and telephone access is a critical issue for business. One respondent observed "if this does not improve, then I'll have to move. I'm currently getting by on the tolerance of my clients, but it won't last forever".

Question 37: Have you approached any government or business development organisations for assistance or to discuss the future of your business, challenges, expansion plans and the like?



"No" respondents were given the option "if no, and you would like to know more, please provide contact details." Details provided have now been shared (with permission) with The Business Centre which services Port Stephens, who are contacting respondents to see how they can assist.

Conclusion

Question 38: Do you have any additional comments to make about the health of business in Port Stephens? (Responses edited to maintain privacy)

- Small business is STRUGGLING in Nelson Bay.
- Retail businesses opening and launching in Nelson Bay CBD should be warned of the area's dramatic seasonal trade. So many businesses open for the summer, spend their profits and have to close by the end of winter. If they hold onto their money they will be able to survive the winter.
- We need development of centres for commercial and professional enterprises in Port Stephens. Nelson Bay is best placed to become this centre.
- I feel like Port Stephens needs to work on more community events and education development to provide a sustainable income for all businesses in Nelson Bay.
- We don't need any more high rise in Port Stephens as that is the main reason people come to holiday here, to get away from that environment.
- Fix up the (Nelson Bay) town centre; it's tired, old and dirty. Make it easy for the owners of commercial land to perform facelifts and renovations with no penalties, such as parking requirements. We watch TV shows of other coastal towns and countries and the towns look amazing. If we took away the dolphins from Nelson Bay it would be nothing. The town centre is disgusting. I could use much more colourful language.
- Difficult for small business to survive in Nelson Bay/Salamander area. Population is not keen to spend, rents can be high – all reducing profitability. Good business groups exist, but these take personal time and effort. Council funding of events in the area is important.
- I was a retailer for approximately 30 years in Yacaaba St, I have never seen so many empty shops in Nelson Bay CBD, or such a negative outlook from shop keepers.
- I think the new council has done a wonderful job in Nelson Bay development and encourage them to continue as it will bring more people to the area and that will boost the economy.
- More parking available for our staff and for the general public to entice them to come in to the CBD; and more cafes spilling out onto the footpaths along Magnus St and the one way part of Stockton St.
- I find Medowie residents don't shop in Raymond Terrace as much as they used to. A large number of RAAF personnel are no longer based in Port Stephens Council area.
- Council may need to look at not making business pay for parking spaces in front of their shops, Raymond Terrace for example – a lot of empty shops.
- More needs to be done to increase tourism in other parts of Port Stephens, not just Nelson Bay. The roads into Karuah are poor and do not invite the tourist in to explore our area. Tarean Road and Swan Bay Road are a disgrace. The town

sign on the southern end of town has fallen over years ago. If it looks inviting then people will explore our area.

- Karuah is a bit of a forgotten town since the bypass went through. The infrastructure in the main street (Tarean Road) is atrocious. It's hard for (older) pedestrians to cross the road. There's nowhere for people to park in caravans etc. There needs to be an amenities sign on the highway so travellers know what's here. We ARE a part of Port Stephens and no one knows where Karuah is anymore. Retail trade has definitely dropped over the years even though there are more houses being built, people choose to shop elsewhere. There's only one way in and one way out of several main street businesses and this was a concern when the bypass went ahead too, 10 years and nothing has changed. The main road near the golf club is a driving hazard. The road hasn't been repaired for 10 years and four people have had car accidents there, two of which were very serious where cars rolled over in wet weather conditions because there is no longer any gravel in the road surface. I'm also very disappointed that NO ONE in Karuah knew about this survey. I've spoken to several business owners and they hadn't heard of any survey so I will pass along the link to everyone.
- Would like to see more signage on the freeway to mention Karuah is still there and what it has to offer. People are moving into town to live but there's no infrastructure. The main street is dead, small businesses don't last long, no incentive!
- It is a difficult time of year to ascertain business growth. With so many shop fronts empty in town, and having quite a cold start to winter this year, it feels like business is on the decline. Our room rates have not increased in 3 years, however, our turnover is on a slow increase over this time. Our net profit has not changed due to proportionate increases in staffing and associated running costs, as well as increases in utilities and OTA booking charges and bank charges.
- It is seasonal roundabout, which is hard to get off.
- We need more permanent residents.
- Things seem to be okay at the moment but the area is lacking employment for the population with most people commuting to other areas.
- I assist around 50 businesses in the Port Stephens area. In general most are performing better in the past 12 months in particular trades, but I have had about 5 businesses close in the past 12 months across a broad range of industries. The areas I feel are struggling most are hospitality and personal services.
- Awesome thing that this survey is happening, and the potential benefits for business.
- Business owners burning out, not taking time off and panicking in quiet times instead of taking a holiday.
- We are a dying breed, and the council really needs to help the small business owners.

- I commend council for the proactivity in doing this survey. Previous incumbents seem to have been self-serving. This new council appears to be doing some good things; I applaud that, keep going.
- Lots of opportunities for businesses to operate in Port Stephens if roads, costs of business, fuel, employment costs, government administration and availability of skilled workers can be improved.
- Tourism businesses, whether marine based or terrestrial, are often lost with no definitive category with the exception of hospitality providers. Various tourist businesses and their staff are apparently (according to the ABS statistics) in Marine Transport?
- Council should lobby the Federal Government to improve access to the Pacific Highway at Motto Lane (Heatherbrae), especially to turn north. It is also often difficult to turn off the highway, heading north, into Motto Lane.
- I would classify our business as surviving, not thriving.
- Would love to see further research into value of micro, businesses working from home, hobbyists etc and how best to support them. Would love to see council support and actively encourage young people/entrepreneurs to commercialise new ideas /new concepts that would add value to our economy.
- Personally I am buoyed by presence of PSC Economic Development Officer coming out to discuss and explore options for best practice for small business in Port Stephens. New approach is very encouraging, especially for my small business (and that of my clients).
- The region seems more interested in attracting retirees than in stimulating any real growth or opportunity for the commercial business sector outside of the medical fraternities or hospitality industries. It's great for the council as they can collect additional rate payers, but ultimately it does nothing for my business or youth unemployment. If anything it will add additional strain on the region as it populace ages more and more.
- I think a good indicator is the lack of hours advertised for skilled workers. The advertisements want workers but they do not have more than 15 hours a week work available. This is an alarming trend that has been going on for a few years now, and shows that businesses can't afford wages as they aren't prospering.
- This survey will obviously be helpful. The range of business/industry types is quite diverse. Heavy industry in Tomago area, aged care and tourism and marine on the Tomaree Peninsula which all seem to be in growth phases.
- We need to be careful that the health of business does not get put before the health of our natural environment in Port Stephens, especially given it is the fuel for many of the businesses.
- The local government environment change of September 2017 was excellent and we are looking forward to ongoing culture change in our LGA. We are excited about the prospects of our business going forward. As a local supplier we need to be very clear that supplying to PSC is critical.

- We need training courses for maintenance workers to meet the demands of accommodation and other visitor service providers.
- Need action to prevent discrimination on racial and religious grounds.
- I believe more needs to be done to the Raymond Terrace CBD to attract larger players for the growing population. Develop the land behind the library.
- Looks okay generally. Would like more council sympathy on road access to our premises.
- This traditional farming business is not sustainable in the current and future economic climate in the area with the encroachment of residential developments on the fringes of the farm. We would strongly recommend that council consider changing the land use to match the surrounding properties and increase the potential housing availability.
- We would love to see a recycling bin at the top car park at Anna Bay for the operators to put all the plastic bottles in.
- Sometimes business in this area is about who you know, not what skills you can bring to the table. That mentality needs to change to allow all businesses to thrive.
- Continued population and economic growth would be great.
- Some improvements by way of road and general visual amenity in Tomago would be appropriate. I have lodged complaints about School Drive eastern end.
- Businesses should work together to improve themselves and others. The whole area is only going to get busier which will benefit everyone.
- I see the expansion of Williamstown airport as a positive for businesses in this area.
- Is there register of organisations which might be suitable to join?
- Growing business via better utilisation of NBN/data technology is a prime opportunity which I believe has not been remotely realised.
- I think we are very healthy at the moment. A few years ago council was offering 2 free business mentoring sessions and I think that would be helpful again for small local business.
- We believe it's great; however expansion outside of tourism into more manufacturing/industry would be fantastic. Perhaps more industry associated with the airport? More industry surrounding the area given the location to Newcastle Port and the airport, however not compromising the aesthetics of the region. Concentrate on an industrial park similar to that at Taylors Beach.
- Sewage services needed in Seaham.
- Flood action plan for businesses which become isolated when flood events occur, usually every 3-4 years.
- All businesses are struggling. Business types need to be regulated.
- Do something about young people receiving payments for doing NOTHING! Probably not your area but would fix a huge problem.

- I'm no business expert, or deeply involved in general business community. Whilst is gratifying to see that not too many shops are closing, I gain the impression that business is stagnant and not actually growing.
- More marketing of the area.
- Port Stephens' technology sector is non-existent, but has great potential. Reliable gigabit broadband, delivered by fibre-optic cable to the premises, could be a game changer for tech. Sydney and Melbourne tech businesses have lots of pressure from existing staff to allow remote working (as I do currently) so they can have an improved lifestyle. Businesses would have the option of opening a small office in Port Stephens if its broadband was good enough, as video conferencing would be reliable enough to ensure productivity.
- I know I'm a broken record on this, but it really is that simple. If the broadband goes in as fibre-to-the-node, and we're forever chasing NBN or Telstra to fix the highly-degraded copper infrastructure, growing Port Stephen's tech sector is simply not on the table.

APPENDIX 1:

Question 15 – Infrastructure Rankings (all responses)

| Quality | Excellent | Good | Satisfactory | Poor | Not sure |
|--|-----------|------|--------------|------|----------|
| Access to airport facilities | 42% | 38% | 11% | 3% | 6% |
| Access to sea port facilities | 16% | 33% | 19% | 6% | 26% |
| Access to highways & road networks | 16% | 42% | 31% | 10% | 0% |
| Access to suppliers | 10% | 35% | 36% | 11% | 8% |
| Availability of warehousing | 6% | 23% | 23% | 7% | 41% |
| Waste disposal services | 21% | 35% | 28% | 8% | 8% |
| Recycling options | 21% | 40% | 26% | 8% | 6% |
| Development Approval process | 5% | 24% | 25% | 12% | 35% |
| Internet availability, reliability & speed | 6% | 22% | 36% | 36% | 1% |
| Mobile phone coverage | 8% | 31% | 35% | 25% | 0% |
| Availability suitable business premises | 12% | 30% | 27% | 16% | 15% |
| Availability of zoned land | 4% | 16% | 22% | 16% | 43% |
| Water supply | 35% | 35% | 21% | 5% | 4% |
| Sewerage services | 24% | 42% | 19% | 8% | 7% |
| Electricity supply & reliability | 26% | 47% | 23% | 3% | 1% |

| Importance | Very important | Quite important | Somewhat important | Not very important | Not at all important |
|--|----------------|-----------------|--------------------|--------------------|----------------------|
| Access to airport facilities | 23% | 17% | 19% | 21% | 21% |
| Access to sea port facilities | 14% | 6% | 11% | 23% | 46% |
| Access to highways & road networks | 61% | 20% | 13% | 3% | 3% |
| Access to suppliers | 47% | 21% | 18% | 6% | 8% |
| Availability of warehousing | 7% | 13% | 15% | 21% | 44% |
| Waste disposal services | 39% | 18% | 18% | 14% | 12% |
| Recycling options | 36% | 20% | 24% | 11% | 9% |
| Development Approval process | 31% | 22% | 11% | 15% | 22% |
| Internet availability, reliability & speed | 86% | 10% | 3% | 1% | 0% |
| Mobile phone coverage | 90% | 7% | 2% | 1% | 1% |
| Availability suitable business premises | 40% | 20% | 14% | 10% | 15% |
| Availability of zoned land | 21% | 18% | 21% | 9% | 32% |
| Water supply | 51% | 20% | 17% | 7% | 6% |
| Sewerage services | 49% | 20% | 17% | 7% | 7% |
| Electricity supply & reliability | 75% | 14% | 9% | 2% | 1% |

APPENDIX 2:

Question 16 – Lifestyle Attributes Rankings (all responses)

| Quality | Excellent | Good | Satisfactory | Poor | Not sure |
|----------------------------------|-----------|------|--------------|------|----------|
| Housing choice & affordability | 9% | 40% | 36% | 10% | 6% |
| Schools | 13% | 39% | 31% | 6% | 12% |
| Higher education opportunities | 2% | 17% | 34% | 35% | 12% |
| Employment opportunities | 2% | 15% | 37% | 37% | 9% |
| Health & medical services | 9% | 39% | 33% | 17% | 2% |
| Cultural facilities | 2% | 27% | 34% | 16% | 21% |
| Dining & entertainment choices | 11% | 35% | 37% | 17% | 0% |
| Sporting & recreation facilities | 16% | 44% | 29% | 7% | 4% |
| Welcoming & inclusive community | 20% | 40% | 25% | 8% | 6% |
| Natural environment | 56% | 33% | 10% | 1% | 1% |
| Community safety | 20% | 53% | 16% | 7% | 4% |
| Public transport | 5% | 19% | 34% | 31% | 11% |
| Town centre amenity | 5% | 28% | 36% | 27% | 5% |

| Importance | Very important | Quite important | Somewhat important | Not very important | Not at all important |
|----------------------------------|----------------|-----------------|--------------------|--------------------|----------------------|
| Housing choice & affordability | 52% | 24% | 13% | 7% | 4% |
| Schools | 47% | 17% | 11% | 8% | 16% |
| Higher education opportunities | 41% | 21% | 18% | 7% | 12% |
| Employment opportunities | 48% | 19% | 17% | 7% | 9% |
| Health & medical services | 59% | 29% | 11% | 0% | 1% |
| Cultural facilities | 11% | 22% | 41% | 14% | 11% |
| Dining & entertainment choices | 24% | 33% | 35% | 7% | 1% |
| Sporting & recreation facilities | 24% | 34% | 29% | 10% | 4% |
| Welcoming & inclusive community | 40% | 41% | 15% | 3% | 1% |
| Natural environment | 60% | 26% | 13% | 1% | 0% |
| Community safety | 71% | 22% | 7% | 1% | 0% |
| Public transport | 31% | 29% | 22% | 13% | 7% |
| Town centre amenity | 43% | 32% | 20% | 5% | 0% |

APPENDIX 3:

Question 29: Youth unemployment in Port Stephens is a key concern for the future social and economic wellbeing of the region. As a business person, what do you see as the reasons for this and what might be done to improve the situation?

Key issues and solutions proposed by survey respondents are summarised below.

Issue: Access to local training and jobs

Many respondents observed the difficulties accessing the Hunter's diverse employment and training opportunities. Most frequently mentioned were specific difficulties accessing University of Newcastle and general tertiary education facilities, particularly by unlicensed youth and those reliant on public transport perceived as inadequate. "People leave the area to study and gain work experience and often don't return, contributing to the area's ageing demographic".

Solutions and opportunities

- Develop a centralised jobs advertising site to ensure that local people are aware of accessible local jobs.
- Develop a tertiary education hub including more TAFE services and a university campus. Suggested offerings include marine biology, nature and wildlife programs and marketing.
- Advocate for on-the-job training solutions.

Issue: Workforce availability

Many respondents were critical of what is perceived as the easy availability of unemployment benefits, and the impacts of that on motivation to seek and sustain a job. Some observations:

- "Tourism and apprentice jobs don't pay much more than unemployment benefits".
- "Unemployment benefits are money for nothing – there should be some work requirement. We need to stop paying people to NOT work!"
- "Being a beach bum is a more attractive option".
- "I see a swing towards gaming and a false sense of entitlement".

"Those who don't want to work won't find work. Those who are prepared to do what it takes, will".

Respondents were frequently critical of young people's lack of work ethic and commitment, noting that youth need to be better prepared for work, "not just technically, but the softer skills like personal presentation and behaviour, they have poor concentration, lack of commitment, and often drugs issues. Grammar is important to employers too". A number of respondents also commented that despite little or no experience, many youth felt that they were entitled to better than entry level jobs and pay rates. While some respondents felt that youth are being well prepared for future jobs, the majority disagreed, citing generational unemployment issues affecting attitudes and expectations of work, and were critical of the role of schools. It should be noted that Port Stephens schools have a number of programs to address such concerns.

Solutions and opportunities

- Mentoring programs, to improve the connection between youth and business, and model the life skills necessary for the future health of our community; and
- Young people are our future business owners. Train them in the field and engage them with succession planning. We need to have a bit more confidence in the ability of youth.

"Particularly in 'the Bay', opportunities are limited to GP or waiter."

Issue: Local opportunities

Responses demonstrated a perception that opportunities for youth in Port Stephens are limited due to a general business downturn, lack of industry in the area, the seasonal nature of tourism, focus on retirees, the constraints of the natural environment and the defence sector's demand for a highly skilled workforce. A move towards industries which are not seasonal/weather dependent (eg manufacturing and technologies) was recommended to combat the seasonal nature and often low pay of tourism and hospitality work which does not encourage young people to build a career in this sector.

Some respondents noted that youth are often unaware of the opportunities that are available close to home.

"The natural environment on which our tourism sector relies is a constraint for industrial development."

Solutions and opportunities

- A careers expo or similar would help young people understand the diverse opportunities that actually exist in Port Stephens;
- Identify skills shortages and match with school excursions and work experience;
- More businesses in the region and more professional development opportunities, more youth activities will encourage youth to stay here.
- Encourage development along busy road corridors reducing impact on the natural environment upon which our tourism industry relies.
- Focus on future proof sectors rather than low paid tourism/hospitality industries.

Issue: Business capacity and lack of incentives

Business respondents reported a number of difficulties relating to employing staff, including:

- Small business' lack of manpower and/or skills to train entry level workers;
- Government regulations, including WorkCover, make it expensive and complex to employ people;
- Ongoing casualisation of the workforce effectively discourages training; and
- The lack of incentives available to assist businesses with employing new, entry level staff.

"If we had government funding to make it cheaper to employ a designer with no experience we would look into it, it might then be worth teaching and training them."

Solutions and opportunities

- Attract more large employers which can manage entry level workers.
- Increased engagement of schools and students with business to reduce the amount of training and supervision an entry level employee requires.

Other Issues

Localism: Some respondents observed that it was hard for outsiders to "break in" to the business community, with businesses employing family and friends first. Others proposed that more of a "locals first" approach (rather than employing backpackers and overseas visitors) would keep money circulating in the local economy.

Increasing local patronage will also grow small business and create jobs.



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