

THE REGIONAL VOICE

2018

Understanding regional
South Australian business



SUPPORTING LOCAL BUSINESSES

EML is delighted to be partnering with Business SA to help regional businesses foster healthy workplaces.

We've been helping people recover from workplace injuries and get their lives back for over 100 years. In South Australia our 40 mobile claims specialists deliver personal support to workers and employers wherever they may be.

At EML we reinvest profits to the benefit of all members. Ask us about services you can access to improve health, safety and wellbeing at your workplace.

Level 15, 26 Flinders Street Adelaide SA 5000

T: 08 8127 1100

T: 1300 365 105 (Toll free)

E: clientservicessa@eml.com.au

W: eml.com.au



we help people get their lives back

LISTENING TO THE VOICE OF THE REGIONS

NIGEL McBRIDE, CEO BUSINESS SA

South Australia has been built on the economic contributions of our regions, whether it has been riding on the sheep's back, our grain exports, our burgeoning wine industry or tourism.

As South Australia's largest and oldest business-based membership organisation, Business SA is proud to acknowledge that our strong history is testament to our state's long-term economic success.

The economic contribution from regional South Australia is now valued at \$25 billion per annum.



We are delighted to release our second Regional Voice Report, following on from the inaugural 2016 Regional Voice. This report is based on the findings of an extensive survey of regional businesses conducted in May 2018. The 2018 Regional Voice continues to highlight the key issues impacting regional businesses, and how businesses in the regions prioritise those issues. It also reveals the evolving perspectives of regional businesses, including their significantly-improved confidence in the state's economy.

Business SA consulted widely with our partner Regional Chambers of Commerce and the various Regional Development Australia boards to ensure we asked the necessary questions and promoted the survey through the right channels to reach the maximum number of regional businesses. We thank the individuals and organisations involved who are passionate about their regions and have been willing to work with Business SA to enable a strong collective regional business voice.

Over the last decade, Business SA has progressively enhanced our reach into regional South Australia, including regular workshops and events in each key region to ensure we consistently provide opportunities for businesses to get their message to Adelaide. But we also know that data-led advocacy is important. Regional Voice is a deliberate strategy to ensure there is a more robust and informed vehicle for tracking the issues facing South Australia's regional businesses, and their general economic prosperity.

While South Australia's regions face many challenges, particularly in relation to attracting skilled people, none of these are insurmountable if all tiers of government set aside political agendas to work together to prioritise the issues most important to the businesses themselves. It is also important for governments to recognise the differences across regions, and where they may have common priorities.

Business SA recognises the underlying export-orientated economic base in the regions predominately provides the export revenues South Australia relies on. We will continue to advocate to ensure the broader economic environment is conducive to those exporters being able to continuously improve their competitiveness, and not be hampered by high energy costs or inadequate economic infrastructure.

The insights from the 2018 Regional Voice arise from the feedback provided by business people, the majority running small businesses. Governments need to listen to their concerns and to recognise how tough it is in regional business, particularly when they do not have access to the workforce and infrastructure available in metropolitan areas. Our report provides sufficient data to justify action from governments to improve outcomes for regional businesses.

Nigel McBride

CONTENTS

OVERALL FINDINGS	4
------------------	---

ECONOMIC CONFIDENCE AND CONDITIONS IN THE REGIONS	16
---	----

THE REGIONS



ADELAIDE HILLS, FLEURIEU PENINSULA, McCLAREN VALE AND VICTOR HARBOR	18
---	----



BAROSSA	20
---------	----



EYRE PENINSULA	22
----------------	----



KANGAROO ISLAND	26
-----------------	----



LOWER & MID NORTH, PORT PIRIE AND YORKE PENINSULA	28
---	----



MOUNT BARKER, MURRAYLANDS, RIVERLAND AND STRATHALBYN	30
--	----

APPENDICES	34
------------	----

OUR REGIONAL CHAMBER NETWORKS	45
-------------------------------	----

ABOUT BUSINESS SA

Business SA is proudly South Australia's largest membership-based employer organisation. Our focus is to grow business in South Australia, today and into the future. We are the one voice that has and will always put businesses and employers first.

From policy and advocacy to training and support, our business is here to help yours succeed. With close to 180 years of experience, we have an impressive track record of policy and advocacy on behalf of business in SA, and tailoring training, consulting and hands-on business advice for our members.

We work hard to help grow business, working for the betterment of South Australia, and we will continue to lead the creation of robust trade partnerships that benefit all in this new global economy.

Let us work harder for you and your business, by becoming a member of Business SA.

If you would like to discuss these membership opportunities further, go to www.business-sa.com/membership, or contact Business SA Customer Service:

> **08 8300 0000**

> **customerservice@business-sa.com**



FAR NORTH, PORT AUGUSTA
AND WHYALLA

24



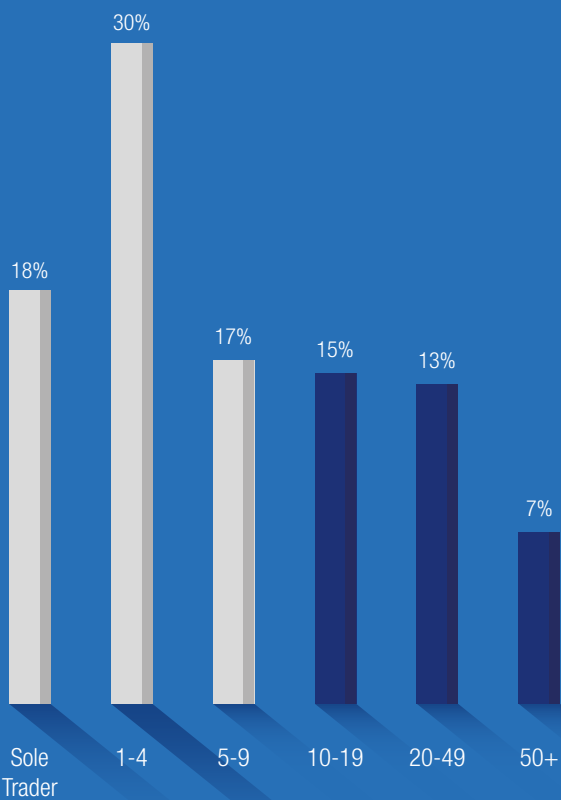
SOUTH EAST

32

OVERALL FINDINGS

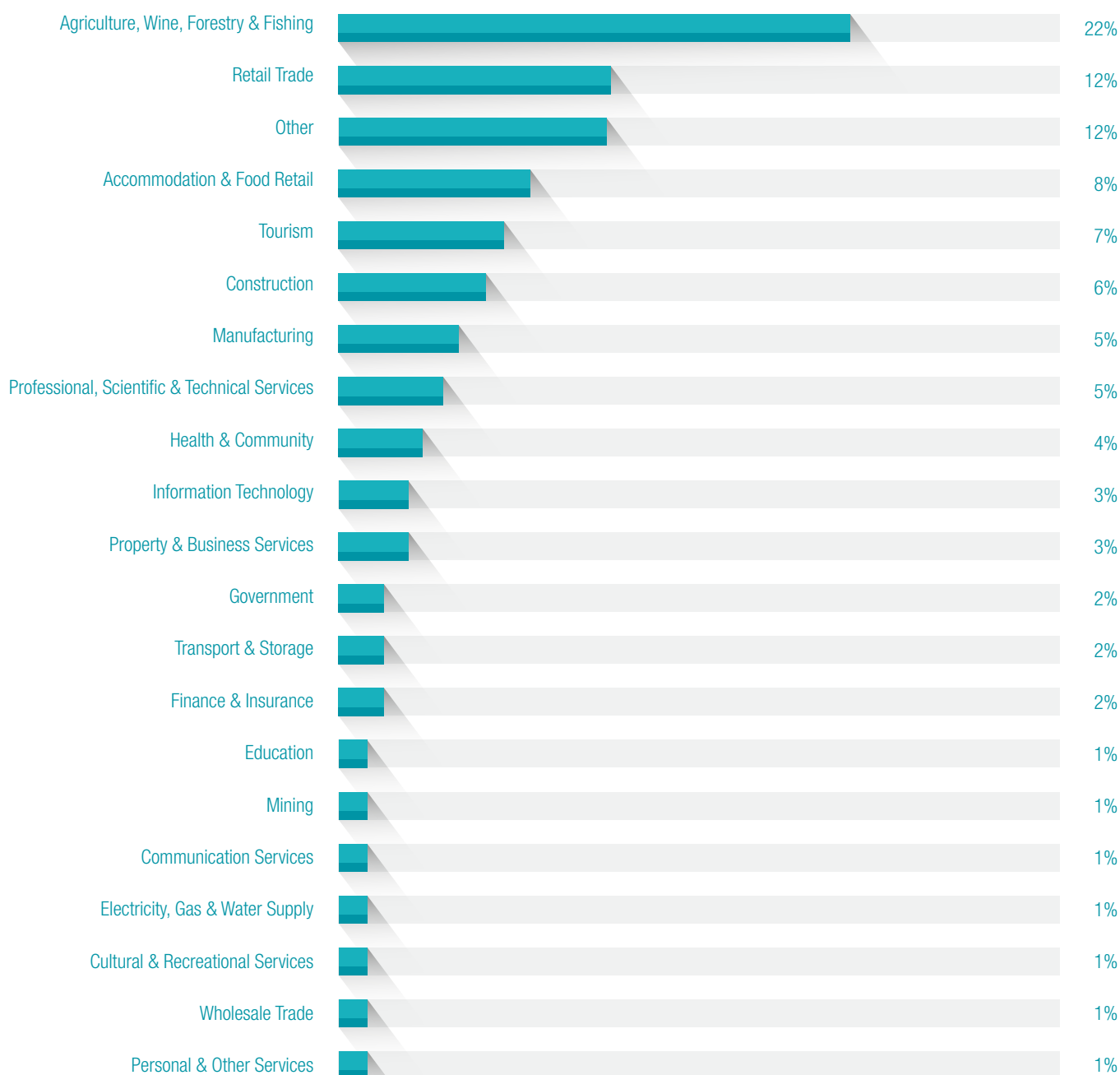
Small businesses have responded in force to the 2018 Regional Voice survey, with more than 450 respondents. Close to 65 per cent employed fewer than 10 people, most operating in the four most dominant industries of agriculture, wine, forestry and fishing; retail trade; accommodation and food retail; and tourism. For businesses of this size, it was not surprising that 69 per cent turned over less than \$2 million per annum, and 96 per cent turned over less than \$50 million per annum.

HOW MANY PEOPLE DOES YOUR BUSINESS EMPLOY?



65%
employed fewer than 10 people.

WHAT INDUSTRY DO YOU OPERATE IN?

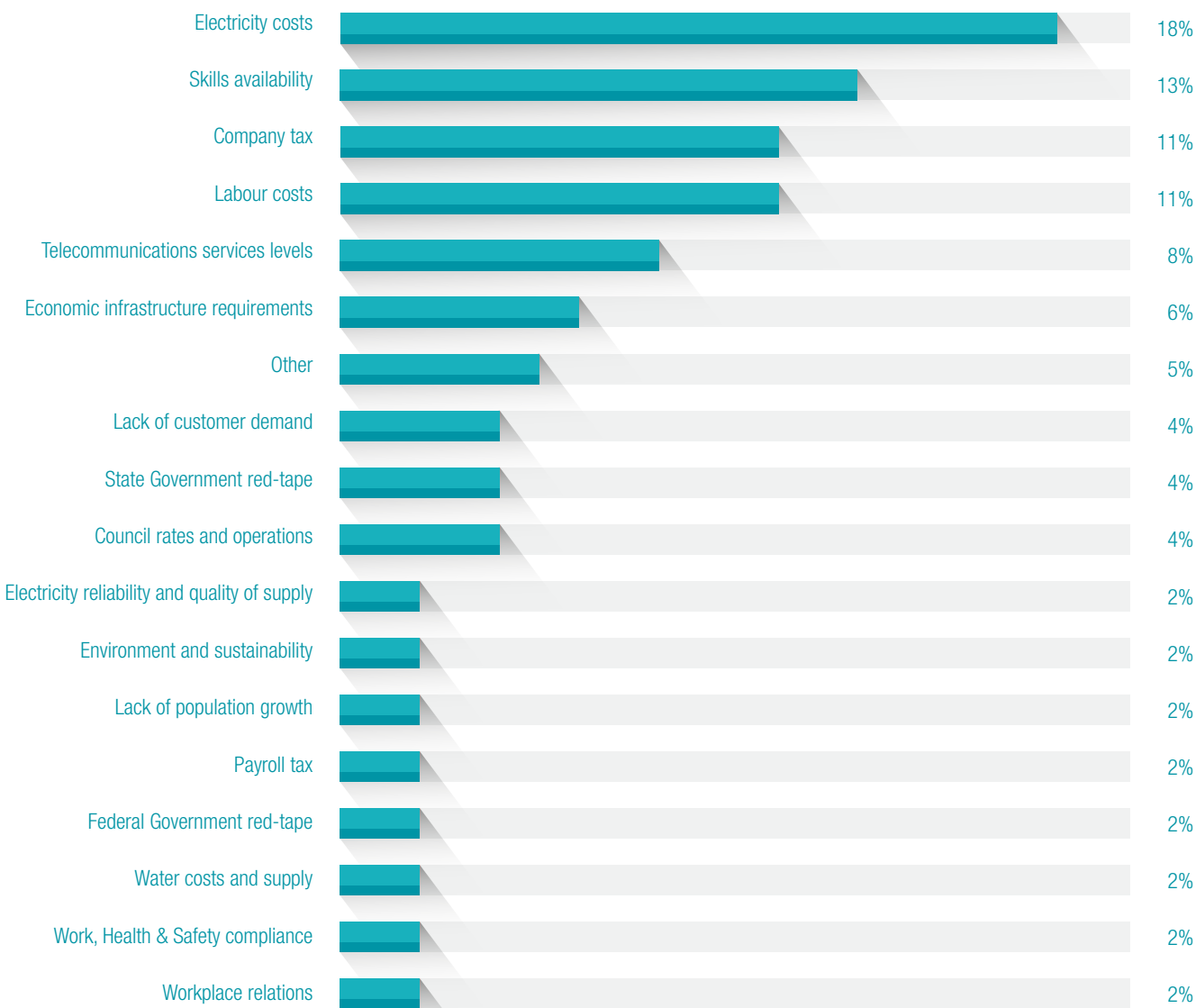


MOST IMPORTANT ISSUES FOR REGIONAL BUSINESS

Electricity costs and skills availability were the most dominant issues facing individual regional businesses, with company tax, labour costs and telecommunications service levels in close succession. Economic infrastructure requirements also featured highly. While skills availability varied across businesses – only 28 per cent did not have any concerns – for many other businesses it was their

most pressing issue. Likewise for telecommunications service levels, where nearly two thirds of businesses were either satisfied or expressed no concerns, for the remaining businesses this was often one of their most pressing issues, both in relation to mobile coverage and service quality issues pertaining to the NBN.

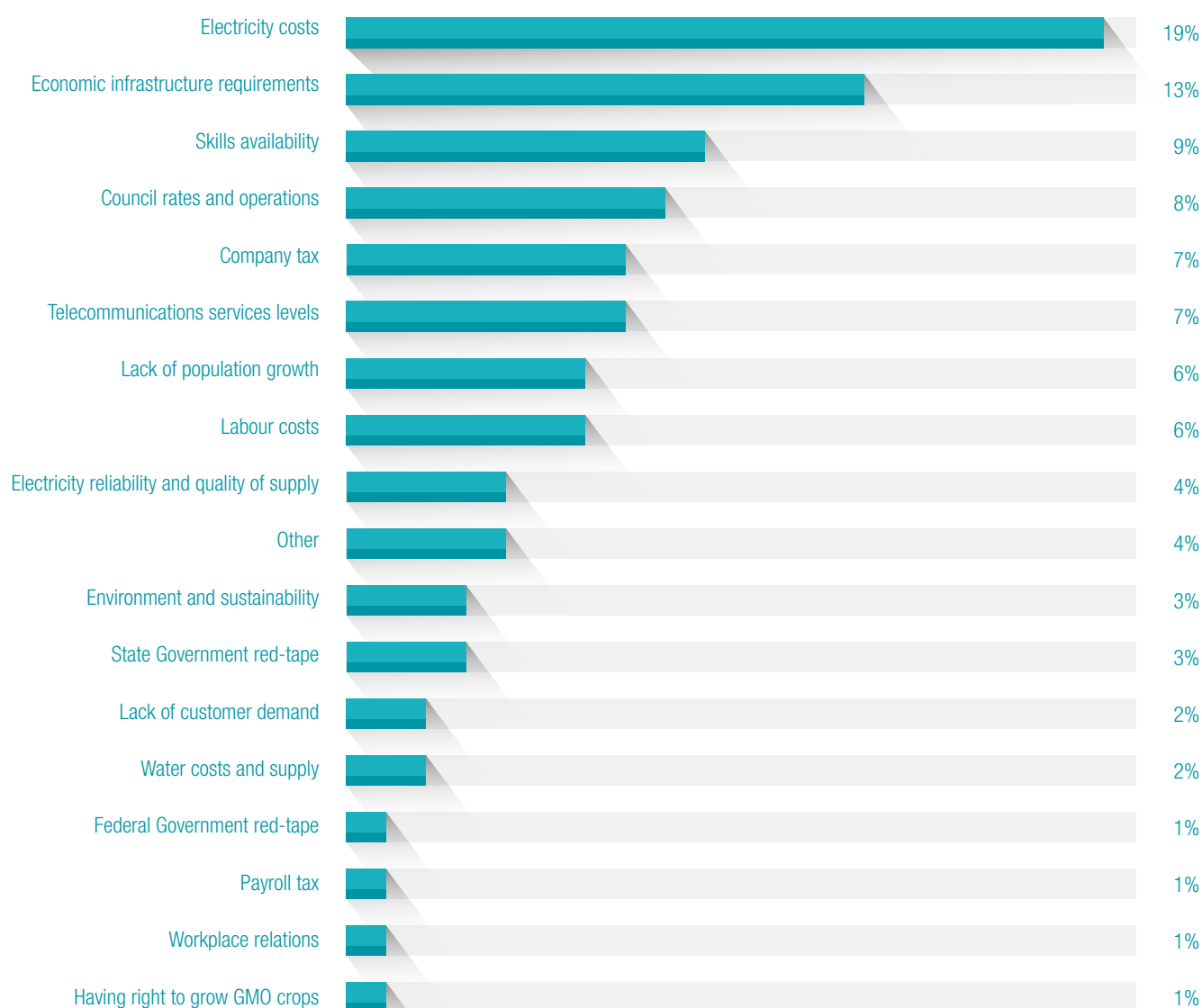
MOST IMPORTANT ISSUE FOR INDIVIDUAL BUSINESSES



The cost of electricity was the dominant issue facing regional businesses.

When individual businesses were asked to rank broader issues facing their region, electricity costs were still considered number one, but were followed by economic infrastructure requirements and then skills availability. Council rates and operations also ranked highly, along with company tax. Freight costs were raised by many respondents, particularly those operating on Kangaroo Island.

MOST IMPORTANT REGIONAL BUSINESS ISSUES



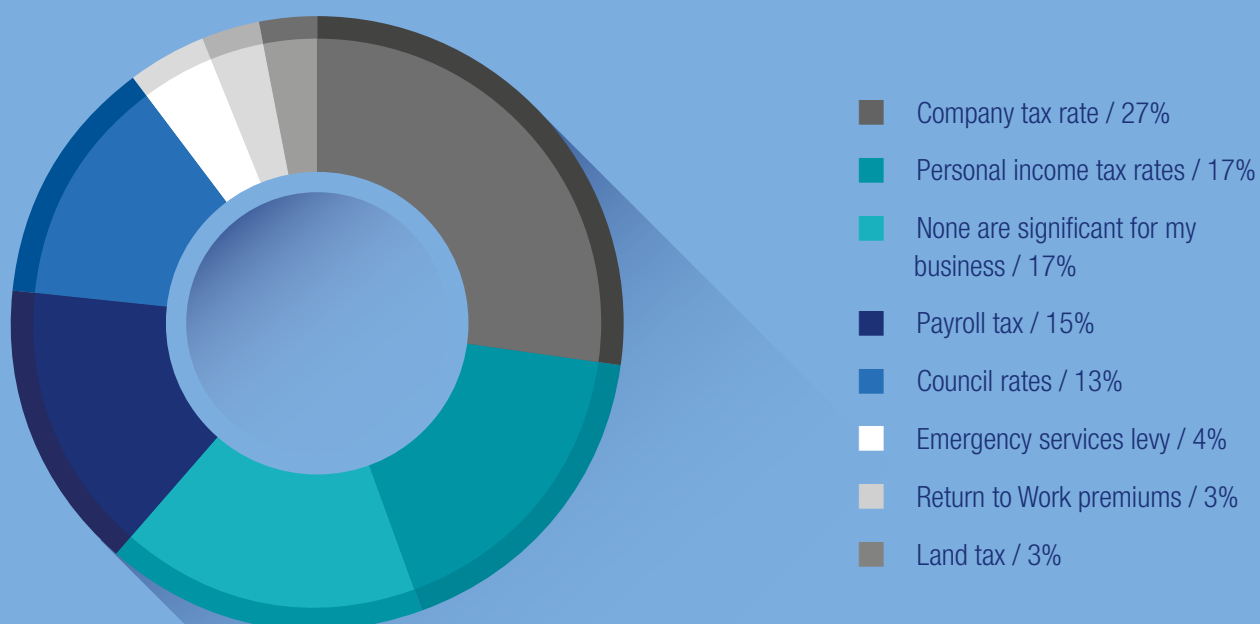
TAX AND COST ISSUES

“Penalty rates preclude us opening on Sunday afternoon and for longer hours on Saturday, it’s just not economically viable, even though I have uni students who would dearly love the hours to deal with living costs and HECs concerns.”

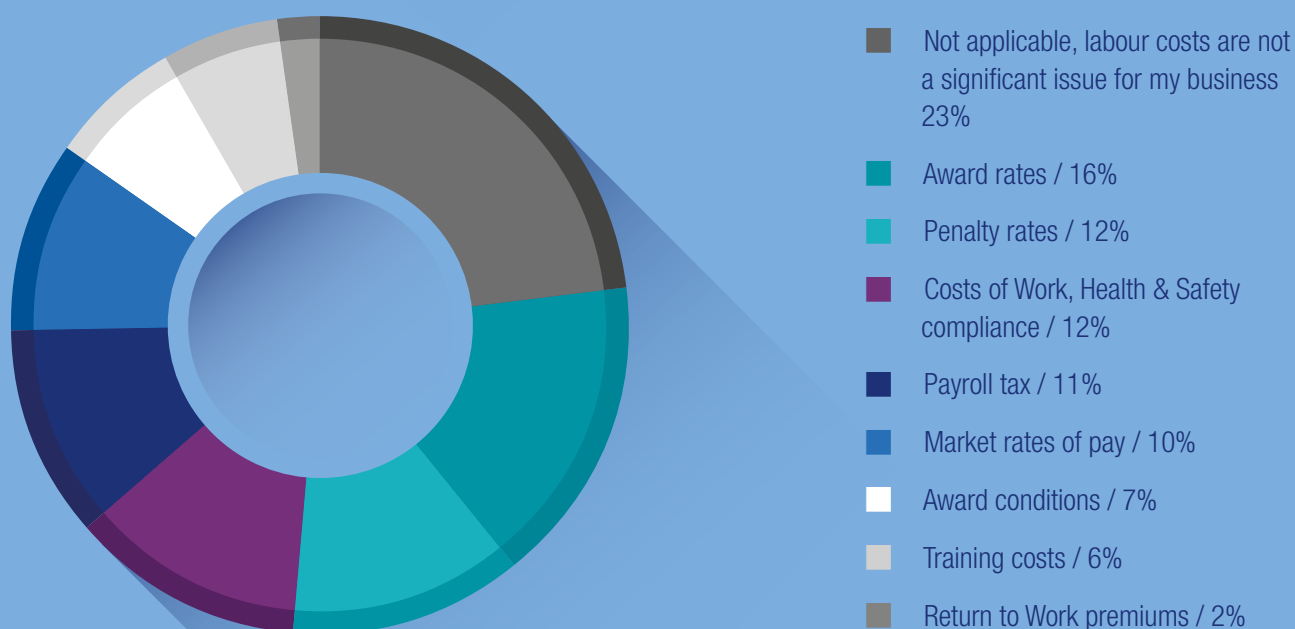
In relation to tax issues, company tax was clearly considered the most constraining to growth, followed by personal income tax rates. Payroll tax and council rates were also prominent. Considering nearly two thirds of businesses employed fewer than 10 people and were likely to fall under the existing payroll tax threshold, it was not surprising company and personal income taxes rated higher. However, when considering the additional qualitative feedback, payroll tax was the most frequently cited tax with many businesses arguing it was a disincentive to employ people: *“Payroll tax is a significant cost to our business (20 employees) and yes, it is a deterrent to employing others.”*

In terms of labour cost challenges, Award rates and conditions (including penalty rates) combined were the top challenge for 37 per cent of businesses, up slightly on 34 per cent for 2016. Costs of Work, Health & Safety compliance and payroll tax were also high priorities. When businesses were asked to delve deeper, penalty rates were by far the most cited issue and significantly constrained businesses in sectors which catered for tourists, particularly on public holidays. For trade businesses, penalty rates constrained their ability to meet customers' needs: *“We actually refuse to take on work we cannot complete in normal working hours, because the penalty rates we incur in working outside these hours are as unrealistic as they are unsustainable.”*

MOST CONSTRAINING TAX, RATE OR LEVY



TOP LABOUR COST CHALLENGE



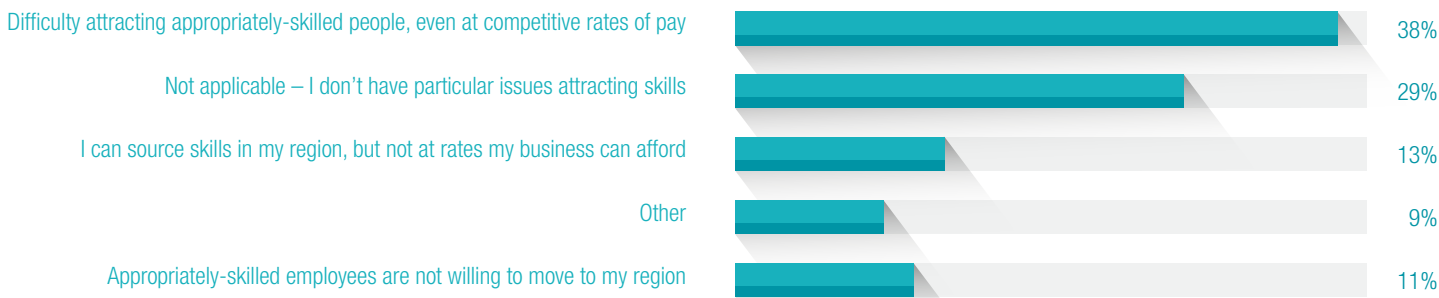
OTHER REGIONAL CONCERNS

For the 71 per cent of businesses which faced skills shortages, the top issue was not being able to attract appropriately-skilled people even when offering competitive rates of pay. At 38 per cent, this result was comparable to 39 per cent in 2016. Several businesses also raised general concerns regarding attitude and willingness to work, as well as challenges getting people to move, and to stay in country areas, particularly where there was a limited range of jobs for partners and inadequate community infrastructure:

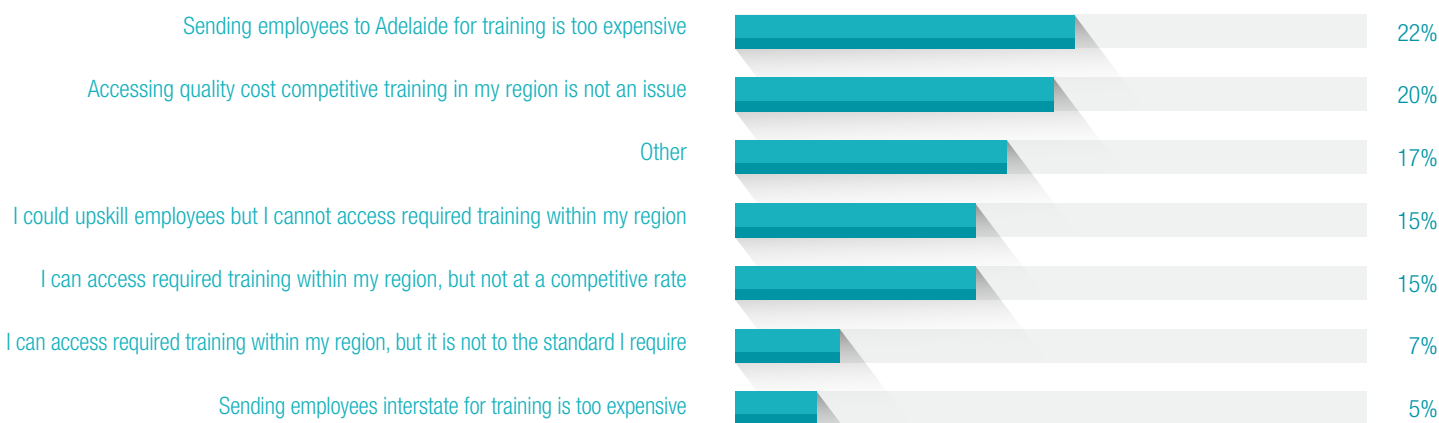
“It is difficult for workers willing to move to region to convince their family to move to the region.”

Regarding access to training, the number one issue was having to send employees to Adelaide, which was considered too expensive for many businesses. At 22 per cent of businesses, this was down on 33 per cent from 2016. While training affordability remains challenging, having employees away from the workplace to attend training and covering those absences was also reported as a concern. About twice as many businesses preferred face-to-face training as opposed to online, but there was also a degree of acceptance that technology for training needed to play a greater role in the regions to overcome travel-associated issues.

PRIMARY CHALLENGES IN RELATION TO SKILLS SHORTAGES IN YOUR REGION



PRIMARY CHALLENGE ACCESSING TRAINING IN YOUR REGION



71%

of regional businesses face skills shortages.

22%

say sending employees to Adelaide for training is too expensive.

REGIONAL POPULATION

Two thirds of businesses supported a new state government policy to promote regional population, with the most commonly cited feedback being the need for appropriate infrastructure and services to facilitate such growth. There was also a strong theme of businesses saying jobs had to be put first, and population growth would follow: *“Economic prosperity in regions will drive employment in regions,”* and *“More corporate jobs need to be available in regional areas, which will in turn help promote families to move to regional areas as they can still maintain elite and well-paid positions.”*

“Providing adequate services such as mobile phone and internet connectivity will solve a great deal of problems.”

DOES SOUTH AUSTRALIA NEED GOVERNMENT POLICY TO SPECIFICALLY PROMOTE POPULATION GROWTH IN THE REGIONS?



■ YES / 68%

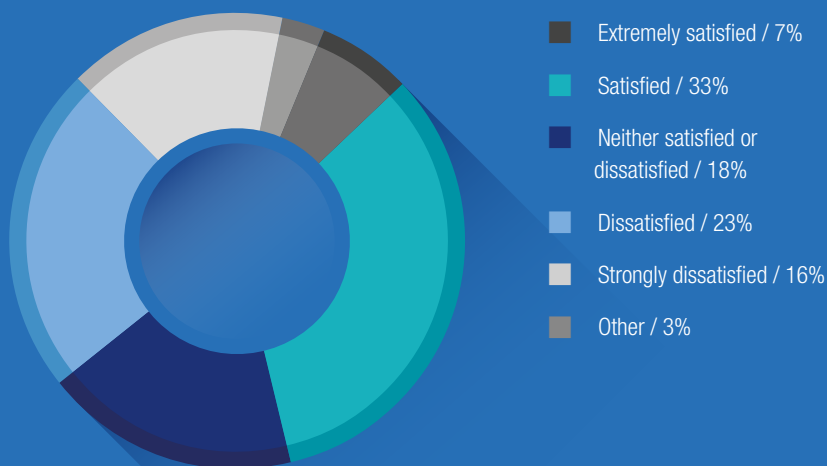
■ UNSURE / 17%

■ NO / 15%

MOBILE COVERAGE

With 39 per cent of businesses either dissatisfied or strongly dissatisfied with mobile coverage in the regions, there was a range of reasons this impacted the ability to do business, including communicating with clients, responding to machinery problems, directing delivery drivers, using more advanced IT such as cloud-based computing, dealing with safety related situations or facilitating tourism: *“The unreliable nature of mobile phone coverage (where I live on a farm property) means that I am anxious about conducting more aspects of my business online, especially financial transactions (e.g. mobile links fall out during a transaction and potentially compromising data).”* Many businesses were frustrated with calls dropping out and having to make repeated calls to access messages.

HOW SATISFIED ARE YOU WITH THE MOBILE COVERAGE IN THE REGION TO CONDUCT YOUR BUSINESS?

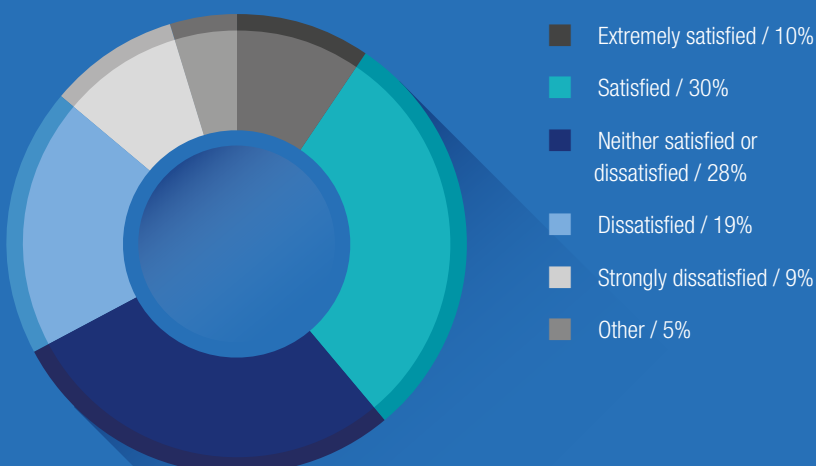


“The coverage has improved over the years, however the quality of service is appalling – 80 per cent of my mobile calls either drop out or fail.”

NBN SERVICE

Nearly 60 per cent of regional business respondents were connected to the NBN. Two thirds reported being either neutral or satisfied with their service – a positive sign. For the balance of businesses, feedback was consistent on why they were disappointed with the NBN, with issues of speed and reliability by far the strongest concern: *“Slow speeds. In the last week, it has been ‘down’ due to maintenance or other problems on at least 3 occasions, sometimes for longer than twelve hours,”* and *“Speed is no better than ADSL and drop outs are frequent which directly impacts my business.”*

HOW SATISFIED ARE YOU WITH THE NBN SERVICE TO YOUR BUSINESS?



HIGH-LEVEL NUCLEAR WASTE STORAGE

Regional businesses were generally not supportive of a high-level nuclear waste storage facility in their specific region, with many worried about the potential impact to their clean and green image.

This was not surprising given 90 per cent of business respondents were based in arable farming regions, in line with South Australia's population distribution. Businesses were much more conducive to South Australia storing low and intermediate-level waste which is produced within Australia, as opposed to storing high-level waste from overseas: *"Except for essential use (for example medical) we shouldn't produce nuclear waste and all states should be responsible for their own – I'm completely against it."* There was also a sense that if South Australia went ahead with a project, it should only be in arid areas or for example, on the former Maralinga site: *"Our region, being mainly limestone and very porous, would not suit. But more remote desert regions are ideal. The economic benefits and ability to re-use the waste make it a no brainer."*

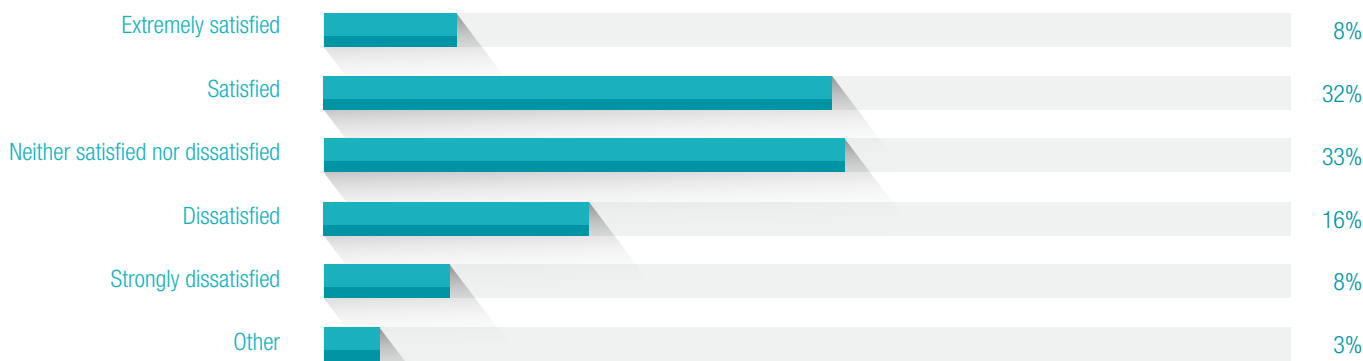
Some businesses were generally worried about state perception issues: *"Bad for the state brand, we would be known as the dump and it creates issues for our food, wine and beverages story."*

The nuclear waste question generated the most feedback from businesses, with very divided opinions – mostly against – although the specific location seemed to be a considerable factor in approximately 50 per cent of responses: *"Not appropriate in my area, but would support it in remote area where there would be no impact on Agriculture."*

WOULD YOU SUPPORT A HIGH-LEVEL NUCLEAR WASTE STORAGE FACILITY IN YOUR REGION, IF APPROPRIATE ECONOMIC BENEFITS WERE ALLOCATED?



HOW SATISFIED ARE YOU WITH THE SERVICE DELIVERY OF YOUR LOCAL COUNCIL?



Red-tape remains a constant battle for regional businesses, particularly council development applications (which in some instances are taking up to seven years to complete), government tenders and tax-related compliance. Businesses were also quite concerned about duplication requirements between different levels of government: *“Filling in copious forms, providing the same information to different departments, having to join the dots for each department. There is no efficiency.”* Businesses also cited many specific issues of transport-related compliance which they found were not practical and expensive to comply with: *“Oversize farm equipment permits... To have to do yearly is the biggest pain, a tractor is a tractor, who cares how big the tyres are etcetera. The tractor is generally the smallest part of a combination. We comply with oversize rules because they make sense and cover our arse in the event of an accident, but applying for the permit is prohibitive procedure gone mad.”*

There was strong feedback about sometimes unnecessary and lengthy processes for police and working with children checks, as well as the significant volume of paperwork imposed on businesses to comply with Work, Health & Safety requirements: *“WH&S law is focusing on the evidence (documentation) off ‘systems’ rather than the practical culture of ‘we all deserve to go home uninjured at the end of the day’.”*

“Doing copious amounts of paperwork does not increase awareness and safety vigilance.”

While there were concerns about council operations, and particularly development applications, 73 per cent of regional businesses were generally either satisfied or neutral regarding their local council’s service delivery: *“Our small rural council does an amazing job with limited resources. Negative impacts on our business are from state and federal government levels.”* However, concerns often related to the timeliness of decisions, and in general the time to respond to queries which could often be time-critical for the businesses themselves. The general sentiment towards councils was also reflected in attitudes towards further amalgamations, with only about a third of regional businesses supporting them. Businesses typically wanted to see more resource sharing before pursuing amalgamations, and were worried about the community aspects of larger regional councils with a reduced focus on smaller towns and areas. There was also some negative feedback about previous amalgamations not delivering intended outcomes, particularly from a labour cost efficiency perspective.

Businesses raised a myriad of other issues during the survey, and were often wanting to convey the reality of running their operation in regional South Australia: *“The constant stresses of running a business, and trying to put money aside into super, unsuccessfully for my imminent retirement are my biggest issues. My younger son wants to take over the business, but with debts already in place, he will have to go into too much debt to provide for my retirement. Thus I am having to delay my retirement and struggling with the constant pressure of running a business,”* and *“Most local businesses are doing it ‘very hard’, unprecedented in our 35 years in business not only in construction but in retail. Owners/managers are working longer hours – not employing staff to try to ‘maintain’ until the state/region becomes ‘viable’ again.”*

NEEDS

“Most businesses need roads and most people need good medical facilities at some stage. Get the basics right and the rest will follow.”

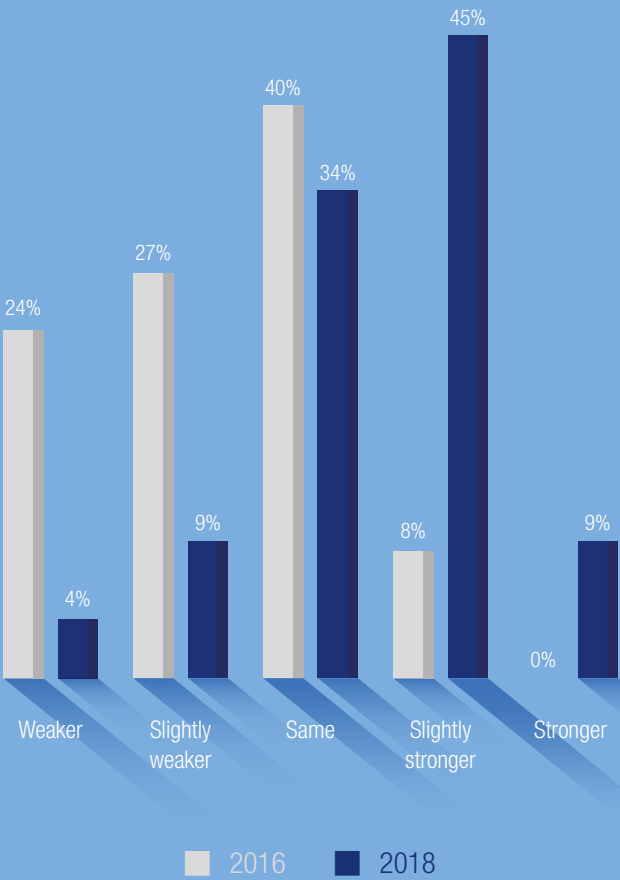
In terms of desired government support in the regions, the clear priority for regional businesses was investment in economic infrastructure such as roads and ports. About half as many businesses prioritised investment in social infrastructure such as hospitals, schools and community facilities, while the third priority was investment to retain or attract businesses to the regions, and only marginally behind were businesses which believed the Government's priority should be to lower the overall costs of doing business in their region. The general thread of feedback on government support was to get the basic infrastructure right and economic growth would ensue: *“All the topics regarding investment in R&D, local training, industry attraction, etc are relevant, however without an attractive community with good services and good infrastructure, people are not willing to come, or to stay. Good businesses will address these other issues of growth, R&D, training, etc on their own if they have the infrastructure to do so and the opportunity to attract people to their districts.”*

TOP BUSINESS PRIORITIES IN REGIONS FOR ADDITIONAL GOVERNMENT SUPPORT



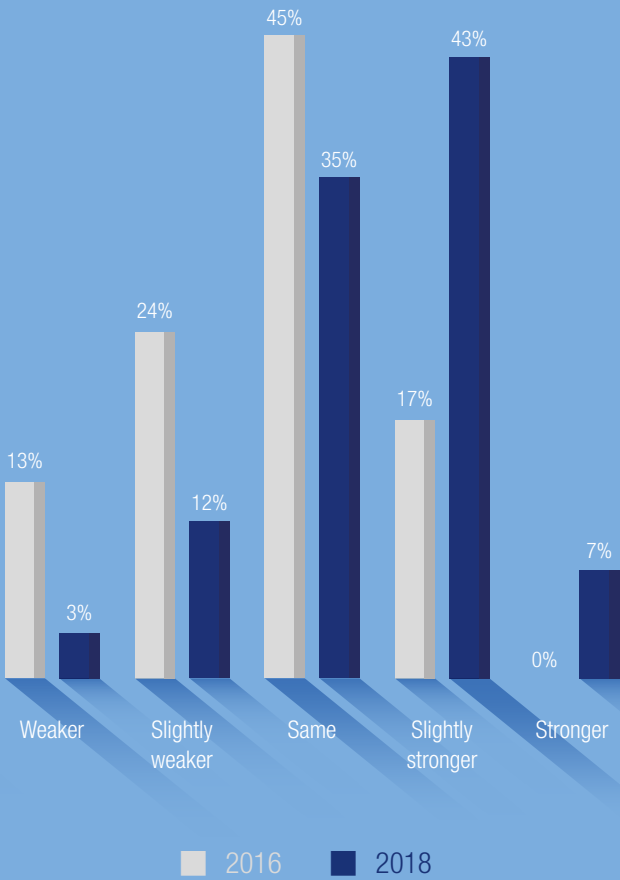
ECONOMIC CONFIDENCE AND CONDITIONS IN THE REGIONS

Index	2016	2018
State	83.6	129.8



HOW DO YOU EXPECT THE SOUTH AUSTRALIAN ECONOMY TO PERFORM OVER THE NEXT 12 MONTHS?

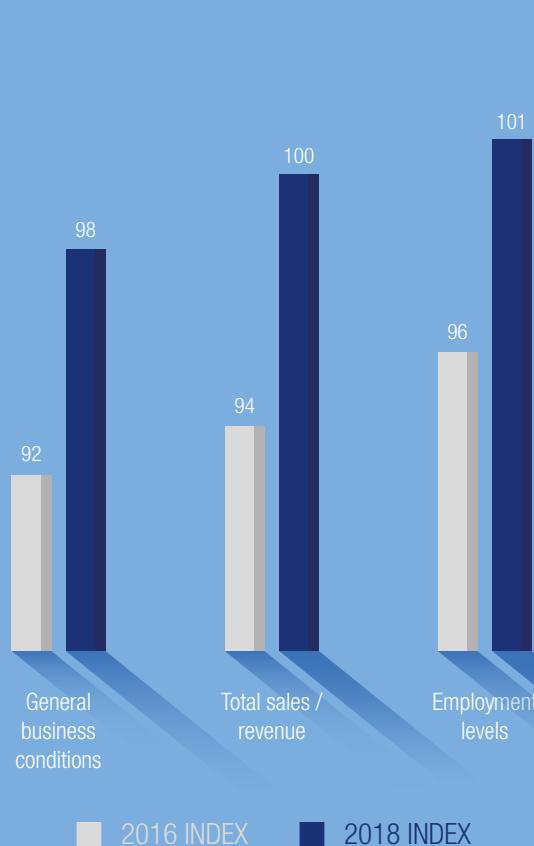
Index	2016	2018
National	99.7	130.6



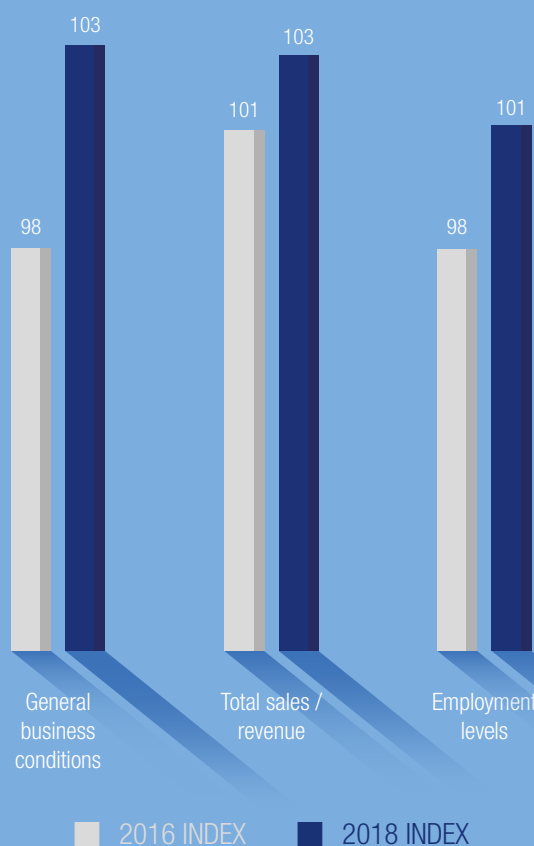
HOW DO YOU EXPECT THE NATIONAL ECONOMY TO PERFORM OVER THE NEXT 12 MONTHS?

Confidence in the national economy for regional businesses has jumped sharply, up 31 per cent since 2016. Considering both indexes were below 100 in 2016, particularly for South Australian economic confidence, it is a clear shift in a positive direction. In terms of actual business conditions however, the increase between 2016 and 2018 was more subdued, at 6 per cent, with another 5 per cent improvement expected over the June quarter, 2018. Employment levels are also expected to increase in the regions next quarter, up 1 per cent, while revenues are predicted to rise by 3 per cent.

Regional business confidence in the South Australian economy has improved markedly since 2016, with the index increasing 55 per cent for 2018.



HOW DID YOUR BUSINESS TREND IN EACH OF THE FOLLOWING INDICIES FOR THE LAST QUARTER (MARCH 2018)?



HOW DO YOU EXPECT YOUR BUSINESS TO TREND IN EACH OF THE FOLLOWING INDICIES FOR THE NEXT QUARTER (JUNE 2018)?

ADELAIDE HILLS, FLEURIEU PENINSULA, McLAREN VALE AND VICTOR HARBOR



KEY ISSUES

The highest priority issues for Adelaide Hills, Fleurieu Peninsula, McLaren Vale and Victor Harbor businesses were electricity costs, labour costs, company tax and economic infrastructure requirements. On aggregate, businesses in this region ranked electricity costs as more important than businesses in any other region.

Local businesses found the company tax rate the most constraining tax rate, while Award rates were the top labour cost challenge.

POPULAR TOPICS

74 per cent of businesses were connected to the NBN, the highest proportion in regional South Australia. The same proportion of businesses were generally either satisfied or neutral about their service, above the regional average of 67 per cent.

NEEDS

While local businesses most wanted government support targeted at economic infrastructure, there were several comments about the need for rail infrastructure into growth areas such as Mount Barker.

“I think by having a train service for transport between Mount Barker and surrounds, and the city, would benefit economic growth. People would move to the hills because transport to the city is easy.”

OTHER CONCERNS

Skills shortages were less of an issue compared to the regional average, with 38 per cent recording no concerns compared with the regional average of 28 per cent, which could likely be explained by the proximity to metropolitan Adelaide.

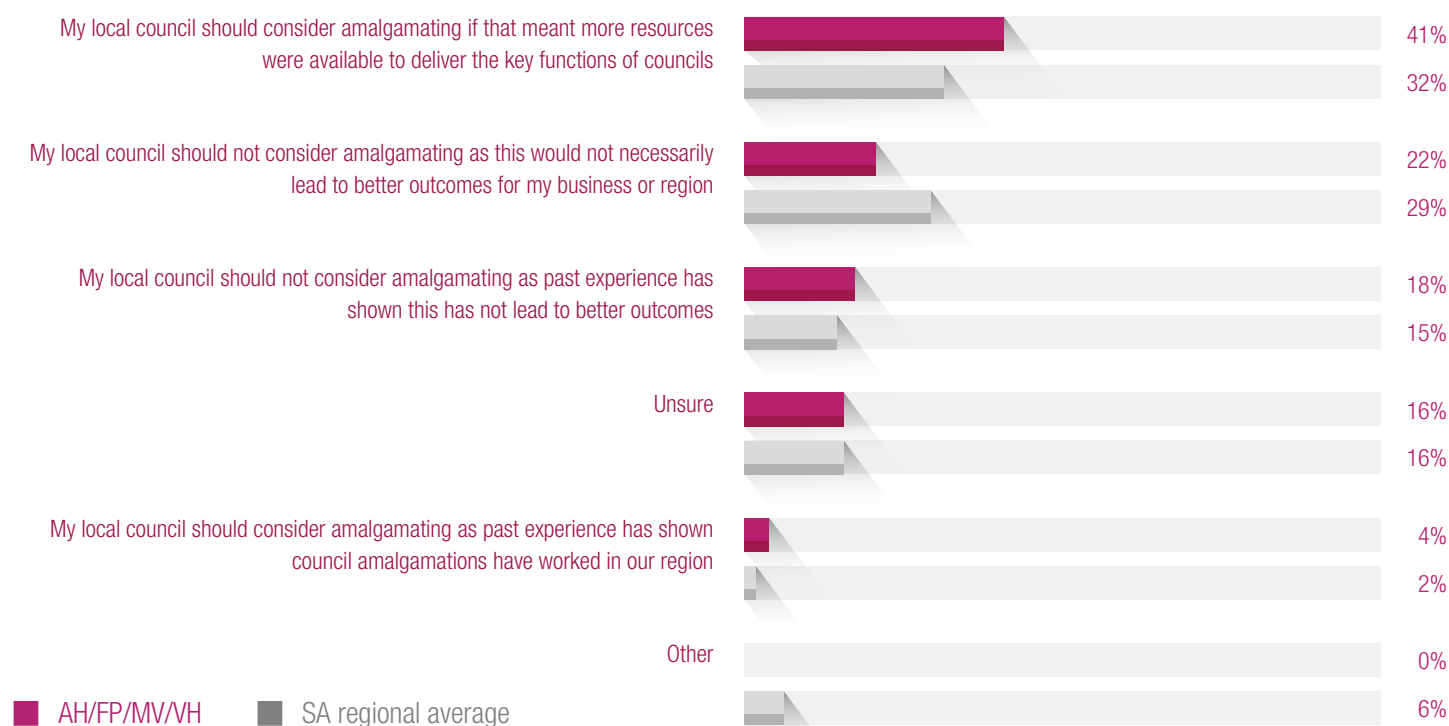
With 70 per cent of businesses either satisfied or neutral regarding mobile coverage in this region, businesses were much more satisfied than those further from Adelaide, with the broader regional average only 58 per cent. However, there were concerns about patchy coverage in rural areas, and poor coverage close to major centres including Victor Harbor.

A high 80 per cent of businesses were either neutral or satisfied with council service delivery, higher than the broader regional average of 73 per cent. However, 45 per cent supported consideration of amalgamations, which was much higher than the broader regional average of 34 per cent. Several concerns were raised about whether economies of scale could be achieved and the probability of increased outsourcing to Adelaide businesses.

74%

of businesses were connected to the NBN, the highest proportion in regional SA.

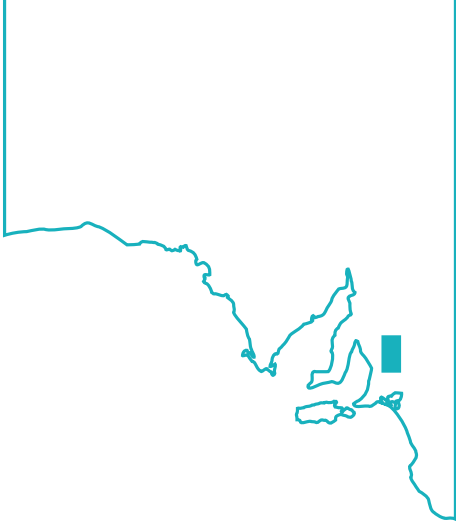
WHAT IS YOUR VIEW ON YOUR LOCAL COUNCIL AMALGAMATING WITH NEARBY REGIONAL COUNCILS?



BUSINESS PRIORITIES FOR GOVERNMENT SUPPORT



- Investment in economic infrastructure such as roads and ports / 34%
- Investment in social infrastructure (hospitals, schools and community facilities) / 21%
- I believe the Government should primarily focus on lowering overall costs to support business in my region / 21%
- Investment to retain or attract businesses to your region / 21%
- Investment in the provision of local training / 9%
- Other / 9%



BAROSSA

KEY ISSUES

Electricity and labour costs ranked equally as the two most important issues to Barossa businesses, with company tax a close third. Council rates and operations (planning approvals) and electricity reliability rounded out the top five. When asked to rank the top issues for the region more broadly, businesses rated environment and sustainability at the same level as electricity costs.

OTHER CONCERNS

Skills shortages continue to be a concern, with 64 per cent of respondents indicating that skills shortages were a challenge. Finding appropriately-skilled people was of the highest concern, followed by being able to source people, but not at appropriate rates of pay. Businesses were generally concerned about attracting low-skilled workers, with no businesses reporting trouble finding highly-skilled people. *“We can train any one, as long as they have the right attitude. We find it very difficult to find people in the right wages bracket for food manufacturing, with a positive attitude.”*

In terms of specific taxes and levies constraining Barossa businesses, the top three in order of priority were company tax, council rates and payroll tax. In fact, company tax was more of an issue for businesses in the Barossa than in any other region.

Accessing training in the Barossa is generally not a major concern, with 72.5 per cent of respondents able to access required training within the region. However, of the respondents with concerns, they centred around training not being cost competitive, not being of a high enough standard and the cost of sending employees to Adelaide.

DOES SOUTH AUSTRALIA NEED GOVERNMENT POLICY TO SPECIFICALLY PROMOTE POPULATION GROWTH IN THE REGIONS?



Responses from Barossa:

YES / 35%	UNSURE / 27%	NO / 38%
-----------	--------------	----------

In comparison to the regional average responses:

YES / 68%	UNSURE / 17%	NO / 15%
-----------	--------------	----------

“Population growth in Barossa needs to be controlled in order to protect the region not destroy it with uncontrolled growth.”

37%

ranked social infrastructure such as hospitals, schools and community facilities as the top priority for government support.

NEEDS

The top priority for government support in the Barossa was social infrastructure such as hospitals, schools and community facilities, with 37 per cent of respondents ranking it as their number one issue, ahead of economic infrastructure at 21 per cent. This was in contrast to every other region which ranked economic infrastructure ahead of social infrastructure. More specifically, a new hospital and better GP facilities were considered the highest social needs in the Barossa. While economic infrastructure ranked second, there was no clear consensus on the region's biggest need.

POPULAR TOPICS

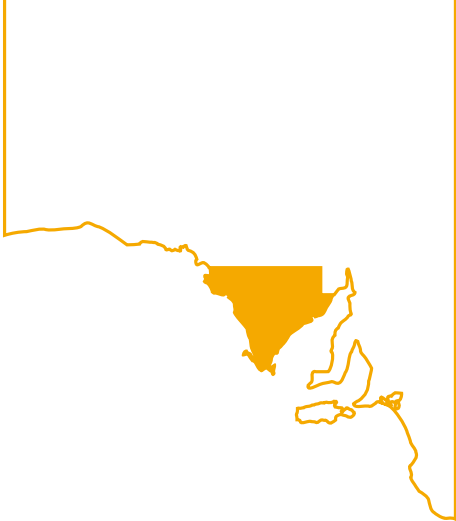
Only 35 per cent of Barossa businesses believed South Australia needed government policy to promote regional population growth, which was less than half of the regional average of 68 per cent. Of the businesses commenting, all were against population growth policies for the Barossa, with reasons including: *"We don't have the infrastructure to support massive population growth."*

Businesses generally viewed Barossa councils quite favourably, with less than a quarter dissatisfied. Of the respondents, 43 per cent did not want council amalgamations, believing this would not lead to better outcomes. There were also concerns that an amalgamation would lead to services being spread too thinly and the fringes of the current council are already neglected.

WHERE BAROSSA BUSINESSES BELIEVE GOVERNMENT SUPPORT IS MOST REQUIRED



EYRE PENINSULA



KEY ISSUES

On aggregate, electricity costs were the highest priority issue for Eyre Peninsula businesses, however, skills availability and telecommunications service levels were the most pressing for a substantial number of individual businesses. Economic infrastructure needs also measured highly across the Eyre Peninsula, and company tax and labour costs were key constraints.

When asked about the top five issues for their region more broadly, businesses saw electricity costs and reliability as well as economic infrastructure to be the most significant challenges.

Company tax, council rates and personal income tax rates were viewed as the most restrictive taxes, rates or levies while the costs of Work, Health & Safety compliance and Award rates and conditions were the most challenging labour costs. Penalty rates were particularly problematic for Eyre Peninsula businesses:

“To attract staff to work in regional SA, work unusual hours including weekends, etc we must pay well above any Award rate, as well as provide significant bonus schemes – these increased labour costs limit our client base, erode our profit and increase our business risk.”

POPULAR TOPICS

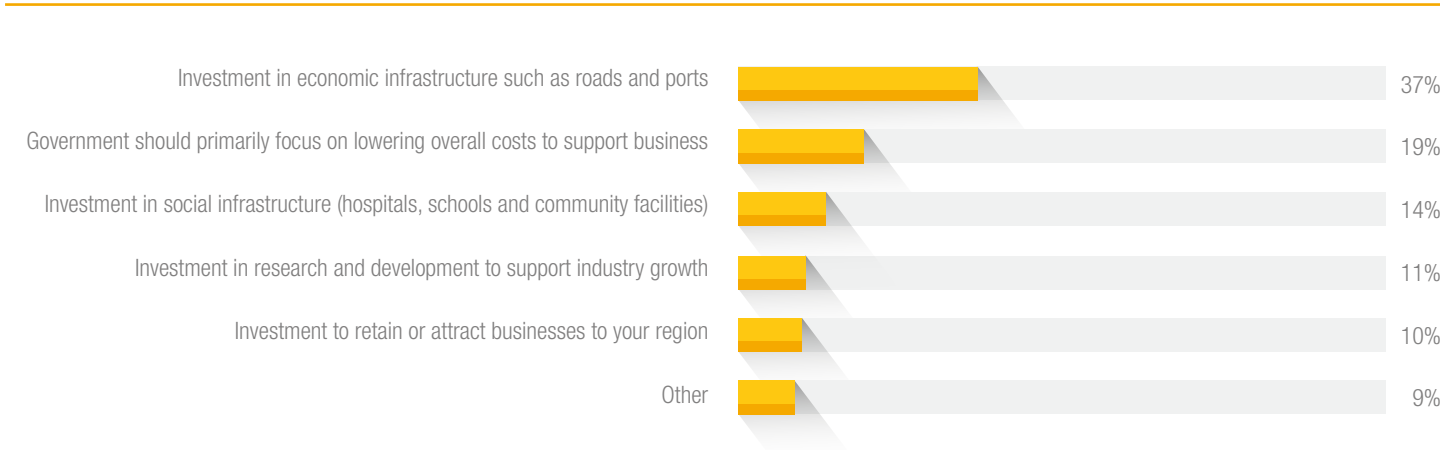
A substantial 73 per cent of Eyre Peninsula businesses believed South Australia needed government policy to promote regional population growth, but this was predicated on having adequate infrastructure and services to support it: *“Infrastructure also needs to be provided, along with jobs. No-one wants to work in a town with no doctor.”*

Support for a high-level nuclear waste storage facility on the Eyre Peninsula was evenly split, with 41 per cent for and against, and 17 per cent unsure.

Eyre Peninsula councils were generally viewed quite favourably by businesses, with just over a quarter dissatisfied. Just over a third supported amalgamation, while others wanted to see more sharing of resources to help reduce costs.

“We are extremely fortunate to have a proactive and forward thinking council despite being one of the smallest in the region.”

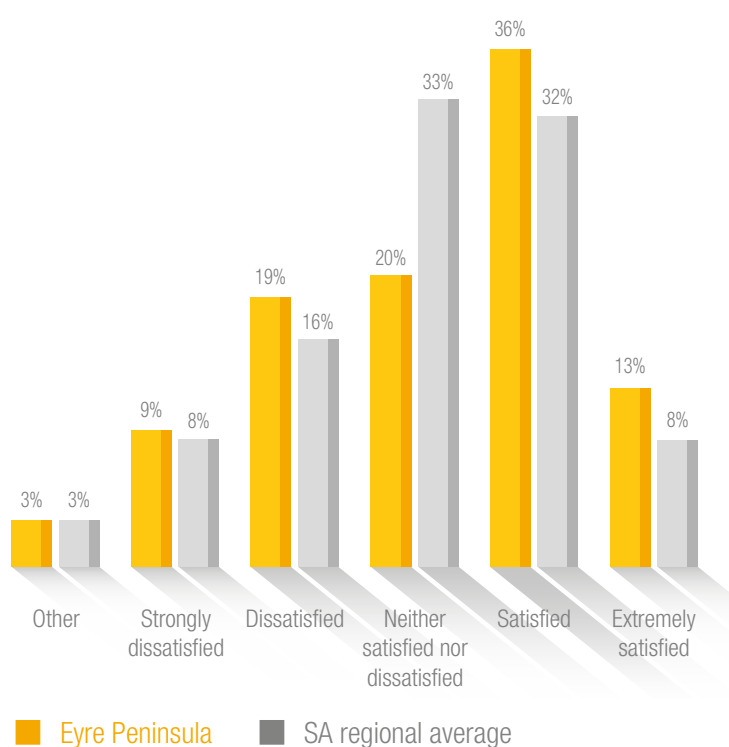
BUSINESSES’ TOP PRIORITIES FOR GOVERNMENT SUPPORT



73%

of businesses believed South Australia needed government policy to promote regional population growth.

HOW SATISFIED ARE YOU WITH THE SERVICE DELIVERY OF YOUR LOCAL COUNCIL?



“Infrastructure needs to be provided, along with jobs. No-one wants to work in a town with no doctor.”

NEEDS

The number one priority for government support on Eyre Peninsula was economic infrastructure, particularly a deep-sea port, closely followed by support for more social infrastructure.

OTHER CONCERNS

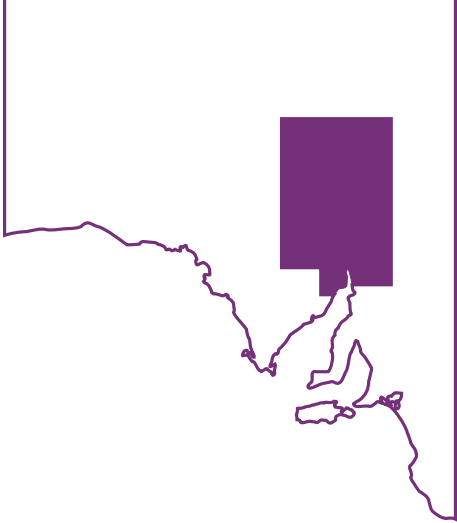
Just under half of Eyre Peninsula businesses (42 per cent) found it hard to attract appropriately-skilled people, even when offering competitive rates of pay, above the SA regional average of 38 per cent. Employers found it hard to find people willing to do the work and undertake the hours required, particularly in the agriculture and fishing industries.

The most significant concern regarding training on the Eyre Peninsula was cost – both the cost of training available locally, or the significant travel costs associated with sending employees to Adelaide.

Mobile coverage frustrated Eyre Peninsula businesses, with just below one third of respondents satisfied and businesses on average were the most dissatisfied customers of any region. A range of concerns were raised, including black spots on the Eyre and Flinders highways. Many were also concerned that poor mobile coverage limited the ability of agri-businesses to operate.

Given fewer than one third of Eyre Peninsula businesses were satisfied with their new NBN service, the most commonly raised concerns related to drop outs, followed by slow speeds. In 2016, Eyre Peninsula businesses also conveyed internet access and reliability as major barriers for growth.

FAR NORTH, PORT AUGUSTA AND WHYALLA



KEY ISSUES

On aggregate, the most important issues for the Far North, Port Augusta and Whyalla (collectively Northern Regions) businesses, were council rates and operations, electricity costs, electricity reliability and quality of supply, and economic infrastructure requirements. Electricity costs were the option most commonly selected as the top issue facing individual businesses.

Of those who were facing labour cost challenges, Award rates, costs of WH&S compliance and Award conditions were the most common first preference responses.

NEEDS

Investment in economic and social infrastructure were the two most popular responses when participants were asked where they thought the Northern Regions needed additional government support. Road improvements were a key issue, with several respondents commenting on unsealed major roads impacting the local economy.

“We close on public holidays, and limit opening hours to avoid overtime wages/having to employ more staff; this is unfortunate for our community and tourists.”

PRIMARY CHALLENGE WHEN ACCESSING TRAINING IN THE NORTHERN REGIONS



50%

of Northern Region respondents were in support of high-level nuclear waste storage.

POPULAR TOPICS

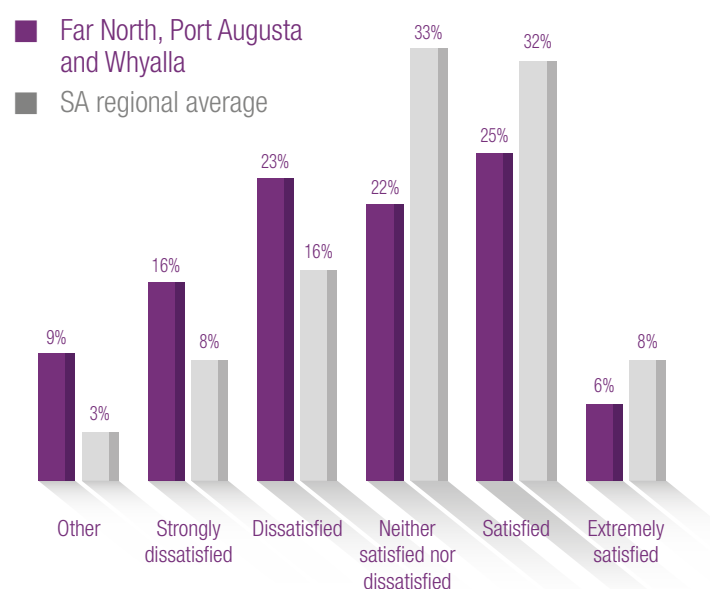
Respondents strongly supported the notion that South Australia needed a government policy to specifically promote regional population growth, with 85 per cent in favour.

Support for a high-level nuclear waste storage facility, with economic benefits allocated locally, was also significantly higher in the Northern Regions than the regional average. Northern Regions respondents were 50 per cent in support, 38 per cent against and 12 per cent unsure. This support figure differs significantly from the 30 per cent support measured across all regional South Australia: *“We produce the raw material and waste, and should be duty bound to dispose of it at the end of life,”* and *“Get out of the dark ages. Be prepared to make money digging it out of the ground, then deal with the waste we created and profit by it.”* Other businesses were more cautious, prefacing support on nuclear waste being low-level: *“Low-level waste would be okay,”* and *“Low-level medical nuclear waste from Australia in regional SA would be ok.”*

Northern Regions businesses reported significant dissatisfaction with their council's service delivery, with 38 per cent either dissatisfied or strongly dissatisfied, and only 31 per cent generally satisfied. This differs substantially from the regional average, where 24 per cent were generally dissatisfied and 40 per cent generally satisfied: *“Over administrated and too many workers. They need to have an audit by an external, independent, body.”*

Respondents did not support their council amalgamating with other nearby regional councils.

HOW SATISFIED ARE YOU WITH THE SERVICE DELIVERY OF YOUR LOCAL COUNCIL?



OTHER CONCERNS

Skills shortages were a challenge for almost 75 per cent of respondents, with the most common issue being the inability to attract appropriately-skilled workers even when offering competitive rates of pay. Difficulty attracting workers due to a lack of community infrastructure and access to necessary services was also a common challenge.

Respondents recorded general satisfaction with mobile coverage at 49 per cent, 14 per cent were neutral and 34 per cent generally dissatisfied. Most of the dissatisfaction across the Northern Regions was driven by concerns about intermittent coverage.

KANGAROO ISLAND



KEY ISSUES

Unlike most regions, economic infrastructure requirements rated as the top issue for individual Kangaroo Island businesses, with the broader regional priority of electricity costs ranking second. This aligns with Kangaroo Island’s unique geographic situation and reliance on air or sea transport to reach the mainland.

Respondents recorded a similar result when rating the top issues of importance for Kangaroo Island regional businesses more broadly, where economic infrastructure requirements ranked higher than electricity costs. Across these two questions, comments relating to freight and travel costs were frequently cited; clearly demonstrating the impact of the challenges Kangaroo Island businesses face.

The most commonly selected tax, rate or levy constraining business growth was council rates. Personal income tax rates and the company tax rate followed closely: *“Company tax payments hurt when you have to pay for the results of a previous good year when having a poor year.”* Overall, costs of Work, Health & Safety compliance, training costs, payroll tax and Award conditions were the top labour cost challenges: *“Businesses in regional Australia do not have the critical mass that metro businesses have and should therefore have different Award rates/penalty rates to reflect the restricted revenue opportunities. Most people in regional Australia would prefer more hours and a flat rate than having their hours cut as businesses aren’t financially sustainable if they open on weekends and public holidays.”*

PRIMARY CHALLENGE REGARDING ACCESS TO TRAINING IN KANGAROO ISLAND



85%

of businesses have issues accessing skills.

POPULAR TOPICS

There was strong support for a government policy to specifically promote regional population growth. However, as one respondent noted, population growth is only one part of the solution:

“Population growth is not just about numbers, attracting professional services and residents who will contribute to economic growth by bringing skills and services, not adding to ongoing unemployment and reliance on government-based services.”

As with the previous Regional Voice survey, the majority of Kangaroo Island businesses did not think amalgamation of their council with other nearby regional councils would lead to better outcomes for Kangaroo Island, particularly given the island's geographic isolation from other councils.

NEEDS

Respondents strongly reported that investment in economic infrastructure, such as roads and ports, should be the focus of additional government support, with 55 per cent of respondents selecting this as a first preference. Respondents particularly noted the benefit a deep-sea wharf facility would have for the growth of Kangaroo Island's blue gum timber industry.

OTHER CONCERNS

Access to skills was an issue for more than 85 per cent of respondents, with difficulty attracting workers the most significant issue – even when offering competitive rates of pay. This was exacerbated by a lack of community infrastructure and access to necessary services on Kangaroo Island.

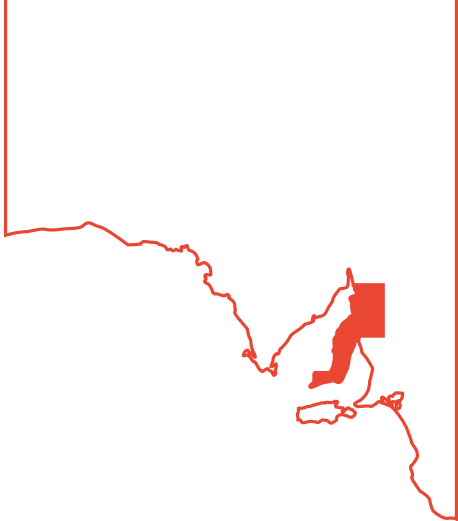
Similarly, access to training was an issue for more than 80 per cent of respondents. Interestingly, 35 per cent of Kangaroo Island businesses reported their top training challenge being a will to upskill existing employees but lacking access to required training, a scenario which was well above the regional average of 15 per cent.

BUSINESS PRIORITIES FOR GOVERNMENT SUPPORT



- Economic infrastructure / 55%
- Focus on lowering overall costs to support business / 14%
- Provision of local training / 9%
- Social infrastructure / 5%
- Research and development to support industry growth / 5%
- Other / 12%

LOWER & MID NORTH, PORT PIRIE AND YORKE PENINSULA



KEY ISSUES

Across the Lower & Mid North, Port Pirie and Yorke Peninsula, three of the most important issues for individual businesses were electricity costs, skills availability and labour costs. Other major concerns were company tax and workplace relations. Of their top five issues, three related to employee engagement, payment or management.

The top five most important issues identified for business more broadly in the region were electricity costs, economic infrastructure requirements, skills availability concerns, a lack of population growth and telecommunications service levels.

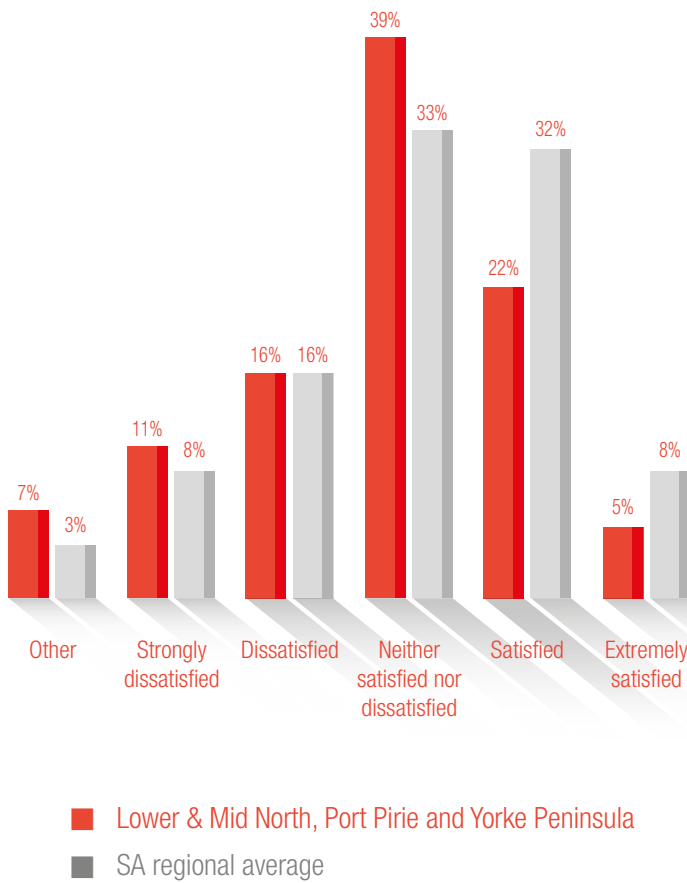
On taxation, 50 per cent viewed either company tax or payroll tax as most constraining to their business growth. These concerns largely reflected what has been reported across the state more broadly, and particularly that payroll tax limited business growth and employment: *“We could definitely employ another staff member if we did not pay as much payroll tax, company tax and super. We understand you have to pay some, but there is too much double dipping from the Government.”*

Payroll tax was the most pressing concern when respondents were asked about labour cost challenges most problematic for their business. A further 29 per cent collectively indicated that either Award rates or penalty rates were their most critical labour cost challenge.

NEEDS

Businesses stated government support for their region should be directed at investment in economic infrastructure such as roads and ports, with 48 per cent listing it as their first preference. The second most popular issue, investment to retain or attract businesses to the region, attracted 17 per cent of first preferences.

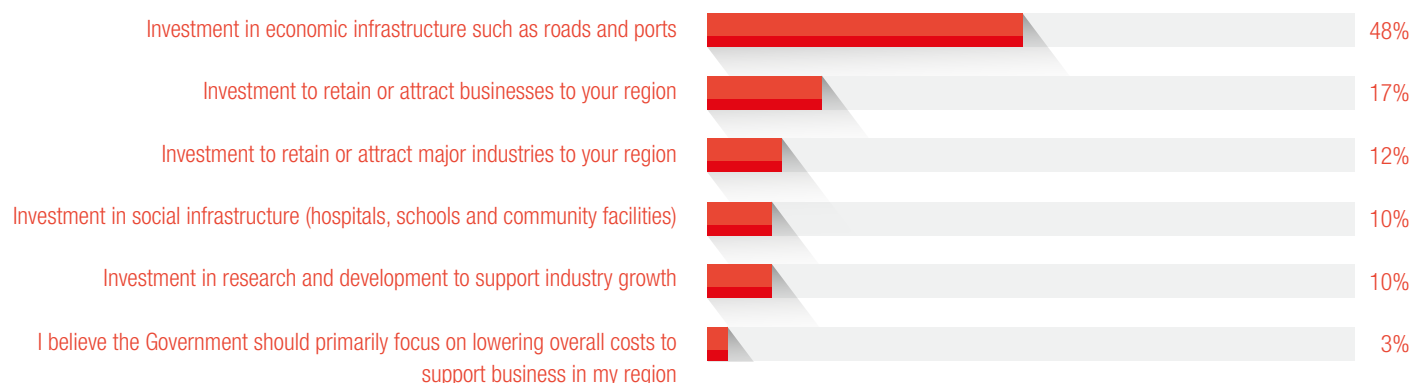
SATISFACTION WITH LOCAL COUNCIL SERVICE DELIVERY



50%

of respondents viewed either company tax or payroll tax as most constraining to their business growth.

NUMBER ONE BUSINESS PREFERENCES FOR MORE GOVERNMENT SUPPORT IN THEIR REGION



POPULAR TOPICS

Similarly to other regions, respondents from the Lower & Mid North, Port Pirie and Yorke Peninsula strongly (75 per cent) believed South Australia needed a government policy to specifically promote regional growth. However, respondents also identified that a single policy could not be the only option: *“If government could provide services and infrastructure in targeted regional areas, I think this would help population growth,”* and *“A policy is only as good as the jobs that are created. Without jobs in the regions to apply for the population won’t grow.”*

On councils, respondents were evenly split at 27 per cent each for those who were satisfied and dissatisfied with service delivery. Councils in the Lower & Mid North, Port Pirie and Yorke Peninsula regions have lower satisfaction and higher dissatisfaction than the regional average, where 40 per cent were satisfied and 24 per cent dissatisfied. The majority of additional comments identified council inefficiency and waste as areas which could be improved:

“The council is reluctant to change and is just doing ‘business as usual’ rather than looking for innovative solutions and seeking new efficiencies in how it does business. More of the same will not create the change needed in this region.” Notwithstanding, 70 per cent of respondents were unsure about or against their council amalgamating with nearby regional councils.

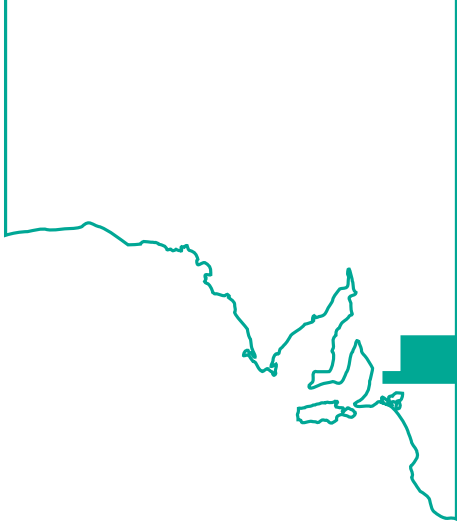
OTHER CONCERNS

Skills shortages were an issue for 80 per cent of respondents in one form or another, with 39 per cent unable to attract people to their business, even when offering competitive rates of pay, on par with the regional average. Another 18 per cent reported people were not willing to move to the region due to the lack of access to necessary services and community infrastructure.

Satisfaction with mobile coverage was above average in this region, with 48 per cent of respondents satisfied with their mobile coverage, compared to 32 per cent being dissatisfied. These figures were positive compared to the regional average of 40 per cent being satisfied and 39 per cent dissatisfied. Businesses’ primary concern was the lack of competition given Telstra was the only provider able to offer adequate coverage, however there were also concerns raised about reliability.

Regarding the NBN, of the 50 per cent of respondents connected to the network, 70 per cent were either satisfied or neutral with their service. Of the 17 per cent dissatisfied with the service, they identified speed and connection concerns.

MOUNT BARKER, MURRAYLANDS, RIVERLAND AND STRATHALBYN



Respondents were fairly evenly split across the region, with 42 per cent based in the Mount Barker, Murraylands or Strathalbyn, and 58 per cent located in the Riverland. For the ease of the reader, Murraylands will refer to the Mount Barker, Murraylands and Strathalbyn collectively.

KEY ISSUES

Electricity costs were the most important issue for individual businesses in the region. The second most-common challenges were company tax, labour costs and skills availability; each receiving the same number of first preference responses.

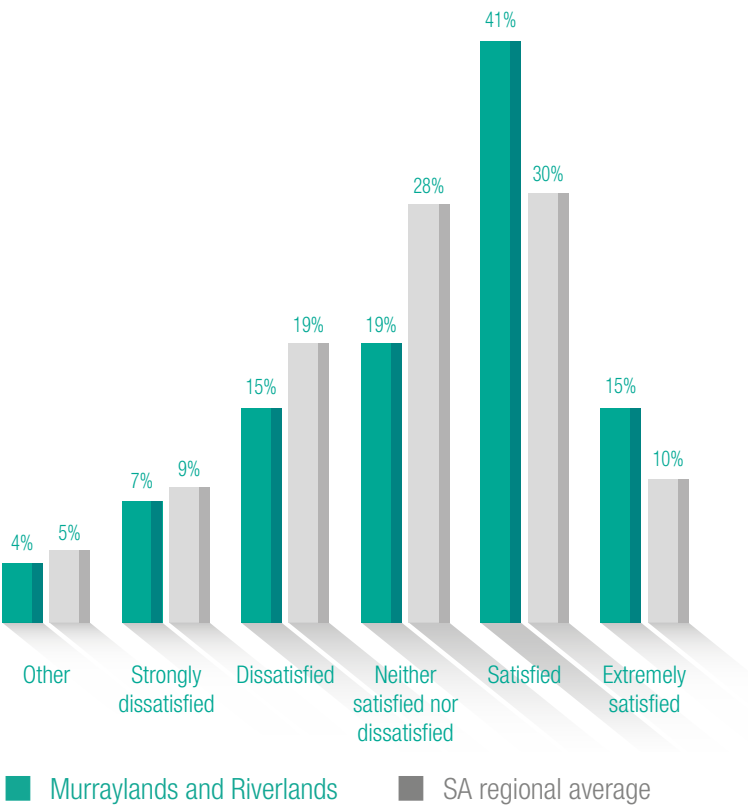
The most important issues identified for business more broadly in the region were council rates and operations, electricity costs, skills availability, water costs and supply, and economic infrastructure requirements. Across regional South Australia, more than half of those who listed water costs and supply (which includes SA Water costs and River Murray allocations for irrigators) as the most important issue, came from the Murraylands and the Riverland.

Murraylands and Riverland business identified Award rates, Award conditions, market rates of pay and penalty rates as the most common labour cost challenges. Penalty rates were of particular concern.

NEEDS

Respondents felt investment to retain or attract businesses to the Murraylands and the Riverland was the top issue where the region should be provided additional government support, with 29 per cent of businesses selecting this, compared to the regional average of 13 per cent. Investment in economic infrastructure, such as roads and ports, and investment in social infrastructure such as hospitals and schools, were also recommended.

HOW SATISFIED ARE YOU WITH THE NBN SERVICE TO YOUR BUSINESS?



“Facilities such as access to university would help retain population in the region and a commercial airport is needed at Renmark as a means of dispersing tourists. The region also needs diversification so that there is a more robust economy, rather than relying on horticulture and agriculture alone (which is reliant on climate and weather).”

“My main income was derived on weekends and therefore needed to pay penalty costs which proved impossible.”

POPULAR TOPICS

As with other regions, 55 per cent of respondents generally felt South Australia needed a government policy to specifically promote regional population growth, with only 14 per cent opposed to the idea.

However, respondents were more unsure of whether such a policy should be implemented than the regional average. Across all regions 17 per cent of respondents were unsure whether South Australia needed a government policy to specifically promote population growth, while in the Murraylands and Riverland this proportion was significantly higher at 32 per cent.

Opinion was divided on a high-level nuclear waste storage facility in their region, with 50 per cent opposed, 34 per cent who supported the idea and 16 per cent unsure. However, there was also contingent support based on location *“I fully support a storage facility but it needs to be in the Arid zone not near the Murray or food bowl”*.

OTHER CONCERNS

Close to 70 per cent of respondents had experienced some form of challenge relating to skills shortages in the Murraylands and the Riverland regions. Of those businesses, the majority (40 per cent) reported they were unable to attract employees, even when offering competitive pay rates. A further 12.5 per cent were able to source required skills in their region, but not at rates their business could afford.

Access to training was a challenge for more than 70 per cent of respondents. Of all Murrayland and Riverland respondents, 24 per cent stated the primary challenge with access to training related to having to send employees to Adelaide for training, which they thought was too expensive. *“Trade skills centre investment within rural areas and association with RTOs (ie TAFE) would be invaluable in boosting trade qualified employees in rural areas. Rural apprentice incentives to encourage employers to take on apprentices are also invaluable to grow skills within the area.”*

Those either satisfied or extremely satisfied with mobile coverage in the region was equal at 42 per cent to those either dissatisfied or strongly dissatisfied with mobile coverage: *“Coverage is okay, but reliability and time to deal with issues is unsatisfactory.”*

Of the 58 per cent of respondents connected to the NBN, 56 per cent reported they were either satisfied or extremely satisfied with the service provided. Of those connected, 22 per cent were either dissatisfied or strongly dissatisfied. This is positive for the Murraylands and the Riverland, particularly given across all businesses with an NBN connection in regional South Australia, fewer than 40 per cent were satisfied or extremely satisfied with their service and close to 28 per cent were dissatisfied or strongly dissatisfied.

BUSINESS PRIORITIES FOR GOVERNMENT SUPPORT



- Investment to retain or attract businesses to your region / 29%
- Investment in economic infrastructure such as roads and ports / 22%
- Investment in social infrastructure (hospitals, schools and community facilities) / 15%
- Investment in research and development to support industry growth in your region / 10%
- I believe the Government should primarily focus on lowering overall costs to support business in my region / 10%
- Investment to retain or attract major industries in your region / 5%
- Investment in education/training for business development for your region / 5%
- Other / 4%

SOUTH EAST



BUSINESS PRIORITIES FOR GOVERNMENT SUPPORT



- Economic infrastructure such as roads and ports / 30%
- To retain or attract businesses to your region / 20%
- Investment in social infrastructure (hospitals, schools and community facilities) / 18%
- To retain or attract major industries in your region / 14%
- Research and development to support industry growth in your region / 8%
- Provision of local training / 4%
- Other / 6%

KEY ISSUES

Electricity costs and economic infrastructure requirements (such as roads, airports and ports), were the two most pressing issues for individual South East businesses.

When asked to rank the top five issues more broadly across the South East, businesses noted economic infrastructure requirements as the most important, this time ahead of electricity costs.

South East responses were consistent with the regional average, by listing company tax and council rates as most constraining to their business growth. When assessing which rates were listed as the most constraining, one fifth of respondents selected payroll tax and several respondents also commented on the impact this tax was having on their business.

NEEDS

Respondents felt the most important area in which the South East needed additional government support was economic infrastructure investment, such as roads and ports. Other popular responses were investment to retain or attract businesses to the region and investment in social infrastructure (hospitals, schools etc). Mount Gambier Airport was a popular topic. Respondents commented on the expense, infrequent service and lack of competition for air travel at the airport: *“The Government should be providing assistance to develop the Mount Gambier airport to accept larger aeroplanes to encourage international tourism and greater freight opportunities.”*

“I don’t know where our payroll tax is really utilised by the Government and it could be put back into businesses to employ more staff.”

“Regional SA is in decline when other states like Victoria are in growth.”

POPULAR TOPICS

When asked whether South Australia needed a government policy to specifically promote regional population growth, South East respondents strongly agreed, with 81 per cent supportive. This is significantly higher than the regional average of 68 per cent:

“[South Australia] should consider what the USA does and offer tax breaks for big business who invest in regional areas.”

South East businesses found red-tape a costly challenge.

This issue brought out some particularly insightful examples:

“Licensing and state government rules differing between states. As we operate close to the Victorian border we have to do two sets of everything and the way they are done is always vastly different. Why can’t they be the same?”

Regarding local councils, 54 per cent supported potential amalgamations, though 40 per cent were against the idea and 6 per cent unsure.

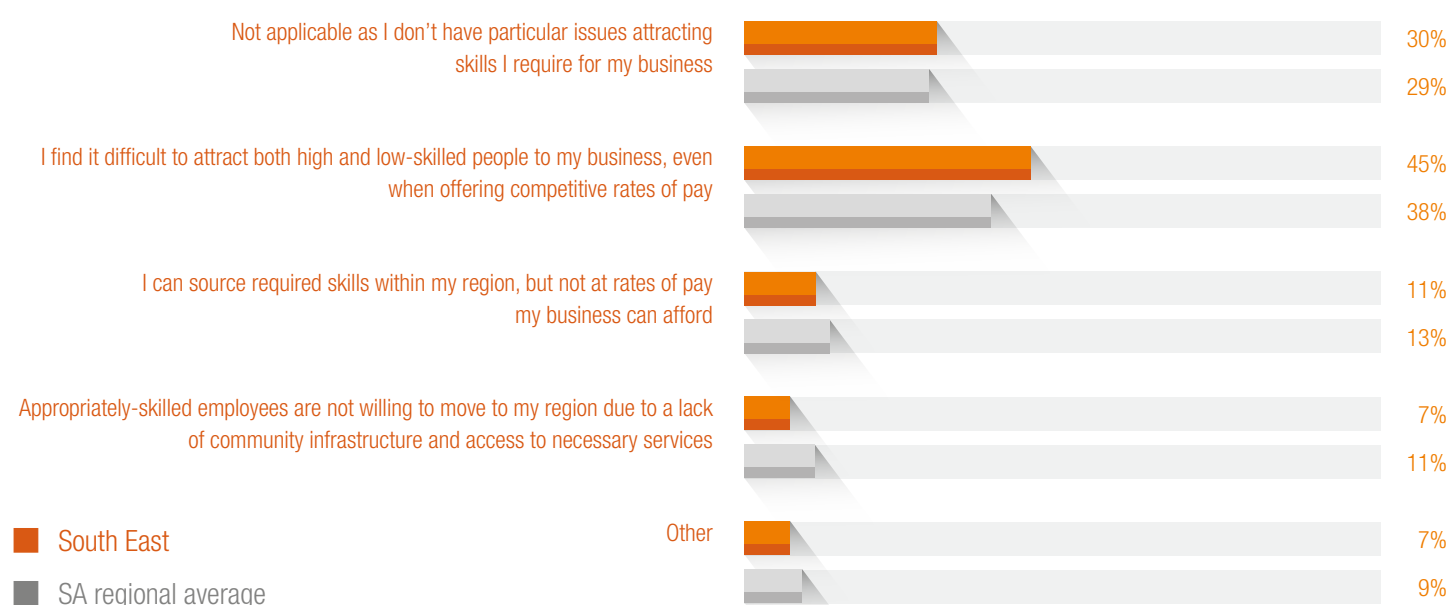
OTHER CONCERNS

Businesses reported the most common skills challenge as struggling to attract both high and low-skilled workers, even when offering competitive rates of pay. At 45 per cent of respondents, this was well above the regional average of 38 per cent and four times higher than the 11 per cent of businesses which could find appropriately-skilled workers in the region, but not at the rates their business could afford.

Access to training is a particular issue in the South East. Almost half of those challenged indicated that adequate training was not available locally, with 18 per cent stating they needed to send employees to Adelaide and 13 per cent needing to send employees interstate; both options being too expensive for their business.

More respondents were dissatisfied or strongly dissatisfied with the mobile coverage in the South East needed to conduct their business, than were satisfied or extremely satisfied. Those generally dissatisfied comprised 44 per cent of respondents, while those generally satisfied accounted for 31 per cent.

PRIMARY SKILLS SHORTAGE CHALLENGES





APPENDICES

	All regions	Barossa	Eyre Peninsula	AH/FP/MV/VH	Kangaroo Island	ML/Riverland	South East	FN/PA/W	YP/LMN/PP
1. Priority issues in terms of importance to each individual business									
	<i>Aggregated score</i>								
Electricity costs	19.63	19.81	19.47	20.21	19.6	19.87	19.85	19.41	18.77
Labour costs	18.49	19.35	17.92	18.1	18.3	18.88	18.43	17.78	19.64
Economic infrastructure requirements	18.25	17.29	18.43	17.27	20.57	15.67	19.11	19.19	18.87
Company tax	17.67	19.13	17.47	17.37	19	17.71	17.32	17.47	17.06
Electricity reliability and quality of supply	17.37	18.73	18.06	16.12	18.38	16.12	16.91	19.24	15
Council rates and operations	17.31	18.75	17.18	16.21	19.22	17.24	16.17	19.47	16.45
Skills availability	16.98	17.43	17.01	14.77	18.63	16.94	17.15	16.8	17.73
Environment and sustainability	16.24	17.78	16.73	14.82	14.5	15.33	15.24	17.5	16.92
Lack of population growth	16.03	11.46	16.19	13	17.58	16.76	17.88	17.63	15.41
Lack of customer demand	15.62	16.67	14.34	15.61	14.5	16.19	16.22	15.35	16.5
Telecommunications services levels	15.1	14.44	16.11	11.77	18.46	15.23	15.97	12.74	15.24
State Government red-tape	14.63	14.96	15.53	13.61	17.27	14.36	13.48	12.41	14.94
Payroll tax	14.03	13.65	12.45	13.96	13.8	14.92	14.72	12.43	17.05
Gas costs	13.67	13.5	13.77	13.95	16.75	13.64	14.78	14	8.89
Having right to grow GMO crops	12.79	11.56	14.35	13.44	16.25	10.29	10.79	12.75	11.5
Work, Health & Safety compliance	11.88	8.86	11.88	10.52	12.43	11.23	13.11	9.78	12.82
Federal Government red-tape	11.74	13.24	13.04	10.92	13.86	12.42	9.76	9.14	10.21
Return to Work levies and compliance	11.53	12.93	11.08	10.27	9	12.05	11.6	11.92	12.77
Land tax	11.04	10.09	11.42	9.65	11	10.73	12.13	10	12.92
Water costs and supply	10.22	13.35	10.59	9.16	8.5	11.05	8.63	7.29	10.93
Workplace relations	9.05	7.85	8.46	7.96	6.25	10	9.41	7.14	12.82
Other	7.74	4.5	9.66	6.13	14.33	5.63	6.25	8.06	8



AH/FP/MV/VH = Adelaide Hills, Fleurieu Peninsula, McLaren Vale and Victor Harbor
 ML/RL = Murraylands and Riverland
 FN/PA/W = Far North, Port Augusta and Whyalla
 YP/LMN/PP = Yorke Peninsula, Lower & Mid North and Port Pirie

	All regions	Barossa	Eyre Peninsula	AH/FP/MV/VH	Kangaroo Island	ML/Riverland	South East	FN/PA/W	YP/LMN/PP
<i>Selected as number one issue in terms of importance to each individual business</i>									
Electricity costs	18%	18%	12%	19%	17%	19%	16%	28%	26%
Labour costs	11%	16%	7%	17%	4%	13%	10%	8%	13%
Economic infrastructure requirements	6%	4%	7%	9%	17%	2%	8%	3%	4%
Company tax	11%	18%	11%	15%	4%	13%	8%	10%	11%
Electricity reliability and quality of supply	2%	7%	3%	2%	4%	2%	0%	5%	0%
Council rates and operations	4%	7%	3%	2%	4%	2%	2%	15%	2%
Skills availability	13%	7%	14%	7%	17%	13%	11%	15%	17%
Environment and sustainability	2%	4%	3%	0%	0%	2%	2%	5%	2%
Lack of population growth	2%	0%	2%	0%	4%	0%	5%	3%	4%
Lack of customer demand	4%	2%	4%	9%	0%	6%	5%	3%	2%
Telecommunications services levels	8%	2%	13%	9%	4%	6%	11%	5%	4%
State Government red-tape	4%	2%	4%	6%	8%	6%	8%	0%	2%
Payroll tax	2%	0%	2%	0%	0%	6%	2%	0%	2%
Gas costs	0%	0%	0%	0%	0%	0%	2%	0%	0%
Having right to grow GMO crops	1%	0%	3%	0%	0%	0%	0%	0%	0%
Work, Health & Safety compliance	2%	0%	2%	0%	4%	2%	5%	0%	0%
Federal Government red-tape	2%	2%	3%	2%	0%	2%	0%	0%	0%
Return to Work levies and compliance	0%	0%	0%	0%	0%	0%	0%	0%	0%
Land tax	0%	0%	1%	0%	0%	0%	0%	0%	0%
Water costs and supply	2%	9%	0%	0%	0%	6%	0%	0%	0%
Workplace relations	2%	2%	0%	0%	0%	0%	3%	3%	6%
Other	4%	0%	7%	4%	13%	0%	5%	0%	4%

THE REGIONAL VOICE

All regions Barossa Eyre Peninsula AH/FP/ MV/VH Kangaroo Island ML/ Riverland South East FN/PA/W YP/LMN /PP

2. Priority issue in terms of importance to businesses more broadly in the region

	Aggregated score								
Electricity costs	19.96	19.77	19.71	20.48	19.47	20.41	19.58	20	20.34
Economic infrastructure requirements	19.63	19.5	19.29	19.54	21.13	17.96	20.59	20.07	19.61
Council rates and operations	19.06	19.08	18.86	19.16	19.08	19.59	17.75	20.67	18.78
Electricity reliability and quality of supply	18.73	19.08	19.09	18.67	17.75	17.53	18.52	19.28	18.63
Labour costs	18.43	19.62	18.24	17.65	19.09	17.86	18.5	17.92	18.83
Company tax	18.17	19	18.18	19.2	17	16.93	17.84	16.67	19
Lack of population growth	17.77	13.43	18.34	14.91	18.94	17.94	19.09	16.77	18.24
Skills availability	17.75	17.55	18.44	14.12	19.08	17.69	17.97	18.13	18.71
Environment and sustainability	17.65	19.77	17.75	17.35	18	17.32	17.22	17.08	16.67
Lack of customer demand	15.95	16.7	15.1	16.52	16.5	14.56	15.61	15.4	17.94
Telecommunications services levels	15.94	16.8	17.03	11.27	16.3	17.03	16.31	14.4	16.27
Gas costs	15.16	14.57	14.44	15.53	16.5	13.83	17.14	13.88	13.86
State Government red-tape	14.69	15.14	16.13	12	15.83	14.9	14.08	12.5	15.57
Having right to grow GMO crops	14.33	12	16.15	14.47	15.5	12.5	13.5	11.63	15
Payroll tax	13.28	16.58	11.39	13.32	12	12.54	13.9	11.2	16
Federal Government red-tape	12.03	13.36	13.56	9.86	13	11.07	11.28	12.08	12.1
Water costs and supply	11.49	15.6	11.48	8.6	9.8	14.84	7.77	8.64	13.36
Work, Health & Safety compliance	11.3	11.56	11.88	8.43	10.2	12.41	10.3	10.64	14.73
Land tax	11.24	11.5	10.85	11.27	12.25	10.09	11.83	9.89	13.63
Return to Work levies and compliance	10.1	11	9.72	10.59	10.33	8.4	9.85	11.3	10.2
Workplace relations	7.58	8.63	6.73	4.89	6.5	7.18	4.62	8.09	15.55
Other	6.19	4.5	8.72	2.43	15.63	5.62	3	4.9	1

3. Most constraining taxes, rates or levies to the growth of businesses

	Aggregated score								
Company tax rate	7.32	7.63	7.58	7.38	7.33	7.14	7.15	6.86	7
Council rates	6.91	7.1	6.95	6.11	7.58	6.94	6.95	6.89	6.94
Personal income tax rates	6.56	6.68	6.91	6.48	7.29	5.8	6.5	6.2	6.6
Payroll tax	6.53	6.71	6.76	6.31	5.8	6.05	6.69	6.09	6.91
Emergency services levy	6.1	6	6.48	5.64	6.5	5.25	6.73	6.25	5
Not applicable	5.76	6.13	5.61	5.53	5.86	5.88	5.83	5.5	6.22
Land tax	5.5	4.86	5.44	5.27	6.63	4.3	5.64	5.71	6.29
Return to Work premiums	5.16	4.25	5.44	5.07	4.5	5.38	5.07	4.33	6.22

4. Top labour cost challenges most problematic to businesses

	Aggregated score								
Award rates	9.0	9.12	8.86	8.85	8.86	9.29	9.11	8.5	9.43
Award conditions	8.8	8.92	8.72	8.17	9	8.75	8.67	9.5	9.4
Costs of Work, Health & Safety compliance	8.7	7.8	8.98	8.44	9.5	8.41	8.42	8.62	9
Market rates of pay	8.1	8.08	8.42	7.87	8.5	7.4	7.94	8.3	8.4
Payroll tax	7.8	7.55	7.53	7.2	9.25	7.12	7.86	7	9.39
Penalty rates	7.7	8.24	6.93	7.47	8.67	7.39	7.55	7.9	9
Not applicable	7.6	8	7.22	8.05	8.89	7.29	6.95	7.69	7.36
Training costs	6.5	3.88	6.84	5.6	9.33	6.27	6.5	6.42	8.09
Return to Work premiums	5.6	5.6	5.83	5.15	7	6	4.18	5.13	7.43
Paying above market rates to attract 457 (now TSS) visa holders	5.5	5	6.07	5.9	3	5.64	5.5	4.2	5.5

	All regions	Barossa	Eyre Peninsula	AH/FP/ MV/VH	Kangaroo Island	ML/ Riverland	South East	FN/PA/W	YP/LMN /PP
--	----------------	---------	-------------------	-----------------	--------------------	------------------	---------------	---------	---------------

Selected as number one issue in terms of importance to businesses more broadly in the region

Electricity costs	19%	19%	17%	26%	8%	14%	18%	32%	20%
Economic infrastructure requirements	13%	9%	10%	13%	28%	10%	22%	5%	18%
Council rates and operations	8%	16%	4%	9%	4%	16%	2%	14%	4%
Electricity reliability and quality of supply	4%	7%	8%	2%	4%	2%	2%	5%	0%
Labour costs	6%	14%	2%	9%	4%	8%	7%	3%	4%
Company tax	7%	5%	7%	15%	4%	4%	8%	8%	7%
Lack of population growth	6%	0%	7%	0%	12%	2%	12%	5%	11%
Skills availability	9%	0%	10%	4%	8%	12%	13%	11%	13%
Environment and sustainability	3%	9%	3%	2%	4%	4%	0%	3%	0%
Lack of customer demand	2%	2%	3%	6%	0%	0%	0%	3%	2%
Telecommunications services levels	7%	2%	12%	4%	0%	8%	7%	5%	9%
Gas costs	0%	0%	0%	0%	0%	0%	0%	0%	0%
State Government red-tape	3%	2%	3%	2%	4%	2%	5%	0%	2%
Having right to grow GMO crops	1%	0%	3%	0%	0%	0%	0%	0%	2%
Payroll tax	1%	5%	1%	2%	0%	0%	2%	0%	0%
Federal Government red-tape	1%	0%	4%	2%	0%	0%	2%	0%	0%
Water costs and supply	2%	7%	0%	2%	0%	12%	0%	0%	0%
Work, Health & Safety compliance	0%	0%	0%	2%	4%	0%	0%	0%	0%
Land tax	0%	0%	0%	0%	0%	0%	0%	0%	0%
Return to Work levies and compliance	0%	0%	0%	0%	0%	0%	0%	0%	0%
Workplace relations	1%	0%	1%	0%	0%	0%	0%	3%	7%
Other	4%	2%	6%	0%	16%	4%	2%	3%	0%

Selected as number one most constraining tax, rate or levy to growth of the business

Company tax rate	27%	34%	31%	33%	16%	17%	26%	20%	27%
Council rates	13%	16%	10%	8%	28%	13%	10%	23%	14%
Personal income tax rates	17%	18%	18%	20%	24%	15%	14%	14%	14%
Payroll tax	15%	14%	17%	12%	4%	15%	21%	9%	23%
Emergency services levy	4%	2%	6%	0%	4%	2%	12%	3%	0%
Not applicable	17%	11%	16%	24%	16%	24%	10%	26%	11%
Land tax	3%	2%	2%	0%	8%	2%	3%	3%	5%
Return to Work premiums	3%	2%	0%	4%	0%	11%	3%	3%	7%

Selected as top labour cost challenges most problematic to businesses

Award rates	16%	26%	12%	22%	8%	19%	13%	18%	17%
Award conditions	7%	7%	6%	4%	8%	6%	9%	12%	5%
Costs of Work, Health & Safety compliance	12%	7%	18%	6%	8%	10%	13%	15%	7%
Market rates of pay	10%	10%	13%	8%	13%	8%	9%	9%	5%
Payroll tax	11%	7%	8%	12%	4%	4%	19%	3%	29%
Penalty rates	12%	17%	9%	18%	21%	10%	11%	9%	12%
Not applicable	23%	24%	20%	27%	29%	21%	19%	33%	14%
Training costs	6%	2%	9%	0%	8%	13%	6%	0%	10%
Return to Work premiums	2%	0%	4%	4%	0%	6%	0%	0%	2%
Paying above market rates to attract 457 (now TSS) visa holders	0%	0%	0%	0%	0%	2%	2%	0%	0%

THE REGIONAL VOICE

All regions Barossa Eyre Peninsula AH/FP/ MV/VH Kangaroo Island ML/ Riverland South East FN/PA/W YP/LMN /PP

5. Primary challenge in relation to skill shortages

Not applicable	28%	36%	26%	38%	13%	31%	30%	26%	20%
I find it difficult to attract appropriately skilled people to my business, even when offering competitive rates of pay	23%	21%	23%	21%	17%	25%	20%	29%	30%
I can source required skills within my region, but not at rates of pay my business can afford	13%	17%	11%	21%	17%	13%	11%	9%	14%
Appropriately skilled employees are not willing to move to my region due to a lack of community infrastructure and access to necessary services	11%	5%	14%	8%	25%	6%	7%	14%	18%
Attracting high skilled trade, technical/ professional people to my business, even when offering competitive rates of pay	8%	0%	11%	4%	4%	6%	16%	3%	7%
Attracting low skilled employees to my business, even when offering competitive rates of pay	7%	12%	7%	4%	17%	8%	9%	3%	2%
Other	7%	7%	5%	6%	8%	6%	7%	14%	7%
The visa system is too cumbersome to enable me to attract skilled migrants to my business	1%	0%	2%	0%	0%	2%	0%	3%	2%
It is too expensive to employ skilled migrants on TSS (formerly 457) visas	0%	2%	0%	0%	0%	2%	0%	0%	0%

6. Primary challenge in relation to accessing training

I have to send employees to Adelaide for training which is too expensive for my business	22%	13%	21%	27%	17%	24%	18%	26%	26%
Accessing quality cost competitive training in my region is not an issue	20%	30%	19%	27%	17%	27%	9%	11%	21%
Other	17%	10%	17%	19%	17%	20%	20%	17%	14%
I could upskill existing employees but I cannot access required training within my region	15%	10%	13%	10%	35%	9%	18%	20%	17%
I can access required training within my region, but not at a cost competitive rate	15%	18%	21%	13%	9%	13%	13%	9%	12%
I can access required training within my region, but it is not to the standard I require	7%	13%	7%	2%	4%	4%	9%	9%	5%
I have to send employees interstate for training which is too expensive for my business	5%	8%	2%	2%	0%	2%	13%	9%	5%

All regions Barossa Eyre Peninsula AH/FP/MV/VH Kangaroo Island ML/Riverland South East FN/PA/W YP/LMN/PP

7. Satisfaction of mobile coverage in the region

Satisfied	33%	43%	30%	42%	30%	36%	26%	29%	36%
Extremely satisfied	7%	5%	2%	9%	0%	7%	6%	20%	11%
Neither satisfied nor dissatisfied	18%	23%	16%	19%	30%	13%	20%	14%	16%
Strongly dissatisfied	15%	15%	23%	11%	13%	11%	15%	11%	11%
Dissatisfied	23%	13%	27%	17%	22%	31%	30%	23%	20%
Other	3%	3%	3%	2%	4%	2%	4%	3%	5%

8. The number of businesses connected to the the NBN

Yes	57%	48%	58%	74%	43%	58%	52%	63%	50%
No	41%	50%	38%	26%	52%	40%	46%	37%	48%
Unsure	2%	3%	4%	0%	4%	2%	2%	0%	2%

9. Satisfaction with the NBN service

Satisfied	9%	0%	3%	13%	9%	15%	14%	23%	4%
Extremely satisfied	30%	40%	26%	36%	18%	41%	18%	32%	22%
Neither satisfied nor dissatisfied	28%	25%	34%	26%	36%	19%	32%	5%	43%
Strongly dissatisfied	19%	25%	18%	18%	27%	15%	25%	23%	9%
Dissatisfied	9%	5%	13%	8%	0%	7%	4%	18%	9%
Other	5%	5%	5%	0%	9%	4%	7%	0%	13%

10. Does South Australia need government policy to specifically promote population growth in the regions?

Yes	68%	35%	73%	62%	70%	55%	81%	85%	75%
No	15%	38%	9%	21%	13%	14%	10%	12%	14%
Unsure	17%	28%	18%	17%	17%	32%	10%	3%	11%

11. Would you support a high-level nuclear waste storage facility in your region?

Yes	30%	20%	41%	19%	17%	34%	21%	50%	27%
No	55%	80%	41%	70%	74%	50%	63%	38%	45%
Unsure	15%	0%	17%	11%	9%	16%	15%	12%	27%

THE REGIONAL VOICE

All regions Barossa Eyre Peninsula AH/FP/ MV/VH Kangaroo Island ML/ Riverland South East FN/PA/W YP/LMN /PP

12. Priority areas of government support

	Aggregated score								
Investment in economic infrastructure such as roads and ports	9.42	9.05	9.67	9.3	9.69	8.93	9.3	9.53	9.48
Investment in social infrastructure such as hospitals, schools and community facilities like pools	8.91	9.37	9.02	8.88	8.6	8.71	8.65	9.18	8.56
Investment to retain or attract businesses to your region	8.45	7	8.31	7.95	8.25	8.96	8.54	8.18	8.53
Investment in research and development to support industry growth in your region	8.35	8.67	8.76	7.1	7.5	7.8	8.4	8.63	8.9
Investment to retain or attract major industries in your region	7.84	7.33	7.43	6.67	7.88	7.55	8.54	8.17	8.77
I believe the Government should primarily focus on lowering overall costs to support business in my region	7.66	8.68	8.33	7.48	9.22	6.06	5.67	6.38	8.78
Investment in the provision of local training	7.33	7.4	7.4	7.77	8	6.09	6.92	7.75	8.4
Investment to help businesses in your region diversify their markets	6.11	6.25	6.41	5.92	6.8	6.79	4.73	5.33	5.5
Investment in education/training for business development your region	4.31	5	3.71	4.25	3.5	4.08	4.75	3.83	5.33
I do not believe additional government investment/assistance is required in my region	2.25	3.2	3.17	1.78	1.5	1.7	1.75	1.75	2.67

13. Most challenging or costly aspects for businesses in relation to government red-tape

	Aggregated score								
Council development applications	12.97	12.93	12.88	13.23	12.88	12.23	12.89	13.43	13.43
Applying for government tenders or carrying out government contracts	12.68	10.25	12.05	13.09	12.75	13.05	12.83	13.57	13.2
Duplication between requirements of different levels of government	12.38	11.7	12.97	11.5	13.22	10.92	12.29	12.77	13.13
Tax related compliance, eg for GST or payroll tax	12.06	13.06	12	12.26	11.4	10.47	12.25	11	12.68
Generally complying with State Government laws and regulations	11.84	11	12.47	11.59	13.6	9.86	12.4	12.1	10.2
Dangerous goods control	10.86	8	11.42	11.33	12	10.56	10.17	12.67	10.5
Generally complying with council laws and regulations	10.79	11	10.24	10.43	13.33	10	10.25	11.6	12.44
Generally complying with Federal Government laws and regulations	10.74	13	11	10.3	10	10.36	10	11.5	9
Environment related compliance	10.68	10	11.12	10.33	12.5	8.38	11	11.33	11.8
Work, Health & Safety compliance	10.13	9.88	10.16	7.64	11.4	10.06	10.65	10.44	10.91
Plant and equipment standards	9.42	10.2	10.86	7.88	10.67	6.67	6.83	9.5	10.83
Return to Work related compliance	6.94	9.4	6.18	4.5	5	6.33	8	8.75	7.67
Trainee/Apprentice related compliance	6.87	8	5.23	7.89	3	7	6	8	9.67
Other	5.88	1	6.07	6.1	7.5	4.55	4.71	9.67	7.5

All regions Barossa Eyre Peninsula AH/FP/ MV/VH Kangaroo Island ML/ Riverland South East FN/PA/W YP/LMN /PP

Selected as number one area in need of government support

Investment in economic infrastructure such as roads and ports	34%	21%	37%	34%	55%	22%	30%	35%	48%
Investment in social infrastructure such as hospitals, schools and community facilities like pools	16%	37%	14%	21%	5%	15%	18%	13%	10%
Investment to retain or attract businesses to your region	13%	3%	10%	9%	5%	29%	20%	10%	17%
Investment in research and development to support industry growth in your region	9%	5%	11%	4%	5%	10%	8%	13%	10%
Investment to retain or attract major industries in your region	7%	3%	4%	4%	5%	5%	14%	16%	12%
I believe the Government should primarily focus on lowering overall costs to support business in my region	13%	16%	19%	21%	14%	10%	2%	6%	5%
Investment in the provision of local training	3%	3%	3%	6%	9%	2%	4%	3%	0%
Investment to help businesses in your region diversify their markets	2%	5%	1%	0%	5%	2%	2%	0%	0%
Investment in education/training for business development your region	2%	5%	2%	0%	0%	5%	2%	3%	0%
I do not believe additional government investment/assistance is required in my region	0%	3%	0%	0%	0%	0%	0%	0%	0%

Selected as number one most challenging or costly aspect for businesses in relation to government red-tape

Council development applications	13%	24%	9%	18%	19%	12%	7%	10%	21%
Applying for government tenders or carrying out government contracts	15%	3%	10%	18%	14%	33%	17%	16%	8%
Duplication between requirements of different levels of government	10%	6%	14%	7%	19%	7%	7%	13%	10%
Tax related compliance, eg for GST or payroll tax	20%	32%	20%	27%	5%	12%	28%	13%	15%
Generally complying with State Government laws and regulations	11%	3%	16%	7%	14%	5%	15%	10%	13%
Dangerous goods control	1%	0%	2%	0%	0%	0%	0%	3%	0%
Generally complying with council laws and regulations	6%	6%	4%	7%	5%	2%	7%	3%	13%
Generally complying with Federal Government laws and regulations	5%	9%	3%	4%	0%	9%	2%	10%	3%
Environment related compliance	3%	3%	1%	2%	5%	0%	4%	3%	5%
Work, Health & Safety compliance	7%	6%	7%	4%	14%	9%	4%	6%	5%
Plant and equipment standards	3%	6%	7%	0%	0%	0%	0%	0%	5%
Return to Work related compliance	1%	0%	0%	0%	0%	2%	4%	0%	3%
Trainee/Apprentice related compliance	1%	3%	1%	2%	0%	5%	0%	0%	0%
Other	5%	0%	4%	4%	5%	5%	4%	13%	0%

THE REGIONAL VOICE

All regions Barossa Eyre Peninsula AH/FP/MV/VH Kangaroo Island ML/Riverland South East FN/PA/W YP/LMN/PP

14. How satisfied are you with the service delivery of your local council?

Extremely satisfied	8%	6%	13%	8%	9%	7%	4%	6%	5%
Neither satisfied nor dissatisfied	33%	44%	21%	41%	41%	42%	32%	22%	39%
Satisfied	32%	25%	36%	31%	32%	33%	42%	25%	23%
Dissatisfied	16%	22%	19%	12%	14%	9%	16%	22%	16%
Strongly dissatisfied	8%	3%	9%	8%	5%	5%	4%	16%	11%
Other	3%	0%	3%	0%	0%	5%	2%	9%	7%

15. What is your view on your local council amalgamating with nearby regional councils?

My local council should not consider amalgamating as past experience has shown this has not lead to better outcomes	15%	6%	11%	18%	18%	21%	14%	13%	14%
My local council should not consider amalgamating as this would not necessarily lead to better outcomes for my business or region	29%	26%	35%	22%	36%	21%	26%	31%	33%
Unsure	16%	29%	13%	16%	14%	19%	6%	19%	23%
My local council should consider amalgamating if that meant more resources were available to deliver the key functions of councils	32%	17%	36%	41%	9%	28%	50%	25%	21%
Other	6%	17%	5%	0%	18%	12%	0%	9%	9%
My local council should consider amalgamating as past experience has shown council amalgamations have worked in our region	2%	6%	0%	4%	5%	0%	4%	3%	0%

16. What industry do you operate in?

Agriculture, Wine, Forestry & Fishing	22%	33%	38%	9%	28%	10%	9%	2%	10%
Other	12%	15%	11%	14%	8%	21%	9%	23%	10%
Retail Trade	12%	9%	8%	18%	8%	8%	9%	16%	25%
Accommodation & Food Retail	8%	9%	7%	5%	20%	4%	8%	14%	10%
Tourism	7%	9%	8%	12%	8%	4%	6%	9%	2%
Construction	6%	0%	6%	7%	8%	8%	8%	7%	8%
Manufacturing	5%	13%	1%	4%	0%	4%	11%	2%	10%
Professional, Scientific and Technical Services	5%	7%	3%	7%	4%	2%	8%	0%	8%
Health & Community	4%	4%	4%	0%	0%	13%	3%	0%	2%
Information Technology	3%	0%	2%	4%	4%	4%	6%	7%	0%
Property & Business Services	3%	0%	2%	7%	4%	2%	5%	2%	4%
Government	2%	0%	3%	4%	0%	2%	2%	5%	0%
Transport & Storage	2%	2%	4%	0%	0%	2%	2%	0%	2%
Finance & Insurance	2%	0%	1%	2%	0%	2%	3%	2%	4%
Education	1%	0%	1%	2%	0%	2%	3%	2%	0%
Mining	1%	0%	2%	2%	0%	2%	2%	2%	0%
Communication Services	1%	0%	0%	4%	0%	4%	0%	2%	0%
Electricity, Gas & Water Supply	1%	0%	1%	2%	0%	4%	0%	2%	0%
Cultural & Recreational Services	1%	0%	1%	0%	0%	2%	2%	0%	2%
Wholesale Trade	1%	0%	0%	0%	4%	2%	3%	0%	0%
Personal & Other Services	1%	0%	1%	0%	4%	0%	2%	0%	0%

	All regions	Barossa	Eyre Peninsula	AH/FP/MV/VH	Kangaroo Island	ML/Riverland	South East	FN/PA/W	YP/LMN/PP
--	-------------	---------	----------------	-------------	-----------------	--------------	------------	---------	-----------

17. How many people does your business employ?

None (sole trader)	18%	26%	13%	21%	36%	13%	14%	23%	13%
1-4	31%	33%	44%	33%	24%	21%	22%	23%	23%
5-9	17%	15%	13%	14%	20%	27%	17%	21%	17%
10-19	15%	13%	12%	12%	12%	15%	17%	19%	23%
20-49	13%	9%	8%	12%	8%	17%	20%	7%	23%
50-99	3%	4%	4%	2%	0%	4%	5%	0%	0%
100-199	3%	0%	5%	4%	0%	0%	3%	2%	2%
200+	2%	0%	2%	2%	0%	2%	2%	5%	0%

18. What is your annual turnover?

< \$250,000	27%	35%	23%	38%	32%	27%	17%	31%	26%
\$250,000 to \$500,000	12%	15%	10%	13%	12%	12%	13%	17%	9%
\$500,000 to \$1,000,000	16%	9%	19%	15%	16%	19%	13%	17%	15%
\$1,000,000 to \$2,000,000	14%	13%	13%	11%	12%	13%	19%	21%	11%
\$2,000,000 to \$5,000,000	15%	17%	19%	9%	16%	12%	14%	7%	19%
\$5,000,000 to \$10,000,000	6%	4%	6%	5%	4%	8%	13%	2%	6%
\$10,000,000 to \$50,000,000	5%	4%	5%	4%	8%	2%	6%	2%	13%
\$50,000,000 to \$100,000,000	2%	0%	1%	4%	0%	4%	5%	0%	0%
\$100,000,000 plus	2%	2%	4%	2%	0%	4%	0%	2%	2%



OUR REGIONAL CHAMBER NETWORKS

BUSINESS KANGAROO ISLAND

www.businesskangarooisland.com.au
PO Box 896
Kingscote SA 5223

KADINA CHAMBER OF COMMERCE

kadinacommerce@gmail.com
1/3 Digby Street
Kadina SA 5554

PORT LINCOLN CHAMBER OF COMMERCE AND TOURISM

www.portlincolnchamber.com.au
PO Box 1493
Port Lincoln SA 5606

BUSINESS PORT AUGUSTA

www.businessportaugusta.com.au
PO Box 2300
Port Augusta SA 5700

LOXTON CHAMBER OF COMMERCE

www.loxtonchamber.com.au
PO Box 999
Loxton SA 5333

RIVERLAND WEST CHAMBER OF COMMERCE

www.facebook.com/RiverlandWestChamberofCommerce

BUSINESS PORT PIRIE

www.piriechamber.com.au
Shop 2, 26 Main Road
Port Pirie SA 5540

MOUNT GAMBIER CHAMBER OF COMMERCE

www.mountgambierchamber.com.au
PO Box 1334
Mount Gambier SA 5291

WHYALLA CHAMBER OF COMMERCE AND INDUSTRY

www.wcci.org.au
PO Box 189
Whyalla SA 5600

BUSINESS VICTOR HARBOR

www.businessvictorharbor.com.au
PO Box 1281
Victor Harbor SA 5211

MURRAY BRIDGE BUSINESS ALLIANCE

www.mbbusinessalliance.com
137 Adelaide Road
Murray Bridge SA 5253

Photographic credits

Cover	Pure Coffin Bay Oysters <i>Copyright SATC</i>	Pg 2	Main Street <i>SATC/Adam Bruzzone</i>	Pg 2, 21	d'Arenberg Cube <i>d'Arenberg Pty Ltd</i>	Pg 2, 26	Robe Lake Butler Marina <i>SATC/Adam Bruzzone</i>
	Mitolo Wines – Tasting Room <i>Mitolo Wines</i>	Pg 2	Tom's Working Opal Mine <i>Copyright SATC</i>	Pg 2, 22	Southern Ocean Lodge <i>SATC/Adam Taylor</i>	Pg 34	Indian Pacific <i>Great Southern Rail</i>
		Pg 2, 16	Jacob's Creek Heritage Vineyard <i>Jacob's Creek</i>	Pg 2, 25	Wilkadene Woolshed Brewery <i>Copyright SATC</i>	Pg 35	Barossa Valley Cheese Company <i>Barossa Cheese</i>

