

Manufacturing/Industry Survey Summary

**Results of a Survey of
Businesses outside of the Main Streets of Lithgow,
Wallerawang, Lidsdale, Portland and Hartley
(excluding coal mines, power stations & State Debt
Recovery Office)**



**Conducted by Lithgow City Council
March 2010**

Background

The Manufacturing/Industry survey was developed as a result of Priority Action 4: Business and Industry Development as part of the “Lithgow Economic Development Strategy 2010-2014”.

The survey questions were collated from both the NSW Industry & Investment “Business retention and expansion survey” and Enterprise Connect specialised business survey.

The survey was coordinated and collated by staff of the Lithgow City Council.

Objectives

The objectives of the survey were:

- Create a data base of local industry
- To encourage networking (create clusters of businesses that can support each other)
- Identify business needs and then work proactively to help satisfy those needs. (premises, location, services, training, staff requirements, trainees/apprenticeships, perceived impediments, business expansion)

Target market

The target markets for the survey were:

- Retail businesses outside of the Main Streets of Lithgow, Wallerawang and Portland. (The Main Street businesses were surveyed in 2009).
- Manufacturing and Industrial Businesses in Lithgow, Wallerawang, Lidsdale, Portland and Hartley.

Questions

A summary of subjects are as follows:

Local Environment
Businesses Market
Regional Assets
Levels of Competition & Opportunity for Growth
Employees
Business Plans & Decisions
Support Services & Training Requirements

Distribution

The survey was distributed personally by the Economic Development Officer and in the majority of cases collected. Some late responses were faxed in.

There were approximately 70 surveys delivered and 39 responses received. The responses covered a wide range of business types and were sufficient to enable a good cross section of results.

Some of the business types visited were:

- Engineering Firms both large and small
- Landscaping/Nurseries
- Hardware Supplies
- Auto Mechanics
- Industrial Printing
- Supply and maintenance of conveyor belts
- Spring Water Supplies
- Bus Company
- Electrical Wholesalers
- Waste Removal
- Produce Stores
- Equipment Hire Company
- Safety Systems for underground mining
- Pyrotechnics
- Bulk Transport
- Accommodation
- Smash Repairs
- Auto Retailer
- Building & construction
- Air-conditioning installation
- Mining supplies
- Mine contracting firms
- Kitchen manufacturer

Collation of Results

The Group Manager Community and Corporate at Lithgow City Council has overseen the development, coordination and collation of the results of the survey.

Respondents

Overall

Some 39 surveys were completed in total.

Questions 1-5 relate to Local Environment

Q1. What is your overall opinion of this area as a place to conduct business?

Overall

- 48% of all respondents were extremely satisfied.
- 38% of all respondents were satisfied
- 14% of all respondents were not satisfied.

A strong result with 86% satisfactory or above.

Q2. What do you see as some of the main assets of the community as a place to live and own a business? (Results recorded as stated)

Key points relating to:

Schools / Health Services / Entertainment

- Health Services, Schools
- Schools are good, Health services are OK
- The only asset to this area is the large industry, schools are adequate, Health behind,
- Friendly people, Good young workforce from schools
- School, Sports facilities
- Schools, Mines, Power Stations, Highway
- Not much. Health system is crap. Schools average, Entertainment Nil, especially for kids
- Schools, Health Services and entertainment for youth could be better
- Schools/Health good, Train service very good - close to Sydney
- Health Services, Strong Industry, Cheaper cost of living
- Sporting facilities, schools, hospital facilities
- Entertainment Nil
- No entertainment facilities, Close to Sydney
- No variety of leisure outlets, i.e. bowling, skating, movies. Schools are fine as is
- Needs a heated swimming pool in Wang Main Street, using hot water donated by Delta

Sundry

- The people, Skills, Local Industry
- The people
- No main assets, Town is dying
- Location, Potential for growth in the community
- Railway line direct to central Sydney
- Coal Mines

- Infrastructure of other business locally
- Facilities & proximity to mining industry
- Ample opportunity for contract work, Good access to large suppliers
- Access to local services & providers, Population size and resource demand
- Lithgow is one of the best places to live in the world

Q3. What can be done to make the local economy stronger and to create more jobs? (Results recorded as stated)

Key points relating to:

Council

- Proactive council & other businesses to draw new jobs & even opposition
- Proactive Council
- Allow businesses to start up easier, ie. rate concessions
- Council needs to give all new business a reason to start up - Rate reduction,
- Less bureaucracy in the opening of businesses
- More assistance from local government
- Non financial partnership with Council. E.G. Free use of land for ice rink.
- Council must provide land and incentives (like Bathurst does) to attract businesses.
- Reduce business expenditure by reducing council rates

Industrial/Business Park

- Open land up for large companies and a much more focused industrial area.
- Industrial Park. Incentive for business to operate here. Industrial land
- Need more industrial areas
- Business park in town centre etc
- More industrial estates
- Create more industrial sub-divisions.
- Business Park - increases business - everything else follows
- Better access to Sydney - very very important. Industrial land availability

Bells Line Expressway

- Provide a Business Park. Lobby for Bells Expressway
- Bells Line Road

Sundry

- Create more industry
- More service businesses such as Mechanics, Auto Electricians and Smash Repairs
- Promote Lithgow as a price effective area to set up a business
- Growth industry in the local area
- Profits share with operator
- Similar ventures food production
- More effort from mines & power Stations to keep work in local area
- Incentives for business to employ trainees or apprentices
- Support of business practices & performance
- Prospect for more industry & business (actively & consistently)

**Q4. What main changes would you like to see made to improve this area?
(Results recorded as stated)**

Key points relating to:

Council

- All public infrastructure services improved or upgraded and provided
- Better streetscape. Better roads eg. entering Portland
- Council to support businesses
- Drive to Bathurst have a look at what's going on there & bring that work module to Lithgow.
- Council needs to wake up. Areas like Bathurst, Mudgee, Wagga, Dubbo have moved ahead dramatically.
- A more streamlined DA approval system
- Highway entries roadside maintenance needs to be improved (mowing etc.)
- Roads (and get rid of the useless tar machine which only fills 97 pot holes a day)
- Improve the culture of staff in the DA process. Look for ways to approve a DA, not for reasons to decline.
- Repairing roads. Keeping clean. Law & Order
- Upgrade all council owned community centres. Make showground and civic ballroom a place to be proud of and use it for more entertainment for community
- Streamline the decision making process
- Better parks

Industrial/Business Park

- A dedicated industrial area
- Industrial land and industrial park
- Development of these industrial areas
- Business park. Bike park. Adventure park. Cinema. Heavy & Light Industry
- A business park coupled with some serious decentralisation programs would be a start. Lithgow desperately needs more forward thinkers

Roads

- Direct Highway to Sydney
- Better road access
- Access to Sydney. Industrial park. More efficient transport options

Sundry

- More entertainment
- Heated pool 12 months. Less congestion Main Street
- Target the industries that can be used / consumed locally. i.e. waste transfer station.
- Diverse industries
- Further development in services. Increasing the "knowledge economy".
- Investing in long term strategies
- Cinema. Heated Pool. Squash Court
- Stop shopping out of town

**Q5a. What is your level of satisfaction with each of the following services and infrastructure?
{On a rating of 1 (poor) - 5 (excellent)}
(Note – average scores based on the number of responses)**

Access to highway/roadway	4
Access to markets	3
Access to suppliers	3
Availability of road transport services	4
Availability of rail transport	2**
Availability of warehousing	2**
Disposal of waste material	3
Recycling	2**
Inspections (eg licensing)	3
Development approval process	2**
Internet	4
Telephone	4
Availability of appropriately zoned land	2**
Water and sewerage supply	4

**** Denotes areas that should be addressed**

Q5b. Do you have any suggestions on how to improve any of the services and infrastructure listed above? (Results recorded as stated)

Key points relating to:

Council

- Proper re-cycling collection and/or self disposal
- Forward thinking Council Managers
- Yes. Clean up gas works site and sub-divide
- Don't make it so hard for people to bring business to town. for Industrial.
- Borrow more money, low interest loans from Government
- Lidsdale tip is a mess
- Increase recycling commercially & provision of suitable local facilities
- Better use of land
- Government Funds
- Provide access for large scale / oversize vehicles to premises.
- Liaise with businesses regarding DA status
- Council should look closely at their staff who give builders & owner builders a hard time
- I would go as far as to say that elderly people who need Councils help are frustrated all the way
- New highway, sewerage to be connected, water a Wallerawang is very poor quality
- No - Responsibility for elected Councilors - and bring to public notice

Transport

- Make road through Lithgow more direct from Bells Line to Highway
- Road getting to Bell, 2 sets of traffic lights, try Friday arvo
- Access to rail services
- Imperative to develop a motorway link, encourage small/medium business
- faster public transport to Sydney
- A new Bells Line Freeway is the obvious option to open up the west, including Lithgow

Sundry

- They do not necessarily have to be improved

**Q5c. In terms of the costs of doing business, how do you rate this community with respect to these factors?
{On a rating of 1 (poor) - 5 (excellent)}
(Note – average scores based on the number of responses)**

Labour	4
Transportation	4
Storage	2**
Energy	3
Development approval	2**
Raw materials	2**
Rates	2**
Land	2**
Buildings	2**
Leasing space	2**
Construction	3
Telecommunications	3

**** Denotes areas that should be addressed**

**Q6a. In what year did you commence operating this business?
(Note – scores based on the number of responses)**

<u>Date range</u>	<u>No. of businesses</u>
1920-1969	4
1970-1979	4
1980-1989	5
1990-1994	6
1995-1999	4
2000-2005	9
2006-2010	6

**Q6b. Did you establish this business?
(Note – % of scores based on the number of responses)**

<u>Date range:</u>	<u>% that did establish the business</u>
1920-1969	25
1970-1979	25
1980-1989	40
1990-1994	83
1995-1999	75
2000-2005	100
2006-2010	33

Q6c. If you relocated the business, please indicate where you have moved from?

(Note – scores based on the number of responses)

41%	another location in this area
17%	elsewhere in this region
18%	elsewhere in NSW
24%	elsewhere in Australia

Q6d. Why did you relocate?

(Results recorded as stated)

- Landlord sold building
- Additional room & lease costs
- Able to purchase larger premises
- Ownership of current land expansion
- Took over an existing company
- Costs, property size – expansion. Appeal of moving to the region
- Were renting, moved to own premises
- Open market in Lithgow at the time
- Purchase real estate instead of renting
- Family Reasons
- A fresh and healthy lifestyle away from the Sydney congestion
- Restructure of business after 21 years
- Growth
- More space
- Not enough support from locals

Q7. What are the main products or services you provide?

Due to the large response to this question, products & services have been categorized, as follows:

- Building
- Mining supplies
- Labour hire
- Transport
- Produce
- Waste removal
- Steel fabrication
- Fireworks
- Mechanical repairs
- Accommodation
- Pump repairs
- Domestic electrical equipment
- Safety systems

Questions 8-15 relate to the Businesses Market

**Q8. What percentage of your products/services do you sell?
(Note – scores based on the number of responses)**

60% Locally 31% Elsewhere in NSW
7% Elsewhere in Australia 2% Overseas

**Q9a. Are you interested in exporting products or services?
(Note – % of scores based on the number of responses)**

14% Yes 83% No 3% Not sure

**Q9b. If yes, which products or services are you interested in exporting?
(Results recorded as stated)**

- Timber
- Mining equipment **
- Fireworks **
- Conveyor belt maintenance
- Fireworks displays **
- Technical expertise
- Railway track signals

****Already exporting**

**Q10a. Please indicate any products or services you are selling to
overseas markets/customers.
(Results recorded as stated)**

- Mining equipment
- Fireworks & displays
- Safety nets
- Specially fabricated equipment for mining

**Q10b. Which countries do you export to?
(Results recorded as stated)**

- UK
- Russia
- Norway
- South Africa
- United States

**Q11. Approximately, what proportion of your income is sourced from the
Public and Private Sectors?
(Note – % of scores based on the number of responses)**

22% Public 75% Private 3% Other

Cost of business advice	4
Cost of specialist equipment	5**
Local Planning & regulatory procedures	6**

**** Denotes areas that should be addressed**

Q17. On a scale of 1-10 please rate the importance of the following assets of the Lithgow region to your business operations.

{On a rating of 1 (not important) – 10 (vital)}

(Note –average scores based on the number of responses)

Access to education	5
Access to family services	4
Access to medical facilities	6
Arts activities	2
Art infrastructure	2
Restaurants	4
Sporting facilities	4
Sporting clubs	4
Formal community networks	3
Informal community networks	3

This is simply showing that access to medical facilities & education are, on average, the most important to business operations.

Questions 18-23 relate to Levels of Competition & Opportunity for Growth

Q18. How would you rate the level of competition faced by your business?

{On a rating of 1 (little competition) – 10 (highly competitive)}

The average result was 7.

Q19. What proportion of your competitors are located in?

(Note – % of scores based on the number of responses)

48% Lithgow 46% Within Australia 6% Elsewhere

Q20. What growth opportunities do you see for your business?

{On a rating of 1 (not important) – 10 (vital)}

(Note – average scores based on the number of responses)

Growth in existing markets	6
New market development for existing products	6
New market development	6
New product development	6
New business processes	5
Export opportunities	3
Other	6

(Selecting & introducing new technology & equipment and competitors closing)

Q21. What growth/market opportunities are you pursuing now?

(Results recorded as stated)

The responses are industry specific and although they do not influence any conclusions, the data will assist when planning support.

	<u>Inside the area</u>	<u>Outside the area</u>
New homes	Y	Y
Expansion	Y	Y
Tourism	Y	
Increasing customer base	Y	Y
Telemarketing		Y
Growth on percentages	Y	
Mines	Y	
Entertainment industry		Y
Paintless dent repairs	Y	
Growing existing markets	Y	Y
Building supplies	Y	Y
Distributor expansion	Y	Y
Stickybeaks (post it notes)		Y
Relocating business	Y	
New businesses	Y	Y
New production facility	Y	
Promoting recycling	Y	Y
Sporting events		Y
New market development	Y	Y
Product awareness	Y	Y
Service diversification	Y	Y
Maintenance contracts	Y	
Overseas displays		Y
New products	Y	Y
Industrial warehousing	Y	Y
Energy saving & generation	Y	Y

Q22. Are there any growth/market opportunities which you cannot meet due to technological hurdles? (Results recorded as stated)

Extra businesses

Web site development – having to outsource to create web sites to increase client base

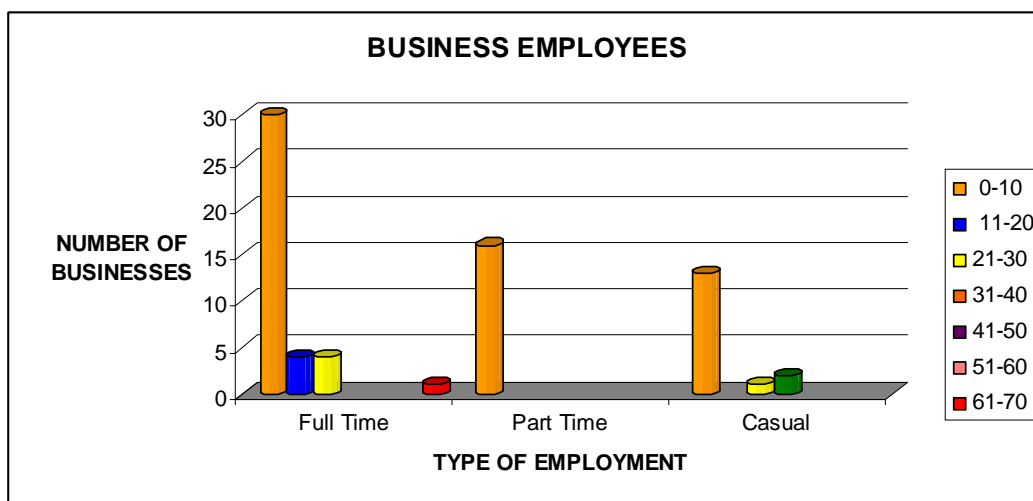
**Q23. What strategies do you use to pursue growth? On a scale of 1-10 please rank the effectiveness of the strategy.
{On a rating of 1 (not effective) – 10 (highly effective)}
(Note – average scores based on the number of responses)**

Organic growth	4
Collaboration	4
Mergers & acquisitions	3
Other	5

(Use of promotional materials/methods)

Questions 24-27 relate to Employees

Q24. How many people are employed in this business?



Q25. How did the number of staff change, if at all, in the last 2 years?

Full time	Decreased 21%	Same 47%	Increased 32%
Part time	Decreased 15%	Same 55%	Increased 30%
Casual	Decreased 5%	Same 50%	Increased 45%

Q26. How do you expect the number of staff to change if at all over the next 2 years

Full time	Decrease 0%	Same 58%	Increase 42%
Part time	Decrease 0%	Same 58%	Increase 42%
Casual	Decrease 9%	Same 44%	Increase 47%

Planned increases in employment are in line with business expansion.

Q27a. Are you experiencing difficulty in finding suitable employees for your business?

(Note – % of scores based on the number of responses)

59% Yes

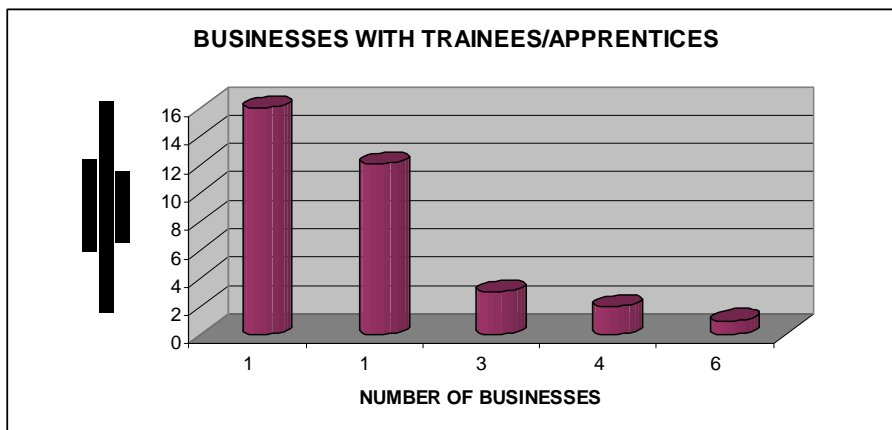
41% No

The yes response will have an impact on Q.26

Q27b. Does your business have difficulty recruiting employees in any of the following groups.

(Note – % of average scores based on the number of responses)

Skilled trades	53**
Plant operators	7



**Q27e. Are you interested in employing trainees and/or apprentices?
(Note – % of scores based on the number of responses)**

69% Yes 31% No

The above 15 businesses in Q27d plus an additional 12 businesses wish to recruit/increase their trainee/apprentice levels.

Questions 28-33 relate to Business Plans & Decisions

**Q28. During the next 2 years, do you expect your company to increase/decrease/have no significant change in turnover and profit?
(Note – % of scores based on the number of responses)**

Turnover
69% Increase 28% Decrease 3% No significant change

Profit
69% Increase 28% Decrease 3% No significant change

Profit forecasts are in line with planned business expansion.

**Q29. How do you expect the demand for your services/products to change over the next 2 years?
(Note – % of scores based on the number of responses)**

71% Increase 21% Decrease 8% No significant change

**Q30a. Is your company considering expanding within the next 2 years?
(Note – % of scores based on the number of responses)**

46% Yes

28% No

26% Not sure

Opportunity to support expansion

Q30b. What is the nature of this expansion?

(Note – % of average scores based on the number of responses)

	%
An increase in floor space	20
Additional product lines	33
Additional service for customers	33
Additional investment in equipment/technology	30
Process improvements	25
An increase in staff	28
Other	7

(Governed by head office, outside Lithgow area, Renovations)

Q30c. What, if any, are the major constraints on your expansion?

(Note – % of average scores based on the number of responses)

	%
Finance	20**
Lack of suitable premises	18**
Warehousing	10
Transport/freight	25**
Problems with DA's	15
Local regulations e.g. zoning	13
Road	20**
Energy costs	5
Energy reliability	3
Lacked of skilled staff	25**
Identifying/accessing new markets	10
Broadband access	5

**** Denotes areas that should be addressed**

Q30d. Have you approached anybody in local/State/Commonwealth government or business development organisations to discuss your expansion plans?

(Note – % of scores based on the number of responses)

15% Yes

85% No

This is an opportunity for Government Agencies to become involved in local business, where appropriate.

Q31a. Do you or could you work in a co-operative way with other businesses?

(Note – % of average scores based on the number of responses)

	%
Co-operative marketing	30
Joint tendering	23
Referral work	57

Joint participation business management	18
Learning activities	5
Discussion groups	18
Group purchasing of inputs	10
Joint training of staff	28
Buying and/or sharing equipment	10
Sharing distribution services	13

Q31b. Do you have any comments on the success or feasibility of these activities? (Results recorded as stated)

Mutual benefit

The partnering process and the common goal attitude approach would be necessary

Time and overall cost a major factor

Effective communications for successful programs. Financial incentives for learning & development programs

Someone has to manage these things

Q32. What business inputs, including raw materials and services would you like to purchase locally (within the area or Local Government Area) that you currently purchase from outside? (Results recorded as stated)

Labour and fabrication

Packaging – bottles, cartons, labels

Engineering services/solutions

Raw steel supplies

Raw materials – chemicals, molded plastics, custom cardboard products, custom steel products

Q33a. Are you currently considering changing the location of your business?

(Note – % of scores based on the number of responses)

17% Yes	66% No	17% Not sure
6 Businesses	27 Businesses	6 Businesses

Opportunity to work with the 34% to assist where possible.

Q33b. If yes, please give reasons for considering relocation (Results recorded as stated)

- No growth opportunities
- Bigger workshop, yard and offices
- Development applications
- More floor space
- To much work goes to Sydney

Q33c. Where are you considering relocating to?

(Note – % of average scores based on the number of responses)

	%
Another location in the area	50

Elsewhere in this region	13
Elsewhere in NSW	31
Elsewhere in Australia	6

Questions 34 & 35 relate to Support Services

Q34. How would you rate your current business management skills and, in 2 years, how far would you like to progress those skills in relation to: (percentage of scores less or equal to 3)

	<u>Where I am now</u>
	%
Managing people	43
Time Management	70
Balance work/life	63
Succession Planning	82
Planning/organizing work/business	58
Planning/organizing service processes	33
Improving processes	45
Risk identification	42
Business strategy	52
Financial Management	68
Legal/regulatory	52
Marketing	67
New product/services	70
Information technology	68
Sustainable business	57

The above responses showed the need and desire for additional training to achieve the 100% goal forecasted in 2 years.

(The responses how far you would like to progress in 2 years came out at 100% for all the above topics). These topics will be considered in future workshops.

Q35. Are you interested in receiving information/training on any of the above?

(Note – % of scores based on the number of responses)

57% Yes

43% No

Since collation of the survey data email communication has been active to the 57% from “Acknowledging Survey Input”, “Expressions of Interest for EDAC membership”, “Training Seminars”.

Conclusion

This document is a summary of the results obtained. Whilst these results give an overall view of business & industry in the Local Government Area, the measure of success will be in the action taken with individual surveys, to pin point the needs as highlighted under the objectives at the beginning of this document and direct assistance where possible or refer as appropriate to relative agencies.

A summary of areas that should be addressed at appropriate levels are as follows:

Satisfaction with services/infrastructure

- Availability of rail transport
- Availability of warehousing
- Recycling
- Development approval process
- Availability of appropriately zoned land

Costs of doing business

- Lack of storage facilities
- Raw Materials
- Rates (business)
- Leasing space

Challenges faced by businesses that are located in the Lithgow area

- Availability of qualified staff
- Salary costs
- Adequacy of Public Transport
- Local Planning & regulatory procedures

Lithgow Assets that are important to business operation

- Access to education & medical facilities

Difficulty in recruiting employees by group

- Skilled & unskilled trades
- Sales
- Clerical
- Marketing

Major constraints on business expansion

- Lack of suitable premises
- Transport/freight
- Road
- Lack of skilled staff

There were some common themes that emerged from the results, such as;

Pluses

- Hospitals
- Schools
- Close proximity to Sydney
- The people
- Railway Line
- Home prices
- Scenic environment

Minuses

- Lack of industrial land availability
- More proactive approach to business development by government authorities
- Increase recycling commercially & provision of suitable local facilities
- Bells Line of Road Expressway needed
- Industrial Park needed.

- A more streamlined DA approval process
- Lack of incentives to establish businesses
- Business Park
- Prospect for more industry and business (actively & consistently)
- Growth comparison to Bathurst, Mudgee, Wagga Wagga and Dubbo not favourable.

Some of the above minuses are “perceived impediments” and may or may not be supported factually, however, they are still perceptions that should be addressed, if we are to work as one, moving forward.

There are many great opportunities within the data received in these surveys to help make a difference to local industry, assisting in the cementing of a strong relationship with all stakeholders.