Gatton Business Opportunities Survey

Final Report

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Contents

Executive Summary

This report details the findings of the Gatton Business Opportunities Survey Project. The Report describes the two-phase design adopted by the project and outlines a number of key themes. The project consisted of an initial phone survey of businesses listed by the Gatton Shire. This approach was used to establish the current status of the business, to gather basic information and confirm contact details, and to establish interest by the respective businesses in a more extensive survey. A comprehensive survey of businesses operators who agreed to participate was conducted. While there were a number of unexpected constraints encountered during the project that limited the collection of extensive data across the region, those limitations do not compromise the validity of the findings.

A number of important findings arise from the project. There are a number of factors that appear to be influencing the degree of business confidence in the region. Firstly, information sharing, confidence building and trust are salient issues arising from this project. Business confidence appears to be low in the region and when confidence is low business people are wary of disclosing information that may compromise their own business operations or enable other operators to encroach on their business base. Secondly, existing businesses appear unwilling to establish links with new business. There is a fear that the new businesses might fail and lead to disappointed expectations. There is also a perceived risk that new businesses might leave the region in search of a larger or more profitable market. This again would break recently generated links forcing the existing business to re-establish markets and lose confidence in recently established businesses. From this starting point, business operators in the region are not likely to consider business clustering as a strategic advantage. Other issues identified include the impact of current and potential water shortages on business confidence, and the need for large businesses in the region to set standards for direct dealings with local business.

These findings are not dissimilar to those derived from a review of existing literature and reporting, which discusses the nature of business clustering in regional areas. What is clear is that business in this region is not currently prepared for, or giving much thought, to business clustering as a form of doing business. The responses in this project

indicate that there is a long way to go before business clustering will become an approach of choice amongst business proprietors in the Gatton region.

A number of important implications and recommendations can be drawn from this project.

1. Promote efforts by all levels of government to address the water issue

The initiatives and efforts being made by all levels of government to address the water problem need to be coordinated, and promulgated with a targeted focus on small business operators including farmers. This should be a targeted strategy designed to influence business confidence in the long term viability of industry and employment in the region.

2. Promote changes in the region as opportunities for business development

There is a need to promote the development of regional centres and the projected future growth of South East Queensland as providing opportunities for business development. For example, none of our respondents mentioned the possibilities for Gatton Shire businesses servicing the population and business growth in the Ipswich region. Demographic changes as well as development in the regions surrounding the Gatton need to be seen as opportunities for business development rather than as threats. Initiatives should be designed to promote and encourage business confidence in the region.

3. Educate business operators on the potential benefits of business clusters

Business operators need to be convinced of the value of developing local strategic partnerships for ongoing maintenance and development of their business. No small to medium business will invest the time and energy required to develop and maintain a collaborative business arrangement unless there is a clear long term gain.

4. Identify and promulgate examples of business clusters in the region

Examples of successful business partnerships or alliances need to be identified and used as examples to ‘show case’ what is possible in the region.

5. Investigate agricultural industries in the region as a 'seedbed' of business clustering

Given that the majority of businesses in the region are based around the agricultural industry, a more detailed investigation is required to examine the relationships and dependencies between the businesses currently supporting this industry. Such an analysis might suggest ways in which business clustering could support this industry more efficiently.

6. Encourage greater participation in existing business networks

Strategies must be implemented to encourage greater participation of business in formal networks such as the chamber of commerce. The chamber must take the initiative to become more transparent, approachable, relevant to the community, and offer value for money.

7. Promote the role and contributions of all levels of government in encouraging business in the region

Overcoming cynicism and lack of confidence in government support structures amongst business operators is an ongoing challenge. This must be seen as a long term project of ongoing promotion and education.

8. Identify and share existing knowledge about the nature and structure of business in the region

According to our respondents, there are many surveys being conducted in the region. What appears to be a major problem is the lack of coordination and information sharing across all levels of government and between interested parties around access to this information.

Background to the Project

Key stakeholders in business, community and all three tiers of government in the Gatton region have identified a need for a sound knowledge of the extent of business activity as it currently exists in the region. This project was stimulated by a perceived need to understand the intentions of business operators, to identify supply and distribution chain constraints, to explore the potential for business growth, and to develop business networks and clusters. This understanding is needed in order to make informed decisions about strategies for facilitating the growth of existing businesses and the expansion of business networks, attracting new businesses to the region, and developing future economic growth in the region.

Gatton Shire is dominated by the agricultural sector. About 50% of the businesses in the Local Government Area (LGA) identify as businesses related to agriculture (see ABS Business Register data in Appendix 2). These businesses contribute over $80 million to the local economy. The agricultural sector is complemented by transport and food processing as well as retail, property and service industries.

The Gatton Shire and the adjacent regions are changing. Change is the norm in Australia for rural areas close to the urban fringe of a major city. The agriculture sector is being pressured by increased demand for residential building sites. The agriculture sector and the associated business communities, especially in the Lockyer Valley, are being challenged by both increasing and ongoing water scarcity, and by the deregulation of primary industries such as the dairy industry. These challenges are eroding business confidence in the Gatton region.

In an attempt to develop strategies for strengthening existing business sectors and developing and improving value chains of complementary business, a clearer understanding is needed of the composition of the business community in the region. For example, there is a considerable gap in the number of businesses identified by the Gatton Shire Council and the number of Australian Business Numbers (ABN's) issued to the region. 6740 ABN's have been issued to the region however Gatton Shire Council has only 1120 businesses registered. The Office of Economic and Statistical Research (OESR) argues that it is reasonable to assume that a number of the businesses would be micro-businesses owned by a single owner/operator. Such businesses do not necessarily rely on council support and therefore are not registered with the council.

The Ipswich Regional Area Consultative Committee (IRACC) through their involvement with the Small Business Assistance Program have undertaken research and consultation on small business employment issues in the region in an attempt to gain a greater understanding of the local business community. The purpose of this project was to enhance the outcomes of that program by addressing:

- The lack of knowledge by governments on the nature of small business in the region;
- The lack of data regarding existing businesses that may help in planning processes;
- Perceived lack of depth of regional business communities;
- Lack of access to existing business data;
- Lack of incentives to address key industry gaps;
- Access to trades, services and professional assistance;
- Availability of skilled mentors and advisers.

The rationale for the Gatton Shire Business Opportunities Project, as outlined in the DoTARS funding application, indicates that two recent studies of the Gatton business community – one for the 'Senate Enquiry into Small Business Employment', the other for the 'Stronger Regions, Stronger Australia' report, have indicated that the local business community considers that government is not marketing the region sufficiently well to attract new and/or complementary business to the area and that there is little or no support for start up, small or micro business in the region. Individual members of the business community have made representation to all levels of government requesting that a business opportunities initiative be undertaken in order to identify the means of attracting further business and perhaps establishing business clusters and networks.

Lessons from the literature

The literature suggests that focused areas, such as those surveyed in the Gatton/Lockyer Valley region, when combined with being a site of concentrated industry, are ideal locations for the development of business clusters and networks. A business cluster is defined by Scott (1988) as:

> "a geographically bounded concentration of similar, related or complementary businesses with active channels for business transactions, communications and dialogue, that share specialised infrastructure, about markets and services, and that are faced with common opportunities and threats."

The industries in the Gatton region are complementary industries based on agriculture and horticulture, food processing, storage and transport.

Businesses usually develop active relationships between themselves with the express purpose of improving their efficiency and competitiveness. Clustering is a natural, almost organic business process (James, 2001) and may be achieved by creating buyer/supplier chains, and/or relationships based on competition, collaboration, or sharing resources. The most successful clusters have been created by informal consultation and collaboration between the industries rather than as a result of direct and deliberate efforts of government (Saxenian 1996; Enright 1998; Enright & Roberts 2001). The role of government should be to facilitate and maximise the dynamics of related industries and to ensure that blockages do not occur.

Business operators in regional areas often resist 'top down' approaches to generate a business cluster because such approaches are perceived as interventionist. Courvisanos (2003), Baptista (1998) and James (2001) argue that the more successful clusters are self-formed and develop organically in small localised areas (irrespective of urban or regional situation) that provide strong social and symbolic bonds and frequent contact, close user/producer relationships, and robust institutional support. Individual businesses have the opportunity to decide whether to participate in a cluster or to remain outside it. There is often a sense of rivalry between competitors that precludes businesses from joining a cluster. However, Hines & Howard (1998) report that 'disclosing secrets' was of secondary concern to small business operators while 'financial costs', 'additional time' and 'loss of control' were stronger impediments to participating in networks.

Clusters in close proximity to a large urban centre are in a good position to take advantage of business opportunities. Of course, suitable transport and other infrastructure are a necessary part of this development. Universities, research centres and local government initiatives act as natural magnets to complementary business that aim to reap the rewards of 'spillovers'. James (2001) and Scott (1988) argue that such institutions are deemed to be stable with little likelihood of shifting location thereby providing a solid foundation on which to develop a cluster.

In summary, the literature suggests that clustering and networking are organic processes that achieve better results when they are initiated by businesses themselves rather than as contrived initiatives of government. Research has indicated that businesses are also wary of rushing to make links with new businesses because of the risk of those businesses failing and business initiatives being compromised. A more complete discussion of the literature on business clustering is included as Appendix 2.

Project Objectives

The Gatton Business Opportunities project was conducted over a five month period from March 2004 until July 2004. The project was designed as an initial attempt to profile existing businesses in the region including small and micro business.

The aims of the project were to

- determine supply and distribution chains and identify gaps in those chains;
- recommend options for the creation of opportunities for business clustering and expanding existing business;
- develop strategies for attracting new and complementary business into the region to fill the identified gaps in those chains.

It was intended that the information provided by the project could be used as a key planning tool for the business sector as well as local, state and federal governments and the education sector within the shire. It was envisaged that the information provided by this project could assist in identifying future opportunities for business expansion and growth, in order to maximise future economic, employment and education potential.

Project design

The project was undertaken as a joint venture between the Gatton Shire Council, The University of Queensland's 'Boilerhouse' Community Service and Research Centre (CSRC) and the Gatton chamber of commerce known as 'Lockyer Better Business' (LBB). LBB represents a wide range of businesses in the community. All three groups provided representation on the Gatton Business Opportunities Project Steering Committee. Information gathering, modelling and analysis were conducted through processes developed by a postgraduate research student from The University of Queensland in consultation with the Steering Committee. The researcher's role included the development of the methodology for capturing relevant information, and the specific methods for data collection and analysis.

The Project was implemented in 2 stages. In an attempt to maximise the response rate, the process was designed to limit the disruption to business operators in the running of their businesses.

Phase I: Phone contact/interview

In the first phase of the project, researchers telephoned all businesses that appeared on the Gatton Shire Council's business register database. The purpose of this stage was to check the business type, size, and contact details, as well as to ask business operators if they were prepared to take part in a second and more comprehensive survey. Business operators were asked to indicate whether they would be prepared to receive the survey by phone, email, or by post. In the course of conducting this initial contact, a number of business operators took the opportunity to express their views in relation to the issues of interest to the project.

The attrition rate of businesses in the Gatton Shire Council is apparently high. In May 2001 there were 918 businesses on the council business register. During Phase 1 conducted in April 2004, only 319 of these businesses could be contacted despite various attempts by the research team. Researchers attempted to locate the 'missing' businesses and increase the 'strike rate' by using telephone books, both on-line and in hard copy, with little success. Every effort was made to contact all businesses on the database. Of the 319 businesses successfully contacted 218 agreed to participate in the second phase of the survey. These respondents nominated their preferred method for receiving the Business Opportunities Survey – post, email or phone.

Phase 2: Business Opportunities Survey

The second phase of the project was to contact all businesses who had previously agreed to take part in the detailed survey. A comprehensive survey was sent to the business operators who agreed to participate. Surveys were either posted or emailed to those who had requested to receive the survey in these formats. Respondents who chose to receive the survey by post were supplied with a 'replied paid' envelope addressed to the Gatton Shire Council postal address. Those who agreed to a phone survey were contacted and interviewed by phone. The survey was scrutinised by the Ethics Committee of The University of Queensland. A copy of the survey is included in Appendix 4.

Limitations

The major challenge in conducting the survey was to find a convenient time for business operators to participate in the questionnaire. Business operators, especially of small and micro businesses targeted by the survey, had little time to spend on activities such as this survey. The survey was conducted at the end of the financial year when workloads were very high. This was a limitation to full participation. Eleven respondents declined to participate after the questionnaire was distributed stating that they could not complete the survey due to time constraints. A further ten respondents expressed frustration at the number of surveys they were expected to complete. These ten declined to take part citing heavy work loads. These respondents also suggested that 'consultation without tangible results' was a reason for choosing not to participate.

The lack of publicity about the survey in the Gatton business community was a limitation. This meant that many business operators were not aware of the survey, its purpose, or that it was sanctioned by 'Lockyer Better Business'. Consequently, twenty-six business operators declined to participate when called. They were unsure of the integrity of the project as they had no prior knowledge of it. This lack of cooperation by business operators limited the reach of the survey.

Results and Discussion

Of the 218 surveys that were distributed, 52 were completed and returned – four by email, 28 by post, and twenty by phone. This represents a 25% return rate. While this response rate is disappointing and limits the implications that may be drawn from the survey, this response rate is not uncommon for this type of survey.

Respondents were asked to indicate the financial turnover of their business by ticking a box . Only six of the 52 respondents chose to complete this question. Therefore assumptions cannot be drawn from business size based on financial turnover.

The 218 businesses that indicated a willingness to participate in the survey were compared with ABS data by business type. This analysis indicated that this group of businesses represent a structure of business in the region that is similar to that identified and described by the ABS Business Register (Table 1, see also Appendix 2). While it is not possible to draw direct implications about our sample, this comparison at least indicates that the final sample was drawn from a broadly representative group of business in the region. The discussion that follows indicates some of the responses to specific survey items on the survey and provides a limited commentary.

Table 1: Breakdown of businesses agreeing to participate in the survey

Business Type:	**Number**	**%**	**ABS (%)**
Agriculture	106	46	45.5
Retail	30	15	10.9
Manufacturing	9	4	3.7
Education and Community	11	5.5	5.9
Hospitality	2	2	2.1
Transport	12	6	5.3
Finance, Insurance, Property	20	9.5	7.6
Construction	10	5	7.9
Other (mining, wholesale, communication)	18	8	5.1
TOTAL	218	100	94.0*

*Note: Government and Public Utilities were not included in the survey. Personal and recreation also not identified. Similar breakdown to ABS Business Register data (see Appendix 2).

Support for local business

Survey respondents were asked whether they bought motor vehicles, computers or whitegoods from a local trader. This served as one indicator of the extent to which respondents sourced business supplies from local businesses. Only three respondents bought all three items from local traders. Two respondents brought two of the items locally and 7 purchased one item locally. Respondents who agreed to complete the survey by phone indicated a number of reasons for not buying locally. The reasons included price, limited range of models, concerns about pre- and post- delivery service and product knowledge, as well as prior purchasing behaviour. This result suggests that local providers of 'big-ticket items' were not competitive on price, range, and service, compared to providers from larger centres such as Toowoomba or Brisbane, and this presents a major challenges for businesses supplying such items. These findings are similar to those identified in other reports (e.g., SGS Economics and Planning, 2002).

Business groups

A number of questions explored the degree to which respondents were connected with other businesses in the area (e.g., LBB, or other networks). Five respondents were members of LBB. All of these expressed a high level of satisfaction with the services the chamber provides. Some respondents provided comments on the survey forms or over the phone about reasons for *not* belonging to a chamber of commerce. Reasons given suggested that membership fees were too expensive in relation to benefits gained, and that membership was time consuming. There was also some resistance by respondents to share information with competitors through an association such as a Chamber of Commerce. Some respondents suggested that their business was doing well enough without the Chamber of Commerce and that the LBB is too heavily focused on Gatton town centre rather than the entire region. These findings echo the issues arising from the literature review (e.g., Hines & Howard, 1998).

Thirteen of the respondents indicated that they were members of a buying or business group other than the LBB. These groups were often professional associations linked to the business of the respondent. There was no suggestion that these networks had developed into strategic business alliances or clusters. Only two businesses in the sample group were involved in tendering processes. Twenty-two respondents indicated that they were involved in advertising in the local area – usually in the Yellow pages or the local paper.

There may be some businesses that are linked together in some strategic way in the area, but if they are there, they exist amongst those business operators who did not answer this survey. In other words, this project was unable to pinpoint them directly. Clearly there is potential to conduct further work in this area. Different strategies, other than a survey of businesses, might need to be employed to more effectively identify sectors where informal ‘clusters’ may exist or be developing. More informal approaches that involve developing relationships with business operators might be required to tap into and identify existing networks.

Business growth

Fifty respondents completed the question that asked whether their business had grown, shrunk, or remained static. The majority of respondents indicated that their business turnover had grown and most respondents were happy about this. Of the eleven who said the business had remained static, only one was happy with this outcome. In this particular case, the operators of the business were planning to close the business and retire. Two additional respondents who reported that their business had shrunk were happy with this outcome for the same reason.

Business operators indicated that both sales and turnover had increased over the past three years. This has occurred without significant capital expenditure, without the respondents choosing to belong to a supportive formal business network or organisation, and in spite of various obstacles. However, respondents also indicated that employment had not grown over the same time period. Most operators find they can operate with the same staff levels but the operators themselves are working longer hours. It appears that business operators are happy to accept the increase in turnover; however they are not prepared to commit their business to capital expansion until they develop a greater understanding of the long term prospects for the business. These prospects hinge on water, government initiatives, future residential growth in the area, and the future of viable agriculture.

These results indicate that business operators report positive results in terms of sales and turnover in individual businesses in the area. However, it appears that this is not the result of direct investment in capital growth or business expansion leading to increased employment in the area. Rather, there are indications that a majority of business operators are in a 'holding pattern' and operate within a 'survival mentality' rather than with a positive view of future business development. It appears that business operators are not convinced, or perhaps need to be convinced, of the business potential of the region. In the course of our discussions with business operators during the first survey and during the administration of the second survey, a number of themes emerged, which we think are reflective of the sentiments of our respondents.

Theme 1: Information sharing, confidence building and trust.

In answer to particular questions on the survey, respondents chose not to identify or name any businesses with which they were not already associated, or any other businesses in the region. Business operators were asked if they were aware of new businesses opening in the region in the past two years and to name those businesses. Six (6) of the 49 who responded to this question said they knew of new businesses but declined to identify any. The only businesses identified were large businesses that operate at highly visible locations (such as the IGA supermarket in the Gatton retail precinct). Four business operators were happy to identify complementary businesses which they themselves owned and operated in conjunction with and complementary to their 'parent' business.

Respondents said that they would not name other businesses in the region because:

- "It is Council's job to know about these businesses … they can get the information from the rates data … it's what we pay rates for" (phone survey respondent)
- "I do not want to name other businesses in case I 'dob them in' if they have chosen not to appear on the council and/or chamber of commerce records" (phone survey respondent).

Issues of Information Sharing, Confidence Building and Trust are evident in these outcomes. Business Confidence appears to be low in the region. When confidence is low business people are wary of disclosing information that may compromise their own business or enable other operators to encroach on their business base. Fear of competitors or other business operators learning their business strategies or poaching potential markets are reasons given for businesses not participating in business groups and networks such as a chamber of commerce. In this survey, business operators chose to keep their business operations private. Trust is difficult to establish and maintain when confidence is low. One example of the desire of business operators to maintain privacy was that 10 business operators reported that they use accountants, tax agents and bookkeepers outside the immediate region - “because I don’t want the whole town to know what I am doing and what is going on”.

Collaborating with others in order to serve a particular customer group requires planning and negotiated strategic agreements between business partners in the collaboration. For business clusters to organise successfully there needs to be willingness on the part of the cluster members to share information, and to develop a degree of trust in other members of the network. From the observations above, it would appear that there is a long way to go before businesses in the area are ready to adopt alternative forms of doing business or working together more formally in business cluster arrangements.

For some business operators, the focus is on the viability of their own business for the period of their working life. Some of our respondents indicated that they were happy with the current state of their businesses because they are in a holding pattern until the proprietors retire. Maintaining the business rather than developing it is a focus for the operators in this situation. Once again, business proprietors need to see, or be shown, the value in developing a cluster of businesses, and perhaps to see that the formation of a cluster may be one mechanism for ensuring the success or maintenance of an existing business.

Theme 2: Supply and distribution chains in the region

On the matter of utilising local resources for supply and/or distribution of goods, four distinct themes emerged. Firstly, 22 local business people reported that they had initially used other local businesses to service their operation. However, many of those businesses have ceased to operate or have relocated to high population centres. When those businesses left the area or were taken over by larger organisations based in the major centres of Toowoomba, Brisbane or the Gold Coast, the majority of operators chose to stay with the relocated businesses. This was mostly due to the fact that there was no other business in the area or there was no business that could offer the service, supply the goods, or provide the required level of service. When asked if another business could open in the immediate area to provide that particular service, 14 respondents said that they doubted if there would be sufficient business to make the new business viable. “That is why the original businesses left, closed or were taken over in the first place”.

A small number of respondents (8) believed there was potential for a new small business or a branch office of a large company to fill gaps left by businesses that had ceased to operate in the region. Because our respondents were not too specific in identifying or naming businesses generally, it is difficult to establish exactly what these gaps might be. What is of interest is that no respondent to our survey indicated their intention to start up a new business to fulfil a perceived gap in the supply chain.

Secondly, nine (9) existing business were hesitant to support newly established local business in the region. They were concerned that the new business might fail, that associated supply and distribution services might collapse, that prices would increase, or that service levels would not be good enough.

Thirdly, 35 businesses said they sourced business services in Toowoomba, Brisbane or the Gold Coast. Reasons given for this included that there was no one in Gatton who could provide the goods and services they required at competitive prices on a regular and reliable basis, or who were sufficiently service oriented. In 19 cases, the respondents argued that prices were better at businesses in the large centres and that the level of both initial service and follow up service was better with the bigger companies.

Finally, four businesses surveyed had moved into Gatton from other areas of south east Queensland or northern New South Wales. These businesses reported that they maintained links with businesses in their original areas because they knew and were known to those businesses. These respondents did not think there were businesses in Gatton that could provide the appropriate levels of personal service.

Two businesses operators said they used local business whenever possible in a reciprocal situation because “the region has been good to me and it is my turn to give something back to the community”. Both respondents were operating multi million dollar businesses in Gatton.

There appeared to be two distinct forms of networking in the region. The first and most dominant form is an informal regional business network based on knowledge and confidence resulting in trust of one business operator for another. In these cases, trust is developed slowly over years of dealing with the same firm and listening to other people’s reports and experiences with that operator. The second form of networking is the purposively established structured network such as the chamber of commerce. The responses to our survey indicate that this form of networking is less successful in this region.

Business operators are happy to go to large regional centres such as Brisbane, Toowoomba, and the Gold Coast to source products and services at competitive prices. Our respondents could understand why some businesses in Gatton who struggled to find enough business in the region, would make the decision to base themselves in a larger centre such as Toowoomba in order to access the larger markets in the Darling Downs. This is particularly true from those businesses servicing the agricultural industry. Furthermore, one of the difficulties in setting up a new business in the region would be to gain the confidence of existing businesses to convince them of the long term viability of the new business. Again, this is indicative of the perception that business development and opportunity in Gatton is at low ebb.

Theme 3: Water

The major issue of concern for operators in all types of business – both agricultural and other complementary businesses - is the potential shortage of water. This issue was raised by respondents during Phase 1 of the project and in the course of conducting the phone survey in Phase 2. These responses were spontaneous and unsolicited as there were no questions in the survey about water or requests to identify potential or real threats to current and future business success. Of the 20 telephone respondents, 15 or 75% spontaneously expressed concern over anticipated future water shortages. As industry in Gatton is heavily focussed on agriculture, a large and reliable water supply is essential to ensure ongoing business confidence. The perception of our respondents is that the region has recently experienced erratic and unusually low rainfall, and that local reservoirs are low with increased pressure on regional supplies to feed south east Queensland because of ongoing drought conditions. The water table and artesian reserves in the Lockyer Valley are also low because of low rainfall.

Water is an ongoing and significant issue in the region. Business confidence appears to be undermined by the water problem. Water is critical to business confidence as the region relies heavily on agriculture. The potential for the development of healthy business networks may well be hampered by current and potential future water shortages. Six respondents indicated that they are not undertaking capital expenditure to intentionally grow their businesses at the moment until a clearer picture can be given as to the future of the region's water supply. One respondent said that he is not prepared to take over the family business because the uncertainty of water supply has a negative impact on the long term viability of the business.

Collaborative business partnerships between all levels of government and the business community are required to restart confidence in the future of business in Gatton. All three levels of government must be seen to be addressing the issue of a reliable long term water supply. Respondents deem governments responsible for providing a regular and abundant supply of water. Governments must effectively promote its current activities to address this important issue in the local business community. Governments must be seen to take necessary actions to alleviate problems that are beyond the control of business operators. Confidence in all three levels of government appears to be low. Twenty nine respondents rated the provision of government services and available resources in the region as poor, while 10 expressed satisfaction with the role of government. Efforts to address the water issue in the Lockyer and Bremer regions need to be effectively promoted. Representatives of business need to be involved and/or consulted and made aware of the various projects focused on addressing the long term implications of the water issue.

Local chambers of commerce such as 'Lockyer Better Business' must also be in the forefront of revitalising business confidence to offset perceived threats to business sustainability. The chambers must adopt an advocacy role to ensure that the issues of concern to business are discussed at all levels of government. While there are some business operators who are content to maintain their business at current levels, other operators are likely to take opportunities to develop their business if prospects improve. Membership of chambers of commerce will increase if initiatives are established to match the aspirations of local business and to instigate opportunities for business growth. Governments must continue to be proactive in promoting incentives for new business and those willing to locate to the region.

Theme 4: Transport

In relation to the logistics of supply and distribution chains, respondents discussed the importance of transport services. Effective and reliable transport systems are critical for the businesses in the region, especially agricultural businesses. Respondents discussed the role of electrified rail services in servicing the region and increased traffic congestion on highways that feed the area. This issue has also been identified in the literature on business clustering.

Despite cost savings being one of the more important reasons for clustering, Baptista (1998) argues that any spatial concentration of industry, usually in urban areas, often results in an increase in costs as high demands are placed on real estate resulting in increased property values and rises in associated costs. Transport costs also have the potential to increase due to traffic congestion and time delays (Baptista 1998; Gettler 2001). Traffic congestion is very common in areas of rapid growth where infrastructure development has not kept pace with growth.

Theme 5: Business leadership

Large businesses and other organisations in the region must participate fully in the region to ensure credibility. For example, the University of Queensland at both Ipswich and Gatton, the Gatton Shire Council, and other large employers in the region must lead the way in supporting local business. This can only be achieved with a full commitment to the region. Eight (8) respondents suggested that the central buying policy of the University of Queensland based at the St Lucia campus has a dampening effect on the local economy. This policy focuses on Brisbane businesses and compromises the university’s declared commitment to the region. The Gatton Shire Council has publicly stated that it has a competitive tendering process for most levels of purchasing. While any business in the region is able to participate in the tender process, the policy is perceived as a lack of commitment and loyalty as it does not offer priority status to local business. Local business and business groups such as the chambers of commerce must be proactive in attracting trade from all levels of government and large business in the region.

Three main reasons were provided to explain why local businesses move outside the region in favour of the major centres of Toowoomba, Brisbane and the Gold Coast for highly priced items such as motor vehicles and farm equipment. These were pricing, the readiness to provide product information, and the provision of follow up servicing Respondents said that they could do better package deals with larger dealerships in the major centres. Local businesses in Gatton must demonstrate competitiveness with businesses based in larger centres, not only in price but also in their commitment to on-going business with local customers. Local chambers of commerce must be proactive in providing assistance to local business to develop strategies to attract and maintain local support.

The themes that emerged from the Gatton Business Opportunities Survey reinforce the existing literature on Business Clustering. The major themes derived from the survey indicate that the Gatton Business community is sceptical of the integrity of the initiatives of all levels of government and the level of trust between businesses in the region is also low. The situation is compounded by the lack of confidence in long term capital investment due to climactic irregularities. A reliable rainfall was a contributing factor in the creation of the Gatton region as the centre for market gardening and horticulture in south east Queensland. Low rainfall over recent years and the resultant depleted water reserves have eroded business confidence as has the deregulation of some primary industries. These dynamics compound the lack of trust in government and government initiatives, as well as dampening business confidence.

Summary and Recommendations

The critical themes to emerge from this project are Information Sharing, Business Confidence and Trust. It appears that the lack of these three crucial components is impeding the development of the business sector in the Gatton Shire and surrounding region. The absence of these stabilising prerequisites limits capital investment and planned growth of existing business and deters new business from moving into the region. However, despite this sentiment, businesses have indicated that their turnover has improved in recent years. A number of important implications and recommendations emerge from this project.

1. Promote efforts by all levels of government to address the water issue

The threat of the lack of a regular water supply is impacting on local business confidence and willingness to plan into the future. Efforts should be made to inspire business confidence in the Gatton shire. In particular, the efforts being made by all levels of government to address the water problem need to be coordinated, and promulgated with a targeted focus on small business operators including farmers. This should be a targeted strategy designed to influence business confidence in the long term viability of industry and employment in the region.

2. Promote changes in the region as opportunities for business development

The Gatton region is changing due to its proximity to, and the growing centralisation of major centres such as Brisbane, Toowoomba and the coastal strip, as well as the encroaching urban spread. These developments exert pressure on traditional ways of living and earning an income in the Gatton region and this has a negative impact on the local business sector. It will be important to find ways for businesses in the Gatton region to perceive these developments as opportunities rather than as threats. There is a need to promote the development of regional centres and the projected future growth of South East Queensland as opportunities for business development. Initiatives should be designed to promote and encourage business confidence in the region.

For example, in all of our discussions with respondents, there was hardly any mention of the possibilities for Gatton Shire businesses servicing the population and business growth in the Ipswich region. There is some potential to support and service the development of business initiatives in Ipswich (e.g., Amberley, Boeing, aluminium processing). Incentives need to be developed to encourage local business to participate in tendering processes for local government and University business. There is also potential to encourage the development of ‘spillover’ business related to large scale operations such as the University of Queensland and larger business in Amberley and Ipswich.

3. Educate business operators on the potential benefits of business clusters

The existing literature on business clustering identified a number of reasons why businesses are reticent to become involved in both formal and informal groupings. When business confidence is low, and when there is a lack of trust between business operators, it is unlikely that businesses will commit the time and resources to developing networks for the purpose of business development. Business operators are likely to resist a ‘top down’ approach by governments that actively ‘encourages’ business to participate in such groupings. Existing literature suggests that business operators believe they face too much government interference and any attempt to enforce their participation in networks is yet another example of a government control mechanism on business. The findings of this survey reinforce this literature.

The task of this survey was to identify missing links in supply and distribution chains with the view to encouraging complementary and new businesses to the region. However, given the unwillingness of respondents to include more specific details about their relationships and dealings with other businesses, limited data is available from this project to make this prediction. In fact, the analysis of the survey findings suggests that the problem is more deep-seated than supply and distribution chains. Business confidence and trust is low for the reasons already stated. To address this issue all levels of government must work collaboratively for the benefit of the business operators in the region and for the region itself. Government must also address the issue of the impending water shortage, the impact of the encroaching urban areas, and issues related to transport infrastructure.

For business clusters to develop there is a need to educate business operators about the benefits of clustering. Business operators need to be convinced of the value of developing local strategic partnerships for ongoing maintenance and development of their business. No small to medium business will invest the time and energy required to develop and maintain a collaborative business arrangement unless there is a clear long term gain for the parties.

4. Identify and promulgate examples of business clusters in the region
Examples of successful business partnerships or alliances need to be identified and used to 'show case' what id possible in the region.

5. Investigate agricultural industries in the region as a 'seedbed' for business clustering
The responses to this survey did not provide detailed information about existing networks or business patterns that may currently exist to serve the agricultural industry. However, the responses (or lack of them) may well indicate that there is limited interest in, and therefore possibly limited knowledge or understanding amongst business operators about clustering and how it could work in their favour. Business that provide transport services, machinery and equipment, and other farm supplies could potentially develop strategies to work together to service this industry more effectively. Given that the majority of businesses in the region are based around the agricultural industry, a more detailed investigation is required to examine the relationships and dependencies between the businesses currently supporting this industry. Such an analysis might suggest ways in which business clustering could support this industry more efficiently.

6. Encourage greater participation in existing business networks
Strategies must be implemented to encourage greater participation of business in formal networks such as the chamber of commerce. Chambers must take the initiative to make themselves more transparent, approachable, relevant to the community, and offer value for money. The fact that businesses in the Gatton region are growing without assistance from the chamber of commerce contributes to the perception of business operators that the chamber of commerce is not relevant to them and that membership of that network would not add value to their business.

7. Promote the role and contributions of all levels of government in encouraging business in the region
Business operators are suspicious of information gathering processes such as the survey conducted in this project. Business operators have become cynical of the role of all

levels of government in addressing the problems facing the region. This cynicism plus the lack of trust in government is impeding business sentiment and the potential of future growth through local capital investment.

8. Identify and share existing knowledge about the nature and structure of business in the region

One of the stated aims of this survey was to address the lack of knowledge and data held by governments about the nature of small business and the inability to access existing data on the region. This shortcoming does not arise from the lack of surveys or information gathered in the region. In fact, business operators who participated in our survey suggested that there are many surveys being conducted in the region. What appears to be a major problem is the lack of coordination and information sharing across all levels of government and between interested parties around access to this information. One example of this is the inability of researchers on this project to access relevant reports from all three levels of government. A number of government departments were approached and representatives indicated that they have performed their own research on the region but are not willing to disclose or share the results for various reasons.

APPENDIX 1 - Engaging new business opportunities

This section reviews some of the literature relevant to 'clustering' of businesses. In particular, we review themes that reflect the experience of others in developing business clusters in regional areas and the challenges and opportunities that this process presents.

A business cluster is defined by Scott (1988) as:

> “a geographically bounded concentration of similar, related or complementary businesses with active channels for business transactions, communications and dialogue, that share specialised infrastructure, about markets and services, and that are faced with common opportunities and threats.

Businesses usually develop such active relationships between themselves with the express aim of improving their individual efficiency and competitiveness. Clustering is a natural, almost organic business process (James, 2001). Clustering may be achieved by creating buyer/supplier chains, and/or relationships based on competition, collaboration, or sharing resources. Clustering focuses on the linkages and interdependencies among actors in a value chain in both vertical (buyer/supplier) and horizontal (common customers, technology) networks working on the same end product market (Enright & Roberts, 2001). A firm chooses to join a cluster due to the complementarity of its processes, or rather the complementarity of its information requirements, to other firms in the cluster (Agnew, 1998).

The success of a business cluster depends on its reason for clustering. The most successful clusters have been created by informal consultation and collaboration between the industries rather than as a result of direct and deliberate efforts of government (Saxenian 1996; Enright 1998; Enright & Roberts 2001). Lowe & Miller (2001) argue that an increased number of governments sponsor 'clustering' to focus on core competencies. However such interventionist public policy approaches have only been successful where the focus has been on creating institutional support and promotion of existing clusters previously formed of their own volition. Lowe and Miller (2001) argue further that structural rigidity enforced by governments is the bane of cluster development. The role of government should be to maximise the dynamics of related industries and to ensure blockages do not occur.

The Bureau of Industry Economics (BIE) assessment of small business networks found that there were no significant differences in networking utilisation reported by firms in regional areas as opposed to metropolitan areas (Hines & Howard, 1998). Small firms make less use of formal networks than larger firms but they may be involved in informal networks which later develop into more formal structures. Temple (1998) argues that transplanting apparently successful institutions from one economic and social setting to another cannot be presumed to succeed in the new location. Courvisanos (2003) is more specific when he suggests that clusters in regional areas are most at risk from any 'top down' approach adopted by government. Conservative or disadvantaged rural and regional areas in Australia are targeted for attention by government because of the need to rescue them from economic stagnation or decline. However, these regions often lack the infrastructure to cope with rapid change. The problem arises when attempts are made to transfer innovation and growth directly and quickly from a vibrant urban setting to areas that do not have the appropriate support infrastructure.

Independent business operators often resist a 'top down' approach which purposively attempts to generate a cluster, and perceive this strategy as interventionist. Enright & Roberts (2001) argue that the governments of South Australia and Queensland are the only two Australian states to actively encourage clustering as a framework for regional economic development. The Multi Function Polis (MFP), a state government initiative, planned for the area immediately north of Adelaide was terminated in 1998 because of what Enright & Roberts (2001) identify as conservative business attitudes and the lack of trust between businesses. NSW, Victoria and Western Australia on the other hand have pursued industry development policies focused on attracting major national and foreign firms rather than contrived cluster generation. Courvisanos (2003), Baptista (1998) and James (2001) argue that the more successful clusters are self formed and found in small localised areas (irrespective of urban or regional situation) that provide strong social and symbolic bonds and frequent contact, with close user/producer relationships and robust institutional support.

The benefits of clustering are not limitless. Success seems to relate to the size of the cluster. Success increases to a point, and then it begins to diminish because of increases in costs caused by congestion. Despite cost savings being one of the more important reasons for clustering, Baptista (1998) argues that any spatial concentration of industry, usually in urban areas, often results in increased costs. High demands are placed on real estate resulting in increased property values and rises in associated costs. Transport costs have the potential to increase due to traffic congestion and time delays (Baptista 1998; Gettler 2001). Traffic congestion is very common in areas of rapid growth where infrastructure development has not kept pace with growth. Despite the potential for such negative reactions, clustering processes continue to strive towards the reduction of such costs, the sharing of skilled and available labour reserves, as well as tapping into strong markets generated in highly concentrated population centres. Urban centres also offer the advantages of rapid marketing, information gathering and the opportunity to observe trends - all highly desirable business development tools. Positioning a cluster in close proximity to a large urban centre provides the cluster the opportunity to gain from the benefits of a range and depth of inputs.

Businesses however have the opportunity to decide whether to participate in clusters or to remain outside of them. There is often a sense of rivalry between competitors that precludes businesses from joining a cluster. Hines & Howard (1998) argue however that 'disclosing secrets' within clusters was of secondary concern to small business operators. 'Financial costs', 'additional time' and 'loss of control' were stronger impediments to participating in networks. By choosing to participate in a cluster, Agnew (1998) argues the firm makes an explicit decision to pool or exchange its information sources and reap the benefits of linkages and information flows. Cultural aspects of clustering include labour flexibility, enhanced social interaction and the development of cooperation and trust, and thereby enhanced innovation in a multiplier effect (Agnew, 1998). Organisations by nature are able to collect and process more information than any individual. By remaining independent and not joining a cluster, Brown's (2000) research indicates that innovations become limited, which hinders both economic growth and cultural development.

Brown (2000) identifies three additional impediments to cluster development in Australia – lack of focus and distinctiveness, insufficient critical mass, and political and administrative difficulties. Clustering should be promoted in such a way that emphasises the distinct and tangible advantages for business in the process, advantages which outweigh any negative impact that may occur from direct competition. The role of government is simply to facilitate it where possible.

Marshall (1920) and Agnew (1998) have observed geographical concentrations of industry since the Industrial Revolution. Enright (1998) suggests that an industry emerges around a particular natural resource, market need or local skill. Concentrations then develop to enable access to skilled labour forces, energy supplies, distribution networks and for the exchange of knowledge. Changes to established yet informal clustering processes appeared in the mid 20th century as population congestion occurred and new sources of cheap labour became available. Multi-regional and multi-national sources of labour saw production processes scatter over large areas and countries. The concept of Globalisation has become more apparent. This resulted in an international division of labour and the emergence of the concept of core/periphery development practices – the core being highly industrialised first world countries and the periphery being the Third World, with cheap and available labour reserves and other readily exploited sources of raw materials. Hines & Howard (1998) identify the distinction between formal and informal networks. Formal networks are those that are constructed for, and explicitly lead to, concrete business incomes such as a sales contract. Informal networks are those that ***may*** lead to business contracts but do not have that as a main objective.

The perceived threats to regional sustainability, credited to the increasingly apparent onset of Globalisation, have resulted in a resistance movement in the form of the 'localisation' of certain industries and economic activity and the promotion of sub-national regions (Enright & Roberts 2001; James, 2001). In the 1960s and 70s industry again began to cluster in order to generate a united front against global forces. The focus this time however was on complete locations, even regions, based on highly specific industry and business. This clustering was centred most markedly in high technology industries and enabled businesses to reap benefits of both local and external economies. Silicon Valley in California is a noteworthy example. Baptista argues the core elements of the new industrial systems are normally organised on networks of producers bound together in a network of relationships. Agnew (1998) argues that high tech industries are more inclined to form both formal and informal clusters, first of all because of the new and dynamic nature of such industries, but also because of the need for such industries to access the rapidly growing information base that high tech industry generates. Agnew (1998) postulates that long established or 'old' industries such as low tech food processing and textile and clothing manufacturing are far less inclined to participate in clusters.

Universities, research centres and local government initiatives that make contributions to industry specific clustering, act as natural magnets to complementary business that aim to reap the rewards of 'spillovers' or the dispersal of information generated from information loaded clusters. James (2001) and Scott (1988) argue that such institutions are deemed to be stable with little likelihood of shifting location thereby providing a solid foundation on which to develop a cluster. The development of Silicon Valley around Stanford University is a perfect example. On the other hand however magnet industries that have the potential of shifting location have the potential of creating an economic nightmare for complementary industries should the magnet decide to move. This can be witnessed at Sale in Gippsland in Victoria where Esso petroleum established its head office to be in close proximity to the natural gas fields of Bass Strait. Esso acted as a magnet to complementary business generating a substantial cluster in the town providing much needed employment and socio-economic revival in a disadvantaged rural community. However when Esso decided to shift its administrative function to Melbourne the clustered industries needed financial support from state government and local government initiatives to remain in business.

APPENDIX 2 - Community and business profile

In this appendix, we briefly outline the demographic and business profile of the local area based on existing data from the Australian Bureau of Statistics. These data provide an overview of the context in which this project was undertaken and suggest important trends in the area that may inform the development of business in the Gatton shire.

Population

As at December 31, 2001 the population of the Gatton LGA was 15,586 people. This represents 0.4 percent of the total Queensland population. The Gatton region covers 1,734,190 square kilometres which represents 0.1 percent of the total area of the state. These details combined translate to a population density of 111.3 people per square kilometre. There are regions in south east Queensland (e.g., Redcliffe City) where the population density is at 1258 people per square kilometre. Between December 31, 1996 and December 31, 2001 the annual average rate of change in population in Gatton was 0.7 percent which is below the state average of 1.8 percent.

	Gatton LGA	Queensland	As % of Qld.
Area (sq. kms)	1579	1,734,190	0.1
Population			
1996	15,086	3,338,690	0.5
2000	15,480	3,570,272	0.4
2001	15,586	3,635,121	0.4
Annual average growth 2000 - 2001	0.7	1.8	

Source: ABS, Qld Geographical Boundaries 2001.

From 1991-1996 the net migration in the coastal LGAs of south east Queensland (Brisbane, Gold Coast, Redcliffe, Redland, Noosa, Caboolture, Maroochy and Pine Rivers) was 79,474, whereas the net migration for the inland LGAs of Boonah, Gatton, Esk, Laidley, Kilcoy, Logan and Ipswich was 9,225 people (OESR 2000, 2001).

Future trends: The 2001 Department of Local Government and Planning population predictions suggest that the population of Gatton will increase from 15,539 to 20,317 in 2021 representing a 1.3 percent increase. This compares with a projected average growth rate of 1.6 for Queensland. As a result it is anticipated that the regions share of the states population will remain static at 0.4 percent until 2021 (Department of Local Government and Planning, Population Trends and Prospects 2001).

Age Profile

In 1991, 23.8 percent of the Gatton population were aged 0 - 14 years with 68.4 percent aged 15 – 64 years and 7.8 percent aged 65 years and more. By 2001 the figure had dropped in the 0 – 14 and the 15 – 64 age brackets to 22.7 percent and 66.9 respectively however the figure for the 65 years plus bracket had increased to 10.4 percent.

Birthplace

Data from the 2001 Census shows that 85.9 percent of Gatton residents identified as being born in Australia. This compares with 76.2 percent for Queensland in general. Aboriginal and Torres Strait Islanders represented 1.5 percent of the total community population at the census, compared with the state average of 3.1 percent. The north west of Europe was the second highest birthplace region representing 514 people or 3.4 percent of the Gatton population. This is below the Queensland state average of 6.7 percent. ‘Other Oceania’ which includes New Zealand and the Pacific Islands is the third major source of the Gatton population with 260 people or 1.7 percent which is again below the state average of 4.3 percent. English is the language most often spoken in Gatton homes with Arabic, Turkish and German the next most prevalent languages spoken. (ABS Census of Population and Housing 2001).

Business Register

In September 1998, 0.6 percent of businesses in Queensland (1120) were located in the Gatton region. Agriculture is the dominant industry (see table below) followed by forestry and fishing, with retail accounting for 10.9 percent of local business. Mining is significant in the Gatton region accounting for 1.1 percent of the total Queensland mining output.

Industry	Local Number	Per cent	Queensland total	Per cent	Region as % of Qld
Agriculture, Forestry, Fishing	510	45.5	34554	17.2	1.5
Mining	9	0.8	830	0.4	1.1
Manufacturing	41	3.7	11071	5.5	0.4
Public utilities	4	0.4	729	0.4	0.5
Construction	89	7.9	21697	10.8	0.4
Wholesale Trade	42	3.8	12973	6.4	0.3
Retail Trade	122	10.9	30660	15.2	0.4
Hospitality	24	2.1	7844	3.9	0.3
Transport and Storage	59	5.3	10464	5.2	
Communication	6	0.5	1154	0.6	0.5
Finance and Insurance	19	1.7	6544	3.3	0.3
Property and Business Serve	66	5.9	29830	14.8	0.2
Government	7	0.6	1493	0.7	0.5
Education	27	2.4	4446	2.2	0.6
Health and Community	37	3.3	13414	6.7	0.3
Recreation	9	0.8	4141	2.1	0.2
Personal	49	4.4	9493	4.7	0.5
TOTAL	1120	100.0	201337	100.0	0.6

Source: ABS Business registers by geographical boundary 1998.

Agriculture

Agriculture dominates Gatton and the surrounding region which includes the Lockyer Valley. Of the 1120 known businesses identified by the Gatton Shire, 510 were directly involved in agricultural activity. For 1998-9 the total gross value of agricultural production in Gatton was $76.6 million or 1.2 percent of the Queensland total. Crops comprised 87.2 percent of the total (1.9 percent of Qld production) while livestock disposals accounted for 8.9 percent (0.3 percent) and livestock products 3.9 percent or

0.5 percent of the Qld total (ABS, Agriculture by Geographical Boundary, unpublished).

Employment by Occupation

At the 2001 census 1,293 persons identified as labourers and related workers which were the occupations with the largest number of employees in the region. This represents 20.3 of the local work force. The Queensland average in this category is 9.7 percent indicating that Gatton is well above the state average. Other occupations in Gatton with significantly large numbers of employees are ‘intermediate clerical, sales and service workers’ with 13.1 of the Gatton workforce, ‘tradespersons and related workers’ with 12.2 percent and ‘managers and administrators’ with 12.0 percent. The Queensland average for the category of ‘managers and administrators’ is 8.5 percent. The Gatton unemployment rate is 7.0% which is less than that of Brisbane City and the Moreton region. The overall Queensland unemployment rate is 8.2%.

Occupation	Gatton number	Gatton percent	Qld number	Qld percent	Specialisation
Managers and Administrators	765	12.0	133295	8.5	1.4
Professionals	674	10.6	251273	16.0	0.7
Associate Professionals	589	9.2	187910	12.0	0.8
Tradespersons and Related	781	12.2	200665	12.8	1.0
Advanced clerical and Service	194	3.0	54677	3.5	0.9
Intermediate clerical	833	13.1	265751	16.9	0.8
Intermediate production	595	9.3	133702	8.5	1.1
Elementary Clerical	536	8.4	158222	10.1	0.8
Labourers	1292	20.3	152773	9.7	2.1
Not stated	119	1.9	20596	1.9	1.9
TOTAL	6378	100.0	1568864	100.0	1.0

Source; ABS Census of Population and Housing 2001.

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APPENDIX 4 - Surveys

a. **The First Gatton Business Survey** used the database of businesses in the council area, provided by the Gatton Shire Council, as the initial contact for business operators. The database provide name and address of the business, the name of the business operator and all relevant contact details. Operators attempted to telephone all businesses on the database.

Gatton Business Opportunities Project Questionnaire

Business Name:____________________________________ Date:________

1.) Contact details

Name:
Position: Owner Manager P/A
Business Address:
Postal Address:
Telephone:
Fax:
Mobile:
Email:
Website:

2.) Business details

What does your business do, manufacture or provide?

3.) Employees

How many people do you employ (including yourself):		
Full Time:	Part Time:	Casual:

4.) Other Businesses

Do you operate any businesses in the Gatton Shire with a different ABN to the number associated with this business?
Yes ☐ (attach completed questionnaire)
No ☐
Are you personally involved with any other businesses in the Shire?
Yes ☐ (attach completed questionnaire)

No ☐ (go to question 5)

5.) Local business associations:

Are you aware of any new businesses starting up in your area in the past 1 or 2 years?

Business Name:		
Contact Name:		
Position: Owner Manager	P/A	
Business Address:		
Postal Address:		
Telephone:	Fax:	Mobile:
Email:		
Website:		

Business Name:		
Contact Name:		
Position: Owner Manager	P/A	
Business Address:		
Postal Address:		
Telephone:	Fax:	Mobile:
Email:		
Website:		

6.) Are you willing to participate in further research with regard to the need s of businesses in the Gatton Shire?

Yes ☐
What is the most convenient way to contact you?
Phone ☐ Email ☐ Questionnaire - fax ☐ post ☐
Convenient time:
No ☐

b. The Second Gatton Business Survey:

(a). INTRODUCTION:

This survey has two purposes:

- to identify supply and delivery chains used by business and industry within the Gatton Shire and immediate region. This is intended to help to identify the businesses that are missing from the supply chains in the region with the view of encouraging new and complementary business to fill those gaps.
- to identify businesses that are hidden in the community. These may be small home based businesses which do not advertise and are therefore invisible in the local community; or it may be business that are located within the Shire but operate/focus predominantly outside the region.

The Gatton Business Development survey is being run by The 'Boilerhouse' Community Service and Research Centre at the Ipswich campus of The University of Queensland in conjunction with Lockyer Better Business. The survey is partly funded by the Ipswich Regional Area Consultative Committee.

This study has been cleared by the Human Ethics committee of The University of Queensland in accordance with the Behavioural and Social Sciences Ethical Review Committee (BSSERC) guidelines. You are free to discuss your participation in this study with project staff. The project manager is Peter Balmer, phone number is 3381 1537. If you would like to speak to an officer of the University not involved in the study, the Ethics Officer phone is 3365 3924.

Confidentiality Clause: The content of this survey is confidential. Information gained will not be for promotional or marketing purposes.

1. Are you in the position to make buying decisions for this business?

Yes – go to Q2.

No - Who takes this role? Please give contact name and details

2. What is the nature of this business? Is it a:

Single unit yes, go to question 3

Main office of multi unit operation –

Where are branches located?

How many employees are there?

go to Q.3

Branch office of multi unit operation –

What is the location of HO and contact details …

go to Q3.

Franchise? … continue below

3. In what year was this business established?

4. Do you own or lease the premises you operate from?

Own / Lease

5. For your business, do you use the:

Internet … WWW … email? n/a

If yes, who is your Internet Service Provider?

Name ……………….

Regional … state … national

In what capacity?

6. Is your book keeper/accountant/tax agent in Gatton?

Yes – name ……………………………………. Go to Q.7

No –name:

Location:

why do you use this company?

7. From where did you purchase your latest:

Motor vehicle ………………

Computer........................

Household appliances/white goods …………………..

8. Do you belong to a:

buying group;

yes - name …………………………

business network,

yes – name ………………..

is it a formal or informal association?

professional association,

name ………………

franchise?

n/a

9. Do you use a marketing / advertising company?

Yes – name ……………………….

Is this local, regional, Brisbane, Qld., interstate, overseas (please circle)

why do you use this company?

OR is your marketing organised by the buying group, franchise, business group.

No – why?

Have you considered joining with like businesses to share such costs?

Are you listed in the 'yellow pages'? *y/n*

10. Does your business require transport for outward distribution and/or inward delivery?

Yes –

Do you use the same company for all transportation? *Yes/No*

name,

local, regional, interstate?

Why do you use this company?

11. Is your business involved in tendering processes?

Calling for, submitting or both?

Are you a member of a tendering group?

Yes … go to Q12

No …

Have you considered joining/establishing with other businesses to bid/call for larger jobs?

12. What is this business's approximate turnover?

Less than 99,000,

100,000 -149,000,

150,000 - 199,000

200,000 – 249,000

250,000 – 299,000

over 300,000

13a. In the past three years, in terms of Sales has your business:

Grown ….. Remained static ……. Shrunk

Are you happy about that? Yes / No

13b. In the past three years, in terms of turnover has your business:

Grown ….. Remained static ……. Shrunk

Are you happy about that? Yes / No

13c. In the past three years, in terms of Employment has your business:

Grown ….. Remained static ……. Shrunk

Are you happy about that? Yes / No;

13d. In the past three years, in terms of Plant and Equipment has your business:

Grown ….. Remained static ……. Shrunk

Are you happy about that? Yes / No.

14. In the next three years do you expect your business to

grow … remain static … or shrink?

Are you happy about that? Yes / No

15. If the business grows, or you intentionally expand the business, can it cope with the present premises/location?

Yes - go to Q16

No - If you need to relocate would you stay in the Gatton area or move?

within the region, SEQ, Brisbane, else where statewide, interstate, o/s
(please circle).

16. Are you considering/have you ever considered relocating your business?
Yes –
Where to…….
When …….   why?   .
No
17. I would like to ask you a series of questions about other businesses that your business deals with in the region. These questions are an attempt to identify supply chains in the region

18. Have you ever experienced delays in delivering your primary product/service in the past twelve months?
Yes – Can you tell me the situation – company, location, reason for the delay?
No

19. Does your business buy materials to add value to then sell on?
No – go to Q.20
Yes – what materials do you buy?
Do you buy these in Gatton, in the region, south east Queensland, within the state, interstate?
Why?
20. Does your business produce 'in house' its own components for the end product it produces or do you buy components from external suppliers?
'In house' from raw materials
Purchase from external suppliers
n/a

21. If you rely on external suppliers for componentry, are those suppliers located in: Gatton, in the region, SEQld, within the state, interstate, overseas? (please circle).

21a. If you need to purchase these items from outside the region, do you believe it is possible to establish a business within the region which will produce these items?

Yes

No – why?

22. Are you aware of any business in the area that has the potential of being a client of yours but travels outside the region to buy materials and/or services?

If Yes could you please give details and a possible reason?

23a. How do you rate business resources in the Gatton Shire in relation to support and incentive from business chambers such as Lockyer Better Business and/or Lockyer Valley Alliance?

Very good good fair poor lousy no opinion

23b. How do you rate business resources in the Gatton Shire in relation to support and incentive from regional bodies, such as:

state government eg Department of State Development & Innovation.

Very good good fair poor lousy no opinion

federal government eg Dept of Transport and Regional Services

Very good good fair poor lousy no opinion

23c. How do you rate business resources in the Gatton Shire in relation to

Rates, rent: Very good good fair poor lousy no opinion

Transport: Very good good fair poor lousy no opinion

Locality/regional profile: Very good good fair poor lousy no opinion

Related/complementary business: Very goodgood fair poor lousy n/o

Employment pool: Very goodgood fair poor lousy no opinion

Training facilities for self/staff: Very good good fair poor lousy n/o

24. Do you employees live locally – Y */N ?*

Did you advertise for staff,

Yes – locally, regionally, SEQ?

No - Did you use an employment service – name ……….

25. Do you feel your staff are in need of further training?

Yes - in what area – office, sales, managerial, IT, other (name)

No – go to Q27

26. Do you know if appropriate training facilities are available locally?
Where are they?
Would you send your staff outside the region to train? Yes / No

27. Is business appearance and presentation important to you?
Yes / No
How do surrounding business's presentation /appearance impact on your business?
Negative impact ….. no impact ….. good impact

28. Are you aware of any new businesses starting up in your area in the past 1 or 2 years?

29. Would you be interested in, and available to participate in further research into the Gatton business community in a Focus Group of 8 or 9 local business people to discuss issues of concern to you?

No
Yes … Lockyer Better Business will be in touch in the near future

Would you like to have your business name and contact details appear in a Lockyer Better Business (LBB) sponsored business directory for distribution throughout the region?

No / Yes … LBB will be in contact with you

Would you like to notified of the overall results of this survey
Yes / No

Do you have any questions you would like to ask me?

Thank you for your participation