



REVITALIZING
Wimmera's
High Streets

ABOUT

WDA's small business pulse check project

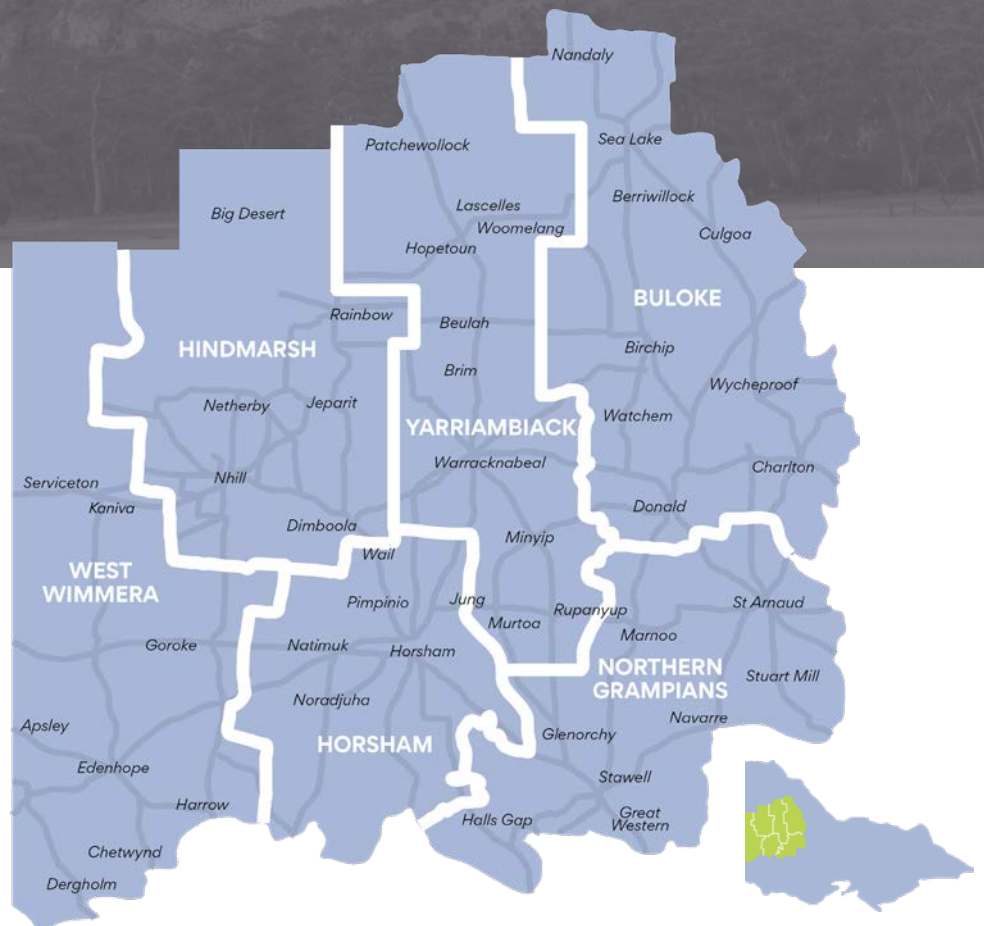
The Wimmera Development Association (WDA) commissioned a work with Federation University's Future Regions Research Centre (Horsham Hub) in 2021/2022 to check in with small businesses across 25 towns in the Wimmera Southern Mallee. The work focused on businesses operating in the retail, tourism, accommodation, and transport spaces.

The focus of the work has been to understand what actions would help support small businesses in the region to prosper in place.

The project provides a critical evidence base about the opportunities and challenges facing small businesses in individual townships across our region, and individualized insight into what is needed to support the revitalization of the businesses in our region.

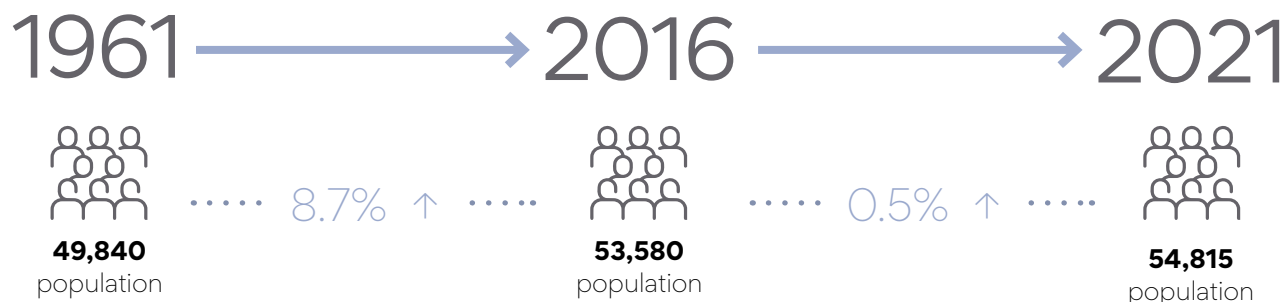
SUPPORTING SMALL BUSINESS

Small businesses are critical the region's future livability. Small business' development needs can be supported through a range of approaches that drive growth, maintenance, and positive capital investment efforts.



OUR Region's jobs & population challenge

POPULATION

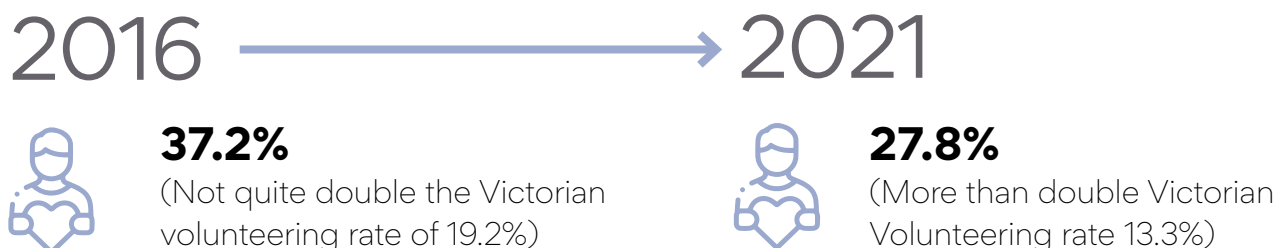


UNEMPLOYMENT RATE

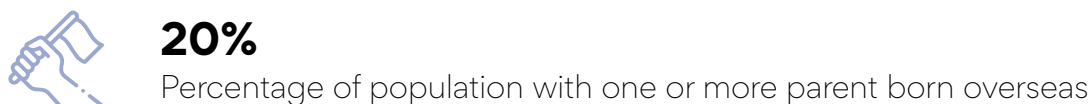


Unemployment is trending lower in WSM since 2019. The low rate indicates issues for recruitment and retention of staff as well as impacts on productivity and growth.

VOLUNTEERING RATE



MIGRANT STATISTICS



THE Regional Snapshot

- Businesses in the Wimmera Southern Mallee demonstrate a high level of independence and self-motivation.
- Many Wimmera Small businesses are looking to grow but are challenged by critical limitations primarily around availability of staff, housing and childcare. Most small business jobs are not formally advertised.
- Most small businesses feel time poor, and struggle to find time to work 'on the business'. Many small businesses do not have a plan to grow and are working instinctively.
- COVID-19 has contributed to staffing challenges in the region and has isolated businesses from each other – in many areas reducing collaborative effort.
- Some Wimmera Businesses are managing issues of income variability and supporting the service/s they provide to a local community by not taking a wage from their business or relying on volunteer support (particularly tourism ventures). This is hiding the real cost of providing a business to WSM communities.

THE Key Challenges

- **Local businesses are time poor** and lack time to access skills and information to support effective business planning and pivoting strategies such as engaging online, which is impacting on competitiveness and local engagement.
- There is significant **variability in levels of Local Government support** and responsiveness for individual small business development efforts across the region, and for some businesses this is creating additional costs and delays.
- Businesses have a strong perception that people in the region do not want to work, but this is not supported by evidence and is rather, an indicator of a misunderstood problem. **Issues of staffing are seen as individual problems for individual businesses rather than a structural problem for the region requiring strong responses to support housing development and workforce attraction.**
- There is a strong ‘word of mouth’ economy around employment, and **a lack of digital engagement around workforce needs is hiding the full extent of employment needs in the region and may be limiting interest and access to the region from potential new arrivals.**
- While there is some variability, **many small businesses have an ambivalent view of tourism**, and their role in engaging with tourists. Issues of staffing and time further impact on the quality and availability of small businesses to service tourist needs.
- Small businesses are highly individualistic, and there is significant **variation in the level of collaboration between businesses** across the region, with some townships doing this better than others.
- Rural communities can be **hostile to new businesses** if they don’t connect well into the local community and **new businesses can feel isolated** from the strong ties of community.
- **Skilled trades are spread thin** in WSM communities and we are reliant on a few skilled tradespeople to address local needs. This is a significant risk for the future.

A VIBRANT

WSM small business future

The WSM region needs to focus on small business development as a key part of ensuring future regional growth and prosperity.

The actions proposed to support local business are the result of individual research conducted with local businesses across 25 Wimmera Southern Mallee towns, exploring issues related to business development, sustainability, growth potential and staffing. The actions proposed are the result of this engagement.

Each deliverable included in this report is at a different stage of maturity, with some focused actions more developed than others. Each will require a collaboration of effort between Federal, State, and Local Governments and the local communities who will support this action. Efforts need to be fit for purpose, supporting the cultural and community differences in each Wimmera township.

This is an important factor in undertaking action, as one-size does not fit all. Each community has different values and priorities that will have an impact on the success of engagement and effort.

THE Action Foundations

- Enact migrant attraction plan and provide support to communities to encourage local, wrap around support for new arrivals
- Deliver on WDA Housing Blueprint actions and engage Local Government in small win opportunities such as short-term temporary accommodation on vacant land.
- Improved digital reporting of real employment needs for small business at regional scale creating a culture of employment access to the region and within the region
- Invest in Regional Childcare Strategy deliverables to improve availability of quality care for parents across WSM towns
- Invest in priorities established by WSM Skills Profile Action Plan to drive necessary skill development in region for businesses

Workforce & Staffing

- All WSM LGAs have benchmarked and reportable performance targets responding to planning proposals with stepped approaches to streamline straightforward development proposals and a concierge service for businesses
- Successful advocacy for streetscape renewal investment in WSM towns, which is clearly linked to business revitalization
- Engagement with communities on quick win, small value-add investments to support business development (such as signage and temporary accommodation developments on vacant land)

Planning & Development

- Community wealth building options activated
- Increased awareness of small business supports by small business, and improved access to incentives for rural small business
- Increased focus on local procurement by State Government and larger businesses in region

Addressing viability and volunteerism

- Improved local procurement focus between region organisations
- Performance of profit sharing trials evaluated and local capital release options better understood and utilized

Community Connection

- Improved uptake and engagement with digital technology and business supports by small business in the region
- Funding for trades park support leads to an increase in trades uptake across the region

Upskilling small business

- Key township events highlighted and supported with multi- year investment to support volunteer efforts.
- Tourist 'connectors' in region developed and supported
- Tourism planning and engagement at town level to encourage development of key identity features for towns

Valuing the Tourist Experience

FOUNDATION 1

Workforce & Staffing

About

Small business is experiencing a high level of dysfunction in the area workforce development and staffing. This includes both skilled (trades) and unskilled workers.

Many businesses in the region have indicated they are looking to grow and employ staff but are unable to – due to lack of available staff. The most extreme impacts were found in for businesses in the hospitality (food) and accommodation space.

The market for small business staffing in the region is primarily informal, with people relying on word of mouth and connections as the preferred way to employ staff. Very few businesses stated they ever advertised a vacancy in a newspaper or other online format.

Very few small businesses engaged with employment services to find staff. Those that had in the past had mixed experiences, and some experiences were very negative.

The lack of available staff is contributing to burnout amongst small business owners, as many are addressing staffing gaps by working longer themselves. This is also impacting on the quality and availability of services small businesses can provide.

A lack of available and appropriate housing and childcare is making it more difficult to attract and utilize staff.

Tactics

- Acknowledge and communicate that the region is at full employment and coordinated efforts are necessary to grow our workforce in the region.
- The region needs to improve the capture of real employment needs data for all businesses in the region, particularly small business
- Support WDA's secondary migrant attraction plan and include linkages to small business
- Develop a Childcare Strategy for the region (including early years and before/after school care), linking to Local Government strategies supporting township-level actions to improve workforce participation
- Activate housing blueprint as a way of addressing short-term and medium-term housing needs for towns in the WSM
- Support youth pathway to employment and training in the region (WSM Skills Profile, LLEN) and support investment in WSM Skills Profile Action Plan.

The Opportunity

There is a pool of available skilled and unskilled jobs in small business, and this is a consistent need right across the region. More can be done to communicate these opportunities to people outside the region.

Improving housing availability is likely to address some issues with regional workforce needs, creating an additional benefit from this investment focus.

Improving staffing availability and capacity in the region will provide immediate benefits for business growth and development, further supporting regional economic prosperity.

Addressing skill development locally and providing high quality, consistent enabling supports such as childcare will also support businesses to grow and a stronger skilled and professional workforce to develop in the region.

Structured employment service providers are, at present unlikely to be a good investment for providing support in-region, as most small businesses do not engage in this way to access staff.

Deliverables

- Enact migrant attraction plan and provide support to communities to encourage local, wrap around support for new arrivals
- Deliver on WDA Housing Blueprint actions and engage Local Government in small win opportunities such as short-term temporary accommodation on vacant land.
- Improved digital reporting of real employment needs for small business at regional scale creating a culture of employment access to the region and within the region
- Invest in Regional Childcare Strategy deliverables to improve availability of quality care for parents across WSM towns
- Invest in priorities established by WSM Skills Profile Action Plan to drive necessary skill development in region for businesses

FOUNDATION 2

Planning & Development

About

There is limited structural thinking about the current and future needs of small business in the region, beyond tourism attraction as a goal in some communities. Support for small business is usually led by the State Government in the form of individual business grants and is not nuanced towards small business in the Wimmera Southern Mallee, and there was little evidence of small business utilizing such grant options.

A small number of towns were engaged in main-street renewal, but businesses views on this effort was mixed. However, we did note that this investment did appear to have a positive impact on the confidence of businesses in those communities.

Frustrations for small business around the speed, approach, information needs, and cost associated with development activities were a significant issue.

Planning and development activity needs to be understood as a cost and risk to individual businesses and Council efforts should enable action and be clear about requirements.

Tactics

- Rural township revitalization must be considered as more than cosmetic efforts. More work needs to be done to understand the complexity and cost of shopfront development for businesses and main street livability.
- Consider opportunities for additional investment in town renewal, noting the unique culture of communities.
- Work with Councils to develop a planning concierge service to educate and support people through planning and development requirements and timeframes.

The Opportunity

Small businesses appear to develop confidence from streetscape development works, and if done well, this can provide additional benefits for business engagement and collaboration.

Planning and development activity within council needs to have an enabling focus to prevent delays and discouragement by small businesses who are keen to invest in development in their community. This should be a focus for new and established businesses alike.

The different ages and stages of individual businesses as well as the uniqueness of each business offering makes it difficult to establish a uniform view of action required to support their needs

Deliverables

- All WSM LGAs have benchmarked and reportable performance targets for planning proposals with stepped approaches to streamline straightforward development proposals and a concierge service for businesses
- Successful advocacy for streetscape renewal investment in WSM towns, which is clearly linked to business revitalization
- Engagement with communities on quick win, small value-add investments to support business development (such as signage and temporary accommodation developments on vacant land)

FOUNDATION 3

Viability & volunteerism

About

Research identified that during periods of low returns or business development people in small businesses support the viability of the business by increasing their personal labour (to reduce wage payments to staff) and forgo payment of their own wage from the business.

A similar model was apparent in tourism activities (such as museums) where volunteers were heavily relied upon to support business operations.

More needs to be understood about the costs incurred by small business in maintaining local services. This investigation revealed challenges for small business in:

- Accessing retail space to grow (which would enable a more competitive range of products)
- Accessing funds/capital to grow (to upgrade building infrastructure – return on investment can be difficult)
- Being able to afford the staff and time needed for strategic planning around business development (stronger focus on management accounting)
- Accessing local procurement contracts from Local Government and other Government agencies and larger businesses in the region make a significant difference to viability

Tactics

- Advocate for increased local procurement, payroll incentives and related support mechanisms to improve rural small business margins and viability
- Undertake further examination of the role volunteering plays in small towns with a focus on options for viable business development
- Develop models for community wealth building at township level to support business development and community viability

The Opportunity

While WSM has a strong culture of volunteering which is demonstrated by the highest rate of volunteering in Victoria (per population) there are opportunities to professionalise aspects of volunteer effort to improve small business viability in small towns.

There is also potential to improve the viability and strength of small businesses by creating stronger pathways for local procurement in the WSM region.

Newer, younger businesses tended to be more focused on growth and investment and enthusiasm can help drive vibrancy in small communities while established businesses have strong community connections and provide stability for communities. Some towns are seeing new businesses enter their communities and capitalising on this generational change can add additional value.

Deliverables

- Community wealth building options activated
- Increased awareness of small business supports by small business, and improved access to incentives for rural small business
- Increased focus on local procurement by State Government and larger businesses in region

FOUNDATION 4

Community Connection

About

Small business supplies many of the essential and livability needs of the communities in the Wimmera Southern Mallee.

Many local businesses identified the importance of their business to the township/community, demonstrating a community-building imperative that extended beyond or even, at times, contradicted profit-making efforts.

Community connection appears to have linkages to viability and tenure for small business. Many small businesses identified that the cultural imperative of “shop locally” was waning and felt the need to do more to be competitive and attract local support.

Some things that small business highlighted that helped their business connect with the community were:

- Purchasing goods to supply the business locally
- Employing local staff with community connections
- Promoting “shop local” marketing and engaging in volunteer activity and/or sponsorships to local clubs and activities

But a significant number of businesses said locally loyalty was waning and local sponsorships provided, at best a limited return on investment. New strategies were needed to encourage local engagement.

Tactics

- Trial profit-sharing development initiatives such as the WDA Housing Company model which encourages community to invest for profit in local infrastructure outcomes which support town viability eg. E-rup
- Investigate the barriers to local procurement for Government and large business organisations in region, and build a structure which supports consider incentive opportunities for private sector to engage local small businesses

The Opportunity

Most small businesses feel a strong sense of connection and loyalty to their local community, but also feel that more could be done to encourage local people to support small business.

Deliverables

- Improved local procurement focus for in region organisations
- Performance of profit sharing trials evaluated and local capital release options better understood and utilized.

FOUNDATION 5

Upskilling small business

About

Many small businesses identified a need to improve online engagement and/or improve marketing but had no real plan about how to do this.

Linked to this, small business also reported being extremely time poor, which had an impact on businesses investing time to engage in business planning and value-adding activities.

Consideration of impacts of likely future structural changes and regional needs including electrification, specialist supports (like refrigeration experts) and trades supports, was limited. But a small number of businesses highlighted concerns around these current and future skill needs.

Many businesses placed a low priority on their own skill development needs and took a passive approach to customer engagement, relying on customers to physically find them and spend.

There were also assumptions that Local Government or Tourism groups should lead marketing efforts for products and services in the region.

Most small businesses reported not engaging with small business upskilling and funding supports which indicates that passive efforts may not be the best approach to support change.

Tactics

- More work is needed to understand the linkages between business development, marketing, and digital upskilling in the region, to better address barriers to upskilling for WSM small business
- Build capacity and identify preferred suppliers for reduced cost technical support (digital upskilling) within region
- Stronger focus on investment and effort in Trades for the region, including investment in Trades Park plan.

The Opportunity

Many businesses expressed an interest in improving online engagement, but did not have the skills they needed, or a trusted and cost-effective way of doing so.

Businesses will be highly unique in how they want to engage with skills development needs, but a community focus to such efforts is likely to deliver other benefits such as collaboration and engagement.

Small businesses highlighted a shortage of skilled tradespeople in the region, and additional focus in this space would provide an additional support to WSM small business.

Deliverables

- Improved uptake and engagement with digital technology and business supports by small business in the region
- Funding for trades park support leads to an increase in trades uptake across the region

FOUNDATION 6

Valuing the Tourist experience

About

There is variability in the level of interest and engagement small business has with tourism and its potential within the region.

Many small businesses do not see much value to them from tourism in the region and maintain a priority focus on supporting local needs.

The impacts and expectations for tourism on time-poor small businesses needs to be better understood and managed.

Tourist engagement has some linkages to the ages and stages of small business, where the business is located, and the level of interest that the business has in providing a service (passive) versus attracting business (active).

There were also issues around the individual nature of small business efforts, which, in some communities discouraged collaborative effort to support the tourist experience.

But, some communities had strong “connectors” who encouraged collaboration and renewal, and these communities tended to have a stronger focus on visitor engagement and experience.

The Opportunity

- Each town presented a unique identity and cultural approach during research interviews, and this uniqueness can be exploited for nuanced tourist experiences.
- Collaboration between small businesses in many communities could be improved to provide a stronger tourist experience.
- There is potential to improve support for emerging tourism offerings (often connected to local government, such as museums) to support the development and professionalization of these efforts so they are sustainable (volunteer effort needs to be considered).

Tactics

- Improve focus on collaborative attraction events for small towns, and encourage multi-year investment support to grow these efforts
- Improve town-level business collaboration to improve services for tourists (and locals)
- Improve cross-collaboration across townships in the region to improve WSM destination tourist experiences

Deliverables

- Key township events highlighted and supported with multi-year investment to support volunteer efforts.
- Tourist ‘connectors’ in region developed and supported
- Tourism planning and engagement at town level to encourage development of key identity features for towns



Collaborative Partners:



Acknowledgement:

Wimmera Development Association operates on the lands of the Wotjabaluk and Dja Dja Wurrung people and we wish to acknowledge them as Traditional Owners.

We would also like to pay our respects to their Elders, past and present, and Aboriginal Elders of other communities and value their ongoing contribution to our heritage and our region.

Front page photo credit:

Paul Carracher -The Weekly Advertiser.

Disclaimer:

Data presented in this document have been derived from research interviews with small business across 25 Wimmera townships with a focus on retail, tourism, accommodation. Wimmera Development Association, and its employees, consultants and contractors, accept no responsibility for the accuracy of information or estimates presented, or for decisions taken as a result of material in this document.

References:

1 WSM unemployment rate is at 2.8% (ABS, September 2021) compared to a regional unemployment rate of 4.2% for other Victorian regions, indicating a particularly tight labour market in the region which is having a serious impact on the availability of staff in the region. Full employment is often considered at around 4-5%. A unemployment rate this low is will result in negative externalities on the market, resulting in dysfunction.

2 WSM volunteering rates are well above Victorian and National averages with an average population participation percentage across the 6 LGAs of 27.8% which is more than double the level of Victorian volunteering participation at 13.3%.

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