



# 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.**



**THE**

# Regional Snapshot

- **Businesses in the Wimmera Southern Mallee demonstrate a high level of independence and self-motivation.**
- **The majority of 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.**
- **COVID-19 has contributed to staffing challenges in the region and has isolated businesses from each other – in many areas reducing collaborative effort.**
- **Most small businesses feel time poor, and struggle to find time to work ‘on the business’.**
- **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 skewing 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 pivots such as engaging online, which is impacting on competitiveness and local support.
- \* 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, and **issues of staffing are seen as individual problems rather than a structural problem for the region**, which is made worse by limited housing stock.

In addition, there is a strong 'word of mouth' economy around employment, which hides the full extent of staffing problems.

- \* While this is variable, **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 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.**

**Strategies to address small business needs will need to be collaborative between Federal, State, and Local Governments, and have a fit for purpose approach that supports the cultural and community differences in each Wimmera township.**

**The actions proposed to support local business are the result of individual research conducted with 150 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.**

# THE Action Foundations

## Revitalizing Wimmera's High streets is based on 6 Foundations

<b>Workforce &amp; Staffing</b>	→  →  →  →	<ul style="list-style-type: none"> <li>* Enact migrant attraction plan and provide support to communities to encourage local, wrap around support for new arrivals</li> <li>* Deliver on WDA Housing Blueprint actions and engage Local Government in small win opportunities such as short-term temporary accommodation on vacant land.</li> <li>* Improved reporting of real employment needs for small business at regional scale</li> <li>* Regional childcare action plan developed</li> </ul>
<b>Planning &amp; Development</b>	→  →  →	<ul style="list-style-type: none"> <li>* Local Governments have conducted review of internal planning and development processes and benchmarked performance markers</li> <li>* Successful advocacy for streetscape renewal investment in WSM towns</li> <li>* Engagement with communities on quick win, small value-add investments to support business development (such as signage and temporary accommodation developments on vacant land)</li> </ul>
<b>Valuing the Tourist Experience</b>	→  →	<ul style="list-style-type: none"> <li>* Tourism/growth plans developed at township level, which guide investment and attraction activity</li> <li>* Improved in township and across region collaboration between small businesses</li> <li>* Improve investment approaches for visitor engagement activities (events) to build certainty and support for volunteers over multiple years</li> </ul>
<b>Addressing viability and volunteerism</b>	→ →  →	<ul style="list-style-type: none"> <li>* Establish and provide support for retail capital investment/renewal grants within the region</li> <li>* Increased awareness of small business supports to small business, and advocacy outcomes for rural small business incentives</li> <li>* Increased focus on local procurement by State Government and larger businesses in region</li> </ul>

<b>Upskilling small business</b>	→  →	<ul style="list-style-type: none"> <li>* Improve website development training, marketing training and associated mentoring delivered locally in Wimmera townships – using a model that recognizes time constraints of small business</li> <li>* Design and establish a business mentoring program for small business, which connects people to specialized support for key business needs such as marketing</li> </ul>
<b>Community Connection</b>	→  →	<ul style="list-style-type: none"> <li>* Improved local procurement focus for small business</li> <li>* Implemented profit-sharing trials, such as WDA Housing Company to give additional ways to release private capital to the region to improve infrastructure and support growth</li> </ul>

# 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 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 staffing 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.

### 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.

With most jobs advertised informally, the full extent of this need is hidden – and is much larger than official data suggests

Addressing issues around housing availability is likely to address some issues with staffing, creating an additional benefit from this investment.

Improving staffing availability and capacity in the region will support business growth and development, further supporting regional economic prosperity.

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



## **Tactics**

## **Deliverables**

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- \* Communicate staffing issues as a structural issue for the region, so it is not considered an individual problem for small businesses
  - \* Support WDA's secondary migrant attraction plan and include linkages to small business
  - \* Develop a childcare action plan for the region, linking Local Government strategies supporting township-level actions to improve workforce participation
  - \* Encourage small business to report actual staffing needs via the Job Advocates program (or other – Local Government) so that real employment needs within the region can be documented
  - \* Activate housing blueprint as a way of addressing short-term and medium-term housing needs
  - \* Support youth pathway to employment and training in the region (Skills Commission, LLEN)
- \* 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 reporting of real employment needs for small business at regional scale
  - \* Regional childcare action plan developed

## FOUNDATION 2

# Planning & Development

### About

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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 highlighted in the research.

Planning and development activity needs to be understood as a cost and risk to individual businesses and Council efforts should enable action, not discourage it.

### The Opportunity

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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.

### Tactics

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- \* Limited shopfront area in some towns is limiting growth opportunities. Councils may need to consider zoning restrictions and a broader definition of retail space to support development
- \* Consider opportunities for additional investment in town renewal, noting the unique culture of communities
- \* Review council planning timeframes and advice provided for development proposals to benchmark performance

### Deliverables

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- \* Local Governments have conducted review of internal planning and development processes and benchmarked performance markers
- \* Successful advocacy for streetscape renewal investment in WSM towns
- \* 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

# Valuing the Tourist experience

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### About

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

In general, we noted a disconnect between many small businesses and the value to them from tourism in the region, noting the impact of time and workforce pressures on individual businesses.

Tourist engagement was linked to the ages and stages of small business 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.

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### 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.

Establish structural ways for supporting 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).

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### Tactics

- \* Engage in town-level tourism and growth plans for key regional locations with supported multi-year investment to support the unique efforts of towns
- \* Improve town-level collaboration to improve services for tourists (and locals)
- \* Improve cross-collaboration across townships in the region to improve tourist experiences

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### Deliverables

- \* Tourism/growth plans developed at township level, which guide investment and attraction activity
- \* Improved in township and across region collaboration between small businesses
- \* Improve investment approaches for visitor engagement activities (events) to build certainty and support for volunteers over multiple years

## FOUNDATION 4

# Addressing viability & volunteerism

### About

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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.

Businesses reported engaging in financial accounting but not management accounting, which has an impact on the way in which business owners value their own time and expertise.

The concern with this approach is that a high level of volunteering is required to maintain small business services and tourism experiences within the region. The true cost of delivering these needs in the region is hidden.

### The Opportunity

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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
- Accessing local procurement contracts from Local Government and other Government agencies and larger businesses in the region make a significant difference to viability
- Business stages – newer, younger businesses were more focused on growth and investment. But individual businesses need a level of surrounding vibrancy to attract tourists and shoppers. The small number of established businesses in townships, and the differing stages of business owners, had an impact on this outcome.

### Tactics

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- \* Review of retail spaces and ownership models within LGAs, with a stronger enabling focus on retail renewal grants
- \* Advocate for increased local procurement, payroll incentives and related support mechanisms to improve rural small business margins and viability
- \* Develop models for active rural capital investment for small business renewal

### Deliverables

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- \* Establish and provide support for retail capital investment/renewal grants within the region
- \* Increased awareness of small business supports to small business, and advocacy outcomes for rural small business incentives
- \* Increased focus on local procurement by State Government and larger businesses in region

## FOUNDATION 5

# Upskilling small business

### About

A significant number of businesses identified needing to improve online engagement and/or improve marketing but had no real plan about how to do this.

Small business also reported being extremely time poor, which had an impact on businesses investing time to engage in value-adding activities.

As a result, 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.

Many businesses assumed Local Government or Tourism groups should lead marketing efforts for products and services in the region.

COVID provided some businesses with the space to consider opportunities to value-add, and those businesses acknowledged the value of having done so.

### The Opportunity

Many businesses expressed an interest in improving online engagement, but they didn't have a trusted and cost-effective way of doing so.

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

Businesses would benefit from engaging with other businesses who have made in-business changes and can identify cost and time savings from practice change

### Tactics

- \* Identify how businesses want to engage in skills development activities – and engage personally to encourage participation
- \* Attract funding support for small business skills development with a focus on marketing and website development
- \* Identify preferred supplier support mechanisms for reduced cost technical support (website management) through industry groups and within region

### Deliverables

- \* Improve website development training, marketing training and associated mentoring delivered locally in Wimmera townships – using a model that recognizes time constraints of small business
- \* Design and establish a business mentoring program for small business, which connects people to specialized support for key business needs such as marketing

## FOUNDATION 6

# Community Connection

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### About

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

The community needs small business, and small businesses need the communities they provide products and services to. The connection between business and community is important for the viability of both.

We saw a range of businesses, some who connected with their communities well, and some who didn't, and this wasn't necessarily linked to length of tenure in the region.

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 help small business connect well are:

- Purchasing goods to supply the business locally
- Employing local staff with community connections
- Engaging in volunteer activity and/or sponsorships to local clubs and activities (although a significant number of businesses said sponsorships provided limited return on investment and poor local loyalty)

### The Opportunity

Almost all 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.

The traditional ways of encouraging local business support (eg. shop local, and to a lesser extent small business sponsorships) are becoming less effective, and there's a need for new ways of harnessing broader community support for small business.

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### 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
- \* Improve focus on local procurement for Government and large business organisations in region, consider incentive opportunities for private sector to engage local businesses

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### Deliverables

- \* Improved local procurement focus for small business
- \* Implemented profit-sharing trials, such as WDA Housing Company to give additional ways to release private capital to the region to improve infrastructure and support growth

**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.



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**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:**

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