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MURRAYLANDS

JOBS AND INVESTMENT SURVEY

2006

A forecast of growth

in the Murraylands region

to the end of 2008

for the

MURRAYLANDS REGIONAL DEVELOPMENT BOARD

by Bill Clifford

April 2006

SouthAustraliaWorks
linking people, skills and jobs

MURRAY LANDS
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Headline Summary

Why the survey was conducted

This is the third Growth Survey undertaken by the Murraylands Regional Development Board (MRDB) since 1998. All three forecast growth over a three year period based upon the staffing expectations of Murraylands' organisations, and identify potential barriers to that growth. They provide the detailed evidence required by businesses, governments, and the MRDB to plan and implement strategies to remove the barriers and help the growth. The current survey has broader parameters than the others. It also examines expectations for capital investment.

How the survey was conducted

A detailed questionnaire was mailed to 577 Murraylands organisations, and many others were contacted in person. The resulting sample contained data on 269 organisations, covering all industry sectors in all five Local Government Areas (LGA'S) of the Region. The sample was divided into two sections, one representing 95 larger or more volatile organisations, and one random selection of 174 smaller organisations. Data from the latter section was "scaled up" to represent the whole Region using conservative adjustment factors (see section on Methodology). As a general policy, whenever more than one interpretation of the data was possible, this survey has opted for the more cautious alternative.

What the survey predicts

Given normal conditions, Murraylands businesses expect an increase of 3,326 new positions by the end of 2008. 1,995 of these will be full time. If the years are significantly better than average the full number will be 4,640; but it may drop to 961 if the years are significantly worse than average. This expectation is well ahead of the 2003 expectation of 3,184 positions, especially considering that more conservative adjustment factors were used. The rate of growth is therefore increasing. The Rural City of Murray Bridge (RCMB) is expecting the greatest growth (2,191 new positions), while the Mid Murray LGA is the fastest growing part of the Region, and the Coorong LGA expects more growth than it did in 2003. The Karoonda and Southern Mallee LGA's are not expecting a significant share of the Region's growth, and particular strategies are called for to arrest their potential decline.

The business investment predictions are necessarily more approximate than those for staffing. Nonetheless they give good grounds to expect that capital investment in Murraylands businesses to the end of 2008 will be in the order of a billion dollars. It may in fact be well in advance of this sum, but a high proportion of projects currently on the drawing board would need to fail for it to fall to half a billion. As in 2003, the Retail and Manufacturing Industries are expected to lead the growth. They are followed by Transport / Storage, Agriculture and Building / Construction. Business investment projections across the Region corroborate the employment projections with a few minor exceptions in cases of particularly capital-intensive industries..

What threatens the growth and what can be done about it

The survey examines threats to growth experienced by its respondents; in particular the difficulty of accessing staff with adequate skills and qualifications, the scarcity of workforce accommodation, and barriers to investment. It then explores strategies suggested for removing these threats, including immigration, support measures for business investment, and ways to facilitate training delivery and the availability of accommodation. In view of their declining expectations, attention is called to the need to target the outlying LGA's with strategies to help them share in the growth of the rest of the Region.

Background

Growth Surveying in the Murraylands

From the mid 'nineties the Murraylands has experienced accelerating growth. Increasingly, new businesses have opened up and existing businesses have expanded. Burgeoning employment appeared likely to exhaust the supply of staff available locally and place excessive demands upon accommodation and business services. The growth was evidently under threat.

Proactive planning was necessary in order to attract, house and train an adequate skilled workforce and provide new and growing businesses with the services and infrastructure they required. Good planning needs reliable data. In response, the MRDB has undertaken three growth surveys since 1998. These surveys were designed to gather data from Murraylands business and public organisations concerning their growth expectations over three years periods and use it to predict the growth of the Region, identify threats to that growth and canvass for strategies to overcome them.

The 1998 Employment Growth Survey

In 1998, Kerry Medlow was engaged by the MRDB to conduct a growth survey with the help of funding from the federal department then known as Employment, Education, Training and Youth Affairs. It predicted that at least 2,000 new jobs would be created in the Region by 2002. Despite the closure of two major factories in Murray Bridge (Toro and PDL Industries), the 1998 prediction turned out to be a conservative estimate. The arrival of businesses such as the Big W Distribution Centre at Monarto and Big River Pork, the expansion of existing services, the growth of Horticulture and its dependent enterprises in the Mallee and along the Murray, and the "spin-off effect" with small businesses created substantially more jobs than the survey predicted.

The Murraylands Growth Survey 2003

The 1998 survey had identified lack of accommodation to house the required influx of workers as a major threat to growth. The MRDB brought together a network of community, business and government leaders to address the problem. This group identified the need for up-to-date data as a basis for planning strategies to overcome the workforce accommodation crisis. As a result, a new survey was conducted by Bill Clifford for the MRDB with the help of funding from the SA Office of Regional Affairs. This survey predicted that the Murraylands workforce would increase by over 3,000 positions over three calendar years. Once again, this has proved to be a conservative estimate. Increases, particularly in the Retail, Manufacturing, Construction and Wholesale /Storage industries, have far outnumbered losses such as the recent closure of the Clipsal factory at Murray Bridge.

The Murraylands Jobs and Investment Survey 2006

In view of the rapid rate of growth experienced during the predictive period of the 2003 survey, the MRDB decided to repeat the process; this time with wider parameters. Previously, growth predictions were based solely upon the expectations of organisations concerning their future staffing levels. The present survey was also to include predictions about the amount and the nature of capital investment in Murraylands businesses. It has been conducted with the assistance of Employment and Skills Formation funding from the SA Department of Further Education, Employment, Science and Technology.

Methodology

Compatibility with the 2003 Methodology

The Methodology of this survey is nearly identical to that of the 2003 survey, thus allowing broad comparisons to be drawn and trends to be identified. Both were based upon growth predictions by Murraylands businesses covering a three year period. Both used a multi-scenario approach with separate predictions for average years, significantly worse years and better than average years. Both incorporated data obtained in-confidence from Local Government administrations about businesses planning to set up or expand within their areas, and both adopted a conservative approach when the data admitted more than one interpretation.

In view of the similarity between the two methodologies, an abridged version of the section on methodology from the 2003 report is reproduced here at Appendix 1, and the remainder of this section deals mainly with instances where the 2006 methodology is different from that of 2003.

Business Investment

The most radical difference between the two surveys is that the 2006 survey examines growth anticipated in terms of capital investment by businesses in addition to analysing expected employment trends. Respondents were asked to complete the section of the questionnaire devoted to capital investment if they expected to make changes to their businesses. The questions covered the nature of the expected changes, the amount (within suggested ranges) to be invested, the likelihood of the changes occurring and factors which may threaten or support them.

These questions are more sensitive than those about staffing expectations. Consequently, less respondents answered them. Of the 269 organisations in the sample, investment data was recorded for just over half (138). The remaining 131 respondents include those who are not anticipating investing capital in changes to their businesses, and also those who are, but are remaining silent about the matter. The predictions made in this report are therefore based upon a sample containing an uncertain number of respondents who's investment intentions have not been stated. Because this number is unknown, no attempt has been made to compensate by increasing the adjustment factors, which remain the same as in the employment section of the survey (see Adjustment Factors below).

The question concerning the amount of capital investment invited answers within six ranges, rather than asking for the actual sums. Maximum Investment levels quoted in this report were derived mainly from the last figure in each range and include all investments mentioned by respondents as possible. Mean Investment levels are also referred to. They are taken mainly from the first figure of each range. When organisations revealed the actual amounts to be invested, these were used instead of the ranges.

Seventeen respondents rated the likelihood of their investments to eventuate as "just possible". The predictions of business people who on interview rated the likelihood of their investment as 50% or less were included in the same category. These were subtracted from the mean investment levels to arrive at a least favourable estimate.

In view of the extreme conservatism of the adjustment factors as applied to investments and the unknown number of respondents who have not stated their investment intentions, it is very likely that all these projections underestimate by quite a significant margin. Consequently, it was considered necessary in this instance to depart from the principle of conservative interpretation used everywhere else in this report in two respects. Firstly, the total investment figure suggested as likely for the Region is placed between the mean and maximum levels, and secondly, the mean levels, although in all probability well below reality, are used as a basis for comparison in the investment tables for the Region and its LGA's.

It should be noted that in a Survey of this kind, any attempt to capture very precise data about investment intentions is likely to meet with refusal by its respondents. A balance must be struck between precision and vagueness in order to collect meaningful data while at the same time assuring respondents that the confidentiality of their financial plans is protected. The resulting figures are necessarily imprecise. They should be used only as an approximation of likely capital investment, and as a basis for comparison between the levels of investment in different industries and LGA's.

The Survey Instrument

The survey questionnaire used in 2003 incorporated two other surveys which the Board was conducting at the time, one covering business development requirements and the other covering specific education and training needs. The 2006 questionnaire is solely devoted to the Murraylands Jobs and Investment Survey. It consists of five pages of questions aimed to elicit data about expected employment and investment growth and decline, to identifying issues which threaten that growth and where possible to suggest strategies to address them.

While most of the questions were of the multiple choice or 'tick the box' variety, free ranging questions were included wherever possible. This combination enabled the questionnaire to yield data from which comparisons could be made, while at the same time capturing the full range of relevant issues, including any not anticipated when the form was designed.

The Survey Sample

The 2006 survey sample is significantly bigger than it's predecessor. 577 forms were mailed to organisations in the Murraylands. Returned forms and personal interviews yielded data on 247 organisations, and data relating to a further 22 organisations was obtained through the Local Government administrations. The resulting 269 organisations were separated into an isolated sample of 95 larger and more volatile organisation and a representative sample of 174 smaller organisations (compared with 58 and 147 respectively in 2003).

In compiling the sample, care was taken to ensure that the major industry sectors were adequately represented in each Local Government Area.

Adjustment Factors

As with the 2003 methodology, data from the sample of smaller organisations were multiplied by adjustment factors in each industry group and LGA so that fair estimates for the Murraylands as a whole could be made. In order to determine appropriate adjustment factors, the total number of organisations in each industry group in each LGA must be estimated. The 2003 Survey used Australian Tax Office (ATO) figures published in 2001 which are now too old for this purpose.

Adequately reliable figures are not available today. The ATO's website may be interrogated to find the number of Australian Business Numbers (ABN's) in any one postcode. However, there are many more ABN's than there are businesses. Adding together the ABN's of all the postcodes for the Murraylands produces a figure of 8,951, and while there is no way of determining the precise number of businesses in the Region, we may say with reasonable confidence that there are less than four thousand. The Australian Bureau of Statistics (ABS) maintains a Business Register. This is also based upon ABN's, and although it employs some corrective strategies for exaggeration, it also contains characteristics which render it unsuitable for this survey. In particular, the Business Register excludes businesses whose head offices are in other regions, and businesses whose industry category is represented by less than five within a postcode. Further, many businesses that possess multiple ABN's show up as more than one business each. It therefore became necessary to put together estimates from available sources especially for this survey.

The method resorted to, while labour intensive, can not exaggerate the number of organisations, and gives a reasonable indication of the relative sizes of industry groupings within LGA's. Entries in the Business and Community Guides published by Councils were counted and arranged into industry groups. The resulting numbers represented roughly half the expected number of organisations in the Region. These were augmented by entries from Telstra's Yellow Pages which did not duplicate entries in the Business and Community Guides. The final count obtained by this method totalled 2,180. While this figure probably represents no more than two thirds of the full number of business entities in the Murraylands, local knowledge assures us that the remainder mostly consists of activities in the borderland between regular businesses and interests which produce occasional income. Adjustment factors derived from these figures were in many cases somewhat lower than the 2003 factors, thus contributing to the conservative approach taken by the survey.

The Construction Phase of New Enterprises

The interpretation of data in the survey has if anything been more cautious than was the case in 2003. In addition to the use of more conservative adjustment factors, the employment which will be generated by the building and construction of the many operations planned to commence during the survey period has been deliberately ignored in the interests of presenting a picture free from temporary distortions.

Accuracy Check

77 of the organisations included in the sample were also represented in the 2003 sample and had submitted sufficient data to allow the accuracy of their 2003 predictions to be checked. Their existing staffing numbers as stated in both Surveys and the numbers they expected to gain or lose between 2003 and 2006 show that on average, each employer gained 1.16 more staff members than they expected (during normal years). However, the gains they experienced were 0.33 staff members each less than the number they expected if all three years had been significantly better than normal.

On analysing these data further, we find that the businesses from the isolated sample of larger and more volatile organisations gained on average 1.63 staff more than they expected, while businesses from the sample of smaller enterprises only gained 1.11 staff more. It should be noted that as most of the 77 organisations were employers of staff, they can not be taken as representative of all Murraylands businesses, many of which do not employ staff.

While these figures do not constitute a definitive proof of the validity of the methodology, they are a pleasing assurance that the predictions of businesses can be taken as a reasonable indicator of their future growth.

Growth Predictions for the Murraylands Region

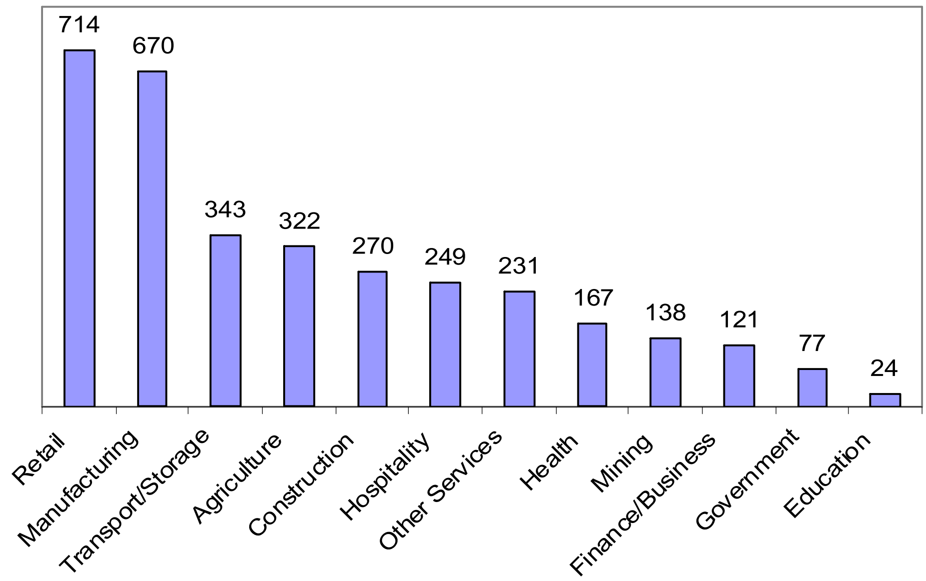
Employment

According to the predictions of it's business owners and managers, the Murraylands Region as a whole will grow by 3,326 new positions by the end of 2008. 1,331 of these will be part time, and 1,995 will be full time. Three better than average years could increase this prediction to 4,640, and three worse than average years could lower it to 961.

The total number of new positions is marginally higher than that predicted for a similar length of time in 2003. However, in view of the more rigorous adjustment factors applied to this survey, we may safely conclude that the rate of employment growth is increasing.

For a variety of reasons discussed in the following section (Growth Profiles by Local Government Areas), different parts of the Region are expecting quite different employment trends. The Mid Murray LGA expects to experience the fastest rate of growth in the Region (compared with 2003 estimates), while strong growth is also expected in the Rural City of Murray Bridge, and to a lesser extent in the Coorong LGA. The Karoonda East Murray LGA expects to receive a boost from the delayed entry of a mining enterprise to its area, but aside from this, the Karoonda and Southern Mallee LGA's expect minimal growth, and areas within them are experiencing decline.

Table 1 ~ Positions by Industry ~ Region



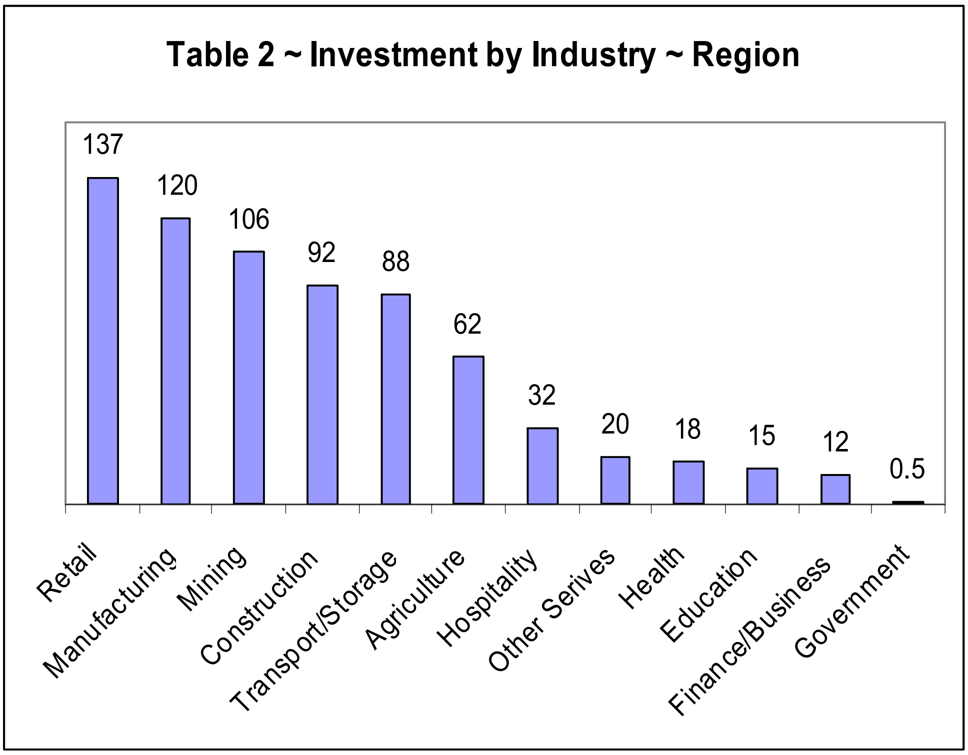
As in 2003, the Retail Industry expects to lead the anticipated growth (714 new positions), followed by the Manufacturing Industry (670 positions). These are bulky industry sectors, bolstered by the inclusion of auto servicing with retail and value-adding enterprises such as abattoirs and dairies with manufacturing. Agriculture appears to have slipped back, expecting only 322 new positions compared with 554 in 2003. This, however is misleading as the higher 2003 figures mostly reflect expectations among some horticultural producers (particularly irrigated potato production) that the strong growth they had experienced prior to 2003 was set to continue. In fact, while this did not eventuate, the enterprises concerned have by and large been able to maintain their position and are entering upon a phase of consolidation. Growth in the Agricultural Industry mainly reflects the strength of horticulture across the region, while traditional cropping and grazing is gradually reducing in employment numbers. Transport and

Storage have taken the place of Agriculture as the industry with the third highest expectations (343). The figure for the Mining Industry (significantly higher than in 2003) contains employment predictions for an enterprise planning to operate in the Region which for reasons of commercial confidentiality have not been reproduced in the figures for the LGA concerned.

Business Investment

On the evidence of the 138 businesses from which data on capital investment expectations was available, this survey is able to show levels of investment for different industries and locations and draw useful comparisons between them. Estimates of quantities of investment have also been attempted, but are subject to wide variations owing to a number of factors. Total business investment in the Murraylands is a good example. Using cautious estimates; if all our respondents' planned investments eventuate in full and all the businesses intending to set up in the Region do so, investment in the order of $1,141,000,000 will occur. If however, the expected investments are taken as the mean between the highest and lowest levels in the nominated ranges, the sum will be in the order of $704,000,000. If investments that are less likely to eventuate are removed, the figure falls to $522,000,000. Given the very conservative nature of the adjustment factors used to enable the sample to represent business across the Region, these figures may be regarded as decidedly modest, and it would not be unreasonable to expect the actual sum (for average years) to exceed a billion dollars.

The figures used in the following investment tables are the mean quantities described above. They should therefore be viewed as low estimates and used for comparison rather than as a firm guide. The numbers quoted represent millions of dollars.



As may be seen in Table 2, the pattern of investment expectations across industries is similar to that of employment expectations. An exception is that investment in mining takes third instead of ninth place. This is because the two mining ventures commencing in the Region during the predictive period are more capital than staff intensive. Investment expectations across the Region are examined in more detail in the following section (Growth Profiles by Local Government Areas).

The questionnaire included a question which asked respondents what their investments would purchase. The percentage of responses in which each were identified are as follows:

Table 3 ~ Nature of investments ~ Region

(The percentages refer to the proportion of respondents expecting to invest in each category)

Plant or equipment	77%	Infrastructure	4%
Buildings	61%	Marketing	2%
Land	22%	Vehicles	1.5%
Staff	17%	Consultancies / R&D	1.5%

Most respondents identified more than one category of expenditure. It is therefore not possible to credibly estimate dollar amounts for each category across the Region. While this information would be valuable, it was felt that questions which asked for a breakdown of anticipated expenditure would be too intrusive and would cause some respondents to withdraw from the survey.

Export

Respondents were also asked if they exported their goods and services overseas, interstate or to other parts of South Australia. As expected, the larger and more volatile businesses scored higher. On first examination, 10.4% of all respondents across the region appear to be involved in overseas export of some kind. On further analysis we find that 5.2% of both larger and smaller businesses export overseas. However, if farmers who are not directly running exporting enterprises are subtracted from the count, the proportion of smaller exporters drops to 3.7%, and the proportion of all overseas exporters to 8.9%.

21.6% of respondents (10.8% for both large and small businesses) export interstate, and 29.0% (12.3% of large and 16.7% of small businesses) export to other parts of the this state.

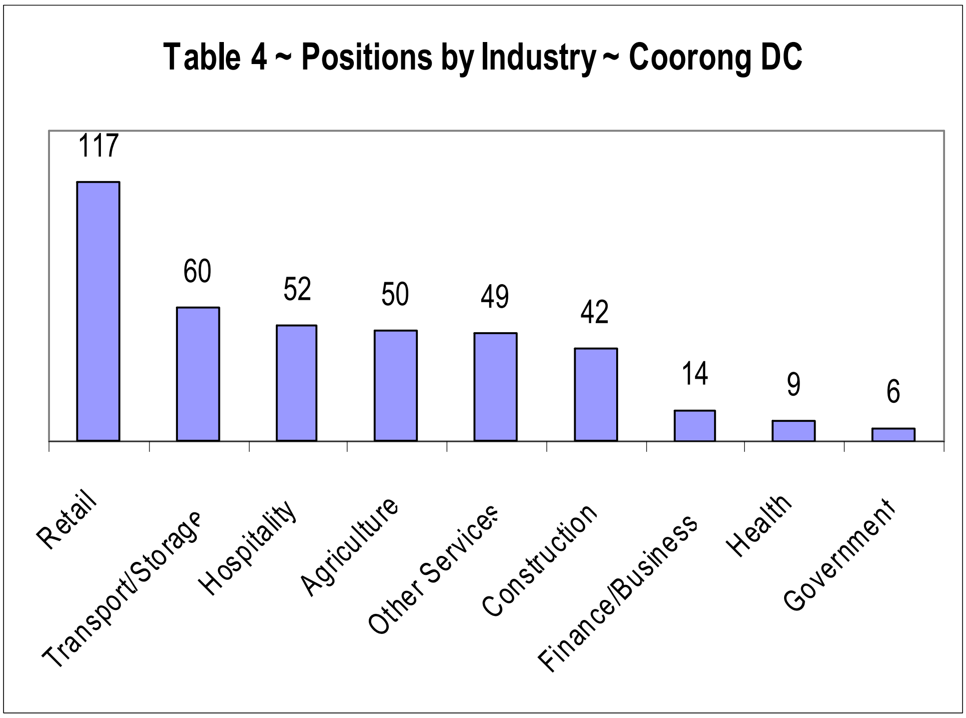
Growth Profiles by Local Government Areas

Coorong District Council

Employment

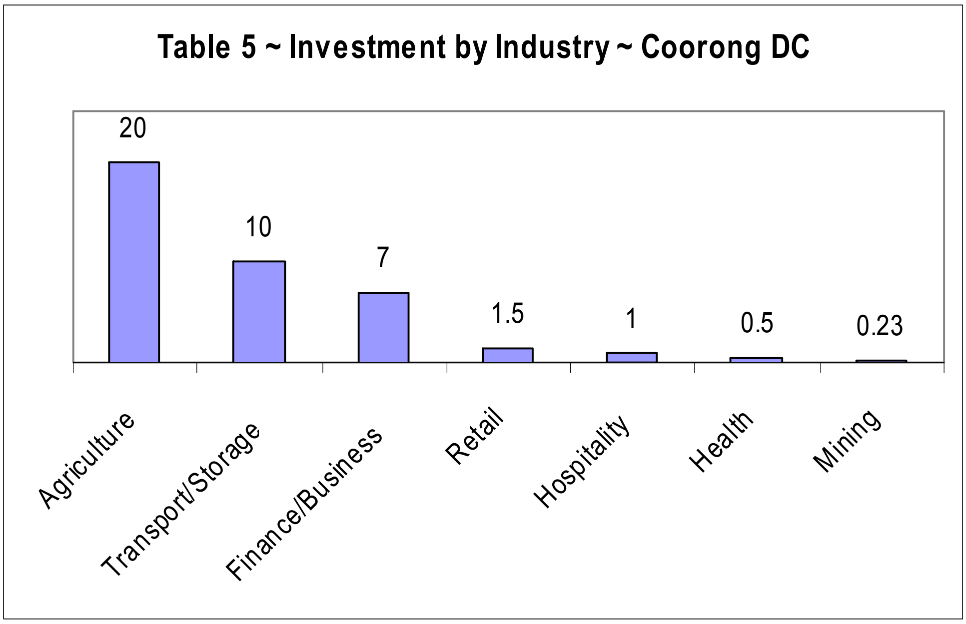
Businesses in the Coorong area are noticeably more optimistic in their expectations than they were three years ago. 399 new employment positions are expected, of which 181 are part time. Although the number may reduce to 184 with three consecutive bad years, this should be seen against the 2003 expectation of a loss of 80 positions in bad times. 584 positions are expected if the three years are significantly better than normal. Considering the extra interpretive caution of the current survey, these figures are quite significant.

As in the more outlying LGA's, some industry sectors were only represented by a small number of organisations, and therefore predictions by industry in these cases must be treated with caution. Nonetheless, employment expectations in the Coorong area follow a similar pattern to those of 2003 with two exceptions. Firstly, nearly all of the growth predicted in the Other Services industries reflects planned expansion by a single employer. Secondly, the strong growth predicted in the Manufacturing Industry in 2003 represented planned expansions by a small number of employers. These have mostly now occurred. This survey did not detect any significant growth in Manufacturing; however, there is a possibility of sizeable new business increases occurring in this sector. While this possibility was not certain enough to be included in Tables 3 or 4; should it occur, it would bring growth in the Manufacturing Industry to the same level as that of Retail.



It should be noted that the influx of new businesses experienced in the Murray Bridge LGA over the past decade is now starting to spread to the Coorong area. This tendency is one of the main reasons for the increasing growth predictions of the Coorong, and may be a signal of hope for the future of the more remote LGA's of the Region.

Business Investment



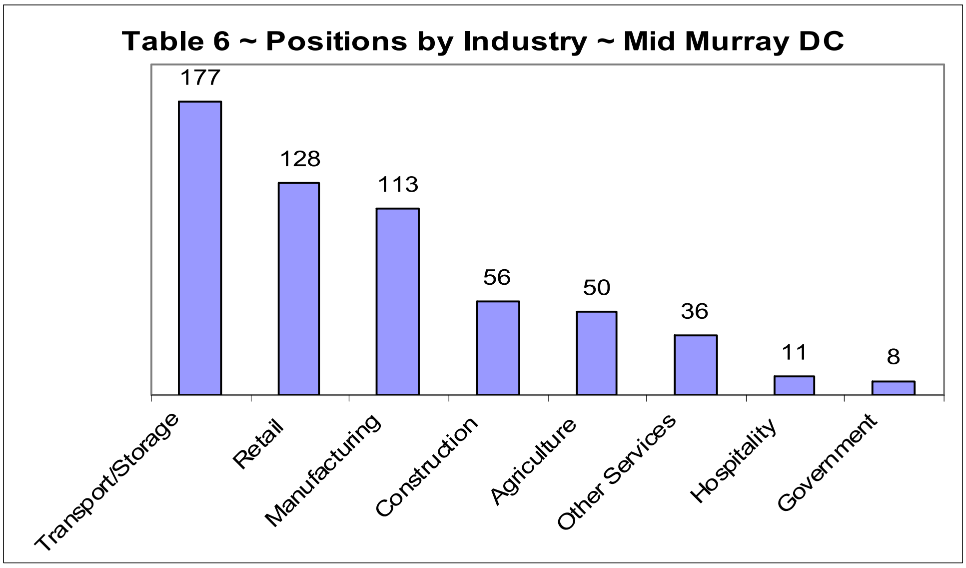
The apparent disparities between investment and employment growth expectations in Tables 4 and 5 are not in fact contradictory. The strength of investment in Agriculture consists not in traditional farming, but rather in services to agriculture, horticulture and intensive animal feeding. Most of the enterprises concerned are planning to set up in the Region and are therefore more capital intensive than existing businesses. By contrast, most of the growth expected in the Retail Industry is with existing businesses and so requires less capital investment. Although the Manufacturing Industry is not visible in Table 4, it has the potential of topping the chart if existing plans eventuate.

Mid Murray District Council

Employment

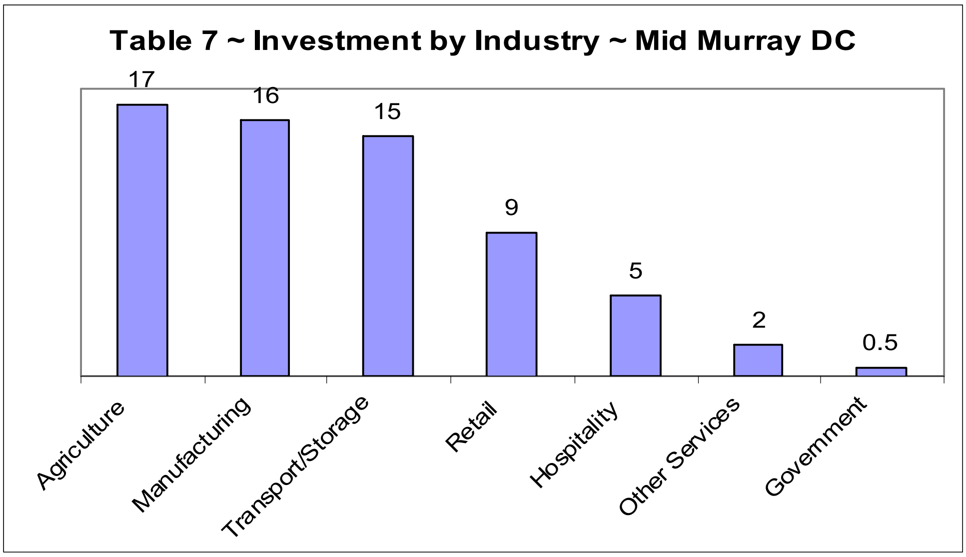
The Mid Murray LGA contains the longest stretch of the River Murray in the Region. This advantage, and its comparative closeness to the major population centres of the State, places it well for growth in a range of industries. Horticulture and animal management, along with all their servicing industries have strong growth expectations, as do retail and all the services which rely upon an expanding riverside population and tourism.

The strong growth expected in the Transport / Storage Industry as seen in Table 6, represents expansions expected in a very small number of enterprises and consists mostly of part time positions. This is the main reason why of the 579 new positions expected in this area, 314 are part time. Three bad years may reduce the estimate of new positions to 56, but three good years could increase it to 704. Sizeable urban developments are likely boost most industries in the South of the LGA.



Business Investment

Table 7 shows strong investment in industries which are capital rather than staff intensive. The advances in Agriculture represent new and expanding enterprises mostly in services to horticulture and livestock export. The industry category of manufacturing includes gas, water and electricity supply, and it is these infrastructure areas which constitute the lion's share of the second bar of the table.

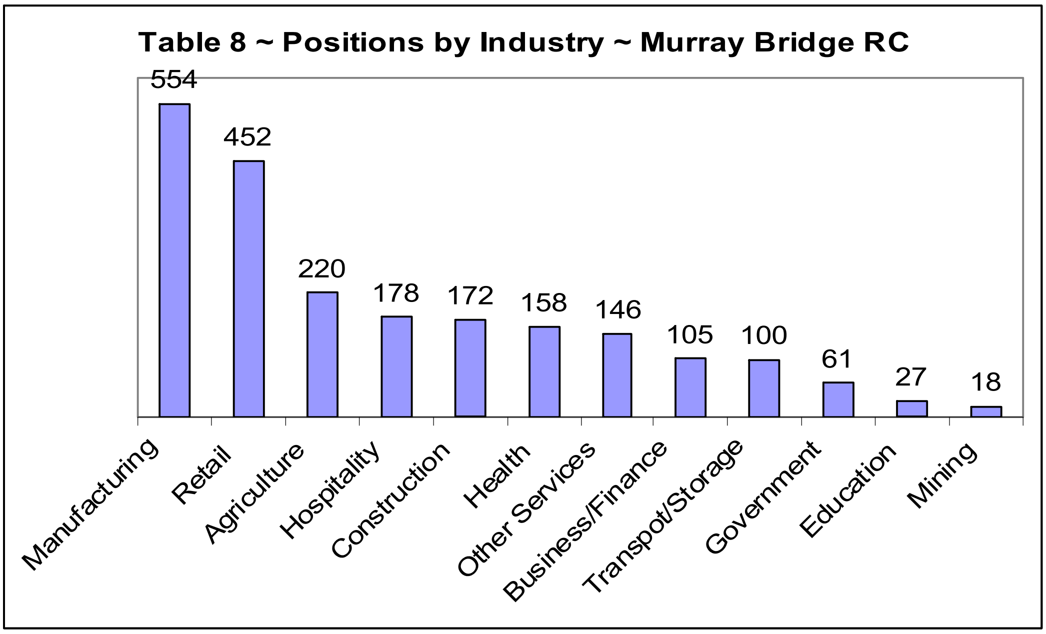


Rural City of Murray Bridge

Employment

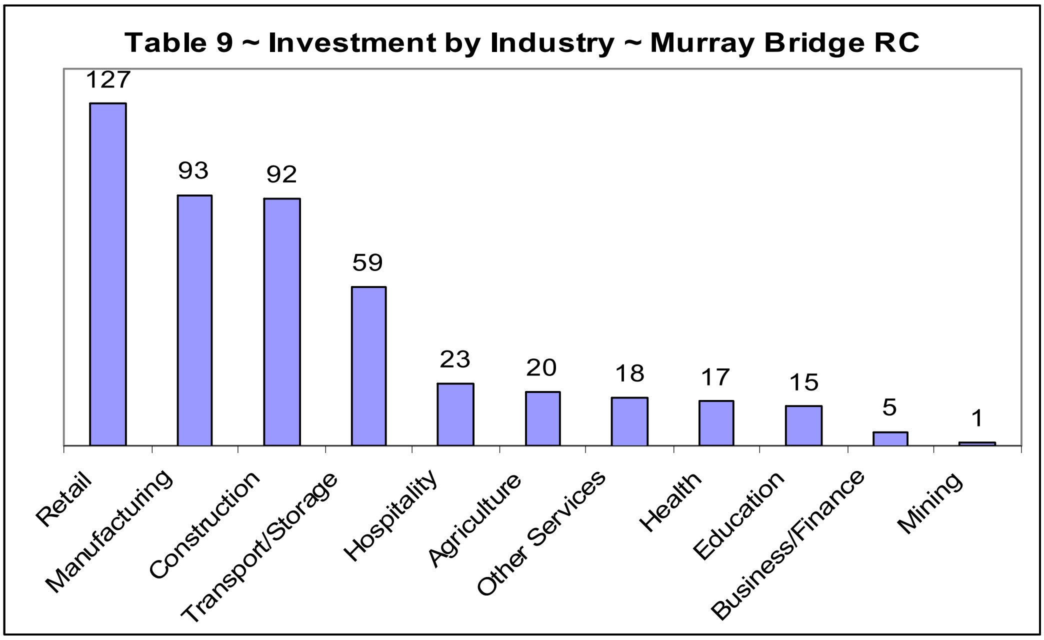
Employment in the Rural City of Murray Bridge is expected to grow by 2,191 positions, 809 of which will be part time. These figures are well in advance of those of 2003. However the estimates for consecutive good years and consecutive bad years (3,167 and 749 respectively) are both a little lower.

In interpreting Table 8 it should be remembered that the category of Manufacturing includes enterprises which value-add to Agriculture such as dairies and abattoirs. Similarly, the Retail category includes sales and service organisations for cars and other machinery. A comparison with the 2003 figures seems to show that the Transport and Storage Industry expects less growth. However the 2003 figures contained the growth expectations of large enterprises which have since occurred. The category of Health also covers Community Services, and increases in this area include expansions in Child Care and services to the aged.



Business Investment

From the conservative mean figures (see Methodology), $470 Million are expected to be spent by businesses in the Rural City of Murray Bridge during the survey period, however a less cautious but still realistic estimate would be in the order of $730 Million. About 31% of this investment is expected to occur in the Monarto area on new and expanding enterprises in the Agriculture, Value Adding, Construction, Hospitality, and Wholesale Industries.



New Retail developments in Murray Bridge account for the high levels of investment expected for this industry. Not all of these developments will be fully staffed during the survey period. New dwellings account for much of the investment expected in the Construction and Building industry.

Karoonda East Murray and Southern Mallee District Councils

The picture for these outlying LGA's is significantly less optimistic than the forecast for the rest of the Murraylands. They are the only LGA's in the Region where expectations for employment growth are lower than they were in 2003. Both rely heavily upon Agriculture, and are therefore vulnerable to decline in the wake of the gradual reduction in the number of traditional cropping and grazing farms. The Karoonda East Murray area is expecting the delayed start-up of a mining venture which may give a small boost to retail and hospitality businesses. Otherwise, no significant growth is expected and a small decrease is predicted in farms and business services.

The Horticulture industry (particularly potato growing) gives the Southern Mallee area some employment and economic stability, but small decreases are expected in traditional agriculture and school staffing.

The businesses of the East Murray and Southern Mallee show wide variations in confidence. Some are noticeably depressed, barely viable, and distrustful of external assistance. Others show strong resilience, resourcefulness and independence, and are determined to succeed in the location of their choice. The areas are notable for their strong community spirit in the face of increasingly hard economic conditions.

In both LGA's, the comparatively small number of questionnaires returned barely covers the full spectrum of industries. Consequently, this description relies more than the rest of the Survey on anecdotal evidence from local experts and the following figures are less reliable than those for the other LGA's. They are given as a rough guide only.

Employment

The Karoonda East Murray area expects an increase of 78 new positions. This may rise to 88 positions with three good years, but with three bad years, shrinkage of 11 positions is predicted. 62 of the new positions will be with the expected mining venture, and 14 will be in the Retail and Hospitality Industries as a result of that venture.

The Southern Mallee area expects an increase of 21 new positions given average years, 27 given good years, or shrinkage of 17 positions given bad years. The employment increases in horticulture expected in the 2003 survey were predicated on the continuation of a period of strong growth. This has not occurred, and the fall in the price of potatoes has been a setback to the industry. A period of consolidation is now commencing, and although significant growth is not expected during the survey period, the Horticulture Industry remains a major source of stability in the area.

Business Investment

The level of investment expected for the Karoonda East Murray area if all the planned expenditures occur and attain maximum levels is $63 Million. Most of this sum relates to the mining venture referred to above. Investment in the Southern Mallee area is expected to be between eleven and nineteen million dollars. This expenditure is mostly in the Horticulture, Construction and Hospitality Industries and as described above, reflects the strength of Horticulture in this LGA.

Threats to Growth

The survey identified threats to growth as experienced by Murraylands businesses. This section lists them in order of their perceived importance and discusses some of the most important issues under the headings of employment growth and business investment.

Barriers to Employment Growth

Attracting an Adequate Workforce

Respondents were asked to rate nine possible problems with recruitment and retention of staff as "A big problem", A noticeable problem", or "No problem". They were then invited to list any other problems which make it hard for them to take on new staff. Less than half of the respondents submitted any "other problems", but from those who did, these issues stood out:

1. The difficulty of attracting staff to rural and isolated locations,
2. The difficulty of finding staff for seasonal work or work with variable hours,
3. Financial restraints, including inadequate profitability to employ, inability to forecast future income, lower margins and higher costs; particularly the cost of wages.
4. The lack of suitable applicants for positions, especially those requiring particular qualifications, training, experience or skills.

Table 10a shows the percentages of respondents who rated the nine possible problems as either a noticeable or a big problem, and also the percentages of those who identified the four other problems quoted above.

Table 10a ~ Major Barriers to Recruitment and Retention of Staff ~ Percentages

Barrier	CDC	KEMC	MMDC	RCMB	SMDC	Region
Lack of Skills / Qualifications	71	*100*	38	56	*41*	56
Motivation	48	*50*	55	51	*41*	51
Lack of Education / Training	55	*57*	34	55	*29*	47
Lack of Housing	47	*57*	45	11	*65*	36
Lack of Child Care	52	*57*	35	11	*47*	32
Lack of Transport	30	*14*	47	13	*44*	29
Drugs / Alcohol	10	*17*	18	25	*18*	19
Lack of Medical Services	15	*0*	30	4	*18*	15
Location / Isolation	17	*38*	11	12	*15*	14
Variable Hours / Seasonal Work	0	*13*	15	2	*20*	13
Lack of Hospital Facilities	15	*0*	21	4	*13*	12
Financial Restraints	8	*13*	17	7	*10*	11
Suitable Staff not Applying	13	*0*	2	8	*5*	7

Note, - the number of responses in the Karoonda and Southern Mallee LGA's are too low in many categories for valid percentages to be derived. Despite this, they have been included here as a rough basis for comparison.

This table deserves careful study. In particular, the disparity between the responses of the different LGA's shows that barriers such as lack of housing, child care, transport, medical services and hospital services which all rate under 13% in Murray Bridge, are major threats to growth in the rest of the Region.

It is interesting that nearly all the major barriers in Table 10a rated higher in this survey than they did in 2003. This may possibly relate to the greater difficulties experienced in recruiting staff given today's lower unemployment rates. The comparisons are given in Table 10b.

Table 10b ~ Recruitment Barriers 2003/2006 ~ Percentages

Barrier	Region 2003	Region 2006
Lack of Skills / Qualifications	46	56
Motivation	35	51
Lack of Education / Training	36	47
Lack of Housing	33	36
Lack of Child Care	24	32
Lack of Transport	21	29
Drugs / Alcohol	12	19
Lack of Medical Services	8	15
Location / Isolation	17	14
Lack of Hospital Facilities	7	12
Financial Restraints	12	11

Other problems detected by the survey but not shown in Table 10a should also be considered. The fact that they were submitted by smaller numbers of respondents should not be emphasised too much. Doubtless because of time restraints, many business people are willing to tick boxes to identify given alternatives, but prefer to ignore questions which require written answers. Table 10c summarises the remainder of the "other problems". The evidence of personal interviews with business owners and managers shows that these problems are experienced more frequently than the low numbers of written responses suggest.

Table 10c ~ Other Barriers to Recruitment and Retention of Staff ~ Numbers

(The barriers listed below were mentioned by less than ten respondents each. The figures quoted represent actual numbers of respondents, - not percentages or projections.)

Barrier	CDC	KEMC	MMDC	RCMB	SMDC	Region
Local population decline. Lack of promotion of community & its assets	3	1			2	6
Hard to find professionals and trades people willing to move to country				4		4
Lack of clients / residents not shopping locally				2	2	4
Bureaucracy, red tape and legislation		1		3		4
Public Liability and other Insurance	2			1		3
Market Forces and Competition				3		3
Wages / Salary too Low to Attract Staff to the Country				2		2

The first of these is underlined by anecdotal evidence, particularly in the outlying LGA's of the Region. The second was also frequently encountered in interviews and reflects the increasing problem of attracting the full range of professionals and trades people to country appointments, with particular emphasis on the medical professions.

The questionnaire asked for further information about the level of difficulty encountered in recruiting staff and the particular types of staff that are hard to obtain. 20% of those respondents who addressed the question found it "easy" to attract staff, 39% found it "average" and 40% found it "hard". However when asked if any particular types of staff were hard to recruit, 68% said "Yes". Table 11 lists the types of staff that were hard to recruit. No one category rated more than ten responses, and all were scattered more or less evenly throughout the Region.

Table 11 ~ Occupations Hard to Recruit ~ Region

(The numbers in brackets represent the number of employers who cited these occupations.)

Accountant (1)	Glazier (1)
Agronomist (4)	Hospitality Worker (Bar / Waiter) (2)
Building Trades Assistant (3)	Health Worker (4)
Building Trades Person (3)	Horticulture Worker (2)
Butcher (1)	Kitchen Hand (2)
Child Care Worker (1)	Laundry Hand (1)
Chiropractor (1)	Lawyer (1)
Cleaner (2)	Machine Operator, Undefined (6)
Clerical / Administration (2)	Manager (9)
Cook / Chef (2)	Masseur (1)
Customer Service Person with Wine Knowledge (1)	Medical Practitioner (1)
Dentist (1)	Motor Mechanic & Assistant (7)
Draftsperson (1)	Nurse (3)
Driver, Coach (1)	Optometrist (1)
Driver, Crane (1)	Physiotherapist (1)
Driver, Forklift (2)	Piggery Hand (1)
Driver, Livestock (2)	Planner (3)
Driver, Potato Harvester (1)	Powder Coater (1)
Driver, Truck (9)	Printer (1)
Driver, Undefined (2)	Sales Person (6)
Earth Moving Plant Operator (4)	Sales Representative (1)
Electrician (2)	Shearer (2)
Engineer (2)	Shed Hand (6)
Engineering Trades Assistants (3)	Spray Painters (1)
Engineering Trades People (8)	Store Person (2)
Farm Hand (2)	Veterinary Surgeon (1)
Gardner (1)	Vineyard Hand (1)
	Welder (1)

In interpreting Table 11, it should be remembered that the 193 respondents who addressed this question represent less than ten percent of the total number of businesses in the Murraylands. Consequently, the actual number of businesses that find any one of these categories hard to recruit is very likely to be several times the number quoted by it in brackets.

Education, Qualifications and Skills

The questionnaire also attempted to elicit information about the particular skills, qualifications or education that businesses want their employees to have, but are hard to find. Only 65 respondents attempted this question. Nonetheless, the answers set out in Table 12 are interesting. In Particular, the first four items all represent personal and educational skills, and their absence is seen to be a greater problem than the lack of the occupation-specific items listed below them.

Table 12 ~ Education / Qualification / Skills Shortages ~ Numbers

(The figures quoted represent actual numbers of respondents, - not percentages or projections.)

Skill etc in Demand	CDC	KEMC	MMDC	RCMB	SMDC	Region
Work ethic / Manners / Honesty / Being Reliable etc.	2	1		3	1	7
Reading / Writing / Literacy / Arithmetic / Maths	3	1	1	1		6
Communication Skills	1		1		1	3
Problem Solving / Common Sense	3					3
General Machinery operation	1		2			3
Year 12 or Higher Education				1	1	2
Language / Multi-Lingual Skills			1	1		2
Chemistry Cert.			1			1
Coach Driver Accreditation	1					1
Computer Skills	1					1
Crane Licence				1		1
Customer Service				1		1
Farm Knowledge / Skills		1				1
Food Processing (Certificates 1 & 2)				1		1
Gaming / Liquor Licensing		1				1
Harvester Driving					1	1
Hospitality				1		1
Forklift Certificate					1	1
Market Garden / Glasshouse Skills				1		1
MC Driver's licence					1	1
Registered Nursing	1					1
Rigger's Licence				1		1
Shearing	1					1
Solar Industry Knowledge / Skills			1			1

It is also noteworthy that so many of the items listed are experienced by only one or two of the 65 businesses contributing to this table, and that so few of them occur in more than one LGA. Not surprisingly, this pattern recurs in the demand for training discussed below.

Access to Training

Table 13 presents the types of training that respondents would like for themselves or their staff if they were provided locally or easier to access. This question was answered by 104 businesses. The first four types of training listed were presented in the questionnaire as "tick the box" alternatives, and the remainder were supplied by the respondents. This is the reason for the higher number of responses recorded for the first four items.

The remaining items show a similar pattern to that experienced in Table 12. Both contain a diversity of categories, represented in most cases by single employers and spread throughout the Region. Less than half of the training demands occur in more than one LGA. Even though only 104 businesses are represented in Table 13, they include a high proportion of the larger organisations which suggests that a similar pattern would persist even if the sample were larger.

Table 13 ~ Training in Demand ~ Numbers

(The figures quoted represent actual numbers of respondents, - not percentages or projections.)

Training in Demand		CDC	KEMC	MMDC	RCMB	SMDC	Region
Computing Skills		8	4	11	15	7	45
Marketing		7	0	7	21	2	37
Quality Systems		3	1	7	20	4	35
Accounting		5	3	7	10	5	30
Customer Service / Communications		1	1	3	3	1	9
Sales / Retail Skills					6		6
Driver Training (General)		2			2		4
Vehicle maintenance / Basic Mechanics		1			2	1	4
Administration / Clerical / Telephone etc Skills					3		3
Hospitality		1			1		2
Management / Leadership / Planning / Monitoring					1	1	2
Dangerous Goods licence				1		1	2
Livestock Transport Skills		2					2
Drivers' Licences:	Forklift	1			1		2
	HC	1					1
	Low loader	1					1
	MC	1					1
Animal Husbandry					1		1
Auto CAD					1		1
Catering Skills					1		1
Cleaning Skills					1		1
Change Management			1				1
CNC Lathe Skills					1		1
Community Services Certificate (Child Care Studies)					1		1
Fibreglass and Allied Skills					1		1
First Aid Certificate				1			1
Food and Hygiene				1			1
General Building Skills					1		1
General Engineering Skills					1		1
Industrial Relations Knowledge / Skills				1			1
Insurance, Specific Knowledge / Skills					1		1
Irrigation Skills					1		1
Mental Disabilities (Knowledge)					1		1
Olive Grove Maintenance		1					1
Problem Solving		1					1
Reading / Writing / Literacy / Arithmetic / Maths					1		1
Time Management		1					1
Management / Commerce		1					1
Manufacturing best Practice					1		1
Pig Production					1		1
Veterinary Nursing					1		1
Viticulture Traineeship				1			1
Welding		1					1

Obviously, this pattern of responses reveals a significant barrier to achieving an adequately skilled workforce for the Murraylands of the future. On the one hand, our businesses agree that it is not easy to attract and retain sufficient staff, and quite hard to find people with the skills they need. On the other hand, there is little commonality between the occupational skills and qualifications required, and the demand for them is scattered throughout the Region. There are only a few instances where a training need occurs in sufficient businesses, and sufficiently close together to enable a locally delivered training course to solve the problem.

Workforce Accommodation

While Table 10a shows that 36% of respondents found that lack of housing was a noticeable or a big problem, it also shows that the problem is experienced most respondents in the Southern Mallee, Karoonda and Mid Murray areas. By contrast, in Murray Bridge only 11% found it a problem. Interestingly, this compares with 23% in Murray Bridge in 2003. Since the 2003 survey, sizeable housing developments in the Rural City have doubtless eased the situation.

A community and Local Government initiative at Parilla has helped to relieve the accommodation problem in that locality. However, not much of the workforce accommodation in the Mallee is designed for permanent workers, and housing is required to suit the needs of long term, all-season workers in irrigated horticulture (particularly in Pinnaroo). The growth of Horticulture and its service industries along the River in the Mid Murray LGA is increasing the demand for workforce accommodation in that area also.

This Survey indicates that although the accommodation problem has been to some extent alleviated within Murray Bridge and has not yet attained prominence in the Coorong, it remains an increasing barrier to growth in the rest of the Region.

Barriers to Investment

Financial and Economic Difficulties

Respondents were asked to nominate which of three classes of economic and financial difficulty (business downturn, non-availability of finance, or market forces) could prevent them investing in planned changes to their businesses. The results are shown in Table 14a.

Table 14a ~ Major Barriers to Investment ~ Percentages

Barrier	CDC	KEMC	MMDC	RCMB	SMDC	Region
Business Downturn	*50*	*40*	58	58	*100*	61
Finance not Available	*25*	*20*	50	42	*50*	41
Market Forces	*38*	*20*	27	44	*50*	38

Note, - the number of responses in the Karoonda, Southern Mallee and Coorong LGA's are too low in many categories for valid percentages to be derived. Despite this, they have been included here as a rough (if unreliable) basis for comparison.

Other Barriers to Investment

Respondents were then asked to suggest other possible threats to investment in the hope of identifying some less general and more practical issues. Only a few were willing to commit potential financial difficulties to paper, but despite the small number of responses listed in Table 14b, the issues identified are in keeping with those obtained anecdotally from personal interviews.

Threats to the approval of plans for expansion or for new projects are the major concern. These relate firstly to Council planning practices, but also to State and Federal Government agencies and people in local communities who could object.

Table 14b ~ Other Barriers to Investment ~ Numbers

(The barriers listed below were mentioned by less than ten respondents each. The figures quoted represent actual numbers of respondents, - not percentages or projections.)

Barrier	CDC	KEMC	MMDC	RCMB	SMDC	Region
Council Planning Approval / Other Government Support not Forthcoming	2		1	2	1	6
Not approved by other players (EPA, Partner, Landlord etc)			1	4	1	6
Climate Change			2	1		3
Health / Death / Personal Capacity	1			1	1	3
Failure of Supplier Enterprises to Supply				2		2
Likely Business Closure Impending					1	1
Overseas Competition (eg China)				1		1
Staff not Available	1					1

Climate change appears as a possible threat for the first time in a Murraylands growth survey, and is mentioned mainly by respondents from the Agricultural sector.

Strategies for Addressing Threats to Growth

In addition to detailing threats to growth in the Murraylands, this Survey also describes a number of possible strategies for overcoming them. Some of the strategies covered in this section were gleaned from the questionnaire (eg, immigration), but in many cases, they have been drawn from personal interviews with survey respondents and local experts.

Attracting and Skilling an Adequate Workforce

Immigration

In view of the current low levels of unemployment, this survey included (for the first time) questions concerning Immigration. Table 15a lists responses to the question “Would you employ a suitable new migrant?”

Table 15a ~ Employing Suitable New migrants ~ Percentages

Barrier	CDC	KEMC	MMDC	RCMB	SMDC	Region
Would Employ New Migrants	35	*27*	58	60	*48*	52
Would Not Employ New Migrants	24	*36*	18	12	*26*	18
Unsure	41	*37*	24	28	*26*	30

Note, - the number of responses in the Karoonda and Southern Mallee LGA’s are too low in many categories for valid percentages to be derived. Despite this, they have been included here as a rough (if unreliable) basis for comparison.

If they were unsure, respondents were asked to say what would influence their decision. Most of these responses (as listed in Table 15b) concerned issues (such as language skills) which would affect the suitability of the new migrant for the position in question. There is therefore some hope that many of those who said they were unsure would in fact employ new migrants if they found them to be suitable.

The fears voiced by the unsure (especially in interviews) mostly had to do with communication, or the difficulties new migrants may face in fitting in and harmonising with a community, a work team or an unusual environment. Most of the remainder related to skills, knowledge and experience. There was also a concern that isolated workplaces and employment in the more remote parts of the Region could cause family and community support problems which would not be conducive to long term employment.

Once again, the issues in Table 15b reflect those raised in personal interviews.

Table 15b ~ Issues which would Influence Unsure Employers ~ Numbers						
(The issues listed below were mentioned by less than ten respondents each. The figures quoted represent actual numbers of respondents, - not percentages or projections.)						
Issue	**CDC**	**KEMC**	**MMDC**	**RCMB**	**SMDC**	**Region**
Language and Communication Abilities	8		9	13	1	31
Adequate or Appropriate Skill Levels	3			4		7
Cultural Differences	3		3			6
Suitable Qualifications / Training	3				1	4
Work Ethic / Reliability / Commitment	2			1		3
Market Forces and Competition			1	3		4
Appropriate Customer Skills	1		1	1		3
Need for Local Knowledge	1			1		2
Need for Transport	1			1		2
Peer / Community Pressure	1			1		2
Compatibility with Work Team	1					1
Ability to Accept Isolated Location			1			1

The picture given by the earlier Table (15a) is that the majority of respondents would employ suitable new migrants, and many of the remainder are probably open minded. This gives some encouragement for the use of migration as one of the strategies for supplying an adequate workforce in the Murraylands. The fears of the unsure also contain useful pointers; in particular the need for our communities and governments to address the issues of acceptance and interaction between the migrants and the existing population, without which migrants are unlikely to regard their new environment as a permanent home. Some moves have been made in this direction in Murray Bridge, but a more coordinated approach needs to be adopted across the Region in order to ensure that immigration becomes a long term solution.

Training Delivery

The survey has identified and analysed the Region's problems relating to skills and qualifications in demand and training needs (see previous section). These problems are difficult but not impossible to address. Written responses and interviews with survey respondents have supplied the following suggested approaches.

1. Forums already exist within the Region to address employment education and training issues. These include participation from local providers, the MRDB and State Government agencies, but have less input from business and local Government. If this input were to be supplied, the resulting partnership should be capable of driving effective business and public sector training solutions.

2. More effective use may be made of TAFE. While the disparate training needs of the Murraylands often prohibit the delivery of courses in outlying areas, courses which

respond to needs scattered across the Region could be delivered in Murray Bridge. They would then be more accessible to outlying businesses than the same courses delivered in Adelaide, especially if their delivery incorporated the use of the TAFE video-conferencing centres.

3. Regional Businesses are often unclear about the types of training which may be made available and how they may be delivered. Systematic communication with businesses concerning these options is fundamental to organising any cross-Regional training strategy.

4. Respondents have stressed their concerns over the poor work ethic and lack of basic literacy and numeracy skills of many job applicants. There is a case for consulting with the Education Offices of the Murraylands and the Riverland (which services Mallee schools) with the intention of coordinating improved work experience strategies in which employers' assessments of work experience students are acted upon by the schools.

Workforce Accommodation

Workforce accommodation remains a major threat to the Region's growth. However, the three years since the 2003 survey have shown (in the Murray Bridge area at least) that domestic building developments follow in the wake of predictions of employment growth backed by reliable data. A similar trend is starting to develop in the Mid Murray area. Continuing communication with developers and the Real Estate sector concerning growth predictions is therefore a tried and tested policy worth pursuing further.

The outlying LGA's have particular accommodation needs in some localities, and these needs must be satisfied in order to maintain the health of the industries concerned. The combination of private and Local Government assistance used to provide accommodation at Parilla is a model which may be emulated in other outlying areas as the need arises.

Support Measures for Business Investments

After describing the problems which could prevent them investing in planned changes to their businesses (Tables 14a&b), respondents were asked "What support would help to make sure that the changes happen?" Business Advice, An Assured Supply of Staff, and Technical Assistance were suggested as alternative answers. The results are shown in Table 16a.

Table 16a ~ Major Support Measures for Investment ~ Region

Business Advice	42%
An Assured Supply of Staff	34%
Technical Assistance	30%

They were then asked to nominate other support measures. These are listed in table 16b. The first three of these, backed by considerable anecdotal evidence, suggest that in the opinion of many respondents, assistance agencies in all levels of Government could exercise a more consultative approach in their dealings with businesses which are planning to commence operations or expand. In particular, Council approval processes encompass much legislative and procedural detail, knowledge of which is not necessarily native to business applicants. Many respondents felt strongly that their prospects of gaining approval would be materially improved if Council staff were able to spend more time with them to facilitate the process and make them aware of the legal and procedural factors likely to bear upon their cases.

Table 16b ~ Other Support Measures for Investment ~ Region (The issues listed below were mentioned by less than ten respondents each. The figures quoted represent actual numbers of respondents, - not percentages or projections.)	
Support Measure	**Respondents**
Council Approval, Assistance, Cooperation	6
State and Federal Government Assistance (Various) for Rural Businesses	6
Assistance in Obtaining Grants	4
More Supplies from Supplier Enterprises	2
More Local Development to Increase Business Activity	2
Tax Breaks for Rural Enterprises	2
Higher Commodity Prices	2
Mentoring Support to Business	1
Assistance in Expanding Market to Handle Current Production	1
Assistance in Making Infrastructure Available	1
Encouragement for Export Market	1
Support and Contact from MRDB	1
Stability in Water Supply	1
Regional Development Forecast	1
Legal Assistance	1

Most other measures in this table also emphasise public sector assistance. Those relating to support in the area of marketing (both local and export) were strongly echoed in personal interviews with respondents.

Targeting the Outlying Areas of the Region

This survey shows that growth in the Karoonda East Murray and the Southern Mallee LGA's is restricted to a small number of industries, and other sectors within these areas are in danger of accelerating decline. This decline is already evident, not only in family farms, but also in businesses in the smaller and more remote communities, as well as the larger towns.

Hope for arresting this decline is to be found in the strength of Horticulture in the Southern Mallee, the expectation of a boost from the Mining Industry in Karoonda, the vibrancy of particular businesses, and throughout, the resilience of the often beleaguered communities.

A further hopeful sign is the tendency seen over the past decade for growing numbers of businesses to set up operations in the Murraylands; firstly in the Murray Bridge LGA, and more recently in the Mid Murray and Coorong areas. Much of the Karoonda and Southern Mallee LGA's is close to interstate transport routes and therefore shares the basic advantage which underlies the growth of Murray Bridge. Towns such as Lameroo have a history of being home to businesses which survive by exporting their goods inter and intra-state. Addressing problems such as workforce accommodation, access to training and support for investment could help the spread of business growth to reach the Mallee.

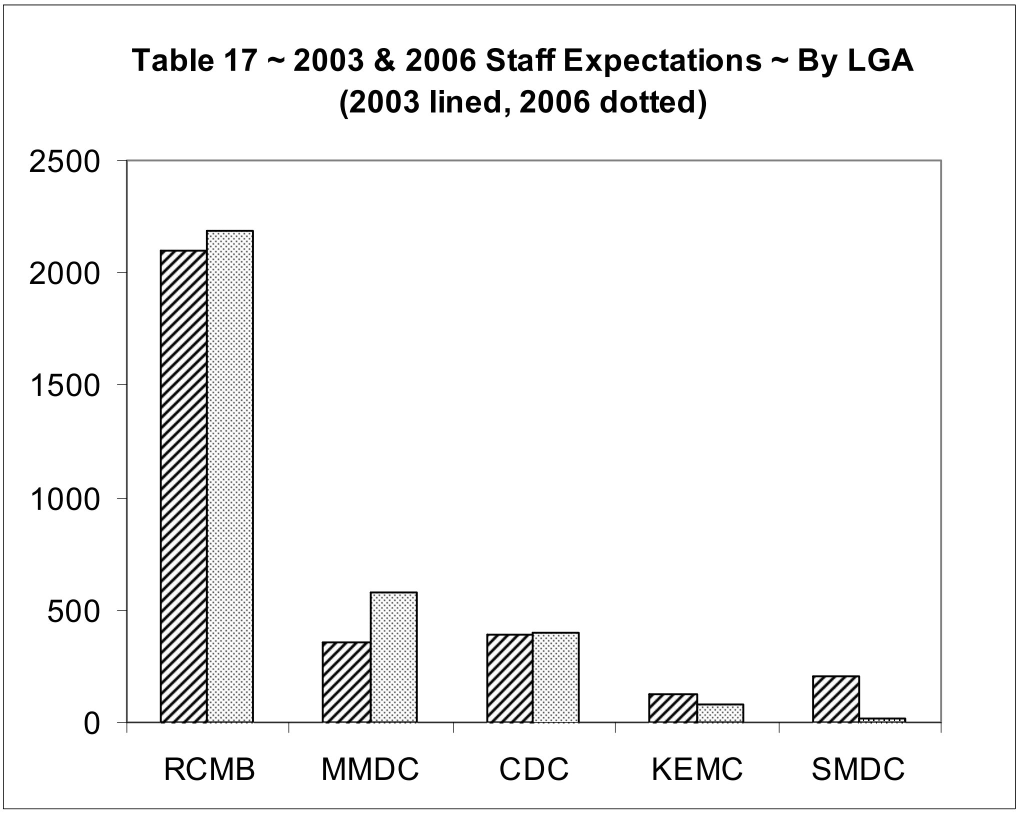
Some respondents interviewed from these areas shared the view that Government funded support and assistance agencies in general are not really interested in them and prefer to spend their time and resources in faster growing areas nearer to Adelaide. Suspicion of external assistance and the conviction that they should solve their own problems was also encountered more than once.

There is a good deal of resilience amongst these communities. They have the will, but often not the means to reverse their decline. Despite their wariness of external help, a coordinated business and government strategy for targeting these areas is required. Any attempt to do so will need to be very consultative and intensively community based. It may well draw upon methods such as those listed in this report for removing threats to growth, but in the end, it will be the communities themselves which will decide what support is needed and how it will be used. This should not deter stakeholders from putting it on the agenda for the near future.

Trends Since 2003

Rate of Change

Changing patterns in the rate of employment growth across the Region are shown in Table 17. In interpreting it, the use of more conservative adjustment factors in the 2006 survey should be borne in mind. If the adjustment factors had been the same, the dotted columns for 2006 would have been a little higher.



The table shows us that:

- The continued strong growth expectations for the Rural City of Murray Bridge are accelerating a little,
- The expected rate of growth in the Mid Murray area is accelerating strongly and has overtaken the Coorong,
- The Coorong area expects to more than maintain it's rate of growth,
- The Karoonda and Southern Mallee LGA's expect less growth than they did in 2003.

Perceptions about change

It is hard to understand change if you are living in the middle of it. The 1998 and 2003 surveys were both greeted with incredulity by many people in the Murraylands, yet the predictions of both have been exceeded. Similar sentiments were encountered from some respondents interviewed while conducting the current survey. Often, the demise of Clipsal was cited as an example of decline during the predictive period of the 2003 survey, and the closure of PDL Industries and Toro Industries during the previous five years.

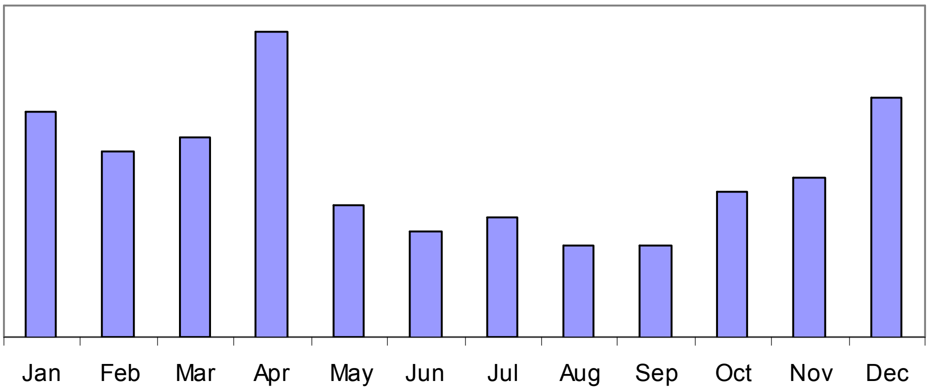
This survey takes shrinkage as well as growth into account. In addition to eliciting information about expected new positions, the questionnaire asks respondents whether they expect their staff numbers to drop over the coming three years, and if so to predict by how many. The resulting figures are deducted from the growth expectation figures, and (in the case of the smaller businesses sample) magnified by the use of the adjustment factors. By this method, the survey attempts to arrive at a balanced estimate of future growth, having factored-in shrinkage as well as growth expectations. In practice, this method appears to have resulted in predictions which are not out of kilter with what has occurred.

Closures of large organisations happen from time to time, and while they are a real setback for a country region, they need to be seen in perspective. Events such as the loss of Clipsal (which employed approximately 140 people) need to be seen against the influx of jobs in businesses which have set up or expanded within the Region. The 2003 survey predicted a growth of 2,102 new positions over it's predictive period, and in fact, the 77 businesses which responded to both the 2003 and the 2006 survey have grown by 384 new positions during that time. One may therefore expect that all the (more than 3,000) businesses in the Murraylands will generate between them more than enough new positions to continue growing despite the loss of the occasional larger organisation.

Seasonal Employment

Only 30 respondents said that some of the new positions they are expecting will be seasonal. This is a similar number to the 37 who responded positively in 2003. With such a small sample, unusual variations related to single organisations show up. The apparent peak in seasonal demand during April in Table 18 is a case in point. It represents the expectations of a single employer and is therefore not representative of the Region. With that exception, the spread of seasonal demand over the year is very similar to that shown in the 2003 survey.

Table 18 ~ Seasonal Demand ~ Region



The occupations in seasonal demand are also similar to those encountered in 2003. They are arranged in Table 19 by LGA. Most of these positions are in the Horticultural Industry or the industries which service it, and show the strength of this sector in the Murray Bridge and particularly the Mid Murray LGA's.

Table 19 ~ Seasonal Demand ~ New Occupations

(The figures quoted represent actual numbers of respondents, - not percentages or projections.)

Occupations	CDC	KEMC	MMDC	RCMB	SMDC	Region
Retail Assistants	1		3	2	1	7
Store Person / Packer / Bagger	1		3	2		7
Truck Driver	3			1	1	5
Assemblers / Process Workers			3			3
Cleaners			2	1		3
Forklift Driver			3			3
Hospitality / Bar / Waiting			1	2		3
Kitchen hand			2	1		3
Tractor Driving / Harvesting			2	1		3
Farm Hands			1	1		2
Pickers			2			2
Shearers			1	1		2
Welders			2			2
Driver (Deliveries)			1			1
Pruning hands			1			1

Conclusion

Despite the cautious approach adopted by this survey, strong growth is predicted for the Murraylands Region. Because of their similar methodologies, fair comparisons with the 2003 survey were made possible. These show us that the rate of growth expected by our business managers and owners is still accelerating. Further, the amount of investment they expect to make in their businesses by the end of 2008 is considerable. It is therefore vital to ensure that the barriers are removed and the growth takes place.

The Strategic Plan for South Australia contains the target to "Increase South Australia's population to 2 million by 2050". The potential growth predicted by this survey shows that the Murraylands is well placed to play a leading role in achieving that target.

Turning the potential into a reality will require wide ranging participation and commitment. The Region's communities and businesses will have to work together with cooperation at all levels of government, and the Murraylands Regional Development Board may well be the catalyst needed to activate the process.

2003 Methodology

Predictive Principles

Attempting to predict the future sounds like a risky undertaking. However, if the task is approached with a thorough knowledge of relevant past trends and present circumstances, and if expert opinion is sought and quantified in as objective a manner as possible, the results should give a reasonable indication of the most likely future. The Murraylands Growth Opportunities Survey of 1999 is a good example of a well constructed predictive survey which accurately identified future trends.

As was the case with the Growth Opportunities Survey, the present survey bases its predictions upon the employment growth expected by Murraylands employers within their own organisations over the coming three years. This source constitutes the best informed body of opinion concerning future growth. Employers' predictions draw upon intimate knowledge of their industry, their business environment and their own operations. Survey findings based upon them are only likely to be seriously upset by an unforeseen major disaster. In recognition of unpredictable factors, whenever the data admitted more than one possible interpretation, this report has erred on the side of caution and conservatism.

The Scope of the Survey

The report interprets data separately for each industry in each of the five local government areas of the region for the coming three years. Where specific localities within those areas show significant growth or shrinkage, these are examined individually.

Industry-specific data were grouped into the 22 major Australia / New Zealand Standard Industry Classification (ANZSIC) categories. Some of these categories are minimally represented in the Murraylands, and were amalgamated. These were: Electricity, Gas and Water Supply with Manufacturing, Wholesale with Transport and Storage, Finance and Insurance with Property and Business Services, and Communication with Cultural, Recreational, Personal and other services. Education and Mining, although only represented by a small number of organisations, had particular significance, and were therefore treated separately, but not represented separately in all tables.

Sample Selection

The survey questionnaire was mailed to 474 organisations in the region. The region's local government administrations were also approached in order to elicit data in confidence relating to organisations which were expected to set up or expand within their areas over the coming three years. Many respondents were contacted by phone or in person by the Board's officers and Honorary Business Advisors to gain further information. The resulting data base represents 205 organisations.

The Murraylands possesses about 4,000 businesses, and as with many rural areas, the great majority of them are small. Less than ten of our organisations employ more than 100 people, and less than 60 employ more than 20 people. Experience shows that larger employers have a much greater impact on both growth and shrinkage than do smaller employers. This factor has a significant implication for forecasting methodology. A truly random sample would have to be very large indeed to be sure of capturing a representative proportion of larger employers, and of isolating the contributions of the smaller and more volatile industry sectors. In view of this consideration, organisations of significant size (employing in excess of 20 people full time or their equivalent part time) and known growth potential were all included, and comprised just over one quarter of the sample (58). The remainder of the sample was drawn from each of the region's local government areas in such a way as to ensure that all localities and the industries they contain were fairly represented.

Data Interpretation

As expected, larger organisations predicted much more growth than smaller organisations. The 58 selected respondents anticipated 1,053 new jobs, while the remaining 147 respondents (mostly small businesses) only expected 189. With this in mind, the selected respondents were treated separately and the findings from their data were included in the final figures only after adjusting the data from the remainder of the sample to ensure that it fairly represented the Murraylands as a whole.

In order to adjust the figures from the 147 smaller organisations, two processes were undertaken.

Firstly, the data was divided into 60 segments representing industry categories in each of the region's five local government areas. Figures from each segment were then "scaled up" using adjustment factors to bring them in line with the estimated number of organisations in their area and industry category. Australian Tax Office (ATO) figures (Single Location Business Entities by Postcode by Industry Division, 30 June 2001) were used in forming the estimates. It should be noted that these figures are based on registered ABNs, and do not include government bodies, not for profit organisations or businesses which did not state their industry type. The ATO figures show a total of 4,483 businesses in the Murraylands, but 360 of these are not listed by industry. Nonetheless, this survey has used these figures, not only because they are the only available figures which give a fair indication of the comparative sizes of industry groupings within small areas, but also to ensure that the principal of conservatism is applied fully and the accusation of enthusiastic exaggeration is demonstrably avoided. In practice, within each industry/LGA segment, the number of businesses (estimated by the ATO figures) was divided by the number of respondents, and the resulting figure was used as the factor by which their data were multiplied.

The second process was to examine the results of the first process by checking the estimated numbers of businesses against other available data and in the light of local knowledge, - and then introducing further adjustments where the method described above produced distorted findings. These adjustments were of two kinds:

1. The ANZSIC industry category of Agriculture contains not only cropping and grazing, but also services to agriculture, and the whole range of primary production with the exception of mining. 51.9% of Murraylands businesses fall within the category of Agriculture (ATO figures 2001). Most of these are traditional farms, which are intrinsically stable in respect to potential growth or shrinkage. However, our sample included within the same category several businesses in more volatile areas such as olive growing and irrigated potato production. To adjust their anticipated growth using the agriculture adjustment factor would therefore unjustifiably inflate the prediction of growth for agriculture and farms. To rectify this distortion, all agricultural organisations which were not traditional farms were separated out and became part of the 58 selected respondents. Their data are therefore included in the final figures, but without adjustment.

2. The numbers of businesses suggested by the ATO's figures for certain industry categories do not fairly represent the actual number of practising businesses. For example; according to the ATO figures, the region possesses 359 businesses in the Construction Industry. This figure is surprisingly high and is only exceeded by Agriculture (2,111) and Retail (393). On

enquiry, it becomes obvious that this figure is high because it contains all those workers in the building industry who require ABNs in order to function as sub-contractors, while to all intents and purposes working as employees. Survey respondents in this category were mostly organisations, - themselves employing sub-contractors. In order to avoid inflating the results, the ATO figures were abandoned for this category, and the number of building / construction industry entries in Telstra Yellow Pages used instead. The same method was also used for areas such as Transport, Wholesale, Business and Financial Services, and Government Organisations. Once again, it must be stressed that this method errs on the side of conservatism. After applying it, the ATO's estimate of 4,483 businesses in the Murraylands was reduced to 3,624.

Multi-Scenario Forecasting

Respondents were asked to predict the number of new staff they expect to employ in 2004, 2005 and 2006 for three different scenarios:

1. if the year is about average,
2. if the year is significantly worse than average,
3. if the year is significantly better than average.

Details of organisations intending to set up in the Murraylands reported in confidence by local governments were treated in a similar manner. The resulting growth expectations were factored into the three scenarios taking into account the predicted likelihood of their arrival eventuating. Where doubt existed, the principle of conservatism was employed.

Appendix 2

Glossary of Acronyms

ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ANZSIC	Australia / New Zealand Standard Industry Classifications
ATO	Australian Taxation Office
CDC	Coorong District Council
DC	District Council
KEMC	Karoonda East Murray Council
LGA	Local Government Area
MEETN	Murraylands Employment, Education and Training Network
MMDC	Mid Murray District Council
MRDB	Murraylands Regional Development Board
RC	Rural City
RCMB	Rural City of Murray Bridge
SMDC	Southern Mallee District Council

Appendix 3

Acknowledgements

In preparing this survey, much assistance and advice was given generously by the many representatives of business and Government agencies who were interviewed in person or contacted by phone. Their contribution is gratefully acknowledged, as is the invaluable help of all those who took the time to fill out the questionnaire.

Particular thanks are due to the following for their contribution to the Survey:

Barb Elston, MRDB
Brenton Lewis, MRDB
Chris Weir, MRDB
Dale Manson, Rural Solutions SA
Darryl Webb, MRDB
David Altman, RCMB
David Roediger, Morgan
Dean Gollan, MMDC
Gloria Booker, RCMB
Gordon Hancock, Parilla
John Boundy, Meningie
Kate Devlin, Australian Bureau of Statistics
Kerry Medlow, MRDB
Kirsty Kerley, (ex) MRDB
Lance Otto, Swan Reach
Liz Johns, MRDB
Peter Smithson, KEMC
Phillip Wood, SMDC
Rod Brown, Lameroo
Steven Page, Golden Sunrise
Tim Drew, CDC
Tom Haig, TAFE

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