



MARKYT Business Climate Scorecard ©

Prepared for: City of Karratha

Prepared by: CATALYSE® Pty Ltd ©

October 2019

© Copyright CATALYSE® Pty Ltd 2019



Contents

Introduction	3
Strategic insights	6
Business climate	13
Familiarity with local services and facilities	17
Performance	19
Performance: MARKYT® Benchmark Matrix	23
Performance: overview of community variances	26
Addressing Community Priorities	30
Communication Preferences	35

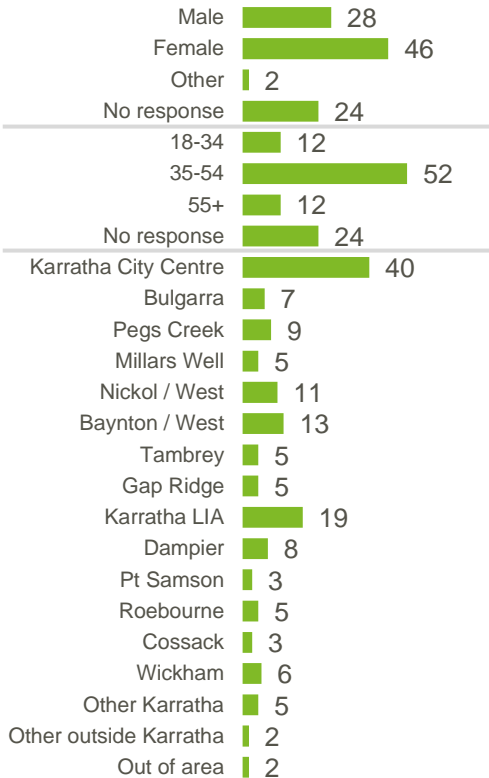
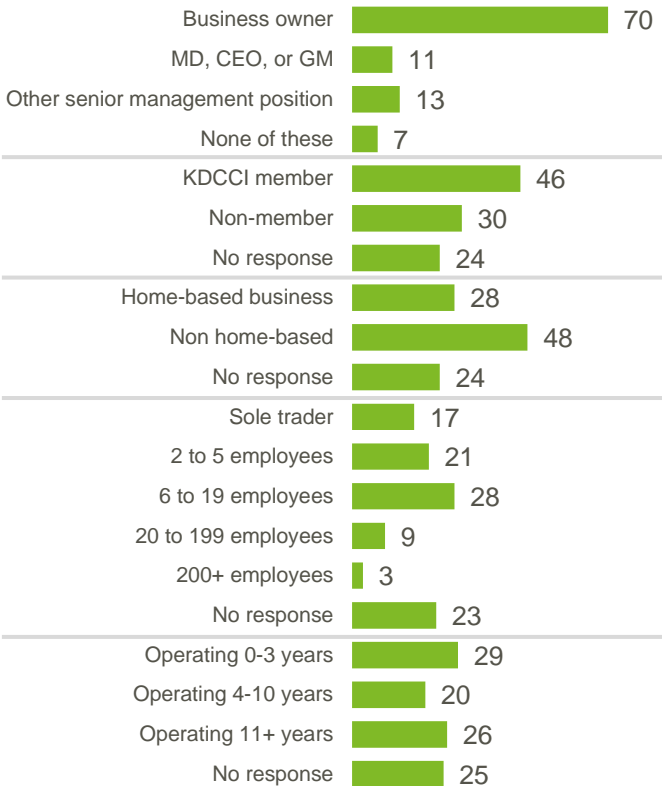
Introduction

The Study

In September 2019, the City of Karratha administered a MARKYT® Business Climate Scorecard to evaluate business priorities and measure Council's performance.

Data was collected using an online scorecard. 151 of 570 businesses listed on the City's database took part in the study representing a 26% response rate.

Data has been analysed using SPSS. Where totals add to $\pm 1\%$ of the parts, this is due to rounding errors to zero decimal places.



CATALYSE® has conducted MARKYT® Business Scorecards and Business Perceptions Surveys for councils across WA. When three or more councils have asked a comparable question, we publish the average and high scores to enable participating councils to recognise and learn from industry leaders. In this report, the 'high score' is calculated from **WA councils** that have completed an accredited study with CATALYSE® **within the past three years**. Participating councils are listed below.



Strategic Insights

Vision



64

% agree

13% points above the
MARKYT® Industry Average

Place to Work

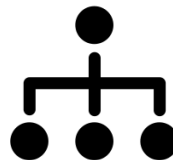


70

Performance Index Score

1 index point below the
MARKYT® Industry Average

Governance



64

Performance Index Score

On par with the
MARKYT® Industry Average

Rates Value



48

Performance Index Score

1 index point below the
MARKYT® Industry Average

Highest scores

- Promoting the area as a desirable place to live and work
- Quarterly Business Breakfast Briefing
- Airport facilities
- Natural disaster management for businesses

Strong relative to MARKYT® Industry Standards

- Quarterly Business Breakfast Briefing
- How the business community is informed about what's happening in the local area
- How the business community is consulted about local issues

Support and retain existing businesses



Connectivity
by air



Desirable place to
live and work



Priorities

Overall Performance | with industry comparisons

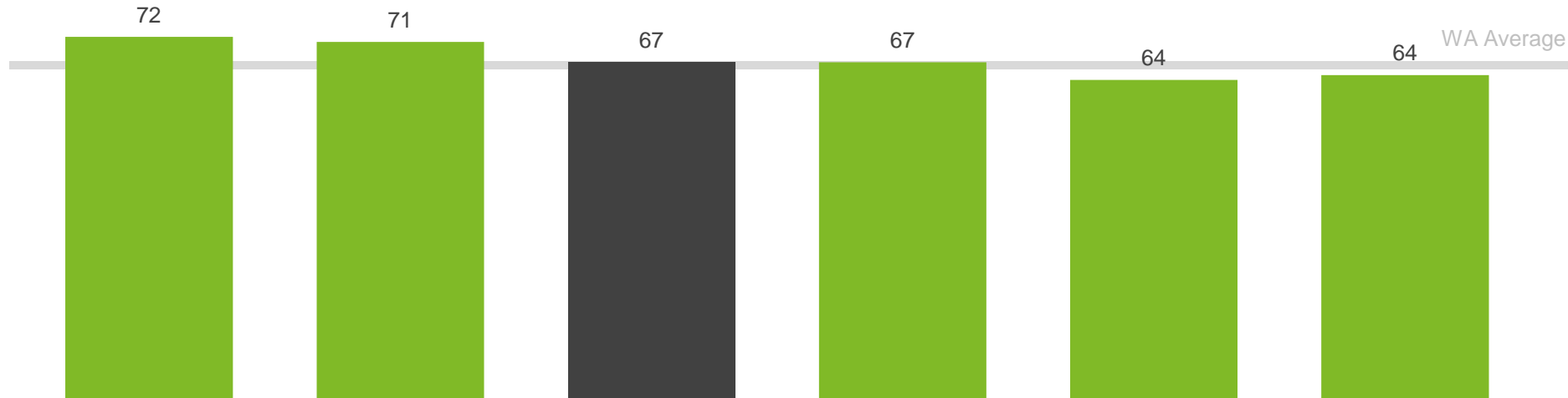
The 'Overall Performance Index Score' is a combined measure of the City of Karratha as a 'place to work or operate a business' and as a 'governing organisation'. The City of Karratha's overall performance index score is 67 out of 100, on par with the industry standard for Western Australia.

Overall Performance Index Score

average of 'place to live' and 'governing organisation'

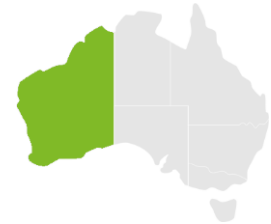
■ City of Karratha

■ Metropolitan Councils



MARKYT Industry Standards

Performance Index Score



City of Karratha	67
Industry High	72
Industry Average	67

The City of Karratha is leading the industry in 2 areas:

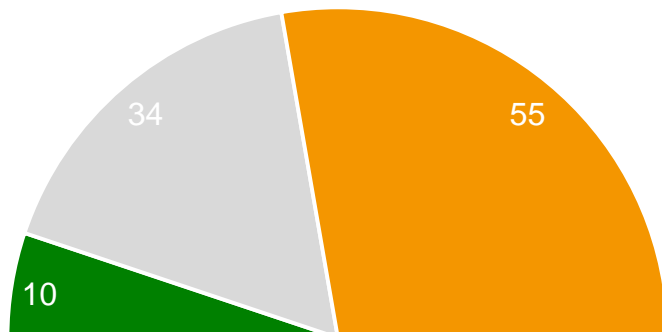
- Developing and communicating a clear vision
- Quarterly Business Breakfast Briefing



Community Advocacy | Likelihood of recommending the City of Karratha as a place to own or operate a business

Community Advocacy

% of respondents



Promoters (9-10) Passives (7-8) Detractors (0-6)

Net Promoter Score

Promoters

less

Detractors

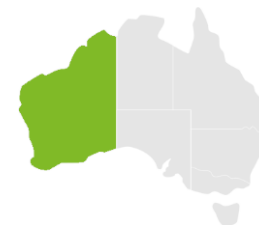
equals

NPS
-45

NPS can range from
-100 to +100

MARKYT Industry Standards

Net Promoter Score



City of Karratha -45

Industry High -22

Industry Average -31

Variances across the community

Net Promoter Score

Total	Business Owner	MD/CEO/GM	Other senior management	KDCCI members	Non-members	Home-based	Non home-based	Male	Female	18-34 years	35-54 years	55+ years	Sole trader	2 to 5 employees	6 to 19 employees	20+ employees	0 to 3 years	4 to 10 years	11+ years	Karratha CBD	Other Karratha	Karratha LIA	Outside Karratha
-45	-47	-20	-61	-40	-47	-40	-44	-42	-41	-44	-42	-44	-42	-35	-38	-65	-23	-67	-49	-41	-53	-41	-39

Q. How likely would you be to recommend the City of Karratha as a place to own or operate a business?

Please give a rating out of 10, where 0 is not at all likely and 10 is extremely likely.

Base: All respondents, excludes 'unsure' and 'no response' (n = 146).

In the City of Karratha's Community Priorities Window, detailed overleaf, most services are in Window B. They are higher performing areas, receiving average ratings between good and okay, and with less than 10% of business respondents highlighting these areas as a priority to improve.

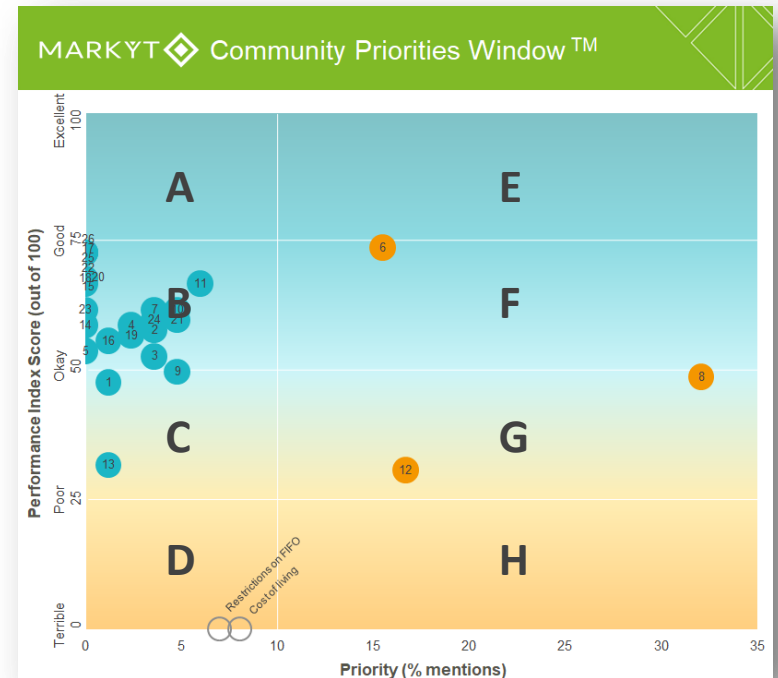
Moving forward, the business community would like the City of Karratha to **prioritise** areas in Windows F + G:

- Efforts to support and retain existing business
- Connectivity by air (flights and services)
- Promoting Karratha as a desirable place to live and work

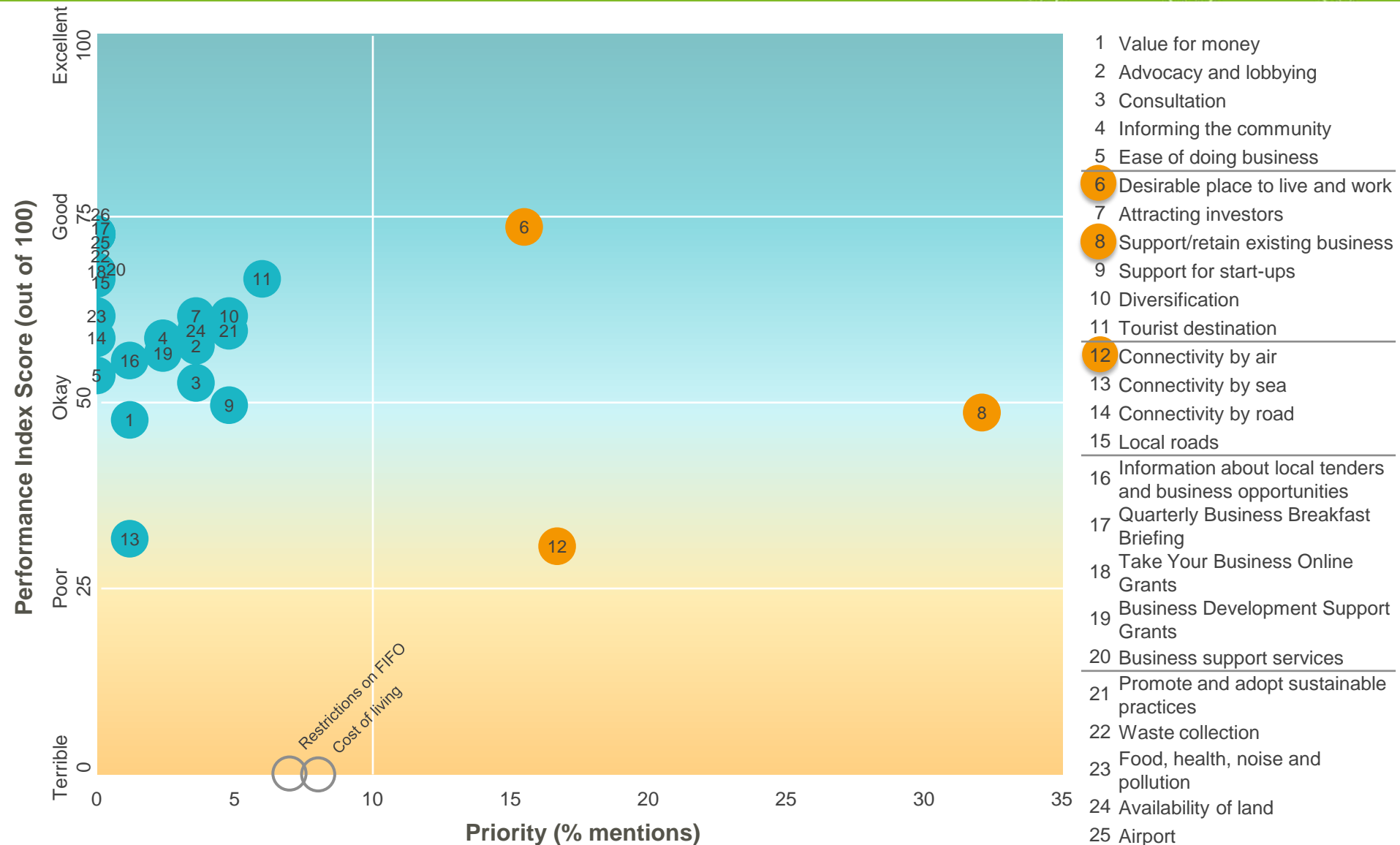
Secondary priorities which were not included in the performance measures but were spontaneously mentioned as areas to address include:

- Cost of living
- Restricting FIFO jobs

While the performance rating for connectivity by sea was low, it seems the business community would prefer that the City prioritises air connectivity, before improving sea connectivity.



MARKYT Community Priorities Window™



Q. How would you rate performance in the following areas? Base: All respondents, excludes unsure and no response. (n=varies)

Q. Which areas would you most like the City of Karratha to focus on improving? Base: All respondents, excludes no response (n = 84)

Business Climate

Business performance over the past 12 months

60% of respondents reported that their business performance improved over the past 12 months.

It was higher among KDCCI members, businesses located in Karratha LIA, larger businesses, and respondents employed in MD, CEO and GM roles.

It was lower among sole traders and home-based businesses.

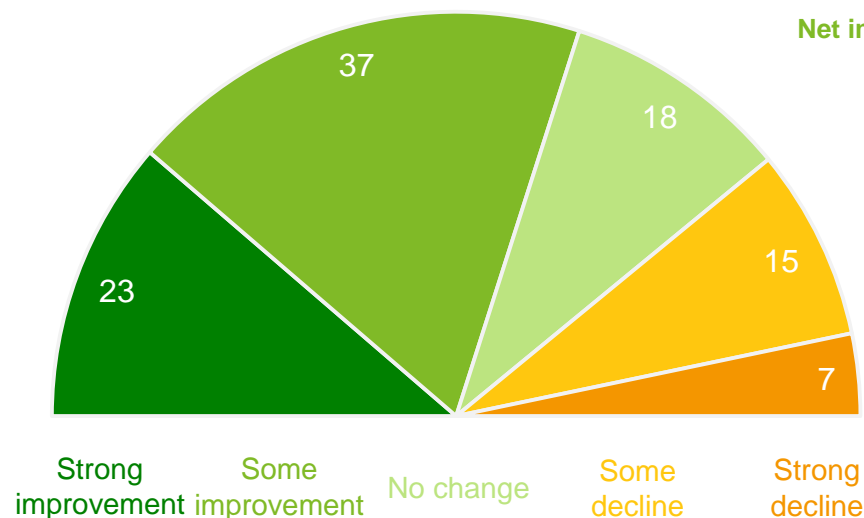
It is noteworthy that MDs, CEOs and GMs observed more improvement than those in other senior management roles. Local businesses may benefit from sharing good news about their performance internally with staff. This may help to build business confidence in the region.

Performance ratings

% of respondents

60%

Net improved*



Variances across the community

% improved

Total	Business Owner	MD/CEO/GM	Other senior management	KDCCI members	Non-members	Home-based	Non home-based	Male	Female	18-34 years	35-54 years	55+ years	Sole trader	2 to 5 employees	6 to 19 employees	20+ employees	0 to 3 years	4 to 10 years	11+ years	Karratha CBD	Other Karratha	Karratha LIA	Outside Karratha
60	59	79	50	67	52	54	66	61	64	65	61	59	52	52	66	76	61	66	59	59	53	86	58

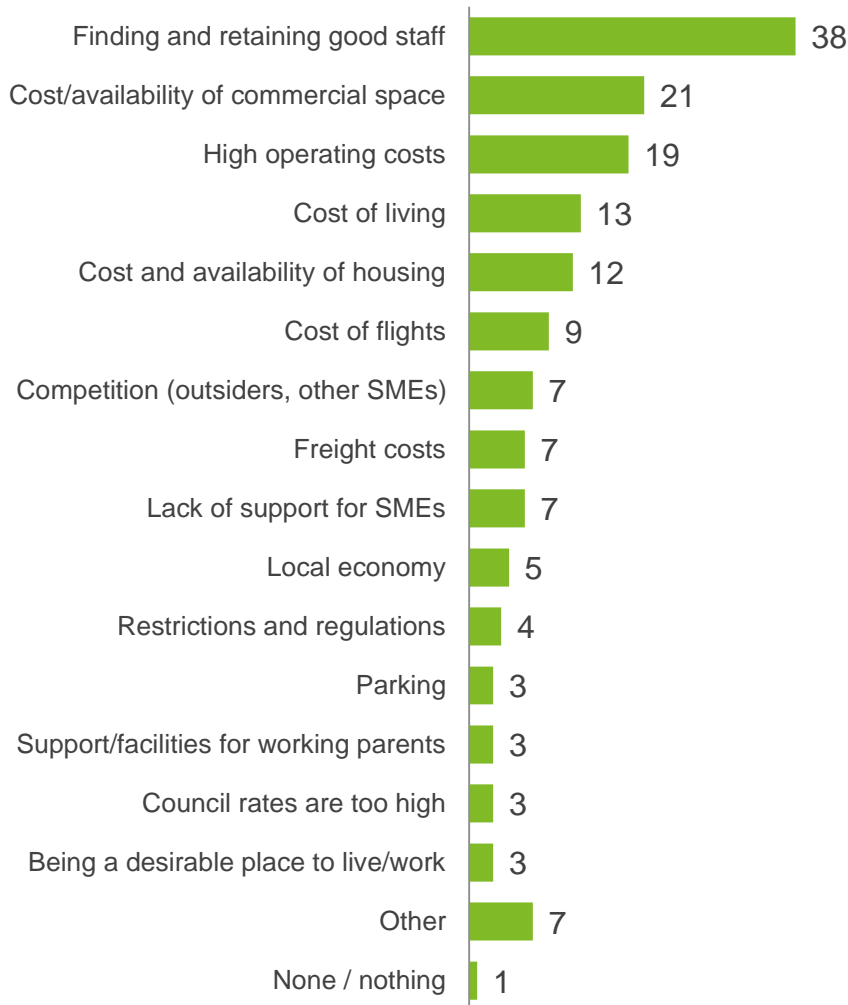
Q. Over the past 12 months, how did your business perform compared to the previous year?

Base: All respondents, excludes 'unsure' and 'no response' (n = 137).* Net improved = strong improvement + some improvement.

Issues or challenges facing businesses and the region

Issues or challenges facing businesses and the region

% of respondents (excludes no response)



The main issues and challenges facing businesses relate to a skills shortage in the region, difficulty retaining staff, high staffing costs, and high commercial rents and operating costs.

“Main issue is local employment. As a small business competing with larger companies is a struggle. There is a shortage in our trade and the only TAFE facilities for our trade is based in Perth, therefore apprentices have to travel.”

“Finding local employment and retaining them with the cost of living (e.g. rental prices & electricity) on the rise it is hard to find and keep a local workforce.”

“High commercial rents. Not a lot of foot traffic. Challenge to retain retail staff due to the allure of other industry positions offering salary packages we can’t compete with...”

“High business running costs e.g. commercial rental, insurances, logistics, staffing.”

“Costs of employment and doing business. Availability of affordable business premises rents.”

“Rents & outgoings. Recruiting and retaining staff. Housing staff. Freight and logistics. Consistent trade. Competition washing debt through receivership. Boom/bust cycle. Cost of maintenance.”

Q. What are the main issues or challenges facing your business or the region?

Base: All respondents, excludes ‘no response’ (n = 107).

Chart shows responses mentioned spontaneously by 3% or more respondents.

Proportion of sales from outside City of Karratha region

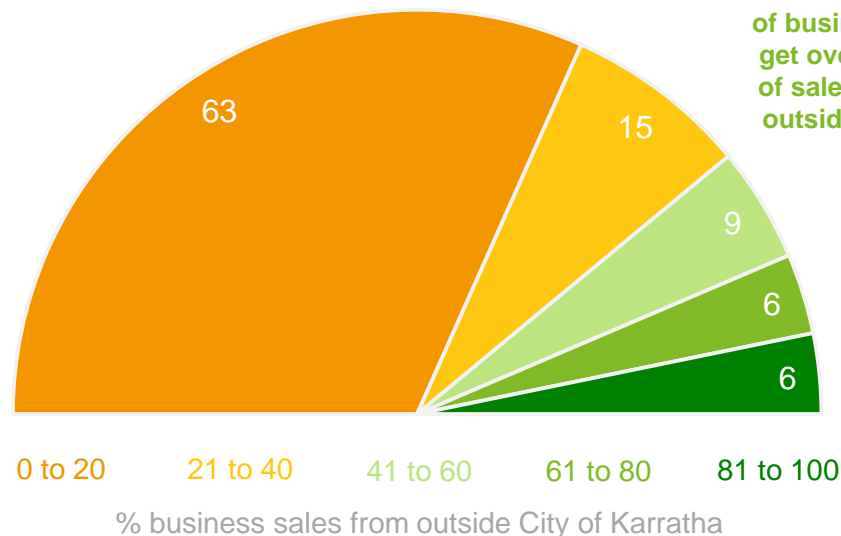
22% of respondents report that over 40% of their sales come from outside the City of Karratha region.

Conducting business outside the region is highest among older males (55+ years), who have been operating for over 10 years, who work in a larger business (20+ employees) and are members of the KDCCI.

Younger respondents (under 55 years) and females are less likely to sell outside of the region. They may benefit from greater support, encouragement, mentoring and training to grow sales outside of the region. This may involve reviewing their product or service offer, and distribution channels, to see what can be marketed and delivered outside of the region.

Performance ratings

% of respondents



Variances across the community

% of businesses where over 40% of their sales come from outside the City of Karratha

Total	Business Owner	MD/CEO/GM	Other senior management	KDCCI members	Non-members	Home-based	Non home-based	Male	Female	18-34 years	35-54 years	55+ years	Sole trader	2 to 5 employees	6 to 19 employees	20+ employees	0 to 3 years	4 to 10 years	11+ years	Karratha CBD	Other Karratha	Karratha LIA	Outside Karratha
22	19	25	33	26	15	23	22	33	17	17	19	44	24	24	13	38	17	21	29	22	26	25	15

Q. What proportion of your sales come from customers/clients located outside of the City of Karratha region?

Base: All respondents, excludes 'unsure' and 'no response' (n = 109).

Familiarity with local services and facilities

Familiarity with local services and facilities

% of respondents who were familiar with service area and able to comment



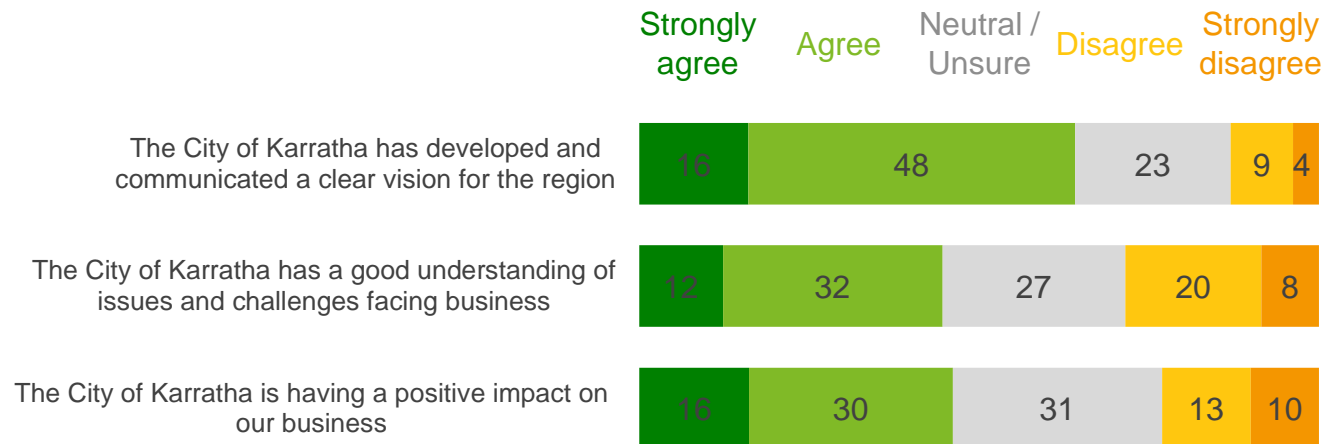
Chart shows proportion of respondents who were familiar enough with the service area to rate performance.

Performance

Business Sentiment

Level of agreement

% of respondents



MARKYT Industry Standards

% total agree

City of Karratha	Industry Average	Industry High
64	51	64
45	42	49
46	NA	NA

% total agree	Total	Business Owner	MD/CEO/GM	Other senior management	KDCCI members	Non-members	Home-based	Non home-based	Male	Female	18-34 years	35-54 years	55+ years	Sole trader	2 to 5 employees	6 to 19 employees	20+ employees	0 to 3 years	4 to 10 years	11+ years	Karratha CBD	Other Karratha	Karratha LIA	Outside Karratha
Communicated a clear vision for the region	64	61	79	81	73	53	57	70	72	64	67	66	61	62	58	71	71	59	67	72	71	57	67	55
Good understanding of issues and challenges	45	40	64	63	51	40	45	47	53	44	44	49	39	38	48	52	44	50	47	42	48	40	48	45
Positive impact on our business	46	46	64	44	54	40	45	50	56	46	44	49	50	50	39	57	44	59	40	42	46	40	56	55

Q. How strongly do you agree or disagree with the following statements about the City of Karratha:

Base: All respondents, excludes 'no response' (n = varies from 130 to 131)

Performance ratings | Overall, Leadership & Economic development

Performance ratings

% of respondents



MARKYT Industry Standards

Performance Index Score

City of Karratha	Industry Average	Industry High
70	71	77
64	64	70
48	49	56
58	NA	NA
53	47	54
59	52	60
54	NA	NA
74	NA	NA
62	NA	NA
49	NA	NA
50	NA	NA
62	NA	NA
67	NA	NA

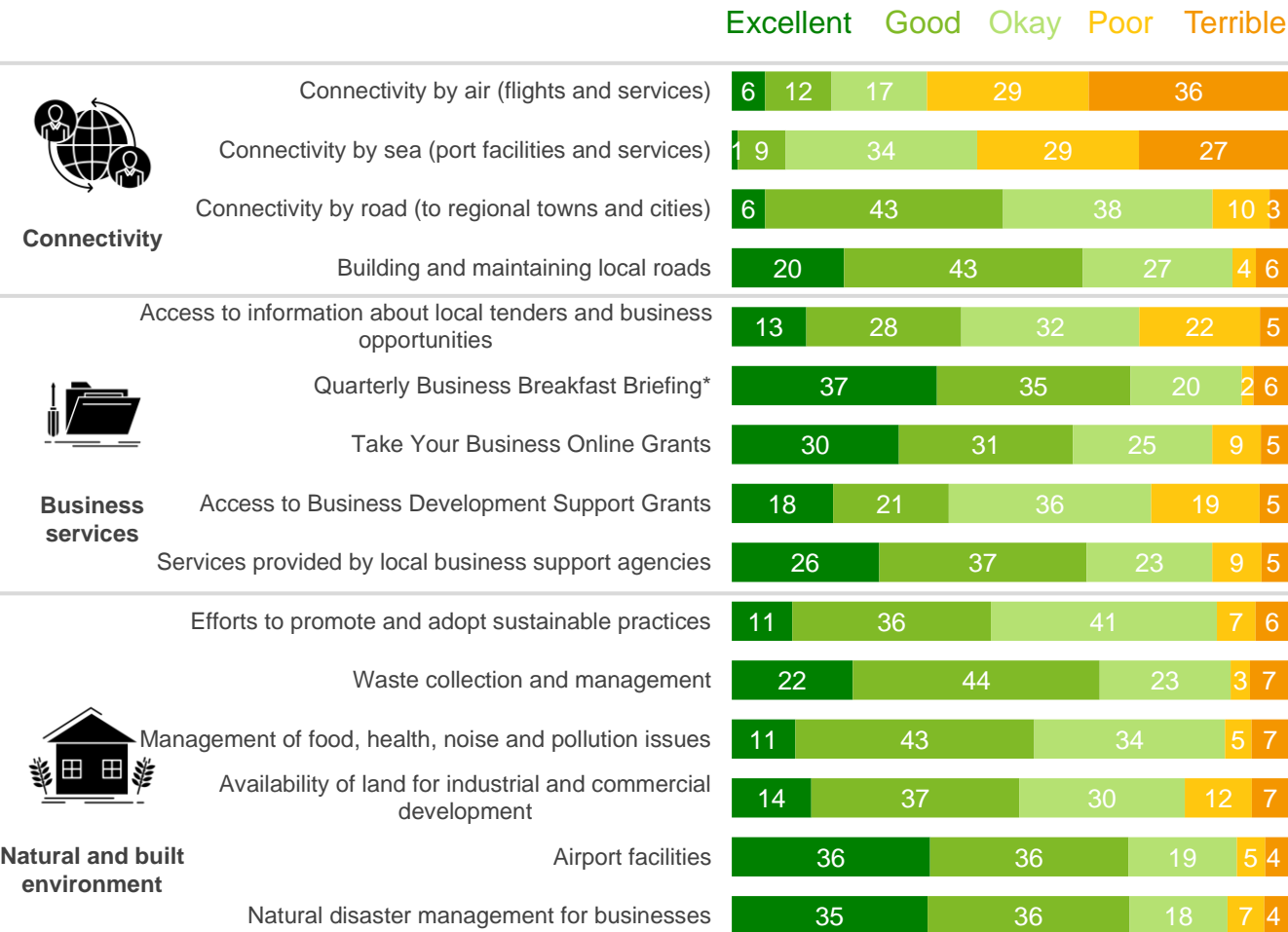
Q. How would you rate performance in the following areas?

Base: All respondents, excludes 'unsure' and 'no response' (n = varies from 91 to 146)

Performance ratings | Connectivity, Services & Environment

Performance ratings

% of respondents



MARKYT Standards

Performance Index Score

City of Karratha	Industry Average	Industry High
31	NA	NA
32	NA	NA
59	NA	NA
67	63	69
56	NA	NA
73	65	73
68	NA	NA
57	NA	NA
68	NA	NA
60	59	61
68	66	69
62	60	67
60	NA	NA
73	NA	NA
73	NA	NA

Q. How would you rate performance in the following areas?

Base: All respondents, excludes 'unsure' and 'no response' (n = varies from 77 to 119)

* Benchmarked against "Business networking and learning opportunities"

Performance:

MARKYT  Benchmark Matrix

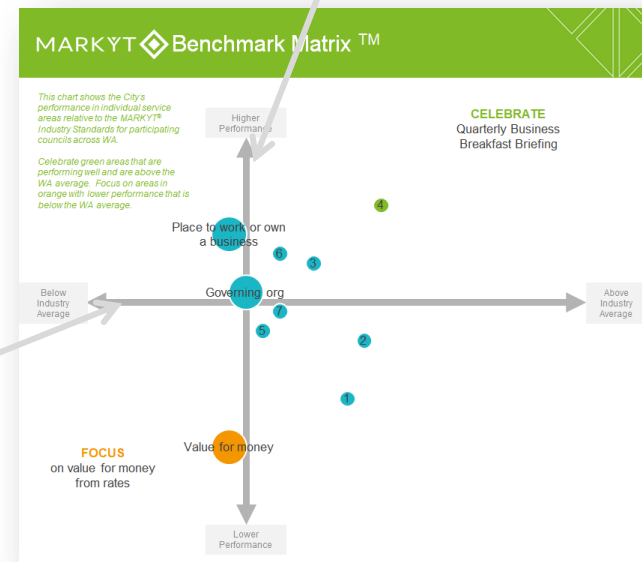
How to read the MARKYT Benchmark Matrix TM

The MARKYT[®] Benchmark Matrix TM (shown in detail overleaf) illustrates how the business community rates performance on individual measures, compared to how other councils are being rated by their business communities.

There are two dimensions. The vertical axis maps community perceptions of performance for individual measures relative to the average score for all measures. The horizontal axis maps performance relative to the MARKYT[®] Industry Standards.

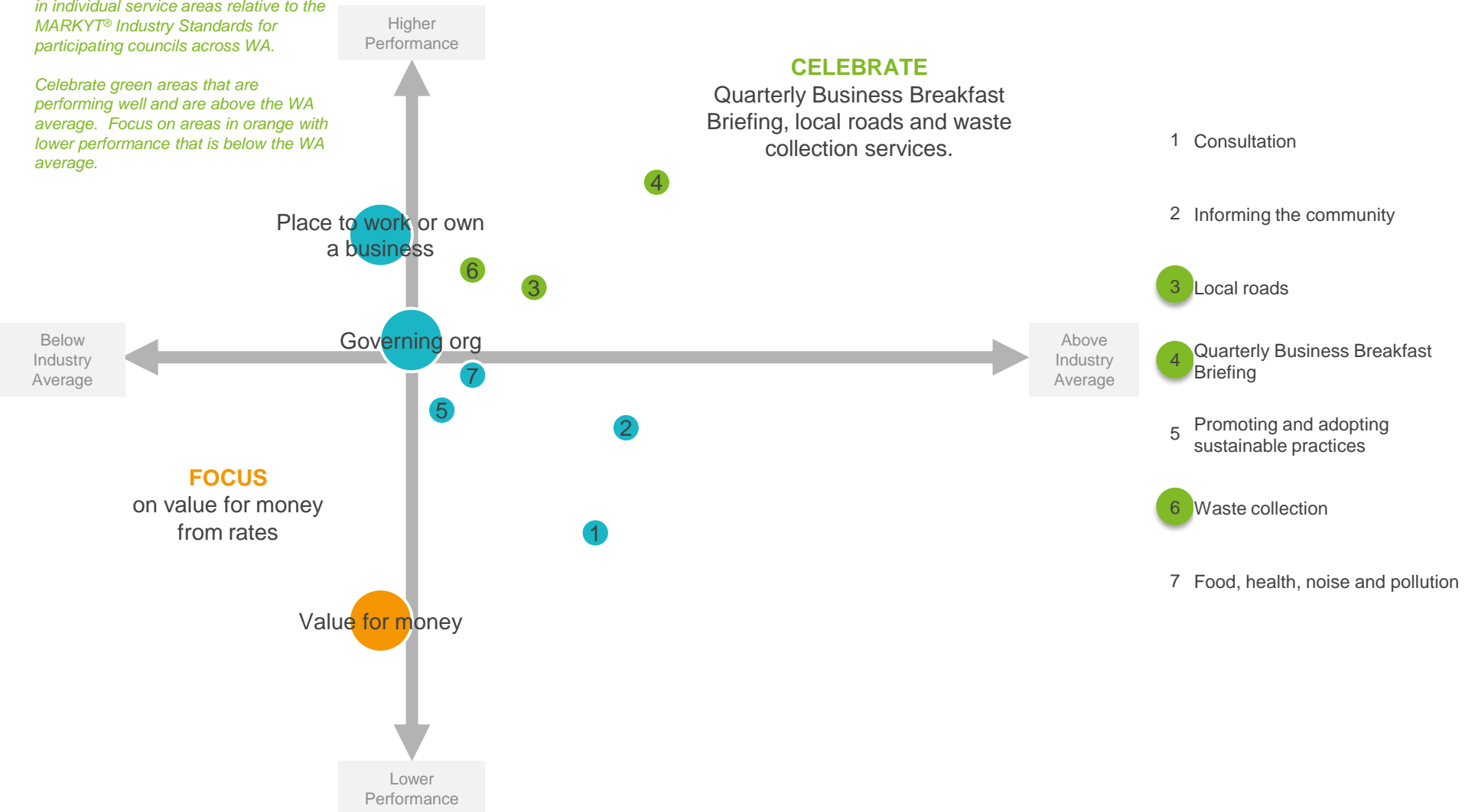
Councils aim to be on the right side of this line, with performance ABOVE the MARKYT[®] Industry Standard.

This line represents Council's average performance for all individual measure. As it represents the average, around half of the service areas will be placed above the line, and around half will be positioned below the line.



This chart shows the City's performance in individual service areas relative to the MARKYT® Industry Standards for participating councils across WA.

Celebrate green areas that are performing well and are above the WA average. Focus on areas in orange with lower performance that is below the WA average.



Q. How would you rate performance in the following areas? Base: All respondents, excludes unsure and no response. Service areas are included when MARKYT® Industry Standards are available.

Performance:

Overview of Community Variances

Overview of Community Variances

Generally:

- KDCCI members rate performance higher than non-members:
- CEOs, MDs, GMs and other senior managers provide higher performance ratings than business owners
- Large businesses tend to provide lower performance ratings. Their lowest rating was for connectivity by sea with an index score of 20 out of 100, 12 points below the average rating by all respondents.

Community variances | Overall, Leadership & Economic development

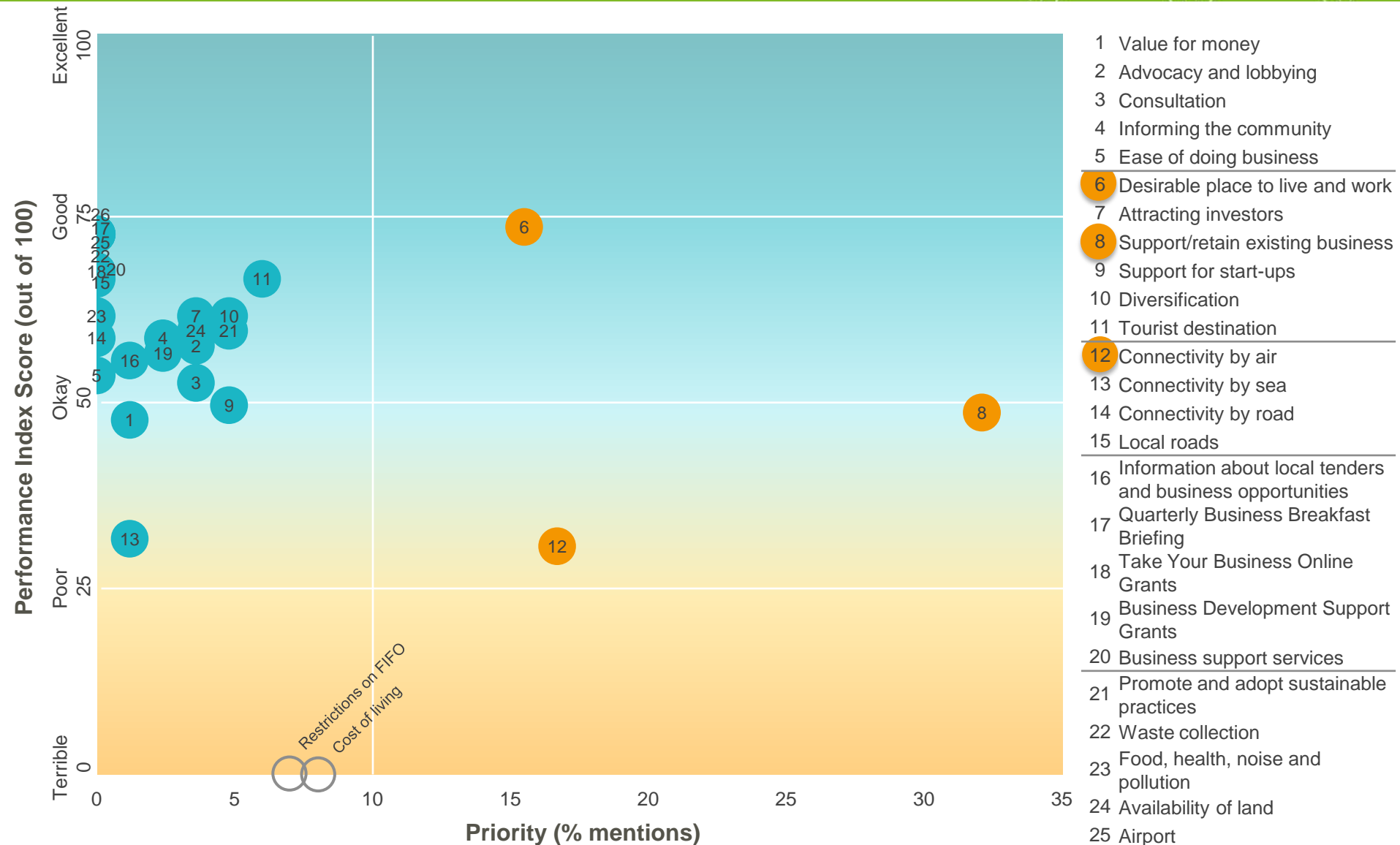
	Total	Business Owner	MD/CEO/GM	Other senior management	KDCCI members	Non-members	Home-based	Non home-based	Male	Female	18-34 years	35-54 years	55+ years	Sole trader	2 to 5 employees	6 to 19 employees	20+ employees	0 to 3 years	4 to 10 years	11+ years	Karratha CBD	Other Karratha	Karratha LIA	Outside Karratha
Place to work or operate a business	70	69	77	68	76	65	71	72	73	72	71	72	71	70	73	76	65	71	69	76	69	68	74	69
Governing organisation	64	63	75	62	69	59	69	63	67	66	61	66	63	68	66	66	59	70	60	63	63	62	64	68
Value for money	48	47	52	49	52	48	53	50	53	50	40	53	51	48	57	50	45	56	47	49	51	47	43	51
Advocacy and lobbying	58	55	69	65	61	53	55	60	65	55	50	61	57	60	60	58	55	59	54	61	61	56	53	53
Consultation	53	49	66	66	57	45	50	54	58	51	53	55	46	57	54	54	47	55	54	51	54	51	49	57
Informing the community	59	53	77	72	65	48	55	61	61	60	57	61	56	62	57	63	51	63	56	59	58	55	60	63
Ease of doing business	54	51	59	60	55	53	51	56	57	54	50	56	53	57	54	55	53	57	51	56	53	52	51	56
Desirable place to live and work	74	73	88	72	76	69	72	75	76	75	65	75	75	74	72	78	68	78	69	74	73	73	76	68
Attracting investors	62	60	71	67	67	54	58	64	64	64	55	62	68	57	69	64	53	65	57	63	66	60	61	57
Support and retain existing business	49	47	54	58	53	42	45	51	53	48	50	49	50	52	46	51	47	51	42	54	51	45	50	47
Support for start-ups	50	48	56	58	55	42	49	50	49	53	43	52	48	51	48	53	48	48	51	52	53	46	43	53
Diversification	62	59	75	67	68	48	59	63	63	63	55	64	58	62	60	66	54	63	61	61	68	54	56	62
Tourist destination	67	66	81	67	69	63	65	67	64	70	56	69	68	69	64	68	65	73	58	67	67	65	69	60

Community variances | Connectivity, Services & Environment

	Total	Business Owner	MD/CEO/GM	Other senior management	KDCCI members	Non-members	Home-based	Non home-based	Male	Female	18-34 years	35-54 years	55+ years	Sole trader	2 to 5 employees	6 to 19 employees	20+ employees	0 to 3 years	4 to 10 years	11+ years	Karratha CBD	Other Karratha	Karratha LIA	Outside Karratha
Connectivity by air	31	27	50	36	34	25	29	32	33	30	18	34	29	25	36	31	28	35	16	35	34	33	30	25
Connectivity by sea	32	31	35	30	30	34	33	31	31	32	28	31	37	32	33	35	20	38	27	29	33	34	30	33
Connectivity by road	59	59	60	61	60	59	60	59	59	61	64	59	57	58	63	60	53	64	55	60	60	59	57	58
Local roads	67	66	73	72	70	62	64	68	71	66	64	68	65	66	70	67	60	72	68	63	69	63	67	66
Information about local tenders and business opportunities	56	53	55	70	60	47	54	56	58	55	48	58	53	59	56	57	50	54	60	56	59	49	54	58
Quarterly Business Breakfast Briefing	73	70	83	82	79	58	70	74	76	74	67	76	68	72	74	72	76	72	72	77	76	70	72	66
Take Your Business Online Grants	68	69	73	64	69	65	69	67	65	72	73	71	52	68	69	71	60	67	74	65	70	67	56	73
Business Development Support Grants	57	54	65	59	56	56	60	54	56	59	55	58	52	69	57	54	50	60	56	54	59	56	44	61
Business support services	68	67	73	70	73	57	69	67	68	70	62	71	63	76	67	67	63	71	66	69	64	68	69	69
Promote and adopt sustainable practices	60	58	68	64	63	53	61	58	62	60	50	63	55	60	61	61	53	63	59	57	61	58	54	60
Waste collection	68	66	65	72	72	62	68	68	70	67	57	70	69	69	67	71	59	65	70	70	71	67	60	72
Food, health, noise and pollution	62	60	65	66	67	55	62	62	63	62	55	63	67	59	65	64	55	60	58	68	63	62	61	64
Availability of land	60	59	58	67	65	50	61	60	59	62	50	63	58	66	63	60	52	63	60	59	66	58	51	55
Airport facilities	73	75	75	69	78	66	71	74	80	70	69	74	72	71	73	78	63	74	76	71	77	73	75	71
Natural disaster management	73	72	79	71	75	70	78	71	75	73	78	73	69	74	80	76	55	80	74	66	72	72	73	74

Addressing Community Priorities

MARKYT Community Priorities Window™



Q. How would you rate performance in the following areas? Base: All respondents, excludes unsure and no response. (n=varies)

Q. Which areas would you most like the City of Karratha to focus on improving? Base: All respondents, excludes no response (n = 84)

Efforts to support and retain existing businesses

Challenges

- Lack of support for local small businesses
- Marketing and business development opportunities for small businesses
- High cost of commercial space, employee accommodation, flights, etc.

Community Driven Actions

1. Provide business support services to local businesses
2. Provide work opportunities to local small businesses
3. Help local businesses cut costs, continue to advocate for lower airfares and advocate for more / better / cheaper commercial spaces and accommodation

Community Voices

“Improving local business opportunities.”

“Ensure businesses and government departments are using small local businesses.”

“Focus on other small businesses for work opportunities rather than just a favoured few.”

“Make more resources such as financial and marketing management available to small businesses. Promote small businesses, especially those ones recruited from locals, to local and state's tender to boost the growth of small businesses and local economy.”

“Supporting the individual or small business owner, access to cheaper industrial rentals etc. From this comes growth then more employees.”

“More help with service workers accommodation, less restrictions and cheaper rent.”

“Continue on the path of lowering flights and supporting small business.”

Challenges

- Airfares are too expensive
- Limited destinations available for flights

Community Driven Actions

1. Continue to advocate for lowering the cost of airfares
2. Advocate for connections between Karratha and destinations other than Perth

Community Voices

“Work on reducing cost of flights to the region.”

“Continue on the path of lowering flights ...”

“Lobbying to reduce the cost of flights even further.”

“Get more actively involved in regard to the cost of flights for locals.”

“More flight destinations other than Perth. Cheaper flights.”

“Keep pressure on airline carriers to reduce the cost of flights, establish connectivity with Australian Capital cities other than Perth and establish an International connection.”

“Advocating for cheaper air-fares, routes to other capital cities. This will allow families to travel cost effectively and also bring tourists to the region.”

“Direct overseas flights, it will be a game changer for Karratha.”

Challenges

- Not enough people living in or visiting Karratha
- Not enough to do in the City
- Insufficient access to education after high school
- Real estate is too expensive

Community Driven Actions

1. Promote Karratha as a place to live and work
2. Foster community connections through urban design, entertainment, etc.
3. Facilitate access to post-secondary education and training
4. Advocate for cheaper housing

Community Voices

“Push to attract more people to come and live in town.”

“Sell the city as an amazing place to live and work “

“Continue to promote the area as a great place to live and work to attract more people to our town.”

“Creating a more community friendly central hub that focuses on people instead of buildings and car parking. People make a community and attract more people to the area.”

“More entertainment - to make more people want to come here - with some better restaurants.”

“Easier access to university for families with Uni aged kids (avoid the need to migrate away from the region). Need cheaper land for sale or more support for home construction (cost to buy land and building houses works out costing more than value at completion - not viable to building).“

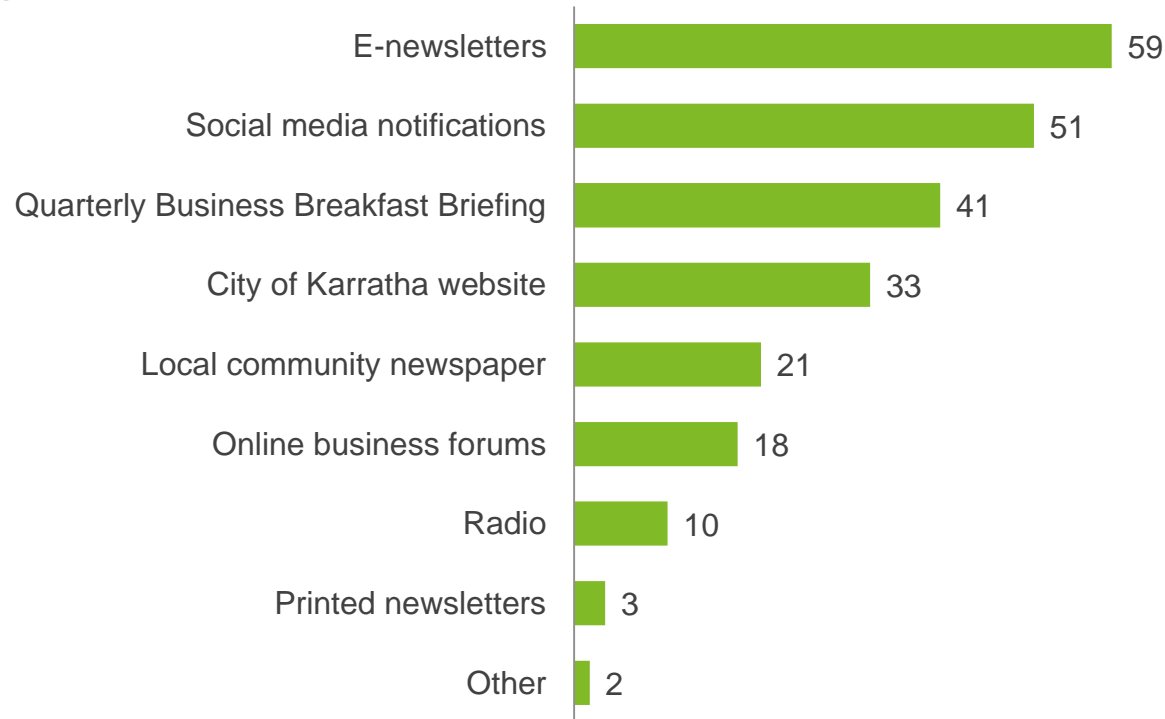
Communication Preferences

Preferred sources of information

E-newsletters are the most preferred source for receiving business information and updates from the City of Karratha, followed by social media notifications and the Quarterly Business Breakfast Briefing.

Preferred sources of information | Business information and updates

% of respondents



Q. How would you prefer to receive business information and updates from the City of Karratha?

Base: All respondents, excludes no response (n = 116)

Preferred sources of information | demographic variances

E-newsletters are the most preferred overall. This preference is highest among sole traders and smaller businesses, those in senior management positions (other than MDs, CEOs or GMs), females and newer operators.

Other key variances include: 1) Preference for Quarterly Business Breakfast Briefings is greater among KDCCI members, males and larger businesses in the CBD, 2) Preference for the website is greater among home-based businesses, non-KDCCI members and newer businesses, 3) preference for the local community newspaper is higher among those aged 55+ years and 4) preference for radio is higher among 18-34 year olds.

	All respondents	Business Owner	MD/CEO/GM	Other senior management	KDCCI members	Non-members	Home-based	Non home-based	Male	Female	18-34 years	35-54 years	55+ years	Sole trader	2 to 5 employees	6 to 19 employees	20+ employees	0 to 3 years	4 to 10 years	11+ years	Karratha CBD	Other Karratha	Karratha LIA	Outside Karratha
E-newsletters	59	61	54	75	62	58	57	63	53	68	61	59	65	77	68	48	50	70	53	56	60	57	48	50
Social media notifications	51	52	54	38	51	51	52	50	44	54	50	52	47	54	42	57	44	48	53	51	51	48	44	55
Quarterly Business Breakfast Briefing	41	30	62	69	58	16	21	53	49	38	33	44	35	27	39	48	50	36	30	54	60	26	36	35
City of Karratha website	33	33	23	38	26	42	43	26	28	35	33	30	41	42	26	29	44	41	20	33	24	46	44	45
Local community newspaper	21	16	31	25	17	24	24	18	28	16	6	22	29	19	19	21	25	20	7	28	20	28	20	15
Online business forums	18	20	15	13	20	16	21	17	16	21	17	19	18	15	23	14	25	16	20	21	22	17	8	20
Radio	10	9	0	19	7	13	5	13	12	7	22	9	0	8	10	12	13	9	13	8	11	9	28	15
Printed newsletters	3	5	0	0	3	4	2	4	5	3	0	4	6	4	3	2	6	7	3	0	4	4	4	5
Other	2	1	0	0	1	2	2	1	0	1	0	1	6	4	0	2	0	0	3	3	0	2	0	5

Q. How would you prefer to receive business information and updates from the City of Karratha?

Base: All respondents, excludes no response (n = 116)

Preferred sources of information | top mentions by segment

E-newsletters and social media notifications are preferred across all groups.

Quarterly Business Breakfast briefings are preferred among males in larger businesses, those located in the Karratha CBD area, those who have operated in the area for over 10 years and KDCCI members.

The City of Karratha's website tends to be preferred more by home-based businesses, sole-traders and newer operators.

	All respondents	Business Owner	MD/CEO/GM	Other senior management	KDCCI members	Non-members	Home-based	Non home-based	Male	Female	18-34 years	35-54 years	55+ years	Sole trader	2 to 5 employees	6 to 19 employees	20+ employees	0 to 3 years	4 to 10 years	11+ years	Karratha CBD	Other Karratha	Karratha LIA	Outside Karratha
E-newsletters	59	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Social media notifications	51	◆	◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Quarterly Business Breakfast Briefing	41		◆	◆	◆			◆	◆						◆	◆	◆			◆	◆			
City of Karratha website	33						◆							◆			◆	◆				◆	◆	◆
Local community newspaper	21																							
Online business forums	18																							
Radio	10																							
Printed newsletters	3																							
Other	2																							

Q. How would you prefer to receive business information and updates from the City of Karratha?

Base: All respondents, excludes no response (n = 116)



www.catalyse.com.au
Office 3, 996 Hay Street, Perth WA 6000
PO Box 8007, Cloisters Square WA 6850
Phone +618 9226 5674
Email: info@catalyse.com.au
ABN 20 108 620 855

MARKYT 