

SMALL BUSINESS

AUSTRALIA'S RURAL REVIVAL REPORT

2020



Australia's regional centres are brimming with untapped potential - something technology is starting to unleash as we see more small businesses switch the hustle and bustle of the city life for the beauty of a simpler rural or regional location.

Technology platform Zoho, together with Telsyte, surveyed more than 1,000 Australian SME leaders to better understand how Australia's rural revival is tracking.

The use of technology to conduct business on a remote basis has seen steady growth in Australia, with the increase of cloud-based technologies affordable and available to businesses of all sizes. This has allowed small and micro businesses to operate in the virtual landscape, connecting to the internet to stay in touch with their team through online meetings and chat with customers via chat, email and social media.

The research found regional-based small business leaders prefer life outside of the capital cities and that they need government support to help repopulate their communities.

Australia's regions have had a tough year to navigate with many contending with bushfires, floods, drought and the effects of COVID-19. Some have dealt with all four. The result? Many have dug deep and launched side hustles to supplement household incomes proving resilience, entrepreneurship and creativity are in abundance in our non-metro areas.

Zoho believes that the COVID-19 pandemic will accelerate small businesses' adoption of cloud technologies to better manage costs, with enabling a 'work from anywhere' ethos a key consideration.

Technology and policy have a strong role to play in maximising the benefits of rural work

Regional-based small business leaders prefer life outside of the capital cities.

Encouraging a move to the regions is something those in rural communities want the government to focus on with more than half saying they need policies to help repopulate regional areas. Of those living in non-metro areas, about 45% say small businesses are more productive in regional areas, compared to 30% of small business leaders in the metro areas.



1

1 in 3

(34%) non-metro small business leaders would like to mix their professional life with time working on farms or rural properties

All small business leaders: **25%**



2

2 in 3

(68%) non-metro small business leaders say living outside of capital cities is better for the environment

All small business leaders: **46%**



3

3 in 4

(75%) non-metro small business leaders say being based outside of capital cities can improve their lifestyle

All small business leaders: **49%**



4

4 in 5

(83%) non-metro small business leaders do not feel isolated when living and working outside of the capital city

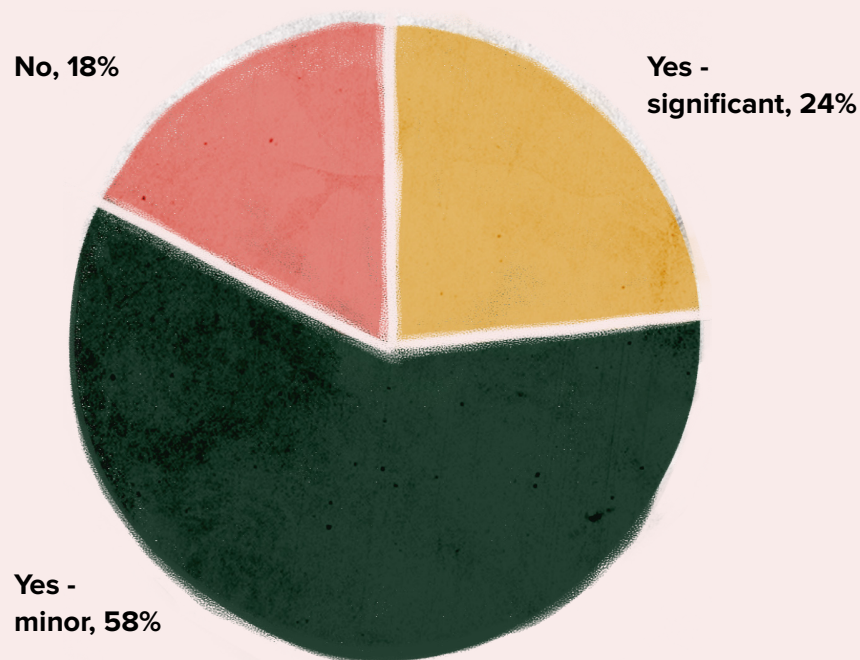
It's been a tough year

With Australia hit by bushfires, drought, floods and COVID-19, it's been a tough year for the nation's small business owners. Of those in rural communities, 43% have been affected by disasters in the past 12 months with half experiencing community challenges like mental health issues, rural depopulation or loss of identity.

1 in 4 non-metro small business affected by bushfires, drought or floods experienced significant hardship



Did you sustain any hardship from (bushfires, drought, floods) in the past 12 months? (non-metro respondents)



State by state breakdown of the impacts of natural disasters

61% of NSW-based businesses were affected by drought, fire or flood in the last 12 months, followed by

QLD - (40%)

VIC - (36%)

SA - (34%)

WA - (14%)

Resilience, entrepreneurship and creativity is thriving in Australia's regions

Not one for resting on their laurels, Australia's regional businesses have started to look at how they can adapt to survive during these trying times.

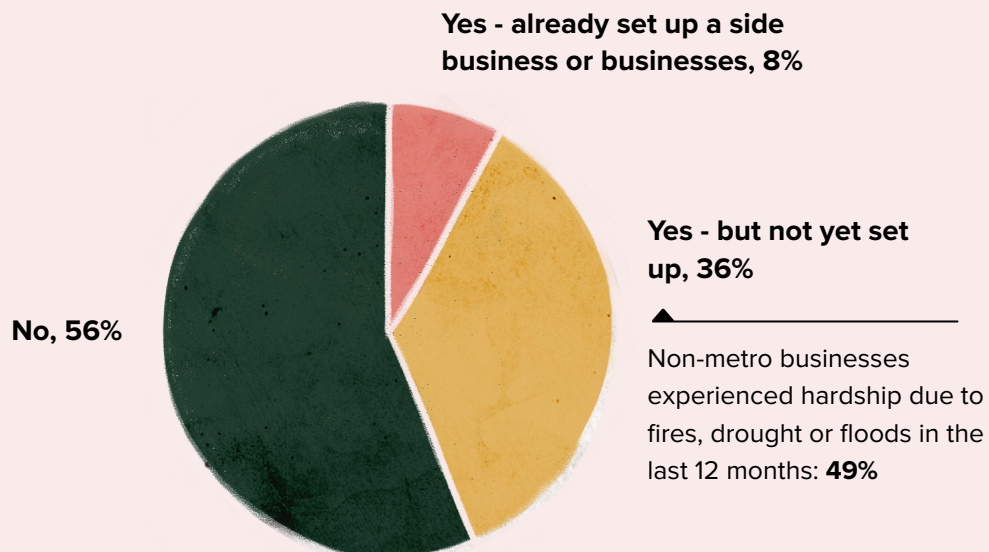
One way they're doing this is by starting 'side hustles' to support themselves during hardship. About 44% of Australia's small rural businesses are starting 'side hustles' to support household income and 44% of those who have already set up a side hustle have set up at least two businesses for extra support.

More than 1 in 3 of those side businesses were in the retail sector with personal and professional services like accounting, yoga instructing, homeopathy, legal advice and bookkeeping also featuring as quite popular side hustles.

Almost half non-metro business leaders who experienced hardship from disasters in the last 12 months have already, or plan to, set up side businesses.

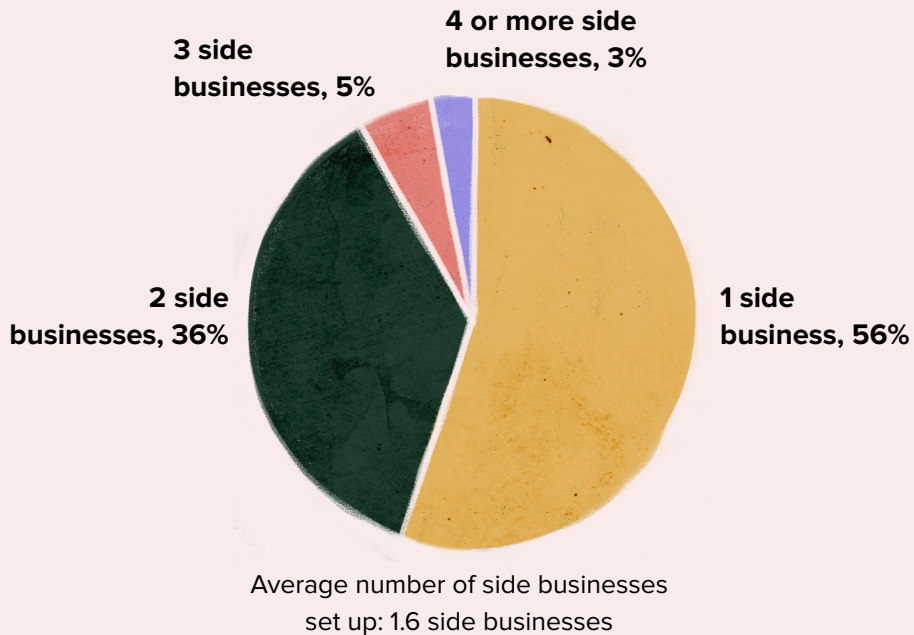


Have you considered running an additional side business to support you or your family while experiencing hardship from fires, drought or floods?
(Rural respondents)



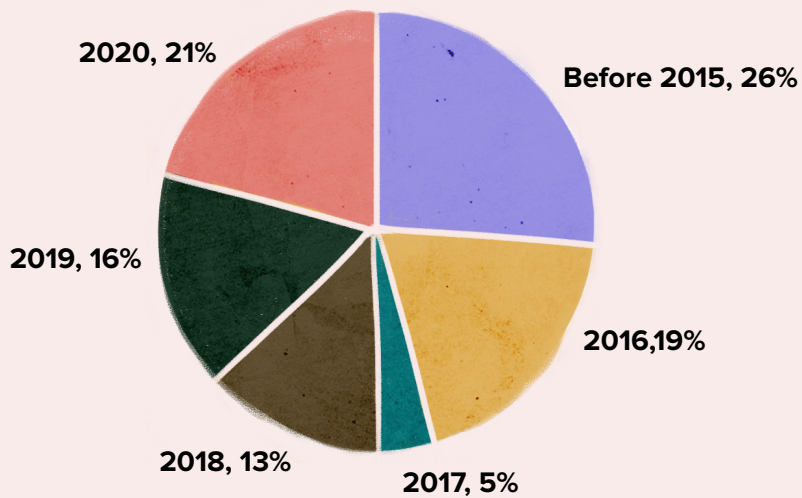
44 per cent (of those who have set up side businesses) have set up two or more side businesses to support themselves during hardship

Q How many side businesses have you set up? (Rural respondents)



Half of the "hardship side businesses" were set up in the last two years

Q When did you set up your main side business? (Rural respondents)

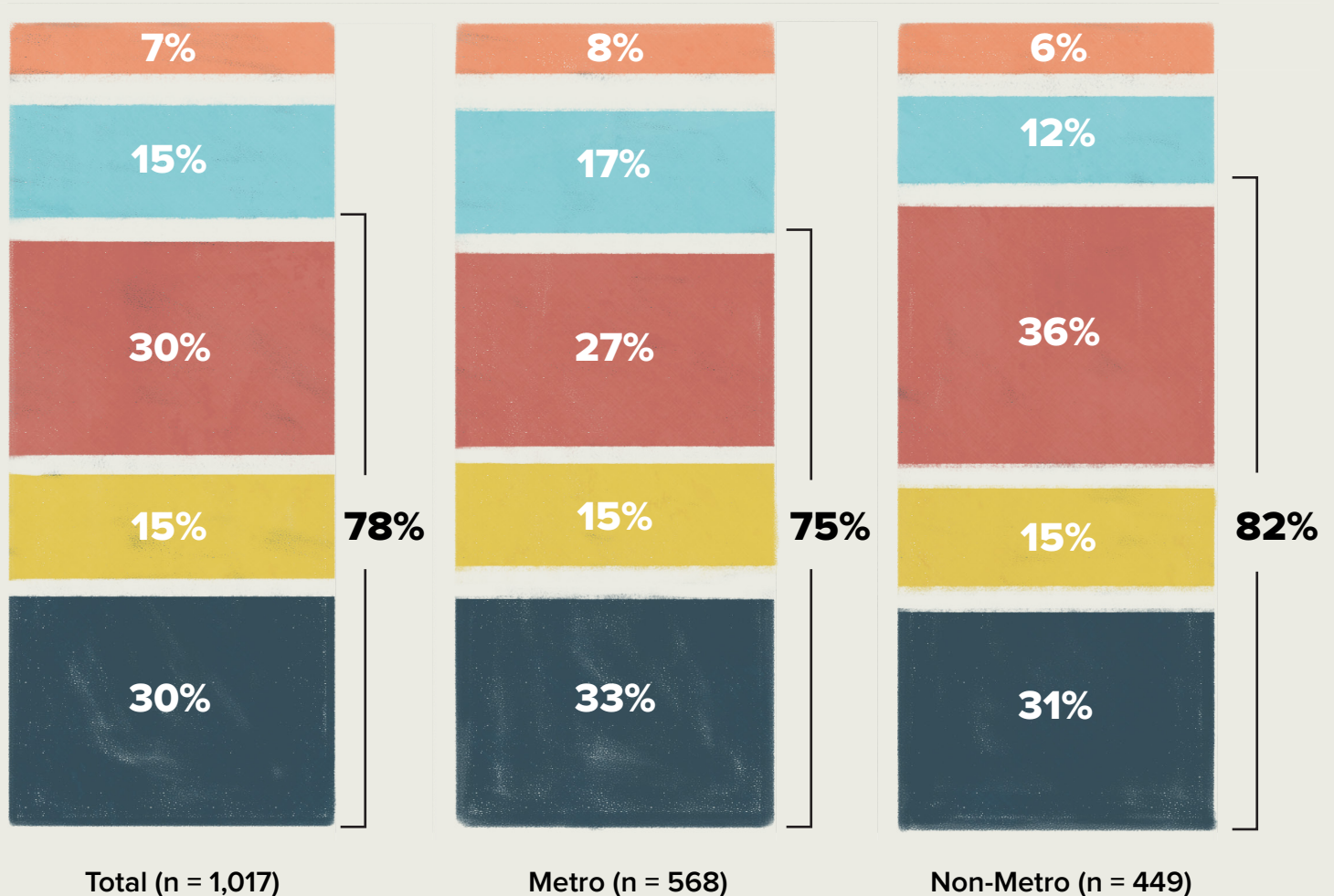


Remote working more prevalent in regional Australia

The tyranny of distance is sparking a remote working revolution in Australia's regional communities where digital transformation has long been considered a key necessity for regional businesses to thrive. The research shows remote work is currently more prevalent in non-metro areas, with 82% of business owners working from home at least one or two days a week compared to 75% of metro businesses.

Q Do you ever work from home?

- Yes - Always
- Yes - Regularly (1 - 2 days)
- Yes - Most of the time (3 - 4 days)
- No - Would if I could
- No - Would not consider





In conclusion

In order to spread economic opportunity beyond capital cities we must focus on Australia's rural revival. If we have learned anything from the past few months, it's that Australian business owners are resilient, entrepreneurial and adaptable. In an effort to reduce financial limitations, many are moving away from big cities for a more affordable lifestyle in rural areas. Further, this study confirms that with the help of technology, we can work from nearly anywhere - including our regional centers.

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About the research in this report

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In preparing this study, Telsyte used an online survey of 1,017 business decision makers across Australian organisations with 100 or fewer employees. Nearly half (47%) of respondents were from organisations with 5 or fewer employees.

The respondents were required to have a strong understanding of their organisation's software and technology purchasing and strategy. The sample is representative of the top 2,349,173 operating small businesses in Australia. The survey had a confidence interval of +/-3.07 at a confidence level of 95%.



About Telsyte

Telsyte is Australia's leading emerging technology analyst firm. Telsyte analysts deliver market research, insights and advisory into enterprise and consumer technologies. Telsyte is an independent business unit of DXC Technology.

Visit www.telsyte.com.au for more information.



About Zoho

With 45+ apps in nearly every major business category, including sales, marketing, customer support, accounting and back office operations, and an array of productivity and collaboration tools, Zoho Corporation is one of the world's most prolific software companies.

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