

TARANAKI BUSINESS SURVEY RESULTS

November 2023

TARANAKI BUSINESS SURVEY

Te Puna Umanga Venture Taranaki, the Regional Development Agency, has undertaken a six-monthly Business Survey since 1999. The results provide a useful overview of economic and business conditions in our region, for use in business planning and decision making.

The survey has a number of standard economic questions which enables us to compare year-on-year the business confidence and outlook for our region. We also ask some special topic questions, specific to an issue relevant to the business community. The special topics for this survey were the **Election Outcome** and **Leading through Change**.

This survey opened on Wednesday 8 November 2023 and closed on Friday 24 November 2023.

Questionnaires are sent to approximately 1,568 enterprises throughout Taranaki, across a range of industry sectors. The survey link is also shared via social media channels. With 158 respondents, the response rate is approximately 10% and average completion rate is 79%. This survey is open to enterprise owners and managers only. A breakdown of the respondent profiles is included on pages 36-40.

If you have any questions regarding this survey, please contact Venture Taranaki - info@venture.org.nz.

If you would like to join the business survey list, please [click here](#).

KEY FINDINGS

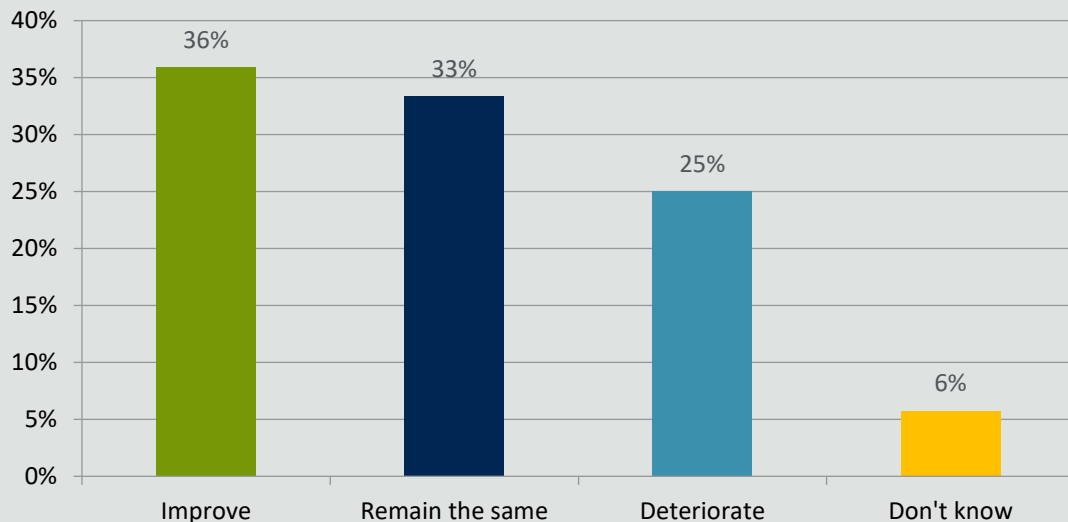
- 72% of respondents are located in the New Plymouth District and a large proportion of respondents represented hospitality, retail trade, and other service industry businesses.
- Results show Taranaki businesses are relatively optimistic regarding New Zealand's economic conditions for the next 12 months. This marks a significant positive shift since 2021.
- Businesses also report a more positive outlook for both the general business situation in Taranaki and in their respective industries.
- Most anticipate that their staff numbers will remain the same over the next 6-months. However of those who are recruiting, 37% still reported difficulties with securing appropriately skilled staff (this has softened slightly from June 2023).
- There has been a noticeable shift in rankings of concerns for businesses, as the price of fuel is now top of the list.
- Overall, Taranaki businesses think the new Government will have positive impacts on their business and industry.
- Transport infrastructure upgrades/maintenance and personal tax cuts were rated as offering the largest benefits to Taranaki business and industry, from a list of early-proposed policies.
- While inflation, interest rates, and cost of labour are also front of mind with many keen for the new Government to address these issues.
- Improving efficiencies, navigating and adapting to change, and developing employees, were reported as the most consistent leadership challenges for business owners.
- A noticeable 78% of respondents reported seeing shifts in leadership styles with an increased focus on employee wellbeing and mental health, and the need to be more agile largely reported.
- Looking ahead – Fostering loyal, open, supportive, and diverse workplaces, with strong skills in empowering and delegating to employees, and a focus on being creative and entrepreneurial, are all expected to be important leadership skills for future success.

ECONOMIC CONDITIONS



BUSINESS CONFIDENCE: NEW ZEALAND

Question 1: In the next 12 months, do you expect the general business situation in **New Zealand** to:



Findings

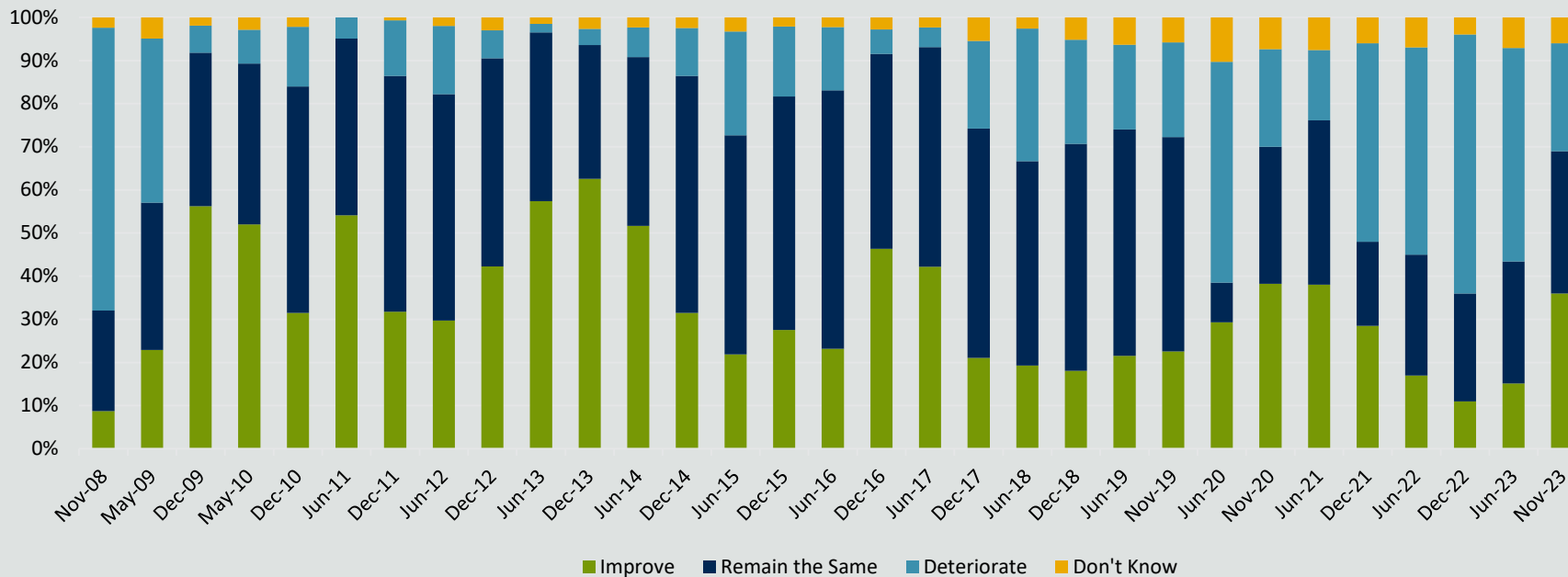
Results show a significant positive lift in expectations for the general business situation over the next 12 months.

36% of respondents expected an improvement, up from 15% in the June 2023 survey. This shift in sentiment demonstrates a rebound to confidence levels last seen in June 2021 (next page).

25% of respondents anticipate the general business situation in New Zealand to deteriorate – down significantly from 49% in the June 2023 survey.

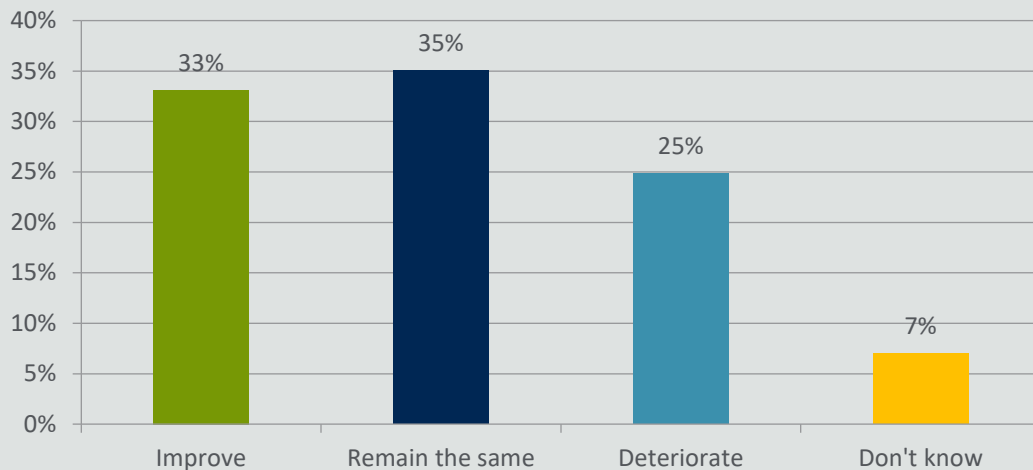
BUSINESS CONFIDENCE: NEW ZEALAND YEAR ON YEAR SUMMARY

In the next 12 months, do you expect the general business situation in **New Zealand** to:



INDUSTRY OUTLOOK

Question 2: In the next 12 months, do you expect business conditions in your **industry sector** in New Zealand to:



Findings

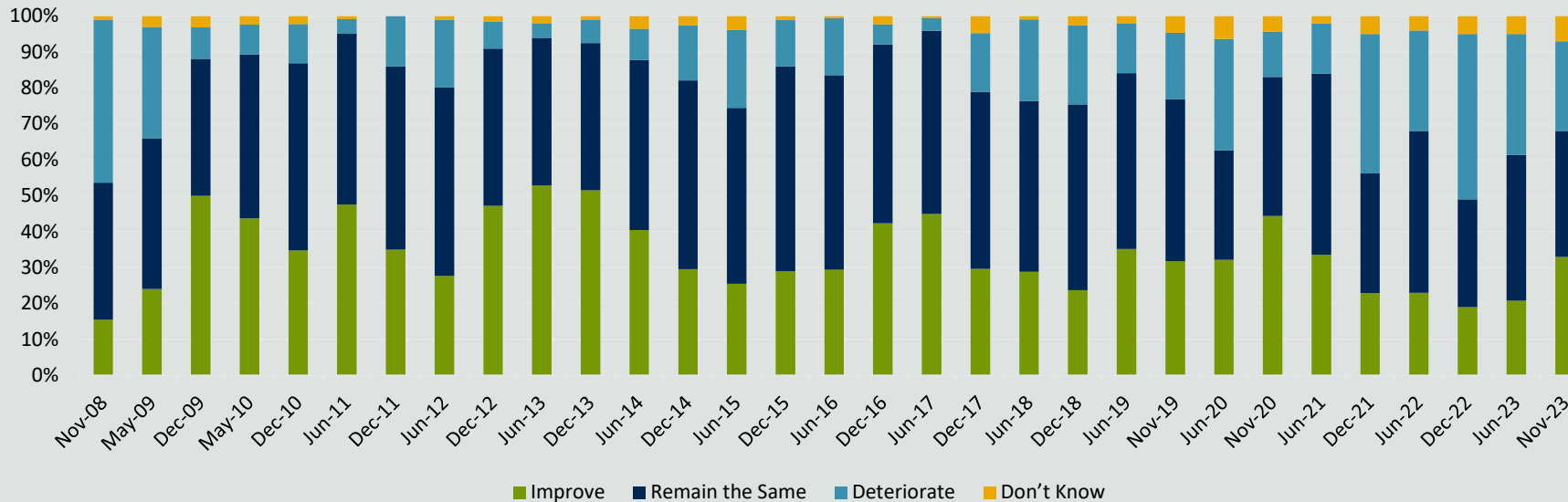
33% of respondents expect an improvement in business conditions in their own industry sector (increasing from 21% in June 2023).

35% of respondents expected their industry business conditions to remain the same.

25% of respondents anticipate the business conditions in their industry to deteriorate, which dropped from 34% in June 2023.

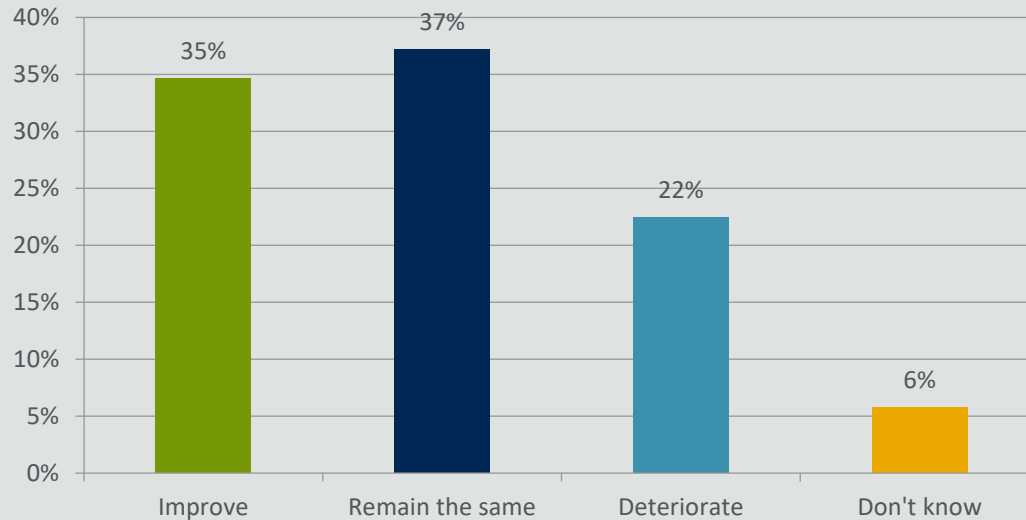
INDUSTRY OUTLOOK: YEAR ON YEAR SUMMARY

In the next 12 months, do you expect business conditions in your **industry sector** in New Zealand to:



BUSINESS CONFIDENCE: TARANAKI

Question 3: In the next 12 months, do you expect the general business situation in **Taranaki** to:



Findings

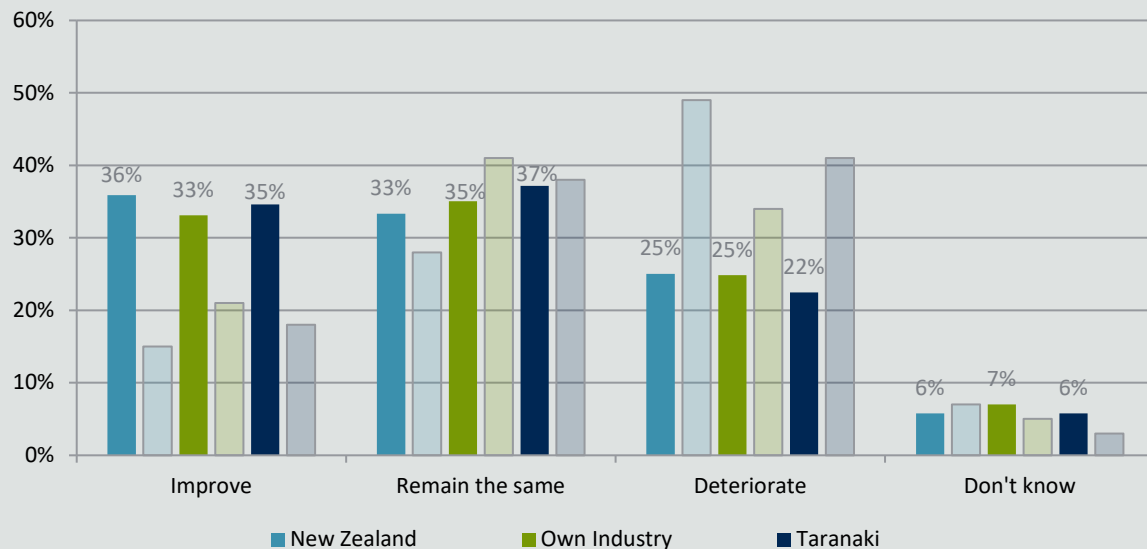
35% of respondents expect the general business situation in Taranaki to improve – this is a significant increase from 18% in June 2023.

37% of respondents expect the general business situation in Taranaki to remain the same.

22% of respondents anticipate the general business situation in Taranaki to deteriorate – this is a significant drop from 41% in June 2023.

NZ VS. INDUSTRY VS. TARANAKI

Conditions over the next 12 months



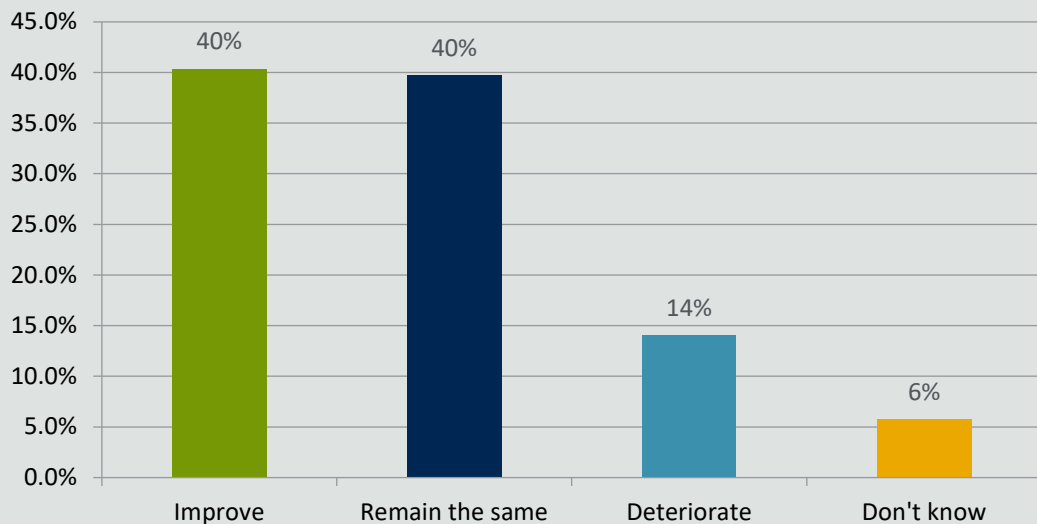
Findings

Overall respondents expressed a more positive outlook for economic conditions in New Zealand and their own industry over the next 12 months in comparison to the June 2023 survey (see light colour for June 2023 result).

Those anticipating a deterioration in economic conditions has also declined.

SALES FORECAST

Question 4: In the next 6 months, do you expect your company sales/customer levels/bookings to:



Findings

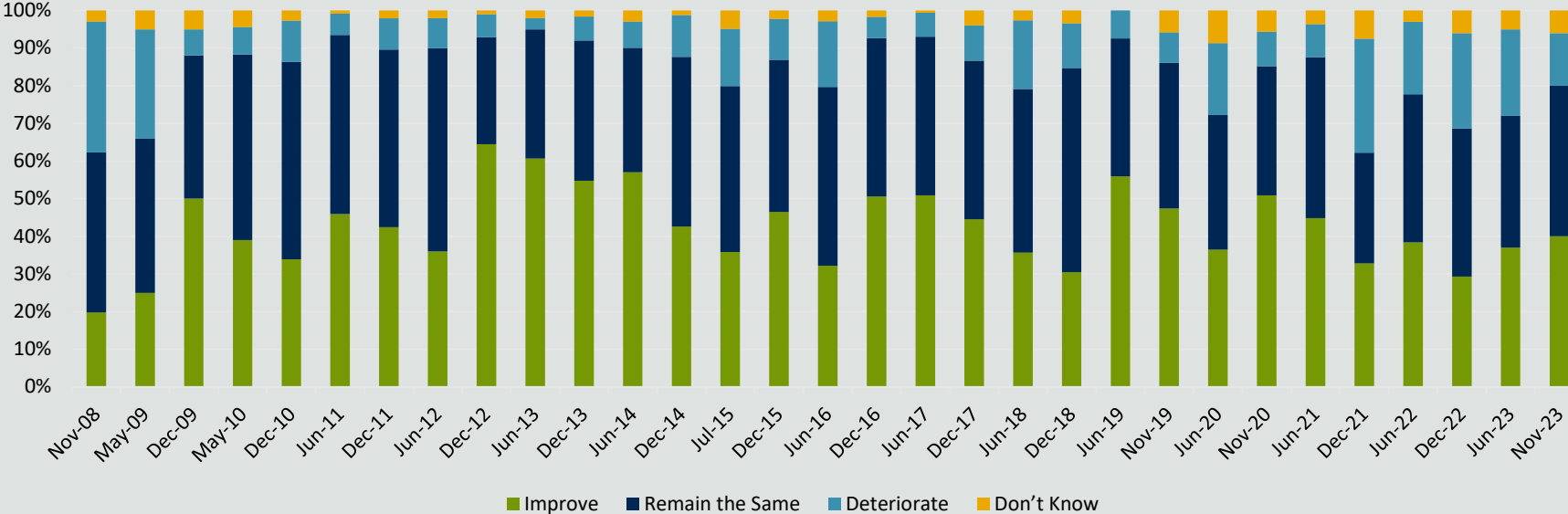
40.4% of respondents expect their sales levels to improve over the next 6 months, increasing from 37% in June 2023.

While 39.7% of respondents expect no change.

14.1% of respondents anticipate sales to deteriorate, down from 23% since June 2023.

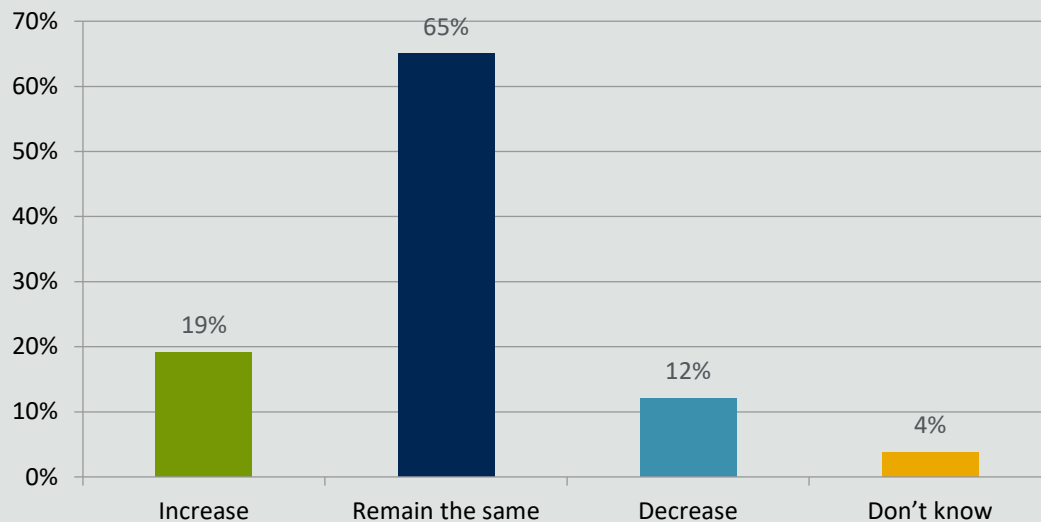
SALES FORECAST: YEAR ON YEAR SUMMARY

In the next 6 months, do you expect your company sales/customer levels/bookings to:



EMPLOYEE NUMBERS

Question 5: In the next 6 months, do you expect **employee numbers** in your business to:



Findings

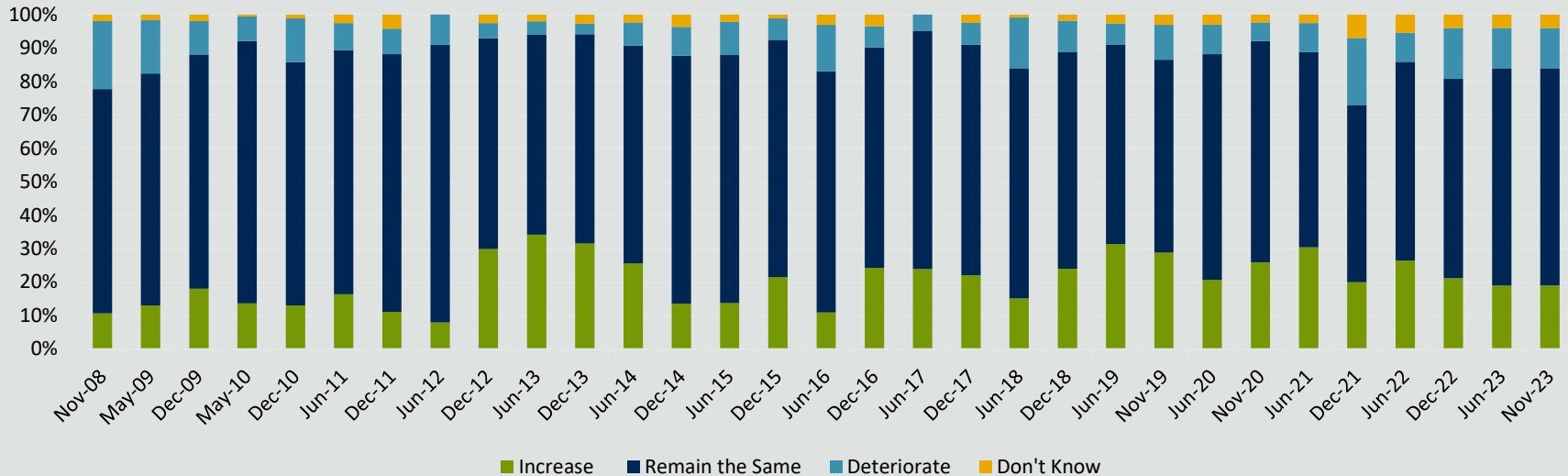
The majority of respondents (65%) expect their employee numbers will remain the same over the next 6 months.

19% of respondents expect their employee numbers to increase

12% of respondents anticipate employee numbers to decrease.

EMPLOYEE NUMBERS: YEAR ON YEAR SUMMARY

In the next 6 months, do you expect employee numbers in your business to:

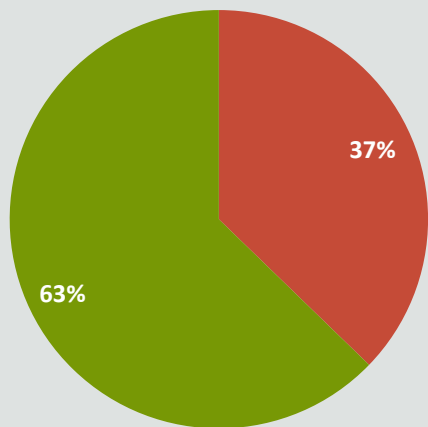


WORKFORCE NEEDS



RECRUITMENT

Question 6: Are you experiencing any significant skill shortages and/or difficulties recruiting appropriate staff?



■ Yes ■ No



Findings

Results indicate that 37% of respondents who were presently recruiting were experiencing challenges due to skill shortages or difficulties recruiting appropriate staff.

This is down slightly from the June 2023 survey result of 42%.

Respondents who were not currently recruiting were invited to skip this question.

SKILLS SHORTAGE COMMENTS

"Insufficient experienced staff in the community healthcare sector."

"The number of teachers across our region applying for teaching positions is decreasing and the ones who are, are not suitable for setting and community."

"Limited young staff looking to train in landscaping."

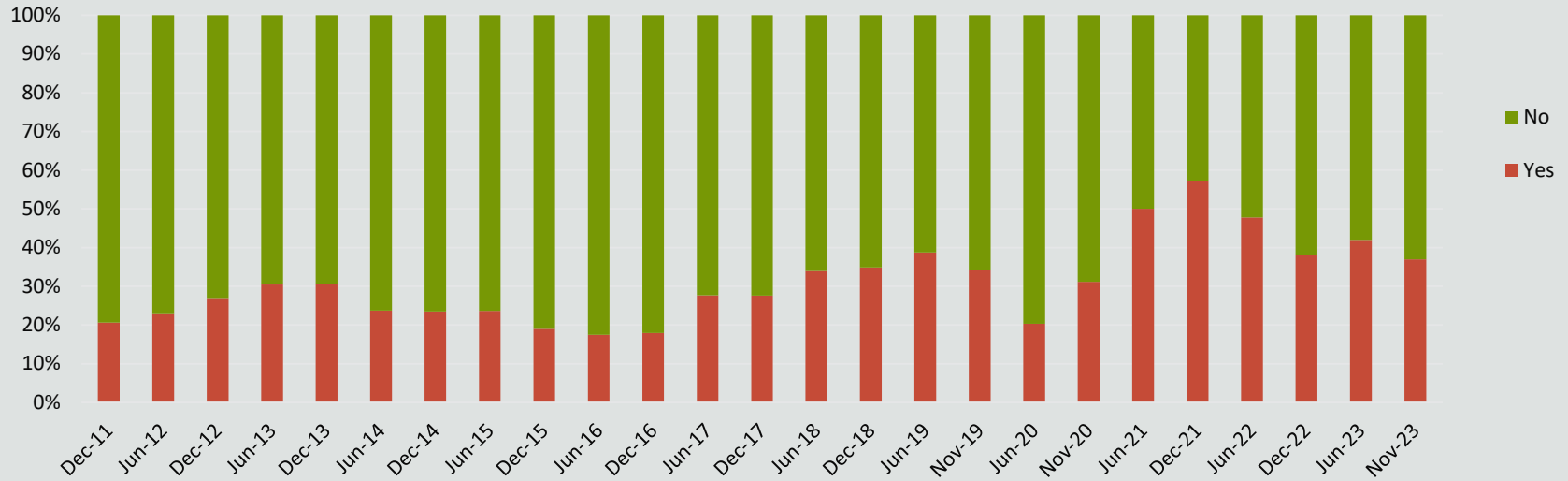
"Skills & Trades shortage has continuously existed."

"Just overall willing to work. Obviously, life balance is needed but there's the lack of wanting more in life and striving to get there."

"It is very difficult to attract skilled and motivated people in dairy farming."

RECRUITMENT: YEAR ON YEAR SUMMARY

Are you experiencing any significant skill shortages and/or difficulties recruiting appropriate staff?

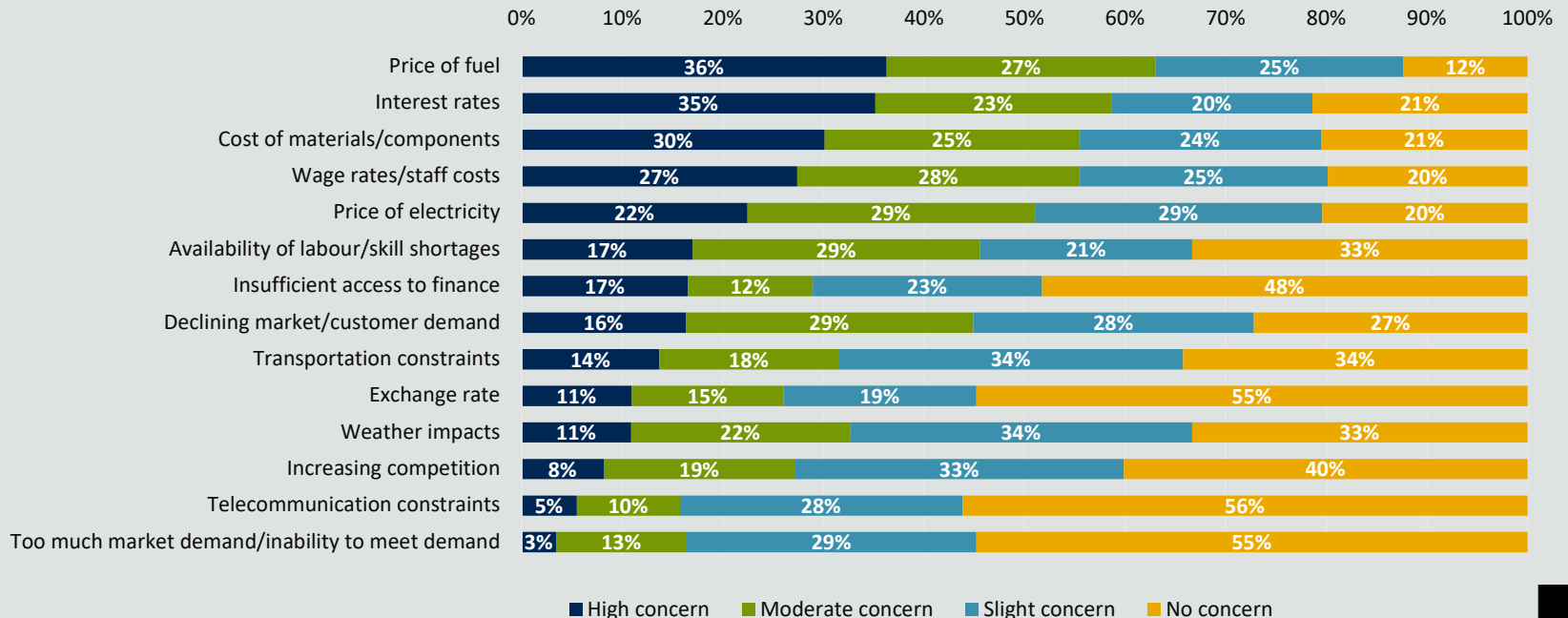


BUSINESS CONCERNS



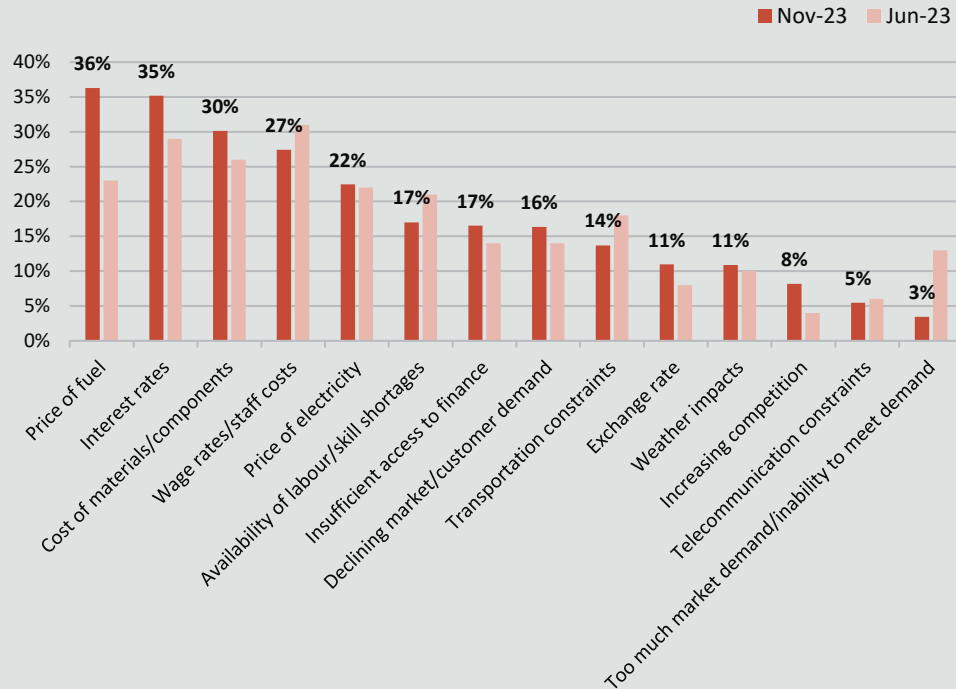
TARANAKI BUSINESS CONCERNS

Question 7: Please indicate the extent that the following issues are of concern to you and/or are impacting on your business:



TARANAKI BUSINESS CONCERNS: HALF-YEARLY COMPARISON

Highest concern to business



Findings

There has been a shift in the top three concerns compared to June 2023, as price of fuel is now the top concern for Taranaki businesses.

This is followed by interest rates and cost of materials/components.

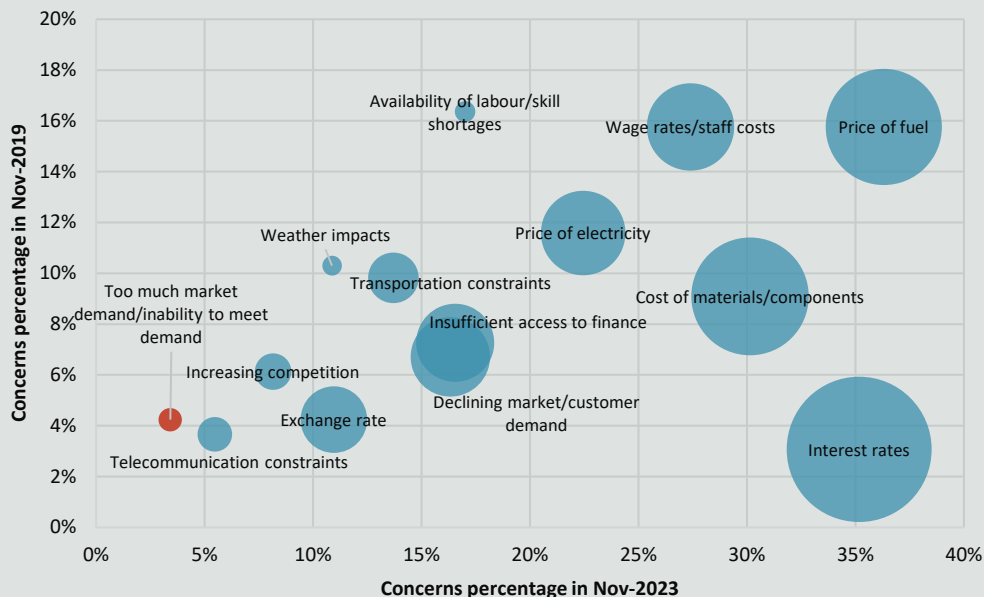
Availability of labour/skill shortages and transportation constraints have seen a noticeable drop.

A significant drop was also noted in too much market demand.

NB: Covid-19 concerns has now been removed as an option in this survey.

TARANAKI BUSINESS CONCERNS: POST-PANDEMIC CHANGE

Highest concern today vs. November 2019



Note: The bubble represents the size of change with blue reflecting increasing concern and red reflecting declining concern.



Findings

We have compared the data in our November 2023 business survey with the data we collected in November 2019 survey (before Covid-19 pandemic).

'Interest rates' reflect the largest change in business concerns (35% in Nov 2023 vs 3% in Nov 2019).

This is followed by price of fuel (36% in Nov 2023, 16% in Nov 2019), cost of materials/components (30% in Nov 2023, 9% in Nov 2019), and wage rates/staff cost (27% in Nov 2023, 16% in Nov 2019).

Availability of labour/skill shortage has seen similar level in business concerns, which is still averagely higher than rest of other concerns.

Too much market demand has declined slightly (3% in Nov 2023, 4% in Nov 2019).

BUSINESS CONCERN COMMENTS

"Inflation continues to be a challenge."

"Large overseas companies taking over the sector making locally owned and operated businesses pushed out of the market as we don't have the financial backing or local support."

"Roading developments being extended over our high season and not the shoulder seasons."

"AI and Automation."

"Immigration - some industries lean on temporary visa workforce or students."

"Wages are crippling in a small business when not everyone covers themselves or we have slow months or weeks especially winter."

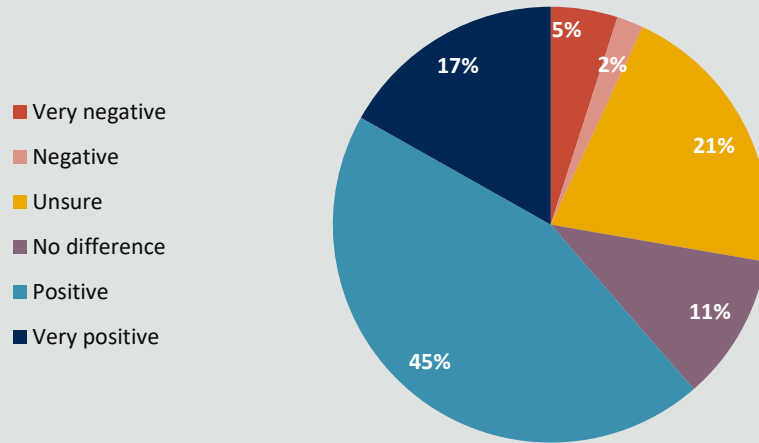
"Weather effects mainly in spring. Lack of good accommodation at reasonable rates, as many tour operators have trouble getting good accommodation during Garden Festival."

ELECTION OUTCOME



IMPACT OF NEW GOVERNMENT ON TARANAKI BUSINESS OR INDUSTRY

Question 8: Please rate what level of impact you think the likely new Government will have on your business or industry?



Findings

The majority of the respondents expect that the new Government will have a positive impact on their business and industry.

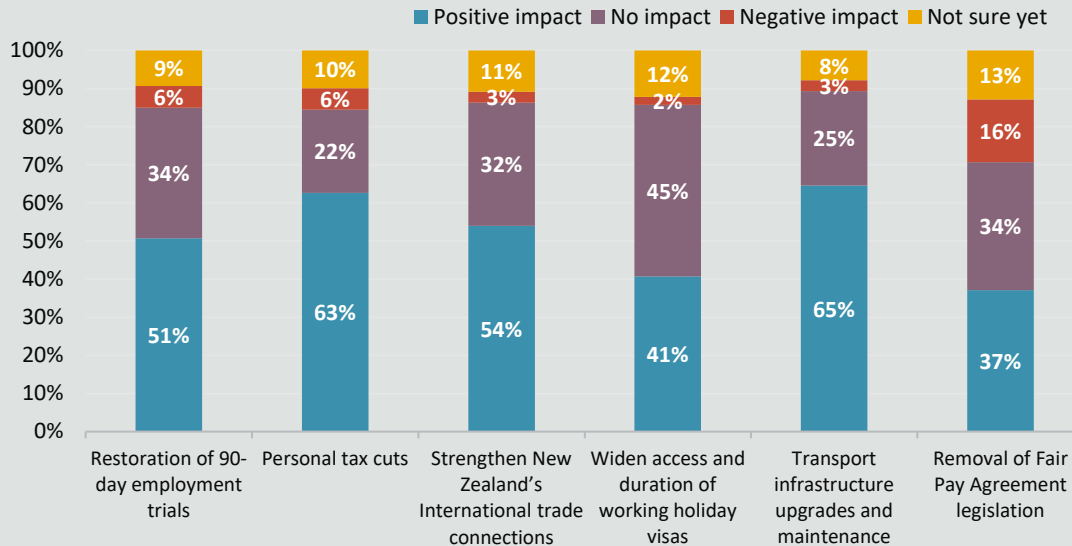
21% of respondents expressed uncertainty.

11% of the respondents believed that it would make no difference.

2% expressed concerns of potential negative impacts and 5% expected very negative impacts.

IMPACT OF PROPOSED POLICIES

Question 9: The below policies were proposed by parties of the likely new Government in the lead up to the election. Please rate the potential impact you believe they could have on your business or your industry.



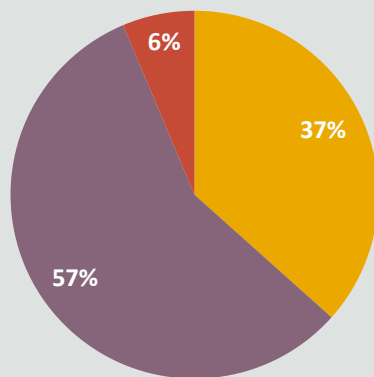
Findings

Some of the proposed policies of the likely new Government were listed (the coalition government at the time of this survey was yet to be formed).

Personal tax cuts, transport infrastructure upgrades/maintenance, strengthening international trade connections, and restoration of 90-day trials were rated as having the biggest potential positive impacts on business and industry.

IMPACT OF PROPOSED POLICIES

Question 10: Do you plan on making any changes to your business strategy or operations in response to the election outcome?



■ Not sure ■ No ■ Yes



Findings

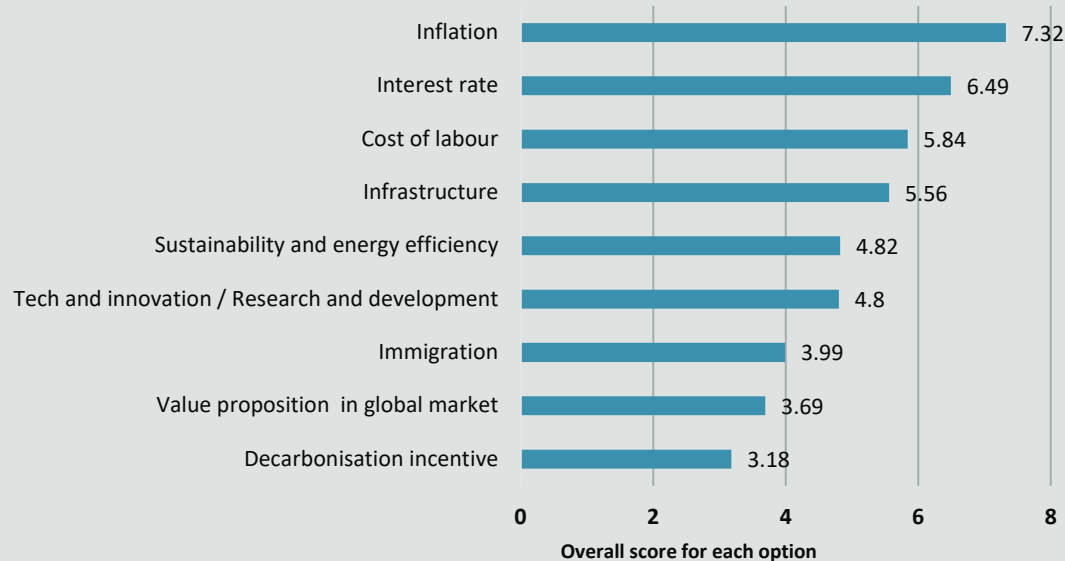
The majority of respondents (57%) did not anticipate making any changes to their business strategy or operations in response to the election outcome.

37% were unsure.

Only 6% of the respondents indicated that they were likely to make changes.

AREA OF FOCUS

Question 11: What areas do you think the Government should focus on that would best support and/or boost the growth of Taranaki businesses or industry sectors?



Findings

Focusing on the economy (inflation, interest rates, cost of labour) and infrastructure were areas that respondents felt the Government could best support Taranaki business and industry.

This was followed by a focus on sustainability and energy efficiency, and tech and innovation.

COMMENTS ON ELECTION OUTCOME

"Providing a funding mechanism outside of the banks or imposing the need for 10% of all bank profits to be used in business-related unsecured lending in new businesses (that operate outside of farming or Property) - i.e. tech development, onshore/reshoring (local) manufacturing etc."

"Inflation is a huge one due to the increase in prices everywhere means people need to be paid more but small businesses don't always have more to give."

"Maintain funding to NZTE, VT, MIBE and other bodies who support start-ups."

"There are a lot of compliance costs and complicated regulations that could be addressed that would have a big impact on business."

"Better public transportation, supporting underserved and 'forgotten' populations into economically productive positions."

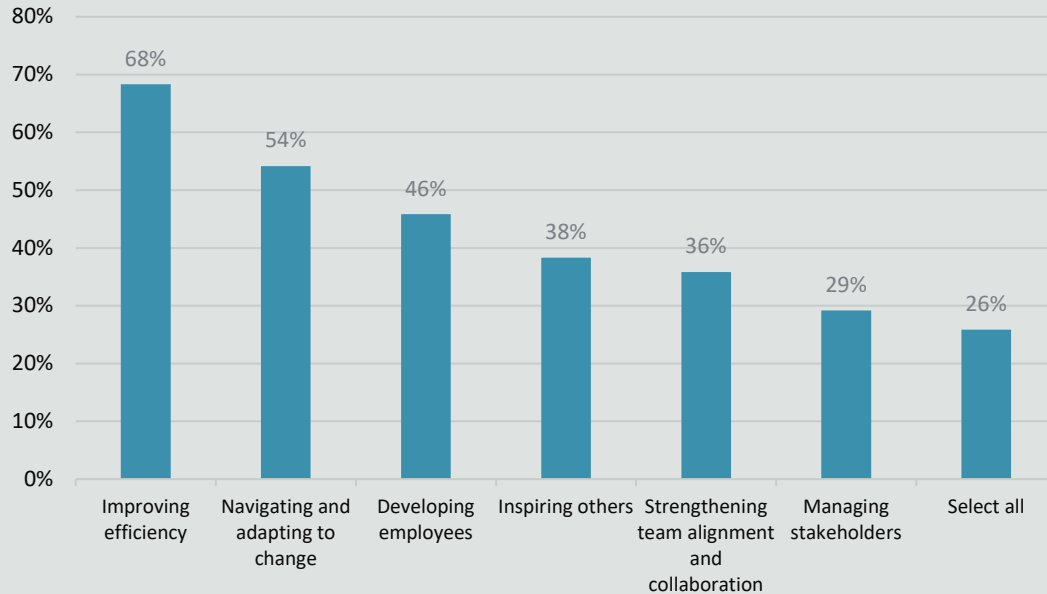
"Infrastructure - better roads to Taranaki Support tourism/ events in Taranaki especially cultural and racing, small business support at idea/ grass roots levels. More one on one mentoring, especially with Māori."

LEADING THROUGH CHANGE



CHALLENGES

Question 13: What universal challenges are you facing consistently as a business owner or leader?



Findings

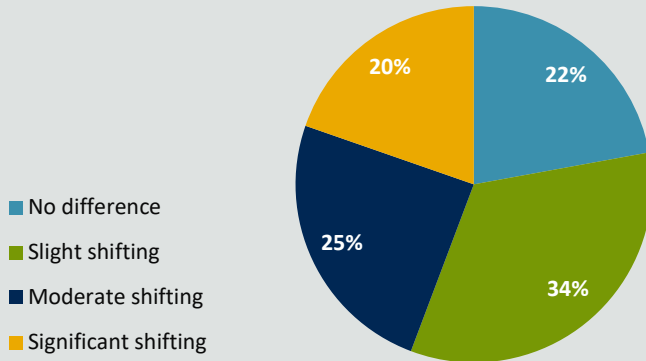
The top three universal challenges that respondents indicated they were consistently faced with were:

- Improving efficiency
- Navigating and adapting to change
- Developing employees

Additional challenges reported included supporting mental health and positivity in the workplace, and supporting and retaining younger workforce.

SHIFTS IN LEADERSHIP STYLES OR CRITICAL SUCCESS FACTORS

Question 14: Have you observed any universal shifts in leadership styles or critical success factors as a result of this post-pandemic changing business landscape?



Findings

The majority of the respondents have noticed a shift (of varying degrees) in leadership styles or critical success factors as a result of the post-pandemic business landscape.

Refer to the next page for further commentary.

22% of the respondents felt there had been no change in leadership styles.

COMMENTS ON THE NOTICABLE SHIFTS

"Increasing focus on early and clear communications."

"More consideration for wellbeing and work/life balance required."

"Some business offer increasingly personal/individualised business services."

"Self-leadership through remote working and autonomy; Challenge of working from home, and inspiration"

"Agility and backfilling team culture in a fragmented and increasingly digital work landscape."

"We have noticed people have downsized their business or contracted out work as they no longer want the hassle of staffing."

"We now have to adapt a more vigilant and sustainable approach to custom care and delivery of products and services around covid policies and continue to provide total customer experience. But this is good business practice, I suppose."

"Need for more leaders, coaching leadership rather than budget driven leadership, whanaungatanga and emotional resilience development."

LEADERSHIP STYLES OR CRITICAL SUCCESS FACTORS IN THE FUTURE

Question 15: Which business ownership or leadership styles/critical success factors do you believe are likely to be given more focus in fostering future success?



Findings

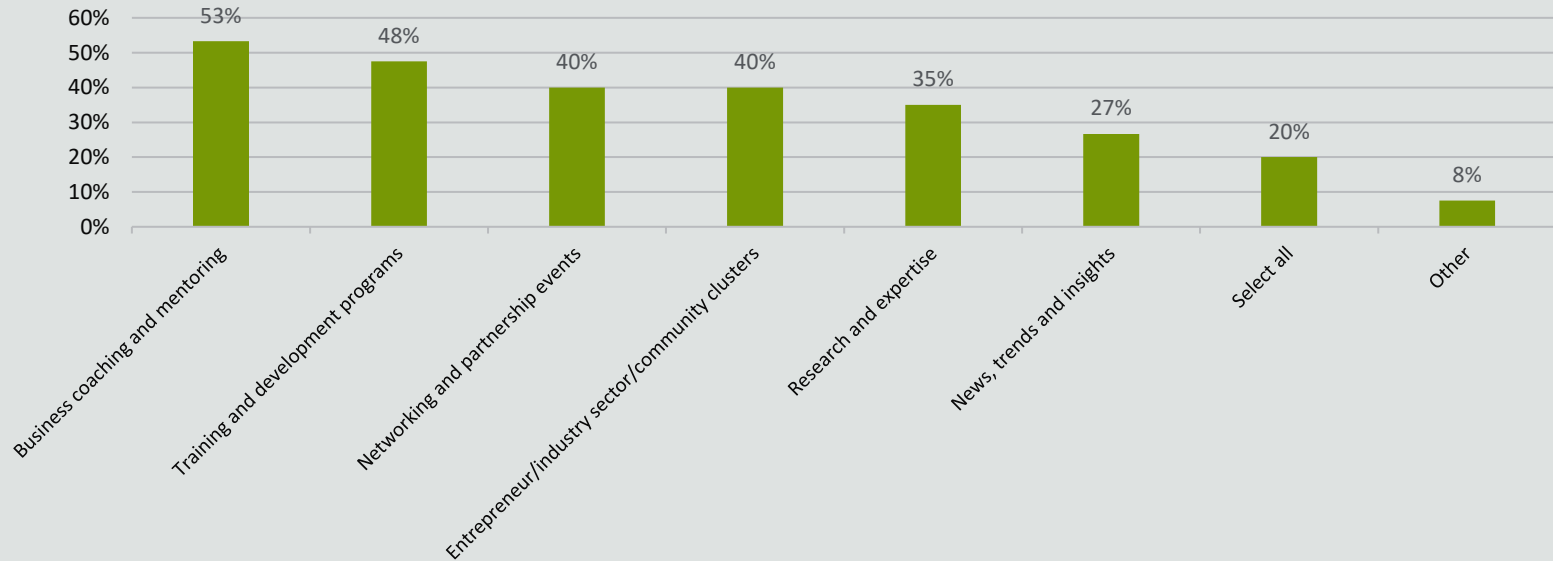
Respondents indicated they expected the following leadership styles to play an even more critical role in the future for leadership and business success:

- Fostering loyalty, open, trusting, diverse and supportive workplace for employees
- Empowering and delegating to others
- Being creative and entrepreneurial

SUPPORT NEEDED

Question 16:

What support do you believe would be helpful to take your business to next level given the challenges and opportunities ahead?



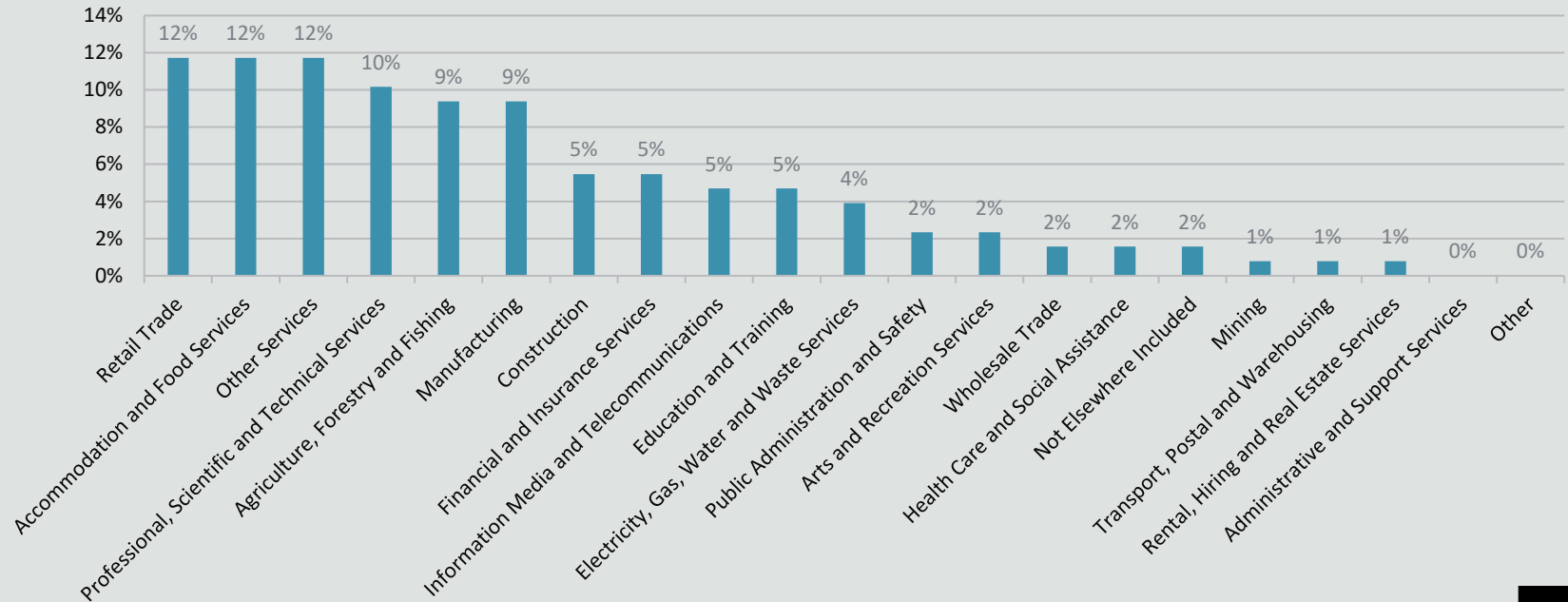
RESPONDENT PROFILE



RESPONDENT PROFILE: INDUSTRY SECTOR

Question 17:

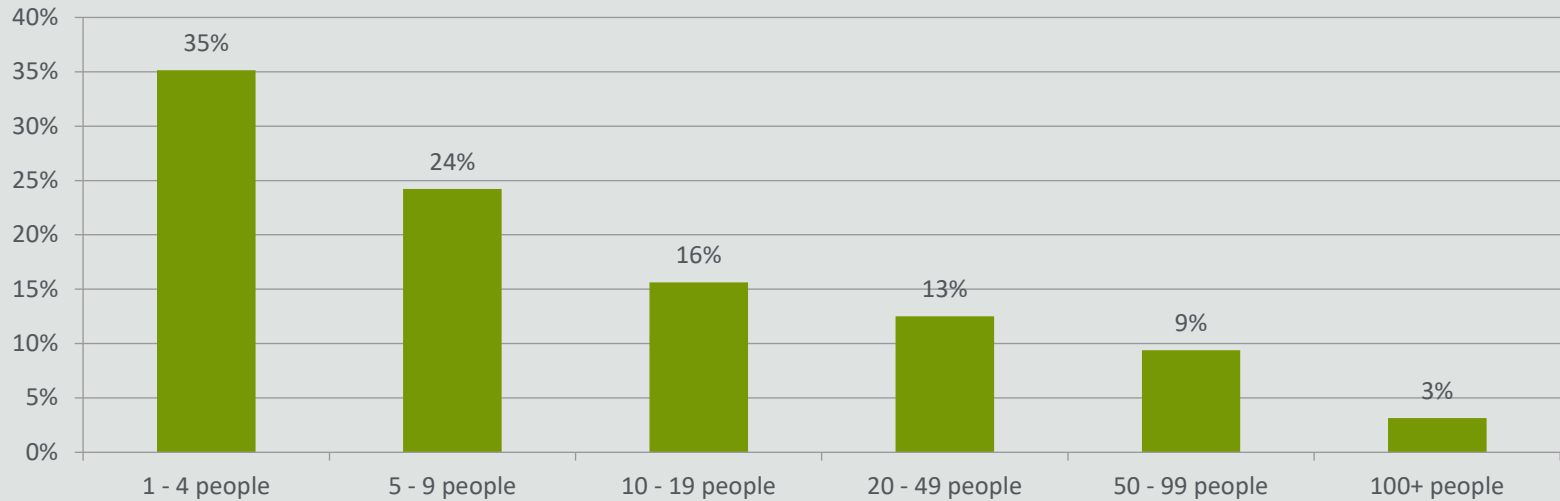
Please indicate which of the following sectors is closest to the main activity of your business:



RESPONDENT PROFILE: BUSINESS SIZE

Question 18:

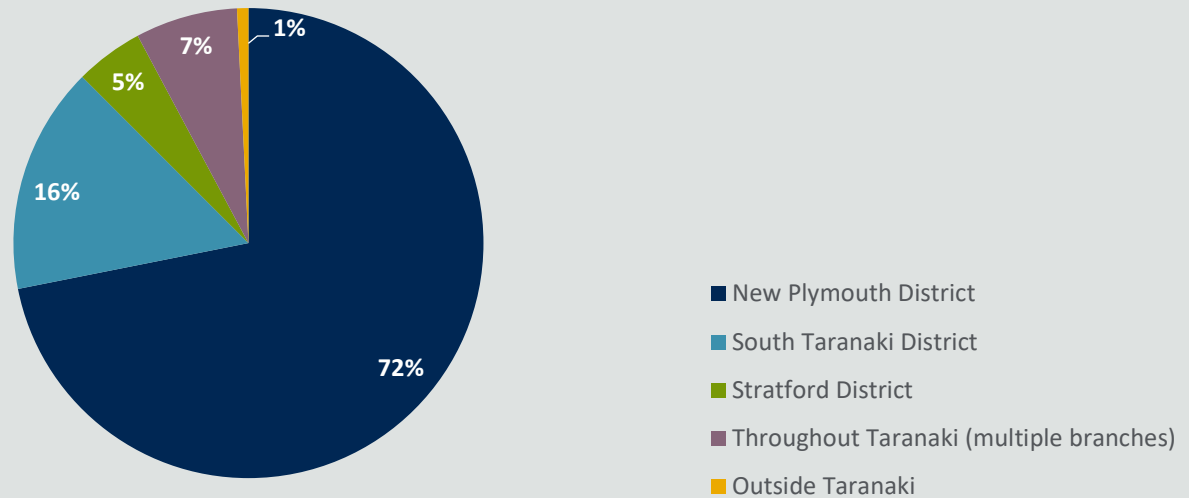
How many people work in your business (including yourself):



RESPONDENT PROFILE: DISTRICT BREAKDOWN

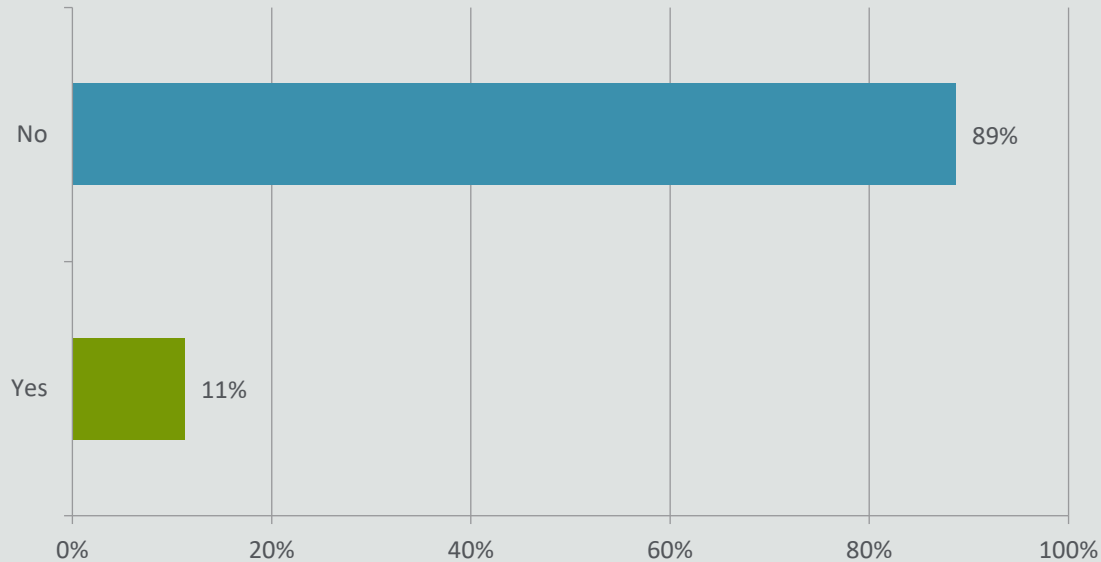
Question 19:

Reponses location:



RESPONDENT PROFILE: MĀORI BUSINESS

Question 20: Is your enterprise owned or part-owned by Māori?



Thank you | for more info visit – venture.org.nz



venture
TARANAKI
Te Puna Umanga

TARANAKI
like no other