

# TARANAKI BUSINESS SURVEY RESULTS

June 2022

# TARANAKI BUSINESS SURVEY

**The Taranaki Business Survey monitors the economic confidence of Taranaki enterprises and canvasses their views on key business issues. It has been undertaken by Venture Taranaki 6-monthly since 1999.**

In this survey we ask standard questions about perception of the current economic state, and confidence for the future. This 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 are 2022 Budget and Increased inflation, with these impacts to the local businesses.

This survey was opened on Wednesday 1 June 2022 and closed on Wednesday 15 June 2022.

Questionnaires are sent to approximately 1700 enterprises throughout Taranaki, and across a range of industry sectors. The survey link is also shared via social media channels. With 186 respondents, the response rate is approximately 11%. This survey is open to enterprise owners and managers only. A breakdown of the respondent profiles is included on pages 35-38.

If you have any questions regarding this survey, please contact Venture Taranaki [info@venture.org.nz](mailto:info@venture.org.nz).

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

# SUMMARY

- Business conditions are looking slightly more positive as activities are picking up within many industry sectors and this is reflected in improved business confidence since the last survey. However, confidence in the New Zealand economy has continued to slip.
- Skills shortages are continuing to be a concern for business.
- Covid 19 restrictions are less of a concern, however cost of fuel has become a significant concern.
- Further infrastructure improvement is needed especially in roads, transportation, internet and mobile phone reception in rural areas.
- The 2022 Budget is not considered “business friendly” by the majority of respondents.
- Increased inflation has already had a significant impact on businesses, especially in product pricing and wage increases.

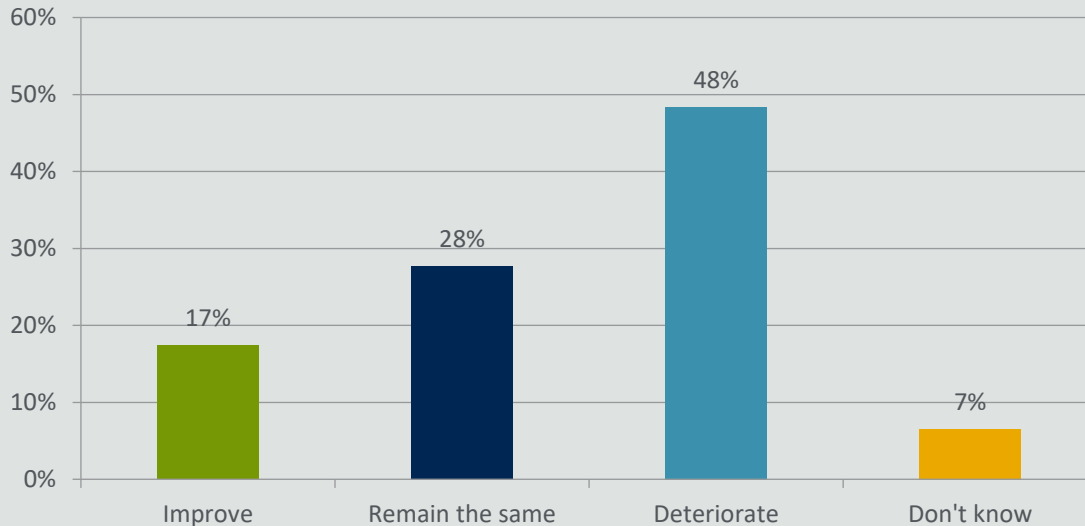
# ECONOMIC CONDITIONS



# BUSINESS CONFIDENCE: NEW ZEALAND

Question 1:

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

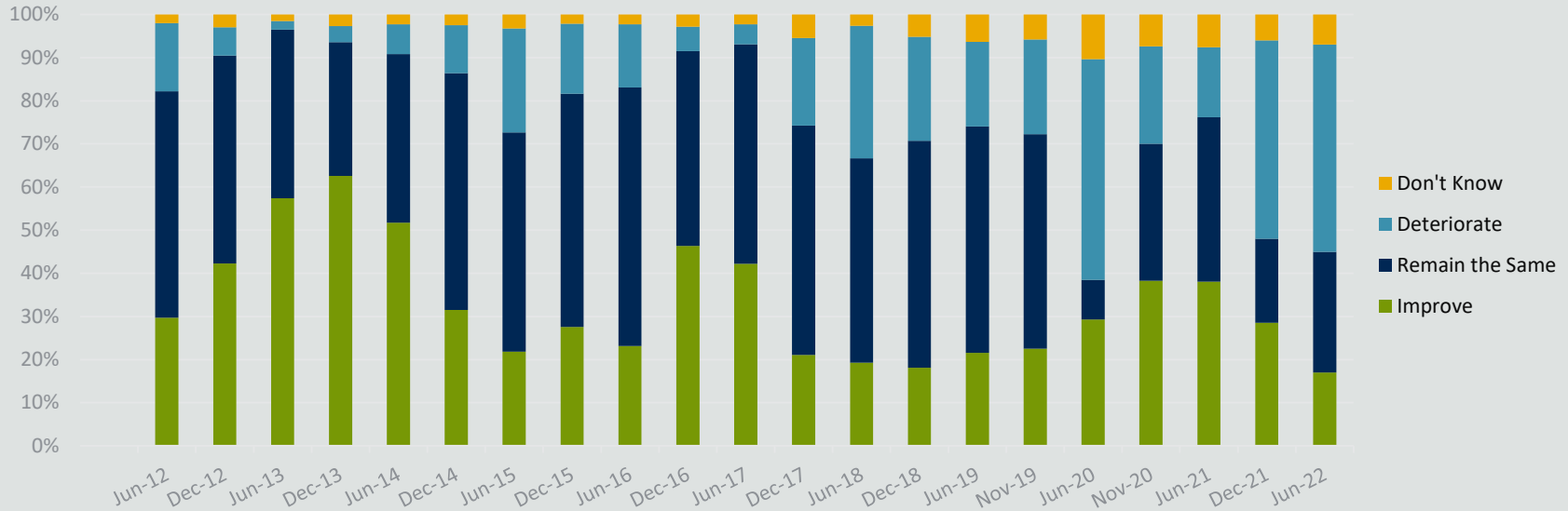


48% of respondents expect the general business situation in New Zealand to deteriorate, compared with 46% in the December 2021 survey.

17% of respondents expect improvement, compared with 29% in the December 2021 survey. This is the lowest point for this figure since 2008.

# BUSINESS CONFIDENCE: NEW ZEALAND YEAR ON YEAR SUMMARY

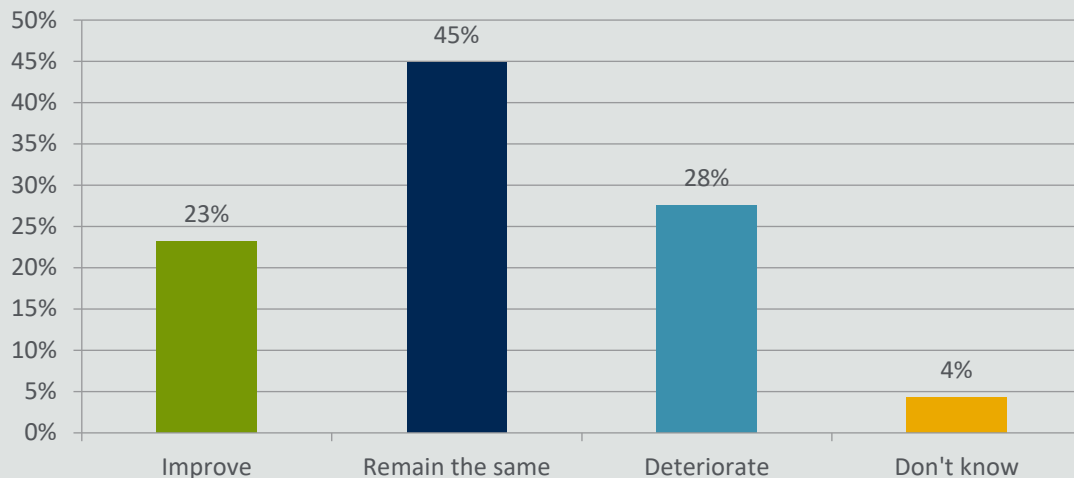
In the next 12 months, do you expect the general business situation in **New Zealand** to:



# INDUSTRY OUTLOOK

Question 2:

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

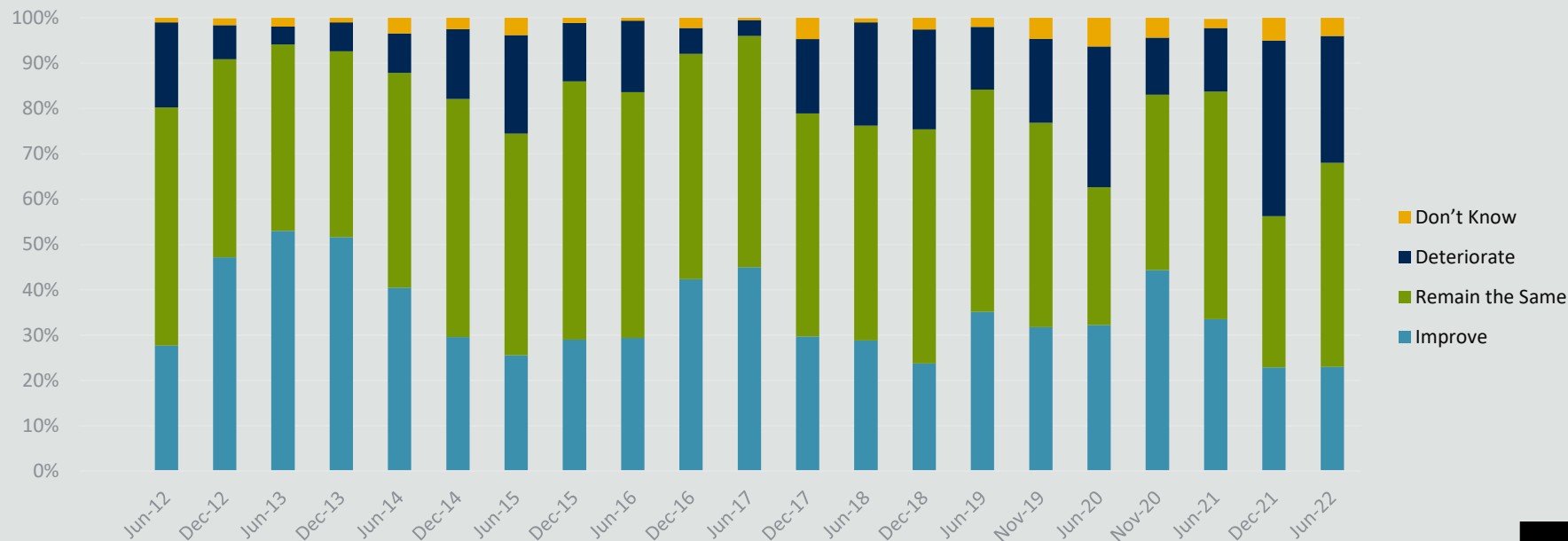


28% of respondents expect the business conditions in their industry to deteriorate, compared with 39% in December 2021.

The majority of respondents expect their industry conditions to stay the same or improve.

# INDUSTRY OUTLOOK: YEAR ON YEAR SUMMARY

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

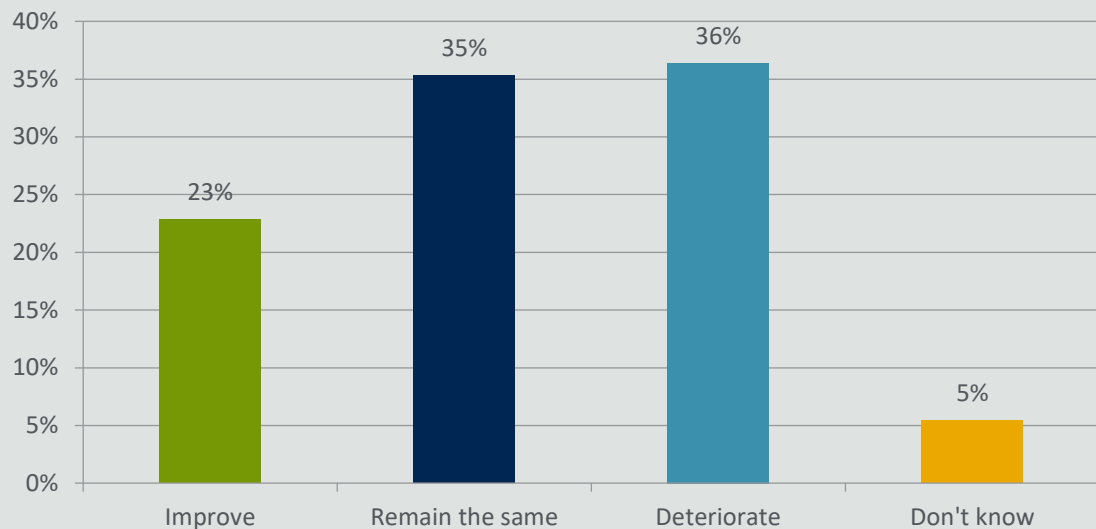




# BUSINESS CONFIDENCE: TARANAKI

Question 3:

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

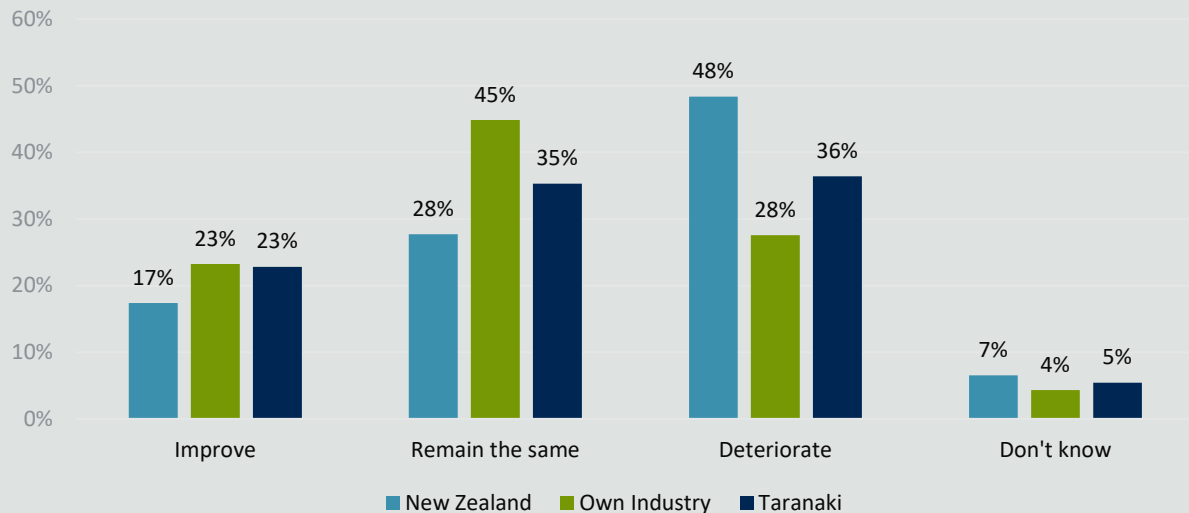


36% of respondents expect the general business situation in Taranaki to deteriorate, compared with 35% in last December.

However, nearly 60% of respondents expect the general business situation in Taranaki to remain the same or improve.

# NZ VS. INDUSTRY VS. TARANAKI

## Conditions over the next 12 months

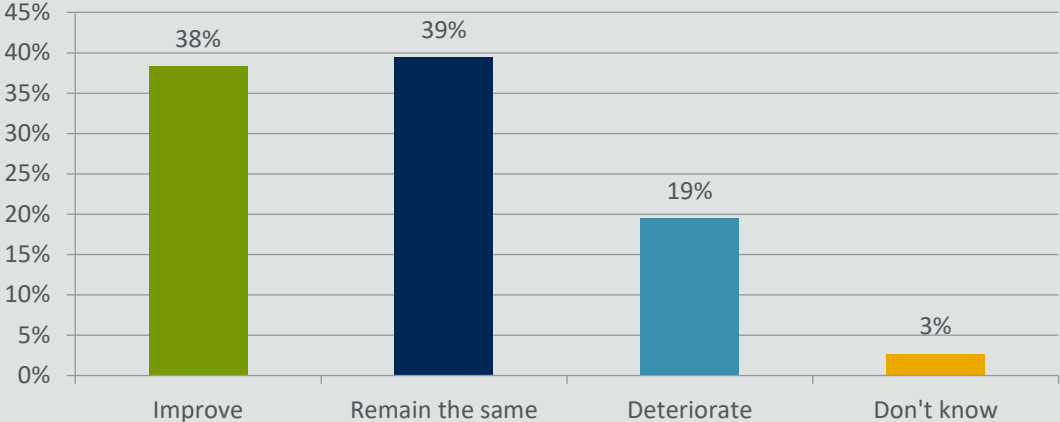


Respondents have indicated concerns about the outlook for New Zealand, and are slightly concerned about the outlook for Taranaki. However, respondents showed more optimism within their own industries.

# SALES FORECAST

Question 4:

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

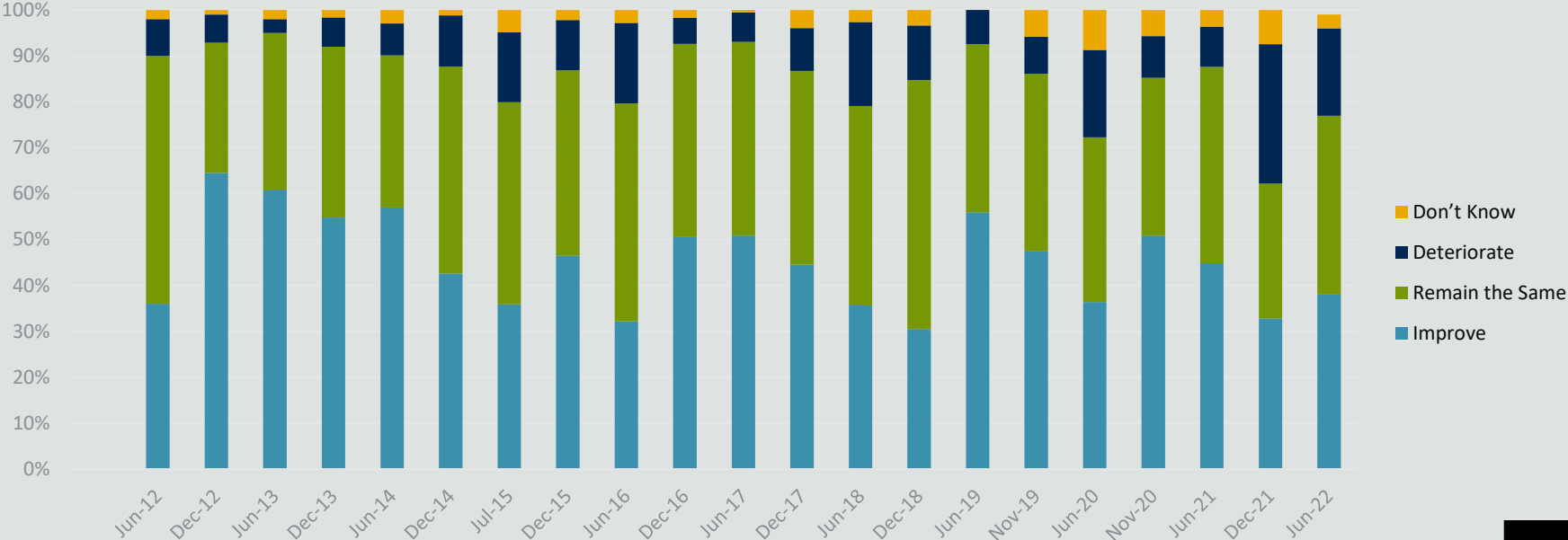


38% of respondents expect their sales levels to improve over the next 6 months.

19% expect sales to deteriorate. 39% expect no change in the next 6 months.

# SALES FORECAST: YEAR ON YEAR SUMMARY

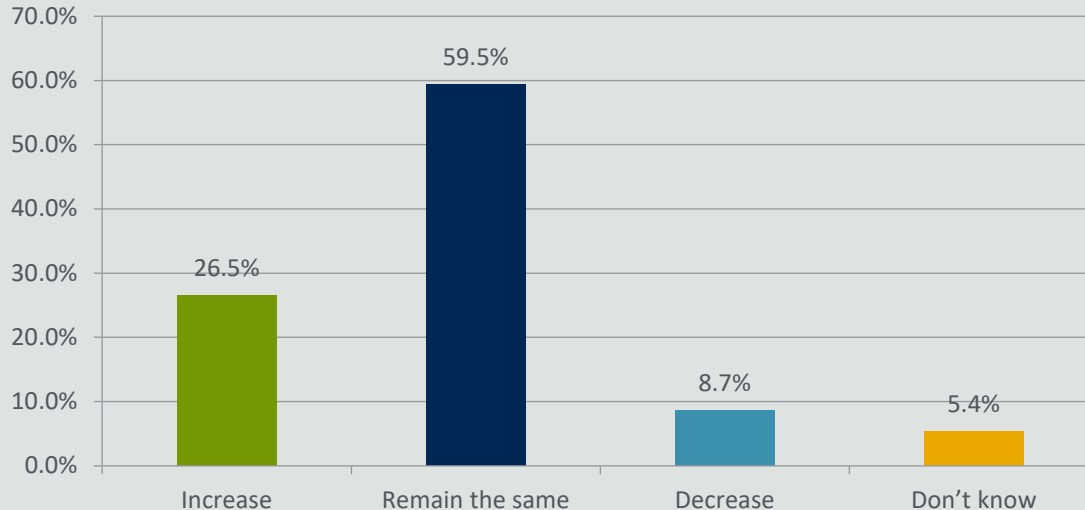
In the next 6 months, do you expect your company sales/customer levels/bookings to:



# EMPLOYEE NUMBERS

Question 5:

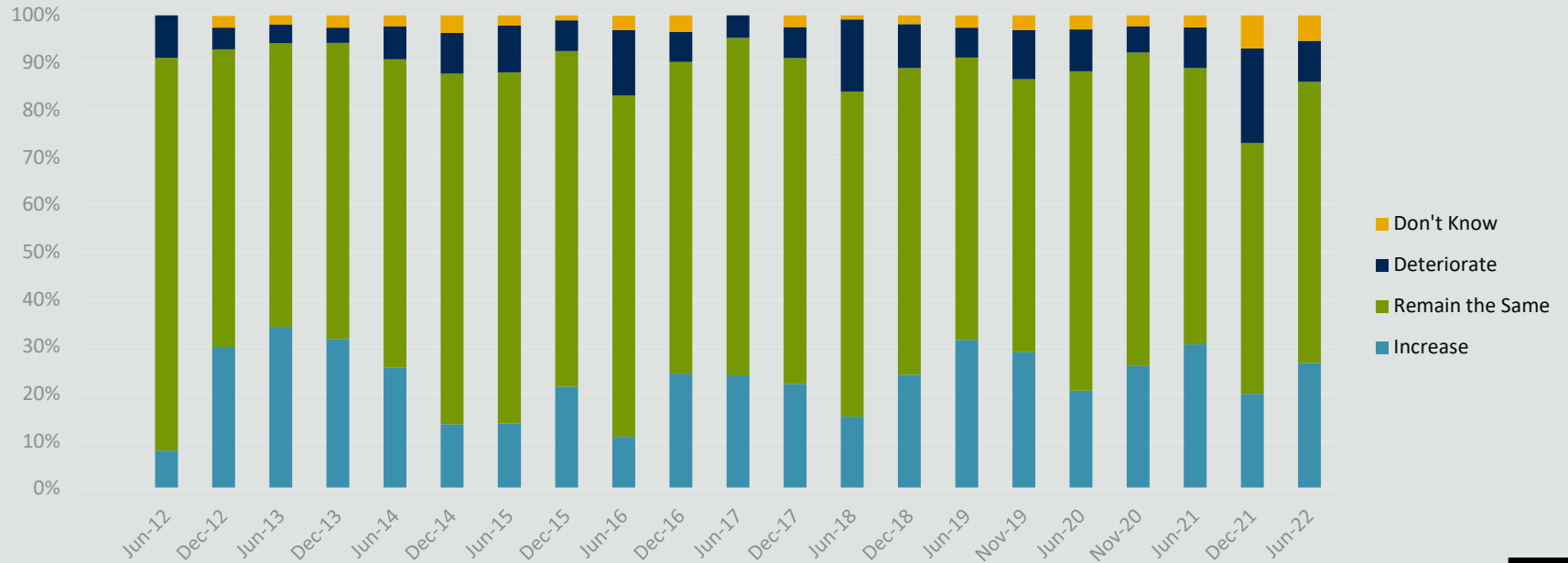
In the next 6 months, do you expect employee numbers in your business to:



Nearly 60% of respondents expect no change to employee numbers over the next 6 months. 26% of respondents expect the employee numbers to increase.

# EMPLOYEE NUMBERS: YEAR ON YEAR SUMMARY

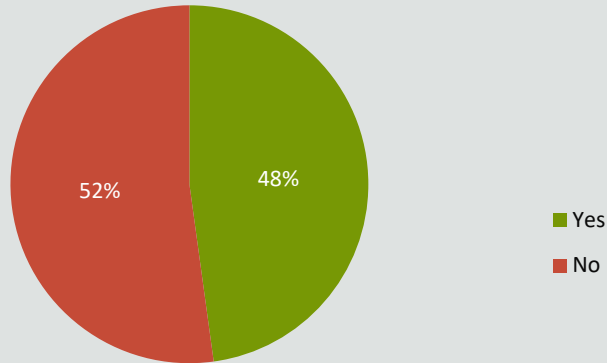
In the next 6 months, do you expect employee numbers in your business to:



# RECRUITMENT

Question 6:

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

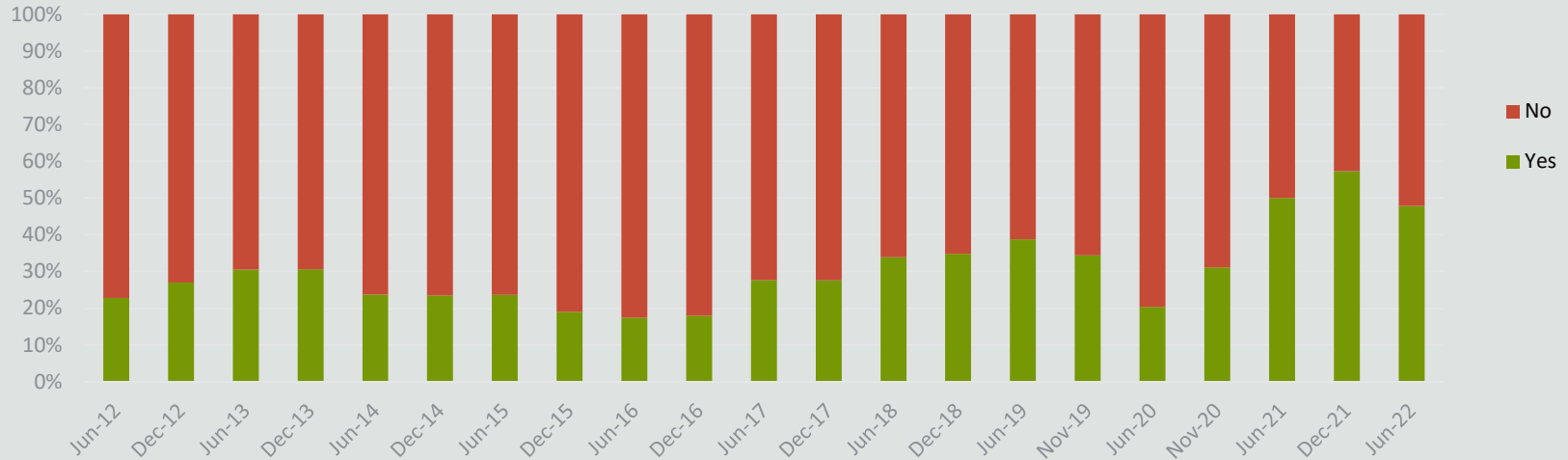


48% of respondents who were currently recruiting indicated that they were experiencing difficulties securing the staff they required. This level of skill shortage amongst surveyed businesses in recent months is amongst the highest reported within the last 10 years – as indicated on the following page.

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

# RECRUITMENT: YEAR ON YEAR SUMMARY

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

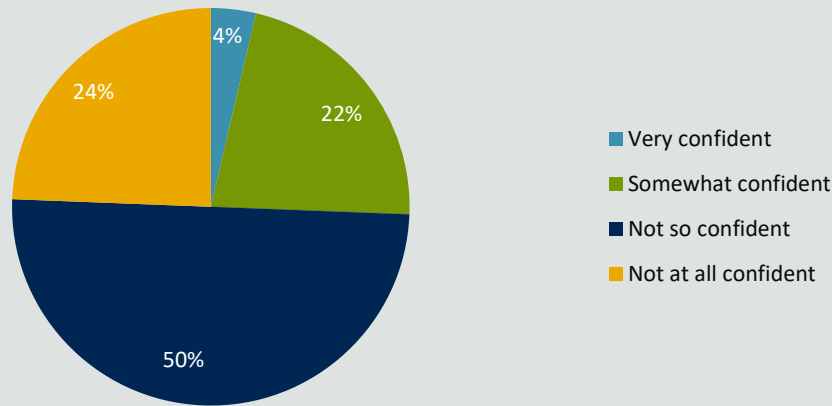




# RECRUITMENT

Question 7:

Given the opening up of border restrictions, how confident are you that the labour force can fill your needs?



50% of Taranaki enterprises that reported they are looking for more staff are not confident they can find people in New Zealand to fill their needs. 26% were confident that they would find the people they need within the New Zealand workforce.

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

# SKILLS SHORTAGE COMMENTS

*"The market for experienced or CA qualified staff is incredibly competitive at present. We have been advertising for some time but with little success."*

*"We are fortunate that our brand is attracting great people, however the industry is exceptionally short staff due to lack of immigration and graduates (mandates etc)."*

*"International shortage of Sonographers, limited capacity to train with only one centre in NZ offering training. Very difficult to recruit internationally due to border restrictions and also gaining registration in NZ for a sonographer is a long and at times difficult process."*

*"Lack of technically skilled staff but improving with the presence of specialist training provided by specialist local-based tertiary providers & training organisations."*

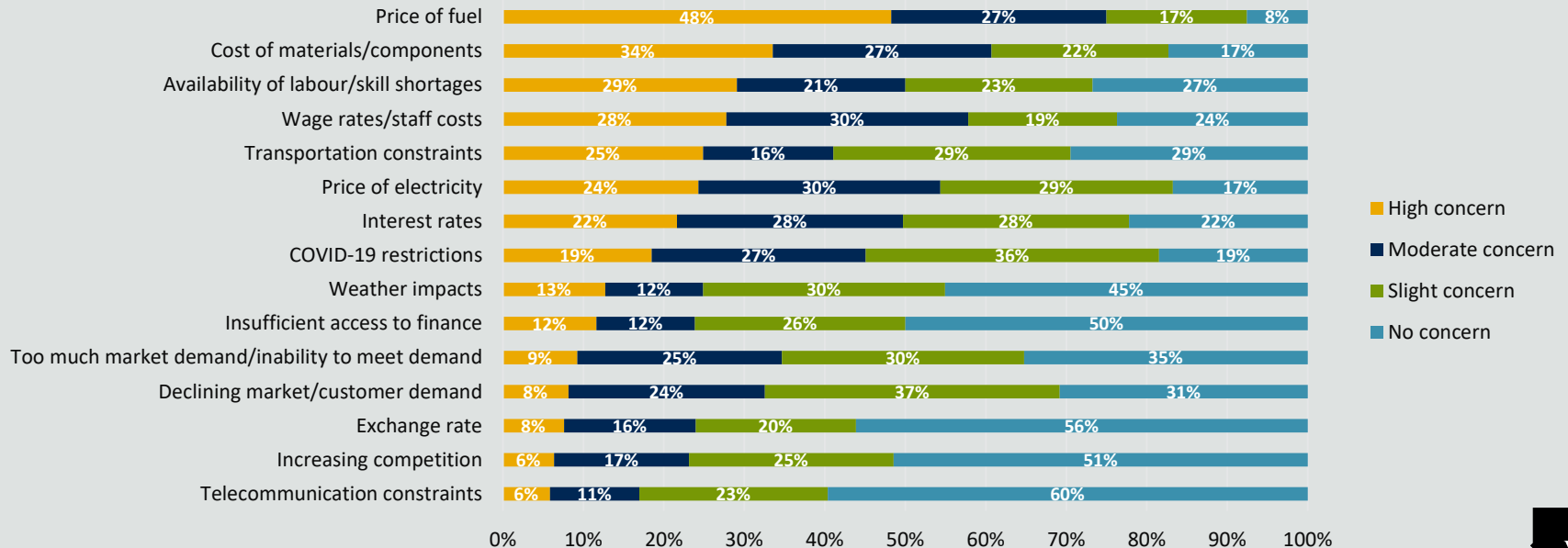
*"Salary expectations are beyond expertise/ experience"*

- Many respondents still going through pressure in skill shortage, unable to find qualified and experienced workers.
- Some industry are still waiting for immigration rule change to meet the shortage..
- Increased inflation makes it more difficult for business owners to hire staff, especially for low-wage/casual positions.

# TARANAKI BUSINESS CONCERNS

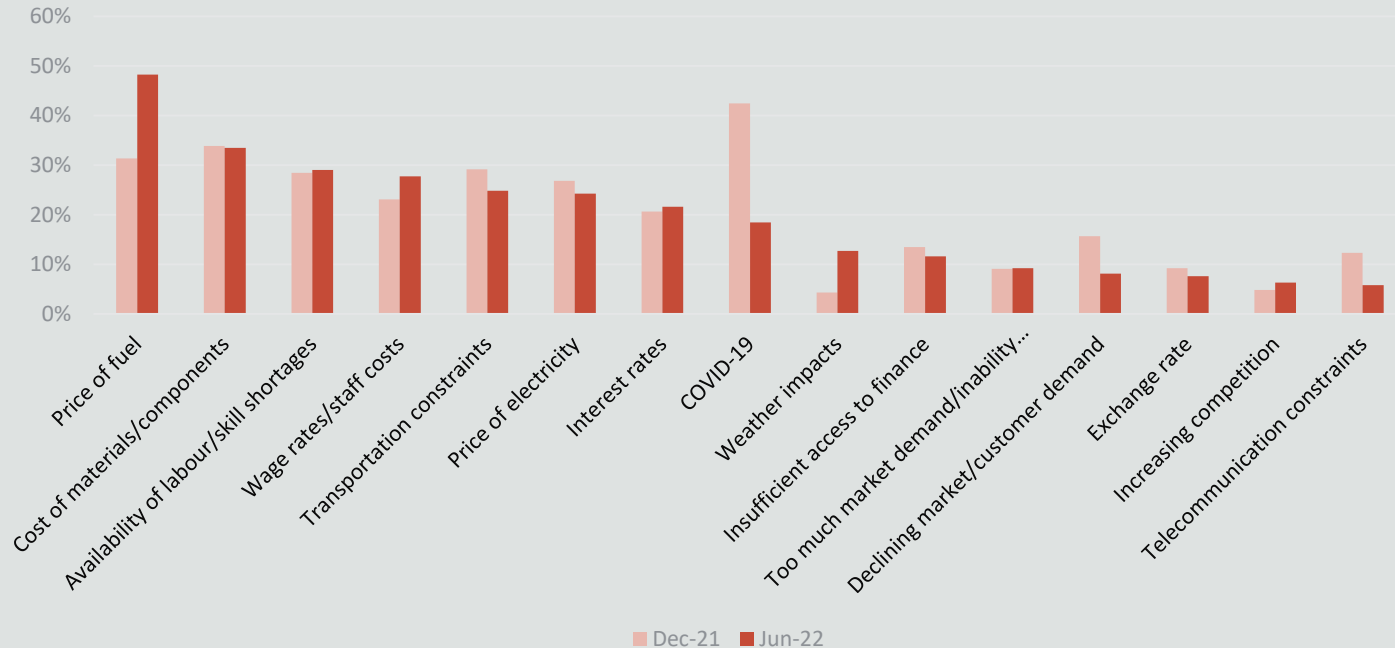
Question 8:

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



# TARANAKI BUSINESS CONCERNS: YEAR ON YEAR SUMMARY

## Issues of highest concern to business



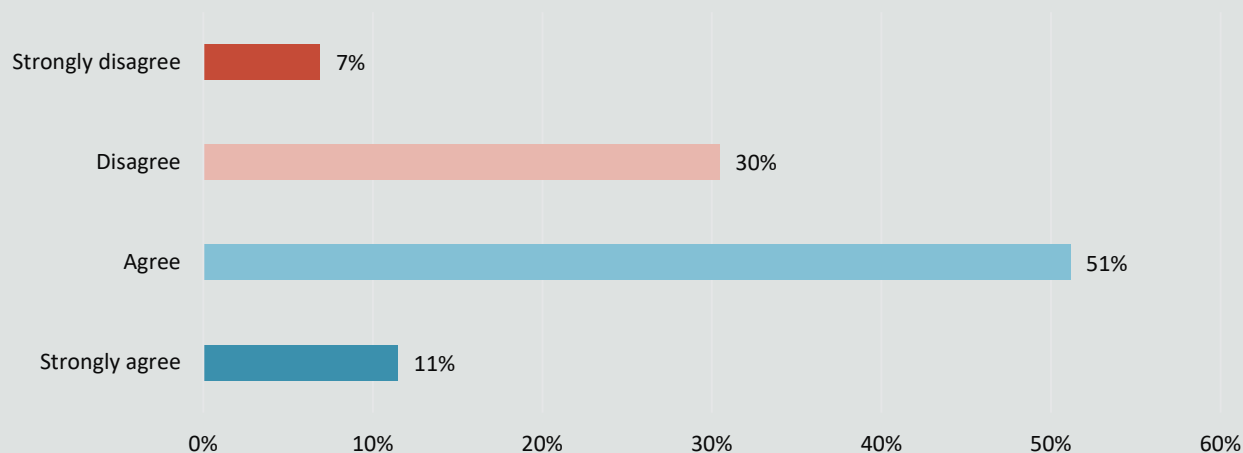
Compared to December 2021, the business community is less concerned about COVID-19 and its restrictions.

Price of fuel has become the top concern for businesses.

# TARANAKI BUSINESS CONCERNS: INFRASTRUCTURE

Question 9:

Please rate the following statement: Taranaki has all the infrastructure required for our enterprise/organisation to flourish (examples of infrastructure include roads, power connections, broadband etc)



# INFRASTRUCTURE COMMENTS

*"Infrastructure in Taranaki is not keeping up with the population increase. Of concern is the growing number of people coming to Taranaki for retirement and the loss of young people from the region this is going to lead to major labour shortages in the service sector if not addressed."*

*"We need to hugely improve our rail transport and open up the port for coastal transport. Many businesses suffer to get materials in/out and their own product out to other regions. Too costly."*

*"We NEED parking and improved public transport in New Plymouth."*

*"Pretty good but still a bit limited in rural areas. "*

*"Government needs to deliver on its promises in respect of a just transition to new forms of renewable energy. There's a lot of talk but not much action. Also, SH3 to the north needs upgrading. The Mt Messenger bypass will help."*

*"Roading is very poor quality and not maintained to a standard."*

*"Taranaki like most provinces have carried on too long with the can't afford to fix it this year approach and all of a sudden things are crumbling."*

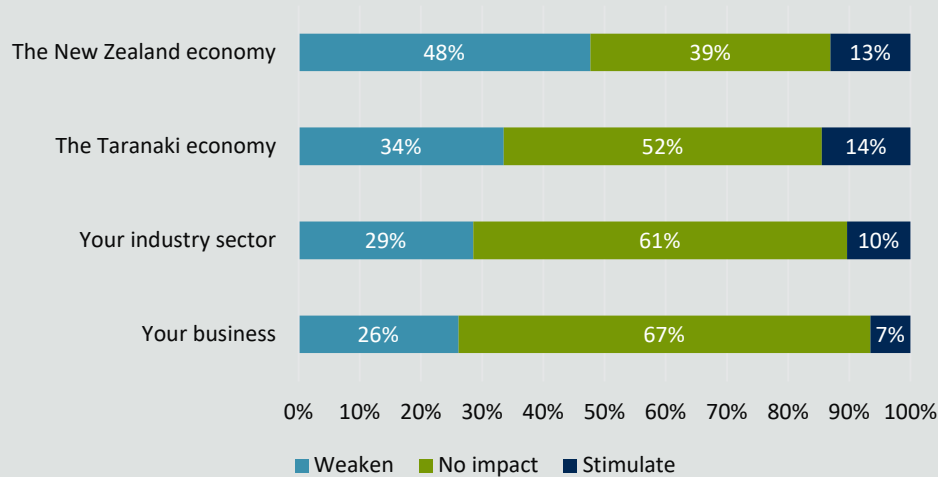
# Budget 2022



# IMPACT OF BUDGET 2022 ON TARANAKI ENTERPRISE

Question 11:

## What impact do you think the 2022 budget will have on...



155 respondents answered the question and 31 skipped. Overall, the response seems not optimistic regarding the impact that the 2022 budget will have on both economy and businesses.

48% of the respondents are concerned that the 2022 budget will weaken the New Zealand economy, and 34% are concerned it would have a weakening impact on Taranaki economy as well.

While referring to their own industries and own enterprises, the majority of respondents expected that the budget would make no real impact.

A small percentage of respondents anticipate the budget will stimulate the economy.

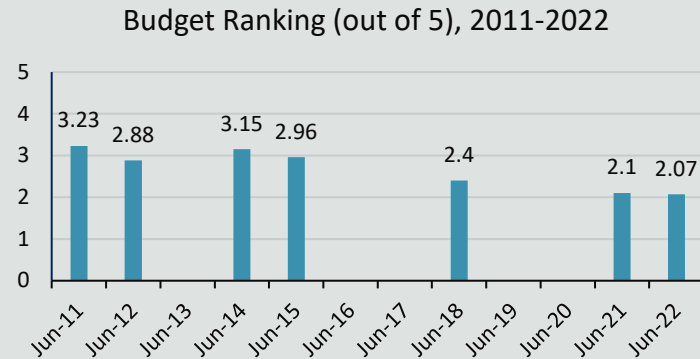


# BUDGET 2022 RATE

Question 14: How would you rate the 2022 Budget overall in terms of "business friendliness"? (rating out of five)



141 respondents answered the question, and the average weighted score of the 2022 budget was 2.1 stars out of 5.



The chart presents the budget ranking from previous years. Budget 2022 has ranked the least business friendly thus far.

# BUDGET 2022 COMMENTS

Which aspects of Budget 2022 do you most like?

*"The transformation of the construction industry spend and the spend on infrastructure. Health Spend, particularly Pharmac boost. Spend on Māori health and wellbeing, Māori economic development and Māori climate change initiatives."*

*"Support for public transport, support of health and mental health initiatives."*

*"It was good to see some funding to build NZ's digital capability."*

*"More lifesaving medicines seems positive. Support to get driver's licences (only useful if you have a car to get to and from work). Apprenticeship support, mental health support services seem positive."*

Which aspects of Budget 2022 do you least like?

*"Inflation predictions don't match what is actually occurring for business. Increases are substantial.  
Too many hidden taxes - petrol levies are too high  
Climate change - Utopian view on transport decarbonisation.  
Infrastructure not in place to support electric vehicles which are inflated in price and lifespan/performance pales in comparison to traditional vehicles. Too much money into DHB debt and not investing into health deliverables - money wasted on restructuring and centralization."*

*"More than 80% of NZ ended up getting government welfare via the cost of living payment. I would have much preferred more focus in the budget aimed at stimulating the economy/productivity."*

*"Realistically I don't think most people will see a significant improvement in finances and lifestyles. ."*

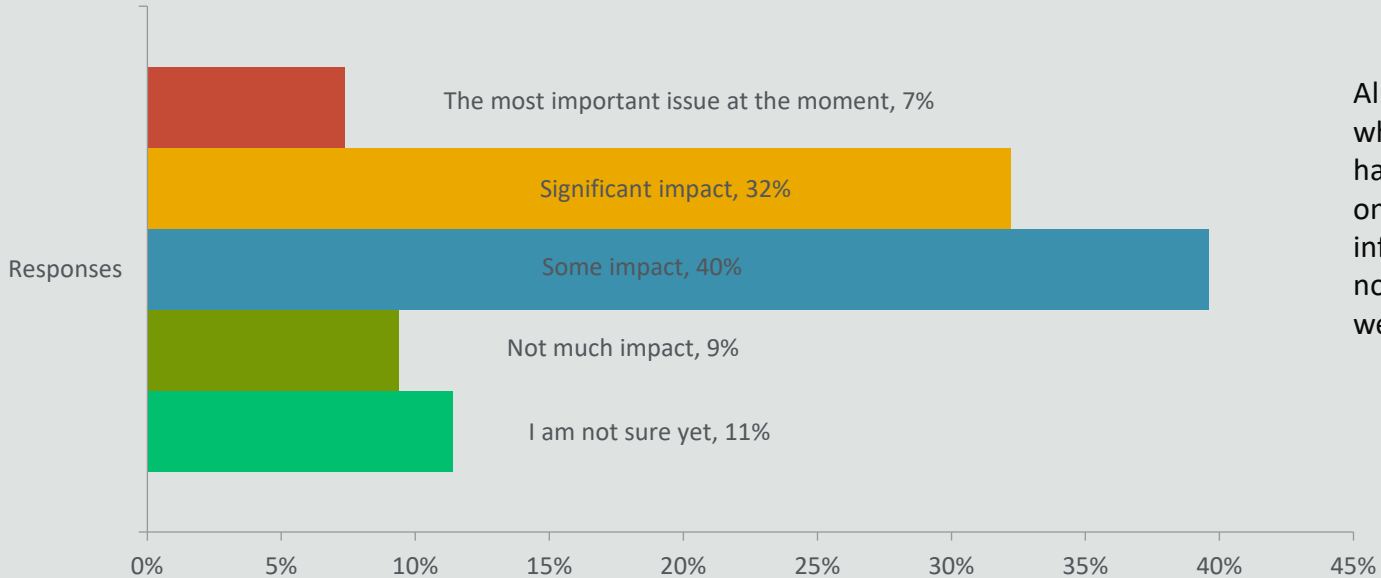
*"Lack of support or consideration for NZ business owners."*

# Inflation



# INCREASED INFLATION IMPACT

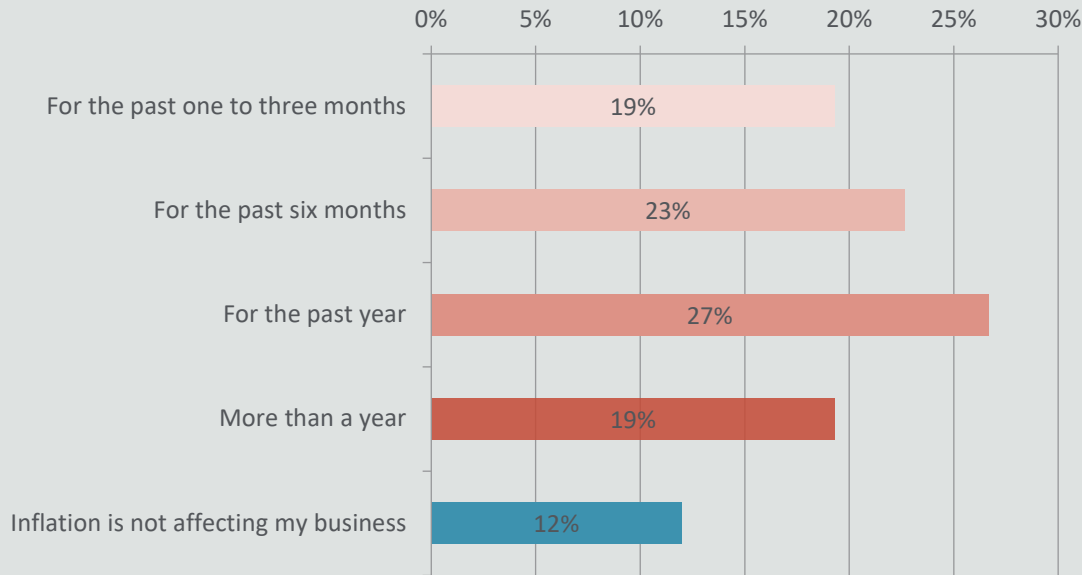
Question 15: To what extent has increased inflation affected your business?



Almost 80% of respondents who answered this question have experienced an impact on their business from inflation. Only 9% responded not much impact and 11% were not yet sure.

# INCREASED INFLATION IMPACT

Question 16: For how long has inflation pressure been affecting your business?



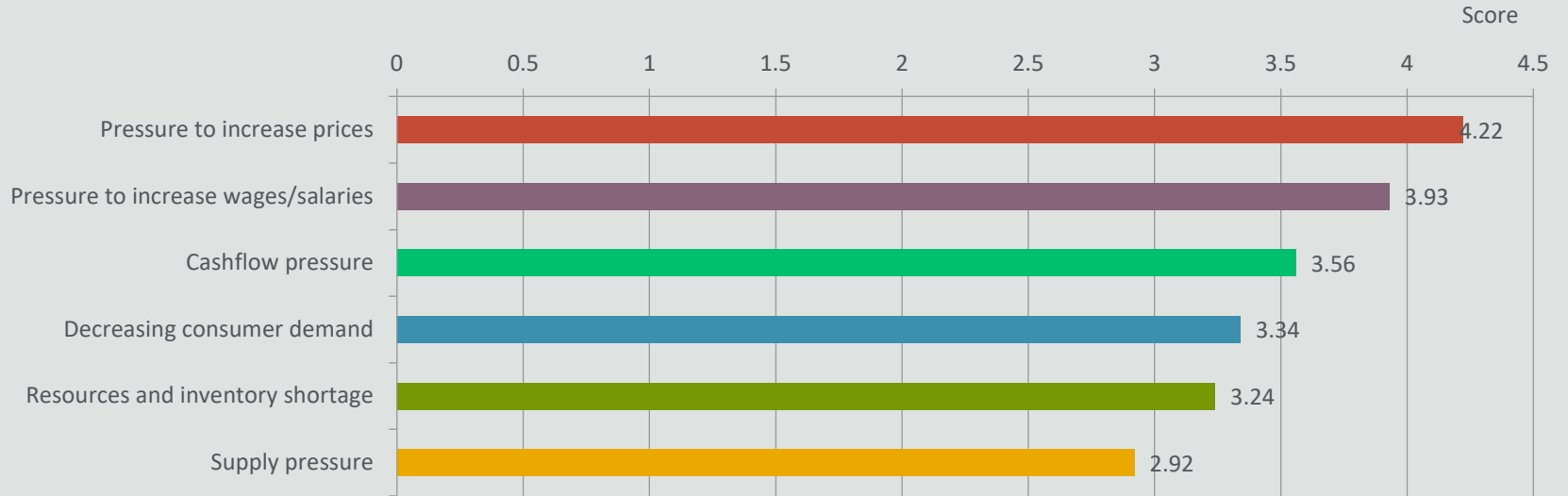
150 respondents answered this question, with only 12% stating that inflation is not affecting their business. Nearly half of respondents had been feeling the effects of inflation for the past year, 19% of them being affected more than a year.

CPI in New Zealand soared to 6.9% earlier this year.

# INCREASED INFLATION CONSTRAINTS

Question 17:

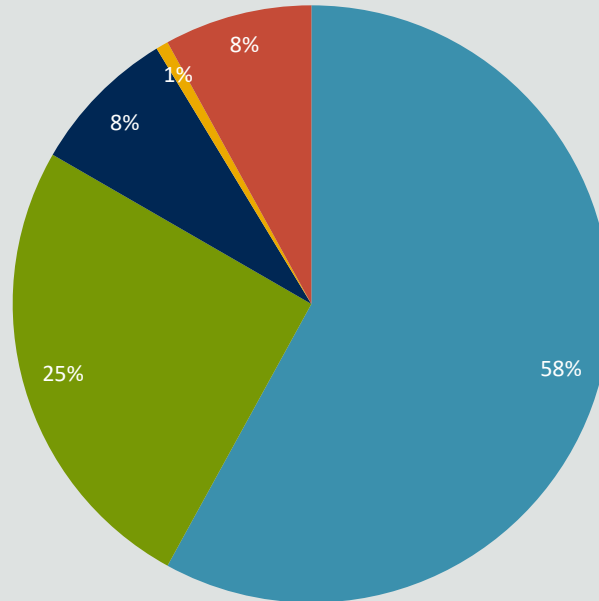
What constraints has inflation/interests rates brought to your business? Please rank 1-6, with 1 being most important and 6 being least important



# INCREASED INFLATION IMPACT ON PRODUCT PRICE

Question 18: Have you, or will you be, increasing the price for your product or service?

- Yes, have already increased prices
- Not yet, but plan to
- No plans to increase prices
- My product/service is free of charge
- I have no control over pricing in my market (i.e. milk payout)

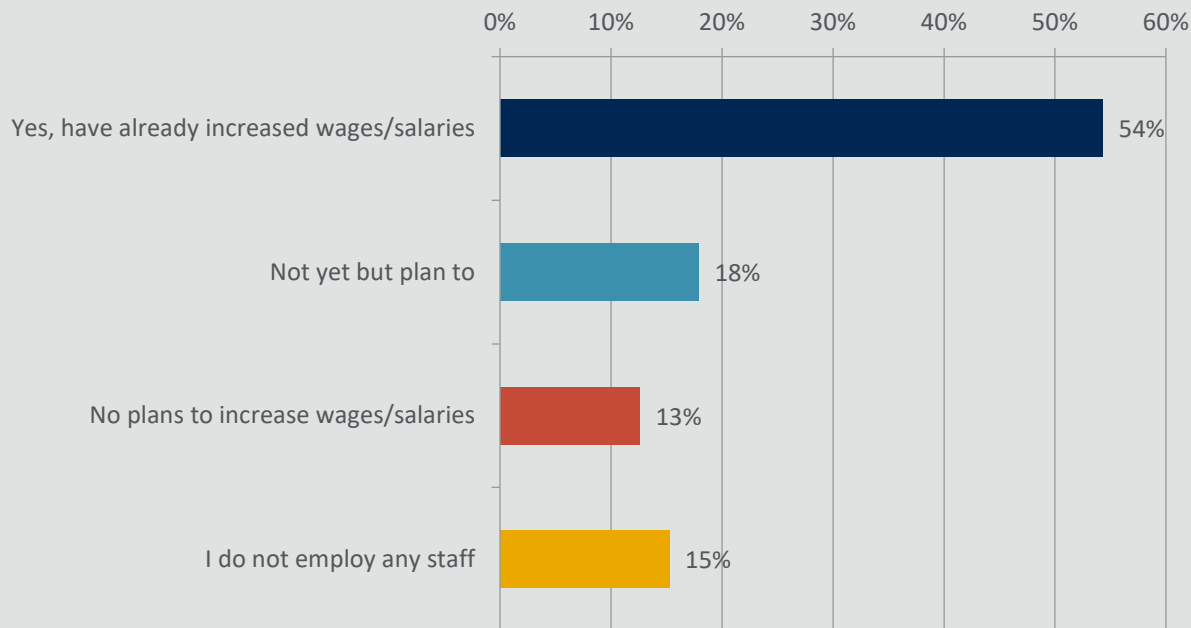


150 respondents answered the question and 36 respondents skipped. Among the respondents who answered, 58% have already increased prices, while a further 25% are planning to do so.

# INCREASED INFLATION IMPACT ON WAGES/SALARIES

Question 19:

## Have you, or will you be, increasing wages/salaries for your staff?

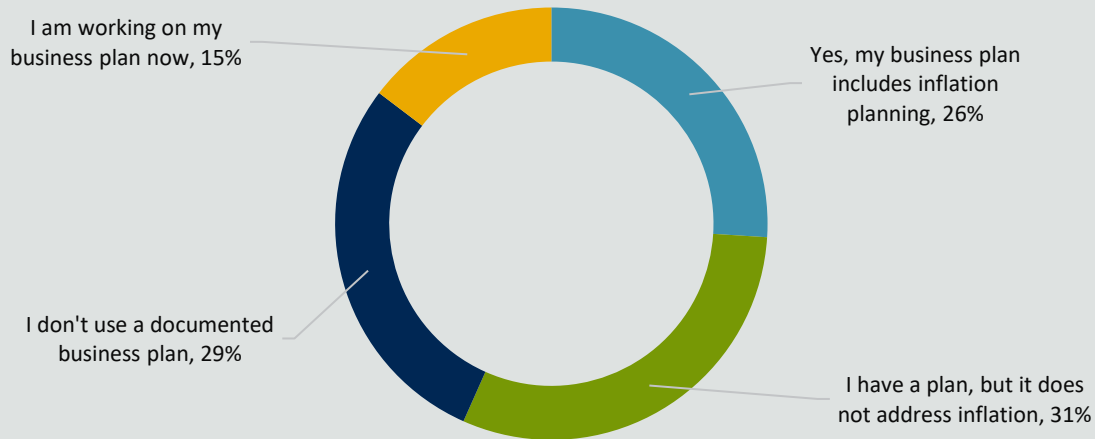


Among the respondents who answered, 54% have already increased wages/salaries for their staff, 18% haven't but plan to. Apart from 15% of the respondents running businesses on their own, only 13% have no plans to increase wages/salaries for their staff.



# BUSINESS PLAN ON INCREASED INFLATION

Question 20: Do you have an up-to-date business plan that incorporates actions to minimise business disruption from inflation pressures?



150 respondents answered the question. They do not appear to have a planned response to inflation pressure and its impact on their businesses.

# INCREASED INFLATION COMMENTS

*"Major impact is on consumer spending ability - where they choose to spend is the question."*

*" We do have concerns that the increased off-shore tourism activity will not be balanced by the reduction in local market sales."*

*"We are an early-stage start-up, we are about another 6 months away from launching. Inflation etc will affect our investment opportunities."*

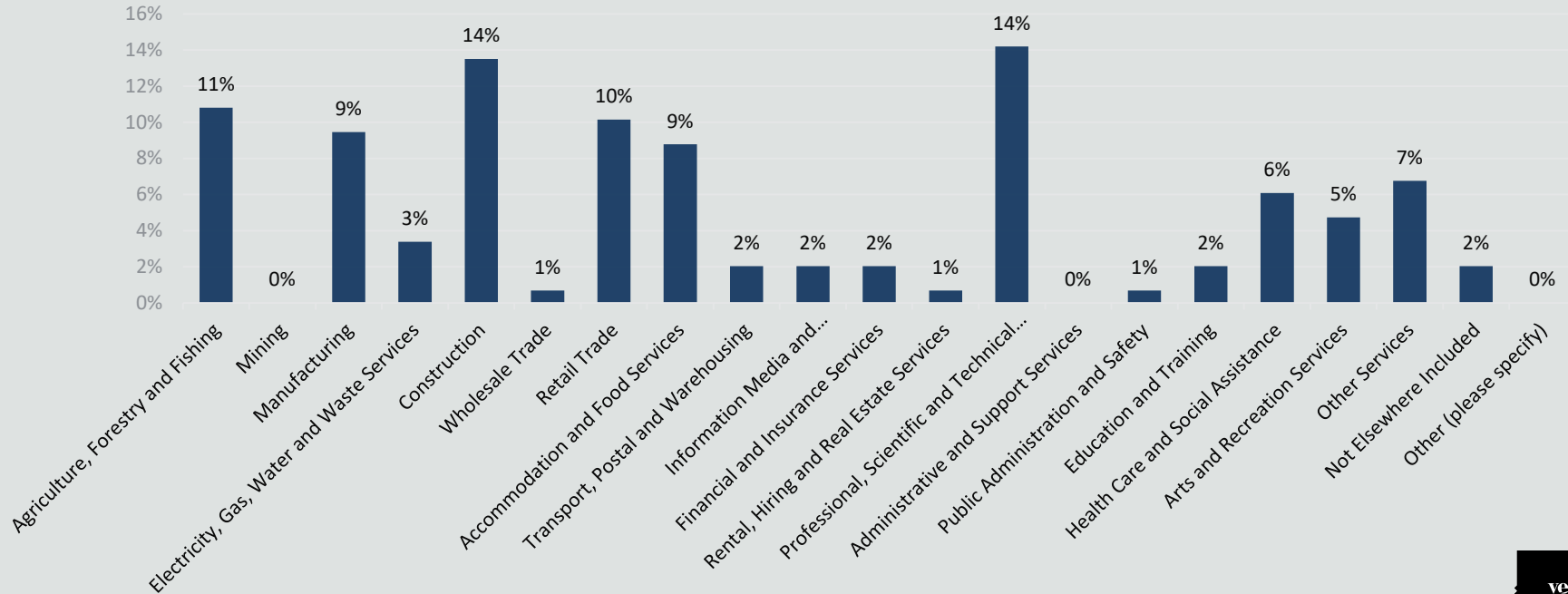
*"some of our raw materials have more then tripled in less then 6 months. we are not comfortable increasing our prices that much. we are struggling to keep prices affordable for our clients while ensuring we have enough money to keep the business going."*

*"Wage pressure is huge and will get much worse before it gets better. Combined with extra holidays and sick leave, and COVID we have noticeable extra costs and noticeably lower productivity."*

# RESPONDENT PROFILE: INDUSTRY SECTORS

Question 22:

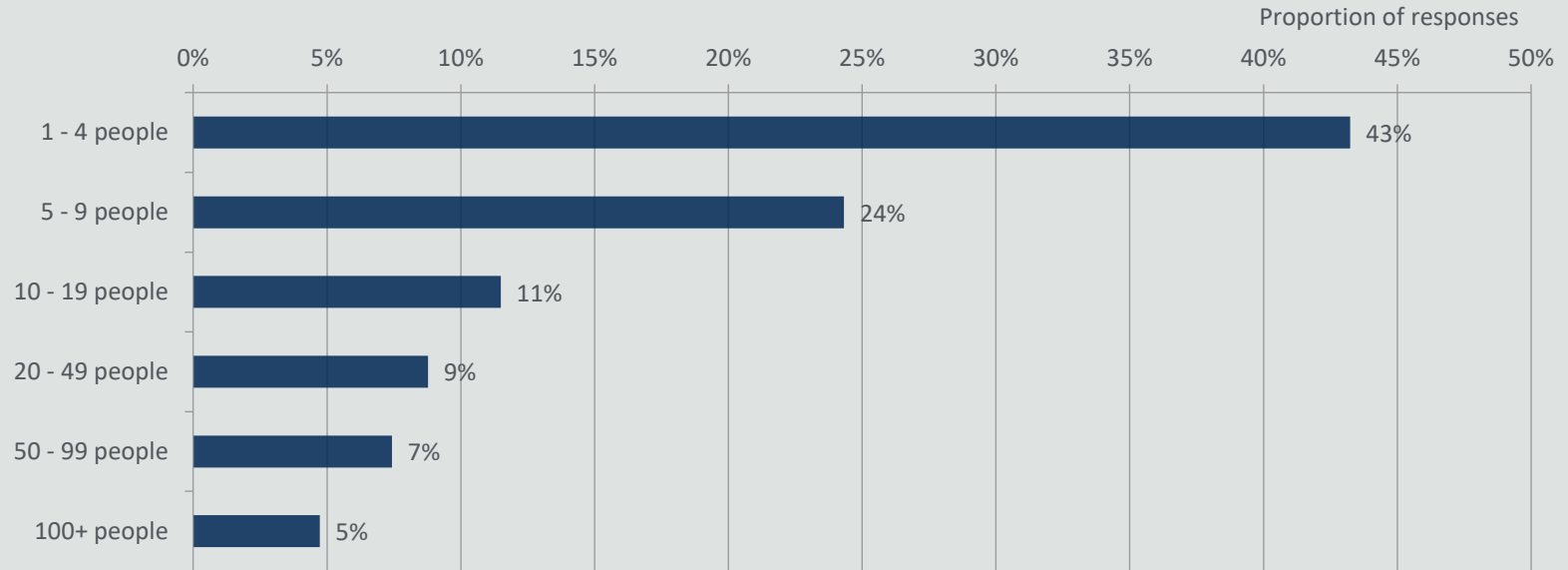
Please indicate which of the following sectors is closest to the main activity of your business:



# RESPONDENT PROFILE: BUSINESS SIZE

Question 23:

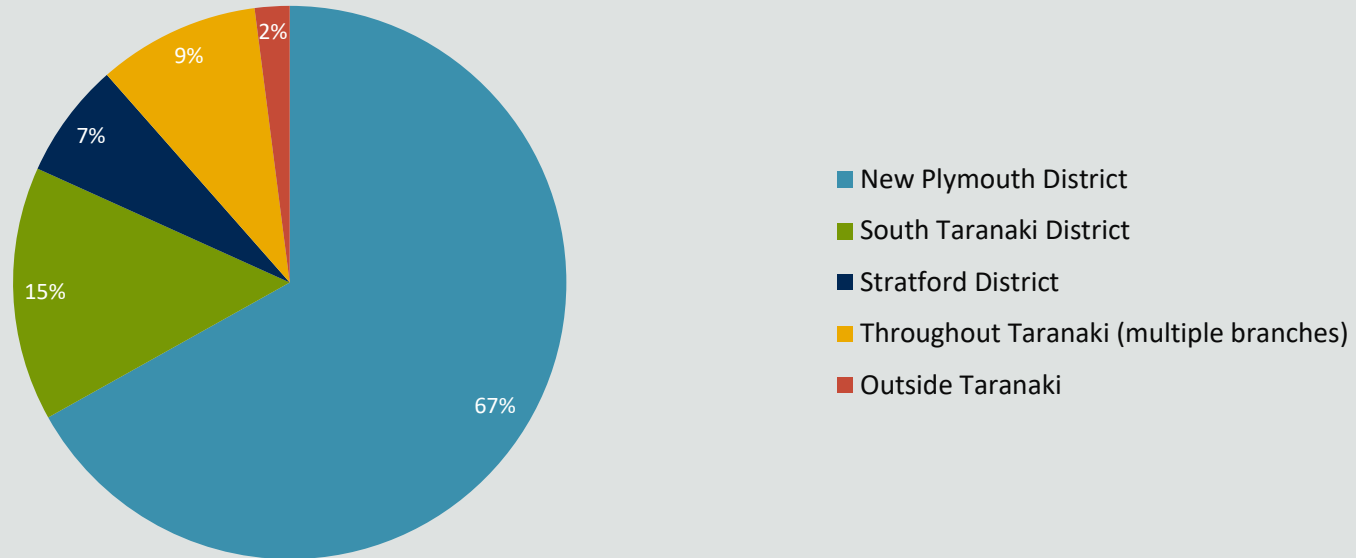
How many people work in your business (including yourself):



# RESPONDENT PROFILE: DISTRICT BREAKDOWN

Question 24:

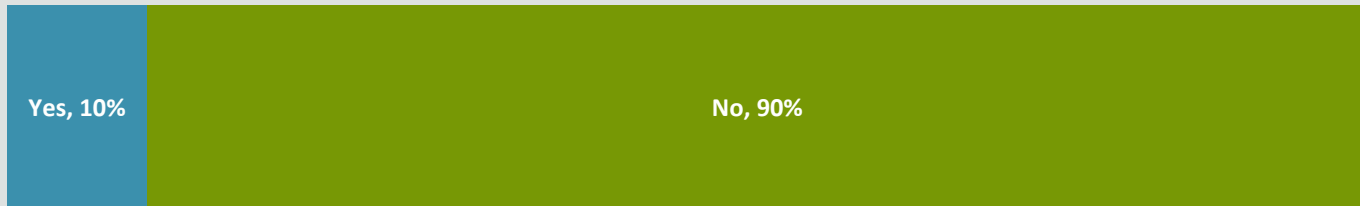
Respondent location



# RESPONDENT PROFILE: MĀORI BUSINESS

Question 25:

Is your enterprise owned or part-owned by Māori?



Thank you | [www.Taranaki.info](http://www.Taranaki.info) for more



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Te Puna Umanga

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