

# TARANAKI BUSINESS SURVEY RESULTS

November 2020

# TARANAKI BUSINESS SURVEY

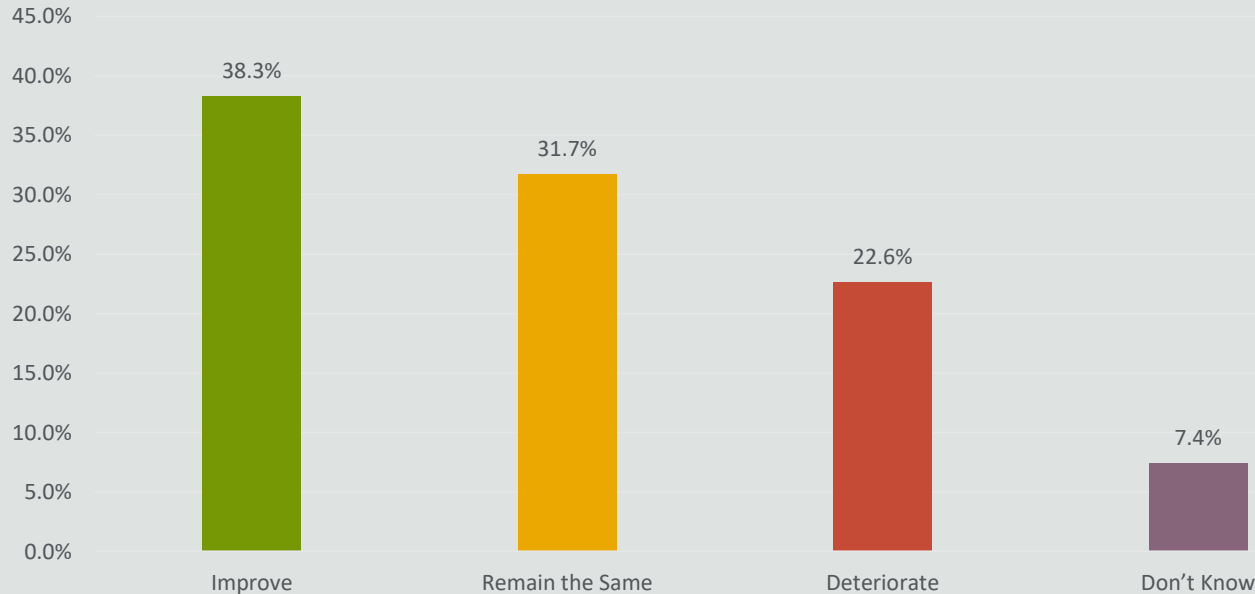
- Monitors economic confidence by Taranaki enterprises and their views on key business issues
- Undertaken by Venture Taranaki 6-monthly since 1999
- Sent to over 1700 enterprises; cross-section of industry type, location and size
- Standard economic questions, plus a special topic: **2020 wrap-up and incoming Government proposed changes**



# ECONOMIC CONDITIONS

# NEW ZEALAND

NZ Economic Outlook - next 12 months

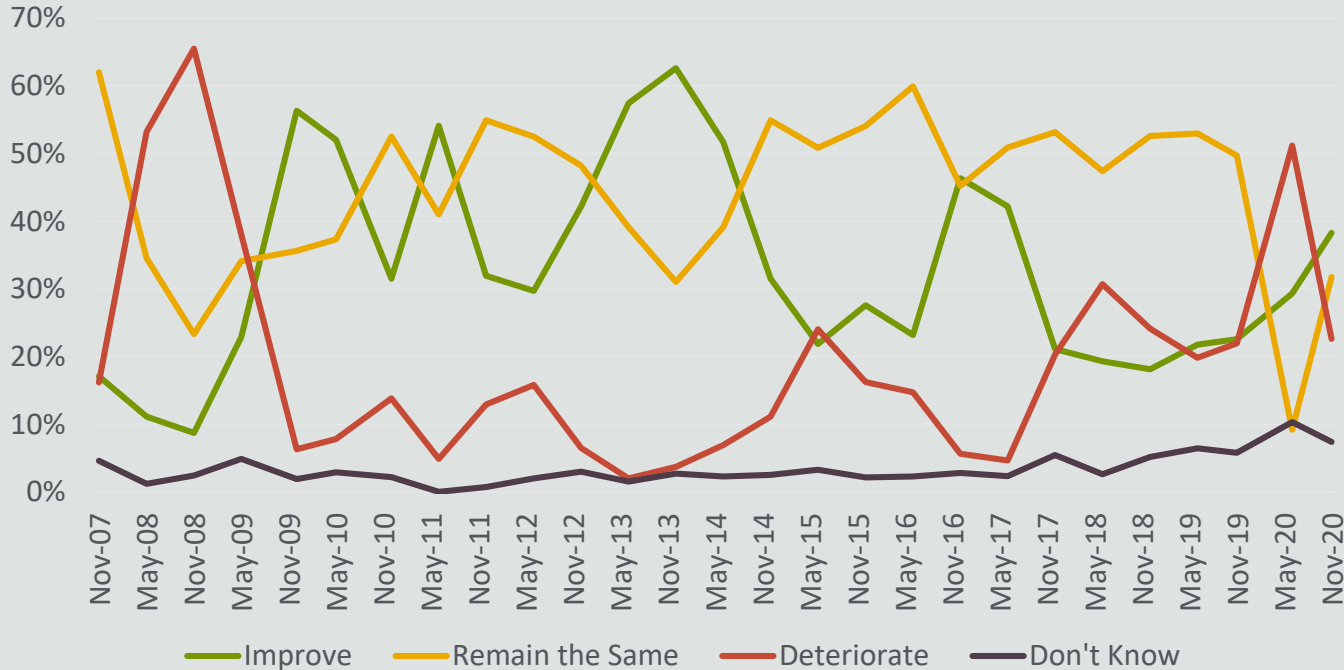


Most respondents have a positive outlook on the national economy over the next 12 months.

**Improve – 38.3%**  
**Remain the same – 31.7%**  
**Deteriorate – 22.6%**  
**Don't know – 7.4%**

# NEW ZEALAND

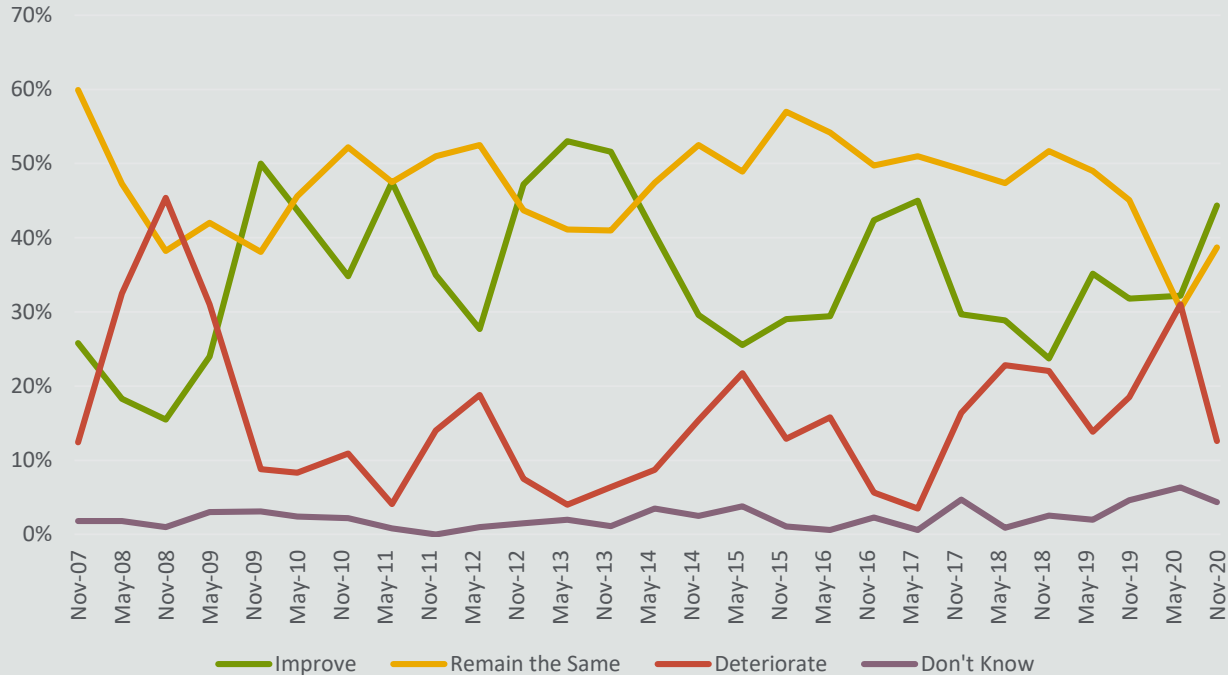
## NZ Economic Outlook - Next 12 months



There has been a significant shift in those with a more positive outlook over the next 12 months – with only 22.6% of respondents believing the national economic outlook will deteriorate, from 51.2% previously.

# INDUSTRY OUTLOOK

## Industry Outlook - Next 12 months

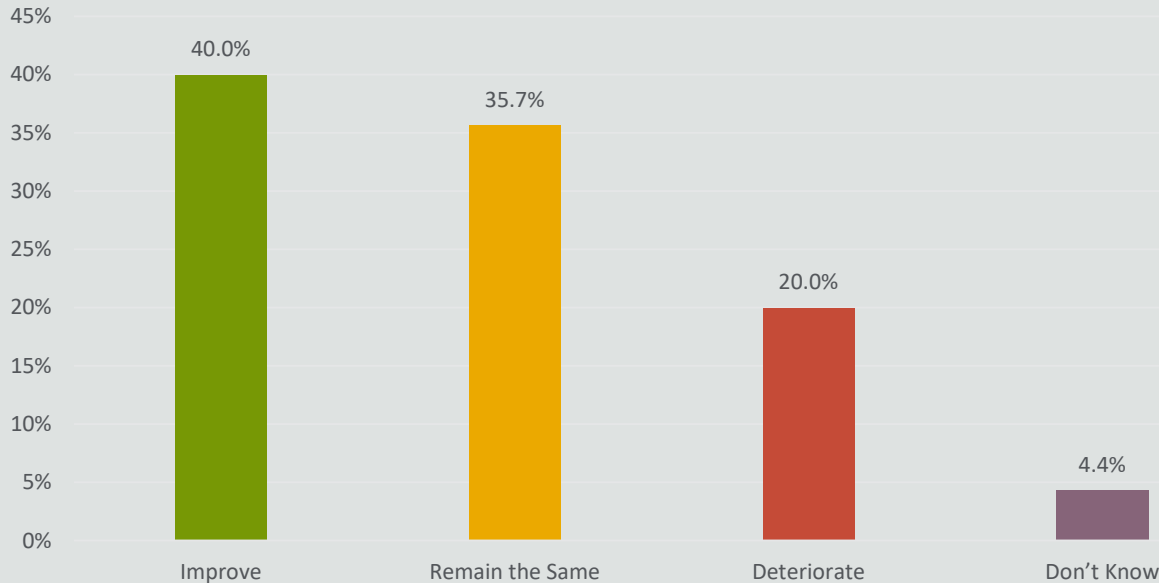


Respondents are feeling more optimistic in their views towards their own industry compared to earlier in the year.

**Improve – 44.4%**  
**Remain the Same – 38.7%**  
**Deteriorate – 12.6%**  
**Don't know – 4.4%**

# TARANAKI OUTLOOK

Regional Outlook - next 12 months



Relatively positive outlook for the Region over the next 12 months.

**Improve – 40%**

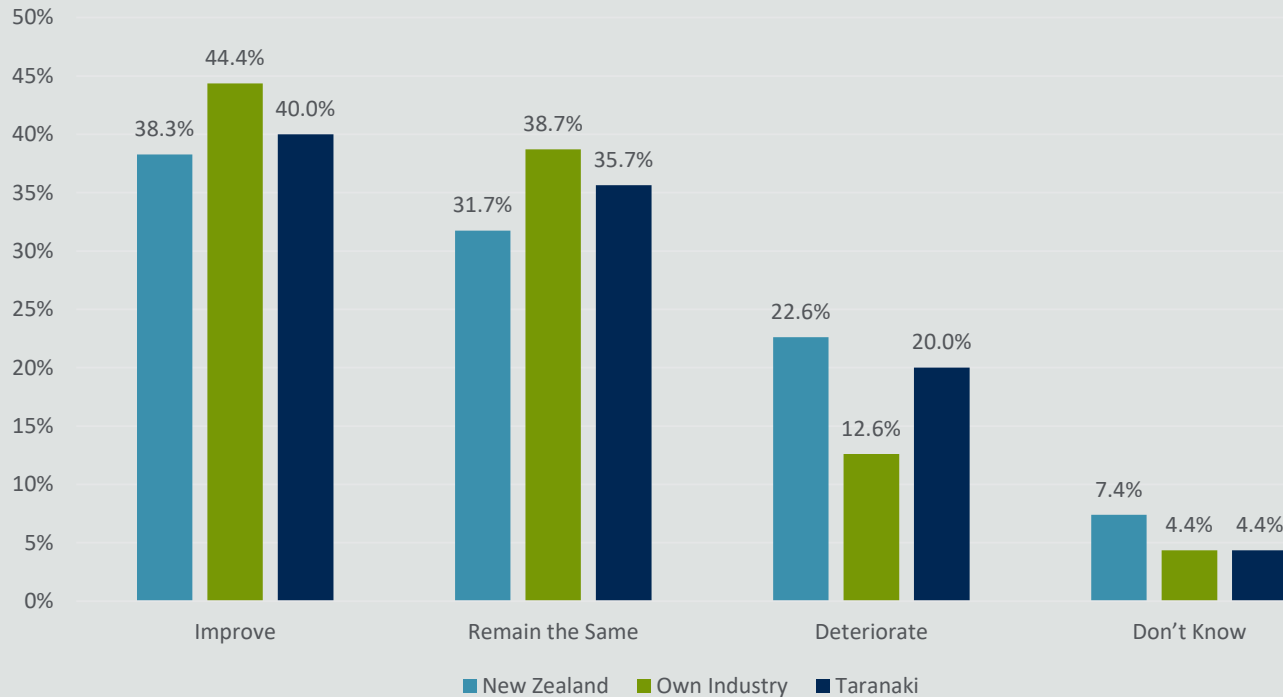
**Remain the same – 35.7%**

**Deteriorate – 20%**

**Don't know – 4.4%**

# NZ VS. INDUSTRY VS. TARANAKI

Conditions over the next 12 months



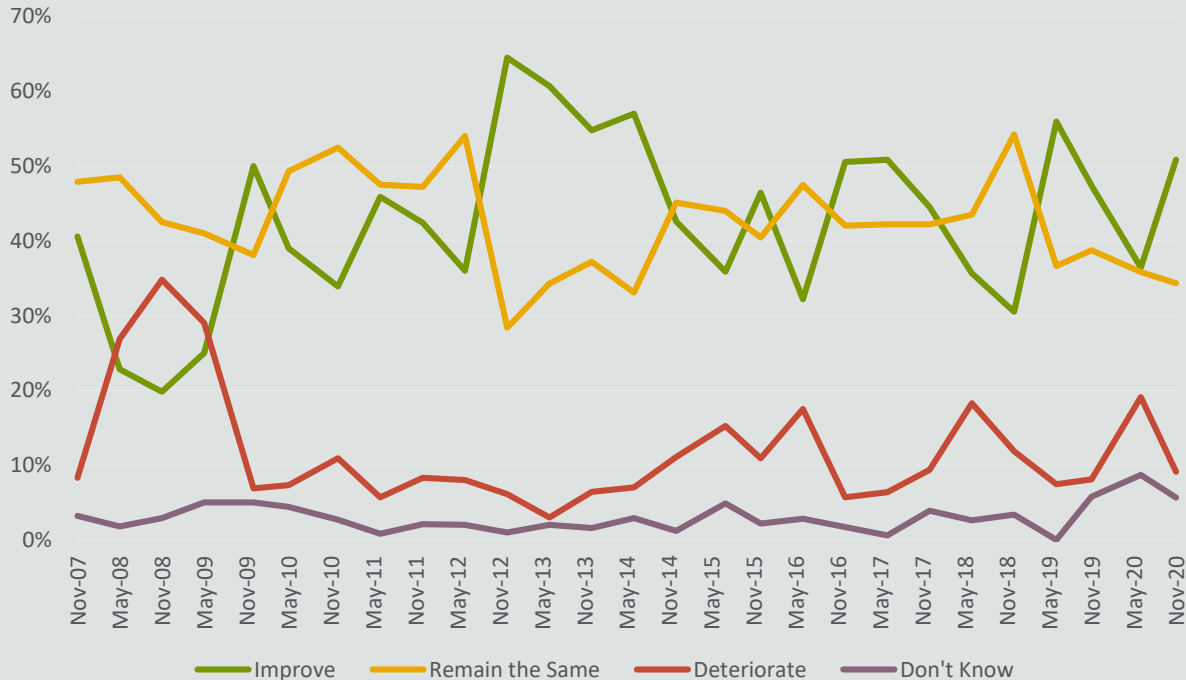
Respondents are feeling more positive towards the national, regional and their own industry's economic outlook than 6 months prior.

Respondents are more optimistic about their own industry compared to the national and regional economy.



# SALES FORECAST

## Sales Outlook - Next 6 months



The sales forecast shows an increased confidence for the next six months.

**Improve** – 50.9% (was 36.4%)

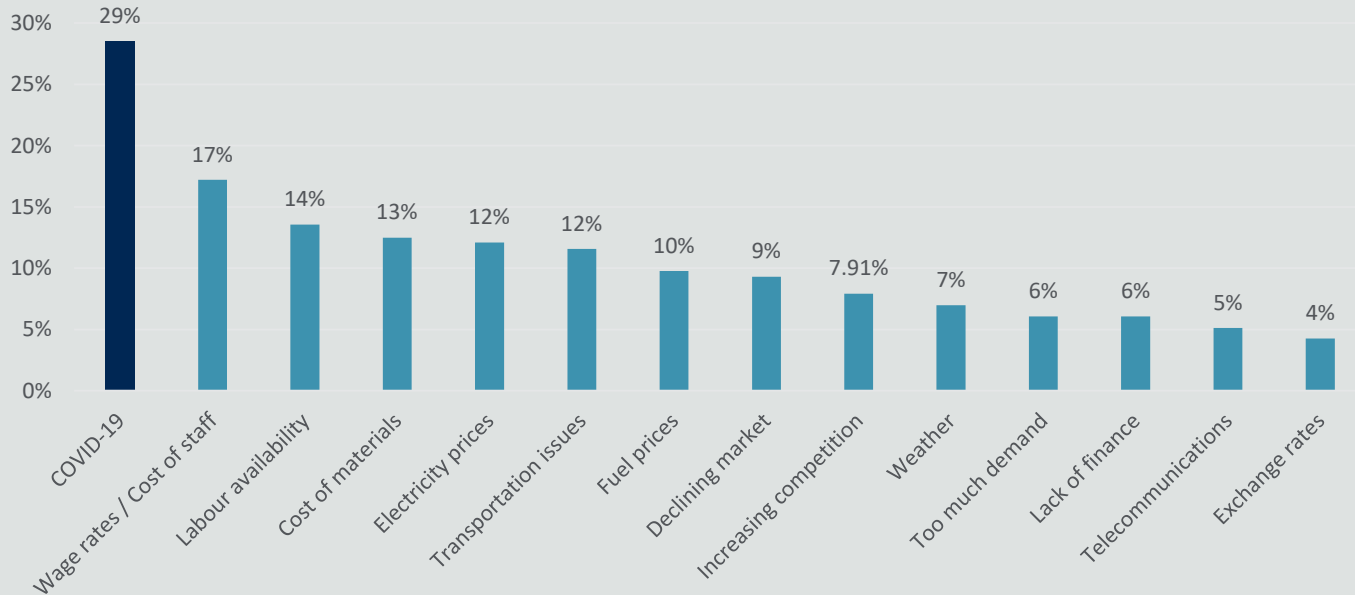
**Remain the Same** – 34.4% (was 35.8%)

**Deteriorate** – 9.1% (was 19.1%)

**Don't know** – 5.7% (was 8.7%)

# TARANAKI BUSINESS CONCERNS

Factors that are of most concern to Taranaki enterprises and are impacting their operations



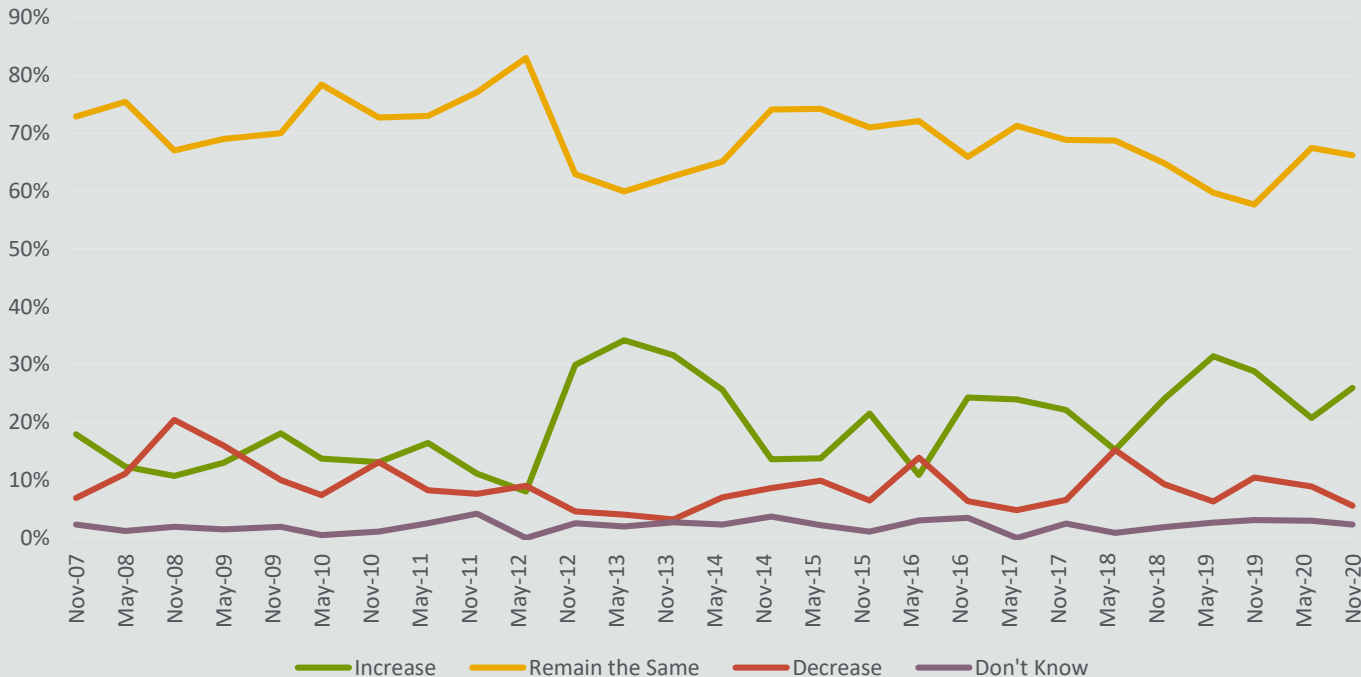
COVID-19 remains the factor most concerning for Taranaki enterprises, with staffing costs increasing in concern (only 8% of respondents concerned about this in June).

# FACTORS IMPACTING TARANAKI ENTERPRISES

- “Job sizes are too big because on top of already busy workloads, there are increasing Covid and regulatory/ compliance matters to be dealt with”
  - “Increase in compliance cost”
  - “Regulatory uncertainty, unclear council direction, lack of council vision/responsiveness”
  - “Reduced domestic travel flights are impacting ability to offer certain open hours
  - “Biggest impact of Covid currently is increased sick leave in staff and impact on logistics (material delays happening ALL the time)”
  - “COVID controls especially ability to travel outside of NZ for business is having direct impact”
  - “The inbound/outbound tourism industry NZ wide is on its knees”
- Regulation & compliance
- Logistics
- Travel restrictions

# EMPLOYEE NUMBERS IN THE NEXT 6 MONTHS

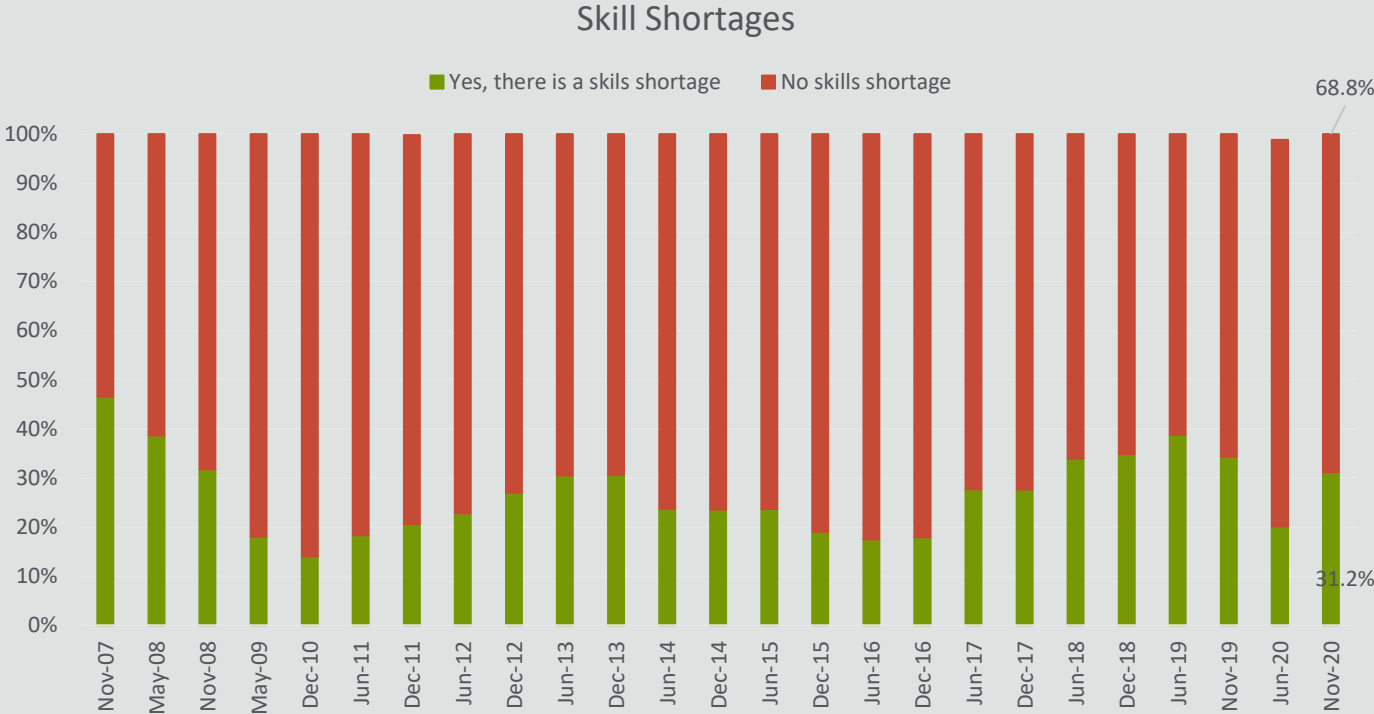
## Employment Outlook



Most enterprises anticipate no changes to staffing levels.

From the last survey we are seeing confidence begin to return when it comes to increasing staffing numbers in the next six months.

# SKILLS SHORTAGE OR DIFFICULTY HIRING?



**31% of Taranaki enterprises are experiencing skills shortages** - an increase of more than 11% since the June survey.

More than two-thirds of Taranaki enterprises are not reporting any skill shortages.

# SKILLS SHORTAGE COMMENTS

- “Benefit for under 25's is overruling the desire to work”
- “Subsidies getting in the way of employment”
- “Young staff these days do not like to work”
- “Recruiting qualified, skilled trades staff not easy, the good one are all gainfully employed already “
- “We have plenty of people enquiring for apprenticeships but not enough fully trained technicians and due to the size of our business are unable to hire any more apprentices.”
- “We can't find skilled people locally. Lack of specialist education locally means few people available with the skill set required to do the job. Try and hire people from other cities but it's a big commitment to relocate.”

A person is standing on a grassy hill overlooking a body of water at sunset. The sky is filled with soft, golden light, and the water reflects the colors of the sky. The foreground is dominated by tall, golden grasses. The overall mood is serene and contemplative.

# 2020 WRAP-UP AND INCOMING GOVERNMENT CHANGES

# TARANAKI'S BIGGEST REGIONAL HIGHLIGHT

- **“Resilience of the local community, and the commitment to support local businesses”**
- “Limited reliance on international tourism has meant slightly less impact on business due to covid”
- “Being isolated from larger centres has increased a feeling of safety from COVID, and having a council that has not suddenly cut spending has helped keep a feeling of continuity”
- “Agriculture showed real resilience”
- “Our ability to persevere through changes in declining interest in oil and gas from the government and Covid 19”
- “The support/funding being made available to help businesses (VT/NZTE) and not for profits (TSBCT) affected by covid and the supportive nature of Taranaki in general to help and shop local”
- “Increased investment in homes, new and renovations”
- “WOMAD and all the wonderful events we have still been able to enjoy in 2020”
- “New infrastructure projects under the Just Transitions/Roadmap 2050 gaining steam”
- “Winning Ranfurly Shield”



# TARANAKI'S BIGGEST REGIONAL CHALLENGE

- **“COVID-19”**
- “Obtaining skilled labour in the building and energy industries”
- “Completing the major projects (to much talk/ planning, not enough walk, doing)”
- “Replacing the Jobs created by the energy sector both directly and indirectly”
- “Environmental regulations coming through and changing mindsets”
- “Housing availability/affordability”
- “Attracting & keeping young talent in the region, by offering good educational & skills-based learning opportunities in Taranaki”
- “Our Roding issues - the roads are really really bad”

# BIGGEST ISSUES FOR TARANAKI IN 2021

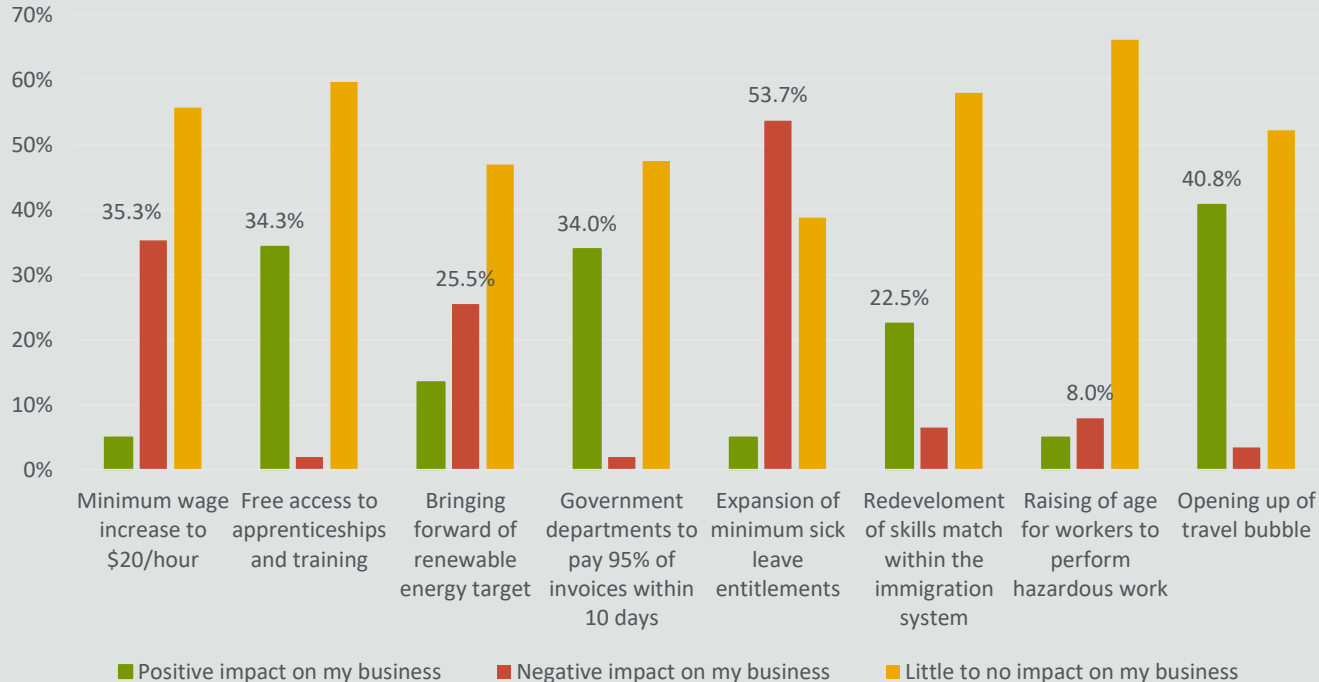
- “Continuing to manage the downturn in the energy sector and to encourage growth and opportunities in local trades-based training where a good education places people in strong position to do well in their chosen careers”
- “Filling the O&G gap. Maintaining the diversity & expertise of multiple small industry that O&G has fostered”
- “Financial constraints due to loss of jobs, declining salaries and less expendable incomes”
- “Economic resilience in the face of constrained spending, rising cost of living and increasingly challenging business environment for startups and SMEs pursuing growth”
- “Many people are at or nearing retirement age which could negatively impact our skill base”
- “Housing - affordable homes and capacity for people coming to the region”

# BIGGEST OPPORTUNITIES FOR TARANAKI IN 2021

- “There will be increased job opportunities for younger people to get work. Worker retention should improve due to limited opportunities for relocating to larger centres (housing crisis) and travelling overseas (COVID)”
- “More people are looking to retraining/tertiary study due to job losses and government incentives”
- “Capitalising on the shift towards a more sustainable food and fibre sector”
- “Offshore wind”
- “Domestic tourism”

# IMPACT OF INCOMING GOVERNMENT PROPOSED CHANGES

Potential incoming Government legislative changes



Taranaki enterprises believe that the proposed changes of free access to apprenticeships and training, government departments paying invoices earlier, redevelopment of skills matching and opening of a travel bubble will have positive impacts on their enterprises.

# SUGGESTED ACTIONS FOR INCOMING GOVERNMENT

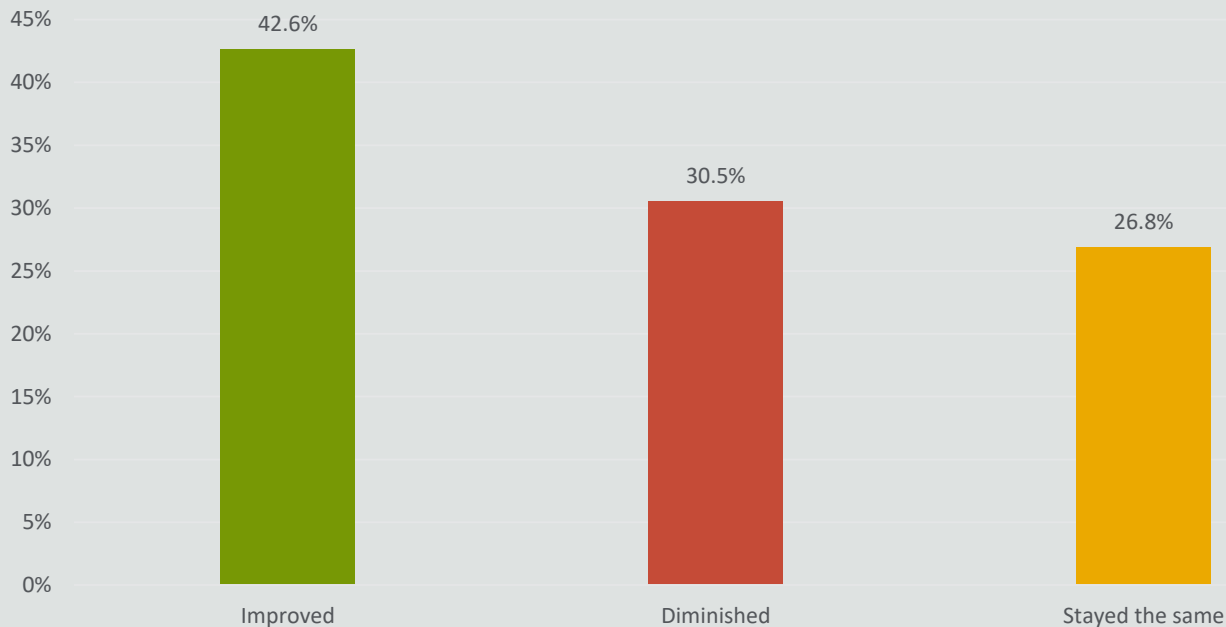
- “Reconsider the sick leave rule or consider how they would help to mitigate this cost on businesses when the current mantra is "if unwell stay home””
- “More work for the environment - fresh water, emissions etc - don't slow down on this because of COVID”
- “Reverse the oil and gas decision”
- “Improve the infrastructure to and around the region”
- “Tackle unaffordable housing”
- “Supporting investment in alternative energy sources (Hydrogen / Ammonia / Electricity) in a larger way. Make us the Alternative Energy Province”

# SUGGESTED ACTIONS FOR INCOMING GOVERNMENT

- “To look after employers and not making it harder for them by adding more sick leave entitlement or increase minimum wage”
- “Be realistic in terms of their transition timelines”
- “Stay absolutely committed to keeping COVID-19 at the border”
- “Offer subsidies, relocation costs to innovative tech and environmental businesses to base themselves in New Zealand. We need to make the most of the brain gain by offering opportunities for people to stick around and not leave as soon as we return to business as usual”
- “Having an understanding of how businesses, including small businesses operate”

# NEW ZEALAND'S COMPARATIVE ADVANTAGE

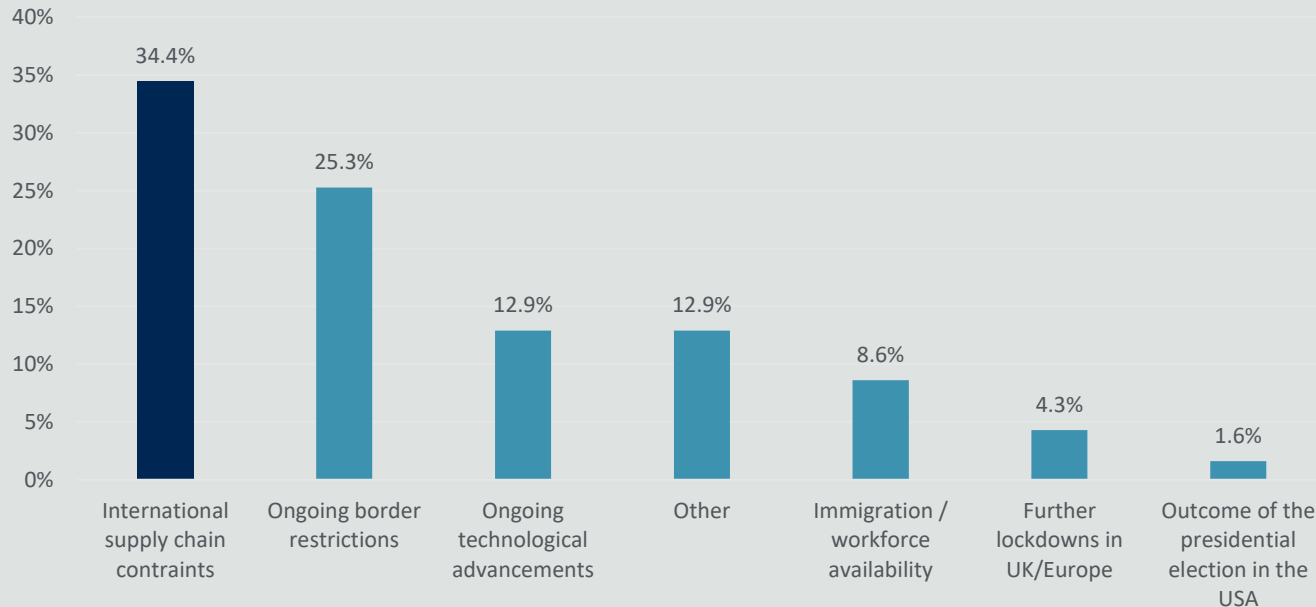
New Zealand's economic comparative advantage through 2020



**Most respondents (43%), believe that New Zealand's comparative advantage has improved through 2020, compared to 31% who believe it has diminished.**

# GLOBAL ISSUES IMPACTING TARANAKI ENTERPRISES IN 2021

Greatest global issues impacting Taranaki enterprises in the next 12 months



The greatest global issue impacting Taranaki enterprises is predicted to be international supply chain constraints, followed by ongoing border restrictions. Other global issues identified include COVID-19, global oil prices and logistics difficulties.



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



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Te Puna Umanga

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like no other