



ENTERPRISE NORTH CANTERBURY  
**NORTH CANTERBURY  
BUSINESS OPINION SURVEY**

**October 2020**

-----  
RESEARCH RESULTS

[WWW.NORTHCANTERBURY.CO.NZ](http://WWW.NORTHCANTERBURY.CO.NZ)



# Contents



North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

<u>Contents</u>	2
<u>Key Messages</u>	3
<u>Business Confidence</u>	4
<u>Operations – Profitability</u>	5
<u>Covid-19 Impact on Business</u>	6
<u>Employment Trends</u>	8
<u>Investment</u>	10
<u>Who Completed the Survey?</u>	11
<u>ENC Sponsors</u>	12



# Key Messages

## from North Canterbury businesses

North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

- North Canterbury businesses continue to feel the impact of Covid-19, but business confidence has increased in North Canterbury from net -59% in May 2020 to net -10% for this survey.
- The last time the North Canterbury business community was more confident was in October 2017 when we had net 0% confidence.
- While North Canterbury overall is still slightly pessimistic about the next six months, we have a far more positive outlook than New Zealand as a whole who have net -39% confidence compared to our net -10%.
- Sales levels and profitability have been impacted negatively due to Covid, but businesses expect an improvement in their fortunes next year with 48% of businesses expecting profits to remain stable and 25% expecting profits to increase.
- The number of businesses that consider they have been negatively impacted by Covid-19 has decreased from 79% to 53%.
- 35% of businesses are reporting that their business has grown as a result of Covid-19
- Staffing levels are expected to increase over the next six months with 32% of business expecting to increase staffing levels. 61% of businesses expect to retain their current staffing levels and 7% expect to downsize.



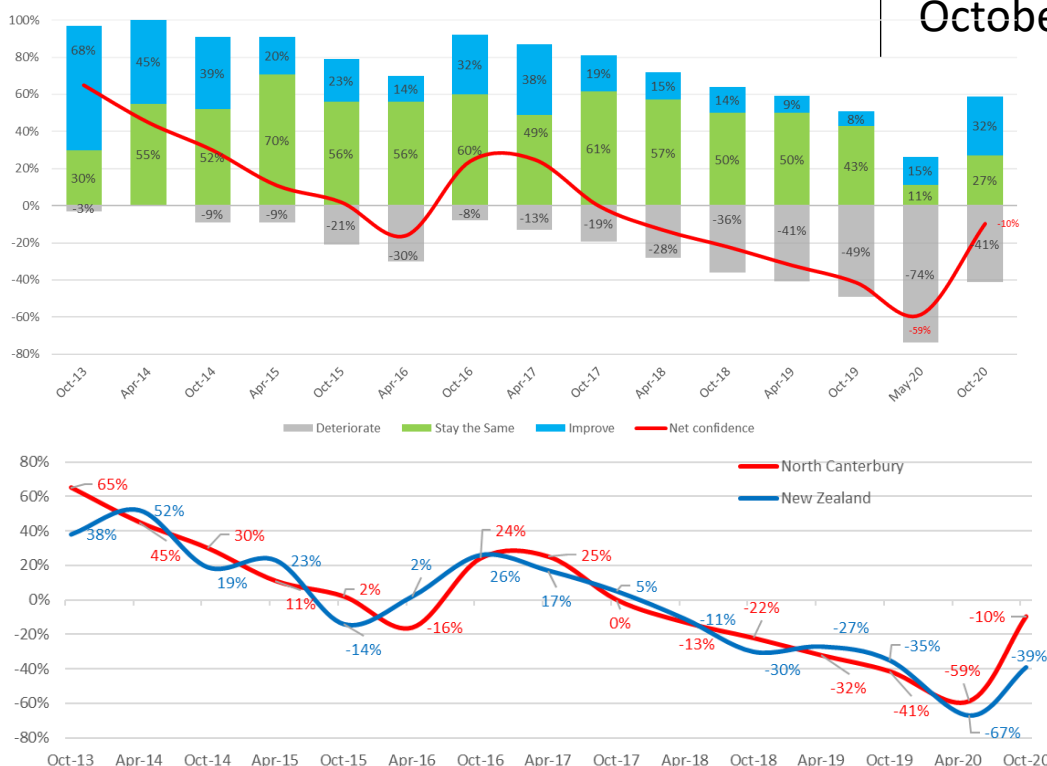
# Business Confidence



North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

Confidence in the general business situation in New Zealand continues has turned around for North Canterbury businesses. While still there is still a level of overall pessimism (-10% net confidence) that is a notable improvement over our May results and the highest level of overall business confidence since October 2017.

41% of participating businesses expect our situation to deteriorate over the next 6 months while 32% expect our situation to improve.



## Context

The last survey was performed during the first Covid-19 lockdown. Since then, business in North Canterbury has done better than was predicted with fewer closures, fewer redundancies and more new businesses starting than expected.

North Canterbury has seen a much greater turnaround in confidence than New Zealand overall, with confidence in North Canterbury businesses increasing net 49% while New Zealand confidence has increased net 28%. This can be attributed somewhat to a lower exposure in North Canterbury to businesses reliant on international tourism. Local tourism operators overall report that business is currently better than last year due to a large number of domestic tourists.

# Operations Profitability

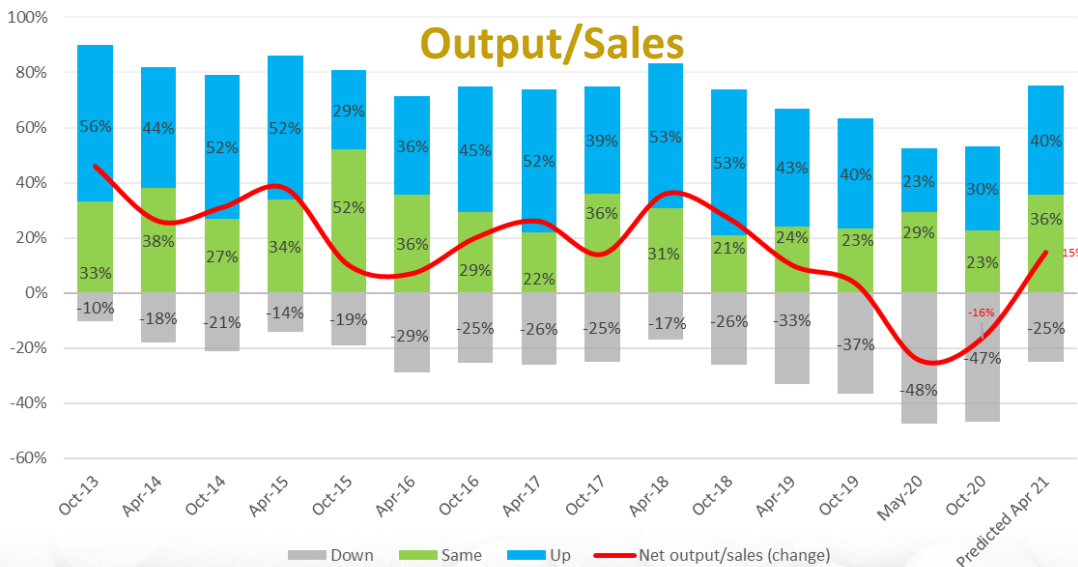
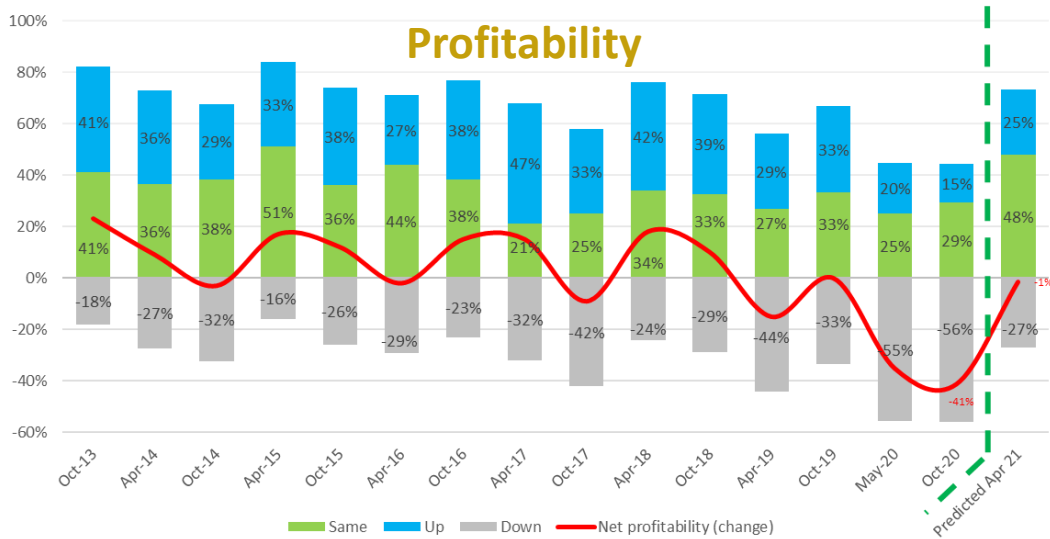


North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

56% of businesses saw a drop in profits over the last six months while 15% saw an increase (net -41%)

Overall businesses expect things to level out over the next six months with an almost equal number of businesses expecting income to increase as those who expect it to decrease. Almost half North Canterbury businesses surveyed (48%) expect profits to remain steady over the next six months.

Unsurprisingly, the drop in profitability is reflective of a drop in sales over the same period.



# Covid-19

## Impact on Business



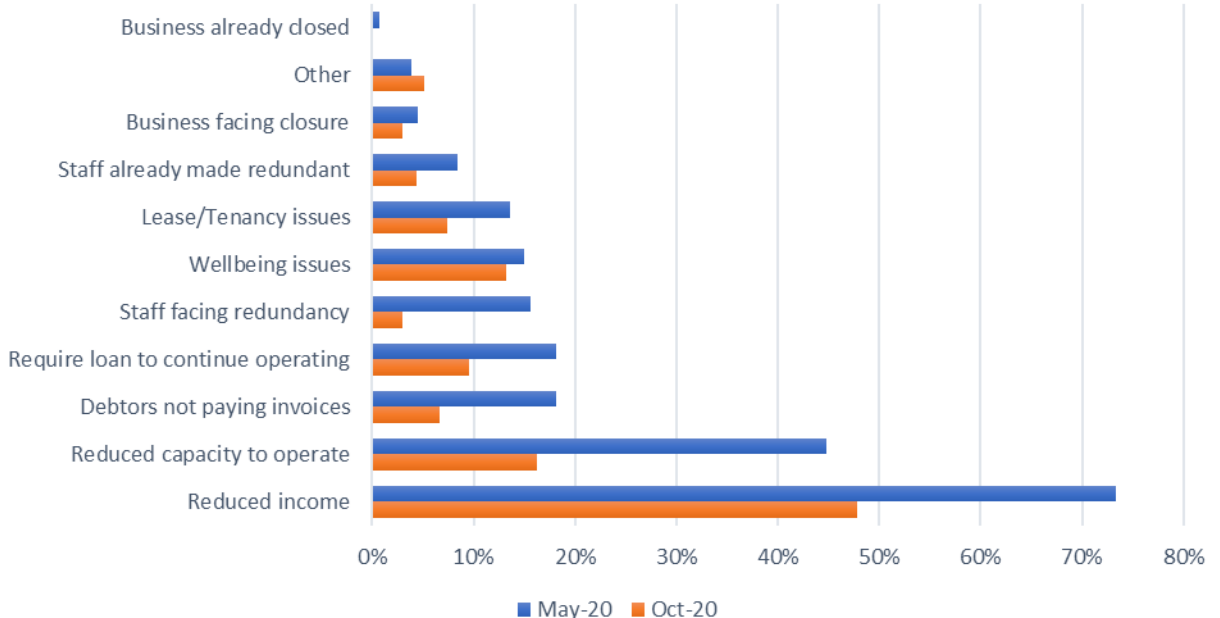
North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

As part of the May 2020 and October 2020 Business Opinion Survey we asked businesses to identify what negative impacts they had experienced as a result of Covid 19.

While the latest results are certainly better than those in May, it still paints a picture of businesses negatively affected by Covid-19.

48% of participating North Canterbury businesses continue to report a decrease in income as a result of Covid-19 which continues to be the most pressing impact of Covid-19.

### NEGATIVE IMPACTS OF COVID-19 FACED BY NORTH CANTERBURY BUSINESSES



# Covid-19 Impact on Business



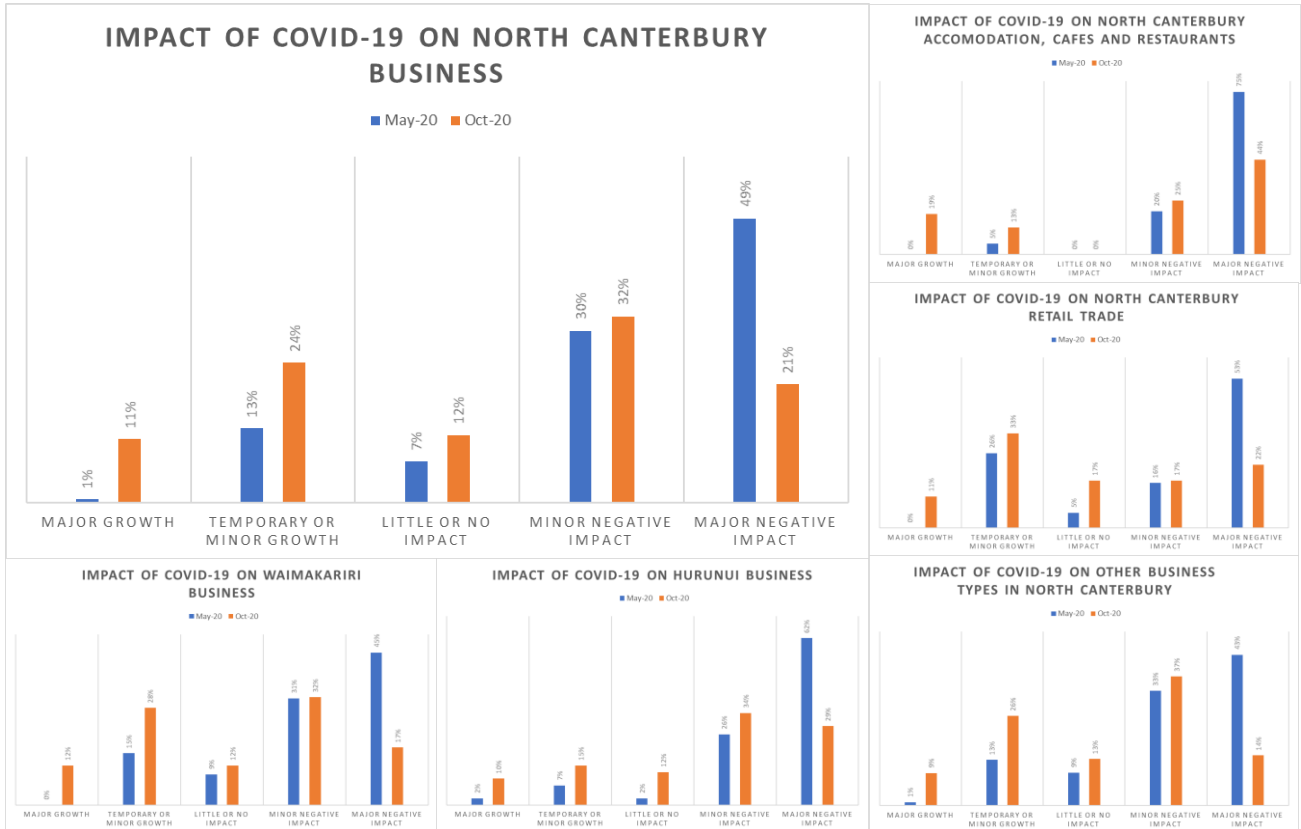
North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

The Hurunui continues to be more impacted than Waimakariri due to its greater reliance export commodities, but for both districts Covid-19 is no longer affecting business as much as it was.

Some businesses in our region are now seeing an increase in income as a result of Covid-19 (40% in Waimakariri and 25% in Hurunui) Overall, this is an increase of 21% of businesses experiencing growth as a result of Covid in North Canterbury.

Retailers overall appear to be doing slightly better as a result of Covid-19 (net 5% positive) while accommodation, cafes and restaurants continue to struggle (net 37% negative)

Too few tourism businesses responded to this survey to be able to provide a statistically reliable breakdown of this industry.





# Employment Trends

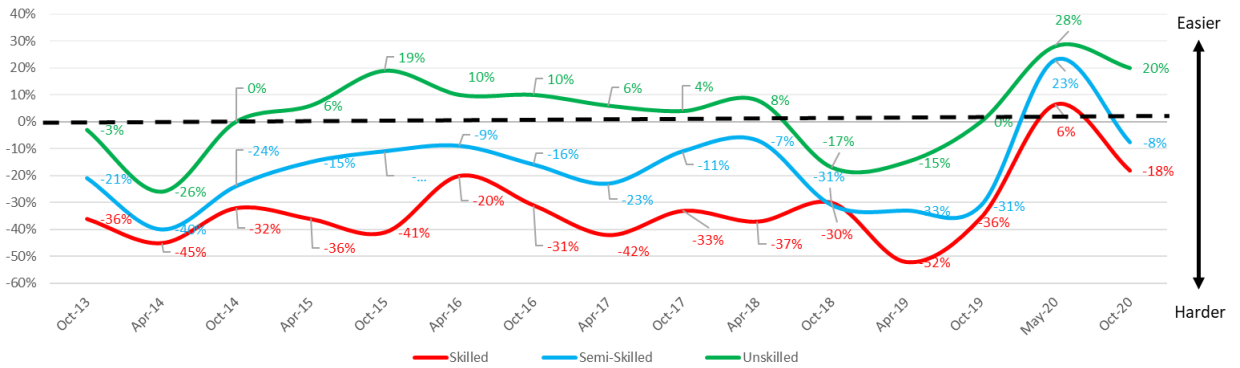


North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

North Canterbury businesses report that it has started to become harder to find skilled and semi-skilled staff than 6 months ago, but finding unskilled staff is less difficult.

33% of employers reported it easier to find unskilled staff in North Canterbury than six months ago, while 13% found it harder (net +20%)

## Difficulty of finding staff



## Barriers to sourcing staff

	Apr-14	Oct-14	Apr-15	Oct-15	Apr-16	Oct-16	Apr-17	Oct-17	Apr-18	Oct-18	Apr-19	Oct-19	May-20	Oct-20
Lack of required training / skills	4	4	5	7	7	11	7	3	6	9	5	2	6	12
Fewer Applicants/Supply Shortage	-	-	-	-	-	-	-	2	6	7	7	5	-	10
Competition with other industries	5	4	7	4	2	2	2	-	-	2	1	5	-	1
Location too far from main centres	2	1	2	1	1	2	4	1	4	7	-	3	2	1
Lack of accomodation	-	-	-	-	-	-	-	-	-	-	2	-	-	1
Immigration policy issues	-	-	-	-	-	-	-	-	-	-	3	2	-	1
Other reasons	-	-	2	4	-	2	-	4	3	7	3	5	3	5
<b>Total</b>	<b>11</b>	<b>9</b>	<b>16</b>	<b>16</b>	<b>10</b>	<b>17</b>	<b>13</b>	<b>10</b>	<b>19</b>	<b>32</b>	<b>21</b>	<b>22</b>	<b>11</b>	<b>31</b>



# Employment Trends



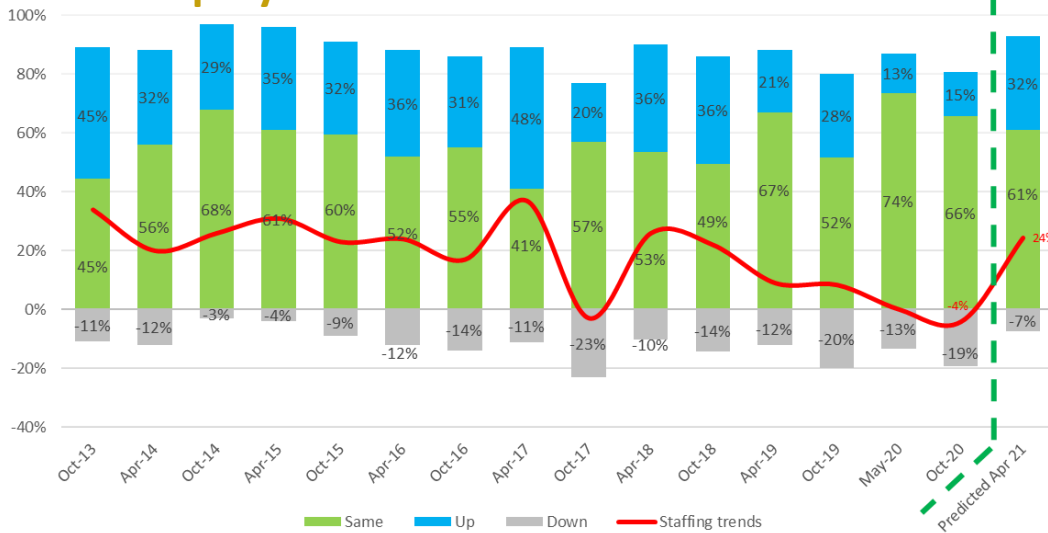
North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

Recruitment levels have remained relatively steady over the last six months. 66% of businesses retained the same staffing levels while 19% of businesses reduced staffing numbers. 15% of businesses took on new staff, increasing their overall staffing level during this period.

While most businesses expect to retain the same staff numbers of the next six months (61%), 32% of businesses expect that they will be increasing their staffing numbers while only 7% expect to decrease.

Word of mouth continues to be the main method of finding employees (58% of employers use this method), followed by internet advertising (42%), social media (32%) and friends/family (27%).

## Staff Employed over last 6 months



## Where staff are sourced

	Apr-14	Oct-14	Apr-15	Oct-15	Apr-16	Oct-16	Apr-17	Oct-17	Apr-18	Oct-18	Apr-19	Oct-19	May-20	Oct-20
Word of Mouth	56%	59%	69%	56%	60%	65%	74%	58%	60%	67%	63%	65%	50%	58%
Internet Advertising	59%	47%	56%	56%	51%	56%	70%	64%	57%	71%	56%	60%	38%	42%
Newspaper Advertising	38%	38%	33%	35%	26%	27%	21%	25%	17%	13%	16%	11%	7%	8%
Friends/Family	18%	21%	29%	27%	23%	13%	38%	14%	22%	21%	29%	35%	21%	27%
Recruitment Company	15%	9%	11%	25%	16%	10%	13%	6%	17%	21%	18%	19%	12%	9%
Immigration/Skills Hub	6%	6%	4%	10%	5%	10%	6%	14%	8%	6%	7%	3%	3%	1%
Social Media	-	-	-	-	-	-	-	-	7%	3%	38%	35%	28%	32%
Government Department	-	-	-	-	2%	2%	-	6%	3%	1%	2%	5%	0%	2%
Other	6%	9%	16%	13%	9%	6%	-	8%	10%	11%	5%	3%	3%	2%
Not applicable/Don't Know	3%	6%	2%	6%	12%	2%	-	14%	12%	7%	11%	11%	27%	25%
<b>Total</b>	<b>34</b>	<b>34</b>	<b>45</b>	<b>48</b>	<b>43</b>	<b>52</b>	<b>47</b>	<b>36</b>	<b>60</b>	<b>72</b>	<b>55</b>	<b>63</b>	<b>149</b>	<b>132</b>

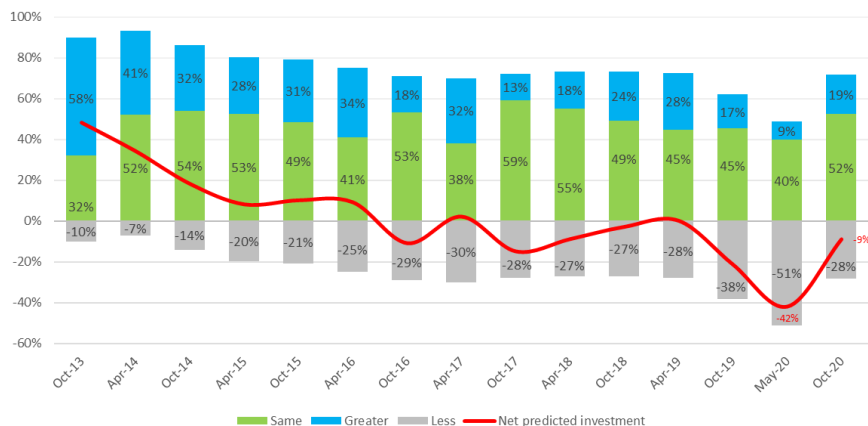
## Investment



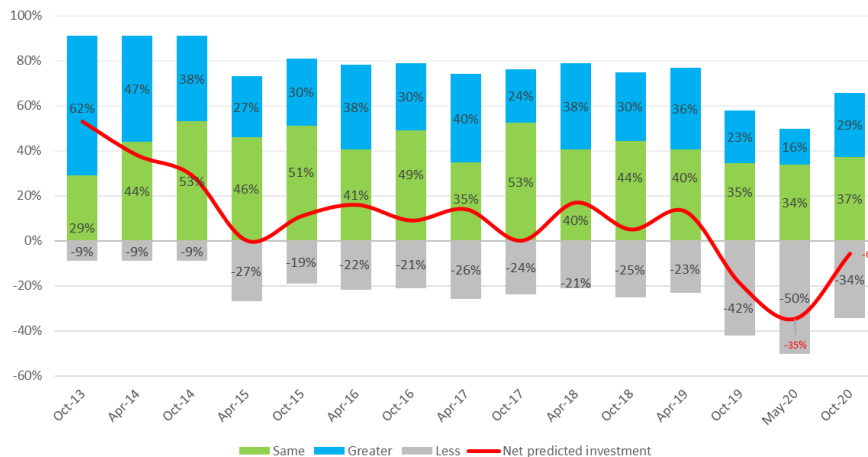
While business investment in buildings and plant/machinery has returned to a pre-Covid level, this is still a relatively low level of investment by individual businesses in our region.

North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

### Investment in Buildings



### Investment in Plant and Machinery



### Context

While many existing businesses are holding off on new investment there is a high level of interest in establishing new businesses in the region in a range of industries, but notably in manufacturing and in value-added primary production.

# 11

## Who completed the survey?



North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

The North Canterbury Business Opinion Survey is administered online every 6 months with respondents usually invited by e-mail to participate.

For this survey we opened up the survey to our wider database including our core businesses that have taken part in the past.

We expected that this would give us a larger sample size but a less consistent spread of businesses and business numbers. We have ended up with a good spread of businesses but a larger proportion of our results from small businesses.

95 respondents were from Waimakariri and 41 were from the Hurunui.

### Industry

Retail Trade	22
Accommodation, Cafes and Resturants	17
Manufacturing	14
Professional Services	12
Property and Business Services (inc property development)	10
Education, Health and Community Services	9
Construction	8
Agriculture	7
Communication Services	6
Adventure, Tourism/Outdoor Pursuits	6
Other	5
Government, Administration and Defence	4
Horticulture	4
Electricity, Gas and Water	3
Forestry, Fishing and Mining	3
Viticulture	3
Wholesale Trade	2
Finance and Insurance Services	1

### Number of Employees

0-20	114
21-50	12
51-100	3
101-200	3
201-500	4

This survey provides insight into a range of business types and sizes and provides a useful planning tool for councils, government departments and businesses

\*In many charts and explanations in this document a “net change” figure is given. This obtained by subtracting the percentage of respondents who give negative feedback from those who give positive feedback

The author of this document is available to assist with any questions or information. Please contact us at [miles@enterprisenc.co.nz](mailto:miles@enterprisenc.co.nz)

# ENC Sponsors



North  
Canterbury  
Business  
Opinion  
Survey:  
October 2020

We would like to thank our ENC sponsors. Our sponsors support ENC's mission to assist businesses in the North Canterbury region to grow and thrive and to bring new investment into the area. The funding they provide assists us greatly in making North Canterbury a better place for business.

We encourage you to use our sponsors' services.

