



# Business Opinion Survey

October 2023  
Research Results

# Key Messages

Business Confidence in North Canterbury has bounced back from the plunge in confidence of six months ago. Net +6% of North Canterbury businesses expect the business situation to improve in New Zealand compared to net -52% six months ago.

This is unlike wider New Zealand where business confidence across the country remains very low at net -53%

Local businesses are also more confident about the prospects of their own businesses with net +30% of businesses expecting their businesses to improve.

Businesses continue to hold off on discretionary investment with building developments on pause and investment levels in plant/equipment flat.

Profitability continues to tighten in North Canterbury, but business owners expect this to improve over summer.

It is getting easier to find unskilled staff although skilled staff remains difficult to source.

Labour constraints are no longer the most limiting factor for the business community.

# Business Confidence

Confidence in the New Zealand business situation has bounced up to +6%. This is the highest net confidence recorded since 2017, and a significant increase since our last survey, when confidence was the lowest it had been since the 2020 lockdown.

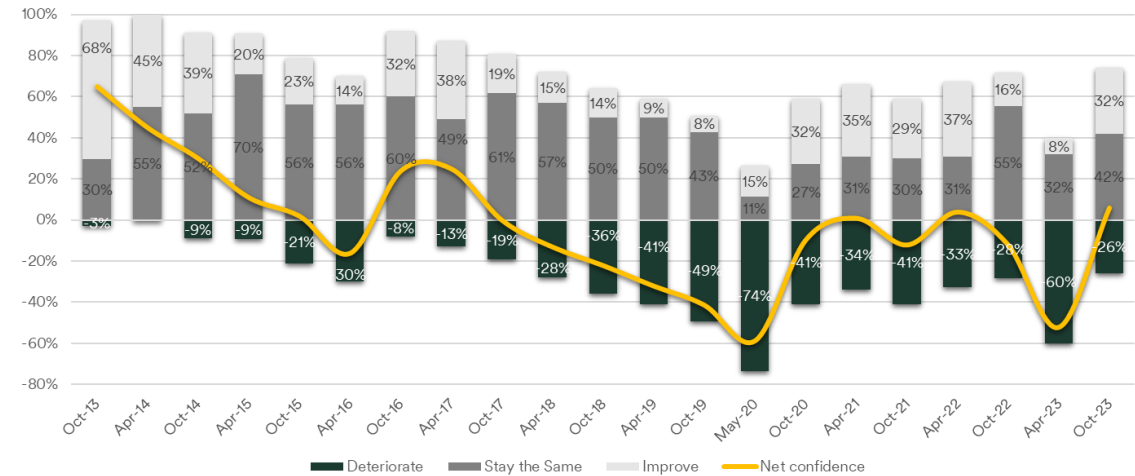
32% of businesses expect conditions to improve over the next six months, 26% of businesses expect a deterioration while 42% of businesses expect conditions to stay the same.

## Context:

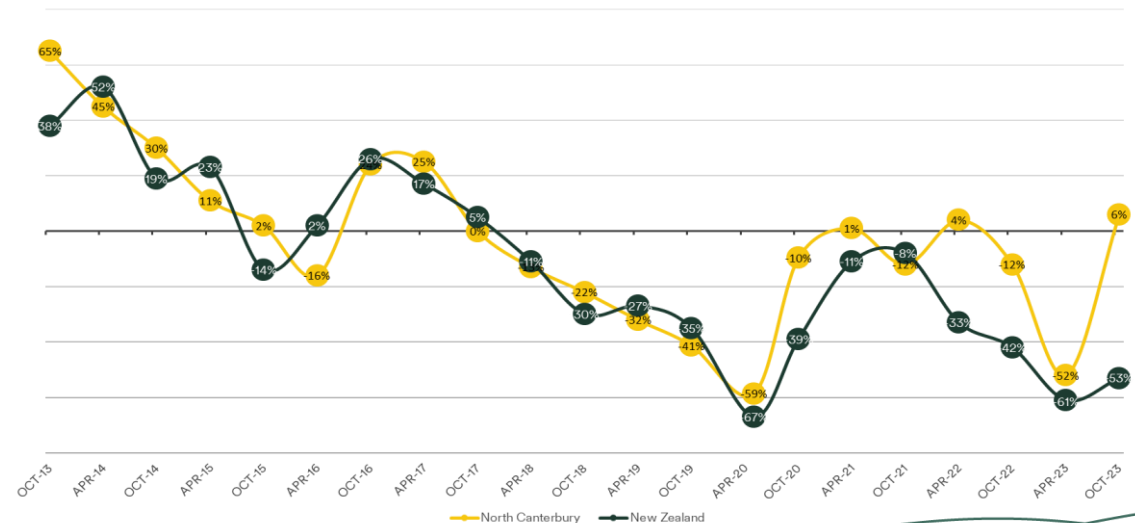
Local business confidence has returned over the last six months to slightly above where it was in April 2022. This matches discussions with business owners who feel that we are reaching the end of a very difficult period.

44% of North Canterbury businesses feel that conditions are improving for their business specifically, while 14% feel they are deteriorating. We note that the confidence felt in the North Canterbury community is not reflected in New Zealand overall where confidence remains very low at net -53%.

## North Canterbury Business Confidence



## North Canterbury vs New Zealand



# Operations: Profitability

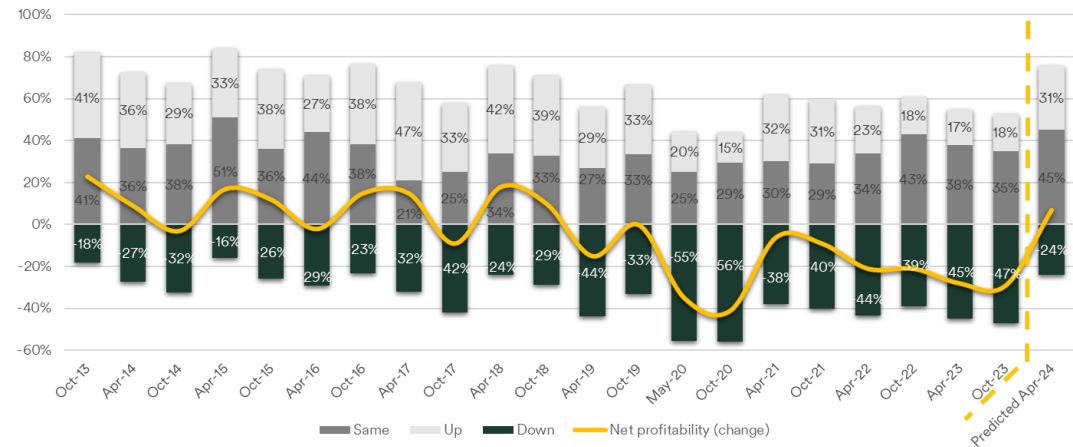
Profitability continues to decline in North Canterbury despite increasing sales. 47% of businesses in North Canterbury reported a decrease in profitability over the last six months while only 18% saw profits increase.

Projections are better for the next six months with net +7% of businesses expecting to see an increase in profit.

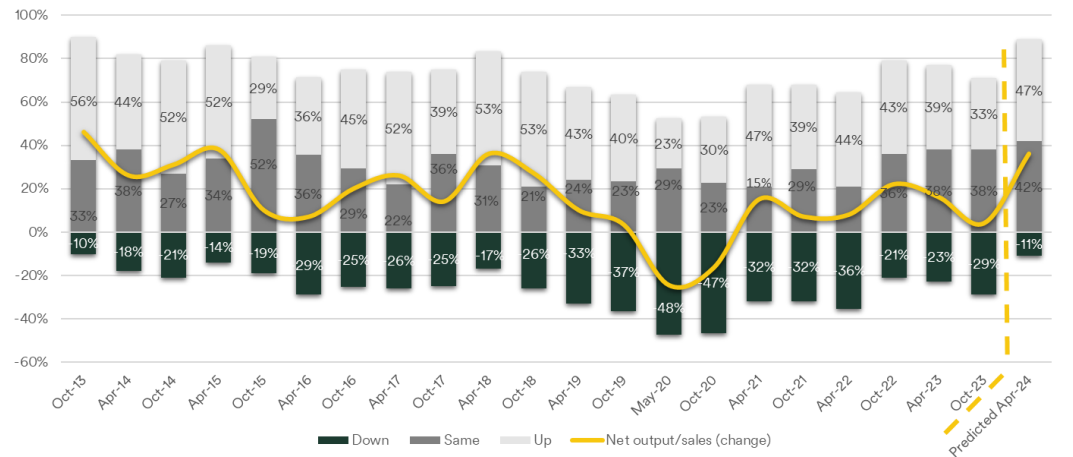
## Context:

The confidence that businesses have is showing that despite current difficult conditions, businesses overall are predicting that sales levels and profitability will increase over the next six months.

## Profitability



## Outputs/Sales



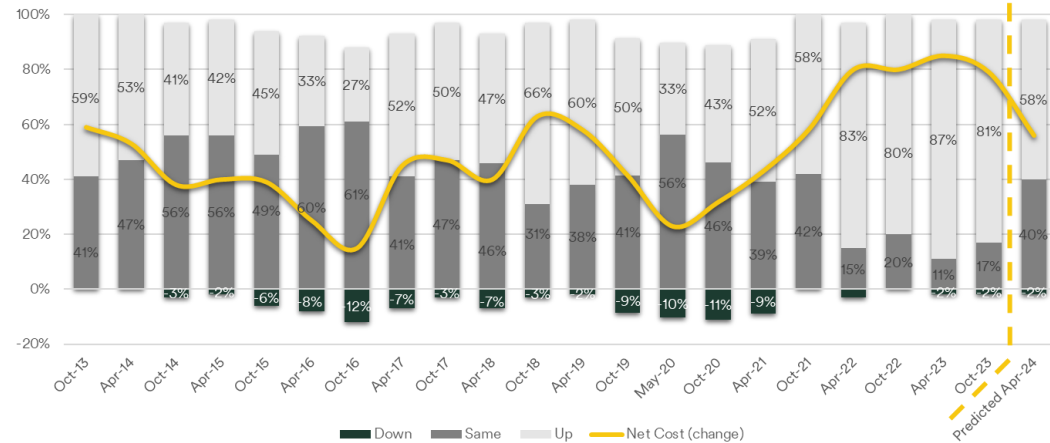
# Operations: Cost & Prices

The cost of doing business in North Canterbury continues to rise at a very high rate with net +79% of businesses reporting increased operating costs. The prices that businesses charge to their customers continues to rise, although not at the same high rate as six months ago. 40% of businesses reported raising their prices while 15% reported lowering their prices.

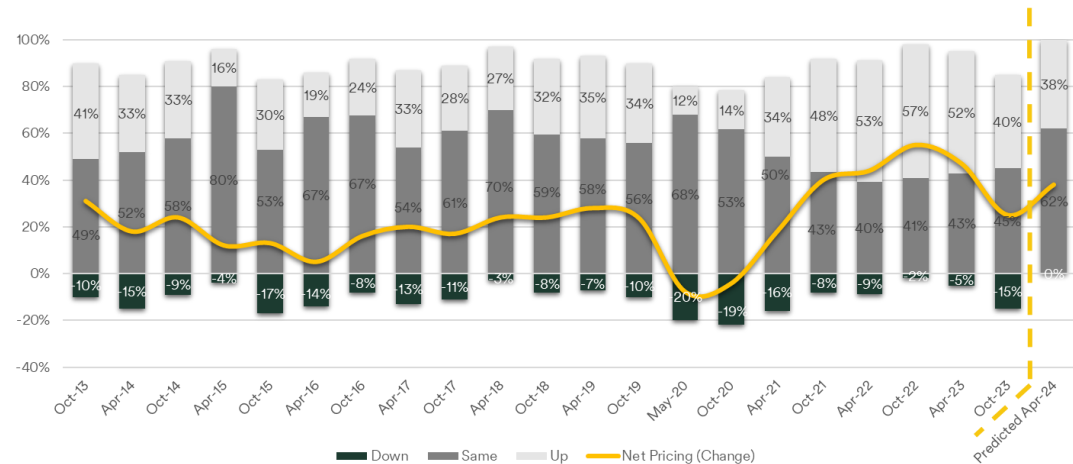
## Context:

Rising costs of doing business are currently a worldwide issue and this impacts us locally. Businesses are predicting that the situation will improve over the next six months and the rate of rising costs will not be as high. That combined with a predicted increase in selling prices reflects businesses feeling that their profitability will improve.

## Cost of Doing Business



## Selling Prices



# Employment Trends

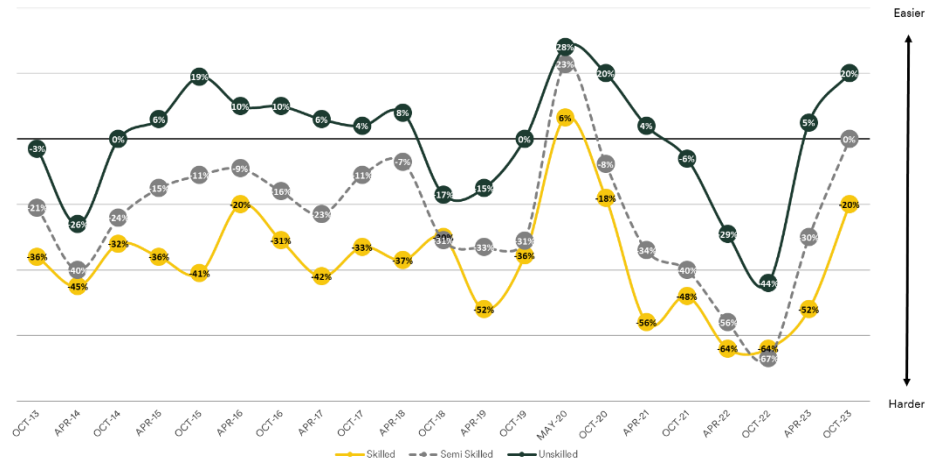
Staffing numbers are continuing to grow in North Canterbury with net +13% of employers confirming an increase in their levels of staffing.

Employers are also reporting that it is becoming easier to source suitable unskilled staff (net +20%). Semi-skilled staff are just as easy to source as six months ago (net 0% change) while skilled staff continue to get harder to source (net -20%).

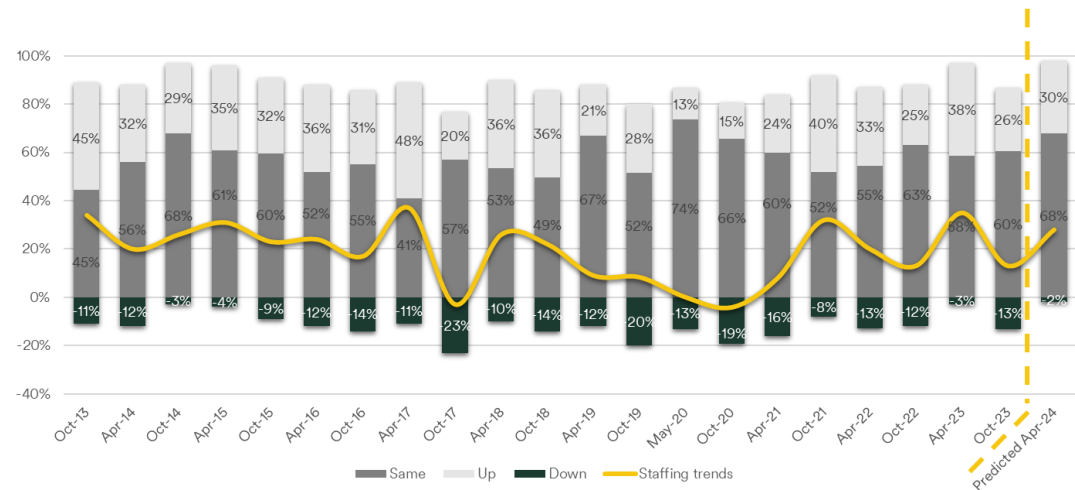
Employers report that the most used methods of finding staff are word of mouth (68%), internet advertising (48%) and through friends and family (46%).

We ranked how successful each method is for sourcing staff and found the most successful methods are internet advertising (29% effectiveness), word of mouth (21%) and social media (13%).

## Finding Staff



## Employment Trends in North Canterbury

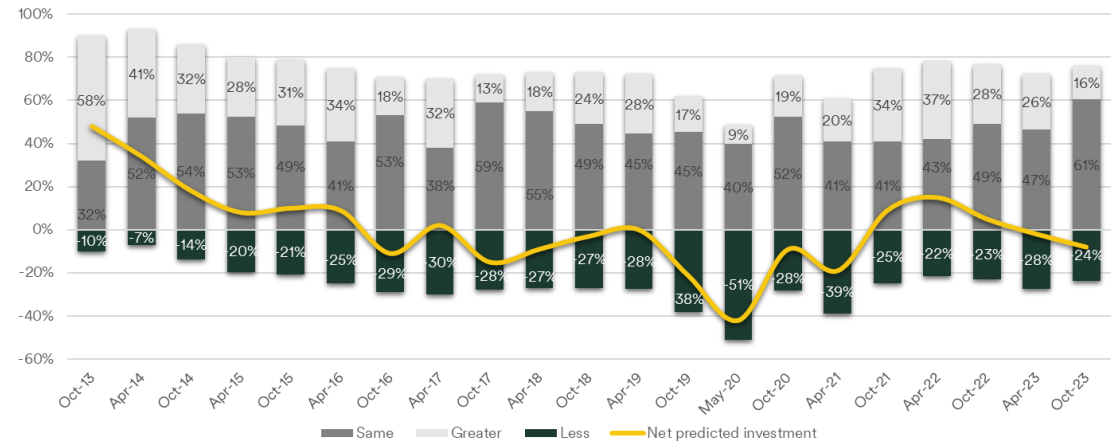


# Investment

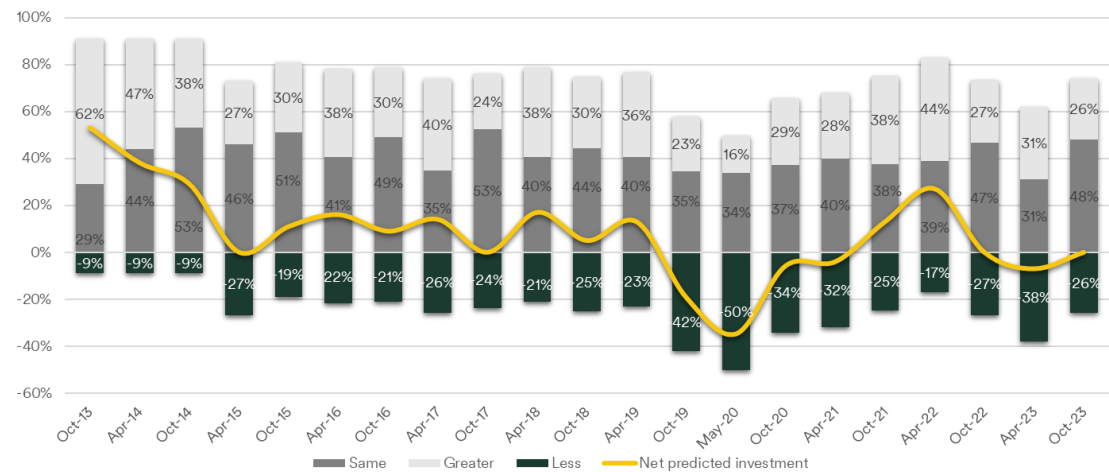
Investment in buildings and plant/equipment are both at low levels with building investment slowing further (net -8%) and investment in plant/equipment flat (net 0%).

Discussions with building developers and businesses reflect that business owners are pausing planned developments and holding off from discretionary investment until the economy improves.

## Predicted Investment in Buildings



## Predicted Investment in Plant/Equipment



# Who completed the survey?

The North Canterbury Business Opinion Survey is administered online every six months for the Waimakariri and Hurunui districts. The results of this survey should always be considered as an indication of the views of local businesses given the sample sizes involved and is best used for identifying trends.

- 58 businesses responded to this survey out of 163 invited: a return rate of 36%.
- 44 respondents were from Waimakariri, 7 were from Hurunui and 7 considered that they are based equally in both districts.

## Industry

Retail Trade	10
Education, Health and Community Services	9
Manufacturing	8
Construction	7
Other	6
Accommodation, Cafes and Restaurants	5
Agriculture	3
Property and Business Services (inc property development)	2
Communication Services	2
Wholesale Trade	2
Transport and Storage	1
Adventure, Tourism/Outdoor Pursuits	1
Finance and Insurance Services	1
Forestry, Fishing and Mining	1

## Number of Employees

0-20	47
21-50	5
51-100	3
101-200	2
201-500	1



# Enterprise North Canterbury Sponsors

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.

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