

SOUTHLAND BUSINESS CHAMBER

BUSINESS CONFIDENCE SURVEY

Southland Region

- NOVEMBER 2023 -

Key Points

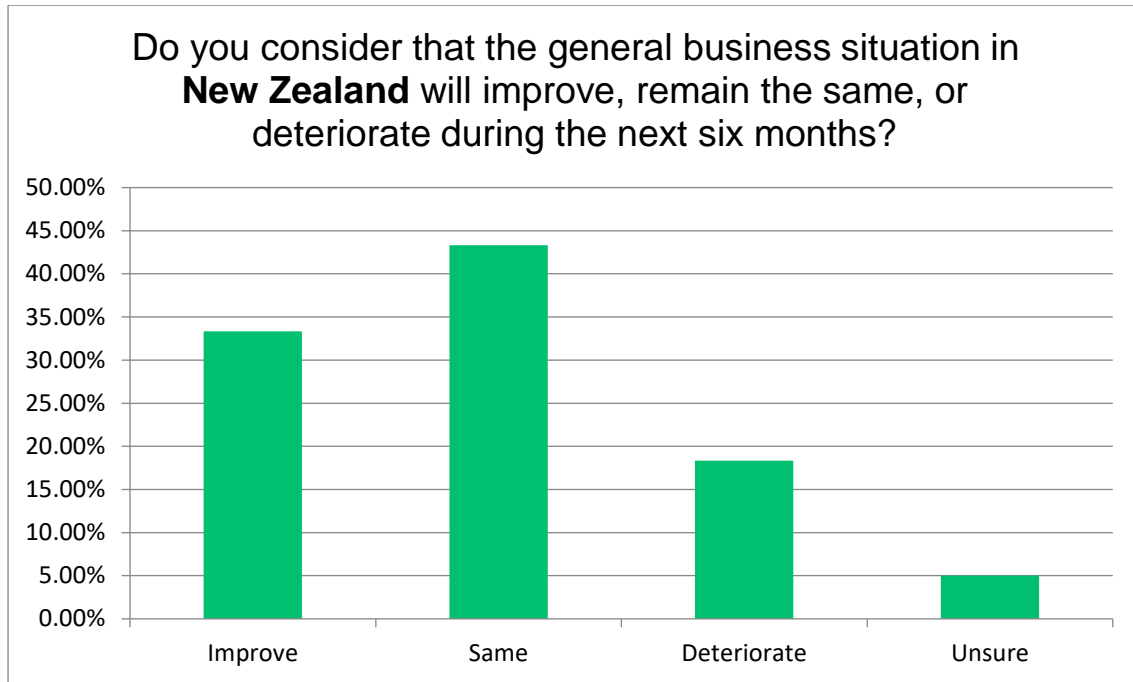
- Business confidence overall has improved with 33% of respondents expecting the general business situation in New Zealand (NZ) to improve in the next 6 months, up from 15% last quarter. 18% of respondents consider the general business situation in NZ will deteriorate, down from 59% last quarter.
- The outlook on the respondents own businesses is optimistic with 40% of respondents expecting an improvement in their business, up from 24% last quarter. 50% believe that their businesses will maintain stability over the next six months, while 8% believe that their business will deteriorate, down from 27% last quarter.
- Finding staff remains a concern for business. Skilled/specialist staff are harder to find than three months ago for 35% of respondents while 43% say they are just as hard to find at the time of the November survey. Finding unskilled staff is also challenging with 48% of businesses finding it the same or harder than 3 months ago. For the second time, 11% of respondents have experienced an improvement in their ability to secure skilled/specialist staff, while 23% have found it easier to hire unskilled staff.
- The issue of finding staff has been recognised as the number one factor limiting growth for respondents. 30% of respondents claim labour is holding them back while demand is the number one limitation for 25%. Next is capacity at 22% and finance at 15% of respondents each.
Note: Compared with 12 months ago labour was first at 32% along with capacity at 21%, finance at 10%, supplies and demand at 8% of respondents each.
- 40% of respondents anticipate an increase in interest rates over the next 12 months, while 37% believe interest rates will remain unchanged during this period. 17% of respondents expect a decline in interest rates within the coming year.
- Among the respondents, 42% foresee a consistent level of investment in their businesses over the next twelve months. 23% of respondents anticipate a decrease in investment, while 27% expect to increase the level of investment in their business over the next twelve months.

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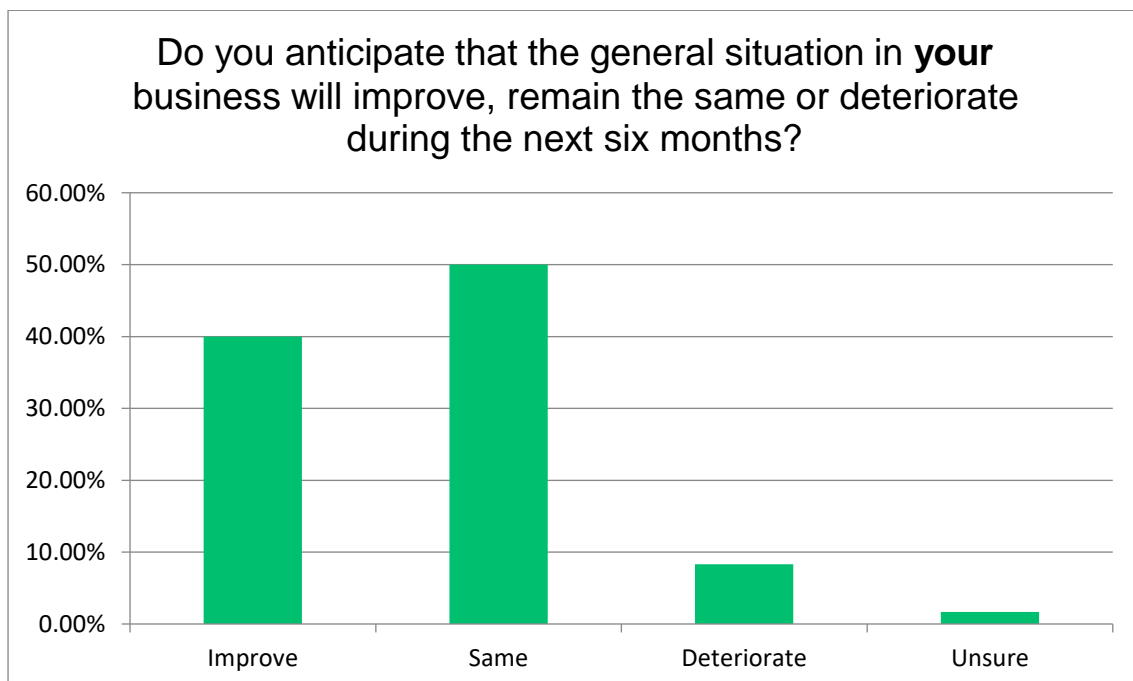
- Average costs continue to be a concern for businesses with 83% of respondents saying it has gone up over the past three months, down from 91% twelve months ago. All respondents believe average costs will continue to remain the same or go up over the next quarter.
43% of respondents experienced a decline in profitability this quarter, up from 31% from November 2022.
Sales in NZ have decreased for 37% of respondents, while staying the same for 31% over the last quarter. 29% are expecting an increase in sales over the next three months.
Burnout continues to remain front of mind with 38% expecting total hours worked to increase and 50% to remain the same over the next quarter.
- Employers appear to be doing their best to negate inflation for staff with an increase in the higher brackets of wage increases. Over the last year 35% increased average wages by 6-7%, 10% by 8-9% while 13% of respondents increased average wages by 10% or more. 61% expect to increase their average wages by 3-7% in the next 12 months.
- Over the past 6 months, staff costs have had the largest effect on profitability for 63% of respondents. Following behind was inflation (37%), interest rates (25%), and fuel costs (20%). Respondents anticipate that these factors will continue to impact their business profitability in the period to 31 May 2024.

Summary of Results

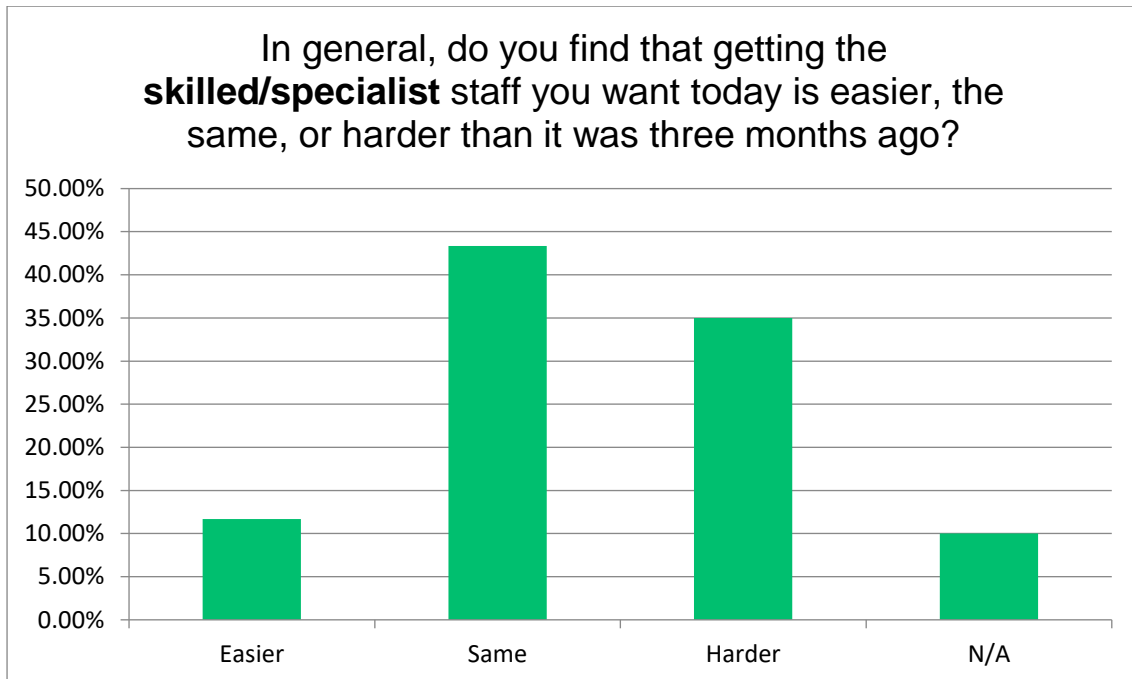
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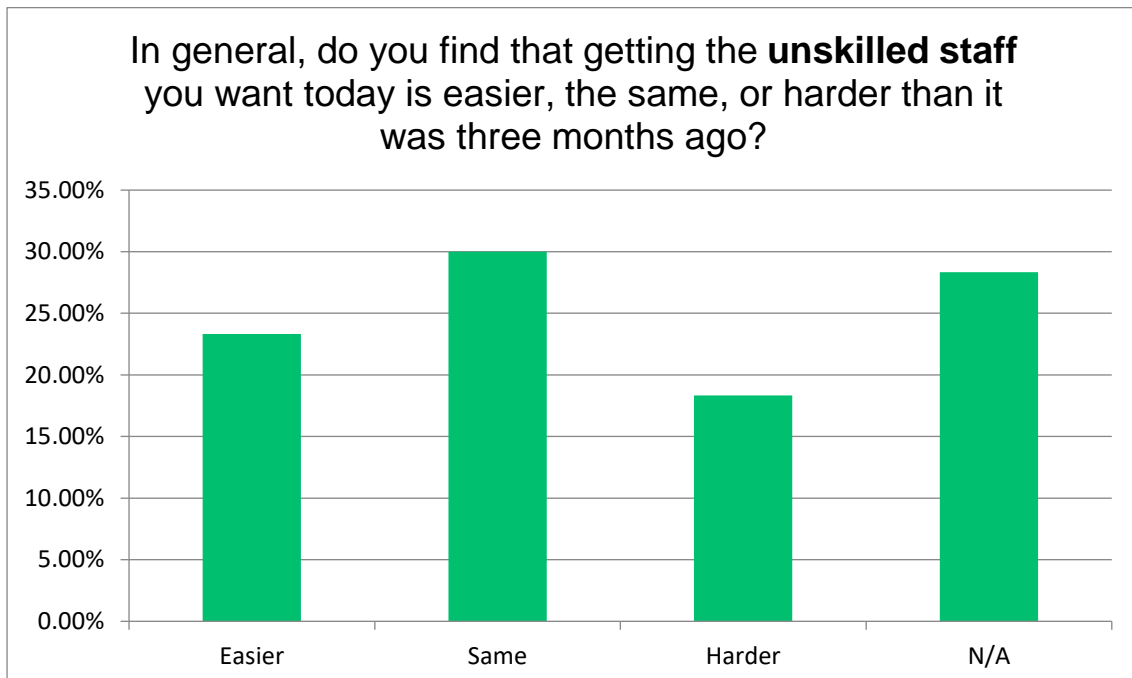
Question 2



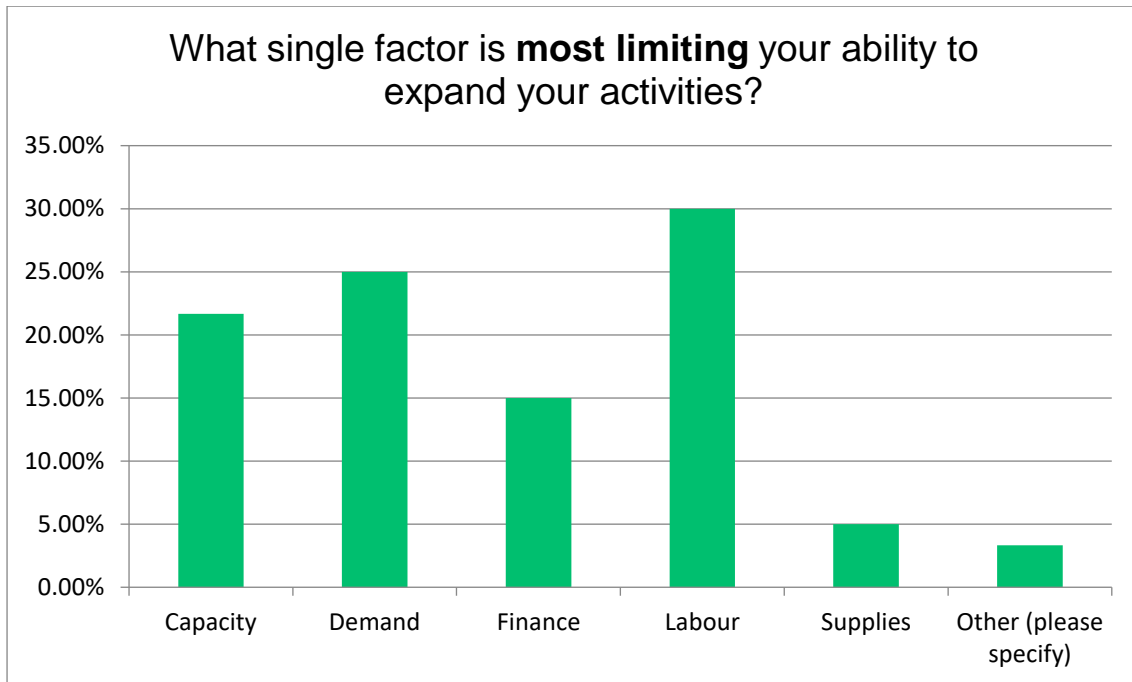
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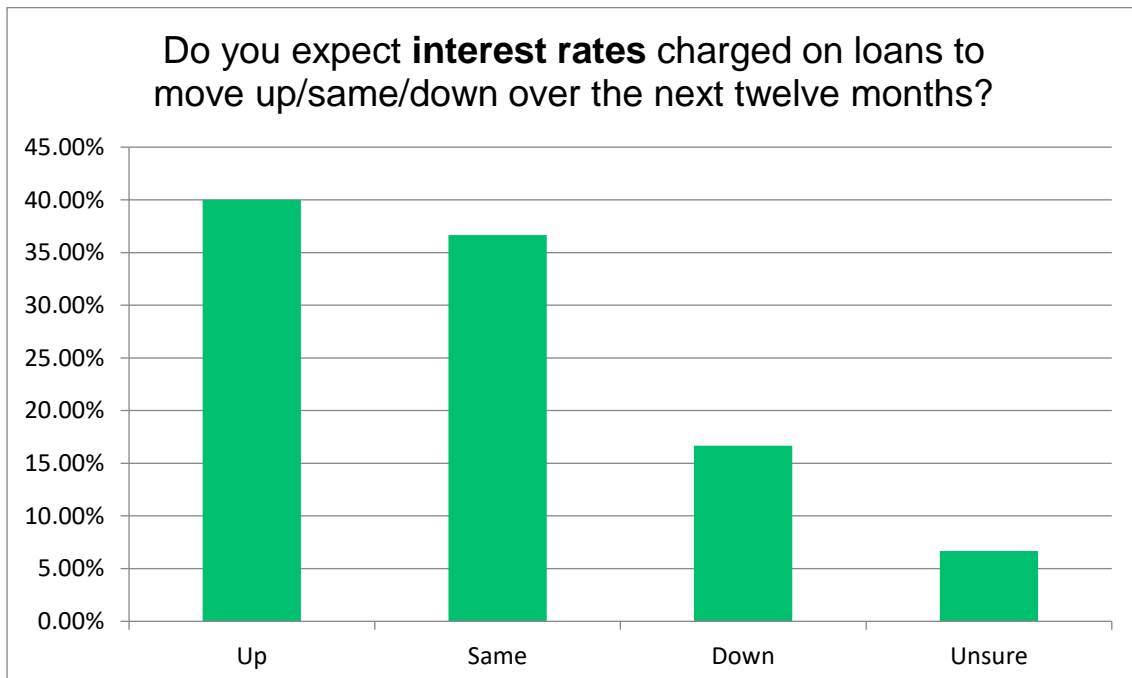
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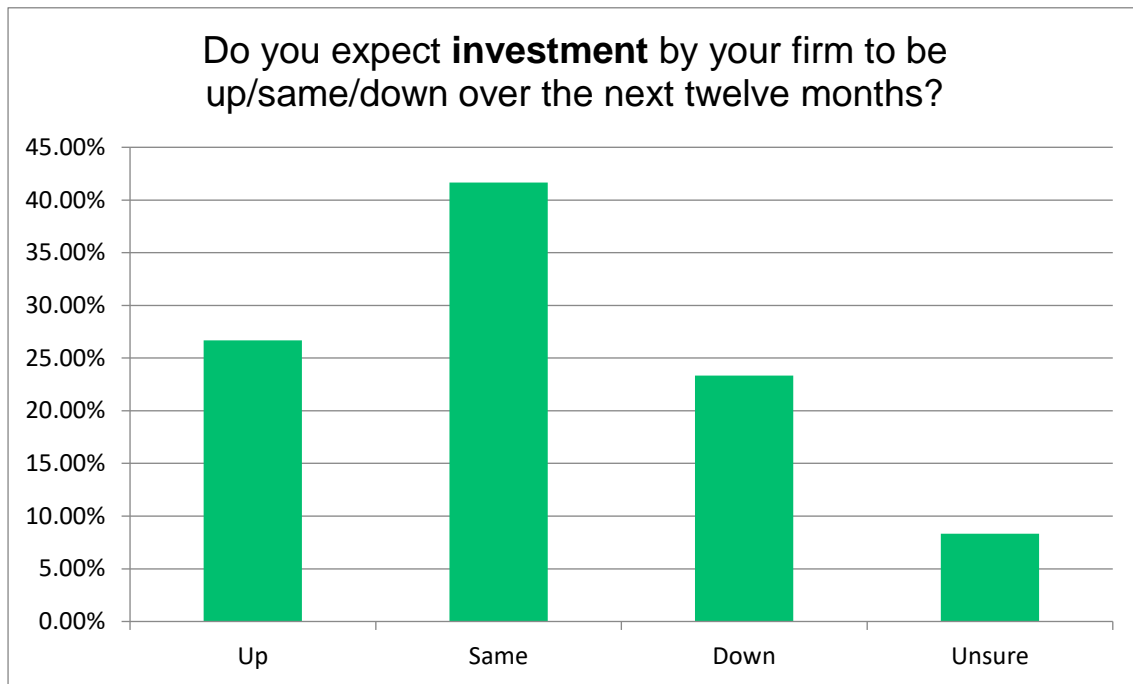
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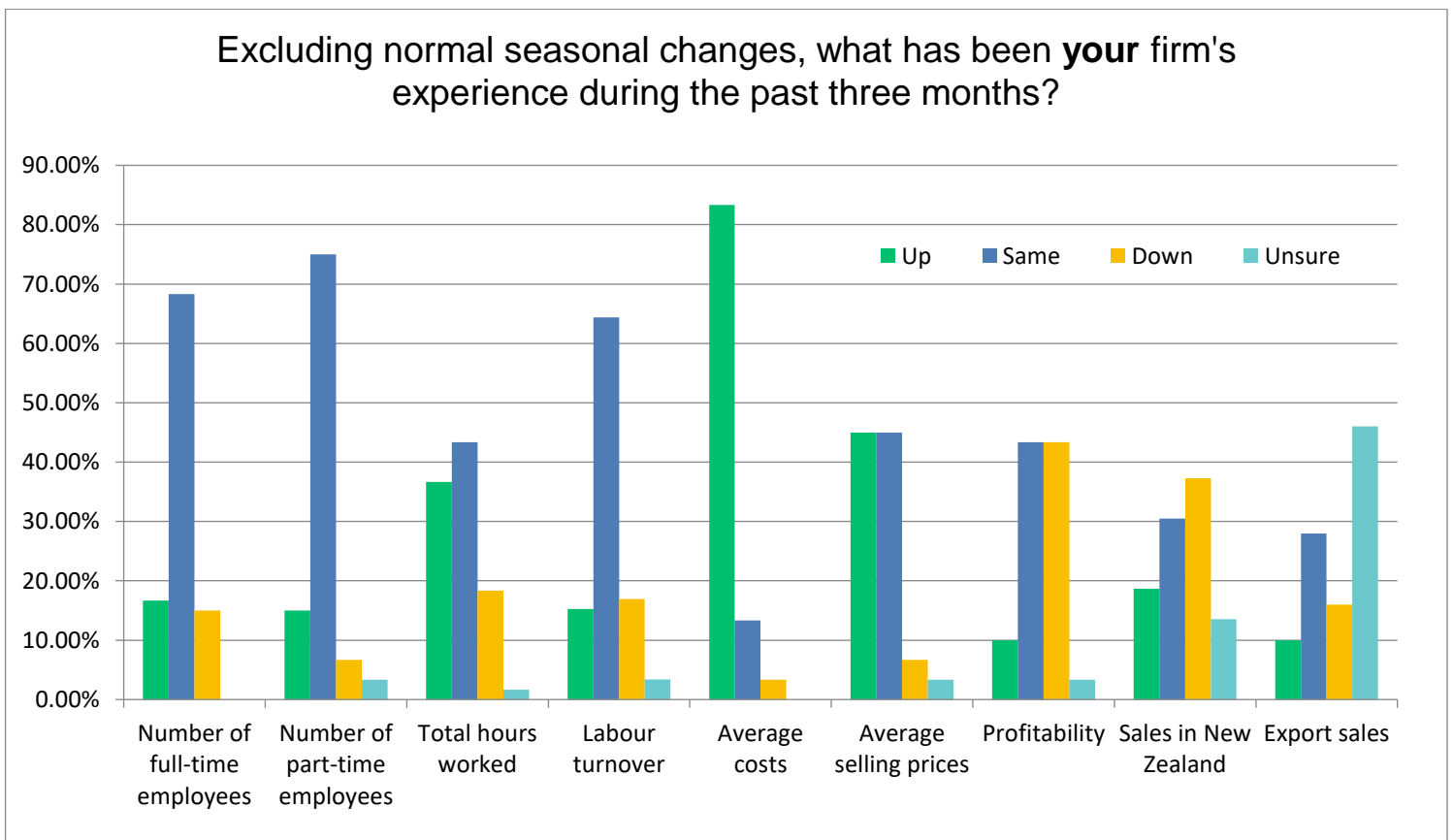
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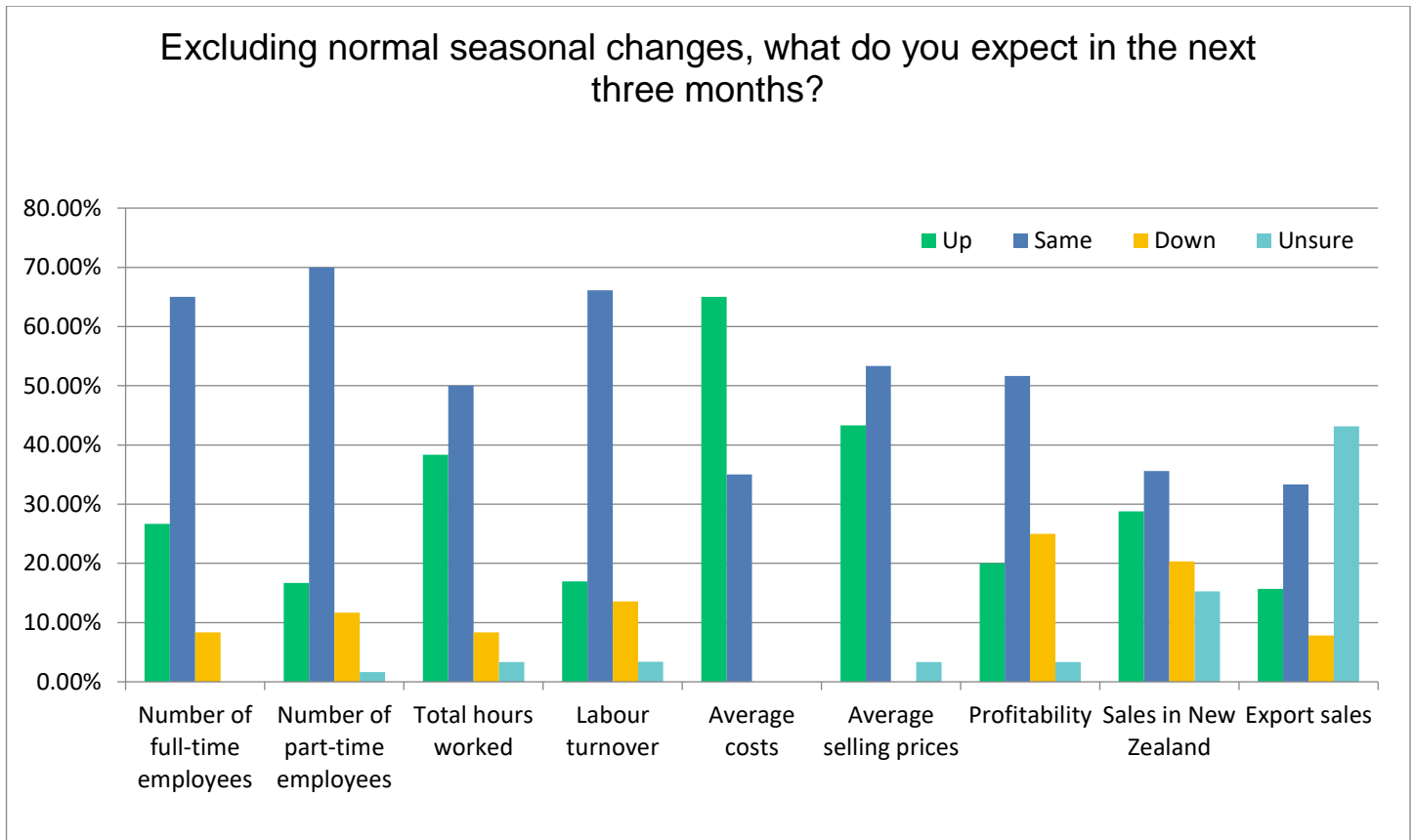
Question 7



Question 8



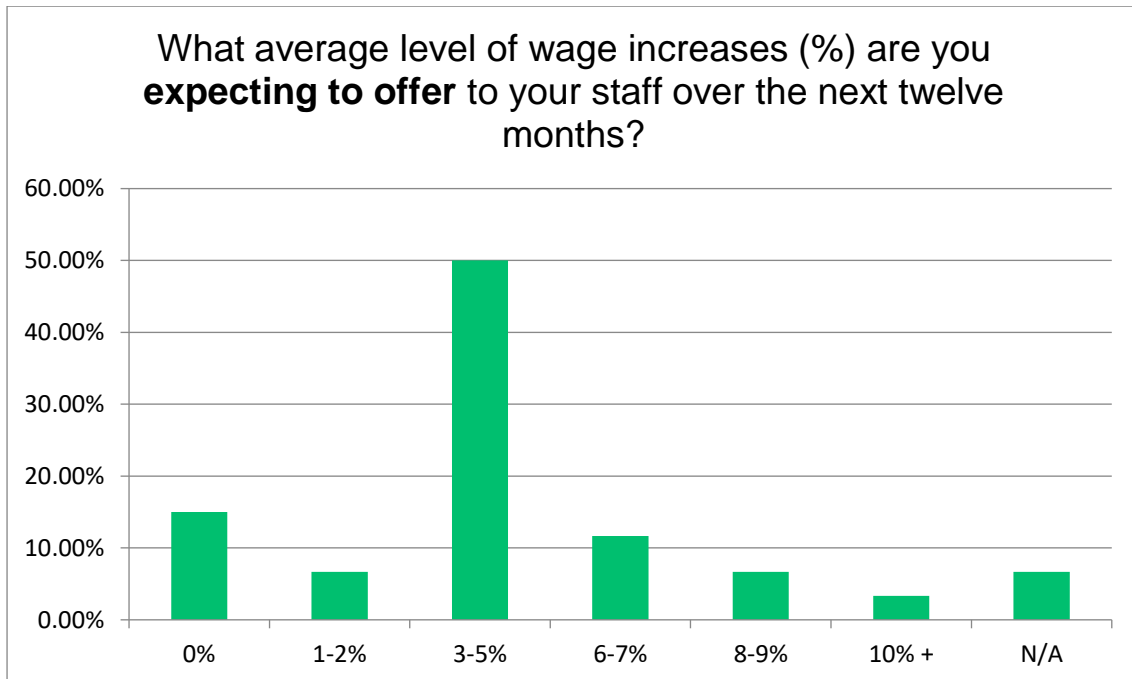
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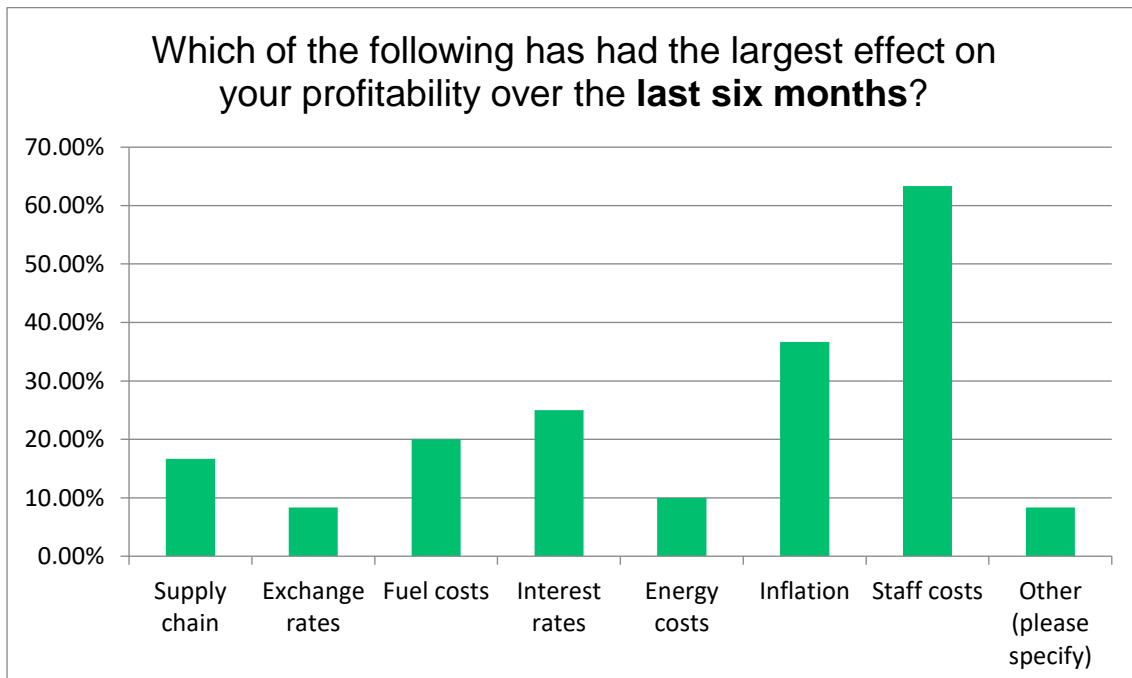
Question 10



Question 11



Question 12



Question 13

