

# Economic Business Survey

Research Findings Report for the:  
Auckland Region

February 2012

## Report purpose

This is a report on the findings of a survey of members of The Auckland Chamber of Commerce.

The survey took place between 13<sup>th</sup> – 15<sup>th</sup> February 2012 from business owners, General Managers and/or key decision-makers.

The survey was undertaken by email and online completion of an internet survey. All figures are rounded to the nearest whole percent.

## Survey Respondents

**Do you believe that the general business situation in NEW ZEALAND will improve, remain the same or deteriorate during the next six months?**

|             | Feb 11 | May 11 | Aug 11 | Nov 11 | Feb 12 |
|-------------|--------|--------|--------|--------|--------|
| Improve     | 35%    | 38%    | 39%    | 32%    | 36%    |
| Same        | 50%    | 50%    | 47%    | 50%    | 50%    |
| Deteriorate | 16%    | 12%    | 13%    | 18%    | 14%    |
| NA          | 0%     | 0%     | 0%     | 0%     | 0%     |

**Do you believe that the general business situation in YOUR OWN BUSINESS will improve, remain the same or deteriorate during the next six months?**

|             | Feb 11 | May 11 | Aug 11 | Nov 11 | Feb 12 |
|-------------|--------|--------|--------|--------|--------|
| Improve     | 49%    | 53%    | 53%    | 52%    | 52%    |
| Same        | 39%    | 37%    | 37%    | 38%    | 38%    |
| Deteriorate | 11%    | 10%    | 10%    | 10%    | 10%    |
| NA          | 0%     | 0%     | 0%     | 0%     | 0%     |

**In general, do you find that getting the staff you want today is easier, the same, or harder than it was three months ago?**

| <b>Skilled/Specialist</b> | Feb 11 | May 11 | Aug 11 | Nov 11 | Feb 12 |
|---------------------------|--------|--------|--------|--------|--------|
| Easier                    | 16%    | 14%    | 9%     | 13%    | 10%    |
| Same                      | 43%    | 43%    | 45%    | 42%    | 45%    |
| Harder                    | 18%    | 18%    | 20%    | 20%    | 23%    |
| NA                        | 23%    | 25%    | 26%    | 25%    | 22%    |
| <b>Unskilled</b>          | Feb 11 | May 11 | Aug 11 | Nov 11 | Feb 12 |
| Easier                    | 23%    | 20%    | 17%    | 18%    | 19%    |
| Same                      | 34%    | 33%    | 36%    | 35%    | 41%    |
| Harder                    | 2%     | 4%     | 4%     | 3%     | 3%     |
| NA                        | 41%    | 43%    | 43%    | 43%    | 37%    |

**What single factor, if any, is most limiting your ability to expand your activities?  
Shortage of:**

|          | Feb 11 | May 11 | Aug 11 | Nov 11 | Feb 12 |
|----------|--------|--------|--------|--------|--------|
| Capacity | 7%     | 8%     | 7%     | 10%    | 10%    |
| Demand   | 52%    | 53%    | 52%    | 50%    | 49%    |
| Finance  | 23%    | 22%    | 23%    | 23%    | 25%    |
| Supplies | 4%     | 3%     | 3%     | 6%     | 2%     |
| Labour   | 4%     | 4%     | 5%     | 2%     | 5%     |
| Other    | 10%    | 10%    | 10%    | 9%     | 9%     |

Of the **49%** of businesses that answered that demand was the most limiting factor to the ability of the business to expand, these businesses came from the following sectors in the following distributions:

| Significant Categories     | % answering demand<br>May 11 | % answering demand<br>Aug 11 | % answering demand<br>Nov 11 | % answering demand<br>Feb 12 | Difference in survey results,<br>Nov vs Feb |
|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---|
| Manufacturing              | 75%                          | 78%                          | 62%                          | 61%                          | -1  |
| Professional Services      | 49%                          | 56%                          | 51%                          | 53%                          | +2  |
| Service sector             | 42%                          | 45%                          | 44%                          | 48%                          | +4  |
| Technology /communications | 42%                          | 38%                          | 40%                          | 35%                          | -5  |
| Trades                     | 61%                          | 55%                          | 65%                          | 55%                          | -10   |
| Wholesale /Distributor     | 51%                          | 55%                          | 47%                          | 55%                          | +8  |

**EMPLOYEE numbers answering demand followed by finance as the most limiting factor to the ability of the business to expand**

| Significant Categories | % answering demand<br>Nov 11 | % answering demand<br>Feb 12 | % answering finance<br>Nov 11 | % answering finance<br>Feb 12 |
|------------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|
| 1-5                    | 45%                          | 45%                          | 28%                           | 30%                           |
| 6 -10                  | 53%                          | 45%                          | 25%                           | 27%                           |
| 11-20                  | 46%                          | 60%                          | 21%                           | 16%                           |
| 21-50                  | 67%                          | 57%                          | 8%                            | 14%                           |
| 51-100                 | 62%                          | 52%                          | 10%                           | 18%                           |
| 101-200                | 67%                          | 47%                          | 17%                           | 12%                           |
| 201-500                | 61%                          | 69%                          | 6%                            | 6%                            |
| Over 500               | 20%                          | 46%                          | 40%                           | 36%                           |
| N/A                    | 0%                           | 0%                           | 0%                            | 0%                            |

**Do you expect interest rates charged on loans during the next twelve months to be greater, same, or less than those during the past twelve months?**

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|         | Feb 11 | May 11 | Aug 11 | Nov 11 | Feb 12 |
|---------|--------|--------|--------|--------|--------|
| Greater | 43%    | 42%    | 54%    | 46%    | 30%    |
| Same    | 47%    | 47%    | 38%    | 44%    | 61%    |
| Less    | 3%     | 5%     | 4%     | 5%     | 4%     |
| NA      | 7%     | 6%     | 5%     | 5%     | 5%     |

**Do you expect the amount of new investment approved by your firm during the next twelve months to be greater, same, or less than those during the past twelve months?**

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| <b>Buildings</b> | Feb 11 | May 11 | Aug 11 | Nov 11 | Feb 12 |
|------------------|--------|--------|--------|--------|--------|
| Greater          | 12%    | 13%    | 13%    | 13%    | 15%    |
| Same             | 34%    | 30%    | 33%    | 31%    | 35%    |
| Less             | 13%    | 16%    | 15%    | 14%    | 13%    |
| NA               | 41%    | 41%    | 40%    | 42%    | 37%    |

| <b>Machinery</b> | Feb 11 | May 11 | Aug 11 | Nov 11 | Feb 12 |
|------------------|--------|--------|--------|--------|--------|
| Greater          | 23%    | 23%    | 23%    | 25%    | 27%    |
| Same             | 35%    | 35%    | 35%    | 36%    | 39%    |
| Less             | 18%    | 18%    | 18%    | 16%    | 15%    |
| NA               | 24%    | 24%    | 24%    | 22%    | 19%    |

Excluding normal seasonal changes, what has been your firm’s experience during the past three months and what changes do you expect during the next three months in respect of:

|                               |      | PAST 3 MONTHS |        | NEXT 3 MONTHS |        | Deviation     |               |
|-------------------------------|------|---------------|--------|---------------|--------|---------------|---------------|
|                               |      | Nov 11        | Feb 12 | Nov 11        | Feb 12 | PAST 3 MONTHS | NEXT 3 MONTHS |
| Number of FULL-TIME employees | Up   | 14%           | 14%    | 15%           | 17%    | 0             | +2            |
|                               | Same | 65%           | 68%    | 69%           | 68%    | +3            | -1            |
|                               | Down | 11%           | 10%    | 6%            | 7%     | -1            | +1            |
|                               | NA   | 11%           | 8%     | 10%           | 8%     | -3            | -2            |
| Number of PART-TIME employees | Up   | 18%           | 15%    | 16%           | 15%    | -3            | -1            |
|                               | Same | 51%           | 56%    | 56%           | 58%    | +5            | +2            |
|                               | Down | 7%            | 8%     | 7%            | 8%     | +1            | +1            |
|                               | NA   | 24%           | 21%    | 21%           | 19%    | -3            | -2            |
| Total hours worked            | Up   | 38%           | 32%    | 33%           | 38%    | -6            | +5            |
|                               | Same | 44%           | 48%    | 52%           | 50%    | +4            | -2            |
|                               | Down | 15%           | 18%    | 13%           | 11%    | +3            | -2            |
|                               | NA   | 2%            | 2%     | 1%            | 1%     | 0             | 0             |
| Labour turnover               | Up   | 11%           | 10%    | 7%            | 8%     | -1            | +1            |
|                               | Same | 47%           | 50%    | 56%           | 59%    | +3            | +3            |
|                               | Down | 9%            | 11%    | 6%            | 8%     | +2            | +2            |
|                               | NA   | 33%           | 29%    | 28%           | 25%    | -4            | -3            |
| Average costs                 | Up   | 41%           | 46%    | 38%           | 41%    | +5            | +3            |
|                               | Same | 50%           | 47%    | 56%           | 54%    | -3            | -2            |
|                               | Down | 6%            | 6%     | 6%            | 4%     | 0             | -2            |
|                               | NA   | 1%            | 1%     | 1%            | 1%     | 0             | 0             |
| Average selling prices        | Up   | 16%           | 17%    | 20%           | 23%    | +1            | +3            |
|                               | Same | 61%           | 60%    | 65%           | 62%    | -1            | -3            |
|                               | Down | 19%           | 19%    | 12%           | 11%    | 0             | -1            |
|                               | NA   | 4%            | 4%     | 4%            | 4%     | 0             | 0             |
| Profitability                 | Up   | 24%           | 21%    | 30%           | 33%    | -3            | +3            |
|                               | Same | 39%           | 38%    | 45%           | 44%    | -1            | -1            |
|                               | Down | 37%           | 39%    | 24%           | 22%    | +2            | -2            |
|                               | NA   | 1%            | 2%     | 1%            | 1%     | +1            | 0             |
| Sales in New Zealand          | Up   | 28%           | 26%    | 32%           | 36%    | -2            | +4            |
|                               | Same | 40%           | 42%    | 44%           | 44%    | +2            | 0             |
|                               | Down | 24%           | 24%    | 16%           | 12%    | 0             | -4            |
|                               | NA   | 8%            | 8%     | 8%            | 8%     | 0             | 0             |
| Export Sales                  | Up   | 11%           | 12%    | 14%           | 15%    | +1            | +1            |
|                               | Same | 17%           | 15%    | 20%           | 18%    | -2            | -2            |
|                               | Down | 10%           | 9%     | 6%            | 6%     | -1            | 0             |
|                               | NA   | 62%           | 64%    | 61%           | 61%    | +2            | 0             |