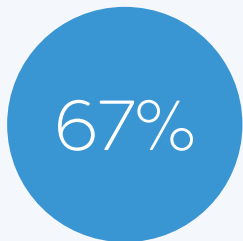


Waikato Regional Business Sentiment Survey August 2020



- Objective** The Waikato Regional Business Sentiment Survey was designed to provide a snapshot of business confidence regarding the future state of their business and the economy.
- History** Inaugural survey conducted August 2020.
- Methodology** August 3 to September 4, 2020. Online and telephone collection of results.

Confidence



of respondents rated confidence in their own business as 7 or more out of 10



average business confidence score



net confidence in sector economy*



net confidence in Waikato economy*



net confidence in NZ economy*

*Net confidence calculated utilising respondents responses: 'improve', 'deteriorate', 'remain same' and 'unsure'.

Staffing

Reductions and recruitment



Respondent employee change since COVID-19 alert level introduction



Respondent employee change looking ahead to next six months



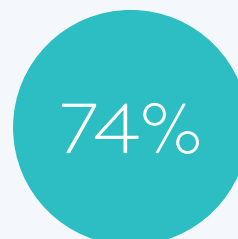
Looking ahead next six months, employee change more apparent 11+ FTE's

While overall economic sentiment is pessimistic, respondents are more resolute in their own business performance. Overall, respondents are more optimistic about their sector performance or the Waikato economy than the New Zealand economy as a whole.

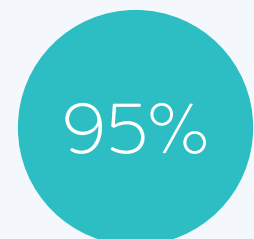
Skills shortages



of respondents believe there is a skills shortage



of respondents with 11+ FTE's believe there is a skills shortage



of construction sector respondents believe there is a skills shortage



Sales

March-May 2020*

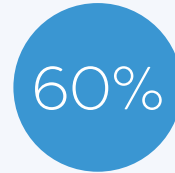


of respondents recorded flat or increasing sales

Top 4 sectors:

- 54%** for financial services
- 43%** for admin & support services
- 35%** for primary industries
- 28%** for professional services

July-December 2020 versus same period last year



of respondents forecast flat or increasing sales

Top 4 sectors:

- 73%** for primary industries
- 72%** for admin and support services
- 69%** for health services
- 64%** for IT and communication services



*COVID-19 lockdown, Alert Level 3 and 4

Business planning tools

Businesses with 11+ employees have more business planning tools in place across all business tools queried on

Percentage of those who don't have plans:

	1-10 employee business	11+ employee business
Business plans	50%	19%
Cashflow forecast	58%	19%
Personnel plan	67%	36%
Business continuity plan	78%	45%



Looking ahead

Business support



of respondents do not need any support



need marketing support



need digital optimisation support



need business strategy support

Government support



of respondents have NOT accessed the wage subsidy or wage subsidy extension

24% have NOT in Hamilton
18% have NOT for the rest of the region
27% South Waikato, 12% Thames Coromandel, 23% Waipa

Greatest challenges

Top 3 challenges for respondents in the current economic environment:



COVID-19 impact



wage rates/cost of staff



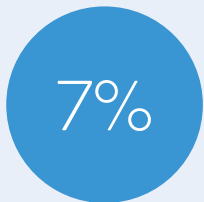
declining market



Respondent overview



of respondents are from a limited liability company



of respondents identified as Māori or Pasifika businesses



of respondents are business owners or senior management



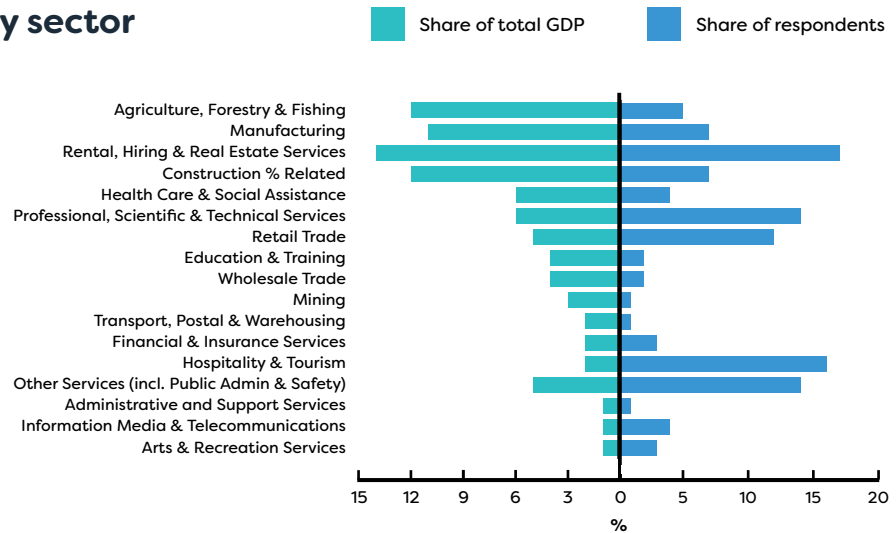
of respondents have 1-10 FTE's*



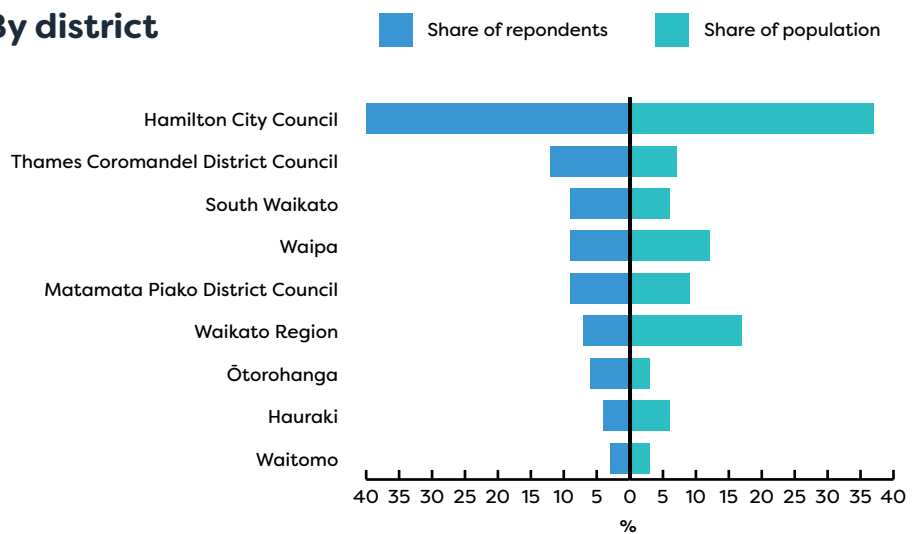
of respondents have 11+ FTE's*

*Full Time Equivalent staff

By sector



By district



FOOTNOTES:

- Respondents profiles do not align to either district population contribution or sector GDP contribution, result are indicative only as a result
- Sector refers to the primary sector in which the business operates
- Results have been rounded to enable summation of data, some rounding errors may occur
- All insights and observations from 589 samples received
- Surveys were conducted by online and phone survey

Sentiment Survey data collection took place from 3 August to 4 September 2020 by Te Waka in partnership with Waikato Regional Council, Hamilton City Council, Waikato Chamber of Commerce, Hamilton & Waikato Tourism, Hamilton Central Business Association, South Waikato District Council, Hauraki District Council, Matamata Piako District Council, Ōtorohanga District Council, Ōtorohanga District Development Board, Thames Coromandel District Council, Destination Coromandel, Waipā District Council, Cambridge Business Chamber, Waitomo District Council and Legendary Te Kuiti.