

BUSINESS SURVEY

New Zealand businesses surveyed by Grant Thornton compared a number of issues with businesses in a range of other countries and found:

BUSINESS EXPECTATIONS

- New Zealand business owners are not as optimistic about turnover prospects this year compared to 2006 (+54% compared to +61%).
- This optimism/pessimism balance is 16% lower than global average (+70%).
- Businesses in New Zealand are only more optimistic regarding investment in plant and machinery for the coming year (+54%) than businesses across the globe (+46%).

EMPLOYMENT

- A 36% balance of businesses in New Zealand expect an increase in the trend in employment growth this year (compared to 27% in 2006).
- Marginally fewer New Zealand businesses owners reported an employment increase in 2006 (+24%) than those that reported an increase back in 2005 (+32%).

CONSTRAINTS

- New Zealand leads the list of countries regarding a lack of availability of a skilled workforce as the most restricting constraint on expansion for many businesses in New Zealand (60%).
- Both availability of skilled workers and regulation/red tape are more of an issue for businesses globally.
- Only 7% of businesses cite a shortage of long term finance as restrictive to growth, 14% less than the global average.

STRESS LEVELS

- This year, the proportion of business owners in New Zealand reporting an increase in stress levels is identical to 2006.
- 46% report that they have experienced a rise in stress levels, compared to a global figure of 56%.
- In order to gain insight into how business owners manage stress, we also asked about how many hours they work a week. On average, business owners in New Zealand work 53 hours per week, exactly the same as the global average.

GLOBALISATION

- New Zealand businesses are more likely to see globalisation as an opportunity than a threat to their business, with 43% viewing it as an opportunity and 31% viewing it as a threat.
- Businesses globally are more likely to see globalisation as an opportunity (55%) compared to businesses in New Zealand, and are considerably less likely to see globalisation as threat (18% compared to 31%).


IMPACT ON COST PRESSURE

- Nearly half of New Zealand businesses (49%) expect staff costs to have a major impact on their cost pressures over the coming year.
- Just over one third of New Zealand businesses also expect transportation costs (35%) and raw material costs (34%) to have a major impact.
- Property costs are the least likely to have a major impact on cost pressures according to New Zealand businesses (14%).

SUSTAINABILITY

- New Zealand businesses are lagging behind other economies in managing energy and environmental issues.
- New Zealand is ranked 25th out of 32 economies in terms of action taken to prepare for increasing energy prices globally and the need to conserve energy.
- Globally the biggest worry for businesses is the cost of raw material (44%) followed by concerns about staff (41%), energy costs (37%) and transport costs (34%).

CHANGE IN OWNERSHIP

- Over 50% of New Zealand businesses are expecting a change of ownership in the next 10 years, one of the highest rates of forecast ownership churn in the world.
- Most New Zealand businesses thought that a shift in ownership would take place within the next three and five years, rather than in a six to 10 year span.
- The global average of 28% is unchanged from the survey in 2005.
- The most likely means of change of ownership is through a trade-sale.
- Of those who are likely to have a change of ownership, selling/passing to family members is the second most likely scenario, followed by a management buy-out. 

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