

Taranaki Business Survey

Results of the November/December 2019 Survey



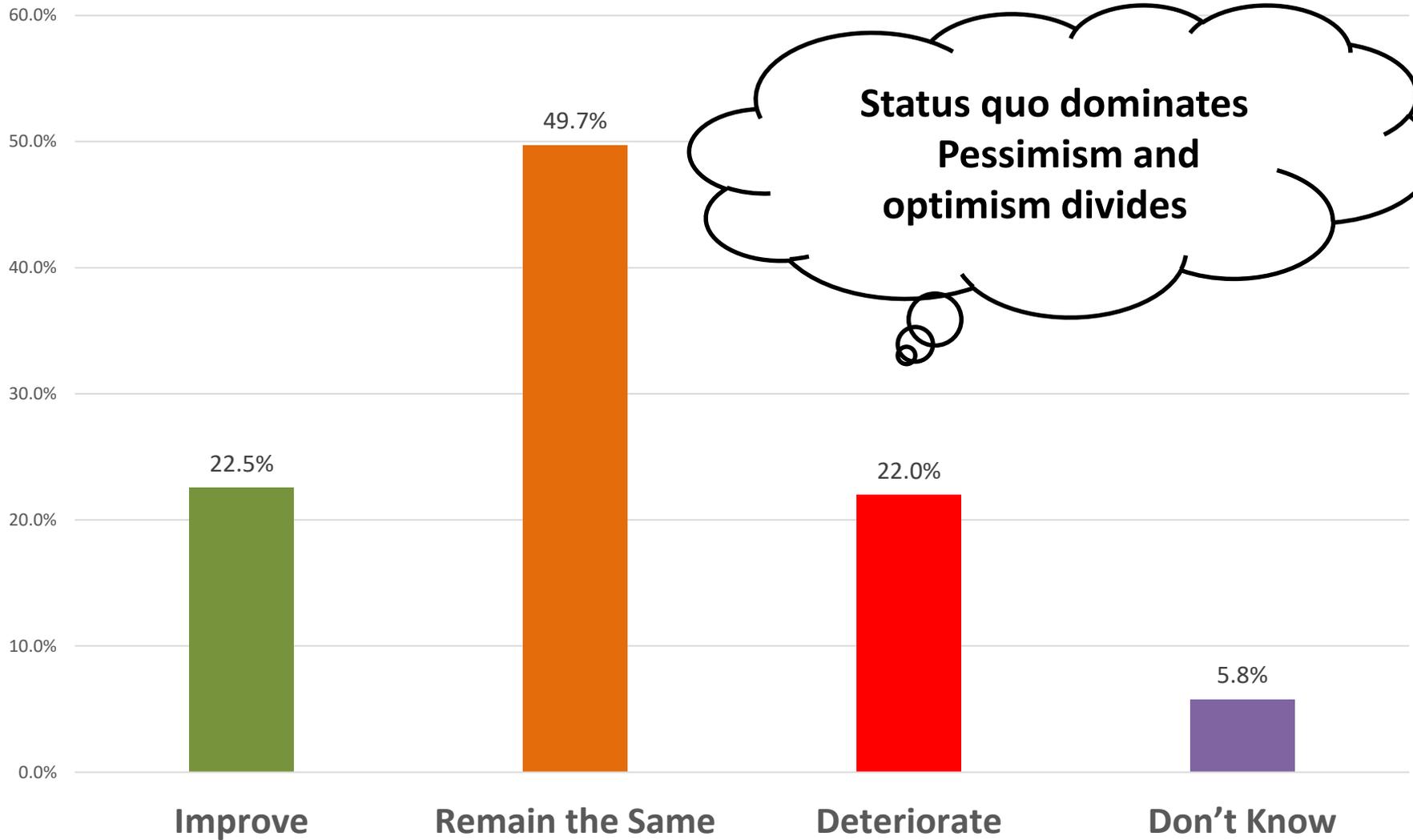
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Taranaki Business Survey

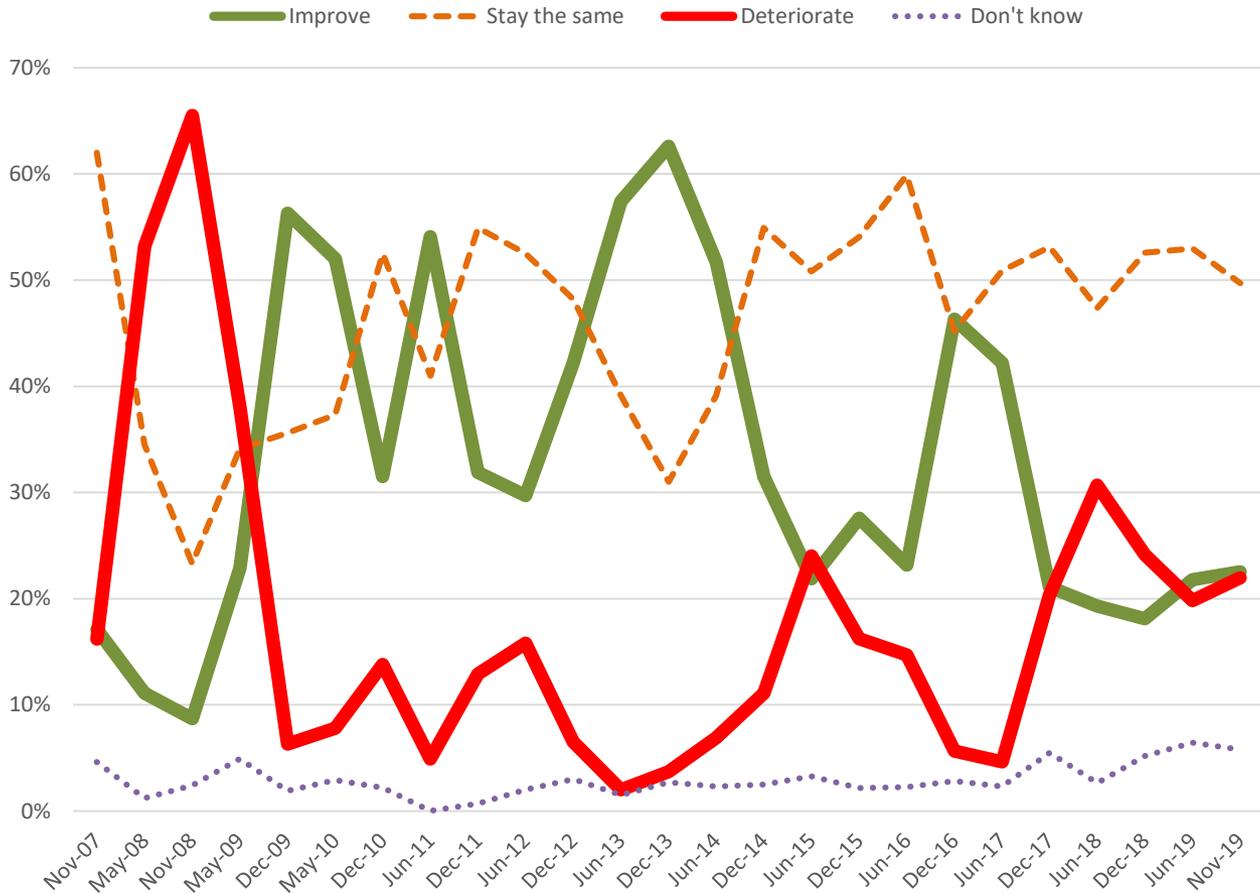
- Monitors economic confidence by Taranaki businesses and their views on key business issues.
- Undertaken by Venture Taranaki 6-monthly since 1999.
- Survey sent to circa 1200 Taranaki businesses.
- Cross section of industry type, location and size.
- Spans a number of **standard economic questions**.
- **Plus special topic:**
 - **Skill and talent attraction: experiences, challenges and ideas**

NZ Economic Conditions: next 12 months



NZ Economic Conditions: next 12 months

NZ Economic Outlook - Next 12 months

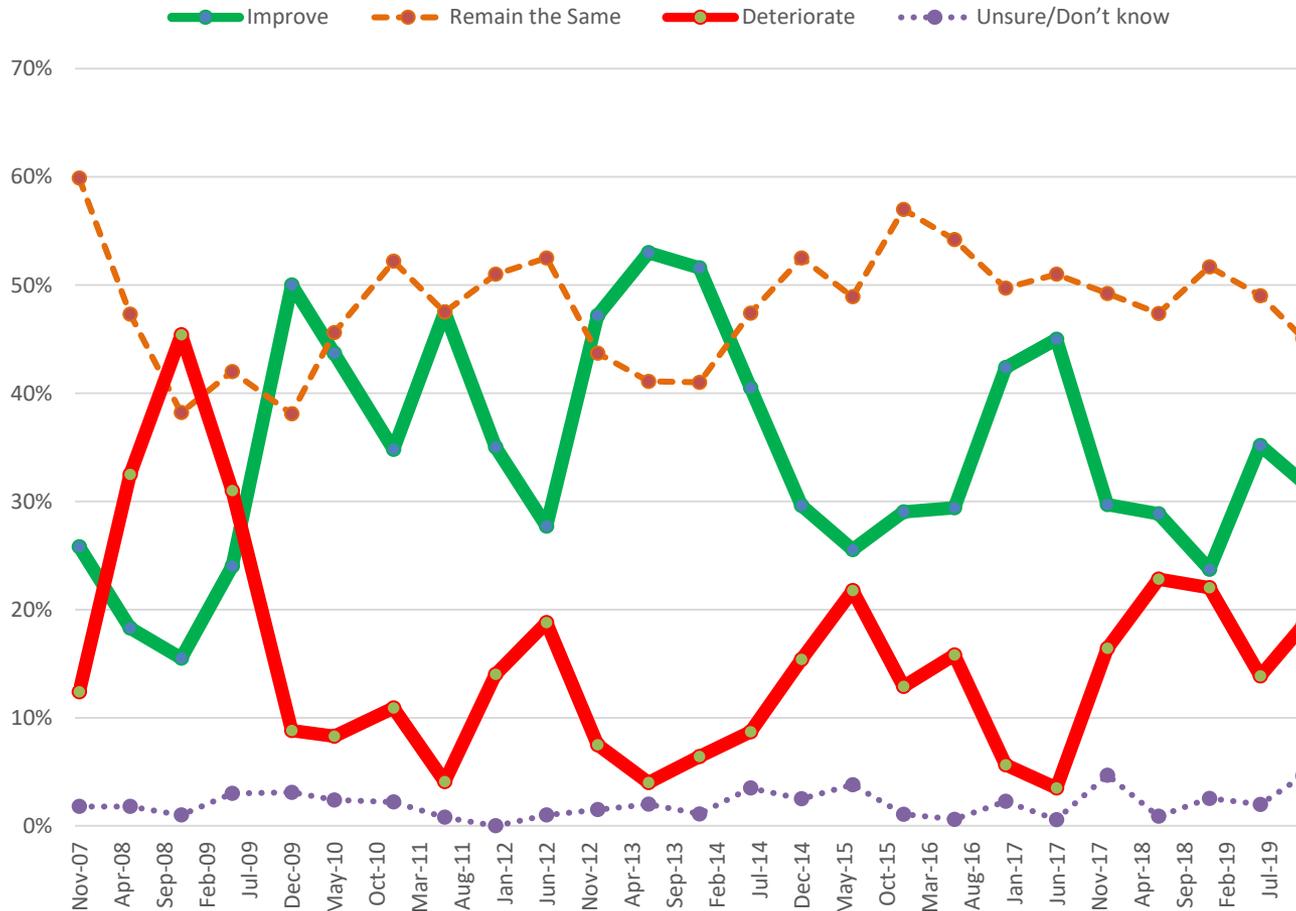


November/December 2019

- **Same: 50%**
- (down from 53%)
- **Improve 22%**
- (the same)
- **Deteriorate – 22%**
- (was 20%)
- **Don't know: 6%**

Industry conditions: next 12 months

Industry Outlook - Next 12 months



Status quo
Mixed
Sentiment

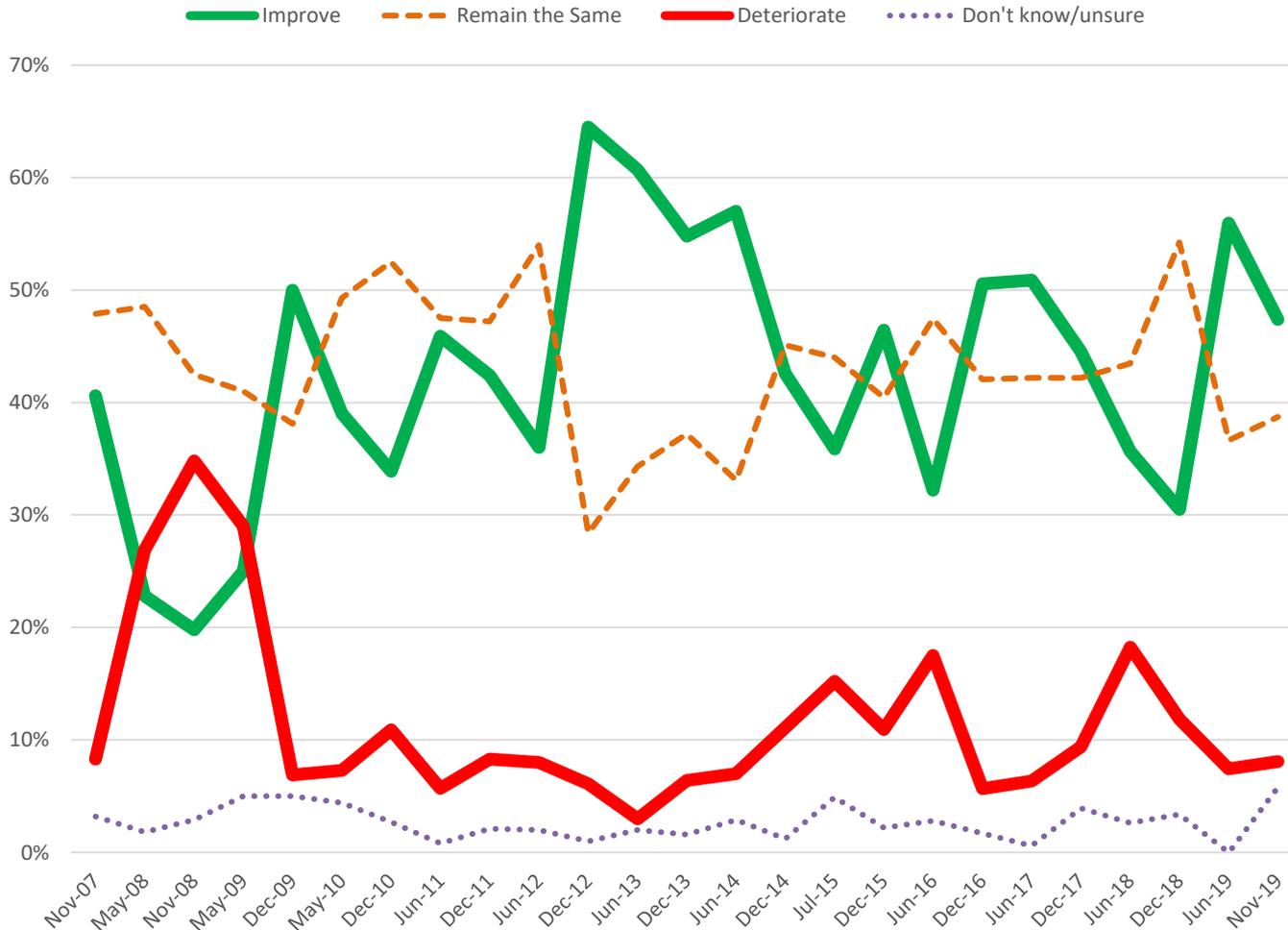
- **Remain same 45%**
- (down from 49%)
- **Improve 32%**
- (down from 35%)
- **Deteriorate 19%**
- (up from 14%)
- **Don't know: 5%**
- (up from 2%)

Conditions Next 12 months: New Zealand v Own Industry



Sales: next 6 months

Sales Outlook - Next 6 months



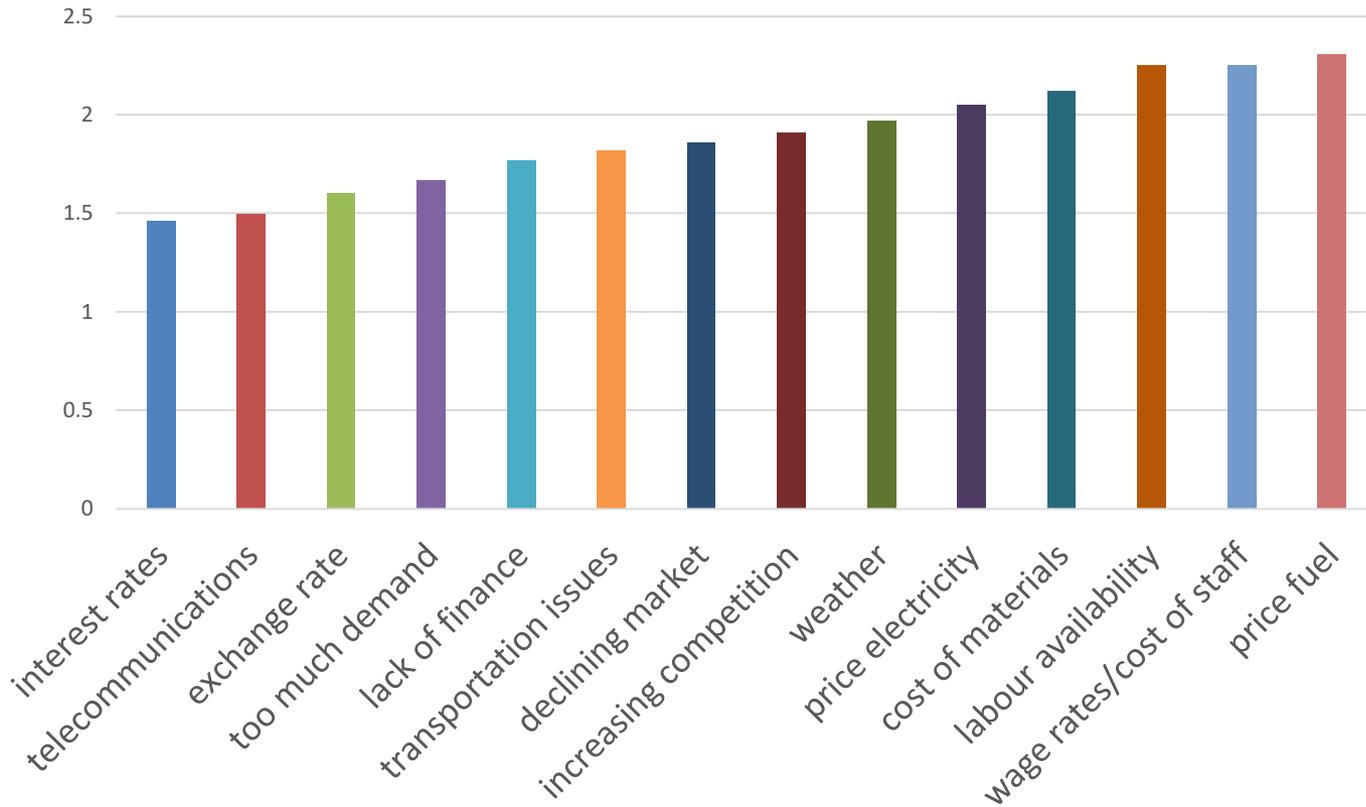
Improved seasonal sales outlook from last Xmas?

- **Improve: 47%**
• (was 56% last time)
- **Remain same: 39%**
• (37% previously)
- **Deteriorate: 9%**
• (was 7%)
- **Don't know: 6%**

Taranaki business: concerns

High
concern

Factors impacting on business

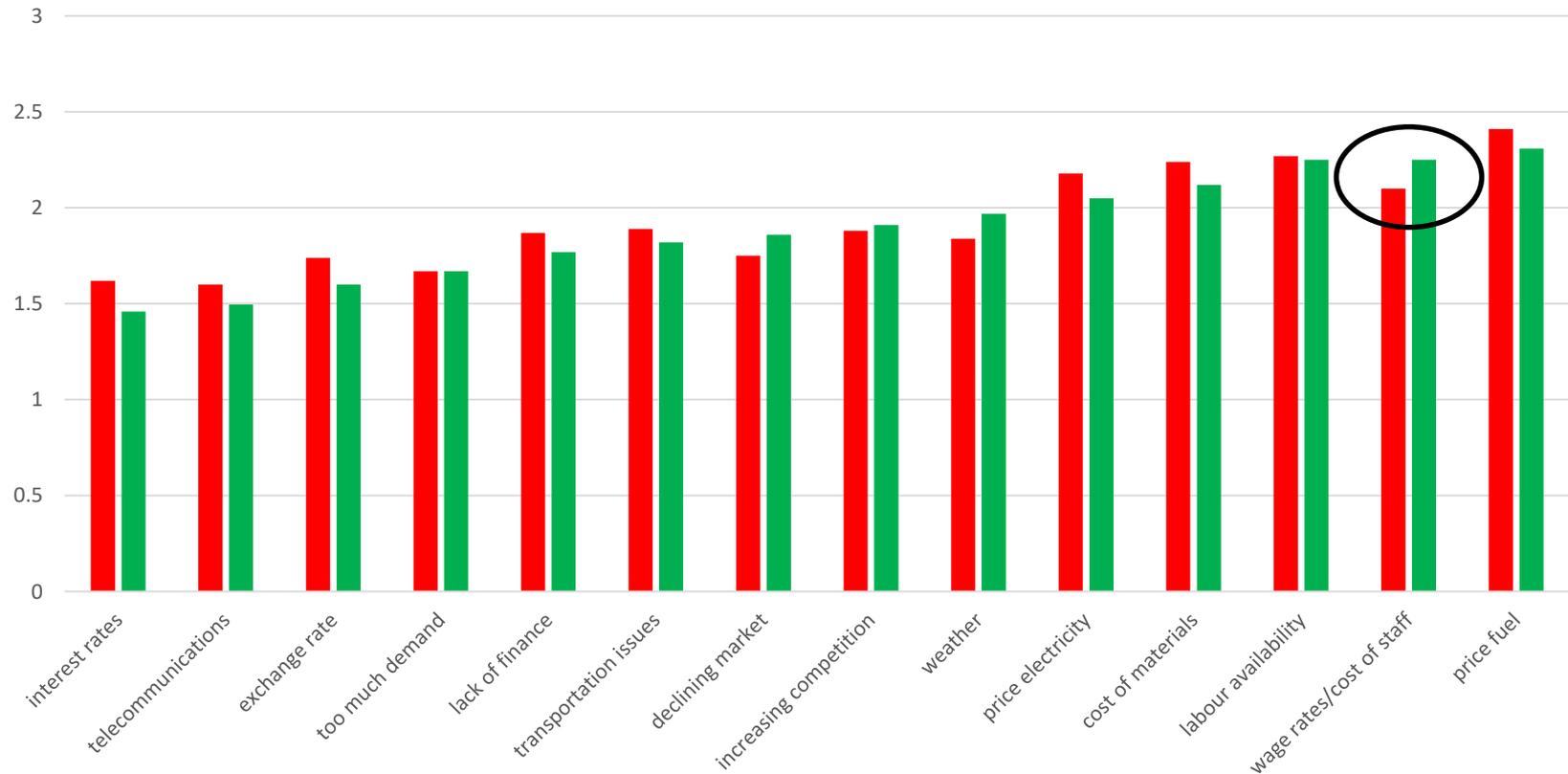


Low
concern

What's changed?

What's changed since December 2018

■ June 2019 ■ Nov/Dec 2019



Factors

impacting on business

Regulations:

- “Rising compliance costs”
- “The seeming increase of red tape from local councils”
- “Extremely complex, slow and expensive resource consent; building consent, inspection etc” – costs and loss of productivity
- Food control plans and MPI regulations – impact on SME food businesses and costs.

Legislative change/new policy proposals:

- “Making it more difficult for businesses to invest and grow”
- Dairy farming – impact of the fresh water policy and ETS on business future

Factors

impacting on business

Employment:

- Skills shortages e.g. building trades impacting on client delivery
- Cost of staff e.g. “pending minimum wage increase (April 1st 2020)

Transportation:

- Departure of Jetstar; limited flight options

O&G:

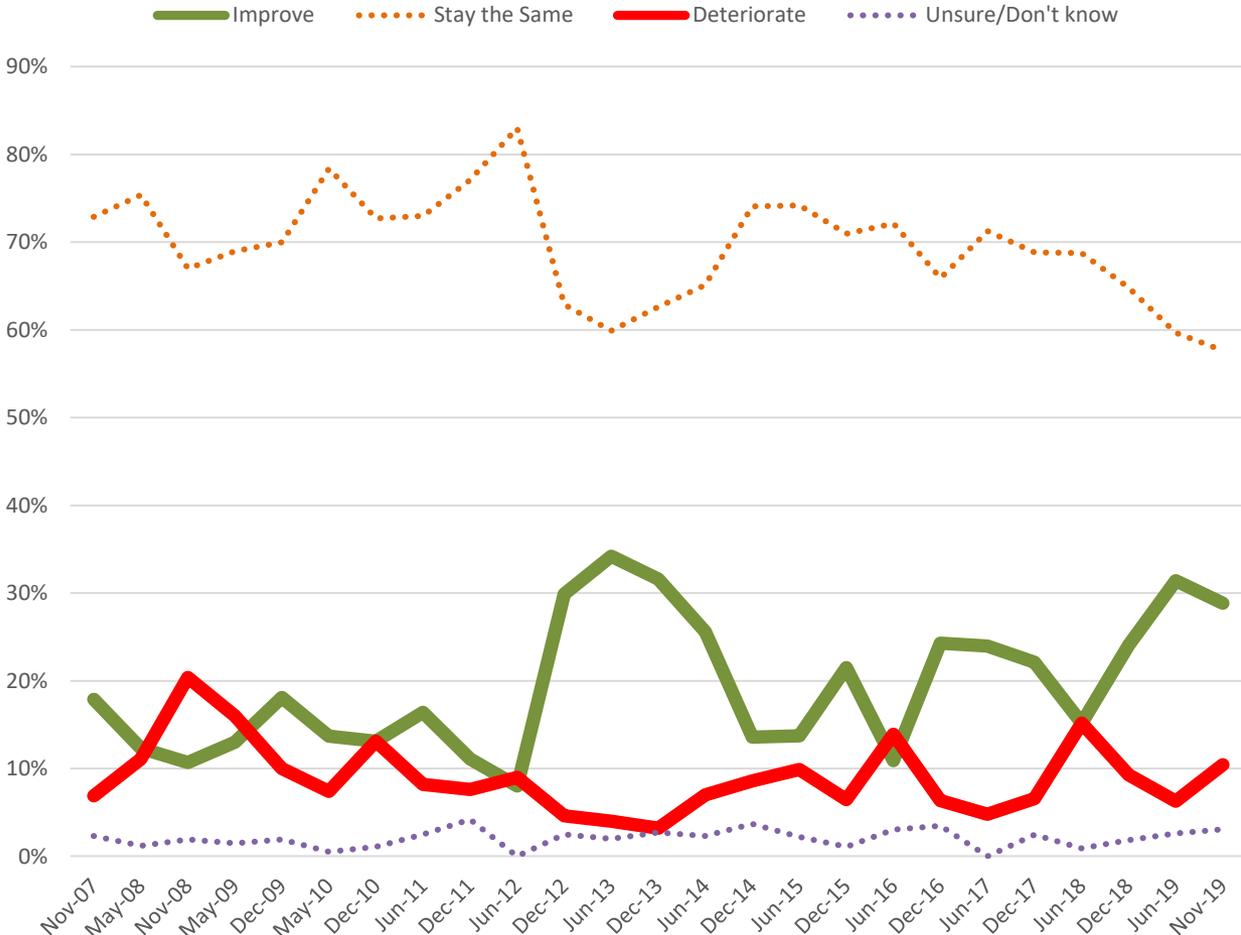
- Flow on from Tamarind

Disruption/change/uncertainty:

- AIR BNB market: disrupting traditional regulated industry.
- International e.g. US market

Employee numbers – next 6 months

Employment Outlook



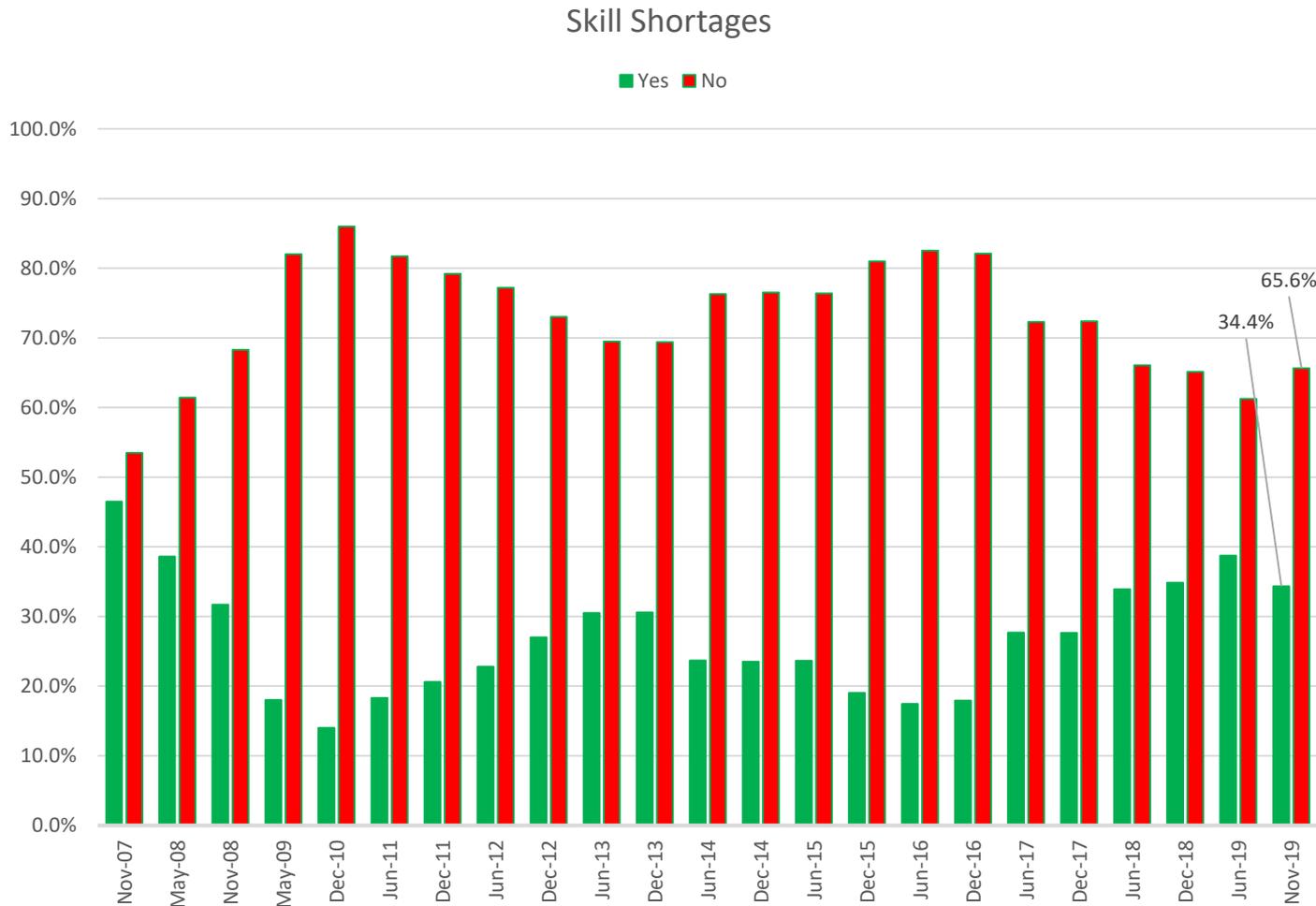
Status quo majority

58% anticipate employment levels to remain the same.

29% - increase.

10% expect staff numbers to decrease

Skill shortages or difficulty hiring?



66% - no skill shortages

34% of Taranaki businesses report skill shortages or difficulties recruiting appropriate staff.

Skills shortages mentioned

Right people with right attitude

- People who want to work!
- Lack of skilled self-motivating staff
- Employees expecting higher standards & wages than their skills base

Hospitality

- Chefs and sous chef recruitment
- Front and back of house
- Attracting/retaining hospitality staff – motivated ones move to cities.
- Retail and Maori tourism.

Agricultural staff

- Dairy farm staff
- On land unskilled labour

Teaching

- People with passion in early childhood
- Teacher shortage impacting Taranaki
- Certain subjects – Te Reo, technology

Skilled trades and engineering

- Competent builders and site foreman
- Plumbing/gas fitting
- Painters
- Quality truck drivers
- Engineering, project management
- Procurement, estimating
- Skilled draftspeople
- Experienced IT engineers
- Refrigeration technicians

Professionals

- Qualified/skilled accountants
- Advisers
- Sales people
- Management

O&G

- Reluctance to come to NZ due to Govt announcement.
- Trained staff have either left the industry or are thinking about moving to Aus.

Attracting talent and skills

“Hard to attract significantly skilled people to Taranaki”

“Not many people want to come to a rural location”

“Attracting senior people to Taranaki is hard”

“Manager position was really hard to fill locally”

“Shortage of qualified and experienced specialist in regions”

“Difficulty recruiting the most suitable staff – not just settling for those applying”.

“The talent pool is narrow and shallow”

“Constant issue – no enough well skilled specialists in NZ”

“Immigration is our only source”

“50 staff are needed for seasonal contracts”

Special topic

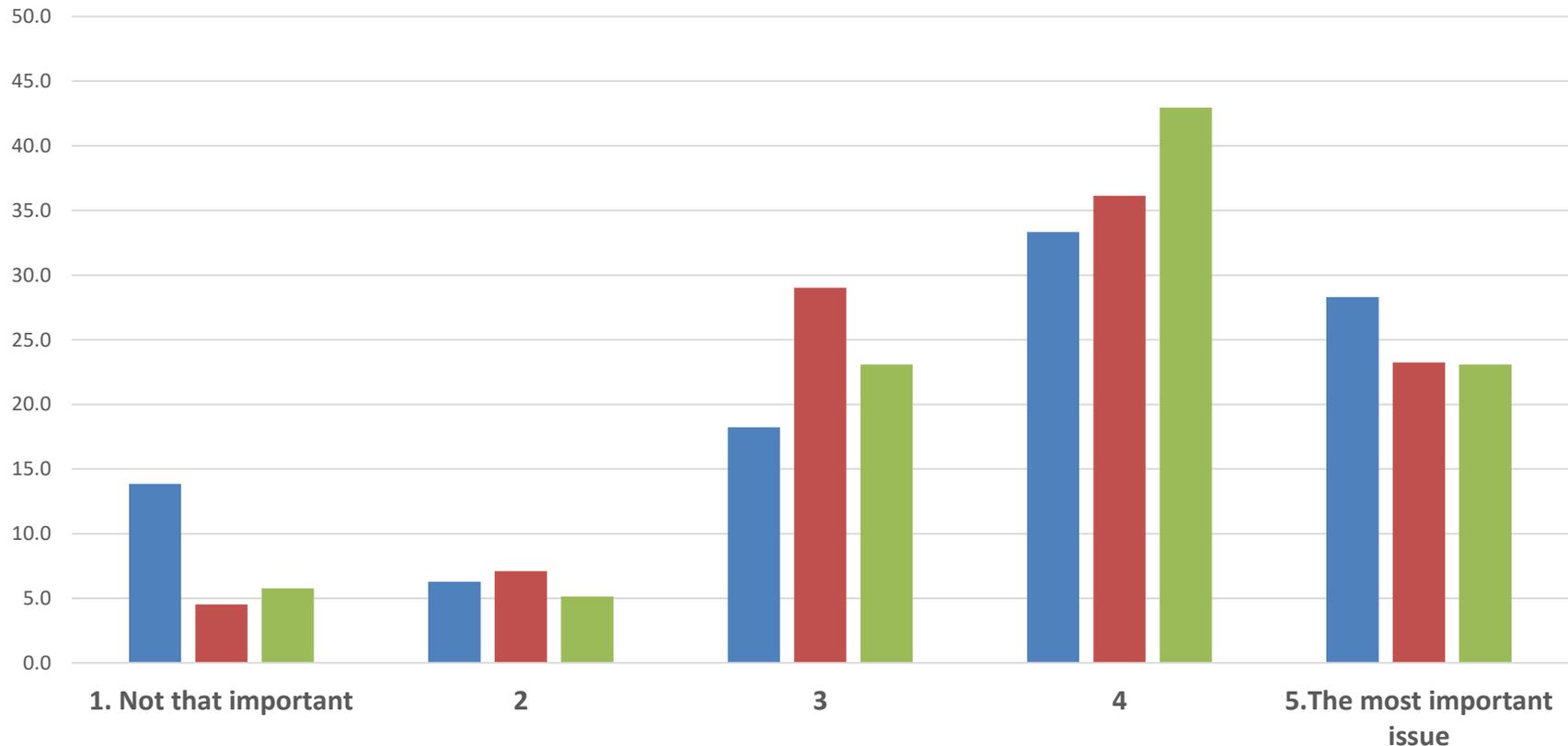
Skills and talent attraction and ideas

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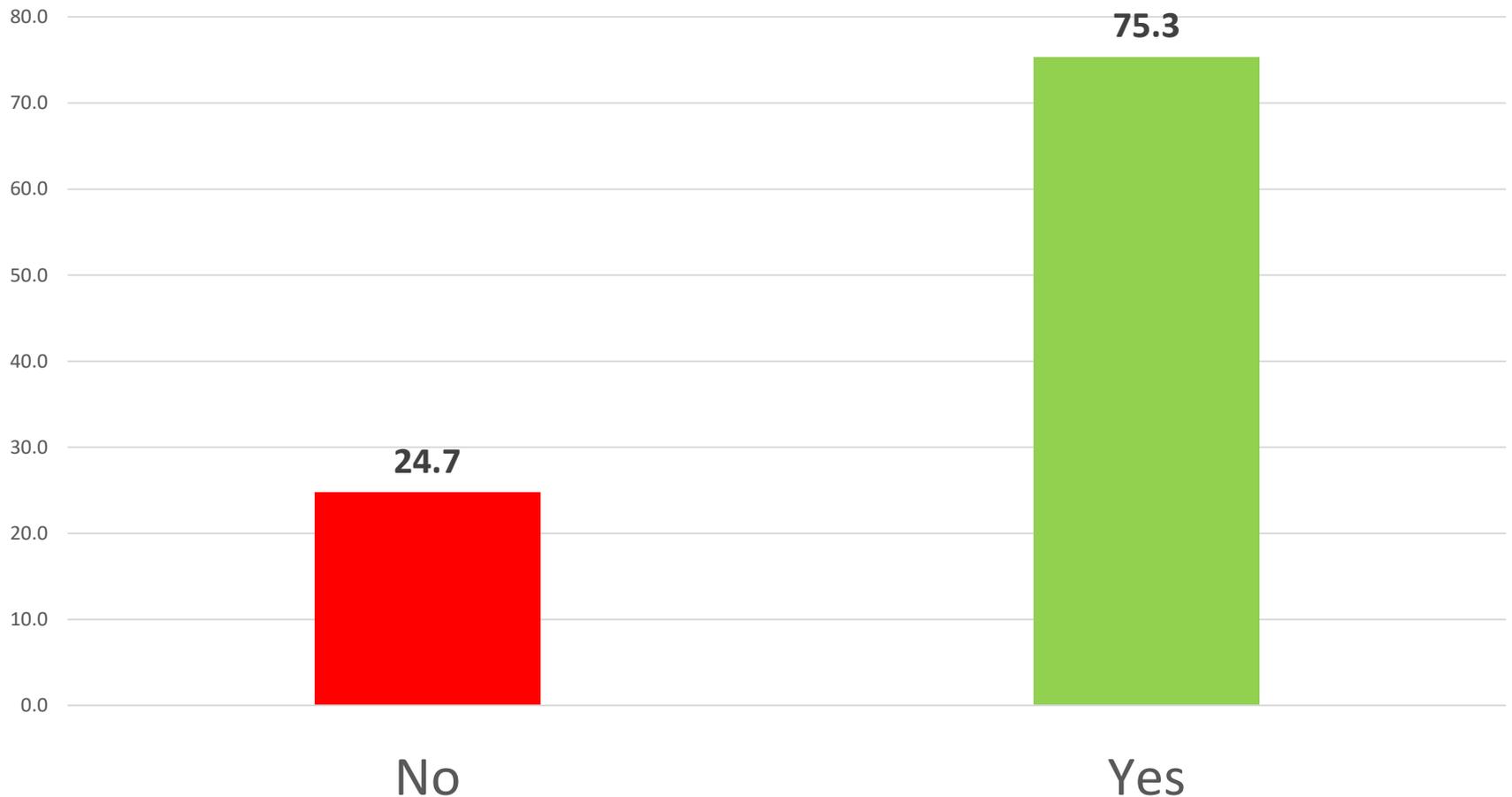
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Importance ranking: Attraction and Retention of staff and Workforce Planning

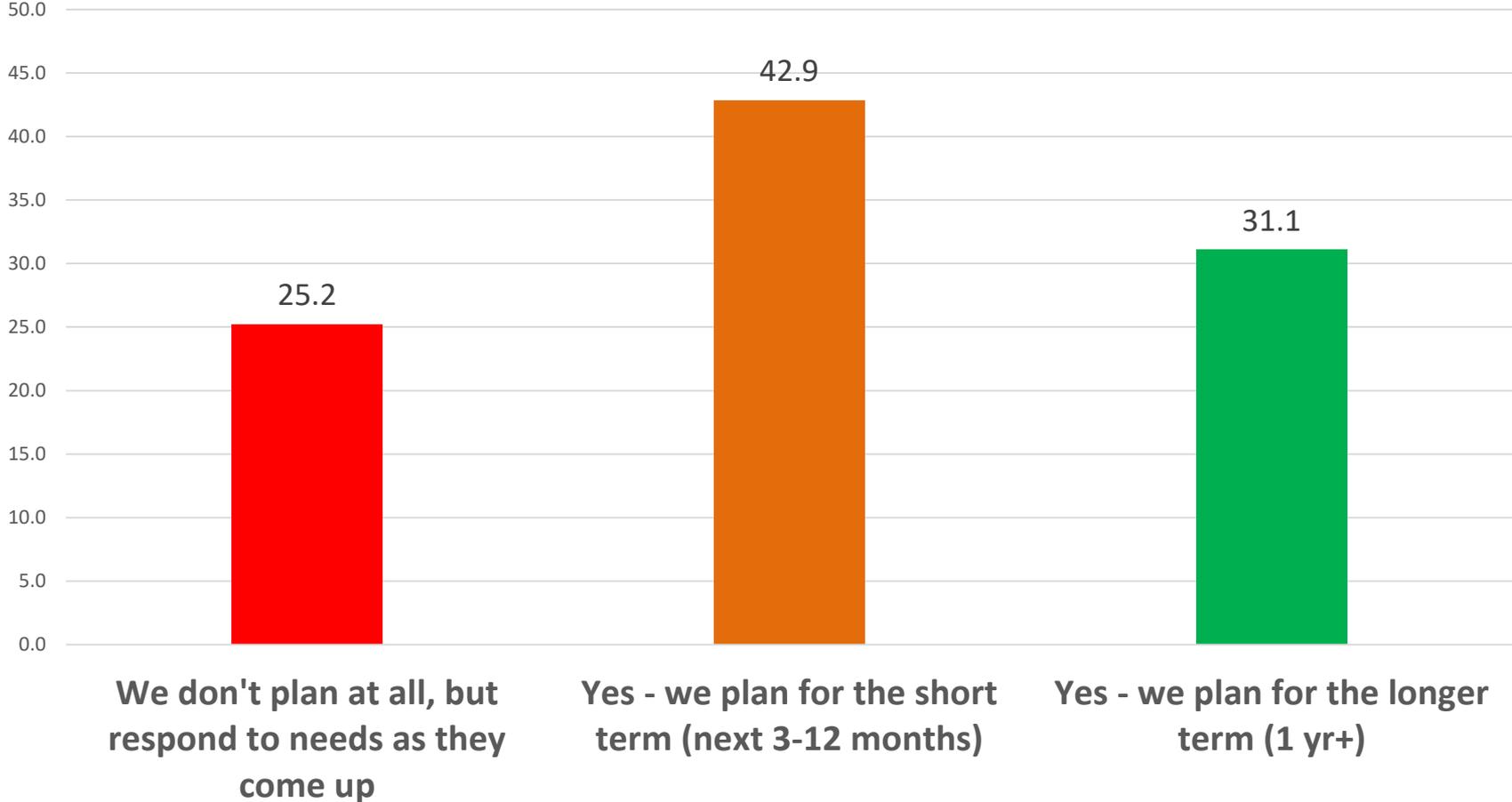
■ Your business ■ Your Industry ■ The Taranaki region



Does your business employ staff?

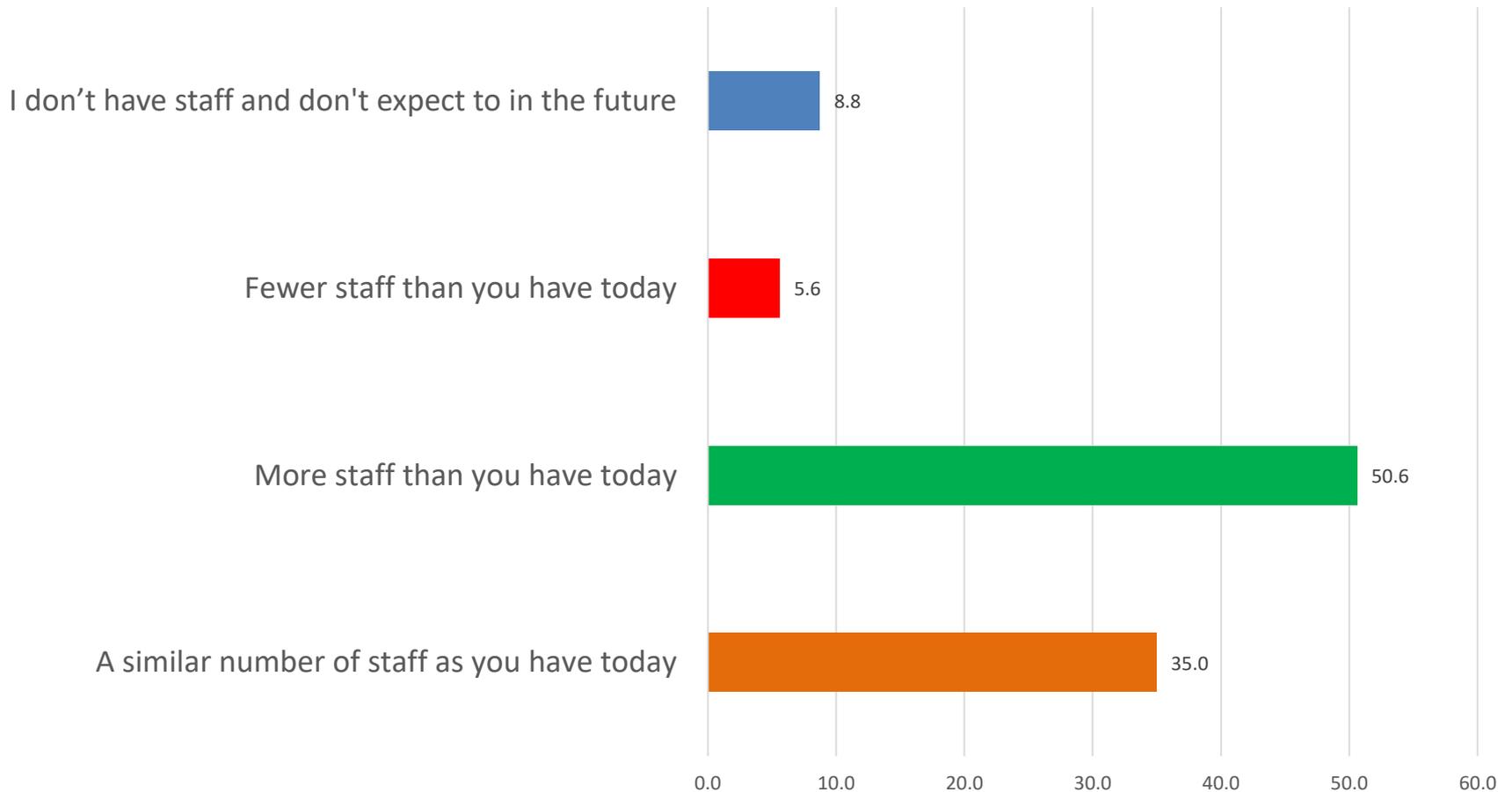


Does your business plan ahead for its talent and workforce needs?



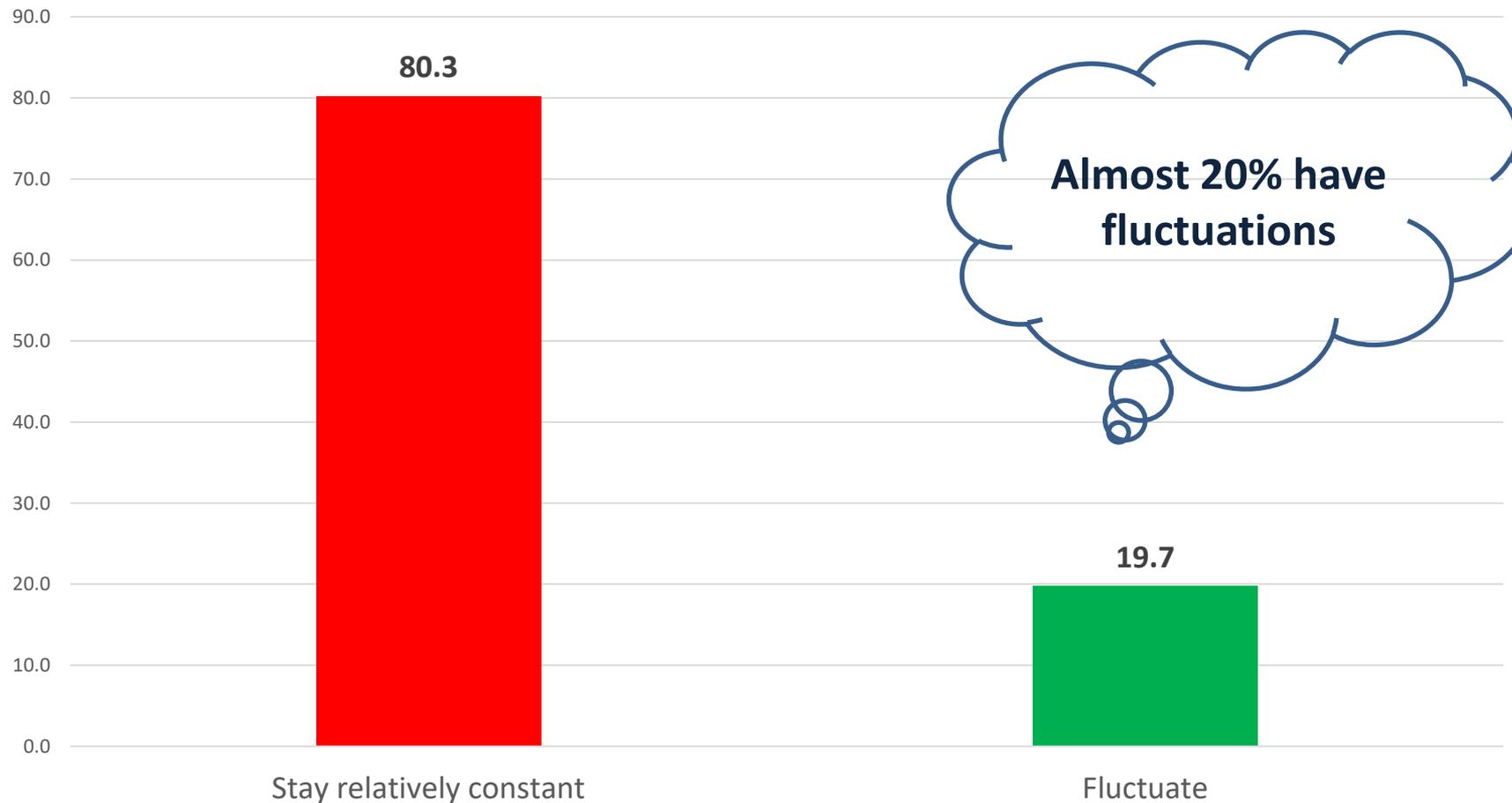
Staff number expectations:

In two years time do you expect to have:



Do your staff levels

remain relatively constant or fluctuate?



Reasons – workforce fluctuations



Jan/Feb



March/April/May



Jun/July/Aug



Sept/Oct/Nov



Dec

Retail

Xmas/retail

Tourism/Hospitality

Tourism/Hospitality

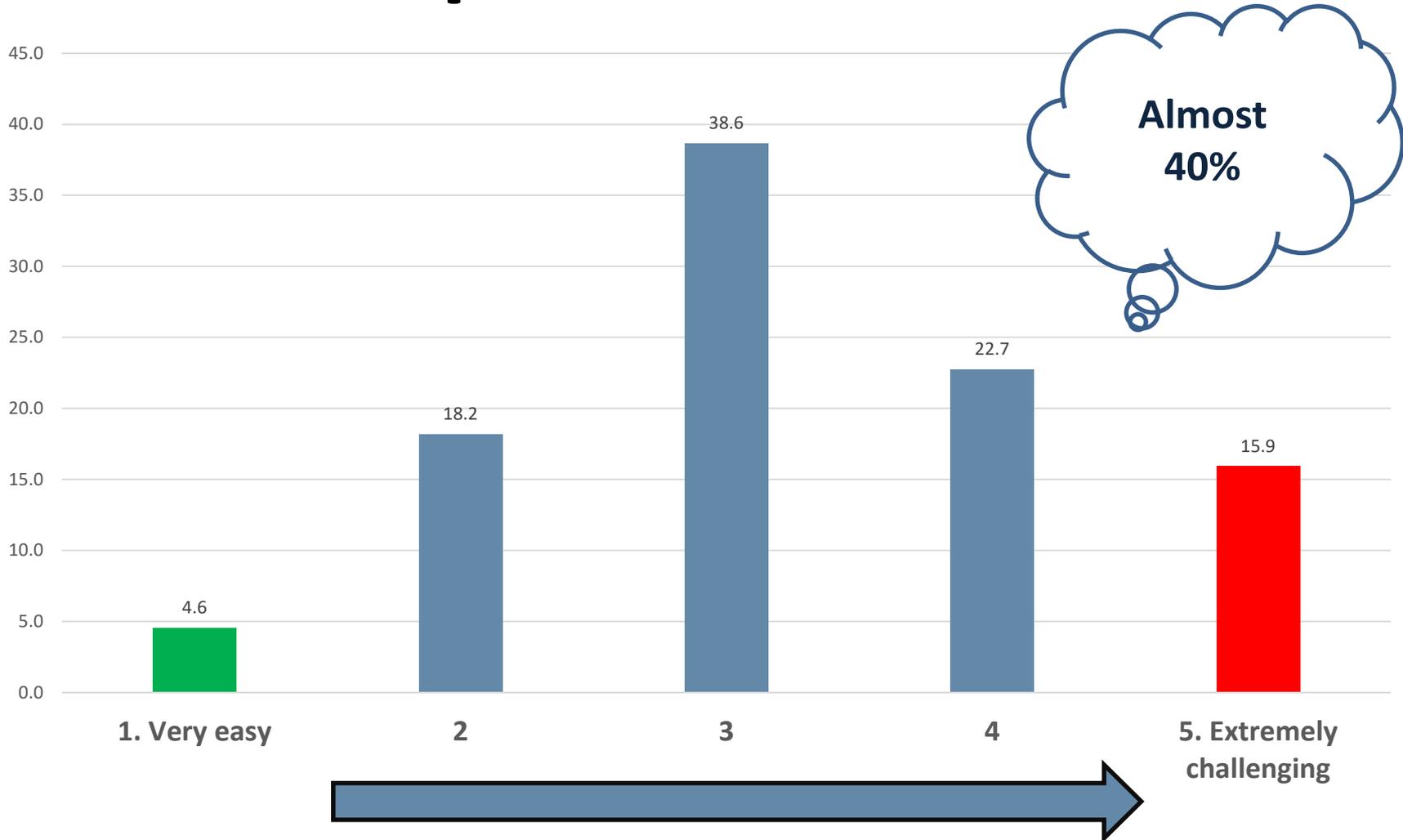
Dairy/Ag

Dairy/Ag

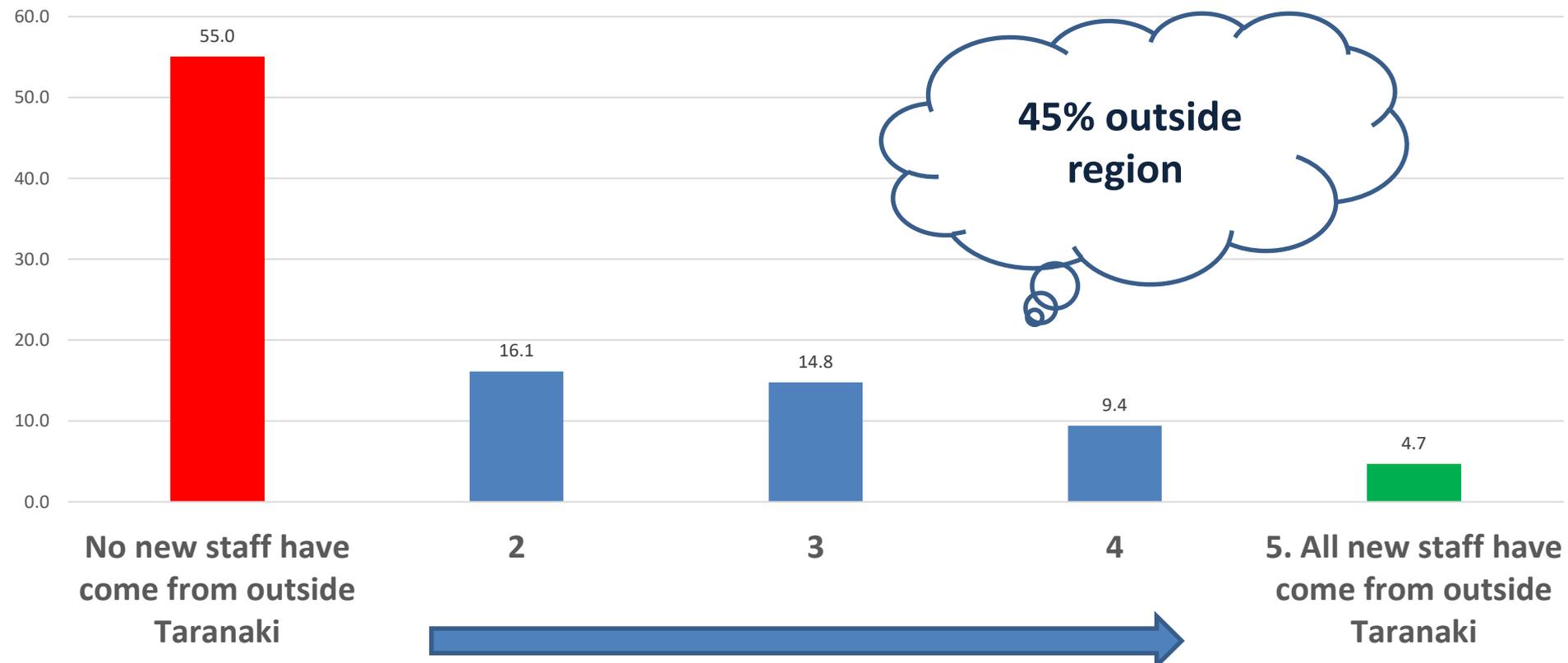
Horticulture, seasonal produce, events, client demand, O&G projects, shutdowns

If fluctuates

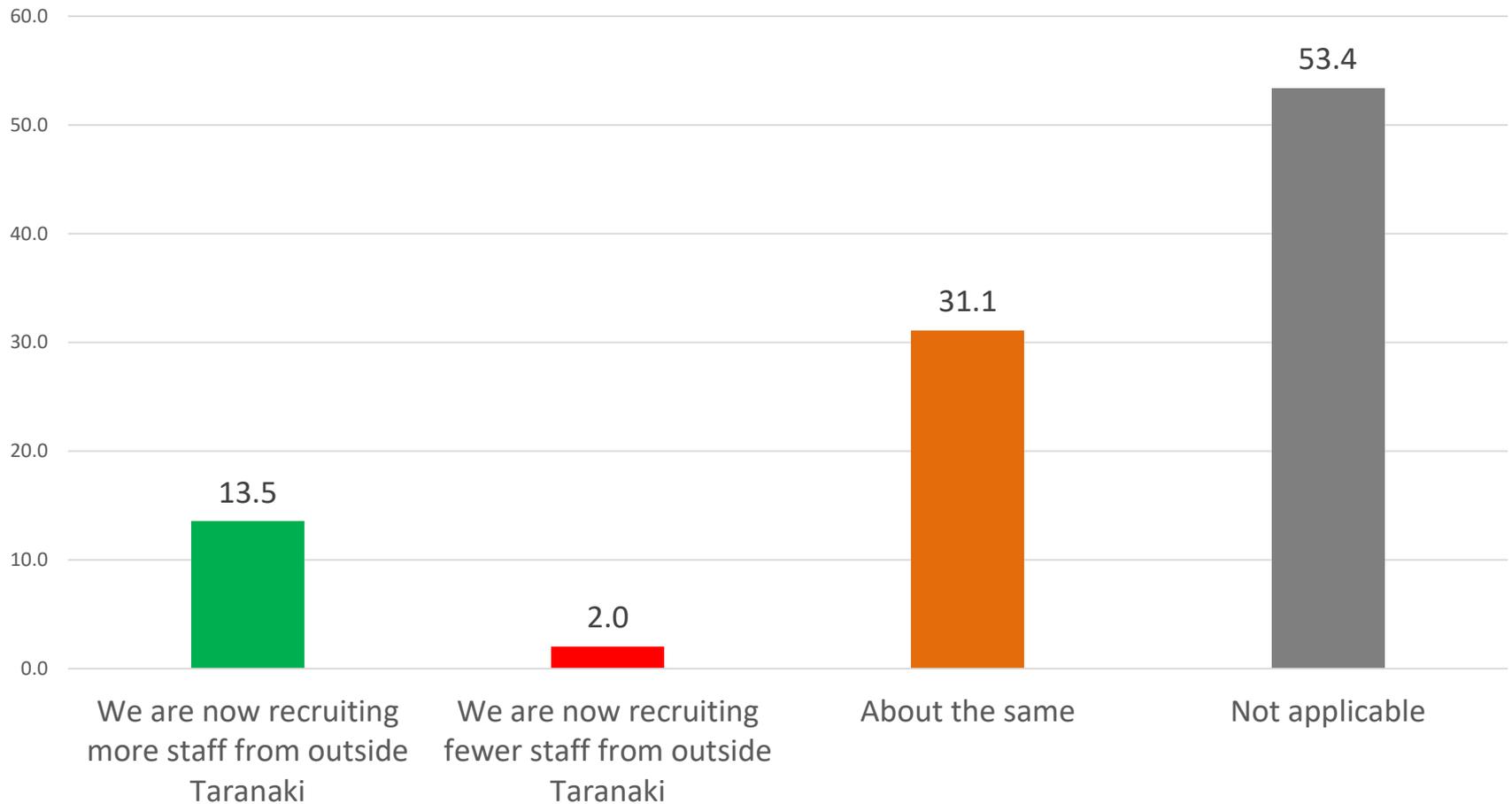
How easy is it to find staff for peak times?



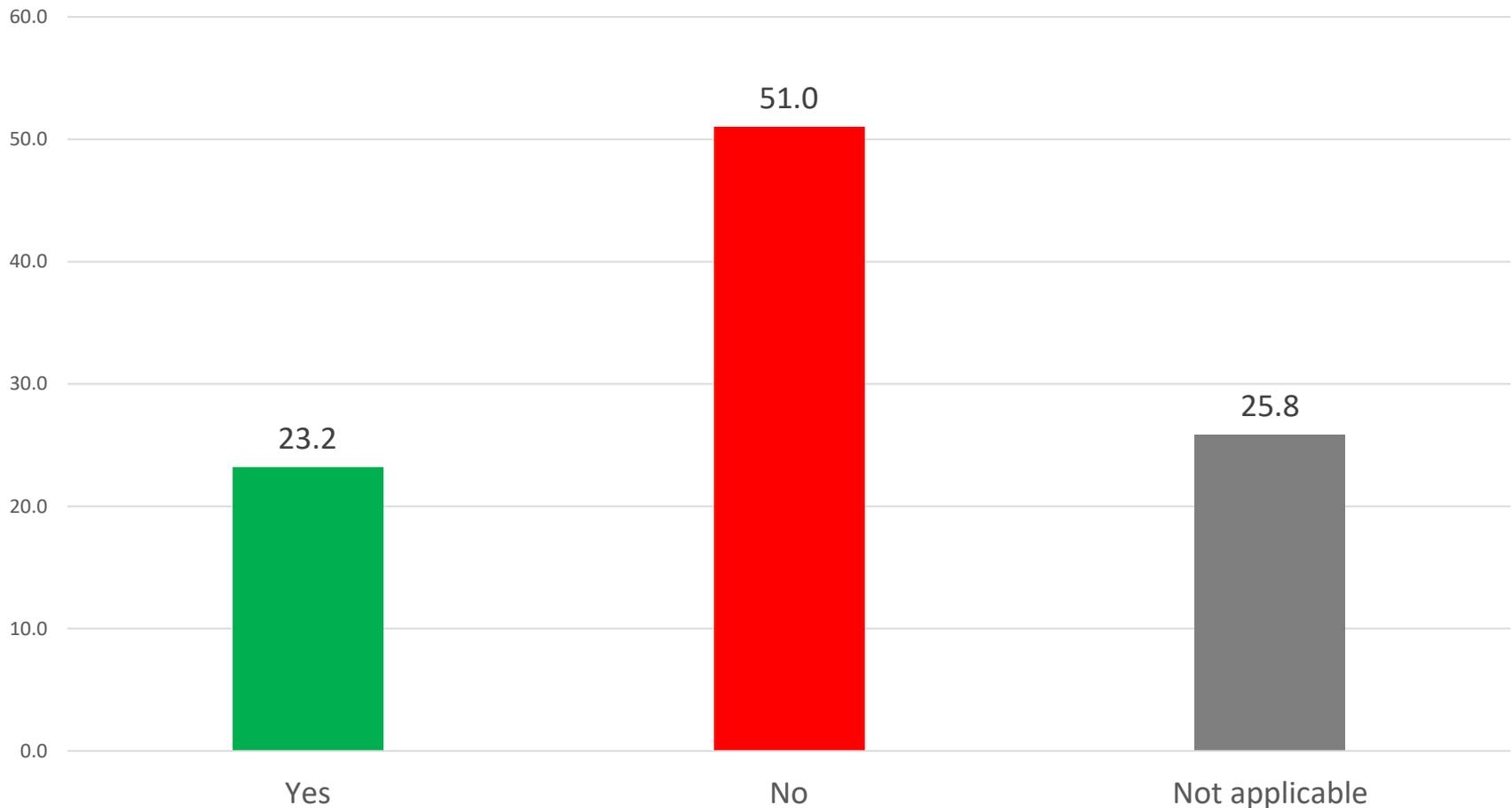
Over the last five years, what proportion of new staff have been recruited from outside the region?



Has the number of staff recruited from outside the region changed in the last 5 years?



Have you recruited internationally to secure the necessary skills/people for your business?



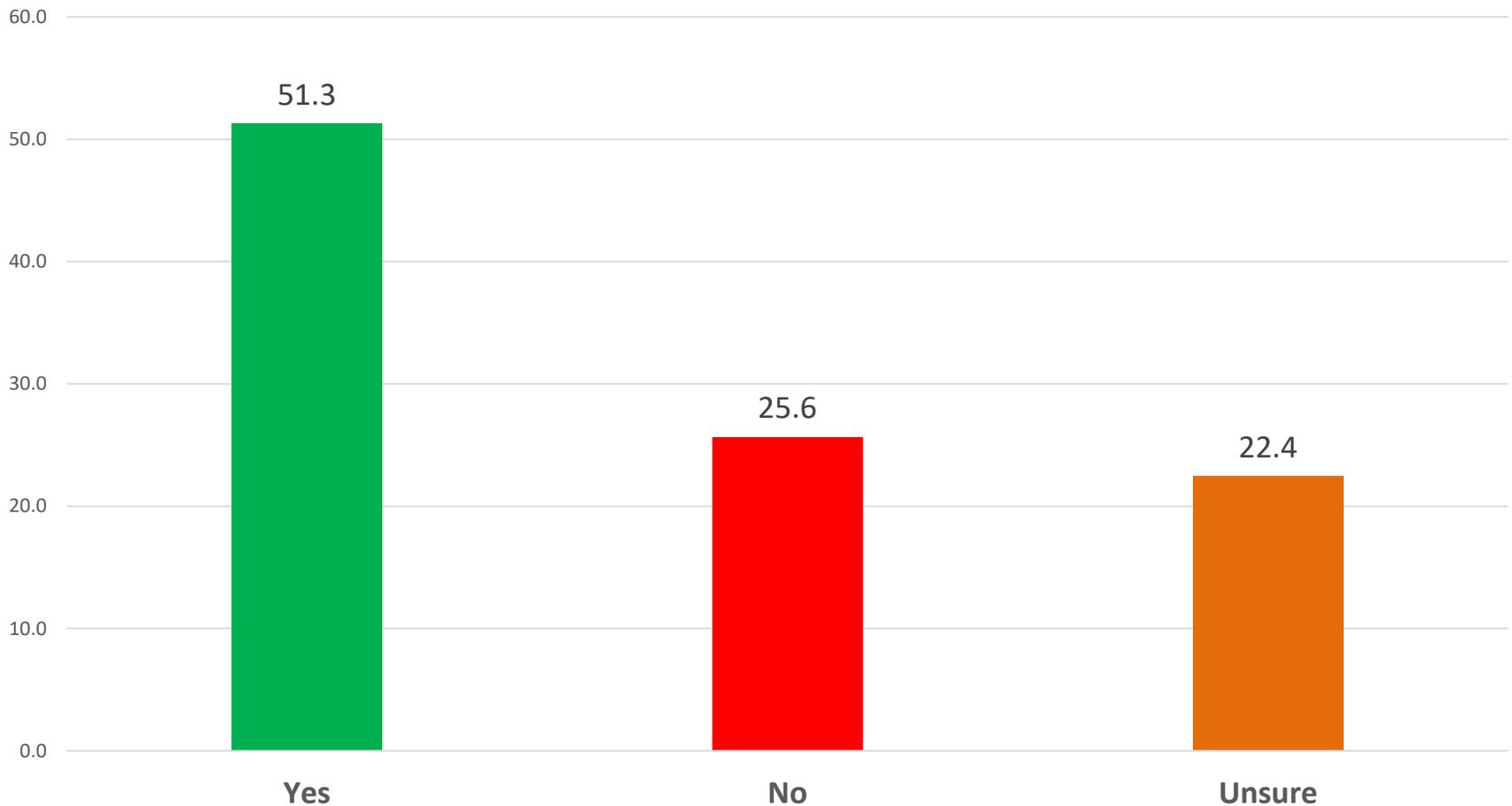
What skills -internationally?

- **Drilling and petroleum engineers, geoscientists**
- Well testing
- **Consulting engineers and designers**
- IT engineers, technical
- **Business analyst, project management**
- IT/Cyber security
- **Software development**
- Electrical engineers
- **Marine sector specialist**
- Automotive technician
- **Pharmacists**
- Skilled farm assistant
- **Land surveyor**

Skills hardest to recruit for?

- Skilled, qualified trades
- e.g. carpenters, builders, drivers,
- e.g. sub-trades, painting, plumbers, gasfitter, heat pump installers
- Architectural drafting and design
- Land surveying
- Engineers – various types of specialists
- IT e.g. software development, Cyber Security
- Teachers
- Hospitality e.g. chefs
- Specialists e.g. clinical psychologist
- Professionals e.g. senior managers, sales
- Knowledge of Te Ao Māori o Taranaki
- Leadership, reliability, attitude

Will your skills/talent needs will be the same in 5 years' time?



If not – why?

- More digital technology
- Higher skills – automation, robotics
- Less ‘real’ work
- Greater communication/service skills
- Demographics – ageing, migration
- More demand/growth plan/international
- Diversifying, adapting

Gaps or needs in upskilling/talent development in Taranaki

- **Apprenticeships in the trades and skilled artisans**
 - *e.g. stonemasons, butchers*
- **Building/aligned trades**
 - *Including on site construction leadership*
- **Dairy/farming**
 - *challenged by current industry uncertainty and perceptions*
- **Hospitality as a career, tourism, retail, sales**
- **Qualified engineers**
- **Teaching**
- **Specialist/niche/growth**
 - *Risk insurance industry; digital marketing*
- **Leadership (genuine)**
- **Innovation/New idea progression**
 - *Realities such as business implications, scaling up and financing etc.*

Ideas to attract/develop/retain staff

- 1. Apprenticeship training**
- 2. Making the most of learning facilities**
 - e.g. WITT, PIHMS, and provide pathways for students
- 3. School initiatives and tasters** e.g. Ag challenge training
- 4. Open workshops** for people to try jobs/businesses
- 5. Cadet schemes run by businesses**
 - develop skills; add incentives as they progress e.g. pay rates, medical and life insurance, wellness programmes
- 6. Business & industry collaborations**
 - Promotions and collective resources to bring expertise to the region, where no one company can afford to do it on their own.

Thank you.

www.Taranaki.info for more



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