



## Media Release

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### Higher and hire: bullish small firms looking for staff – ANZ Business Micro Scope

Small business confidence has reached record highs in Canterbury, the wider South Island and Wellington, according to ANZ's quarterly Business Micro Scope survey of small firms.

Nationally, sentiment fell back slightly in June from the previous quarter's record levels, but remains well above the historical average.

Hiring intentions among small businesses nudged upwards to a new record high, auguring well for employment as the economy continues to expand.

Many business owners have now turned their attention to finding staff with the right skills to take their business forward, now cited as one of the biggest challenges for small firms.

Fred Ohlsson, ANZ's Managing Director, Retail & Business Banking, said: "Small firms have made a clear statement that they're still prepared to take on staff and invest amid challenges such as a high dollar. This optimism is encouraging and is testament to the wide array of forces now supporting the economy.

"Small firms account for 90 per cent of Kiwi businesses and provide jobs for nearly one in three New Zealanders. So when owners tell us they're keen to take on more staff that's a shot in the arm for employment nationally. Migration and training will be important in ensuring the skills are available to help them take their business forward."

#### Highlights from the June 2014 ANZ Business Micro Scope survey of small firms:

[Net percentages reflect the balance of sentiment – i.e. positive minus negative responses]

- Confidence among small businesses has remained at very high levels, just off the record heights recorded in the March quarter.
- **Hiring intentions** are now at their strongest since comparable data was first collected in 1999, with a net +20% of firms planning to take on staff in the coming year.
- **Canterbury** (up 9 points to +33%) took the biggest leap forward in confidence, making it the most confident region, alongside the **rest of the South Island** (up 2 points to +33%), followed by **Wellington** (up 1 point to +30%). These three regions hit new record highs in the June quarter.
- **Services** (+30%) leapfrogged **Construction** (+27%) as the most upbeat sector, followed by **Retail** (+25%).
- 'Lack of skilled employees' and 'regulation' were jointly identified as the biggest challenges for small firms, each being cited by 17% of respondents. 'Interest rates' was identified as the biggest problem by just 4%.

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## **ANZ BUSINESS MICRO SCOPE: TECHNICAL NOTES**

The ANZ Business Micro Scope is a quarterly indicator which focuses on the prospects of small businesses across New Zealand. The survey was launched in March 2012 to address a lack of ongoing research specific to the small business sector. The Micro Scope covers a range of key business intentions and views on prospects for both respondents' own businesses and the wider economy. Figures released today cover the quarter to 30 June 2014.

The survey takes in responses from 250 firms, comprising *micro* (up to 5 staff) and *intermediate* sized businesses (6 to 20 staff). The sample is taken from the ANZ Business Outlook survey, which covers micro up to large businesses. Comparisons from before March 2012 are calculated by extracting corresponding data on small businesses from that survey, which goes back to December 1999.