



Media Release

For Release: 2 July 2015

Small business confidence: A change of season

Small firms are increasingly cautious about the year ahead, with confidence down from recent highs but still positive, according to ANZ's quarterly Business Micro Scope survey of small businesses.

Business owners' expectations for business activity, employment and investment all receded though levels remain respectable. Regulation was cited as their biggest business challenge.

Wellington further cemented its position as the capital of small business confidence, recording the highest business sentiment for any region for the fourth consecutive quarter. Sentiment in Auckland, which accounts for over a third of national GDP, came off the all-time high recorded for that region in the previous quarter.

Nationally, small business sentiment fell for the first time since September 2014, reaching a two-year low though still positive and above the long-term average.

Fred Ohlsson, ANZ's Managing Director Retail & Business Banking, said: "What small firms are saying is consistent with an economy that's still growing, albeit a bit slower than what we've previously seen. The readings are still very respectable. However, they clearly signal a more cautious small business sector.

"Concerns over regulation underline the need to ensure an environment that allows business owners to plan and operate with confidence and stay focused on fundamentals such as maintaining healthy turnover and sales. This is important for the economy as small firms account for 90 per cent of New Zealand businesses and provide nearly one in three jobs."

Highlights from the June 2015 ANZ Business Micro Scope survey of small firms:
[Net percentages reflect the balance of sentiment – i.e. positive minus negative responses]

- Small business confidence has come off recent highs, falling 8 points to +18%.
- **Wellington** was the most upbeat region for the fourth quarter in a row (down from last quarter's record for all regions of +37%, to +34%). Sentiment in **Auckland** was down 10 points from its record last quarter, to +19%. All regions except the Rest of the North Island remain above their long-term averages.
- Sentiment fell across all sectors. Modest falls were recorded by **Construction** (down 6 points to +25%), **Services** (down 7 points to +24%) and **Manufacturing** (down 4 points to +23%). **Retail** was down 10 points to +13% and **Agriculture** fell to -6%, its lowest since March 2013.
- **Regulation** (cited by 19% of respondents) is the biggest challenge facing small businesses, followed by **Low turnover** and **Lack of skilled employees**.

For media enquiries contact:
Pete Barnao
Communications Manager, Media
Tel: +64-9-252 6623 or +64-27-277 3139
Email: Pete.Barnao@anz.com

Follow us on Twitter: @ANZ_NZ_Media

[ANZ Bank New Zealand Ltd](#)

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 2015.

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.