



Media Release

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Wanted: staff to deliver on business growth plans

Finding the right skills key to expansion, say upbeat small firms

Finding skilled staff remains the No 1 challenge for small firms as sentiment lifts further to near-record levels, according to ANZ's quarterly Business Micro Scope survey of small firms.

Business owners expect to further up their activity, investment and employment over the coming year, pointing to solid growth for small firms, but cite a lack of staff with the right skills as their biggest constraint.

Wellington was the most bullish region for the third consecutive quarter, further extending its record last quarter for the highest optimism seen in any region since comparable data was first collected in 2007. Sentiment in Auckland, which accounts for over a third of national GDP, rose to its highest on record.

Nationally, business sentiment lifted to its highest in 12 months and is now at its second highest level in 15 years.

Fred Ohlsson, ANZ's Managing Director Retail & Business Banking, said: "As the economy continues to expand, businesses are ready to grow, invest and take on new staff. To deliver on this potential they need people with the right skills to take their business forward.

"Migration and training will be a crucial part of ensuring the skills are available for future growth. This is an important issue for our economic expansion, as small firms account for 90 per cent of New Zealand businesses and provide nearly one in three jobs."

Highlights from the March 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 edged up for the second consecutive quarter (up 2 points to +26%) and is now at its second highest level in 15 years.
- **Wellington** was the most upbeat region for the third quarter in a row (up 1 point to +37%, a record for any region since the data series began in 2007). Sentiment in **Auckland** (up 5 points to +29%) is at its highest on record.
- Sentiment lifted across all sectors. **Construction** recorded the biggest lift (up 6 points to +31%) making it first-equal with **Services**. The **Manufacturing** sector was up 2 points to +27%. **Retail** and **Agriculture** also recorded solid gains.
- Expected **profitability** was up strongly across the sector (rising 12 points to +27%)
- **Lack of skilled staff** (cited by 18% of respondents) remains the biggest problem facing small businesses, followed by **Competition** and **Regulation**.

For media enquiries contact:

Pete Barnao

Communications Manager, Media

Tel: +64-9-252 6623 or +64-27-277 3139

Email: Pete.Barnao@anz.com

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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 31 March 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.