



Priority One
Tauranga
Moana

Business Sentiment

June 2021

Western Bay businesses are strong and optimistic

Priority One recently surveyed the local business community to better understand business confidence and employment intentions.

The availability of work ready skills and talent is a key constraint in an otherwise optimistic outlook for local businesses.

Most businesses have seen a solid recovery from last year's Covid lockdown and subsequent impacts. Many see strong future demand around work and revenue.

Businesses are also seeing this recovery in a broader sense with high levels of confidence in the local and national economy. There is also a perception that our region is doing well relative to other regions, and that New Zealand is doing well relative to other countries.

The cumulative effect is a strong and widespread sense of optimism for the future of Western Bay businesses.

Growth is the main driver, with strong intentions to take on more staff going forward – 70% of businesses plan to hire more staff in the next 12 months.

However, we know that businesses are currently facing a challenging labour market, and are

finding it difficult to find the staff they need. Almost 60% of businesses had difficulty filling vacancies in the last year.

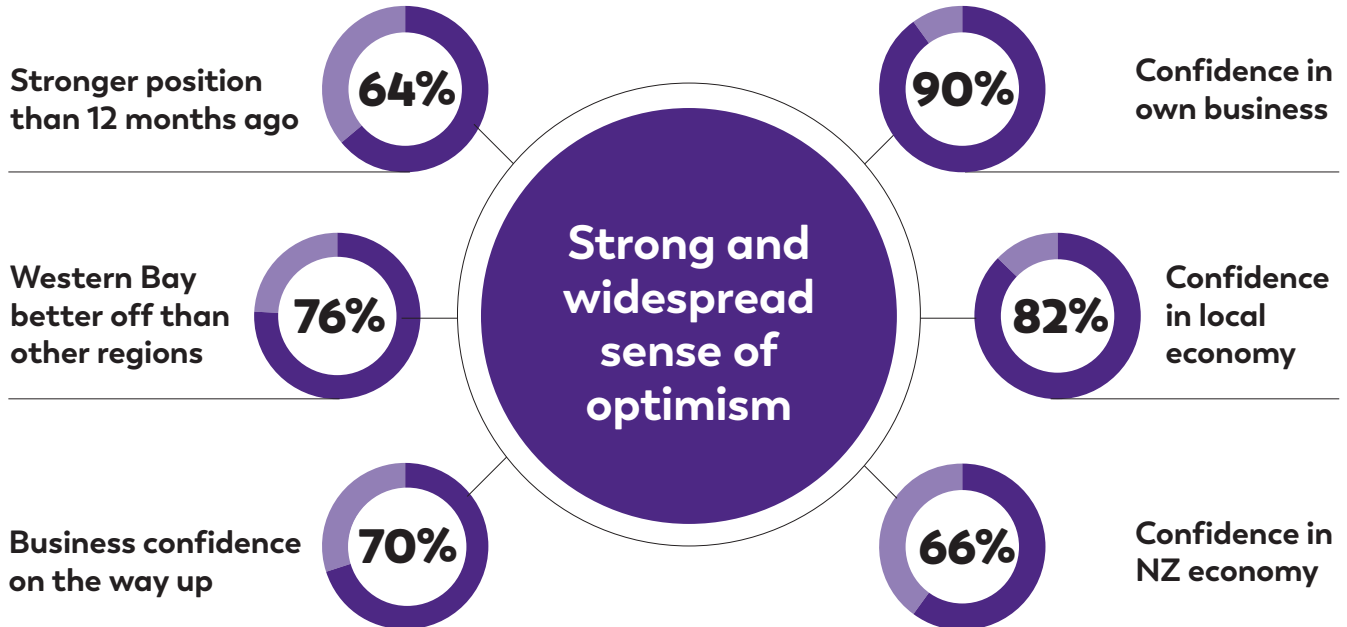
Issues are finding good qualified people with the right experience, attracting candidates to apply (let alone converting them to employees), and the inability to bring people in from overseas.

Businesses are using a wide range of channels to help fill employment positions, with job search websites the most commonly used. Many are also promoting internally or leveraging internal networks. LinkedIn is growing in importance for both job posts and targeted searches for relevant skills.

This skills shortage is the biggest barrier to future growth, requiring significant focus to help unlock growth opportunities for both businesses and the region.

Business Survey

Based on 152 survey responses



"New Zealand is experiencing strong growth at present, particularly in the Bay of Plenty and Waikato regions."

"The Western Bay economy is doing very well, and so long as business performs, my business will do well."

"We have plenty of work on and feel this will continue into the future."

"We have attracted more work and contracts in the last 12 months."

"We have transitioned through lockdown and bounced back stronger than expected, with loyal clients and an encouraging pipeline ahead of us."

"We are building our client list and have ongoing projects with a wide range of companies. We have a good path for building income streams."

"We are in a much better position than 12 months ago."

"Our business is growing at a good and sustainable pace."

Recruitment and retention of staff is the greatest challenge

Challenges

Staff recruitment

43%

Regulations and compliance

17%

Supply challenges

13%

Increasing costs

9%

Employment

83%

No redundancies last 12 months

76%

Hired new staff last 12 months

59%

Difficulty filling vacancies last 12 months

70%

Plan to hire new staff next 12 months

“Really struggling to find the right fit-for-purpose person.”

“Getting very few or no applications, other than from overseas.”

“Filling vacancies has been difficult because of lack of quality talent on the market and the good ones getting snapped up quickly and almost naming their price.”

“There is an inability to recruit highly skilled and lower skilled workers. Local suppliers do not have the capacity to deliver projects because they lack manpower.”

“Lack of qualified and motivated candidates.”

“Shortage of skilled and capable people.”

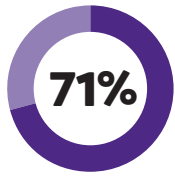
“General availability of people with the relevant skills or willing to learn them.”

“Very tight labour market. Competitors are also trying to poach our staff.”

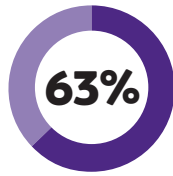
“Supply issues are a big challenge.”

“Product delays are an issue.”

Flexible options



**Flexible hours
or days**



**Work from
home option**

Over 70% of businesses offer flexible work hours or days for their staff, and 19% offer job share options.

Of the 63% who offer a work from home option, 74% were already doing so before Covid, and 53% will do more of it as a result.

Those who do not offer a work from home are not physically able to, as staff need to be present on-site to fulfil their roles.

Long term planning

Around two thirds of businesses have considered their long term skills needs, or would consider hiring a young person aged 16-24 and building their skills in the workplace.

Businesses are working on strategic planning, identifying staffing levels and required skill-sets, building capacity and systems, upskilling and training, succession planning, mentoring, and employing graduates and apprentices.

Those who haven't considered long term skills needs are more focused on the short to medium term, are happy with current staffing levels, experiencing market uncertainty, or looking to exit or sell the business.



**Considered long
term skills needs**

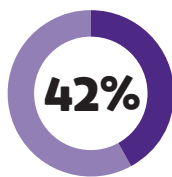


**Would hire a
young person**

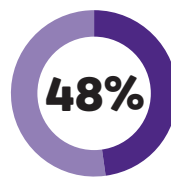
Business policy



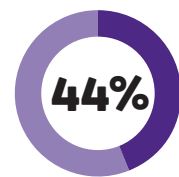
**Have a diversity
and inclusion policy**



**Have a living
wage policy**



**Think wages are
higher in Auckland**



**Are using
automation**

Around or almost half of businesses have a diversity and inclusion policy, a living wage policy, think wages are higher in Auckland, or are using automation. Most businesses do not see automation having a significant impact on their staffing levels in the near future.