



**Business  
South**

# Quarterly Business Survey

Q4 2024 | In field: 18 November - 2 December

Southern business confidence has continued to improve this quarter, coupled with the fall in interest rates and anticipated improvements in individual financial performance.

Overall, while there are still hurdles to overcome, such as the impacts of rising costs and unemployment, the outlook for the New Zealand economy is cautiously optimistic with expected improvements in various sectors.

Consumer confidence and demand remains the biggest challenge, while falling slightly. However, cashflow and accounts payable/receivable is steadily increasing as a pressure point for many businesses. It is 33%, up 6% in the previous quarter and 11% six months ago.

There are positive aspects. For example, on a net basis, 47% of businesses are positive about their future financial performance, a sharp jump from previous quarters.

Additionally, 56% of businesses are expecting to invest in their business, back to the level it was 12 months ago.

Despite the challenges that remain, 67% are confident in their ability to manage disruption, up from 60% six months ago.

Productivity and growth continues to hold steady at 28%, the same as in the previous quarter. On a net basis, 47% of businesses are positive about future financial performance – an increase from 20% in the previous quarter and 11% six months ago. Despite the improved outlook, 68% still expect costs to rise over the next 12 months.

Within some sectors there are improvements coming through now and a bit more optimism, although not across all sectors at the moment. For those in the tourism, hospitality, accommodation and retail sectors increased compliance costs are proving to be a challenge.

The services sector is optimistic about both the Southern economy and expecting their own financial performance to be stronger in 12 months.

Please contact us via [advocacy@business-south.org.nz](mailto:advocacy@business-south.org.nz) if there are sectors you would like to know more about.

53%

Expect the Southern economy to be stronger in 12 months.

69%

Expect costs to continue rising over the next 12 months.

47%

Identified consumer confidence and demand as a top three concern for their business.

## Top Issues

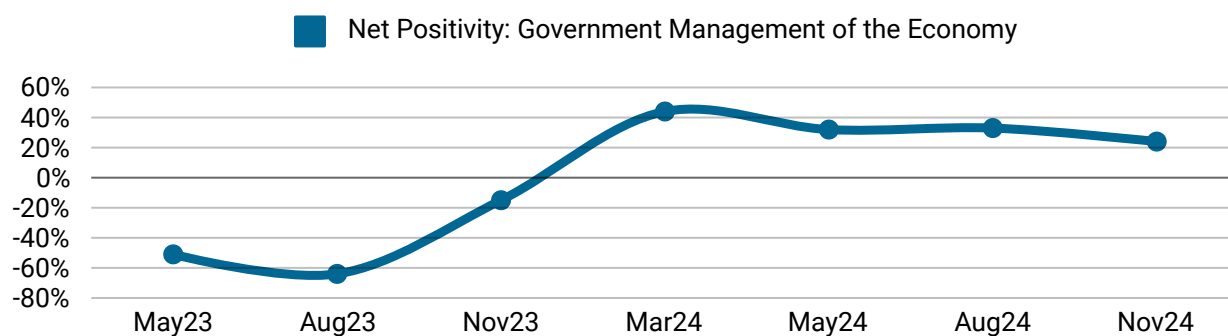
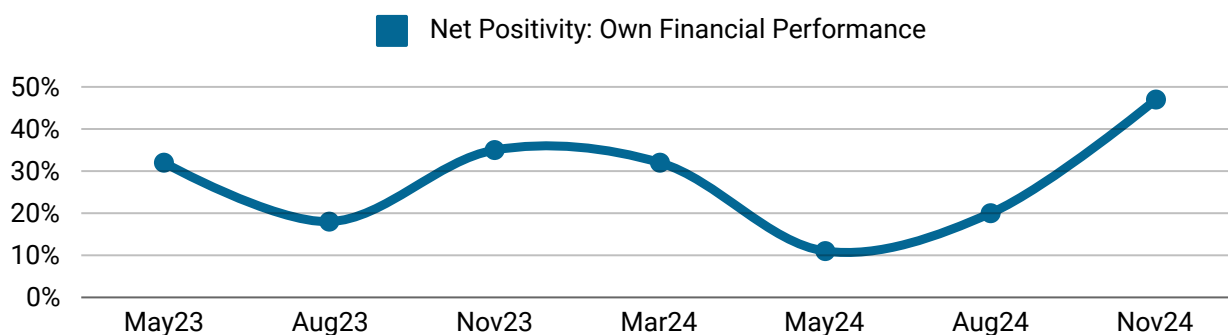
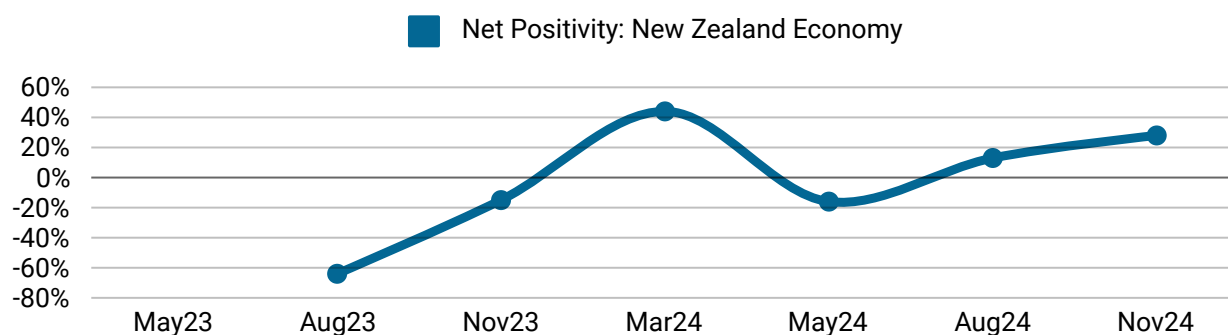
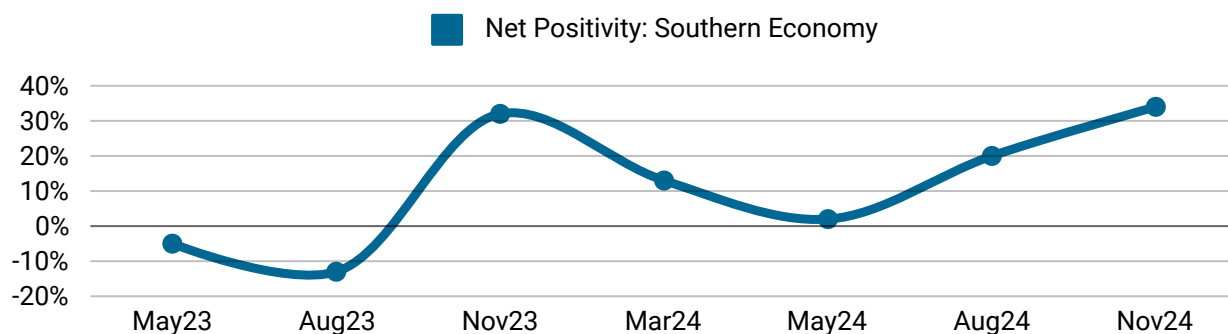
61%

Expect stronger financial performance over the next 12 months.

1. Consumer confidence and demand
2. Increased compliance costs
3. Inflation and rising interest rates
4. Cashflow and accounts receivable/payable
5. Productivity and growth

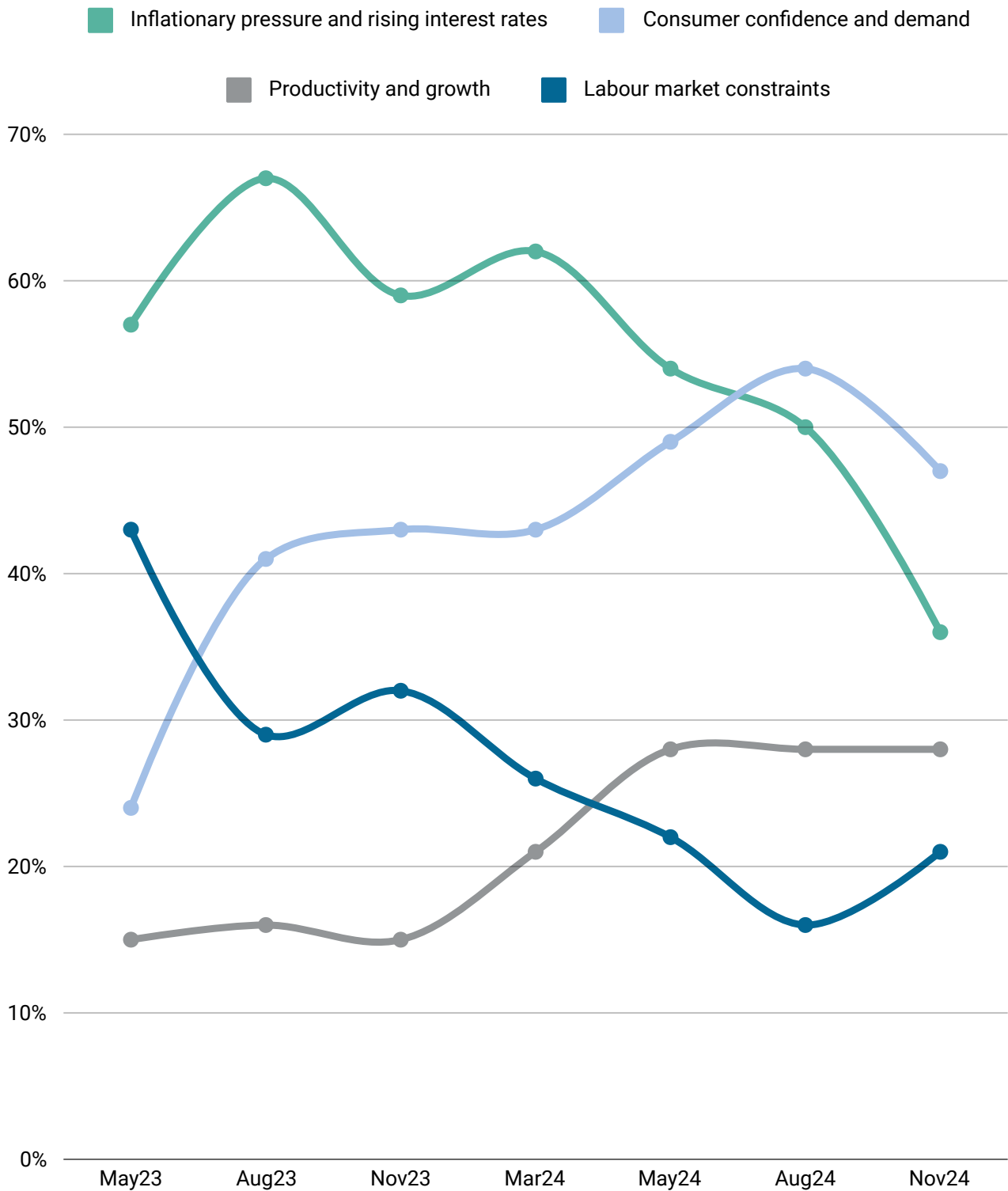
## Business confidence: net positivity scores

To calculate a net positivity score, we subtract the percentage of negative responses from the percentage of positive responses. A higher net positivity score indicates a more positive overall sentiment, while a lower score suggests a more negative sentiment.



## Top issues

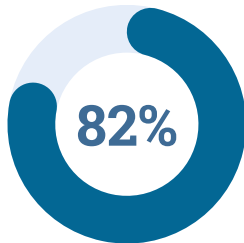
In every survey, we ask respondents to select the three biggest concerns for them. The graph below shows the proportion of respondents who listed one of the following four issues among their top three concerns.



# Dunedin City Snapshot



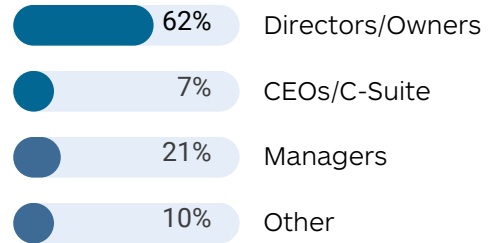
## Respondents



SMEs



Large Businesses



## Top issues

1. Consumer confidence and demand
2. Productivity and growth
3. Increased compliance costs
4. Cashflow and accounts receivable/payable
5. Labour market constraints

## Industries

1. Manufacturing & Engineering
2. Services – Professional, Administrative, Public, Info, Media, Telco
3. Construction & Property
4. Other
5. Community, NFP, Health & Social Services

58%

Expect the Southern economy to be stronger in 12 months.

58%

Expect to invest in property, plant, and equipment within the next 12 months.

55%

Expect to hire new staff within the next 12 months.

75%

Expect stronger financial performance over the next 12 months.

34%

Are experiencing significant impacts from rising costs.

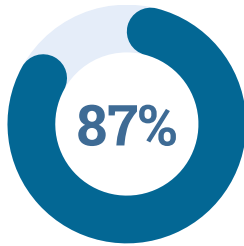
71%

Are confident in their ability to deal with disruption.

# Central Otago and Queenstown Lakes Snapshot



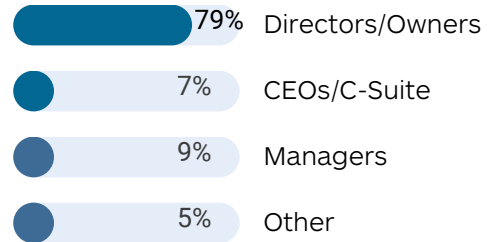
## Respondents



SMEs



Large Businesses



## Top issues

1. Increased compliance costs
2. Consumer confidence and demand
3. Inflation and interest rates
4. Cashflow and accounts payable/receivable
5. Mental health and fatigue

## Industries

1. Accommodation & Hospitality
2. Tourism
3. Services - Professional, Administrative, Public, Info, Media, Telco
4. Other
5. Construction and Property

50%

Expect the Southern economy to be stronger in 12 months.

56%

Expect to invest in property, plant, and equipment within the next 12 months.

50%

Expect to hire new staff within the next 12 months.

52%

Expect stronger financial performance over the next 12 months.

49%

Are experiencing significant impacts from rising costs.

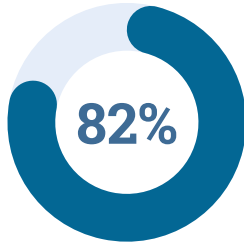
63%

Are confident in their ability to deal with disruption.

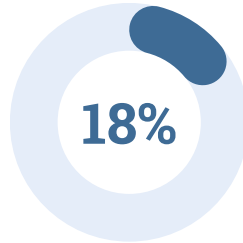
# Waitaki, Clutha & Southland Snapshot



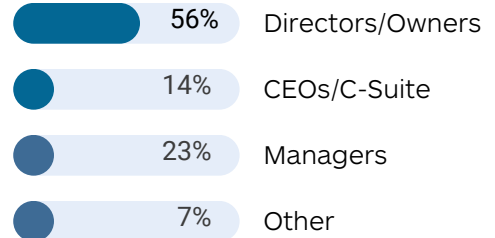
## Respondents



SMEs



Large Businesses



## Top issues

1. Consumer confidence and demand
2. Inflation and interest rates
3. Cashflow and accounts payable/receivable
4. Increased compliance costs
5. Productivity and growth
6. Mental health and fatigue

## Industries

1. Manufacturing and Engineering
2. Services - Professional, Administrative, Public, Info, Media, Telco
3. Other
4. Community, NFP, Health, Social Services
5. Construction and Property
6. Primary Industries and Agriculture

51%

Expect the Southern economy to be stronger in 12 months.

59%

Expect to invest in property, plant, and equipment within the next 12 months.

51%

Expect to hire new staff within the next 12 months.

51%

Expect stronger financial performance over the next 12 months.

66%

Are experiencing significant impacts from rising costs.

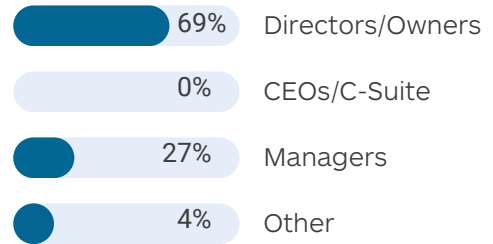
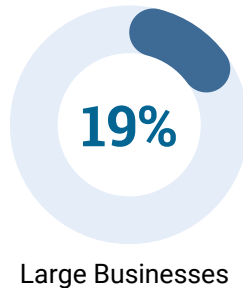
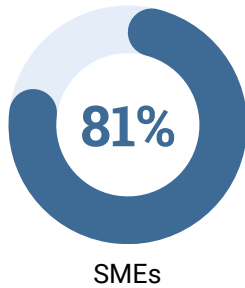
63%

Are confident in their ability to deal with disruption.

# Manufacturing and Engineering Snapshot



## Respondents



## Top issues

1. Consumer confidence and demand
2. Productivity and growth
3. Cashflow and accounts payable/receivable
4. Inflation and interest rates
5. Increased compliance costs
6. Labour market constraints
7. Supply chain constraints

54%

Expect the Southern economy to be stronger in 12 months.

63%

Expect to invest in property, plant, and equipment within the next 12 months.

54%

Expect to hire new staff within the next 12 months.

63%

Expect stronger financial performance over the next 12 months.

26%

Are experiencing significant impacts from rising costs.

61%

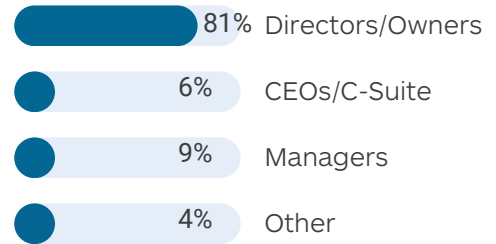
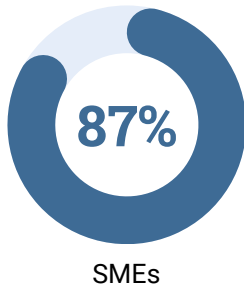
Are confident in their ability to deal with disruption.



# Retail, Tourism, Hospitality and Accommodation Snapshot



## Respondents



## Top issues

1. Increased compliance costs
2. Inflation and interest rates
3. Consumer confidence and demand
4. Cashflow and accounts payable/receivable
5. Climate change and sustainability
6. International trade and geopolitical risks
7. Mental health and fatigue

41%

Expect the Southern economy to be stronger in 12 months.

50%

Expect to invest in property, plant, and equipment within the next 12 months.

39%

Expect to hire new staff within the next 12 months.

46%

Expect stronger financial performance over the next 12 months.

63%

Are experiencing significant impacts from rising costs.

56%

Are confident in their ability to deal with disruption.

# Construction and Property Snapshot



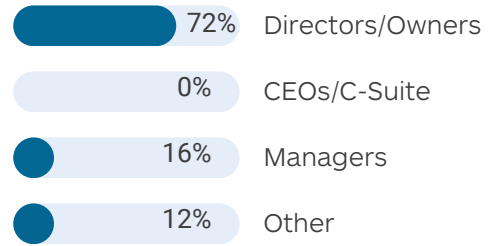
## Respondents



SMEs



Large Businesses



## Top issues

1. Inflation and interest rates
2. Consumer confidence and demand
3. Cashflow and accounts payable/receivable
4. Labour market constraints
5. Productivity and growth
6. Increased compliance costs

65%

Expect the Southern economy to be stronger in 12 months.

61%

Expect to invest in property, plant, and equipment within the next 12 months.

61%

Expect to hire new staff within the next 12 months.

57%

Expect stronger financial performance over the next 12 months.

48%

Are experiencing significant impacts from rising costs.

66%

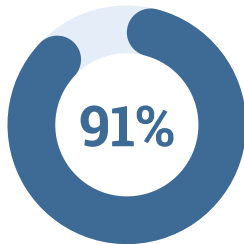
Are confident in their ability to deal with disruption.

# Services Snapshot

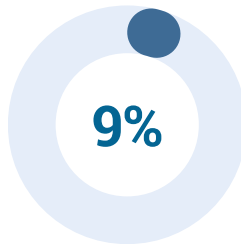


Professional, Administrative, Public, Info, Media & Telco

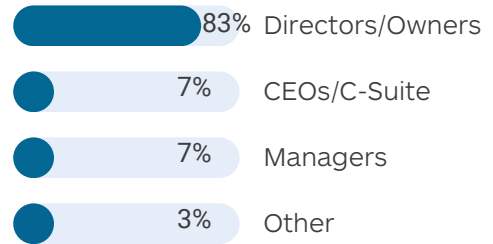
## Respondents



SMEs



Large Businesses



## Top issues

1. Consumer confidence and demand
2. Cashflow and accounts payable/receivable
3. Increased compliance costs
4. Productivity and growth
5. Mental health and fatigue
6. Labour market constraints
7. Adoption of Artificial Intelligence and digital transformation

66%

Expect the Southern economy to be stronger in 12 months.

37%

Expect to invest in property, plant, and equipment within the next 12 months.

43%

Expect to hire new staff within the next 12 months.

80%

Expect stronger financial performance over the next 12 months.

46%

Are experiencing significant impacts from rising costs.

74%

Are confident in their ability to deal with disruption.