

# Results of the Venture Taranaki COVID-19 Impacts Survey

22 APRIL 2020

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# Methodology



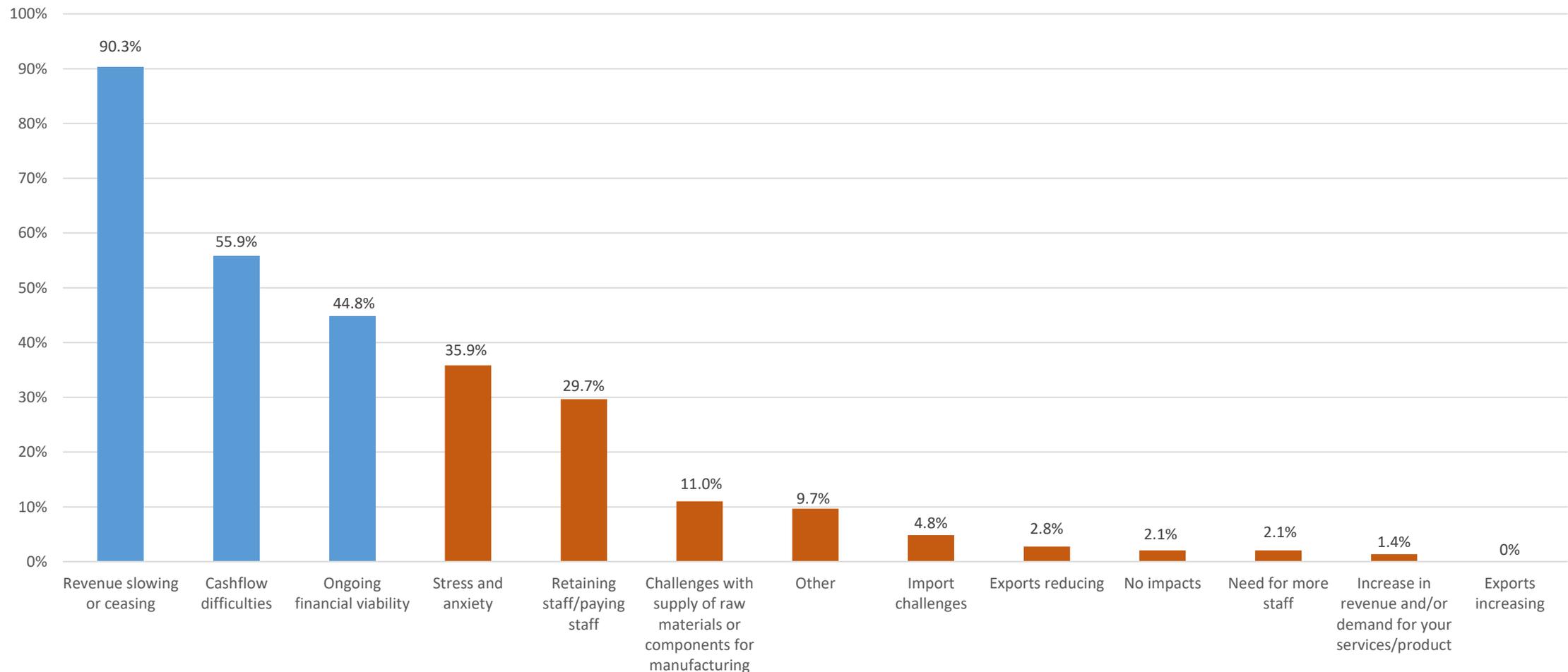
Venture Taranaki conducted a COVID-19 Impacts Survey to assist with understanding the impacts of COVID-19 on Taranaki enterprises, what support is most valuable and what enterprises think could help, both immediately and as time goes on.

The survey was undertaken between 4 April and 20 April 2020, during which time New Zealand was at Alert Level 4 in response to COVID-19. On 20 April, at the close of the survey, the Prime Minister announced that the nation will move to Alert Level 3 at 11:59pm, Monday 27 April.

The survey was shared with Taranaki enterprises through a range of channels including newsletters, social media, on the Venture Taranaki website and on other websites such as the Taranaki Chamber of Commerce website. There were 144 respondents.

Respondents were asked a series of 20 questions, which allowed for multiple choice and open-ended responses. It was estimated that the survey would only take respondents 10 minutes to complete. The following slides summarise the results.

# What are the top three impacts you have experienced or expect to experience as a result of Covid-19?



# Please enter any comments you have about the impacts of Covid-19



- Cashflow
- Consumer confidence
- People/staffing well-being and mental health
- Inability to run events which are the main source of income
- Employee misconceptions around expectations and wage subsidy
- Availability of PPE
- Skilled staff and resources trying to enter NZ when borders closed
- Clients disagreeing with classifications given to enterprises
- Future exports uncertainty
- Increased workload

**“Immediate impact of the lockdown was sudden but fairly finite. The bigger concern now is how slowly does the market recover.”**

**“Big for small businesses. Closing with no income has a flow on effect in a months time or so. Wages subsidy was great but when the doors aren’t open you aren’t making any money to pay bills rent etc.”**

**“It is an extremely stressful time for business owners. People/staffing has been an immediate priority and then the focus has shifted to business viability and continuity planning with the Govt assistance made available.”**

Of the impacts you've experienced, which is the one that has impacted you the most to date?

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Overwhelmingly the largest impact to date by Taranaki Enterprises was the severe reduction and loss of income in such a short period of time.

Other impacts mentioned include:

- Managing a business when only some parts of the business are classified as essential
- Reduced demand
- Staff retention difficulties
- Produce and products expiring
- Cashflow management and the mandate to pay creditors

**“Cashflow management and the mandate to pay creditors - time mismatch with applying for the BFGS or additional banking support and the pressure from creditors.”**

**“Its been a stressful time dealing with clients who are under massive stress themselves.”**

**“No cashflow, high stock levels that continue to depreciate. Low margin high turnover business with expensive footprint.”**

# Do you expect this to change? If so, how?



Many enterprises are reliant on the national lock-down levels to change before they expect to see positive impacts, albeit at a slow rate.

Additional expected impacts by enterprise include:

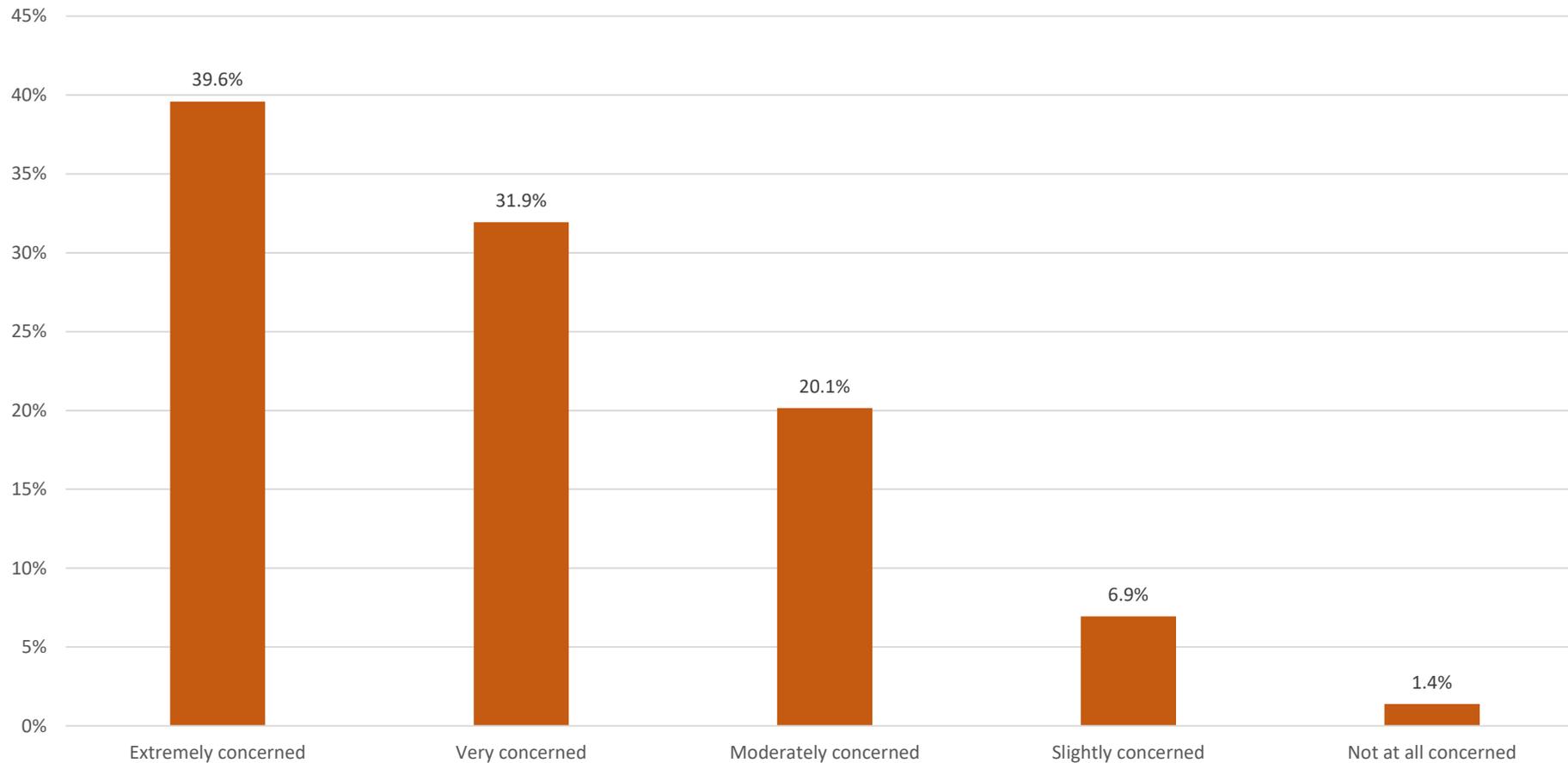
- Revenue at reduced levels
- Lag in uptake of bookings as customers face their own cashflow concerns
- Lack of oil price unlikely to bounce back any time soon
- Change in consumer preferences leading to an increase in domestic spending
- Unwilling to change business models for short-term
- PPE shortages to remain
- Online shopping trends to increase
- Staff uncertainty about job security
- Marketing will need to adapt

**“We are looking at ways to attract new business as soon as we are out of Alert 4, instead of waiting for bookings to come in.”**

**“As consumers settle and the new normal becomes more apparent we expect to see sales increase and a new set of habits with consumer spending on food and small events as opposed to new cars holidays and tvs etc.”**

**“Nope, it will be a tough and slow recovery but we are sure we'll survive this.”**

# Thinking about the above areas, how concerned are you about the overall impact of Covid-19 on your business?



**Over 70%  
extremely/very  
concerned about  
overall impacts**

**27% of respondents  
are moderately/  
slightly concerned  
about overall  
impacts**

**Less than 2% are  
not concerned at all  
about the impact  
on their business**

# Are you concerned about the global financial impact of Covid-19, and the availability of investment/capital?



There were mixed responses to whether enterprises were concerned about the global financial impact and the availability of investment/capital moving forward.

Common areas of concern are:

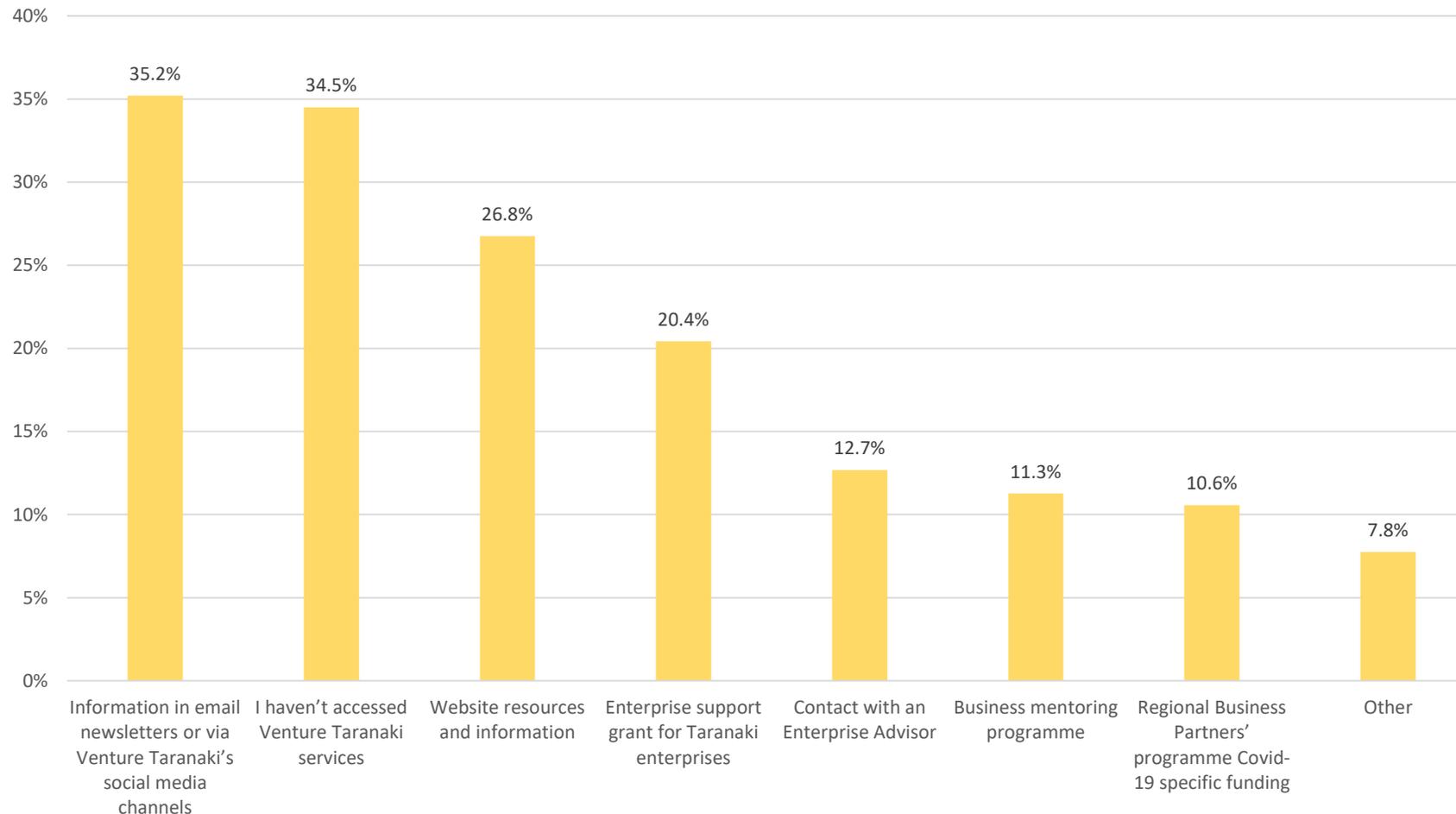
- Significant competition with international demand
- Concerns around lack of international and local investment and skilled staff/contractors
- Unable to borrow further at this time
- Delays of capital investment as a result
- More so the effects of the slowing momentum of the economy
- More concern for consumers
- The impacts are unknown for many industries
- Little impact for smaller/local businesses
- Hoping there will still be interest in product diversification
- It is expected that investments and sponsorship levels will be lower

**“Not directly on us, but certainly on the way it will affect our customers' confidence to invest, or access to finance.”**

**“Global financial situation directly impacts our business as an exporter. It will also slow down our future projects to grow our business and as such will delay capital investment.”**

**“Immediately this should not be an big issue but from six months out for the next couple of years this will shrink our market considerably.”**

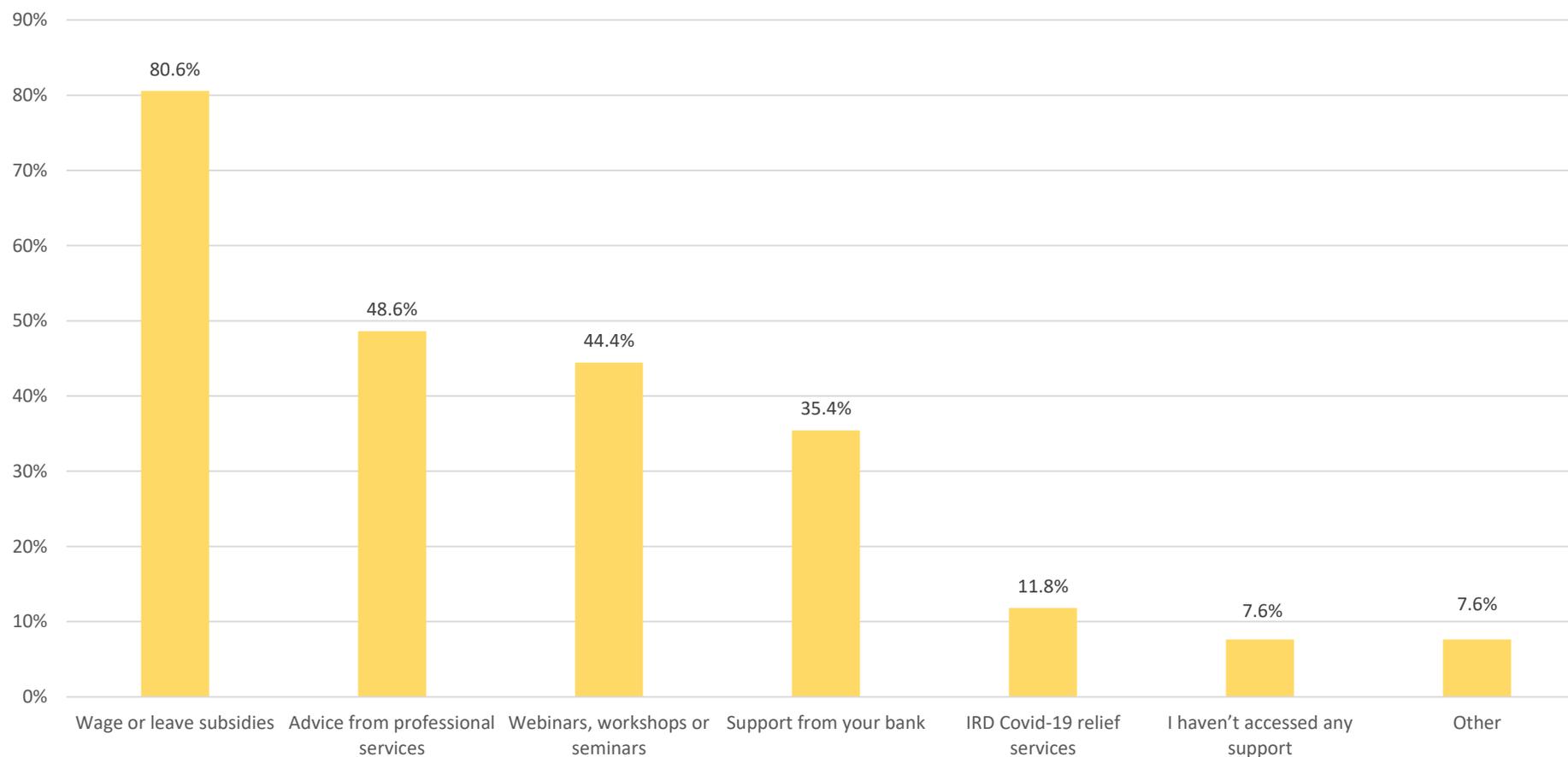
# What support services provided by Venture Taranaki have you accessed to date?



**Over 35% of respondents had accessed information via email or social media**

**30% of respondents had received either an enterprise support grant or RBP funding**

# What other support services have you accessed to date?



**Over 80% of respondents had accessed the wage or leave subsidies**

**35% of respondents have received support from their bank**

**Only 7.6% of respondents hadn't accessed any support**

# What support have you found most valuable to date?

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The Business Survey showed clearly that Taranaki enterprises are finding the Government's COVID-19 Wage Subsidy and/or Leave Payment the most valuable support being offered.

Other avenues of support mentioned as being the most valuable include:

- Regional Business Partners
- Funding
- Website updates and the sharing of daily briefings
- MSD advice
- FGC Webinars
- Legal advice
- Banks
- Inter-industry information sharing
- Council advice
- Accountant

**“The wage subsidy has help save our business in that we have successfully retained our technical staff. Also the support grant from Venture Taranaki has enabled us to receive help from our accountant.”**

**“Venture Taranaki Regional Business Partner. Working with TGM Creative to develop our Marketing Plan. RANZ for webinars, zoom regional meetings, zoom meetings with staff and Taranaki business network.”**

# What further support would you like to see provided?

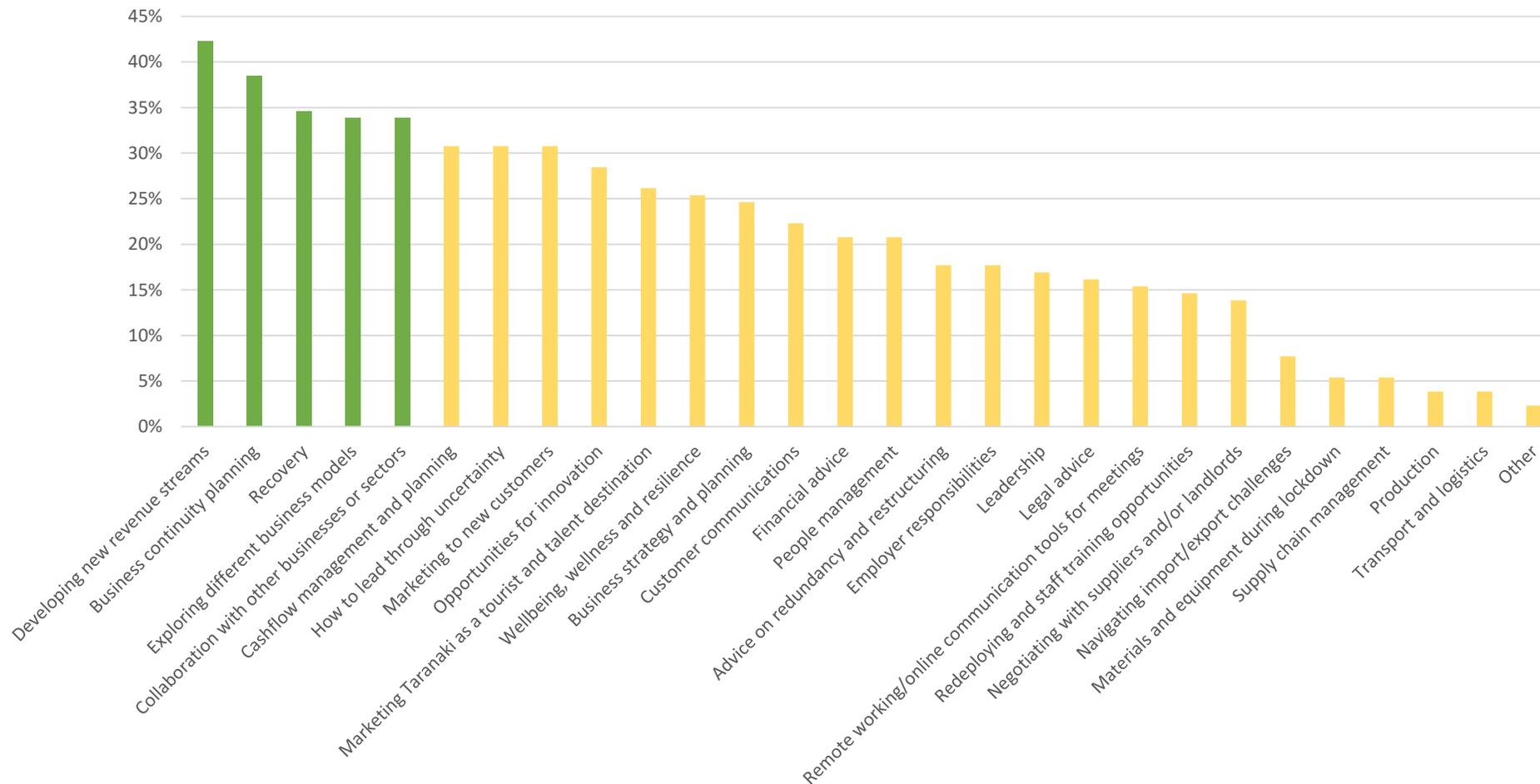


Venture Taranaki	Local government	Central government
Promotion of a shop local campaign	Rates relief / rates holiday	Extension of wage subsidy
Support for local investments and mandatory local purchasing policies	Streamlining resource consents for projects with large expenditure / local skills	Targeted wage subsidy for those on higher incomes
Support for employees impacted by layoffs	Promotion of buying / spending local	Masterplan for reinvesting in large projects
Securing grants for businesses to develop tech locally	Leverage further financial lending to assist regional businesses	Additional professional support funding
Advocacy to Central Government	Accelerate infrastructure projects by employing local contractors	Place minimum wage increase on hold
Driving Just Transition principles	Increased local spending / hiring	Tax breaks
Projections of the future of the region	Community grants	Promotion of NZ-made products at a national level
Practical advice for operating within a covid-19 restricted economy	District plan review	Small business grants
Connecting service providers	Coordination of info from other agencies, e.g. TDHB	Cashflow pressure relief
Regional tourism promotion	Review of operating licenses to allow for operational flexibility	Māori business focus

# What support would you like to see offered to stimulate the recovery from this situation?

- Government underwrite for private enterprises to allow for project development
- Support and drive for local infrastructure and Covid-19 recovery infrastructure projects
- Provision of tax-breaks
- Promotion of local spending
- More borrowing to accelerate infrastructure projects
- Speed up compliance processes
- Greater flexibility within Employment legislation
- Travel assistance to expand into overseas markets
- Economic and policy support (e.g. regulation of Air B&B properties)
- Relaxing oil & gas exploration restrictions
- Tax review
- Capital spending and investment funding
- Opening channels for new industries which support a net-zero economy
- Business management support (change management, financial planning, growth strategies, export advice etc.)

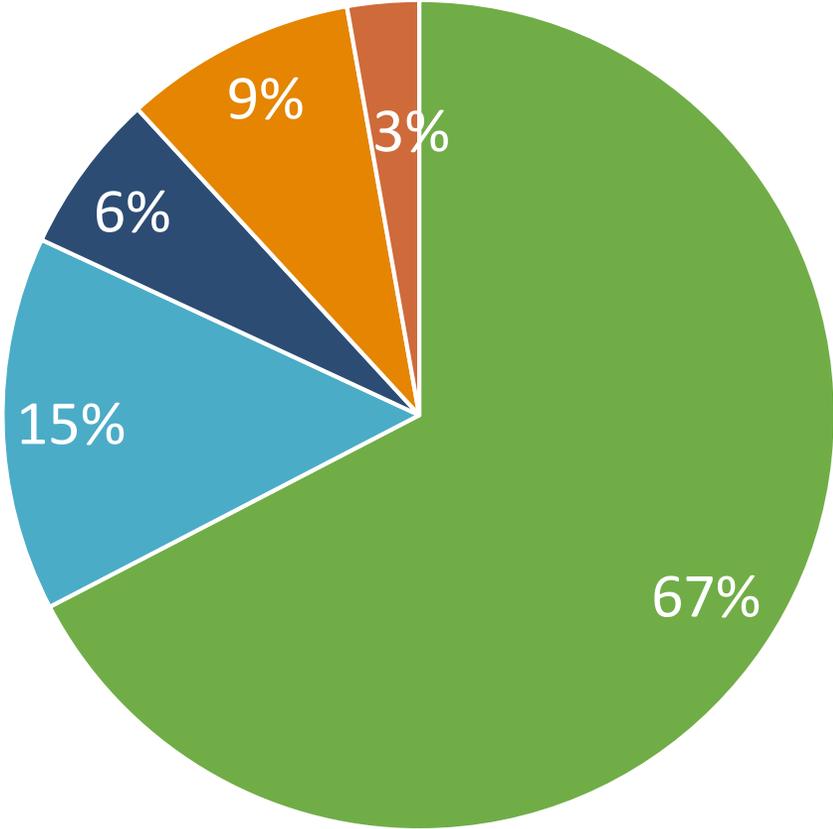
# Would you like to see further webinars or Q&A sessions in any of the following areas?



## The top 5 responses include:

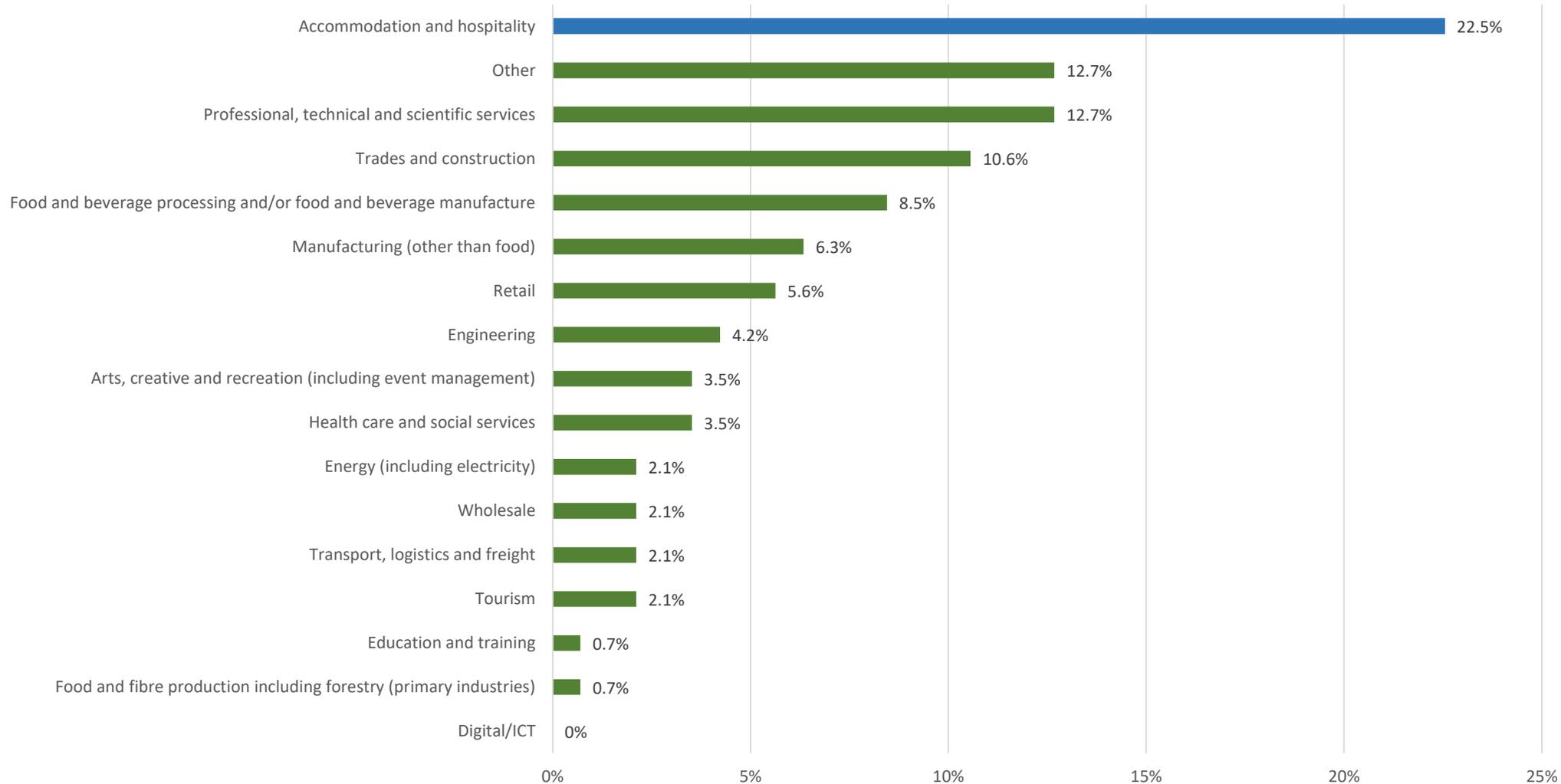
- Developing new revenue streams (42%)
- Business continuity planning (38%)
- Recovery (34.6%)
- Exploring different business models (33.9%)
- Collaboration with other businesses or sectors (33.9%)

# Makeup of survey respondents



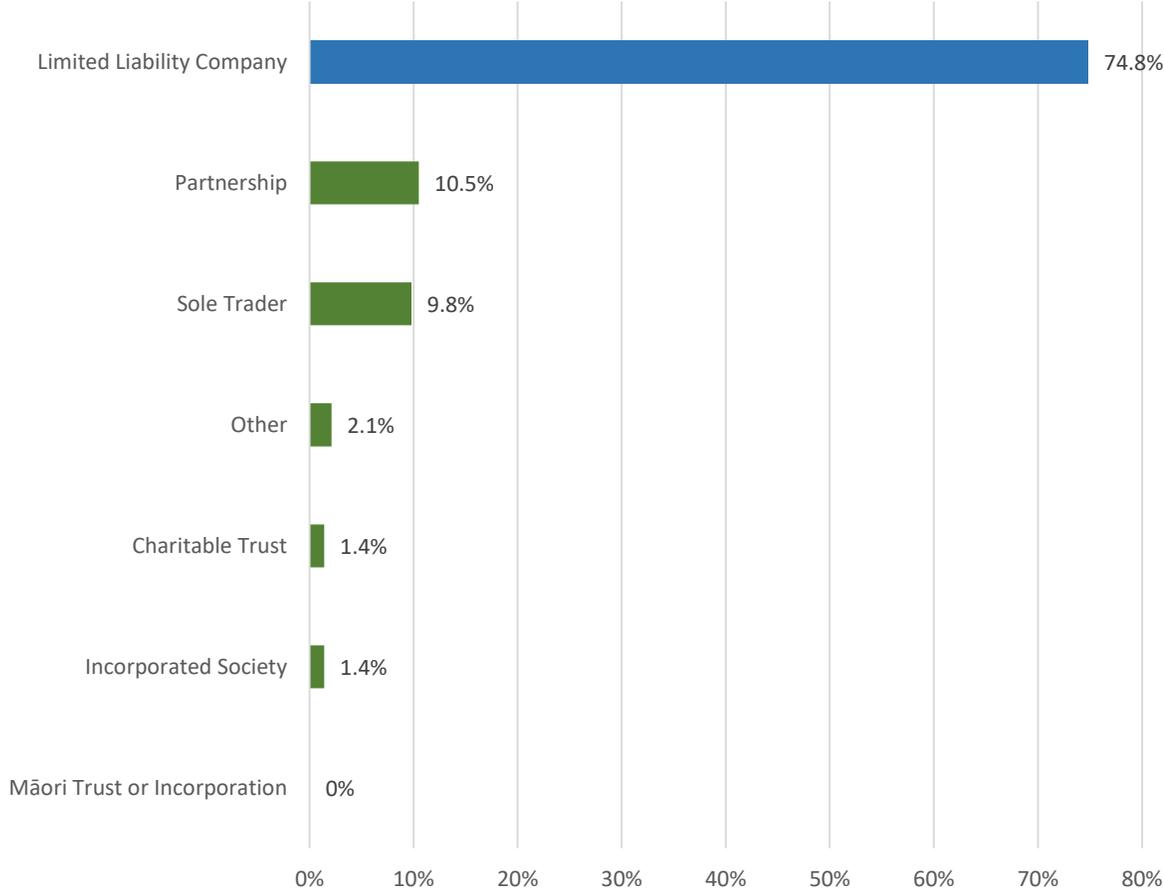
Location	Respondents	
New Plymouth District	97	76%
South Taranaki District	21	15%
Stratford District	13	6%
Taranaki-wide	9	9%
Outside Taranaki	4	3%
Total	144	

# Makeup of survey respondents cont.

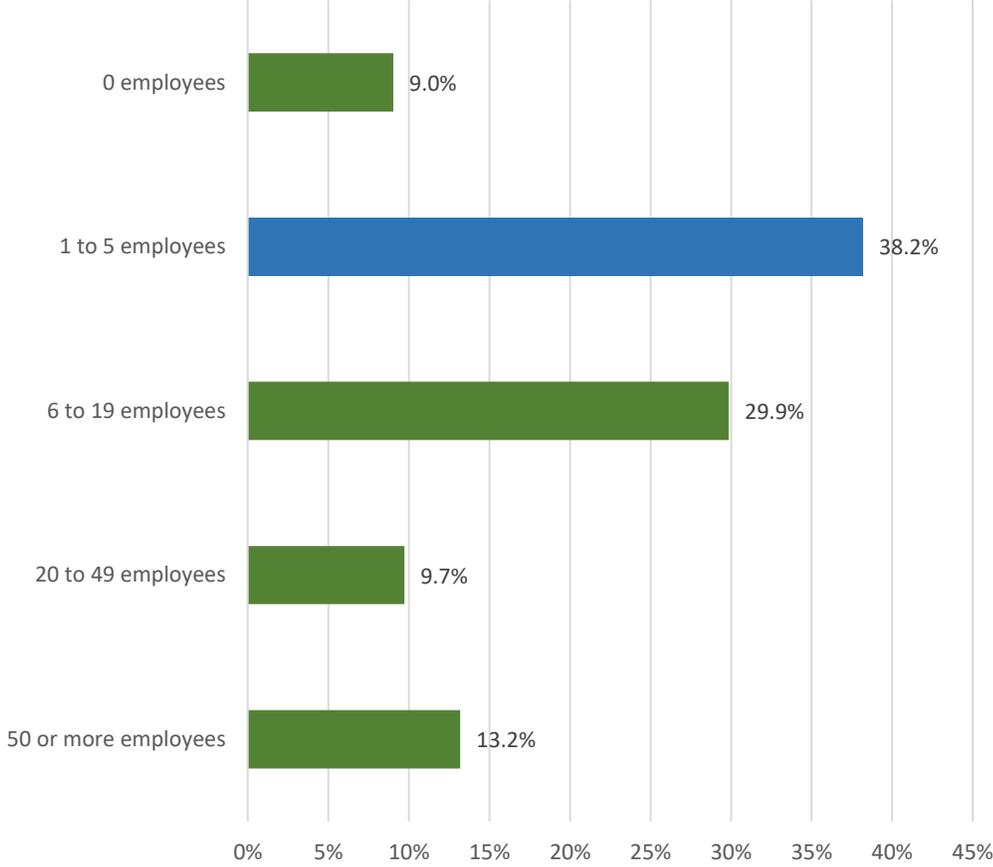


**Over 22% of respondents were from the Accommodation and Hospitality Sector**

# Makeup of survey respondents cont.



Enterprise type



Size of enterprise

# Summary

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144 Enterprises were surveyed from throughout the region, with many common themes emerging despite the many different industries and organisation structures taking part.

Key themes included key threats of decreased/lost revenue, cashflow difficulties and ongoing financial viability. With over 70% of respondents extremely or very concerned about the impact of COVID-19 on their business, it was no surprise that over 80% of enterprises had accessed the Governments Wage and/or Leave subsidy scheme.

The survey showed an overwhelming demand for a buy/support local campaign, which enterprises would like to see promoted by Venture Taranaki, local government/Councils and central government.

Enterprises continue to receive up-to-date information from Venture Taranaki publications, the website and from making contact with an Enterprise Adviser for personalised assistance. Enterprises would like more information on developing new revenue streams, business continuity planning and recovery, which Venture Taranaki will look to help source and provide as appropriate.



Thank you

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