



Business NZ survey for Jobs Summit – Liquidity & Capital

To help inform the Employment Summit, Business NZ this month undertook a short survey of the business community with its four founder members EMA Northern, EMA Central, Canterbury Employers' Chamber of Commerce, and the Otago Southland Employers' Association, along with several national industry associations.

The survey asked questions relevant to parts of the work streams of the Summit:

- Business investment, infrastructure and new business
- The workplace and labour markets
- Helping firms survive
- Workers: skills, transition and adjustment
- Maori, local and regional government
- Liquidity and capital

The survey was not a fully representative sample of New Zealand enterprises, however the overall strong number of responses, particularly from small and medium sized firms, meant it provided a sound indicative response by business.

There were 647 respondents from companies of all sizes, regions and industries. Categorised by number of full time-equivalent employees, the responses were:

Respondents:

| | |
|-----------------------------|------------|
| Companies 1-5 employees | 181 |
| Companies 6-9 employees | 110 |
| Companies 10-49 employees | 238 |
| Companies 50-99 employees | 54 |
| Companies 100-499 employees | 53 |
| Companies 500+ employees | 11 |
| Total | 647 |

The full survey results are available from Stephen Summers
ssummers@businessnz.org.nz

The following is a summary of responses on **Liquidity and Capital**:

Liquidity and capital

Q: Has your business had credit lines withdrawn since September 2008 (without it being, in your view, justified by current and likely future profitability)?

A: Yes 8%, No 92%

Q: Has your business had any application for debt financing rejected since September 2008 (without it being, in your view, justified by current and likely future profitability)?

A: Yes 8%, No 92%

Q: Has your business tried unsuccessfully to obtain any injection of equity since September 2008 (without it being, in your view, justified by current and likely future profitability)?

A: Yes 10%, No 90%

(70% of those answering yes to the above 3 questions considered this would have a negative effect on jobs in their business)

Q: What would help you get better access to capital from banks or non-bank institutions?

A: - Better communication by banks 41%
- Improved credit facilities 37%
- Help from advisory services 22%

Q: Do you think that changes in non-bank capital raising would have a positive impact on employment in the next 12-24 months?

A: Yes 52%, No 48%

Q: Do you think that changes to the NZ Superannuation Fund would have a positive impact on employment in the next 12-24 months?

A: Yes 30%, No 70%

Q: Do you think that changes to savings vehicles (i.e. KiwiSaver) would have a positive impact on employment in the next 12-24 months?

A: Yes 35%, No 65%