

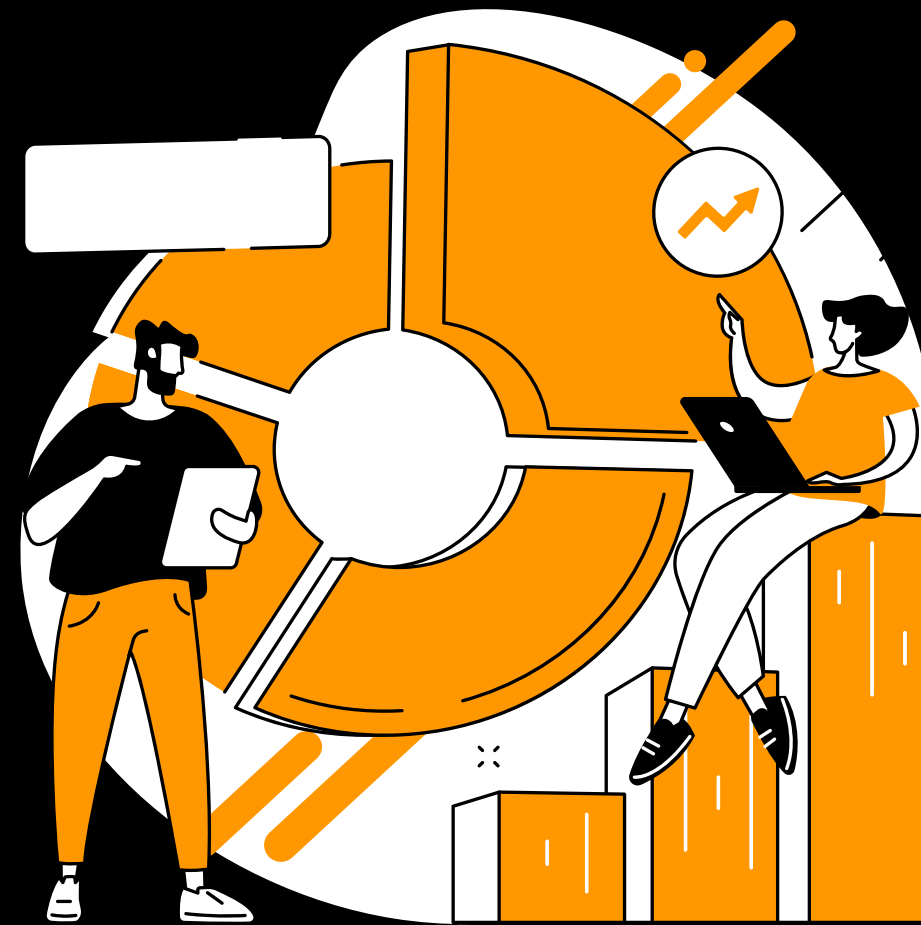
The Voice of Midsize Kiwi businesses

Business owner pulse survey results:

- Responses from over 300 midsize Kiwi businesses
- Representing over 25 major industries
- 47% of these businesses are 20+ years old
- 30% of these businesses employ 50+ staff



**Midsized businesses (\$5m-50m)
are the second largest contributor of
revenue to the NZ economy***



*Source: Stats NZ - Annual Enterprise Survey 2020 (provisional).

THE HARDEST ASPECTS FOR BUSINESSES
OVER THE PAST 12-MONTHS



Over 300 Kiwi SME businesses completed our pulse survey

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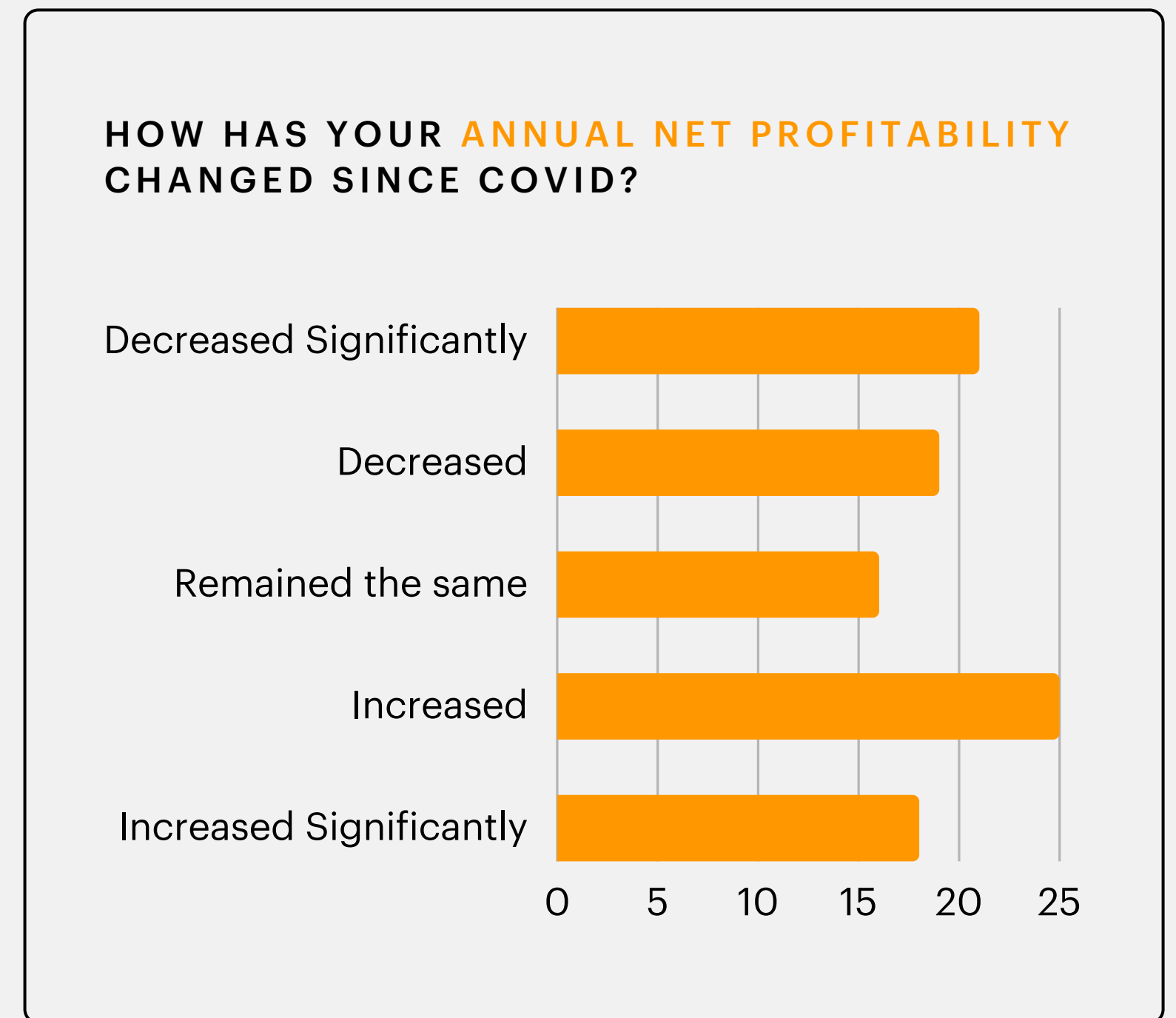
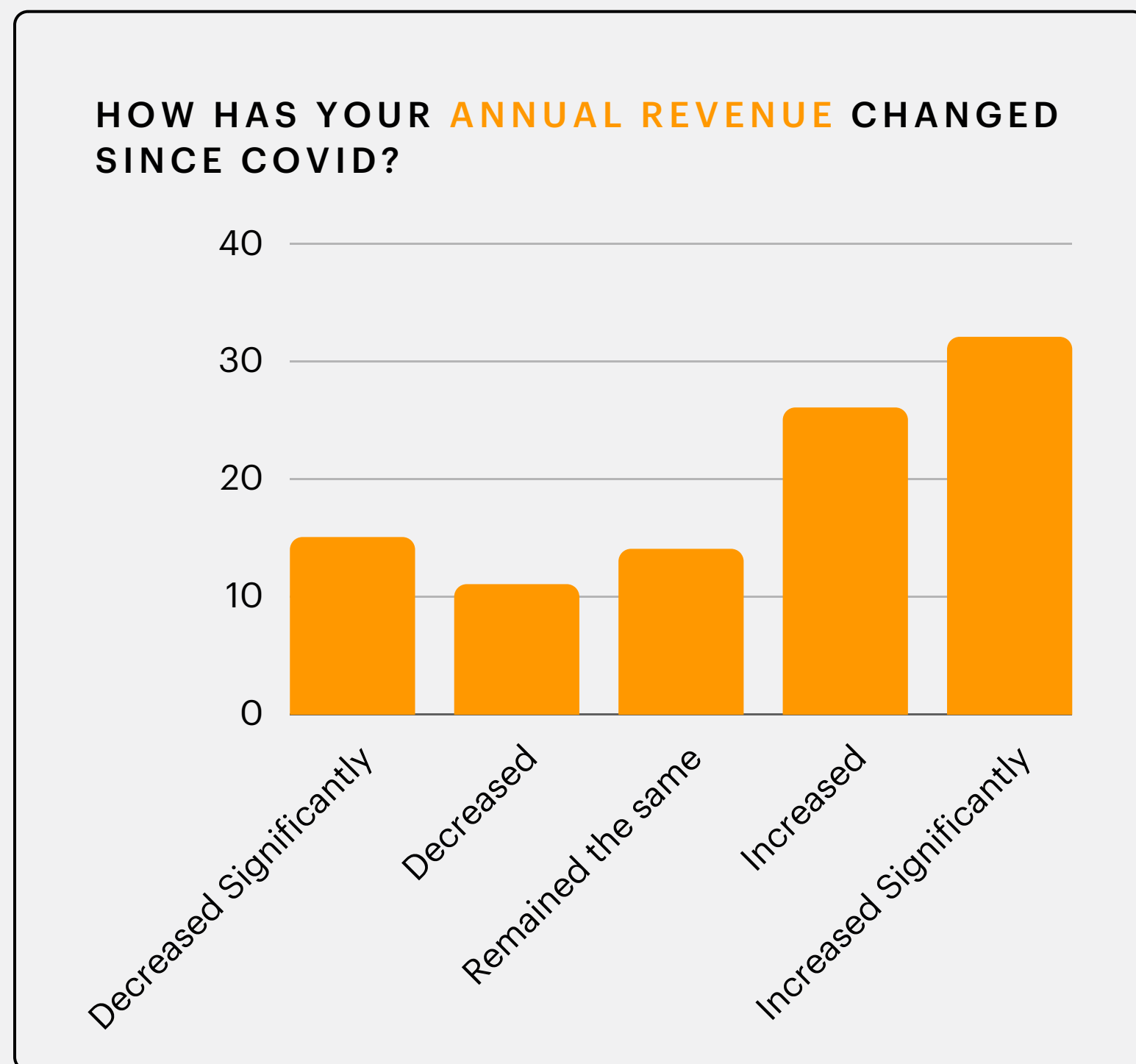
The response was excellent with many expressing great appreciation for our intent and for taking the time to do this.



There are aspects of the survey responses that are very heartening.



For 58% of respondents, their annual revenue since COVID has increased and for 32% of these, the increase was quite significant.



43% of respondents annual net profitability since COVID has increased and for 18% of these the increase has been quite significant.



When asked if the past two years has resulted in financial losses for their business 65% of respondents said no they hadn't.

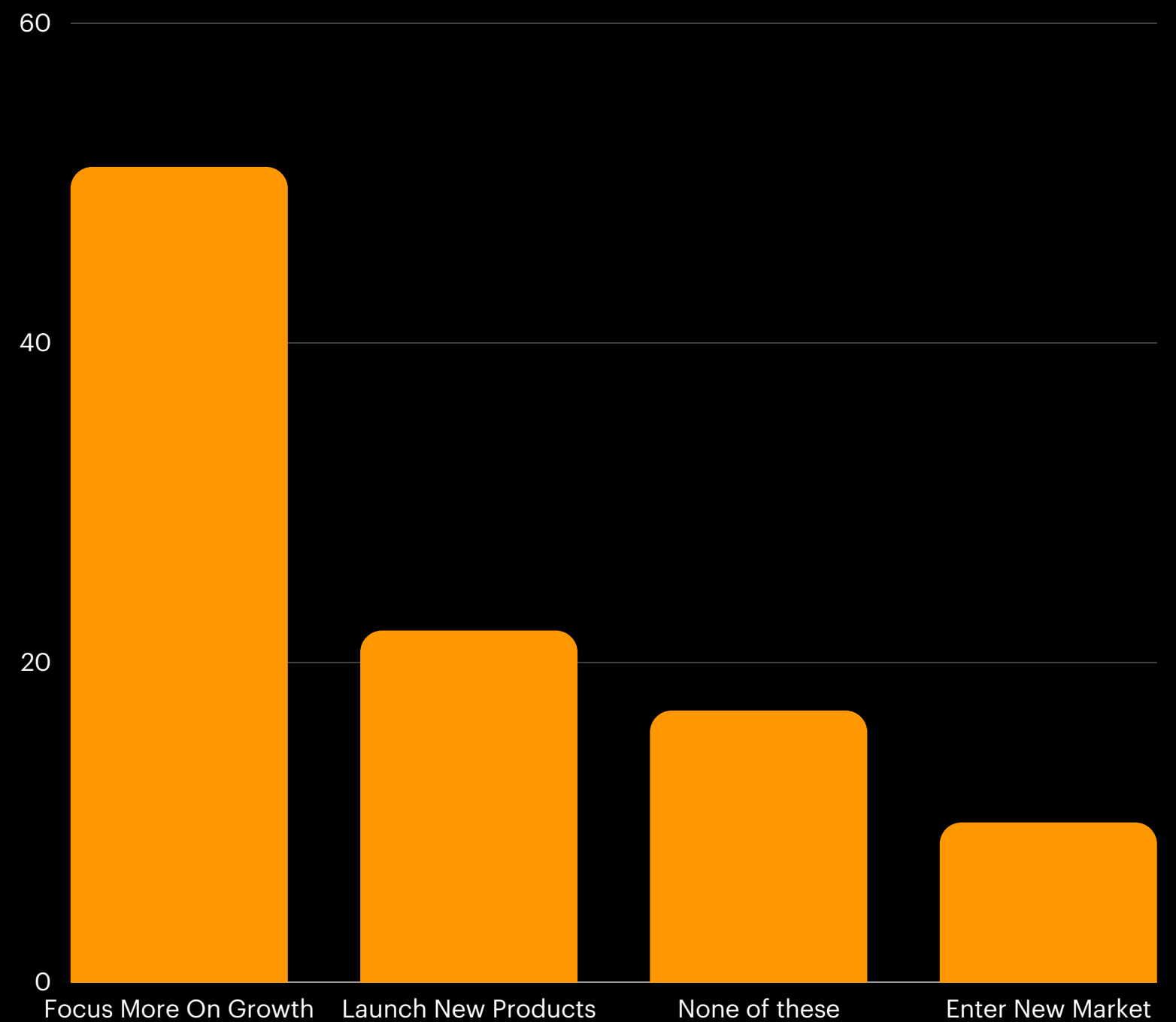


ONLY
35%

OF SURVEYED BUSINESSES
HAD FINANCIAL LOSSES IN
THE PAST 2-YEARS

51% of respondents plan to focus even more on growth in the coming year.

ARE YOU PLANNING TO DO ANY OF THE FOLLOWING ACTIVITIES IN THE NEXT 12-MONTHS?



42% think the next 12 months in business will be worse than the 12 months prior

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65%

of respondents are concerned or very concerned about the impacts of COVID on their business over the next 12 months compared to 2020/21



NOT CONCERNED

HOW CONCERNED ARE YOU ABOUT THE IMPACTS OF COVID ON YOUR BUSINESS OVER THE NEXT 12-MONTHS?



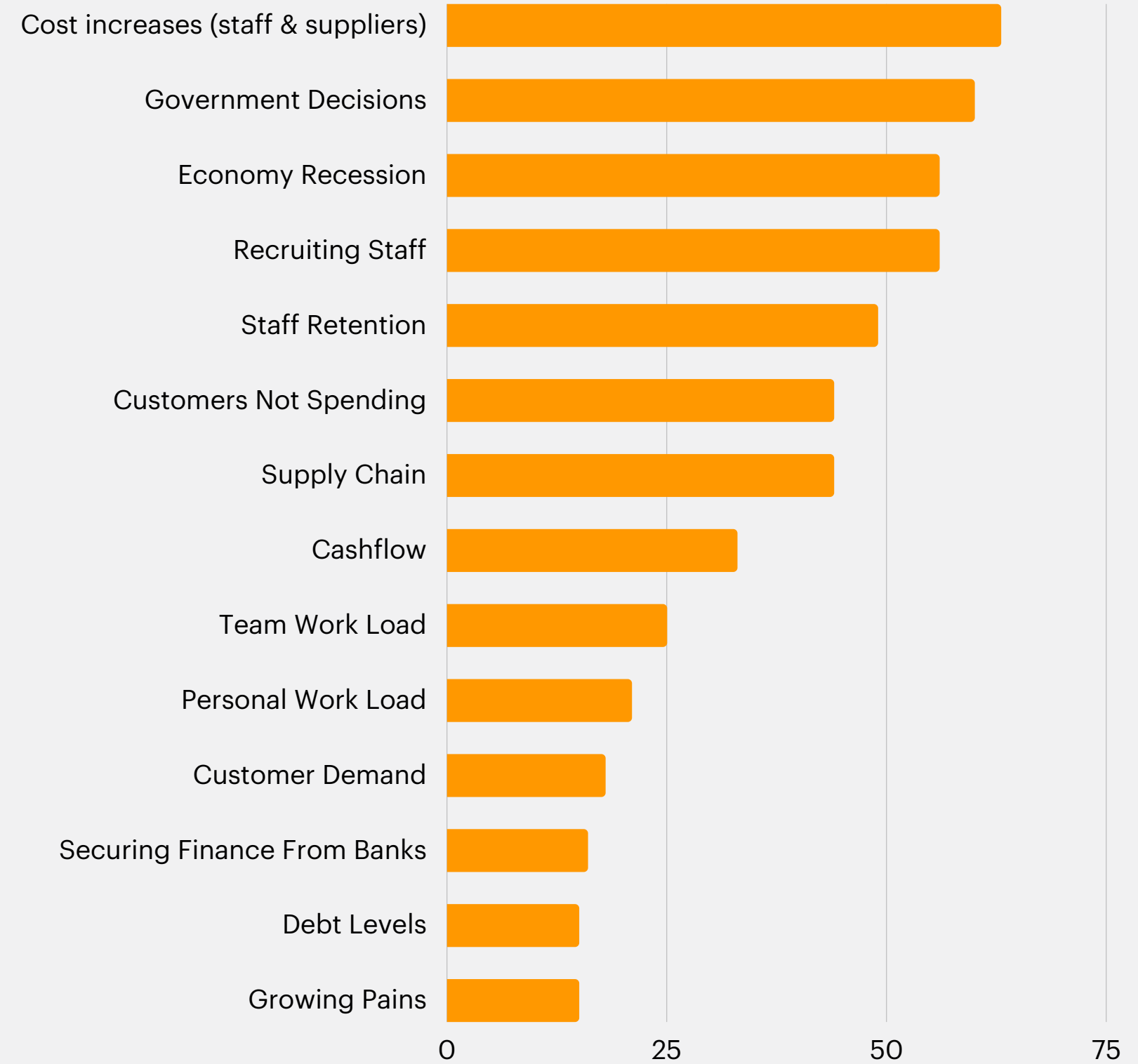
VERY CONCERNED

There are aspects that cause us real concern and are worthy of serious thought and action.

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BIGGEST FEARS, CONCERNS OR FRUSTRATIONS FOR THE YEAR AHEAD



These businesses are the engine room of the New Zealand economy



We asked three very important open-ended questions:

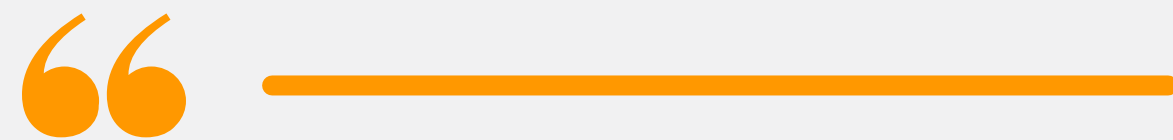
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1. What do you believe a government could do **more of** to support you and your business?
2. What do you believe a government could do **less of** to support you and your business?
3. When you consider government policy choices and/or development, what **thoughts or suggestions** do you have?

Are there policies you have seen implemented in other markets, i.e Australia, that you believe have merit for New Zealand?



QUESTION - What do you believe a government could do more of to support you and your business?



The themes for this question fall into 7 areas:

SME needs - Really understand the needs of SMEs, listen to us and focus more on targeted ways to support us. Be more agile and responsive to SME needs now, not in 2 years time. Consult more with us when considering new legislation. Be a lot more business focused and friendly, particularly mid-size business friendly – we have the power and potential and yet we're often overlooked.

Speed - Less task forces and more decisive, swift, business-like action. Run the country like a business. Have a long-term plan for the country that enables and supports quick decision-making focused on business growth and a sustainable economy.

Inflation - Anything and everything possible to reduce inflation and get the labour market back into balance.

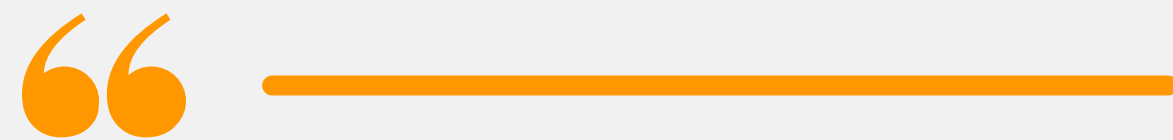
Immigration - We need to be doing everything possible to make NZ an attractive place to come and work. This means having policies and practices that speed things up and encourage and enable skilled, semi-skilled and migrant workers to come to NZ. Make it easier to get migrant workers and recognise their overseas qualifications. The delays in approval needs to be reduced. More skilled workers for software, engineering and manufacturing in the short-term and create a business focused development path to grow the people we need.

Infrastructure - Invest in NZ's infrastructure – health (mental health), education, law & order, housing, transport – ports, airports, public transport. Seriously look at how to increase NZ shipping capacity – NZ Shipping Co?!

Tax/Subsidies/Incentives - Create a more intelligent and responsive tax system. Introduce tax relief and/or incentive systems that support SMEs. More carrot, less stick. – to grow; to compete on the global stage; to improve productivity; to invest in R&D, plant, machinery; for climate change actions; tax cuts or tax relief for businesses if you can prove your \$\$ are better spent elsewhere; accelerated depreciation for companies seeking to invest in higher productive technology; raise tax brackets not minimum wage; incentivise provincial migration – home deposit schemes; provide funding for 1 FTE per SME company dedicated to productivity improvement projects

Upskill Kiwis – focus on upskilling Kiwis; double down on training incentives for trades; reframe apprenticeship, vocational and engineering pathways ins secondary schools as equal to university education

QUESTION - What do you believe a government could do less of to support you and your business?



The themes for this question fall into 7 areas:

Red tape – Less bureaucracy, regulation, compliance costs and red tape. Reduce the costs of doing business.

Stop trying to **centralise** everything

Financial support for those that are capable of working but don't want to work; giving money away to people who won't work for it; stop paying people to stay at home

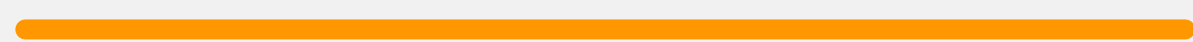
Legislating changes that add cost – minimum wage; leave entitlements; employment laws/regulations

Less **committees, working groups and high-paid consultants/advisors**

Less **barriers to entry and hoops to jump through** to come to NZ to work

Beating up on primary industry/farmers – Rules on top of rules on top of rules. Compliance.

QUESTION - When you consider government policy choices and/or development, what thoughts or suggestions do you have?



- Make childcare tax free
- A coordinated long-term infrastructure plan. 20+ year plan to identify and build infrastructure to remove the crippling shortages currently affecting NZ. A national por/transport plan to co-ordinate shipping/ports and rail.
- Something to encourage educated NZers to stay and contribute to our nation
- Pay more for nurses to work in the health sector
- Improve the education system
- Provide better mental health services
- Capital gains tax
- Policies that ensure our own country's suppliers are favoured for government work despite WTO rules.
- Drop GST on fresh goods – seafood, meat and produce.
- Depreciation write-offs uo to \$150k per year.
- Revisit our building code so we stop rewarding a handful of corporations that have managed to monopolise the market with their products/systems causing a stranglehold on supply and pricing.
- Continue to support and grow the RSE scheme to provide more labour for NZ and a form of public aid to the Pacific Islands

QUESTION - Are there policies you have seen implemented in other markets that you believe have merit for NZ to consider?



Ireland:

- Initiatives like Origin Green in Ireland

Australia:

- 10% GST like Australia
- Infrastructure loans/grants for businesses to invest in plant and equipment like Australia
- Incentives for privately held NZ businesses to grow and employ our people. Australia do this well – subsidies for employing Australian people and building businesses in less desirable areas in order to keep people employed.
- More appealing tax breaks to match those that Australia has. Currently it is an easy decision to choose Australia over New Zealand.
- Offer R&D grants like Australia
- Australia's \$270b investment into building sovereign defense capability is a gamechanger for their industry.
- Funding grants from federal and state governments to incentivise capital investment in automation

Singapore:

- Singapore has/had an incredible startup incentive programme for tertiary institutes – offering \$50k startup grants to student-led startups, encouraging commercialisation.

Denmark:

- Happiest nation, maybe we could learn something – feed kids in schools; \$1 spend on prevention saves \$3 on treatment

UK:

- UK super depreciation on capital plant that increases productivity
- Manufacturing Technology Centres e.g. The MTC in the UK

^{THE} **icehouse**^o