

COVID-19

Business Support Group

14 May 2020

THE HUTT VALLEY COVID-19 BUSINESS SUPPORT GROUP SURVEY – MAY 2020

The Hutt Valley Chamber of Commerce, Hutt City Council and Upper Hutt City Council together created the Hutt Valley Covid-19 Business Support Group to help our local business community through the Covid-19 crisis.

Our aim has been to make sure the local business community is being heard and is getting all the support and expertise available. We are in constant contact with our Hutt Valley businesses, hearing their concerns and advocating on their behalf.

Our most recent activity has been to survey the local business community. The aim was to get a clear picture of the scope of difficulties businesses are facing and the support they still need, so that together, we can face what lies ahead.

We issued the survey on May 8 during Alert Level 3, prior to the Alert Level 2 announcement and closed it at 1.30 14th May, the first day of Level 2 and prior to the 2020 Budget Announcement. It was emailed to the Hutt Valley Chamber of Commerce database and shared on the Hutt Valley Chamber's Facebook page. It was also shared on the Hutt Valley Covid-19 Facebook page and through Upper Hutt City Council and Hutt City Council channels.

Of the 447 responses received, 279 were from Lower Hutt, 114 from Upper Hutt and 97 from Wellington businesses.

Respondents were from industries of all types and businesses of all sizes, from sole traders to large companies. Mostly senior managers or owners of the business responded.

Survey Results – Key Findings

- 82% of businesses reported a and medium to high level of concern over Covid-19 with 7% not concerned..
- 82% reported a reduction in revenue

- 68% reported they were able to retain 100% of their staff because of the Government's wage subsidy, which was considered the most helpful initiative to local businesses.
- Cash flow is the biggest difficulty businesses are facing currently, with many suggestions offered up on what further aid the Government could offer to help these businesses survive.
- 78% of businesses can operate in Alert Level 2; 70% in Alert Level 3 and 47% at Alert Level 4
- 3.13% of businesses do not intend to operate in the foreseeable future
- Over 50% reported having current difficulties with cashflow; 25% with tax obligations, 28% with paying themselves and 25% paying rent. 37% report having no difficulties at all
- 44% said the Government wages subsidy had the most impact on being able to continue to operate. The wages subsidy was the most often mentioned as the "most useful" thing the Government had done to date. 10% attributed adapting their business model with being able to continue to operate
- 82% have seen a reduction in revenue due to Covid-19 (mostly of between 70-100%); 4% have seen an increase
- Many see large productivity reductions coming
- 76% applied and received the Government's wages subsidy; 21% didn't apply. Only 1 person reported applying and not receiving it
- 41% reported their business would be substantially different when the economy recovers; 25% reported no difference; 34% reported they did not know
- In three months:
 - 64% expected no change in staffing; 28.2% expected a decrease in staffing;
 - 89% expected no change to the size of their premises
 - 22.0% expected an increase in working hours; 36% a decrease and 41% expect no change
 - 73% anticipate a decrease in income; 73% anticipate a decrease in profitability
 - 48% expect an increase in online activity
 - 28% anticipate an increase in marketing spend; 23% a decrease and 49% no change
- In the next six months,
 - 26% anticipate a decrease in staffing; 60% expect no change
 - 88% expect no change in the size of their premises

- 53% expect no change in working hours in the next six months; 24% expect a decrease in working hours; 24% expect an increase
- 55% anticipate a decrease in income in the next six months; 58% anticipate a decrease in profitability
- 46% anticipate an increase in online activity in the next six months; 47% expect no change
- Suggestions on what the Government could provide to further help business included: rent relief; tax relief/GST relief; infrastructure spend/RMA reform; temporary visa people; buy from NZ providers; cash injection for our industry; stop the lockdown, change down the levels, let us open; wage subsidy to continue; cash for fixed costs; interest-free loans
- 72% said the Covid-19 website had provided their business with the most useful information (47% said MBIE; 39% said IRD; 34% Ministry of Health)
- Within the Alert Level 3 and Alert Level 4 restrictions, 65% used information and advice from the media; 44% used government agencies and departments including call centres and websites; 41% industry bodies; 37% used their own advisors; 21% used the Hutt Valley Chamber of Commerce; 10% used the Hutt Valley Covid-19 Business Support Group (Facebook page and livestreams); 6% used Hutt City Council; 6% used Upper Hutt City Council, 7% used Wellington NZ
- 41% reported using one or all of the Hutt City Council, Upper Hutt City Council, the Hutt Valley Covid-19 Business Support Group and Hutt Valley Chamber of Commerce for information and advice through Alert Level 3 and Alert Level 4

For further information on the survey results or to get a copy of the raw data, please contact:

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