Queenstown Business

CHAMBER OF COMMERCE

Wānaka Business Chamber

BUSINESS CONFIDENCE SURVEY

Q3 2024/25

Overview

The Queenstown Business Survey is a check on the health of local businesses. Where applicable, results are summarised in net terms by taking the percentage of businesses reporting an increase in the indicator in question, minus the percentage reporting a decrease. This approach gives a reliable indicator that can be tracked over time.

The Survey is updated every quarter, providing an important barometer of business conditions in Queenstown and surrounds that can be used for planning purposes.

The survey was sent to businesses on 21 February 2025, and 41 responses were received

Key insights

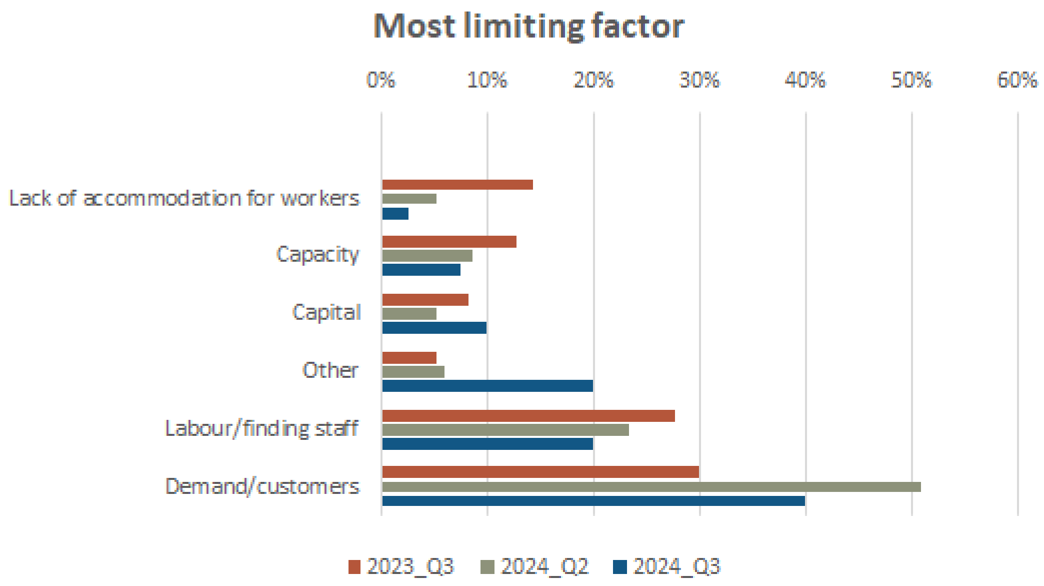
As we come out of the busier summer peak and into the shoulder period, we are seeing a drop in confidence as individual businesses prepare for the shoulder period. Individual business confidence is still net positive at 5% however there is a more pronounced decline in confidence for the outlook across Queenstown Lakes economy (-5%).

Economic outlook	Q3 2024	Q2 2024
My business	5%	32%
New Zealand	7%	7%
Queenstown Lakes	-5%	19%

Although the summer season has shown net positives in real activity at 15% it wasn't as high as forecast/predicted from the previous quarter which sat at 41%. Input costs are still high, 71%, which has resulted in net negative profits (-5%).

Net increase expected	Queenstown	Wanaka	Other
Real activity	-26%	50%	13%
Input costs	39%	0%	56%
Staff count	-30%	50%	13%
Operating hours	-4%	50%	6%
Investment	0%	0%	0%
Prices	22%	50%	19%
Profits	-35%	50%	6%
Economic outlook:			
My business	-26%	100%	38%
New Zealand	-17%	100%	31%
Queenstown Lakes	-22%	0%	19%

Single most limiting factor to growth



Businesses were asked "What single factor is most limiting your ability to grow your business?". The most common response was "Demand or number of customers", with 40% of respondents.

This is a continuing issue and given the high proportion of respondents being CBD based businesses (56%) could also indicate the increased competition, offerings and capacity dispersal across other areas of the district.

‘Other” factors also ranked highly in this survey and included comments such as:

- Road works / access to business affecting productivity
- Spend of customer down vs volume
- Construction costs

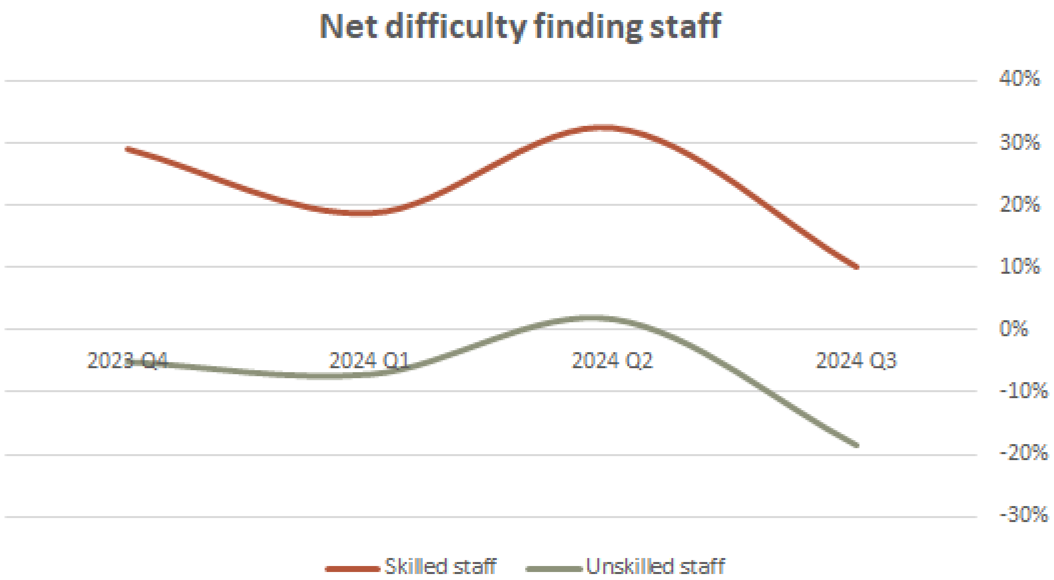
Results

Labour market insights

This section outlines survey findings regarding overall staff numbers, and difficulty filling vacancies. Staffing decisions are an important gauge of businesses' confidence in their own near-term prospects.

Sole traders made up 10% of respondents in the latest quarter, compared to 7% last quarter. The most common size category was 2-10 staff, with 49% of responses in the latest quarter.

Difficulty finding staff



Difficulty is also measured in net terms, but a positive number means higher difficulty. Net difficulty can turn negative if more businesses are finding it easier on average to fill vacancies.

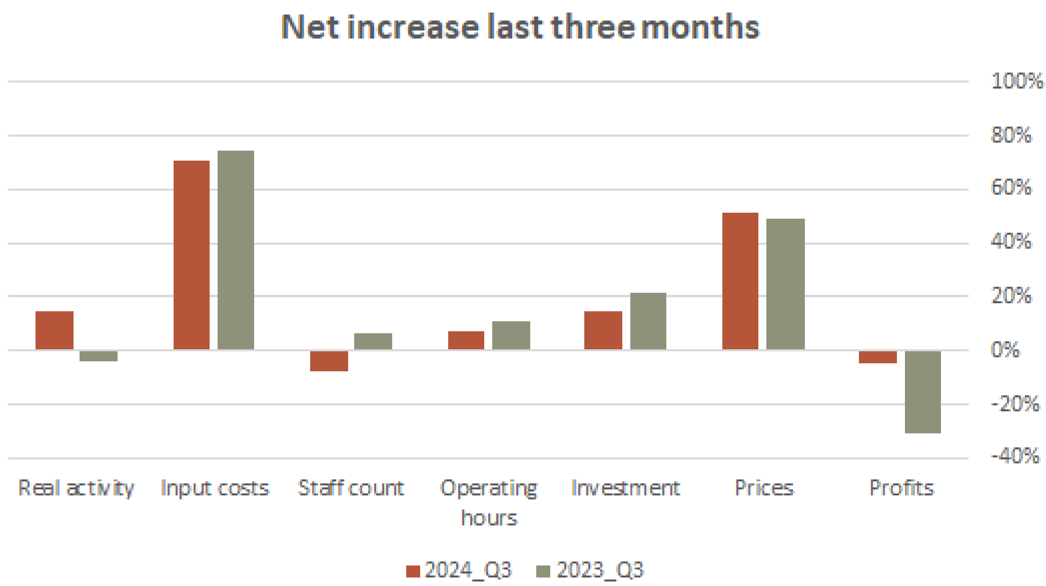
A net 10% of businesses reported that it was harder to find skilled staff over the past three months and a net -18% found it harder to find unskilled staff.

Wages

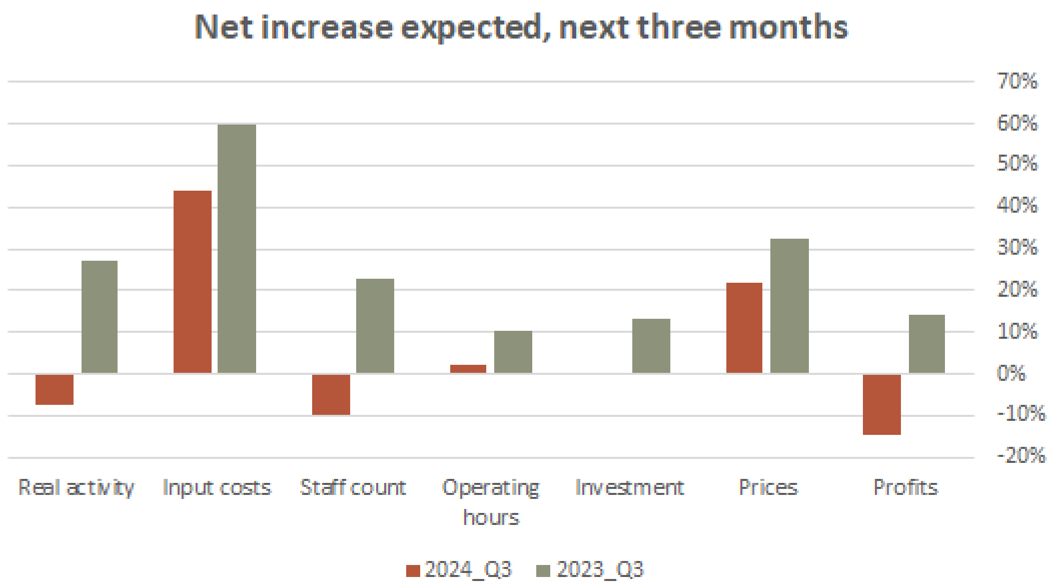
For businesses with employees, 46% expect to increase wages over the next three months, with 54% reporting having increased wages over the last three months.

Activity indicators

This section contains information on how businesses have performed over the last three months, and how they expect to perform over the next three months.



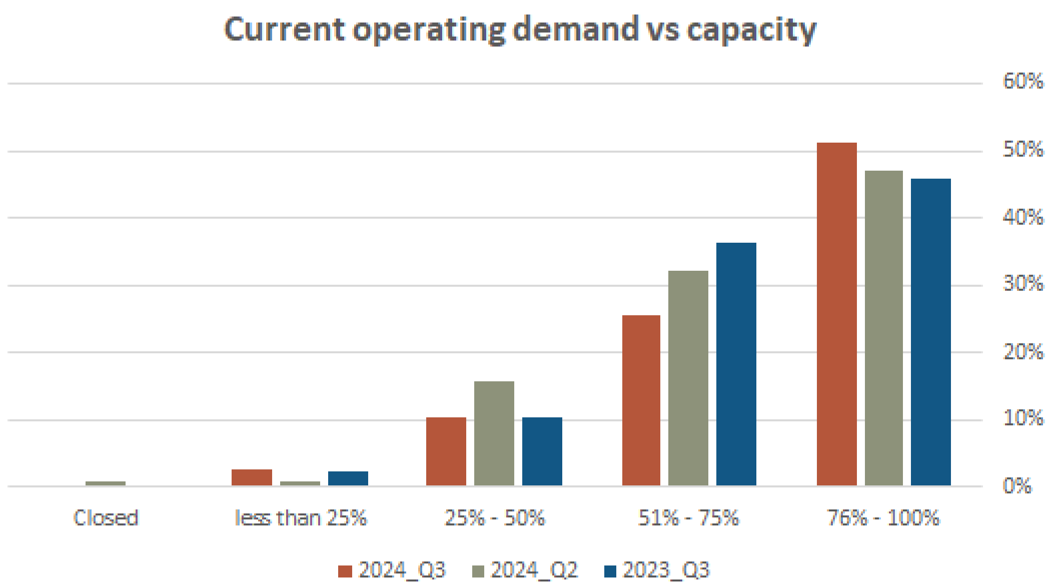
Businesses were asked about the same activity indicators for the next three months. The net increase is therefore a forward-looking indicator based on the average expectations of businesses surveyed.



The outlook over the next three months indicates a quieter 'holding pattern' leading into the busier winter season.

Capacity

Business operating at over 75% capacity made up 77% of respondents in the latest quarter, compared to 79% last quarter. Businesses operating at less than 25% capacity made up 0% of responses in the latest quarter.

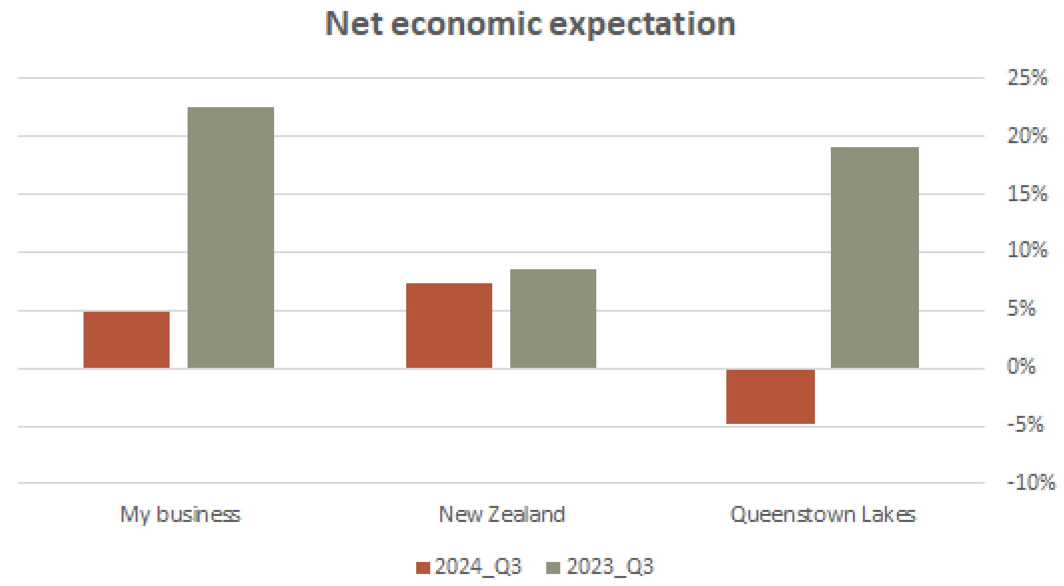


Economic activity

Businesses were asked about their expectations about economic conditions in their own business, the Queenstown lakes economy, and New Zealand as a whole.

Expected change in economic conditions, Q3 2024

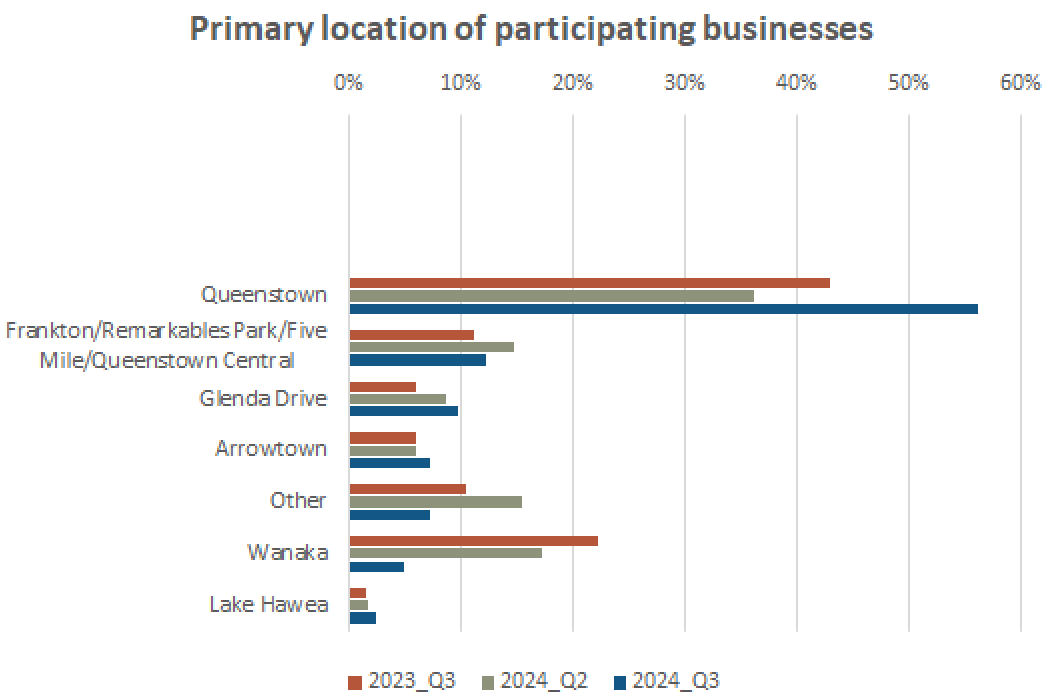
	Improve	Remain the same	Deteriorate	Net expectation
My business	12	19	10	5%
New Zealand	11	22	8	7%
Queenstown Lal	9	21	11	-5%



Other information

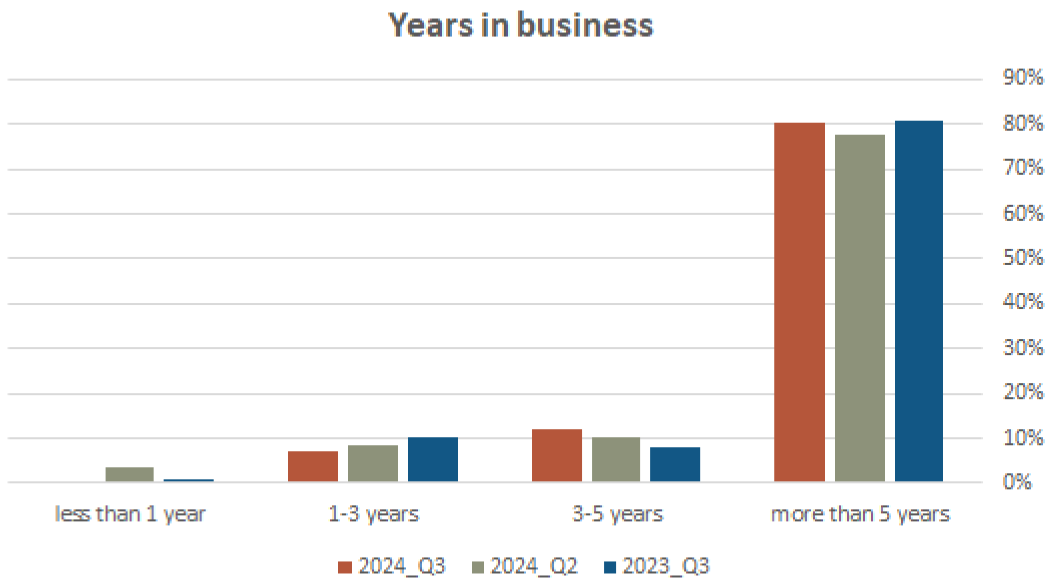
This section provides further information about the characteristics of businesses surveyed.

Location



Queenstown was the primary business location for 56% of respondents in the latest quarter, compared to 36% last quarter and 43% a year earlier. The second most popular location was Frankton/Remarkables Park/Five Mile/Queenstown Central with 12% of responses in the latest quarter.

Years in business



More businesses reported operating for more than 5 years than other categories, with 80% of respondents in this category. Businesses operating for less than a year made up 0.0% of respondents in the latest quarter, compared to 0.7% in Q3 2023.

General comments

Themes surfacing from the general comments free text at end of survey focus around:

- Need to drive more events in shoulder seasons
- Geo-political influences out of Northern hemisphere
- Infrastructure, traffic, parking causing lost productivity
- Cost of living making it hard to retain staff.