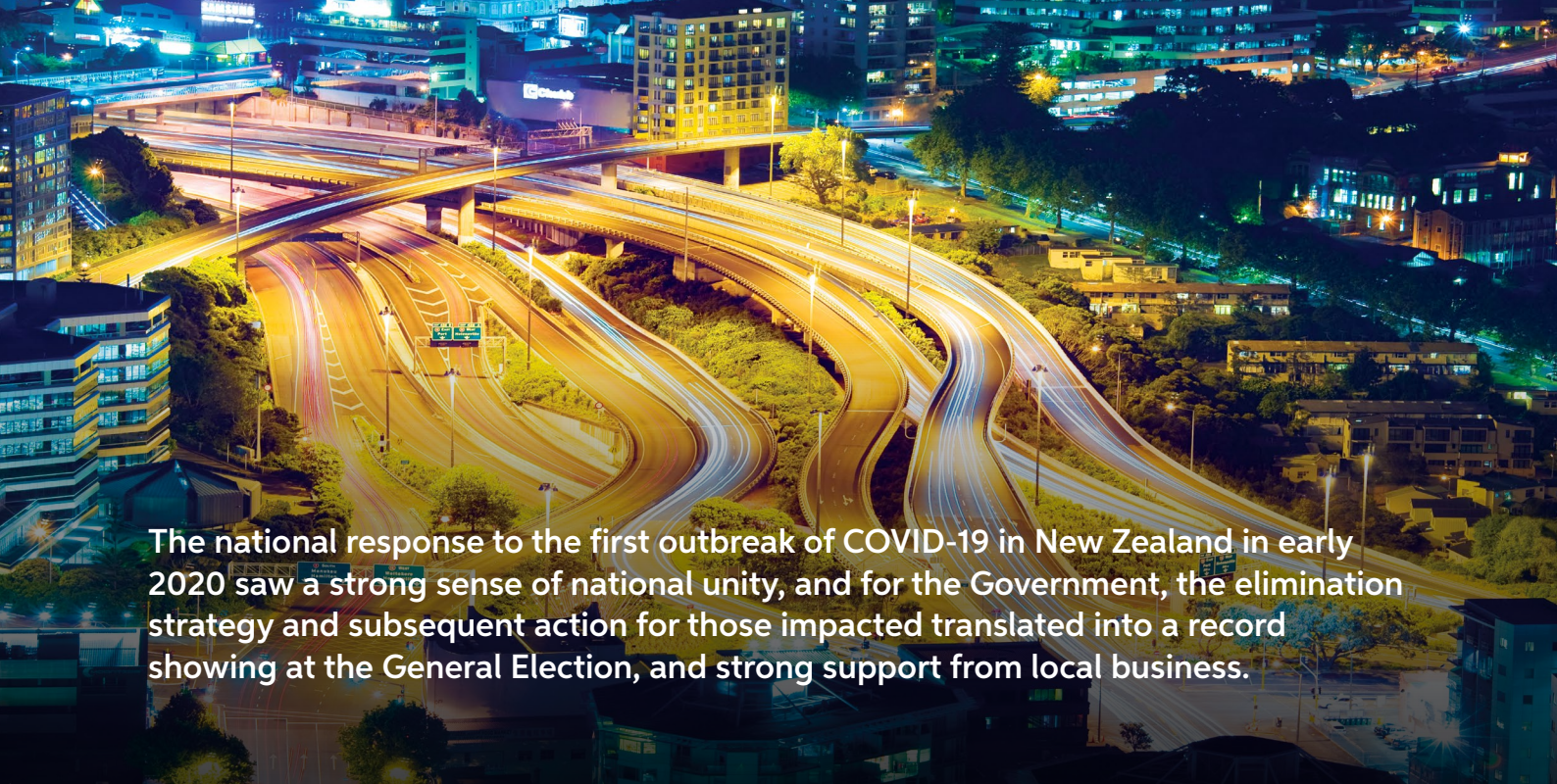




New Zealand

# Government Performance Snapshot Report 2021





The national response to the first outbreak of COVID-19 in New Zealand in early 2020 saw a strong sense of national unity, and for the Government, the elimination strategy and subsequent action for those impacted translated into a record showing at the General Election, and strong support from local business.

After a generally strong summer trading period and a reasonably steady first half of 2021, we'd seen from our latest SME Economic Snapshot in July that SME business confidence had improved significantly on this time last year, pipeline work was looking encouraging, and revenue was stable for most. That, of course, was prior to the advent of the Delta outbreak which has since brought back significantly challenging trading conditions for many of our SMEs.

However, even before the latest lockdown, the long drag of the last year, the initial pace of the vaccine roll-out, economic challenges such as lack of skilled workers and the housing crisis, plus a general sense of ongoing uncertainty as the pandemic continues, contributed to a steady shift in sentiment amongst SMEs around the current Government.

MYOB's 2021 Government Performance Snapshot has revealed that dissatisfaction with the Government's performance is growing, and SME owners and operators are feeling their concerns are not being heard. Our latest polling shows small and medium business satisfaction with Labour has decreased.

While last year saw the Labour Party emerge as the preferred party for SMEs – an unprecedented first in 11 years of MYOB surveys of local small businesses – sentiment has now swung toward the National Party, which has returned to being the preferred party for business. What is notable, though, is that our new research also shows that the ACT Party is quickly becoming a business favourite.

But despite the growing support for National and ACT among our local SMEs, Prime Minister Jacinda Ardern is still the most preferred leader. That said, ACT is also climbing the ranks here, with more SMEs marginally preferring ACT leader David Seymour over National's Judith Collins.

So, what should our political parties look to focus on if they want to gain more support from local SME owners and operators? Our survey results have identified key areas SMEs would like to see action on from our elected representatives. These include offering tax incentives for SMEs who work exclusively with local suppliers, improving access to funding, and providing clear guidance on when businesses can expect to see a re-opening of the borders to help fill job vacancies and increase customer numbers.

SMEs are also looking at ways to stay competitive and appeal to customers – especially at a time when customer support of business is more important than ever. This is reflected in the demand from SMEs for more government support for free training and courses for upskilling.

SMEs make up a significant voting block of more than half a million New Zealanders. Now is the time for the Government and all political parties to revisit support and a long-term strategy for Aotearoa's SMEs, so that together we can rebuild confidence and certainty in this key sector.



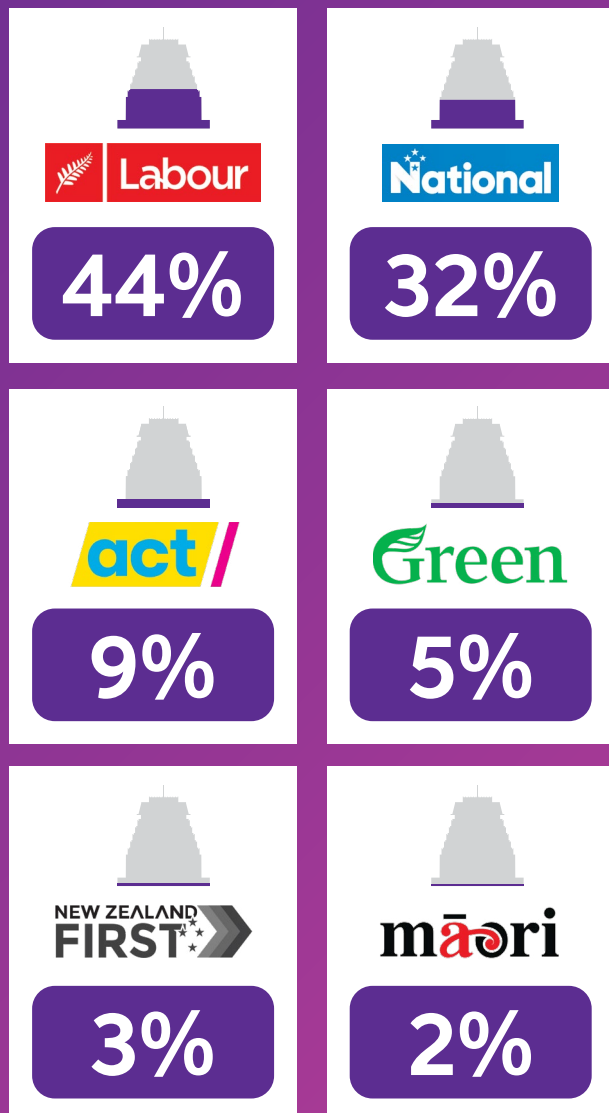
**Jo Tozer**  
MYOB Head of Customer Service





## The 2020 SME party vote

Which political party did you vote for in the 2020 General Election?

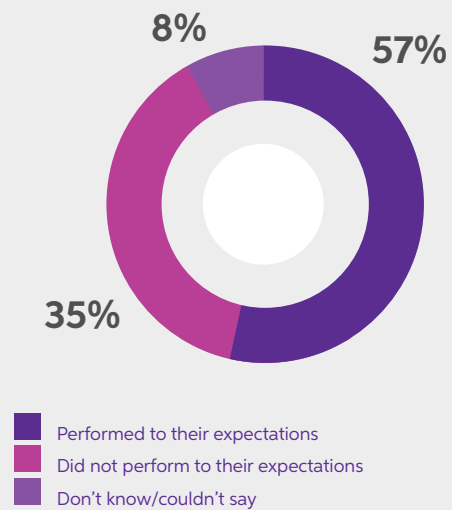


\*5% other/none of the above

## Meeting SMEs' expectations

SMEs have been looking closely at how their vote has been put to use – but for more than a third (35%), the political party they voted for in 2020 has not performed to their expectations.

Has the political party you voted for in 2020 performed to your expectations?





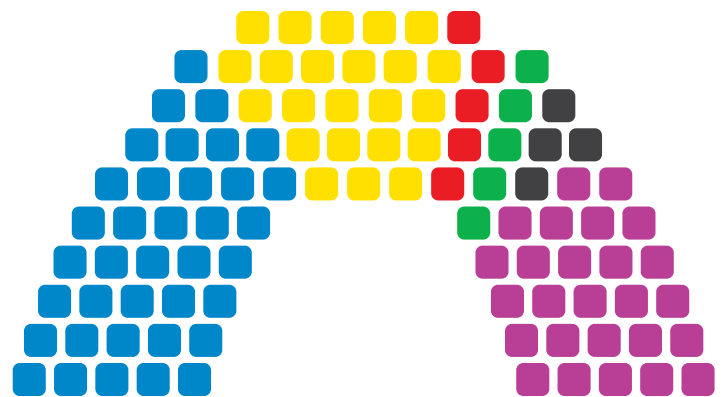


## Re-thinking the vote

More than a third of business owners and operators (35%) have changed their voting preference since last year's General Election, with National and ACT both picking up a significant proportion of support from this group as a result. However, a large proportion of this group (25%) is also undecided.

### Which would be your (new) preferred party now?

(Based on responses from those who said the party they voted for in 2020 did not perform to their expectations):



## Political leadership

Despite the changing fortunes of the parties in terms of popularity with SME voters, Prime Minister Jacinda Ardern still remains the clear favourite in the leadership stakes. David Seymour has also emerged as the most popular amongst Opposition leaders.

Top six responses to the question: who is your preferred leader/ Prime Minister?

Jacinda Ardern

40%

David Seymour

17%

Judith Collins

16%

James Shaw

4%

Grant Robertson

3%

Dr Shane Reti

3%

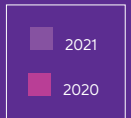
Other/  
don't know

17%



## Overall Government satisfaction

Nearly half (45%) of New Zealand's SMEs are dissatisfied with the Labour Government's overall performance since they won the General Election in October 2020, while nearly two-in-five (39%) SMEs said they are satisfied.



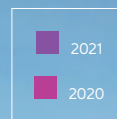
Since the General Election in October 2020, when Labour won an outright majority, which of the following best describes how you feel about the Government's overall performance?



## Business support satisfaction

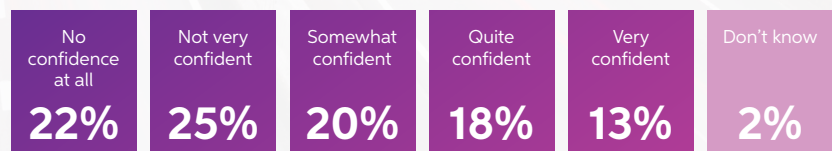
SMEs' satisfaction with the Government's general level of support for business has decreased since SMEs were last surveyed by MYOB in July 2020. With 41% of SMEs saying they are dissatisfied, there is now a greater level of dissatisfaction than satisfaction (37%) amongst businesses.

How satisfied are you with the Government's general level of support for business since the General Election?



Perhaps due to the limited support for SMEs announced in the 2021 Budget, and the struggle to access more financial support during the latest COVID-19 community outbreak, nearly half (47%) of local SMEs are not confident that the Government will provide more support for them over the course of this term (2020-2023).

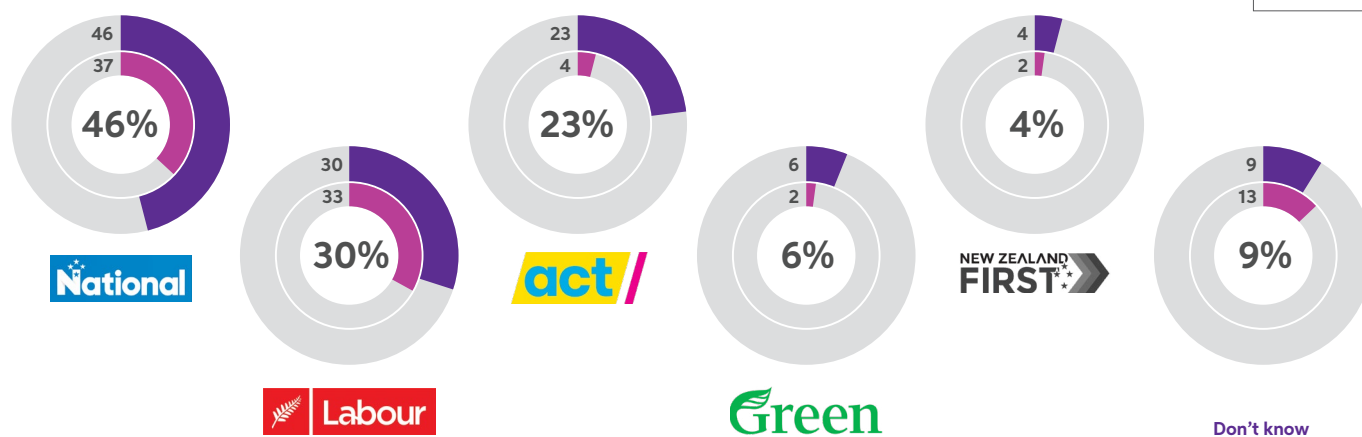
How confident are you that the current Government will provide more support for small and medium sized businesses in this term (2020-2023), in comparison to the previous coalition Government?



## Understanding business' needs

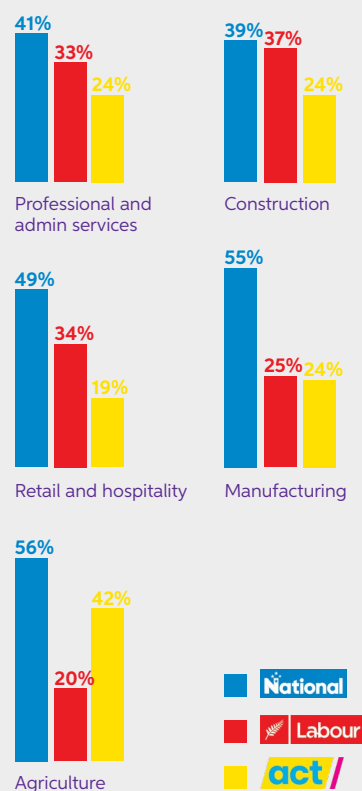
In an increase on MYOB's pre-election poll in 2020, the National Party is seen as having the greater understanding of business by nearly half (46%) of SMEs surveyed, followed by the Labour Party (30%) and the ACT Party (23%). National also sits at the top of the list across key sectors.

Which of the following political parties do you think has a greater understanding of your business needs?  
(Respondents could choose more than one political party)



## SECTORS

Perception of which party has a greater understanding of business, by sector.



\*The political parties featured in these graphs are the top choices of each sector. Those surveyed were able to select more than one choice.



## Actions to support local SMEs

The latest MYOB Snapshot offers some clear direction on a range of policy areas for Government to consider, focused on helping SMEs navigate through the business landscape looking ahead.

**Which of the following would you like to see the Government action to support New Zealand's SMEs?**  
(Respondents could select more than one answer)



**28%**

Offer tax incentives/rebates for SMEs who work exclusively with local suppliers



**23%**

Take a harder line with the banks on small business lending (to improve access to funding)



**22%**

Open the borders by 2022 to more countries to help increase customer numbers



**22%**

Provide free training/courses for upskilling



**21%**

Open the borders by 2022 to more countries to help fill job vacancies







## In summary

**With two years until the next General Election, what political parties do in the meantime will speak volumes to local SMEs.**

SMEs will be looking closely at how each party chooses to support or advocate for them through the pandemic and, in particular, what their plans are to lead the country and the economy out the other side.

To guarantee continued support, the Government needs to provide a clearer path for business. A transparent roadmap will help SMEs understand the future of their sector, how they might re-engage with international markets, and what the eventual scale might be of the skills shortage and ongoing supply chain disruptions.

It's also worth noting, that despite the level of upheaval caused by the latest outbreak, prior to lockdown, many sectors of the local economy were experiencing strong growth. Getting back there quickly – and staving off the potential impacts of inflation – may shore up some support for the Government. There's also no doubt all eyes will be on the 2022 Budget, which will highlight the Government's mid-term agenda and set the scene for the next election.

## About MYOB

MYOB is a leading business platform with a core purpose of helping more businesses in New Zealand and Australia start, survive and succeed. MYOB delivers end-to-end business and accounting solutions direct to businesses, as well as a network of accountants, bookkeepers and consultants. MYOB operates across three key segments: Small and Medium Enterprises (SME), Enterprise, and Financial Services.

**For more information, visit [myob.co.nz](https://myob.co.nz) or follow @MYOB on Twitter.**



## About the MYOB Government Performance Snapshot

Research for MYOB's Government Performance Snapshot was conducted by Dynata between 02 July-28th July and between 27th August-10th September 2021. In total, 778 SME owners and decision-makers were invited to complete the online survey which was conducted to achieve a nationally representative sample from across New Zealand.

\*Comparison data for this report is mainly drawn from the MYOB 2021 Business Monitor and the MYOB July 2020 SME Snapshot. The MYOB 2021 Business Monitor – commissioned to Colmar Brunton – was a national survey of 1,000+ New Zealand small and medium business owners and managers, from sole traders to mid-sized companies, representing the major industry sectors. This ran from February 4th to March 8th 2021.

The MYOB July 2020 SME Snapshot was conducted by Dynata using Pure Profile's business panel. In total, 401 SME decision makers were surveyed from employing businesses in New Zealand. The July survey was conducted online from July 20th-24th 2020.