

Selwyn Business Opinion Survey

August 2025







About the Survey

The Selwyn Business Opinion Survey is a pulse check of Selwyn businesses. The Survey has been designed to help understand current and future business trading conditions at a local Selwyn District level.

The topics covered in the August 2025 Selwyn Business Survey include:

- Employment and investment trends
- Recently experienced business conditions
- Expectations of future business conditions
- Investment in innovation
- Circular economy practices of Selwyn businesses
- Comments on current challenges and opportunities affecting Selwyn businesses.

Results are generally summarised in net terms by taking the percentage of businesses reporting an increase in the indicator in question, minus the percentage reporting a decrease.

The Survey is updated every six months. It provides an important barometer of business conditions in Selwyn that can be used by local businesses for planning purposes. The Survey is also an important engagement tool that supports the delivery of the Kai Aku Rika Economic Development Strategy strategic focus to “get the settings right” — by working together, being a business-friendly Council, attracting investment, building our brand and telling our story.

The most recent survey was conducted from **Monday 4th August 2025** to **Friday 15th August 2025**. There were 107 respondents in total.

Executive Summary

This section summarises key messages from the survey of Selwyn businesses.

Key messages from Selwyn businesses

- The August 2025 Selwyn Business Survey highlighted more conservative business trading conditions over recent months. It has become clear that the economic rebound anticipated at the start of 2025 is taking some time to get underway with consumers continuing to show a reluctance to spend. Nevertheless, Selwyn business still expect a better trading period ahead and that profit margins will rebuild over the latter stages of the year. Many businesses have commented that ongoing population growth will continue to underpin long-term business demand in Selwyn.
- Renewed operating cost pressures have continued to challenge some businesses, with many highlighting it has become more difficult to pass on these cost pressures to customers in the form of price increases.
- These cost pressures, coupled with a reluctance among consumers to spend has contributed to some squeezing of profit margins. In response, there has been more subdued hiring and investment activity among businesses over recent months.
- But businesses expect cost pressures to begin easing. Furthermore, with interest rates still tracking lower and farm incomes continuing to rise, businesses expect a better trading period over summer and are cautiously optimistic about profit margins beginning to rebuild moving into 2026.

Table 1 — Businesses' recent experience and expectations of the six months ahead

Net Balance	Previous Experience (February 2025)	Current Experience (August 2025)	Predicted Experience (Next 6 Months)
Staff Numbers	7%	-7%	-3%
Investment	36%	23%	9%
Output / Sales	0%	-21%	11%
Prices	33%	34%	29%
Operating Costs	77%	80%	71%
Profitability	-4%	-30%	8%

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.

Background context to the survey

Economic activity in Selwyn District rose 1.5% in the year to June 2025, according to Infometrics provisional GDP estimates. Selwyn continues to outperform its peers of Waimakariri, Upper Hutt, Kapiti and Waipa districts, all of which experienced a decline in GDP. Selwyn's growth in the year to June 2025 places it in the top ten fastest growing territorial authorities. However, health enrolment growth of 3.4% indicates that Selwyn's population growth outpaced its economic growth, implying a decrease in economic activity per capita. The proportion of Selwyn's working-age residents relying on Jobseekers Support or other benefits continues to rise, from 4.2% in the June 2024 quarter to 4.6% in June 2025, but remains well below the national rate of 12%.

Employment of Selwyn residents rose 3.4% in the year to June 2025, with no sign of slowing momentum from new residents. However, employment at Selwyn-based businesses rose just 1.1%, indicating that most new residents are commuting out of the district for work. Similarly, consumer spending at Selwyn businesses rose 0.9% in the year to June 2025, well behind population growth, suggesting a growing opportunity keep spending in the community.

The housing market remains muted nationally, but Greater Christchurch is picking up pace. Christchurch's house values rose 2.1%pa in the June 2025 quarter, and Selwyn followed the lead with a 1.6%pa increase. House sales in Selwyn rose 24% in the year to June 2025, but were overshadowed by a 33% rise in real estate listings, which will likely limit price growth in coming quarters. Construction activity in Selwyn is picking up, with 404 new dwellings consented in the June 2025 quarter, driving a 16% increase in the year to June 2025. Builders will be busy on the non-residential front too, with \$222m of non-residential work consented in the past year, representing a solid level of activity for Selwyn.

Agriculture continues to benefit from favourable commodity prices, buoying Selwyn's rural communities. The dairy payout remains around record high levels, with a total payout of \$762m expected for Selwyn's dairy farmers. Meat prices remain elevated too, helping sheep and beef farmers.

Tourism activity in Selwyn softened over the past year, driven by softer domestic tourism around the country. Tourism expenditure in the district fell 5.6% in the year to June 2025, with a 13% fall in domestic spending offsetting a 14% rise in the district's small international segment. Similarly, guest nights at commercial accommodation in Selwyn fell 5.1%.



Employment Trends

This section outlines what the Survey showed is happening for overall staff numbers at Selwyn businesses and whether businesses are facing difficulty finding staff to fill vacancies.

Total employment

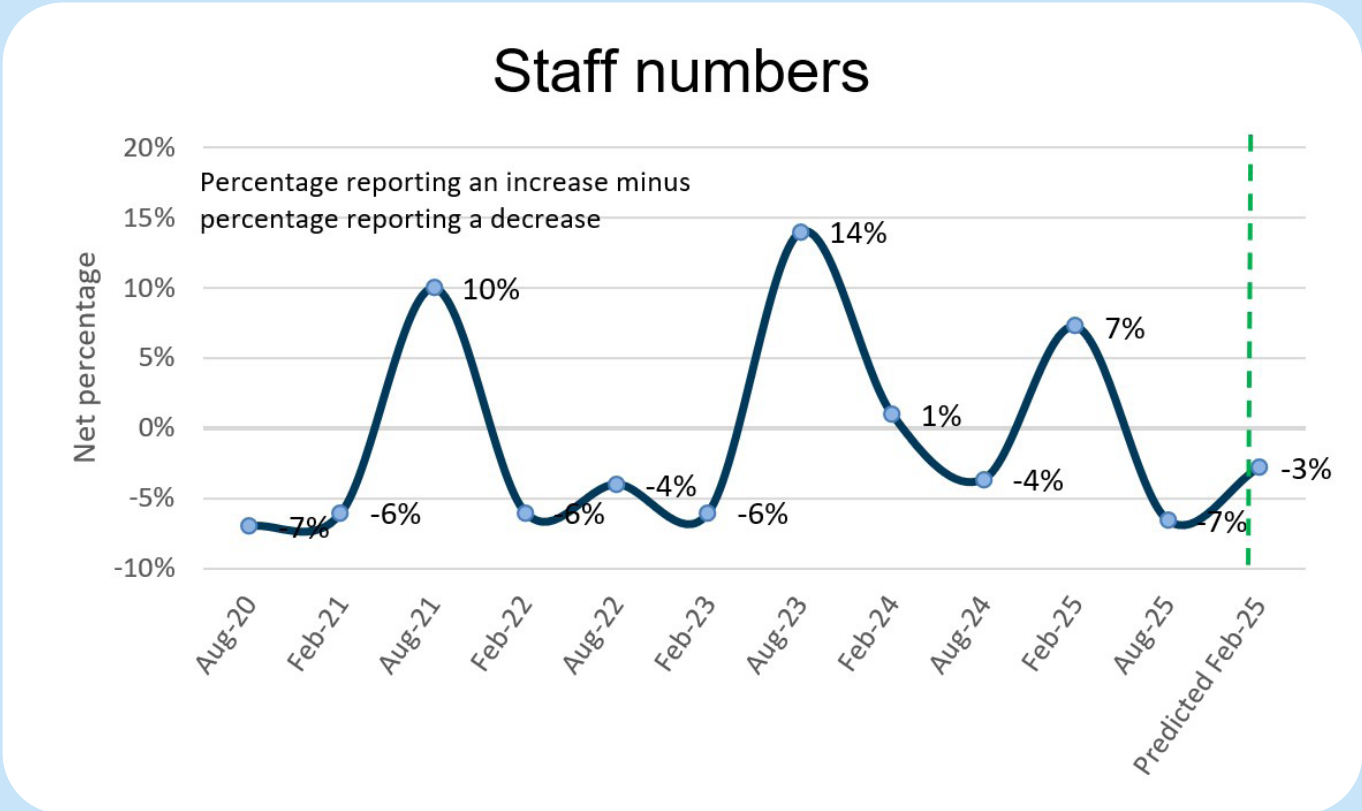
Employment trends are an important barometer of businesses’ confidence in their own activity outlook. Staffing decisions are not made based on day-to-day activity — instead decisions reflect how businesses expect conditions to unfold over a more sustained period.

A net 7% of Selwyn businesses reported decreasing their headcounts over the past six months. This marks a deterioration from the previous survey when a net 7% of businesses expanded their headcounts.

The survey result likely overstates the weakness to Selwyn’s job market, nevertheless other evidence does suggests that job growth in Selwyn has recently lagged that of neighbouring Christchurch City. Economic data from Infometrics highlights that employment of Selwyn residents within Selwyn-based businesses rose just 1.1% in the June 2025 year, while Selwyn residents finding work with Christchurch City based businesses climbed 3.4% over the same period.

Looking towards the future, Selwyn businesses are suggesting that they are likely to remain relatively conservative with their hiring patterns over the months ahead, with a net 3% of businesses expected to reduce their headcounts over the next six months. This is consistent with ongoing economic uncertainty regarding the general health of the rest of the New Zealand economy, as well as lingering global geopolitical tensions.

Graph 1 — Staff numbers



Difficulty of finding staff

Making decisions about staff numbers is only half the challenge, finding workers to fill any vacancies that emerge is the other. Consequently, it is also important to assess how easy it has been for Selwyn businesses to find staff.

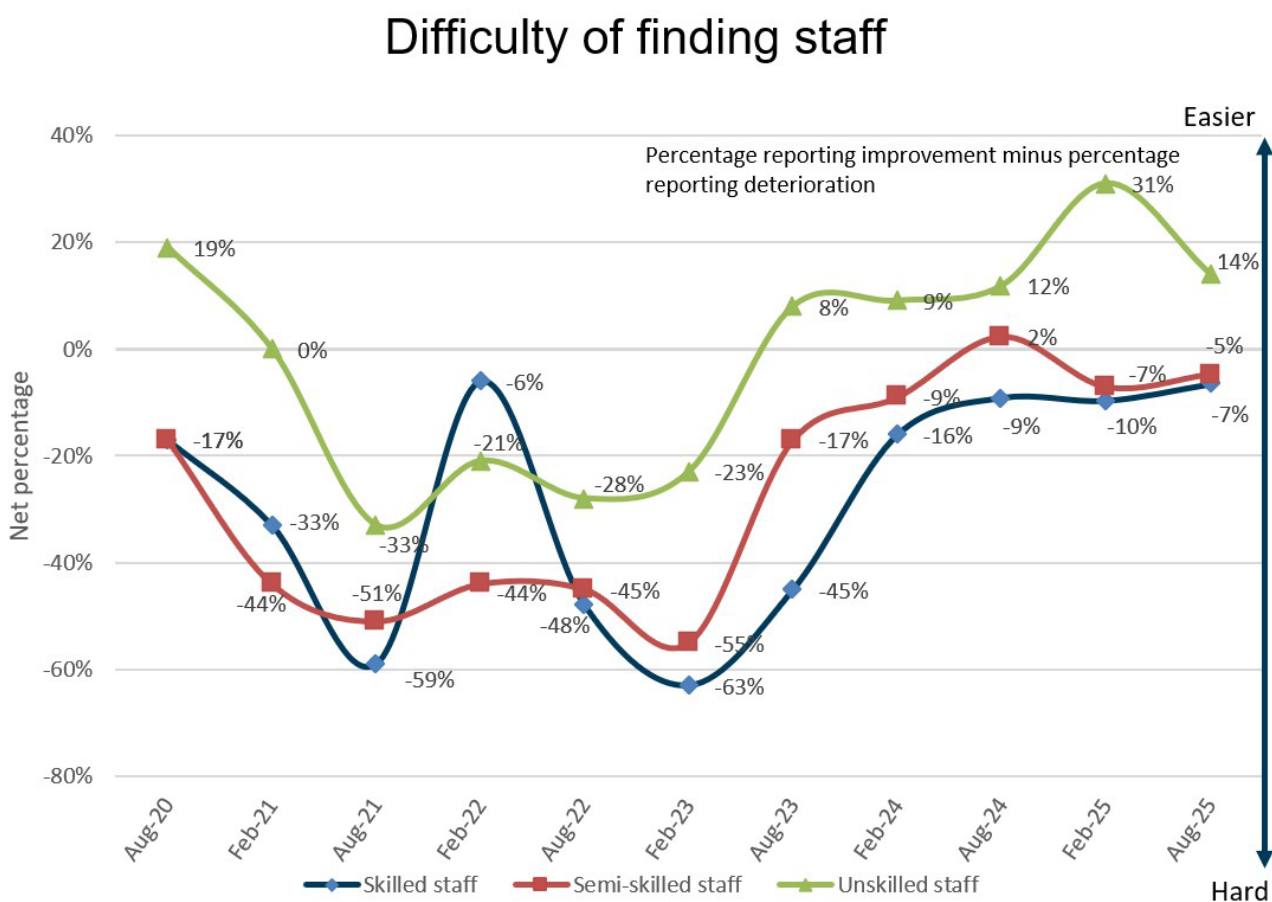
A two-tier labour market continues to persist within Selwyn. It remains relatively easy to find workers to fill unskilled roles, but despite some improvement since 2023, it remains relatively more difficult to fill skilled and semi-skilled roles.

In August 2025, a net 14% of Selwyn businesses reported that it was easy to fill unskilled positions, while a net -5% reported difficulty filling semi-skilled roles and a net -7% had difficulty filling skilled roles.

Even with a recent softening of employment demand, it is likely that the high levels of emigration of New Zealanders to Australia is meaning that some skills gaps remain. There is also strong competition for workers between Selwyn businesses and employers in Christchurch City.

The continued availability of workers for unskilled roles is largely due to many of the industries most affected by the ongoing economic squeeze, such as retail, being those with lower skill requirements. Consequently, the number of people seeking work in these sectors is currently relatively high compared to the jobs on offer.

Graph 2 — Difficulty of finding staff



Investment trends

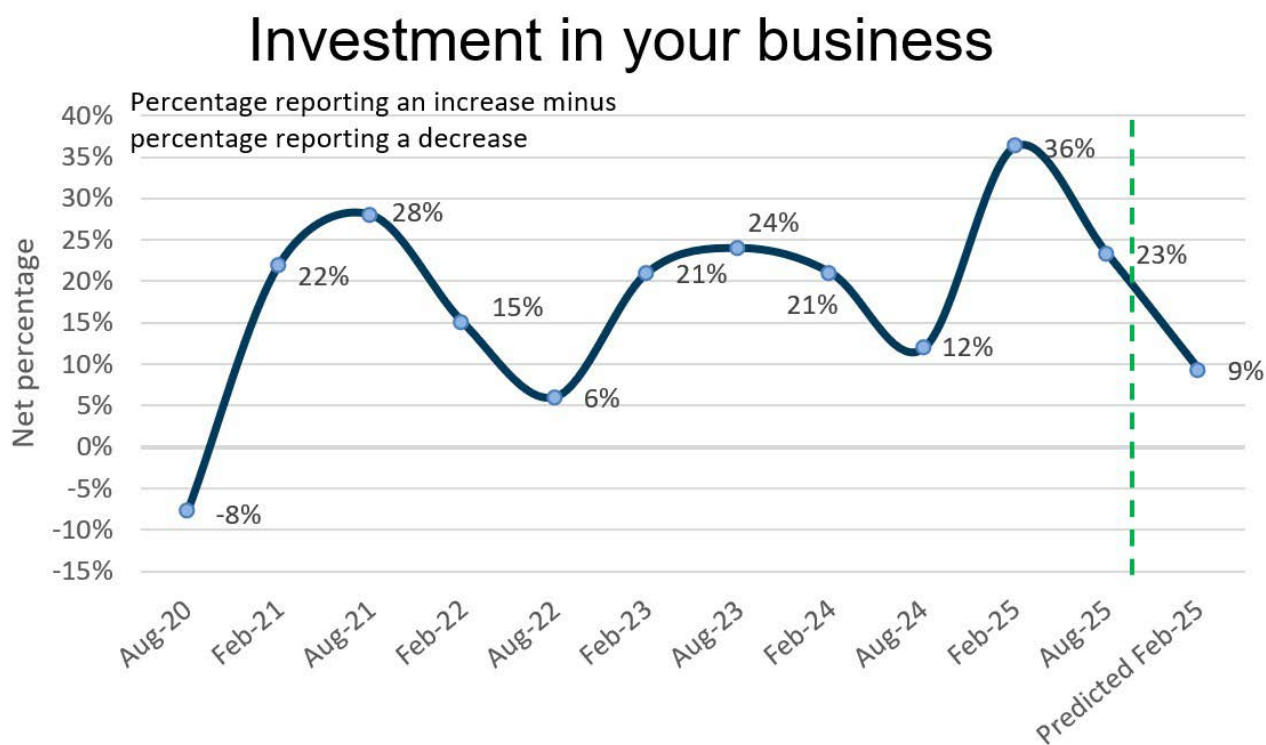
Current and intended investment is another important barometer of confidence by Selwyn businesses in their outlook. Business investment is typically quite volatile across the economic cycle.

Investment by businesses in Selwyn has waned slightly over the past six months, but has remained well above where it did between 2022 and 2024.

A net 23% of Selwyn businesses reported increasing their investment over the past six months, down from a net 36% in February.

Even though, the lower Official Cash Rate had originally been buoying investment intentions early in 2025, it seems that ongoing economic uncertainty has left many businesses somewhat hesitant to follow through with these intentions in the short-run. This hesitation to invest is also reflected in relatively low investment intentions over the next six months.

Graph 3 — Investment in your business





Business Conditions

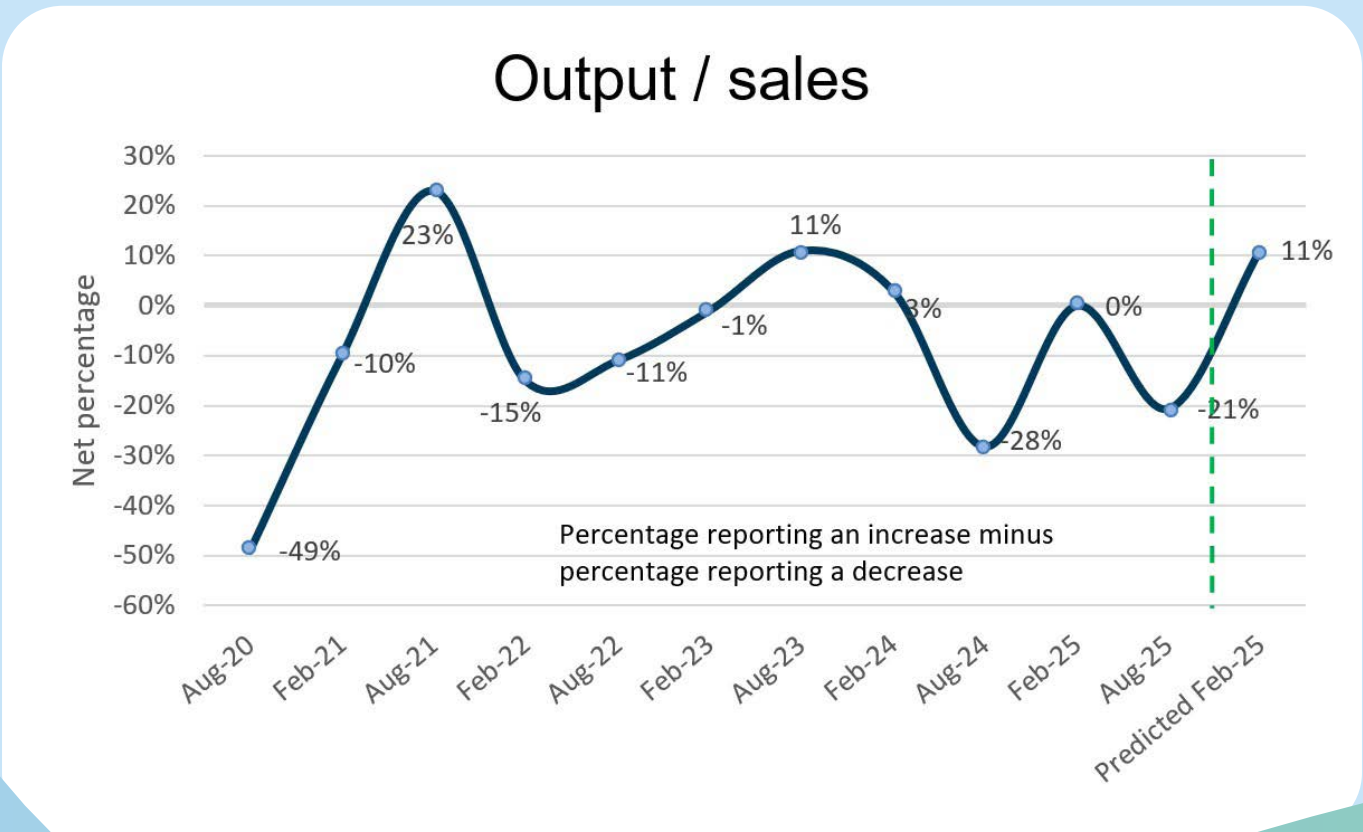
This section outlines what the Survey showed regarding the conditions faced by Selwyn businesses in terms of sales, costs, prices and profitability.

Sales

Selwyn businesses were asked about how their revenue had performed over the past six months and how it is expected to perform over the next six months.

A net 21% of Selwyn businesses reported a decline in sales activity over the past six months, as consumers continue to demonstrate a reluctance to spend locally. Nevertheless, with interest rates still tracking lower and farm incomes continuing to rise, businesses expect a better trading period over summer.

Graph 4 — Output / sales



Operating Costs

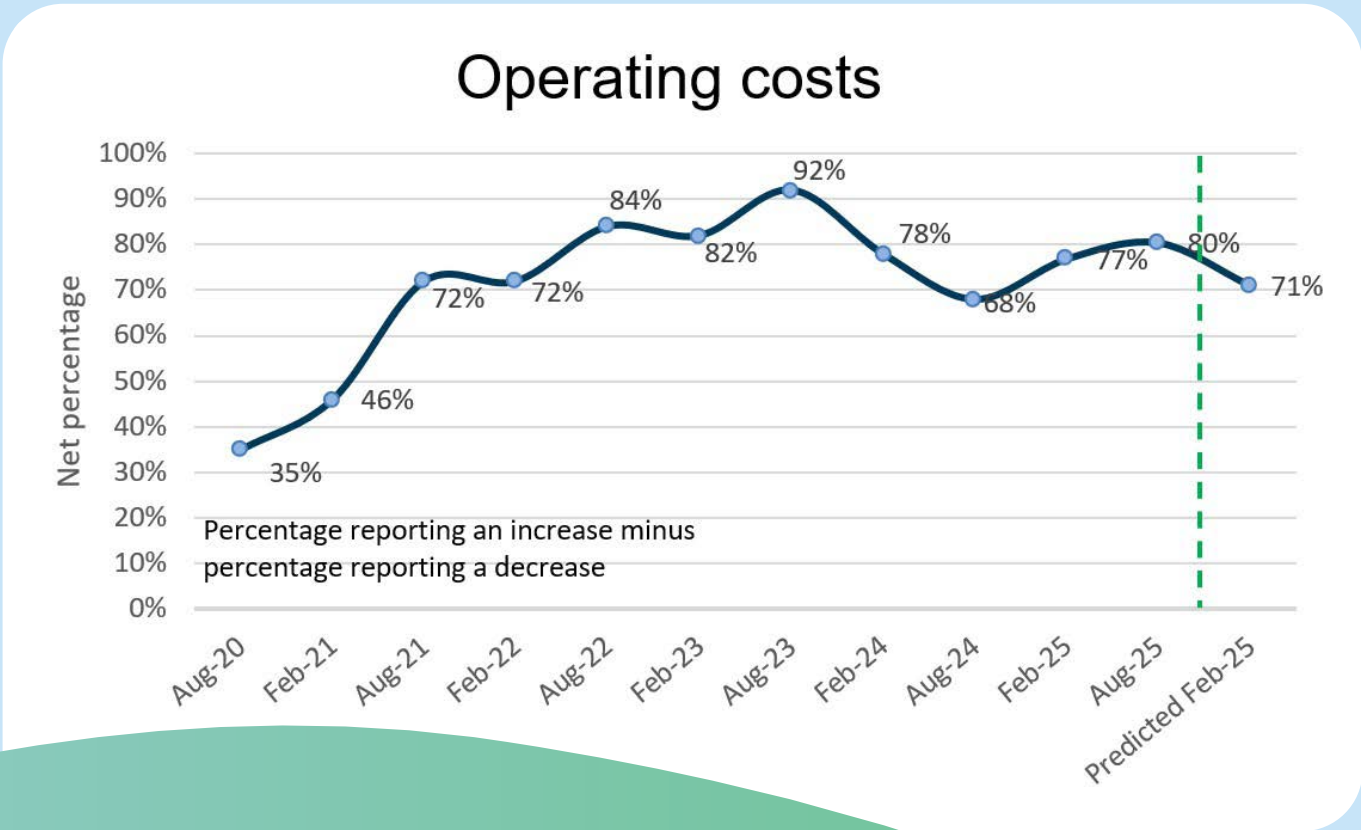
Selwyn businesses were asked about whether their operating costs had increased over the past six months and whether they expected their operating costs to increase over the next six months.

The survey continues to point towards some re-emergence of cost pressures, with a net 80% of businesses reporting increases to their operating costs, up from 68% a year ago, and 77% in February.

This finding is consistent with most cost indices published by Statistics New Zealand.

Nevertheless, businesses anticipate that operating cost pressures will ease off again somewhat in the next six months. An expectation that cost pressures will ease off again is consistent with recent surveys by the Reserve Bank of New Zealand that show future inflation expectations by businesses remain well anchored at close to the Bank's 2%pa inflation target.

Graph 5 — Operating costs



Price of Goods/Services Sold

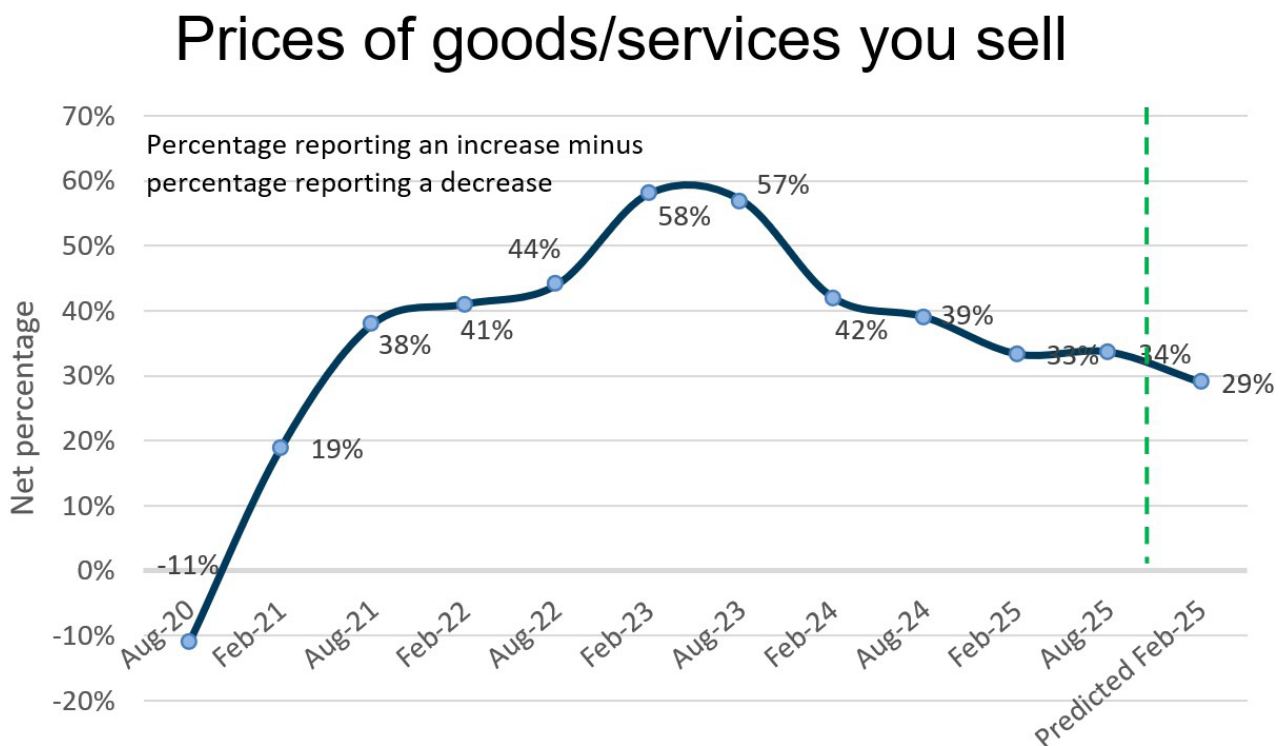
Selwyn businesses were asked about whether they had increased their prices over the past six months and whether they intend to increase their prices over the next six months.

A net 34% of Selwyn businesses increased their prices over the past six months, which was similar to the previous survey, and was the lowest proportion to have lifted their prices in an August survey for four years.

This reduction to the proportion of businesses who are lifting their prices is consistent with nationwide inflation data, which shows that outside of food, rates, and utility prices, most other types of businesses are only able to put through modest price increases.

Given relatively conservative spending patterns by local residents at present, fewer Selwyn businesses expect to increase their prices over the months ahead, with just a net 29% expecting to raise prices.

Graph 6 — Prices of goods / services sold

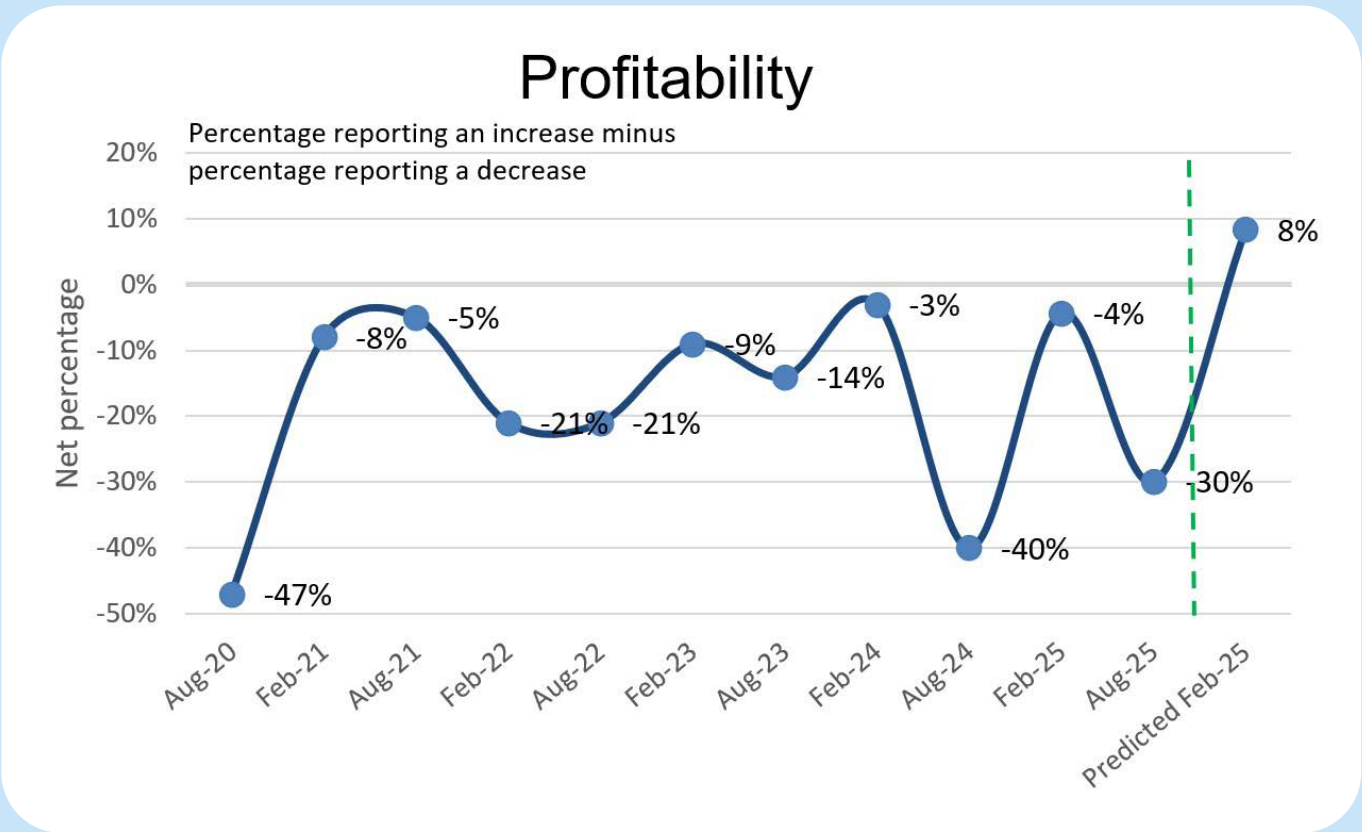


Profitability

Selwyn businesses were asked about how their overall profitability had changed over the past six months and whether they expected profits to change over the next six months.

Weaker demand and rising costs dampened profit margins through winter, with a net 30% of Selwyn businesses reporting smaller profits. With sales anticipated to rise through the summer months, businesses are cautiously optimistic about profit margins beginning to rebuild moving into 2026.

Graph 7 — Profitability



This confidence in an improving profit outlook is also echoed nationally. The July 2025 ANZ Business Outlook reported that nationally a net 17% of businesses expect their profit to increase in the year ahead.

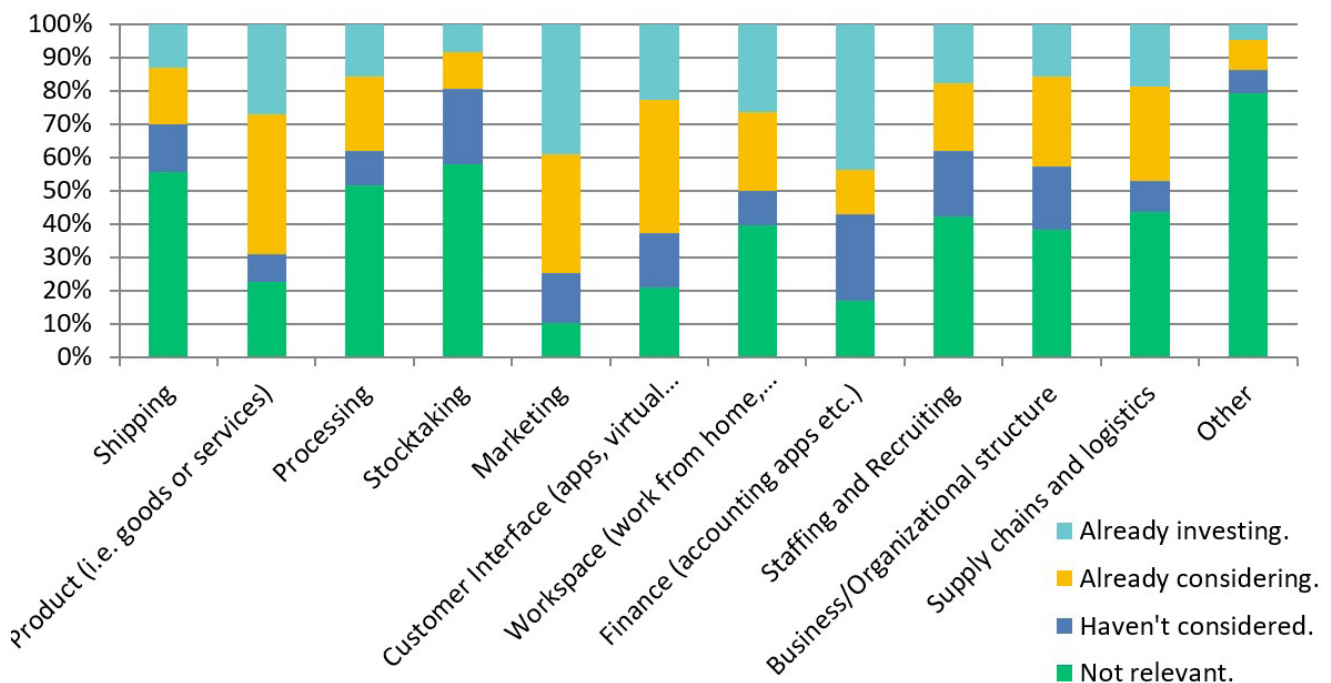
Business innovation

Innovation is vital to economic growth, through its influence on productivity, incomes, living standards and well-being. A definition of innovation is from the Oslo Manual (2018) which defines business innovation as “a new or improved product or business process (or combination thereof) that differs significantly from the firm's previous products or business processes and that has been introduced on the market or brought into use by the firm”. The August 2025 Business Survey asked respondents to consider in what areas of their business they have innovated, are presently innovating or are considering innovating in the future. This supplement by a further question to understand what barriers businesses have faced or continue to face in the undertaking of business innovation.

Nearly all businesses are considering or are already investing in some form of innovation:

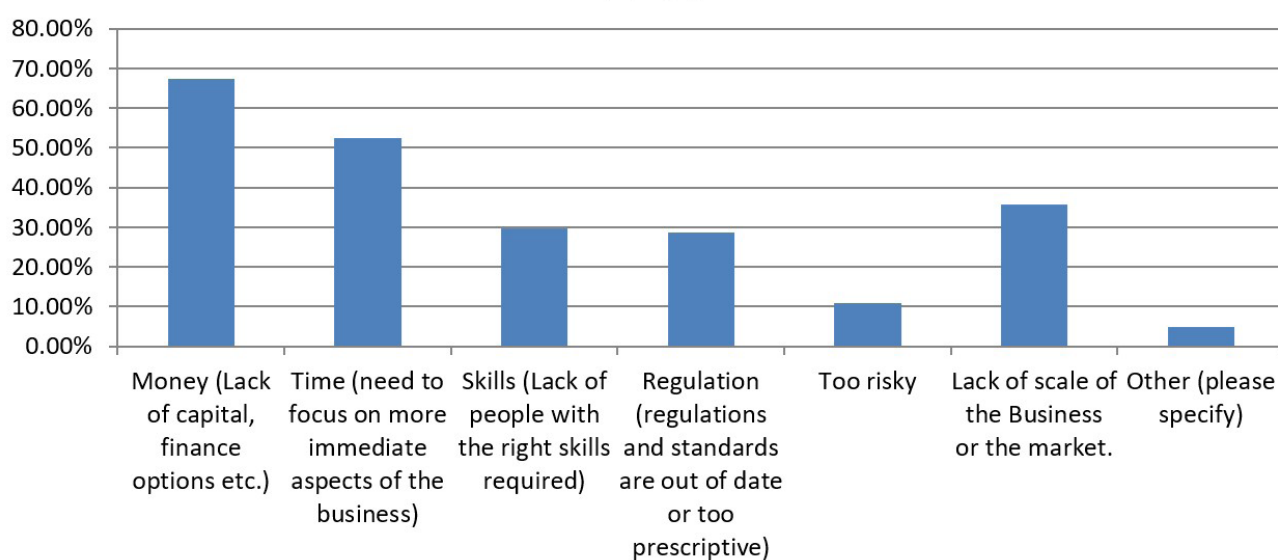
- Marketing was the business area subject to the highest level of innovation with 75% of respondents identifying that they were already were investing in marketing or were considering it. Interestingly this was slightly below the 84% share investing in marketing innovation last time this question was asked 2.5 years ago in February 2023.
- The next highest area was innovation to the business's product, at 69% of responses.
- The area that was most actively being innovated in, as opposed to simply being considered, was finance, likely due to the prevalence of accounting apps such as Xero and various emerging payment systems.
- Businesses were innovating in shipping and stocktaking to a far lesser degree, at 20% and 30% respectively. This may, in part, be due to these areas only being relevant to businesses that offer goods, as opposed to services. Nevertheless, both measures were higher than when the question was last asked 2.5 years ago (13% and 19% respectively).

What areas of your business have you considered innovating?



The largest factor holding back innovation for businesses was money (67% of responses), followed by time (52%). A lack of scale accounted for 36%, closely followed by a lack of skills (30%) and regulation (29%). The potential risk of innovation was only identified by 11% of businesses, suggesting that it is the practicalities that are preventing innovation rather than lack of desire.

What barriers have you experienced in investing in these innovations (select all that apply)?

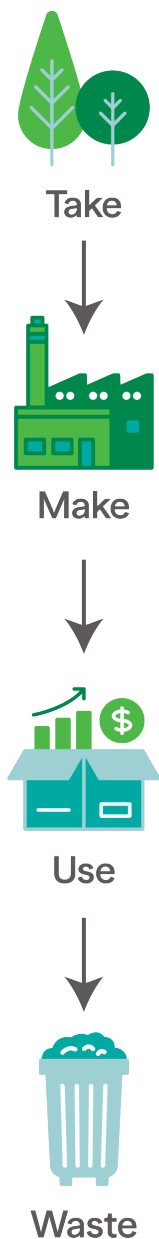


Circular economy

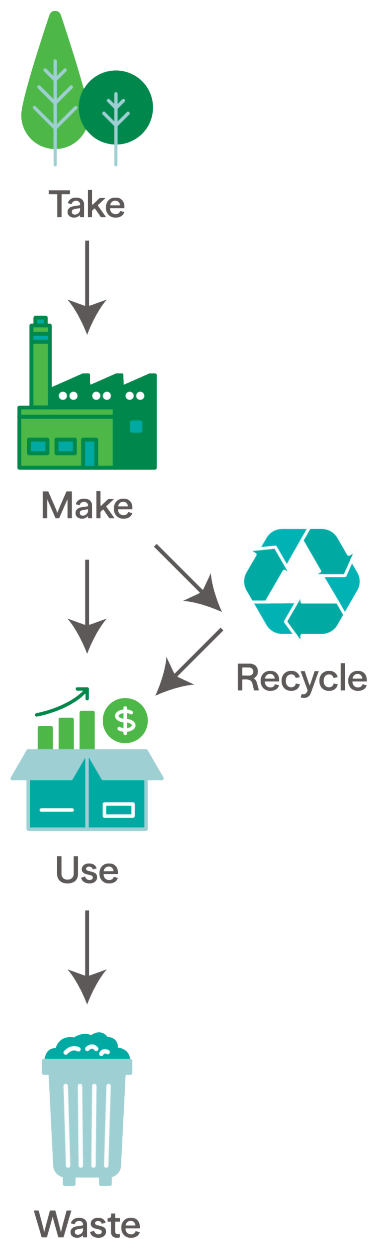
In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting. The circular economy tackles climate change and other global challenges by decoupling economic activity from the consumption of finite resources.

Action related to a circular economy can be taken in all business areas from sourcing materials through to product use and end of life. Some examples of circular business practices include more efficient use of raw materials or greater use of recycled materials as inputs, designing out waste within products and packaging, and incorporating product reuse or container return schemes.

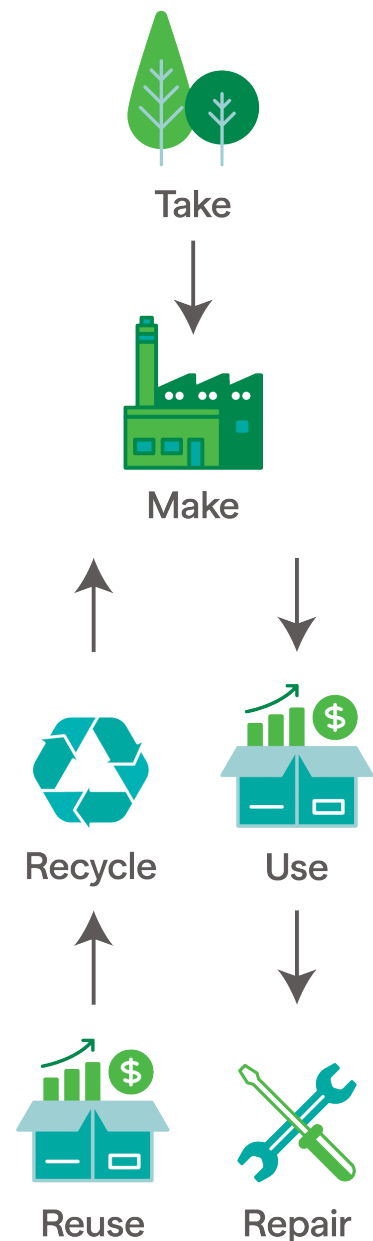
LINEAR ECONOMY



RECYCLING ECONOMY



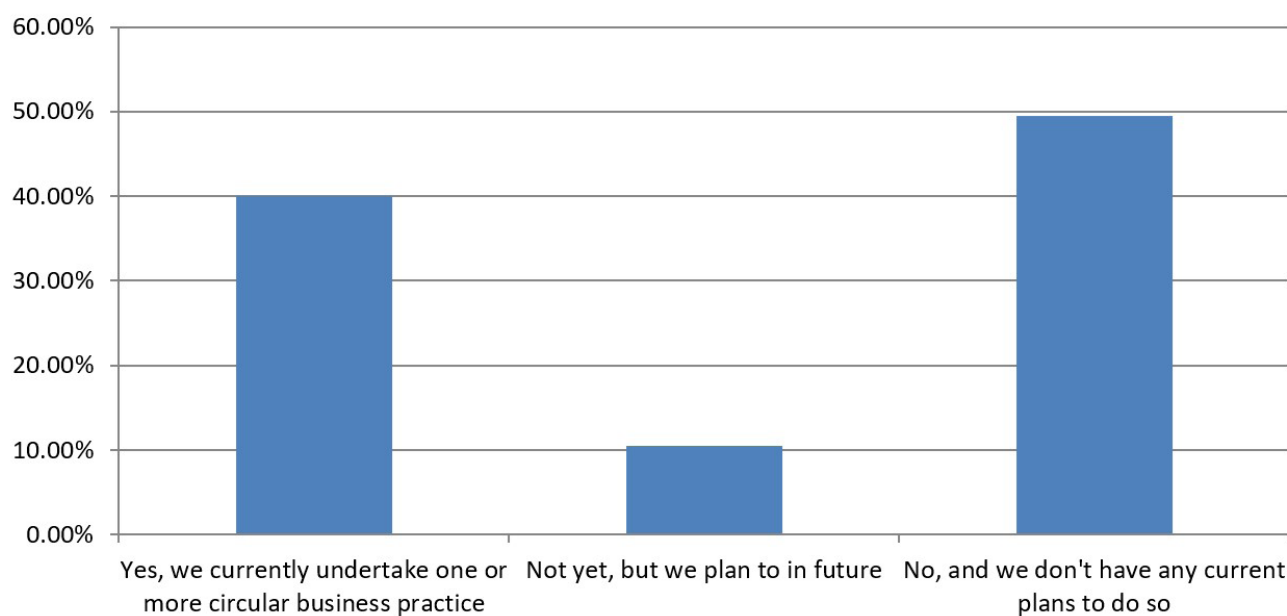
CIRCULAR ECONOMY



In the business survey, we asked “does your business currently undertaken any circular business practices, either within your business or across your supply chain?”:

- About half of businesses (50.5%) either currently undertake one or more circular business practices (40.0%) or don't yet but intend to begin adopting circular business practices in future (10.5%).
- The other half of businesses (49.5%) don't undertake circular business practices and don't intend to.

Does your business currently undertaken any circular business practices?



Many comments related to why businesses do not currently undertake circular business practices were related to:

- Impracticalities of adhering to government regulations
- Industry-specific factors suggesting that what they could access in their supply chain did not allow for circularity
- Businesses not seeing the relevancy of circular practice in terms of what they deliver to customers (e.g. service businesses).





Business comments

Businesses were asked whether they wanted to comment on other areas they expect to be positively or negatively affected over the next six months.

On the downside, comments identified:

- Rising overhead costs, particularly electricity, fuel, rates, and insurance.
- Softer customer spending due to the cost-of-living crisis and limited ability to pass on costs.
- Tight cashflow, limited capital access, and customer payment delays.
- Competitive pressures from online retailers and large corporates.
- Industry-specific constraints (e.g. construction exposed to a boom–bust cycle, while reduced government funding has affected NGOs).
- Regulatory and compliance burdens, including frustration with council fees and planning delays.
- Policy and political uncertainty from three-year political cycles, and changing global economic and trade policies.

On the upside, comments focussed on:

- Ongoing population growth in Selwyn underpinning long-term business demand.
- Easier staff recruitment in some industries, including transport and education.
- Openings for smaller, more agile operators in some industries (especially professional services and creative/media) as some larger competitors have scaled back.
- Expectations that stabilising or lower interest rates could support investment and spending.
- Expansion opportunities in sectors where demand is resilient, such as manufacturing, transport & warehousing, and education/training.

Who Responded to this Survey?

Table 2 — Industry of survey respondents

Industry	Count
Agriculture, Forestry and Fishing	14
Tourism	2
Mining	0
Manufacturing	7
Electricity, Gas, Water and Waste Services	1
Construction	11
Wholesale Trade	3
Retail Trade	10
Accommodation and Food Services	15
Transport, Postal and Warehousing	7
Information Media and Telecommunications	1
Financial and Insurance Services	3
Rental, Hiring and Real Estate Services	2
Professional, Scientific and Technical Services	14
Administrative and Support Services	2
Public Administration and Safety	1
Education and Training	3
Health Care and Social Assistance	7
Arts and Recreation Services	4
Total count	107

Table 3 — Size of survey respondents measured by employee count within business

Number of employees in business	Count
1–5	76
6–9	11
10–19	13
20–49	6
50–99	0
100+	1

Table 4 — Length of time survey respondents' business has been operating

Length of time business has been in operation	Proportion
< 6 months	0.9%
6–11 months	2.8%
1–5 years	27.1%
6–9 years	20.6%
10+ years	48.6%

