SURVEY OF BUSINESS OPERATIONS 2026 SUMMARY REPORT

Business Operations and Innovation

26 November 2026

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Stats NZ
Tatauranga Aotearoa

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1. BACKGROUND, OBJECTIVES, METHODOLOGY & SAMPLE



Background

The **Survey of Business Operations (SOBO) 2026** is a national survey of NZ businesses, conducted to **provide a one-off, policy-relevant evidence base on business operations and performance.**

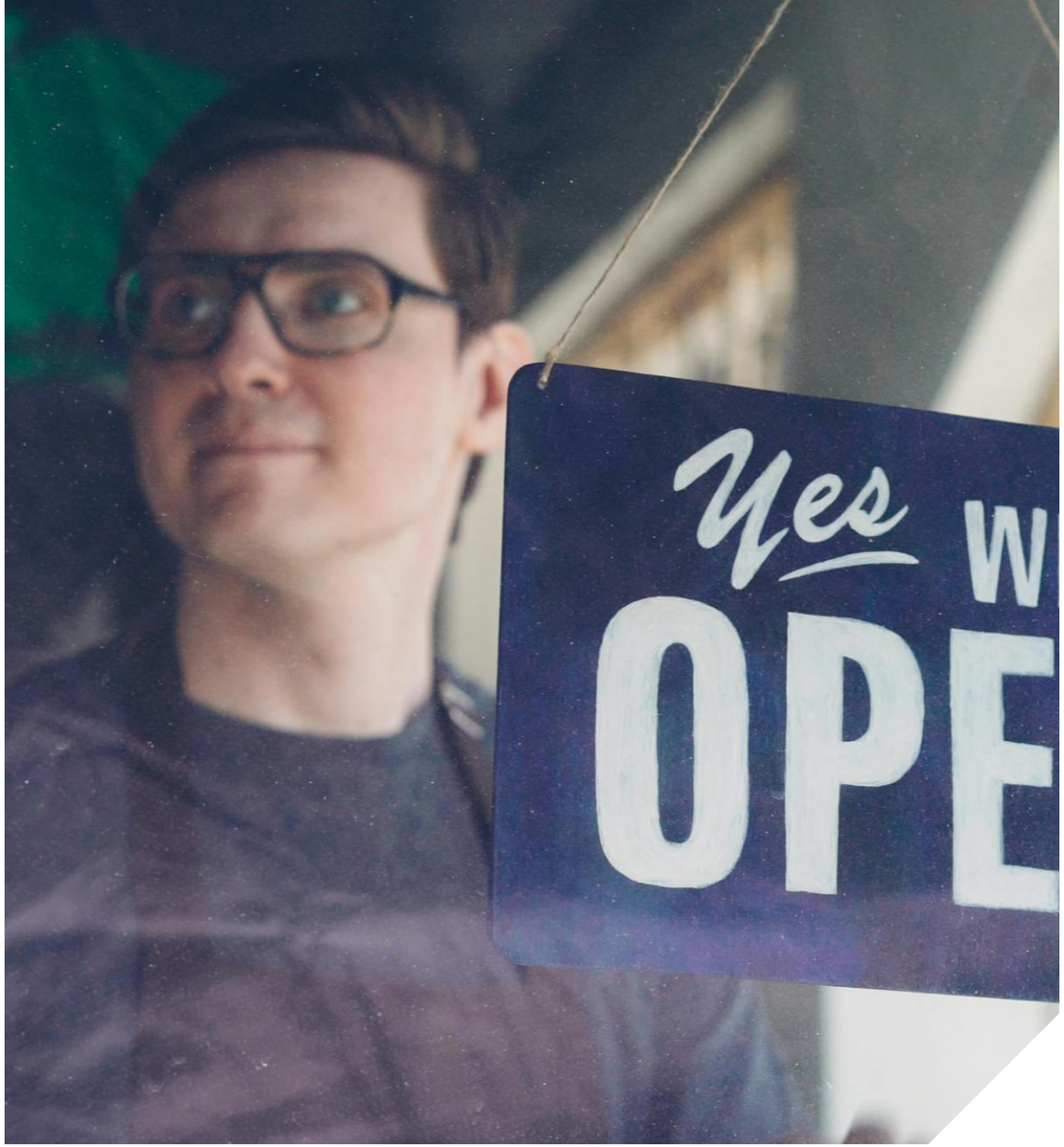
Ipsos is running this survey on behalf of the Ministry of Business, Innovation and Employment (MBIE) and Stats NZ.

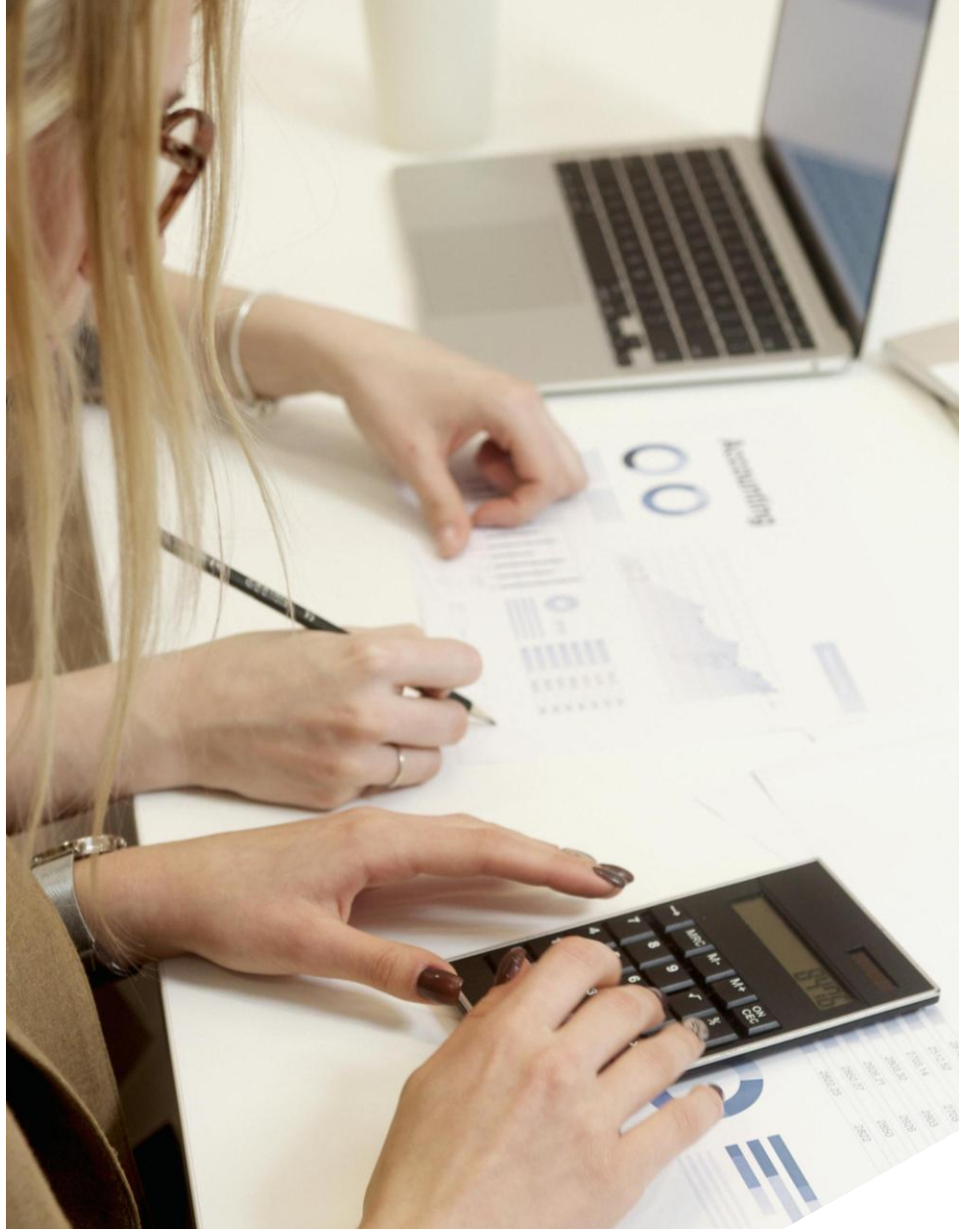
This summary report highlights key findings across

- **Module A: Business Operations**
- **Module B: Innovation**
- **Module C: Current Business Practices (one question)**

SOBO 2026 attempts to maintain continuity with the former Business Operations Survey (BOS) by retaining selected questions from previous BOS Modules A (Business Operations) and B (Innovation), while also introducing new questions to address identified data gaps.

Visit the MBIE website for more SOBO 2026 data and information.





Objectives

SOBO 2026 aims to:

1. Maintain continuity and comparability with BOS by fielding core and selected questions from BOS modules A (Business Operations) and B (Innovation)
2. Introduce new questions designed to address identified data gaps
3. Ensure international comparability by including items from established surveys, specifically for the Artificial Intelligence (AI) questions (SOBO module D)
4. Complement results with targeted qualitative follow-ups to provide greater contextual depth on priority topics, specifically for AI (SOBO module D)

This Summary Report aims to:

1. Provide a topline overview of key findings across the Business Operations, Innovation, and Current Business Practices modules of the survey
2. Focus on a selection of questions prioritised by MBIE and its policy teams to inform their work and provide actionable insights
3. Highlight significant differences through call-out boxes across key business groups (industry, business size, region, and AI adoption status)

These objectives were designed in collaboration with MBIE, taking into account the needs of different stakeholders.

Methodology & sample:
Quantitative survey

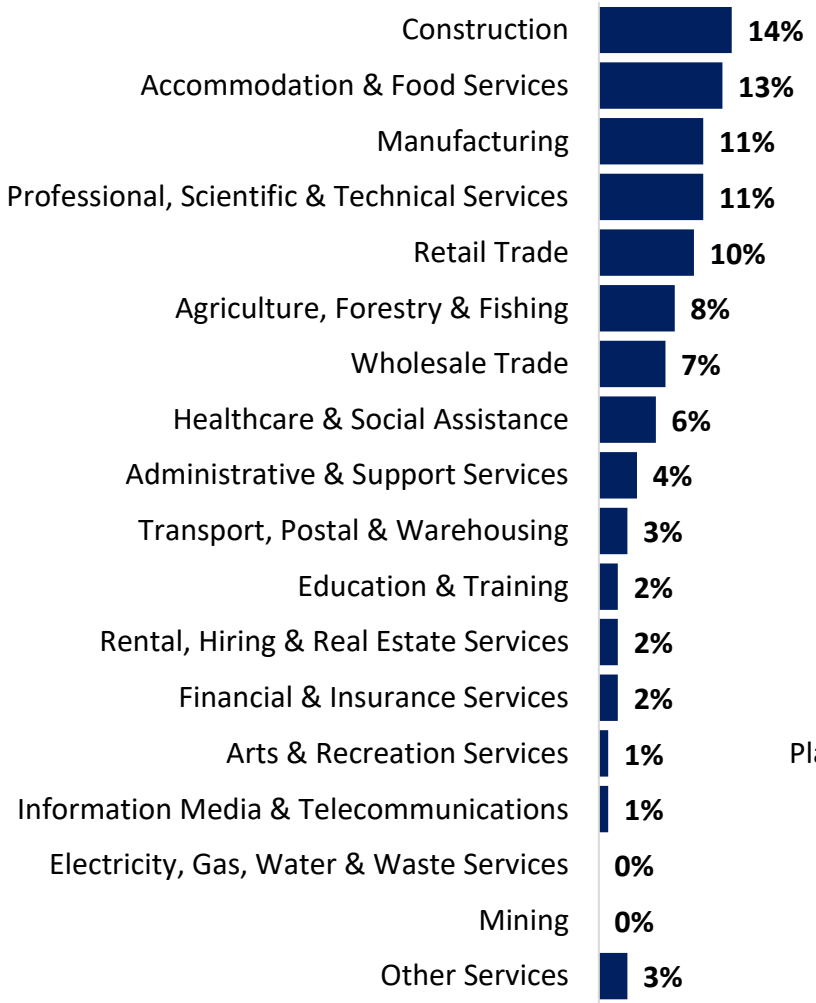
- The survey was distributed to a representative sample of 19,990 businesses with 6 or more employees, drawn from the Stats NZ Business Register. Industry and business size were used as primary sampling strata.
- The survey was conducted online during 8 June–26 July 2026. For businesses without a recorded email address, an invitation containing a QR code was sent by post. Selected businesses received an initial invitation and up to two reminders.
- To support response rates and maintain sample representativeness, targeted telephone follow-up calls were carried out with selected non-responding businesses and partial completes.
- Respondents were asked to answer most questions with reference to the 2024–25 financial year, while innovation questions covered the 2023–24 and 2024–25 financial years, where applicable.
- Completed surveys were received from 9,900 NZ businesses – an approximate 49% response rate.
- The median time taken to complete Module A (Business Operations) was 15 minutes and Module B (Innovation) was 6 minutes.
- Data was quality checked, cleaned, and weighted to ensure the results were representative of NZ businesses by industry and business size.



SOBO 2026 demographics from weighted completed responses

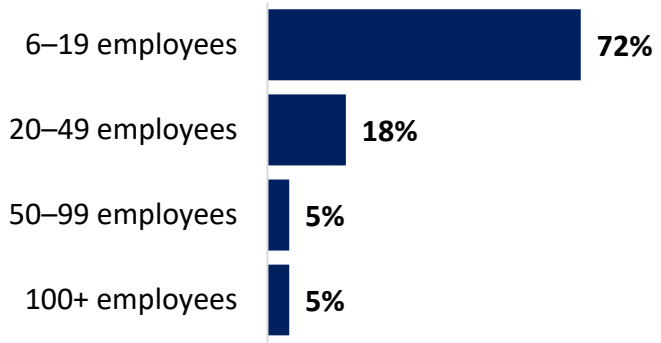


Industry



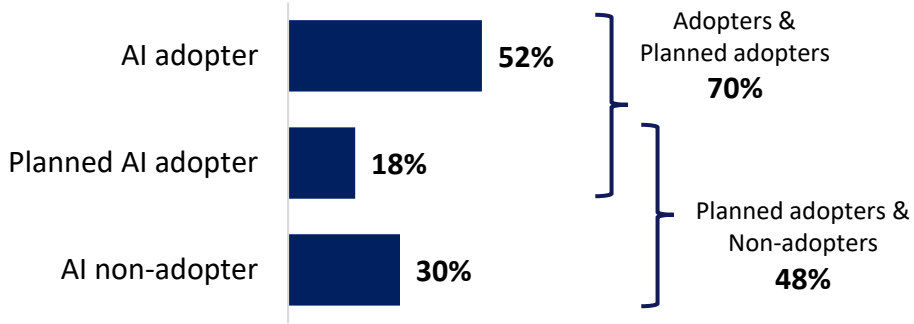


Business size



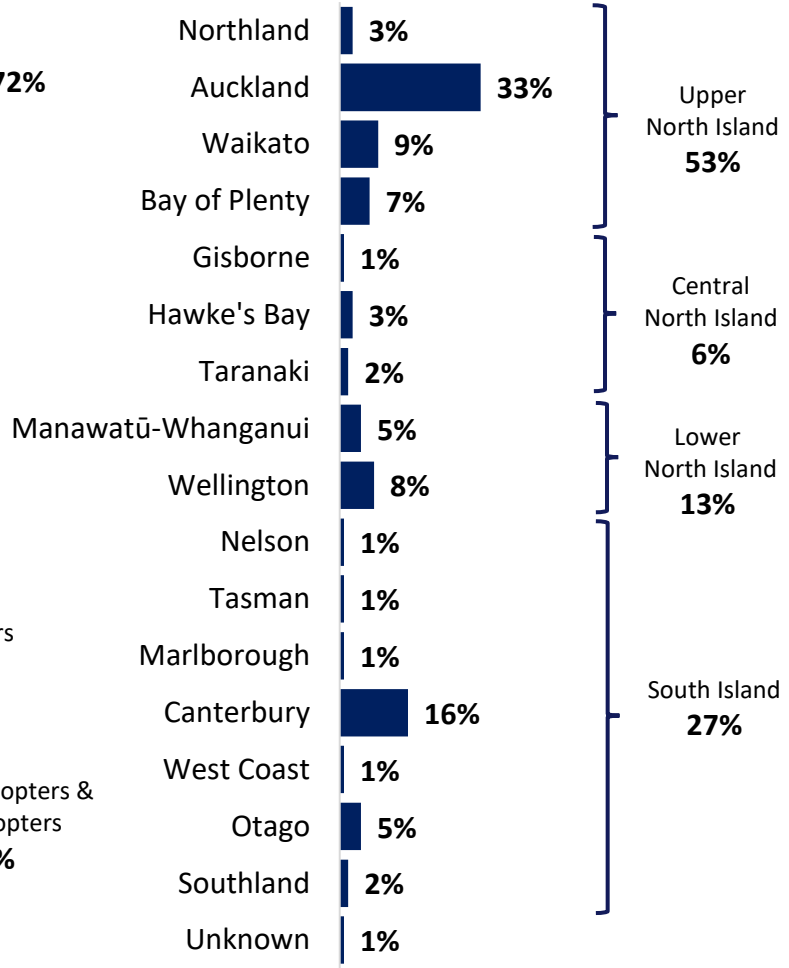


AI adoption status





Headquarters region



Base: *Weighted completed responses, representing an estimated population of 46,960 businesses*

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Interpretation and methodological notes (1)

This summary report presents the headline findings from SOBO 2026 Modules A (Business Operations), B (Innovation), and C (Current Business Practices).

Base sizes

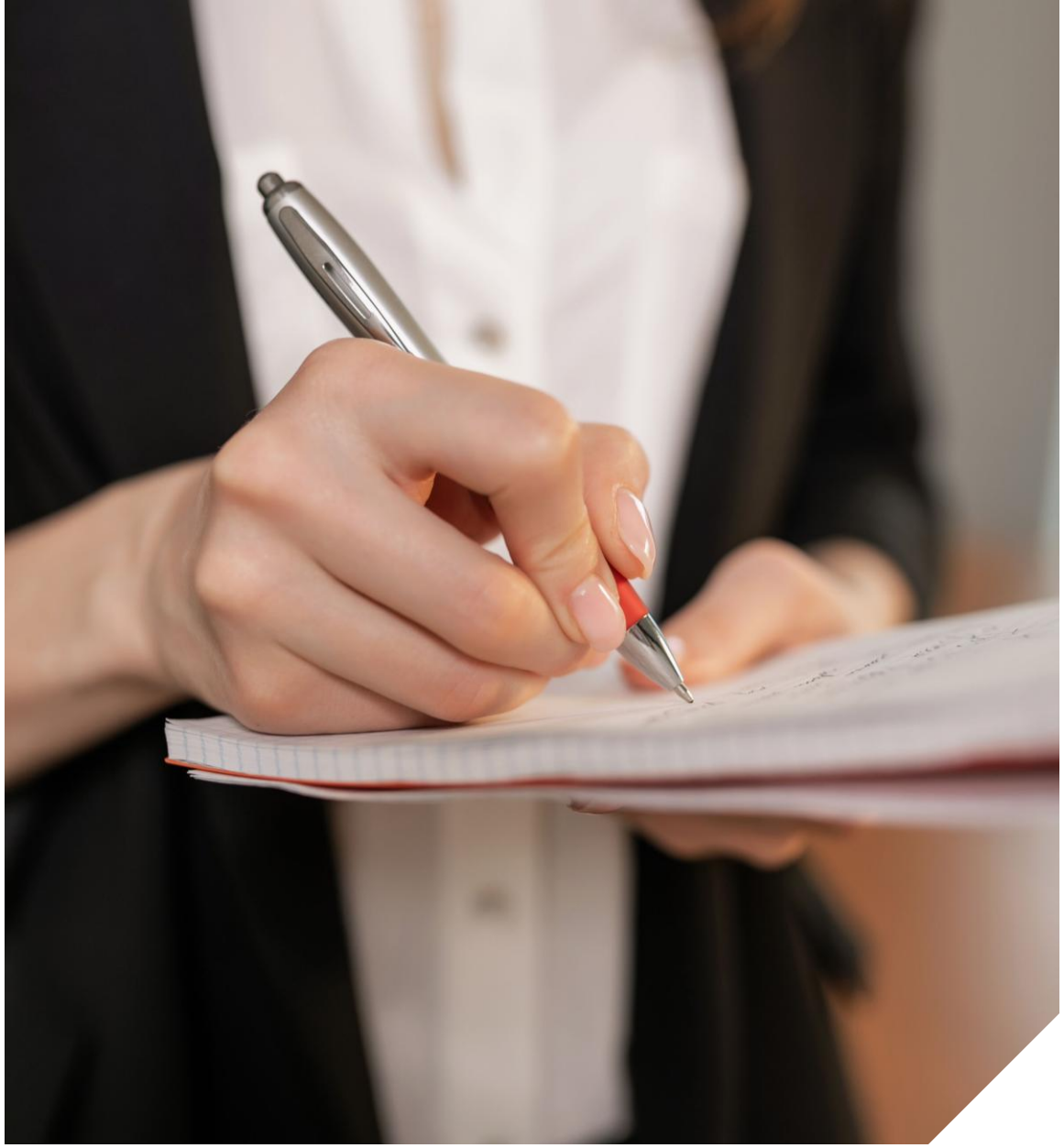
Where a question was asked of all businesses, no base is shown. Where results are based on a subset of businesses, the relevant subgroup and number of respondents are shown at the bottom of the slide.

Demographic differences

Green/**red** indicates a result that is statistically significantly **higher**/**lower** (at the 95% level) compared to the total.

Rounding

Percentages may not always sum to 100% due to rounding. Weighted and unweighted counts have also been rounded to the nearest 10.



Interpretation and methodological notes (2)

Use of Artificial Intelligence

Ipsos utilises only secure, enterprise-grade AI tools to support research activities; it does not use publicly available AI tools. All project information and data processed through these tools remain within Ipsos's secure Microsoft 365 tenant and are not used to train AI models.

Within this project, AI was used to support the transcription of qualitative interviews and focus groups, as well as the analysis and synthesis of research findings.

Ipsos follows a human-in-the-loop approach, with all AI-assisted outputs reviewed by researchers to ensure accuracy, quality, and alignment with Ipsos's research expertise and shared understanding of the findings. This report was reviewed and approved in accordance with Ipsos's standard quality assurance processes.



2. KEY INSIGHTS



Business operations

Businesses are more likely to seek debt finance than equity finance: 23% – debt finance, 5% – equity finance.

Businesses invest in expansion activities: 26% reported investing in expansion.

Businesses experience recruitment challenges, particularly for skilled and trade occupations: 78% of businesses with tradesperson vacancies reported some difficulty filling them with suitable applicants.

Businesses report workforce skill gaps for a range of reasons: 53% reported staff skill gaps, most commonly due to *staff turnover* (44%) and *recruitment difficulties* (40%).

Businesses are responding to workforce pressures by investing in existing staff: *Increasing wages* (64%), *training* (62%), and *increasing staff hours* (48%) were the most common actions.





Innovation

Product innovation is less common than process innovation: 13% introduced a new or significantly improved good or service.

Process innovation is more widespread: Around one quarter implemented new or improved *internal procedures* (28%) or *work organisation processes* (26%).

Innovation is largely driven by internal and business network sources: *Existing staff* (45%), *customers* (35%), and *suppliers* (34%) were the most important sources of innovation ideas.

Businesses collaborate to support innovation: 7% participated in co-operative arrangements for innovation activities.

Capability and resource pressures are key barriers to innovation: *Lack of management resources* (55%), *innovation costs* (52%), and *difficulty accessing appropriate personnel* (47%) were the most commonly reported barriers.

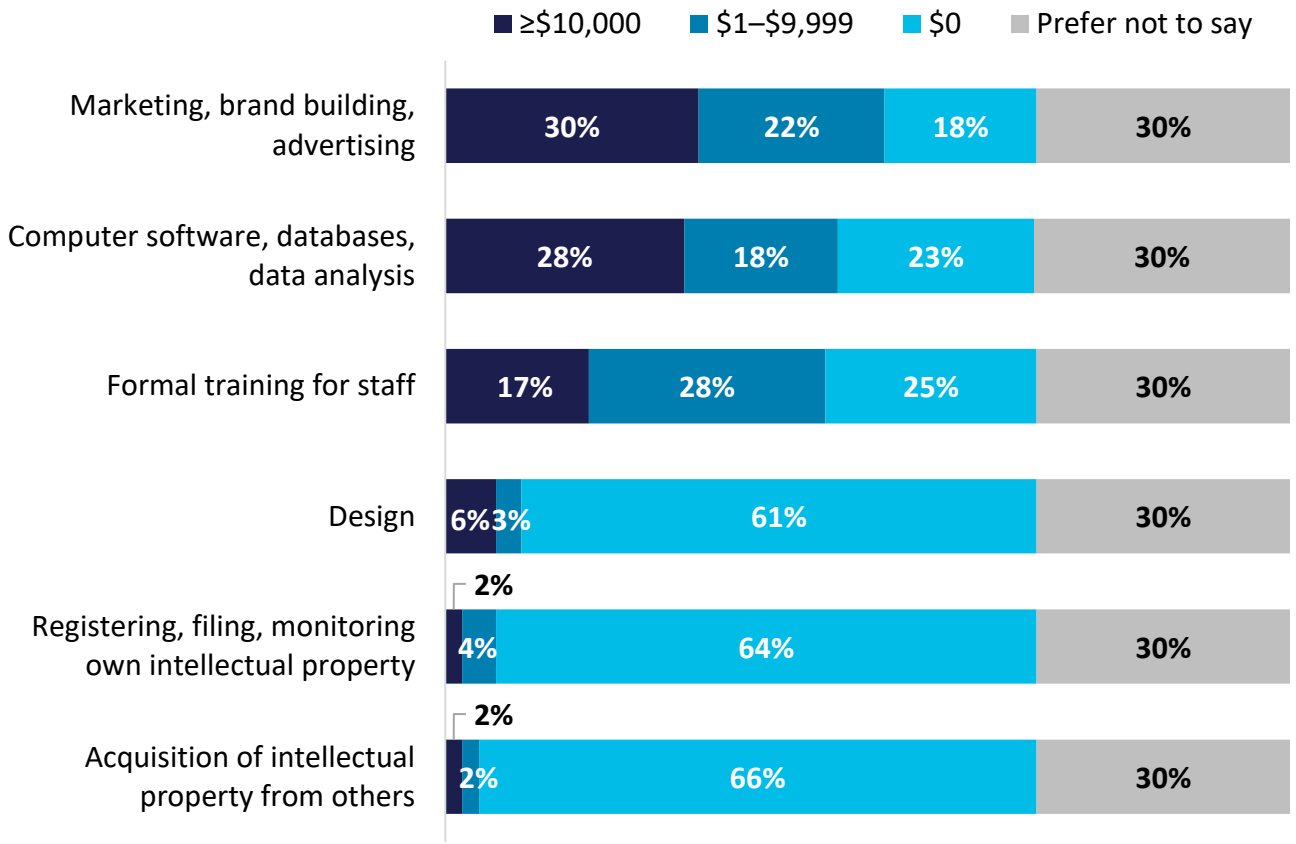
3. BUSINESS OPERATIONS



Business investment & expenditure

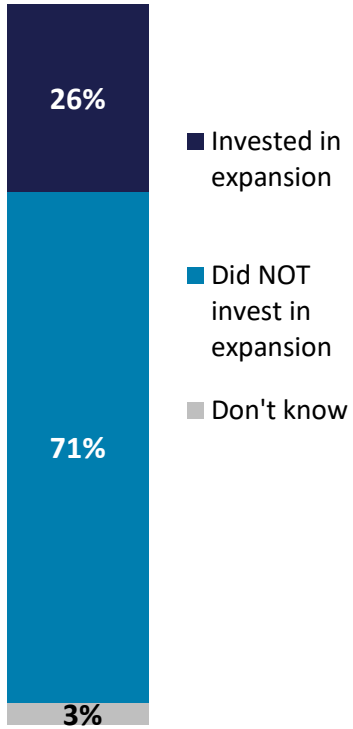
Marketing, brand building and advertising; computer software, databases and data analysis; and formal staff training attracted the highest levels of business expenditure in 2024–25. By contrast, spending on intellectual property was generally minimal; 26% of businesses invested in expansion, with larger businesses and AI adopters more likely to do so than other businesses.

Amount spent on business needs in 2024–25 financial year



Business investment in expansion during the 2024–25 financial year

Includes purchase of one or more businesses or assets, development, or introduction of new or significantly improved products, services, or processes, and entry into new markets. Does not include increases in turnover for existing business or ongoing operational expenses.



Those **significantly more likely** to have **invested in expansion**

- *Large & Medium Businesses – 100+ (41%), 50–99 (35%), 20–49 employees (31%)*
- *Mining* (55%), Electricity, Gas, Water & Waste Services (47%), Transport, Postal & Warehousing (35%), Manufacturing (34%), Agriculture, Forestry & Fishing (33%), Construction (30%)*
- *South Island (29%)*
- *AI Adopters (30%)*

Those **significantly less likely** to have **invested in expansion**

- *Small Businesses – 6–19 employees (23%)*
- *Healthcare & Social Assistance (22%), Retail Trade (22%), Administrative & Support Services (20%), Accommodation & Food Services (14%), Education & Training (14%)*
- *AI Non-Adopters (20%)*

green/red is statistically significantly higher/lower than the total

***BOps11:** For the 2024–25 financial year, how much did this business spend on each of the following (including in-house costs)? / **BOps12:** For the 2024–25 financial year, did this business invest in its expansion?*

***Warning:** Low (n<100) base size, indicative result only.*

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Accessing debt & equity finance

Most businesses (70%) did not seek new or additional debt or equity finance in the 2024–25 financial year. When finance was sought, they were considerably more likely to apply for debt finance (23%) than equity finance (5%). Medium and large businesses were among those most likely to seek debt finance. Access to finance was generally favourable, with most applicants reporting that debt (88%) and equity (83%) finance was available on acceptable terms.

Requests for new/additional debt/equity finance in 2024–25 financial year



Debt financing: 23%

Equity financing: 5%

In 2024–25, debt finance was…

88%	Available on acceptable terms
8%	Available, but not on acceptable terms
4%	Not available
2%	Don't know

In 2024–25, equity finance was…

83%	Available on acceptable terms
9%	Available, but not on acceptable terms
5%	Not available
5%	Don't know

Those **significantly more likely** to have requested **debt financing**

- *Medium & Large Businesses – 20–49 (27%), 50–99 (27%), 100+ employees (26%)*
- *Electricity, Gas, Water & Waste Services (38%), Transport, Postal & Warehousing (31%), Rental, Hiring & Real Estate Services (31%), Agriculture, Forestry & Fishing (30%), Construction (29%), Retail Trade (28%)*
- *AI Adopters (26%)*

Those **significantly more likely** to have requested **equity financing**

- *Medium Businesses – 20–49 employees (6%)*
- *Electricity, Gas, Water & Waste Services (12%), Construction (6%)*
- *Lower North Island (6%)*
- *AI Adopters (5%)*

green/red is statistically significantly higher/lower than the total

***BOps30:** In the 2024–25 financial year, did this business request any new or additional debt or equity finance?*

***BOps31:** When requesting new or additional **debt** finance in the 2024–25 financial year, were funds…? **Base:** Those who requested debt financing (n=2,410)*

***BOps32:** When requesting new or additional **equity** finance in the 2024–25 financial year, were funds….? **Base:** Those who requested equity financing (n=490)*

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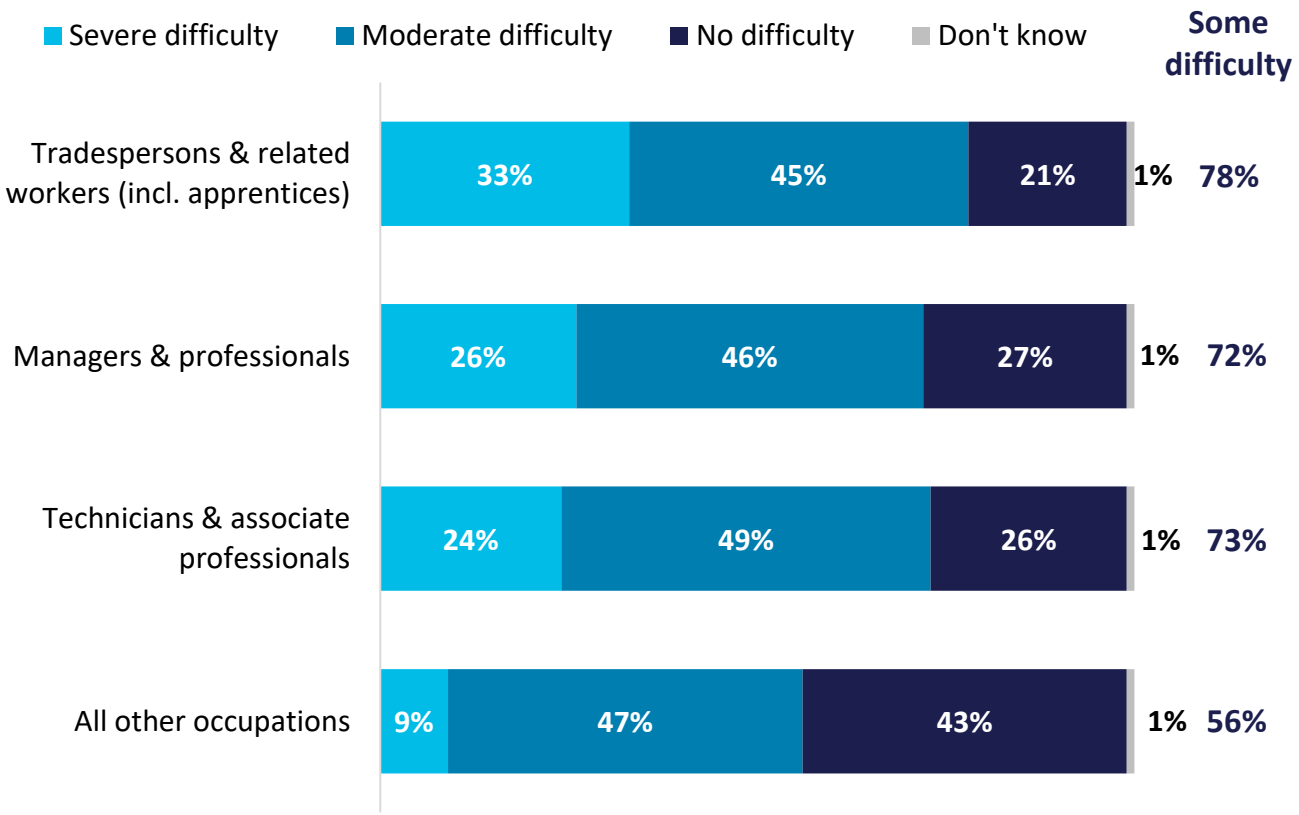
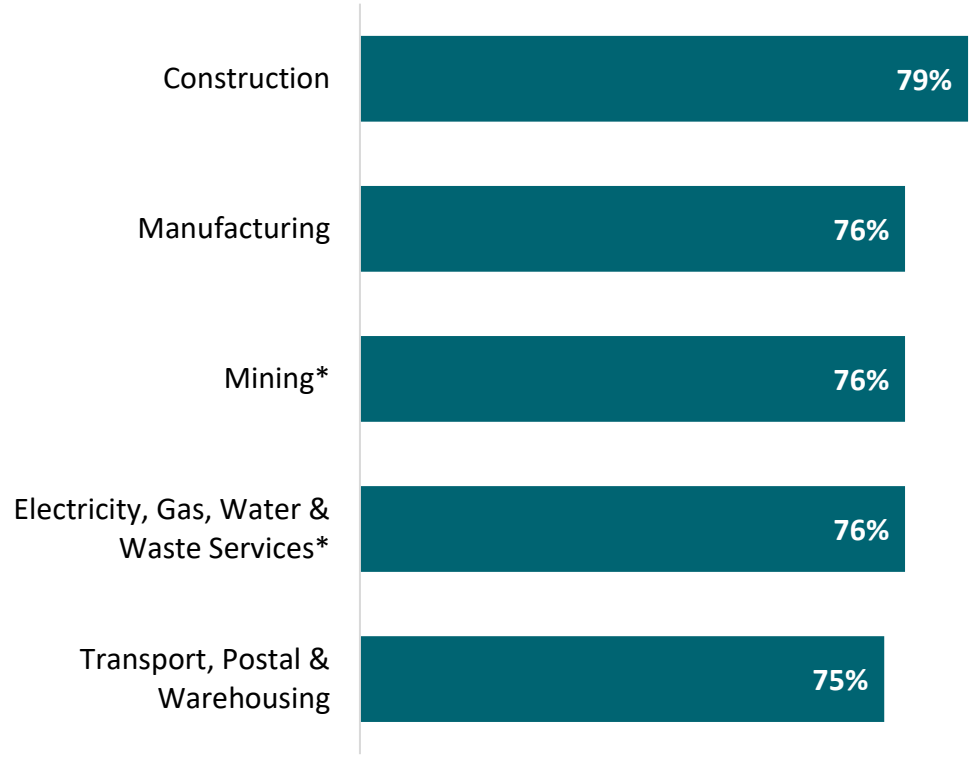
Recruitment challenges

Recruitment challenges were common among businesses with vacancies. Tradespersons and related workers were the most difficult positions to fill, with 78% of businesses reporting ‘some’ difficulty and 33% reporting ‘severe’ difficulty. At an industry level, recruitment difficulties were particularly evident in industries with a strong reliance on trade, technical and operational occupations.

Level of difficulty filling vacancies with suitable candidates



Top-5 industries experiencing some difficulty filling vacancies



BOps20: *In the 2024–25 financial year, to what extent did this business experience difficulty filling the vacancies mentioned with suitable applicants?*

Base: *Those who had vacancies for:* Tradespersons and related workers *(n=2,070),* Managers and professionals *(n=2,350),* Technicians and associate professionals *(n=1,830), All* other occupations *(n=3,290) /* Any position type *(n=5,810).* ****Warning:*** *Low (n<100) base size, indicative result only – Electricity, Gas, Water and Waste Services (n=80), Mining (n=40)*

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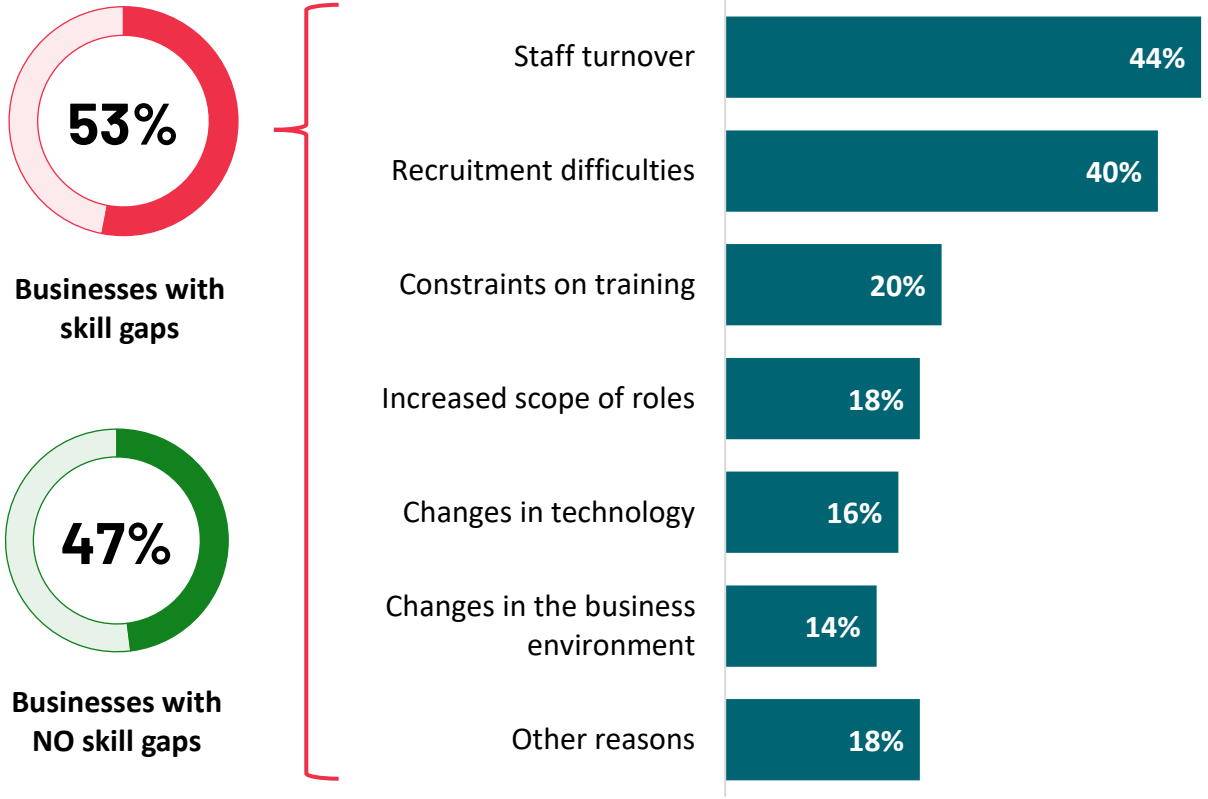
Drivers behind workforce skill gaps

More than half (53%) of businesses reported that some staff did not have all the skills required to do their jobs. Staff turnover (44%) and recruitment difficulties (40%) were the most commonly reported reasons. Staff turnover was also the leading reason in accommodation and food services, arts and recreation services, and retail trade – the three industries with the highest prevalence of skill gaps.



Top reasons for skill gaps in the 3 industries with the highest prevalence of skill gaps

Accommodation & Food Services

58%	Staff turnover
48%	Recruitment difficulties
19%	Constraints on training

Arts & Recreation Services

47%	Staff turnover
30%	Recruitment difficulties
19%	Constraints on training

Retail Trade

45%	Staff turnover
39%	Recruitment difficulties
18%	Changes in technology

BOps21: *In the 2024–25 financial year, what were the main reasons some of this business's staff did not have all the skills required to do their jobs?*

Base: *Those who reported skill gaps (n=5,620)*

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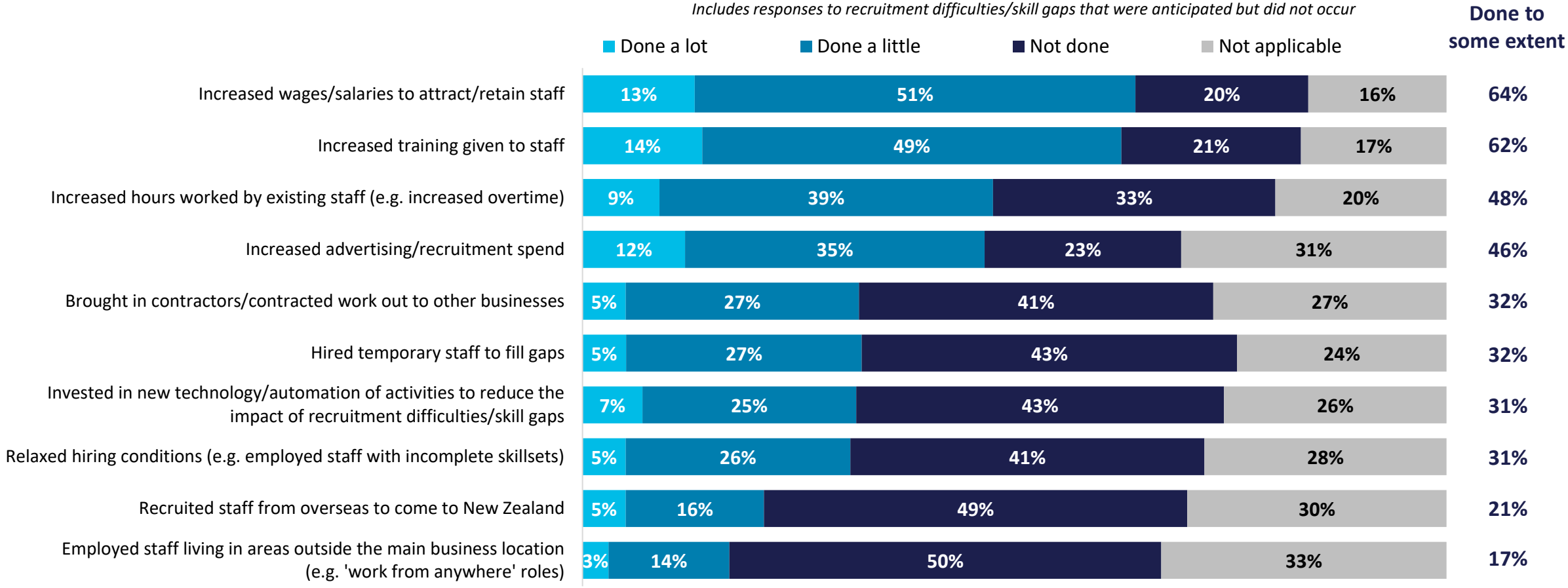
Action taken to address recruitment challenges & skill gaps

Businesses were more likely to respond to workforce pressures by investing in their existing workforce than by broadening recruitment efforts. Increasing wages to retain staff (64%), increasing staff training (62%) and increasing staff hours (48%) were among the most common strategies. Businesses also broadened their recruitment approaches, with 46% increasing their recruitment budget, 21% recruiting staff from overseas to come to New Zealand and 17% employing staff living outside the main business location.

Actions in response to recruitment difficulties/skill gaps

Includes responses to recruitment difficulties/skill gaps that were anticipated but did not occur



BOps22: *In the 2024–25 financial year, to what extent did this business do the following in response to recruitment difficulties or skill gaps?*

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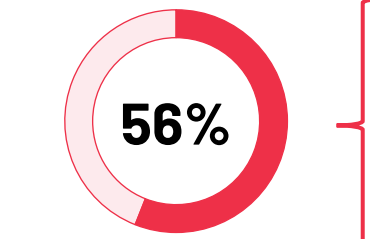
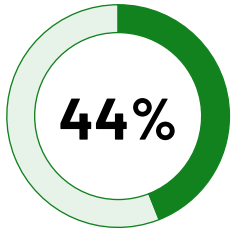
Negative effects of recruitment challenges & skill gaps

More than half (56%) of businesses facing recruitment difficulties or staff skill gaps experienced negative impacts. Increased stress on staff was most commonly reported (68%), followed by increased costs (46%) and reduced productivity (40%). The impact was felt most strongly by larger businesses and AI adopters. While increased staff stress was more common in some service industries, productivity impacts were more likely to be reported by businesses in manufacturing, and agriculture, forestry and fishing.



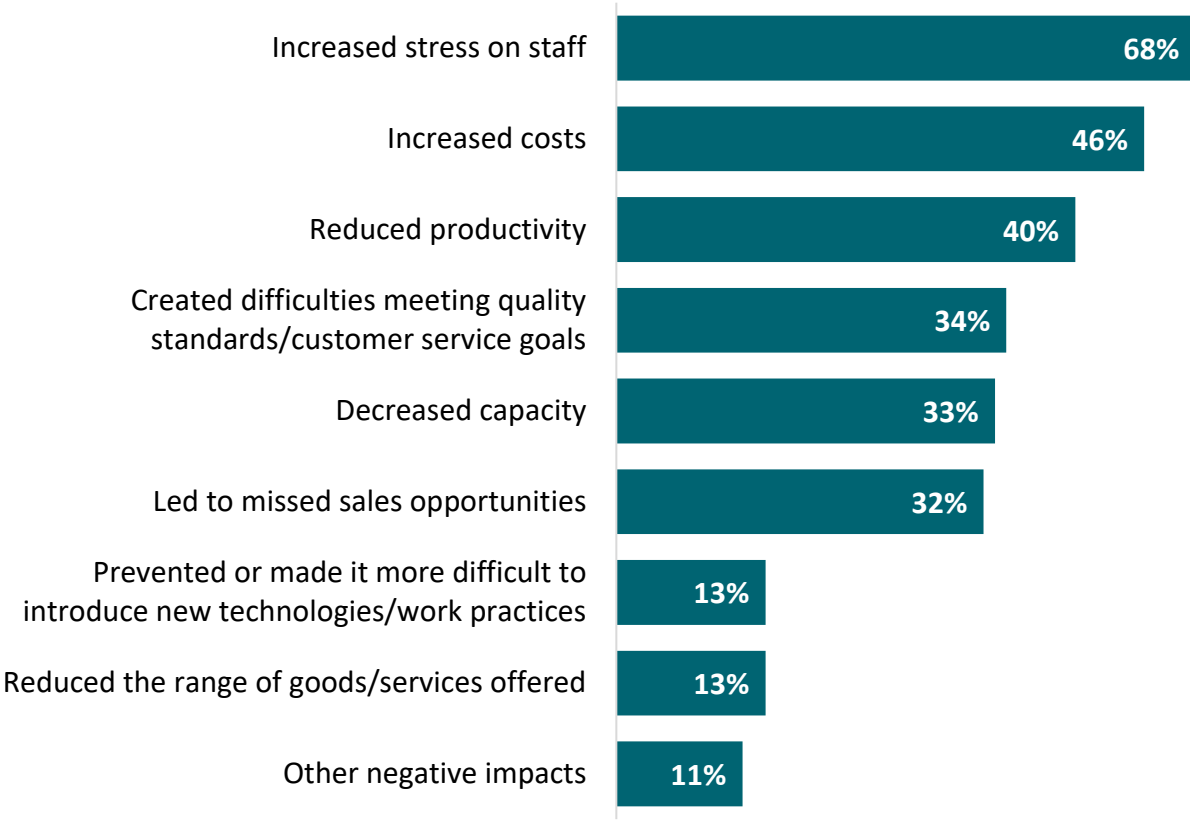
Had negative effects



Had NO negative effects

Negative effects of recruitment difficulties/skill gaps on business

Of those who reported that recruitment difficulties/skill gaps affected the business



Those **significantly more likely** to **state that recruitment difficulties/skill gaps** led to…

Increased stress on staff

- *Large & Medium Businesses – 50–99 (74%), 100+ (73%), 20–49 employees (72%)*
- *Healthcare & Social Assistance (80%), Education & Training (78%)*
- *South Island (72%)*
- *AI Adopters (71%)*

Increased costs

- *Large Businesses – 100+ employees (51%)*
- *Accommodation & Food Services (62%)*

Reduced productivity

- *Manufacturing (52%), Agriculture, Forestry & Fishing (47%)*
- *Central North Island (49%), Lower North Island (44%)*

green/red is statistically significantly higher/lower than the total

BOps23: *In the 2024–25 financial year, did recruitment difficulties or skill gaps affect this business in any of the following ways?*

Base: *Those who reported negative effects of recruitment difficulties or skill gaps (n=5,790)*

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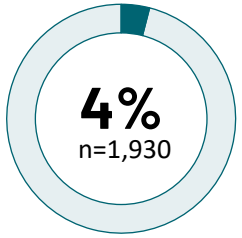
4. INNOVATION



Participation in emerging sectors

4% of NZ businesses identified as belonging to at least one emerging sector. Agritech (2%) and medtech (1%) account for the largest shares, while participation in other emerging sectors remains below 1%. Businesses operating in emerging sectors are more likely to be larger, AI adopters and based in the Central North Island.

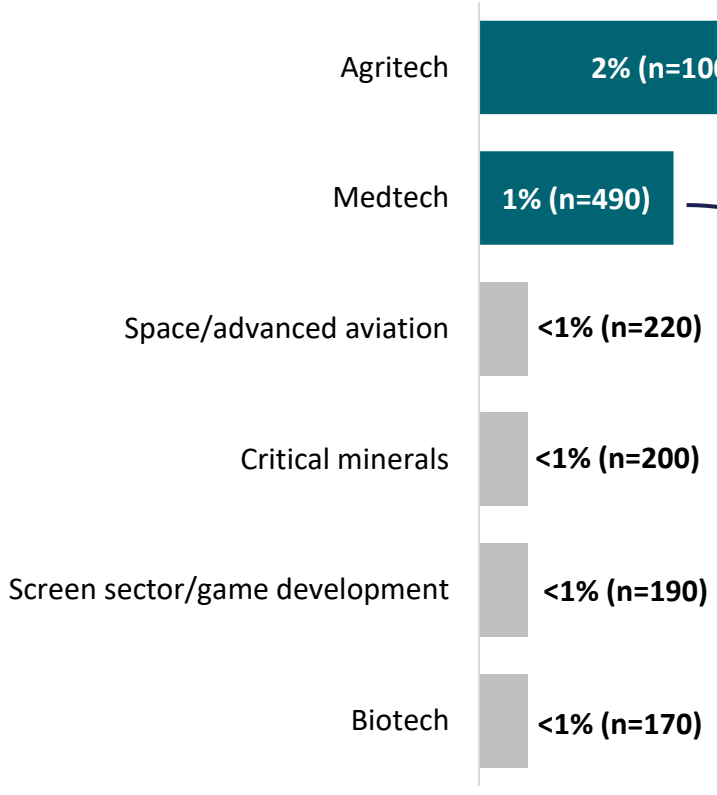


of NZ businesses belong to one of the emerging sectors

Those **significantly more likely** to **belong to an emerging sector**

- *Large & Medium Businesses – 100+ **(6%)**, 50–99 employees **(5%)***
- *Central North Island **(6%)***
- *AI Adopters **(5%)***

Proportion of businesses in each emerging sector



Of the Agritech businesses…

- ***68%** are small (6–19 employees)*
  ***26%** are medium (20–49 & 50–99 employees)*
  ***6%** are large (100+ employees)*
- ***58%** are AI adopters*
- *3 largest industries are: Agriculture, Forestry & Fishing **(36%)**, Manufacturing **(21%)**, Wholesale Trade **(15%)***

Of the Medtech businesses…

- ***64%** are small (6–19 employees)*
  ***28%** are medium (20–49 & 50–99 employees)*
  ***7%** are large (100+ employees)*
- ***77%** are AI adopters*
- *3 largest industries are: Healthcare & Social Assistance **(36%)**, Professional, Scientific & Technical Services **(18%)**, Manufacturing **(17%)***

green/red is statistically significantly higher/lower than the total

***CBP1:** Does this business belong to any of the following sectors? Please select all that apply.*

***Note:** n values are weighted estimates and represent the estimated number of NZ businesses in each emerging sector.*

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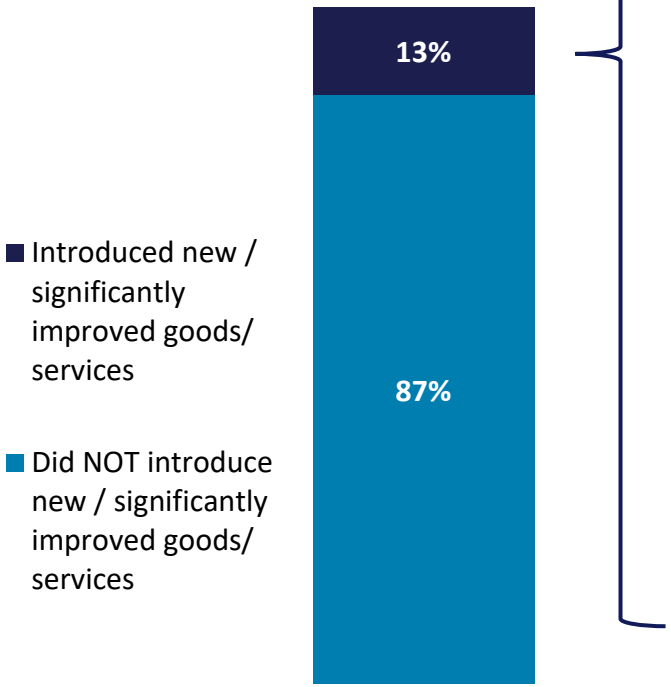
New or significantly improved goods & services

Some 13% of businesses introduced a new or significantly improved good or service during the last two financial years. For most of these businesses, the commercial impact was modest: 53% generated 10% or less of sales from new offerings and a further 27% generated 11%–30%.

Introduction of new/significantly improved goods or services

***Does not** include the selling of new goods/services wholly developed & produced by other businesses.*



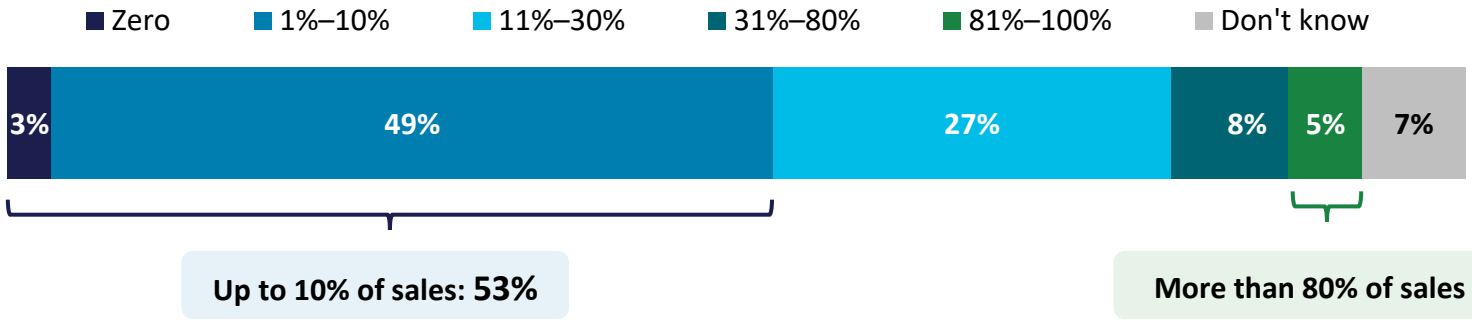
Industries most likely to introduce new or significantly improved goods/services







Percentage of sales from new or significantly improved goods/services



***Inv1:** In the financial years 2023–24 and 2024–25, did this business introduce onto the market any new or significantly improved goods or services? / **Inv4:** For the 2024–25 financial year, please estimate the percentage of sales for this business that came from those new or significantly improved goods or services.*

***Base:** Those who introduced goods or services that were new to New Zealand or the world (n=790)*

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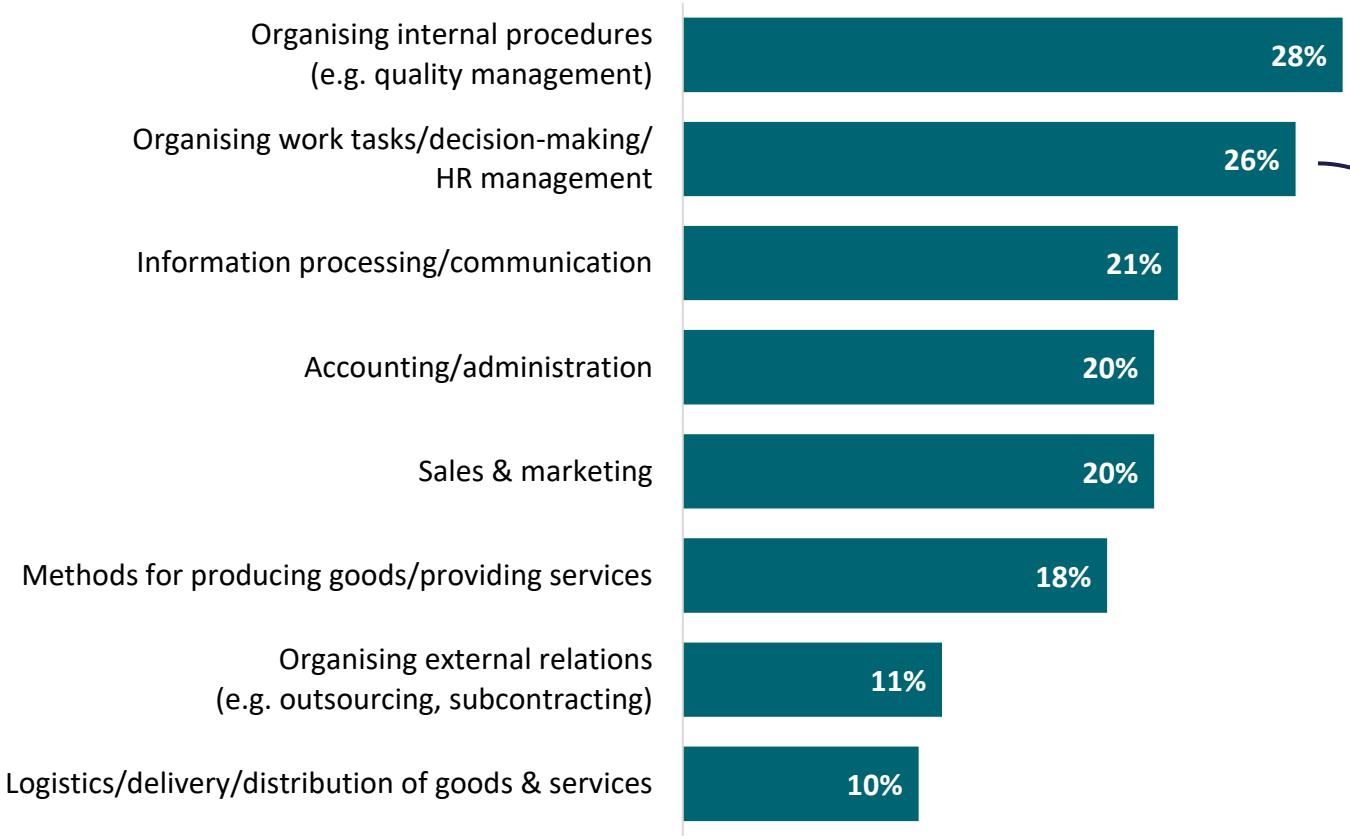
Process innovation & adoption

Process innovation was relatively widespread, with around one quarter of businesses implementing new or significantly improved processes related to internal procedures (28%) and the organisation of work tasks, decision-making, or human resource management (26%). Larger businesses and AI adopters were among those most likely to implement these types of process innovations.

New/significantly improved processes implemented



Those **significantly more likely** to have **implemented new/significantly improved processes** for…

Organising internal procedures

- *Large & Medium Businesses – 100+ (34%), 20–49 (32%), 50–99 employees (31%)*
- *Arts & Recreation Services (39%), Financial & Insurance Services (34%), Education & Training (33%), Manufacturing (32%), Construction (32%)*
- *AI Adopters (34%)*

Organising work tasks, decision-making, HR management

- *Large & Medium Businesses – 100+ (31%), 50–99 (30%), 20–49 employees (30%)*
- *Administrative & Support Services (34%), Arts & Recreation Services (34%), Construction (30%), Professional, Scientific & Technical Services (29%)*
- *Lower North Island (29%)*
- *AI Adopters (32%)*

green/red is statistically significantly higher/lower than the total

***Inv5:** In the financial years 2023–24 and 2024–25, did this business implement any new or significantly improved processes in the following areas?*

***Note:** Only 'Yes' responses are displayed.*

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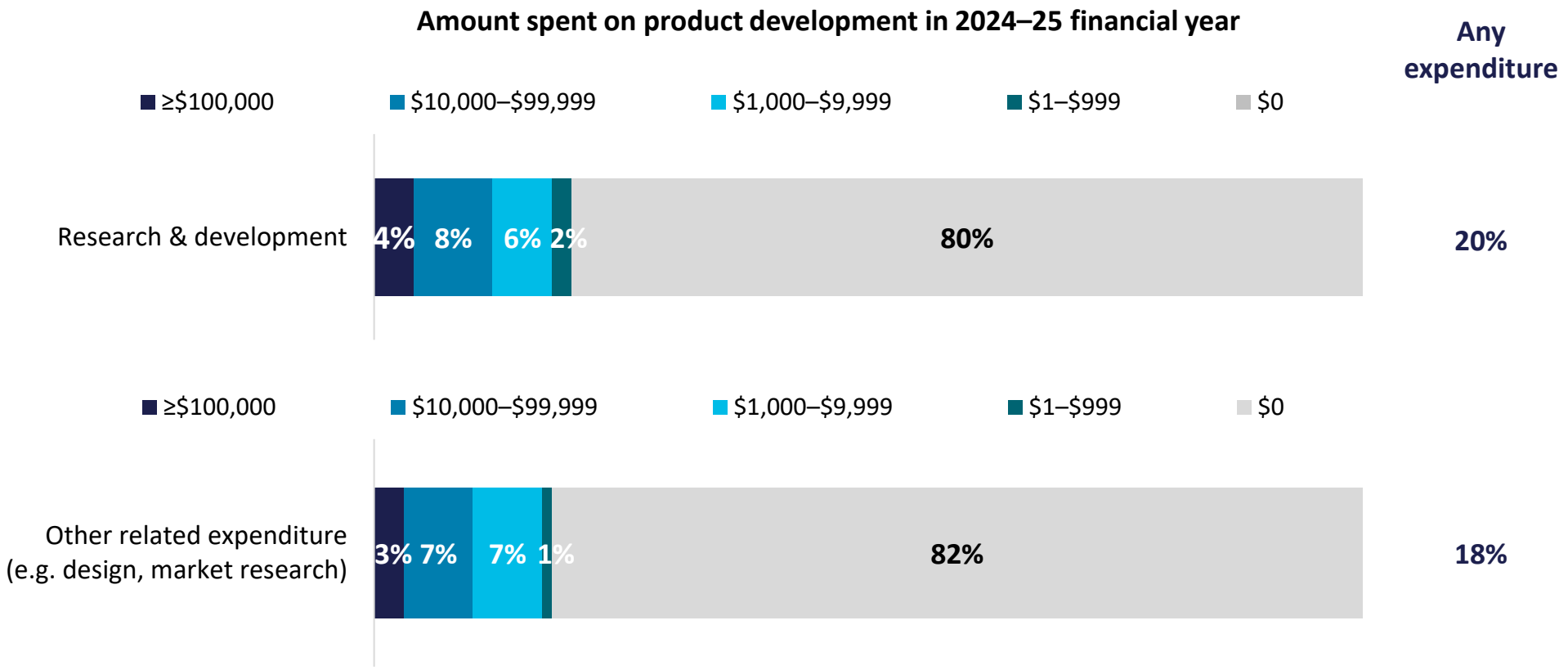
Product development expenditure

Product development expenditure was concentrated among a minority of NZ businesses in 2024–25, with 20% reporting some expenditure on R&D and 18% on other related activities such as design and market research.



Inv9: *For the 2024–25 financial year, please estimate this business's combined expenditure on product development and related activities.*

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Collaboration for the purpose of innovation

Some 7% of NZ businesses engaged in collaborative arrangements to support innovation in the last two financial years. Collaboration was more common among larger businesses, AI adopters and those in the retail trade, manufacturing, and professional, scientific and technical services industries. Among businesses that collaborated, customers and other businesses were the most common partners (both 69%), followed by suppliers (64%). Partnerships were predominantly domestic, although suppliers stood out as the partner group most likely to be based overseas, with nearly one quarter (24%) of businesses reporting international supplier collaborations.

green/red is statistically significantly higher/lower than the total

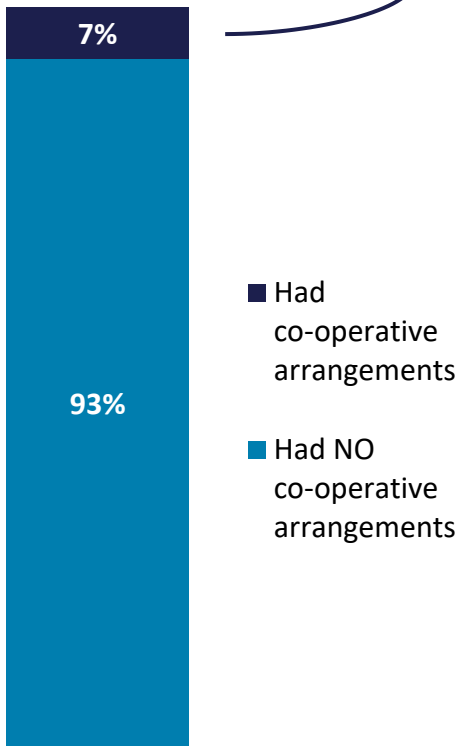
Co-operative arrangements for the purpose of innovation

Those **significantly more likely** to have **co-operative arrangements**

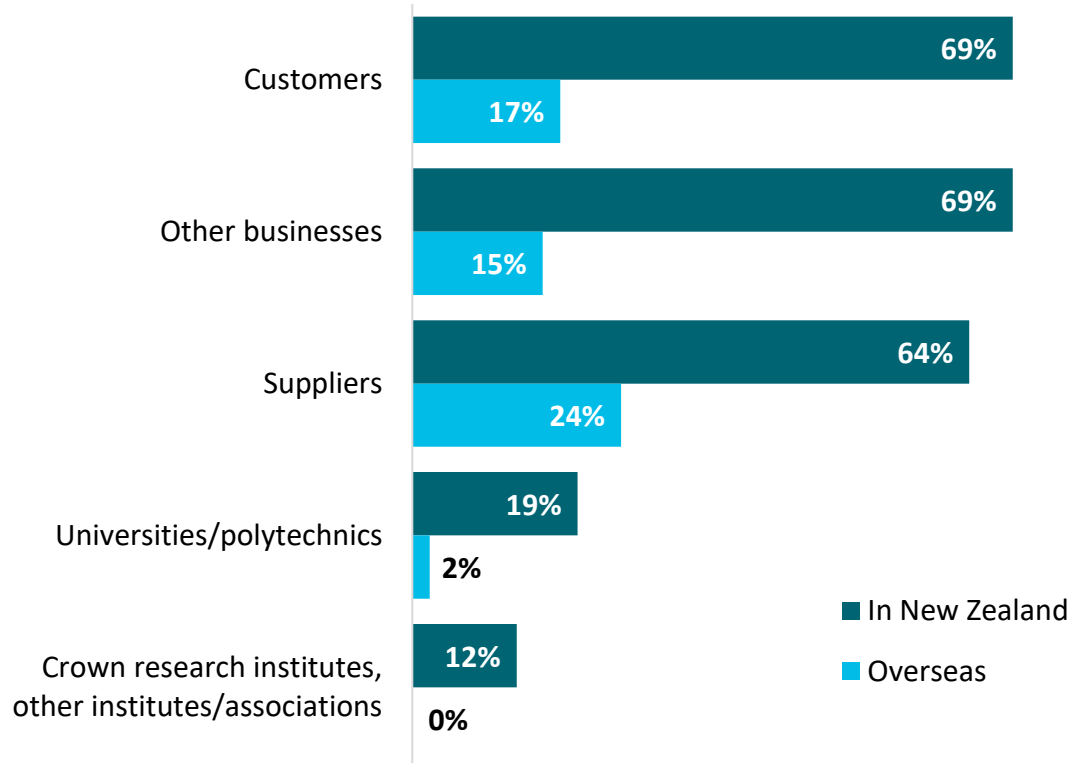
- *Large & Medium Businesses – 100+ (14%), 50–99 employees (9%)*
- *Retail Trade (11%), Manufacturing (9%), Professional, Scientific & Technical Services (9%)*
- *AI Adopters (9%)*

Those **significantly less likely** to have **co-operative arrangements**

- *Accommodation & Food Services (4%), Construction (4%)*
- *AI Non-Adopters (3%)*



Types of businesses/institutions in co-operative arrangements



Inv11: *In the financial years 2023–24 and 2024–25, did this business have any co-operative arrangements for the purpose of innovation?* / ***Inv12:*** *In the financial years 2023–24 and 2024–25, what types of businesses or institutions did this business have those co-operative arrangements with?*

Base: *Those who had co-operative arrangements (n=840)*

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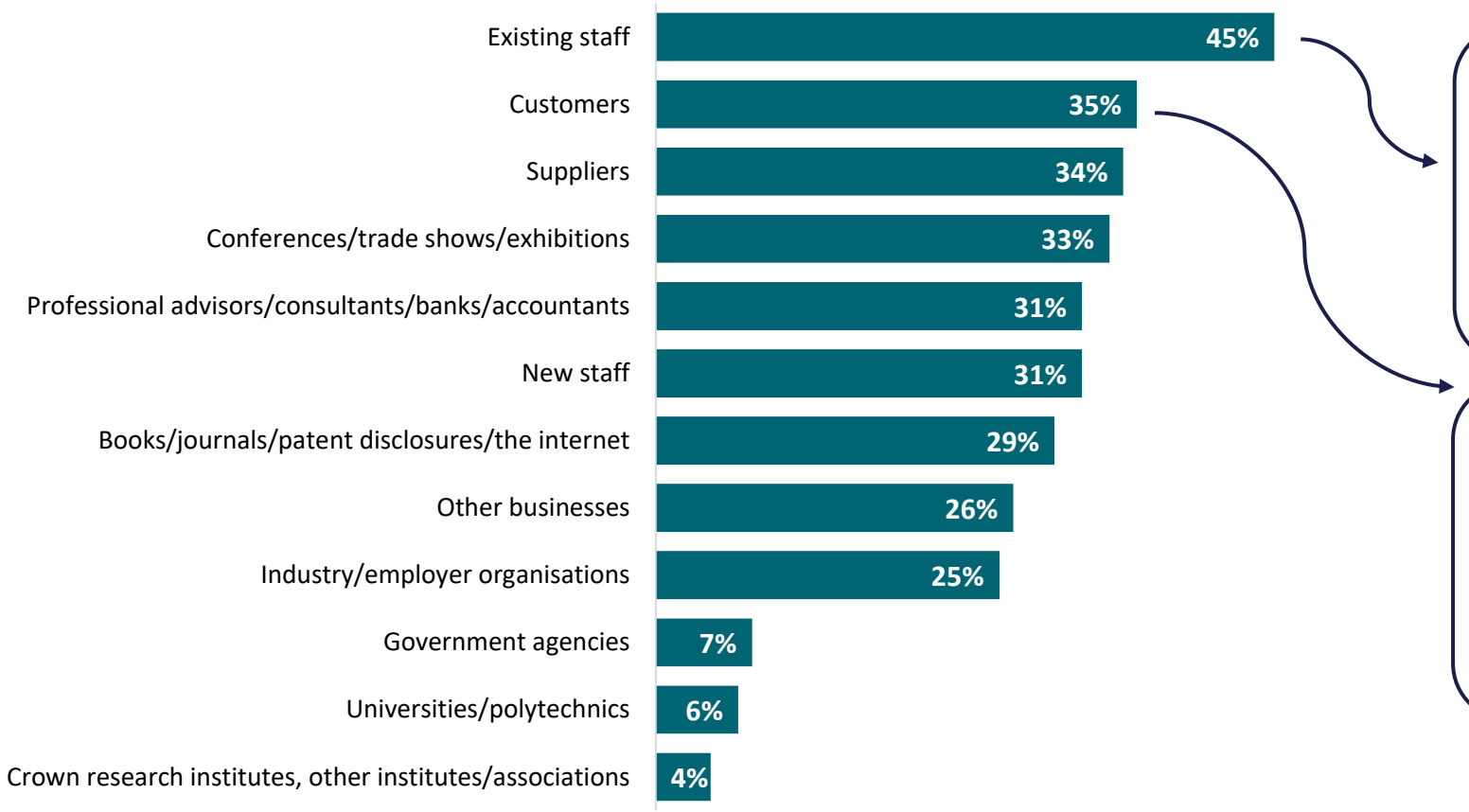
Sources of information & ideas

Innovation ideas are most often generated from within businesses rather than from formal research or government institutions. Existing staff were the leading source of information and ideas for innovation (45%), followed by customers (35%) and suppliers (34%), highlighting the importance of both internal capability and close market relationships. Larger businesses and AI adopters were particularly likely to leverage staff knowledge and customer feedback as sources of innovation.

Important sources of information/ideas for innovation



Those **significantly more likely** to **have gained ideas for innovation from**…

Existing staff

- *Large & Medium Businesses – 100+ (61%), 50–99 (58%), 20–49 employees (50%)*
- *Professional, Scientific & Technical Services (59%), Information Media & Telecommunications (59%), Financial & Insurance Services (56%), Arts & Recreation Services (55%), Manufacturing (48%)*
- *AI Adopters (54%)*

Customers

- *Large & Medium Businesses – 100+ (43%), 50–99 employees (41%)*
- *Information Media & Telecommunications (47%), Accommodation & Food Services (43%), Arts & Recreation Services (42%), Manufacturing (41%), Wholesale Trade (39%), Professional, Scientific & Technical Services (38%)*
- *AI Adopters (41%)*

green/red is statistically significantly higher/lower than the total

Inv10: *In the financial years 2023–24 and 2024–25, did this business find any of the following important as a source of information or ideas for innovation?*

Note: *Only 'Yes' responses are displayed.*

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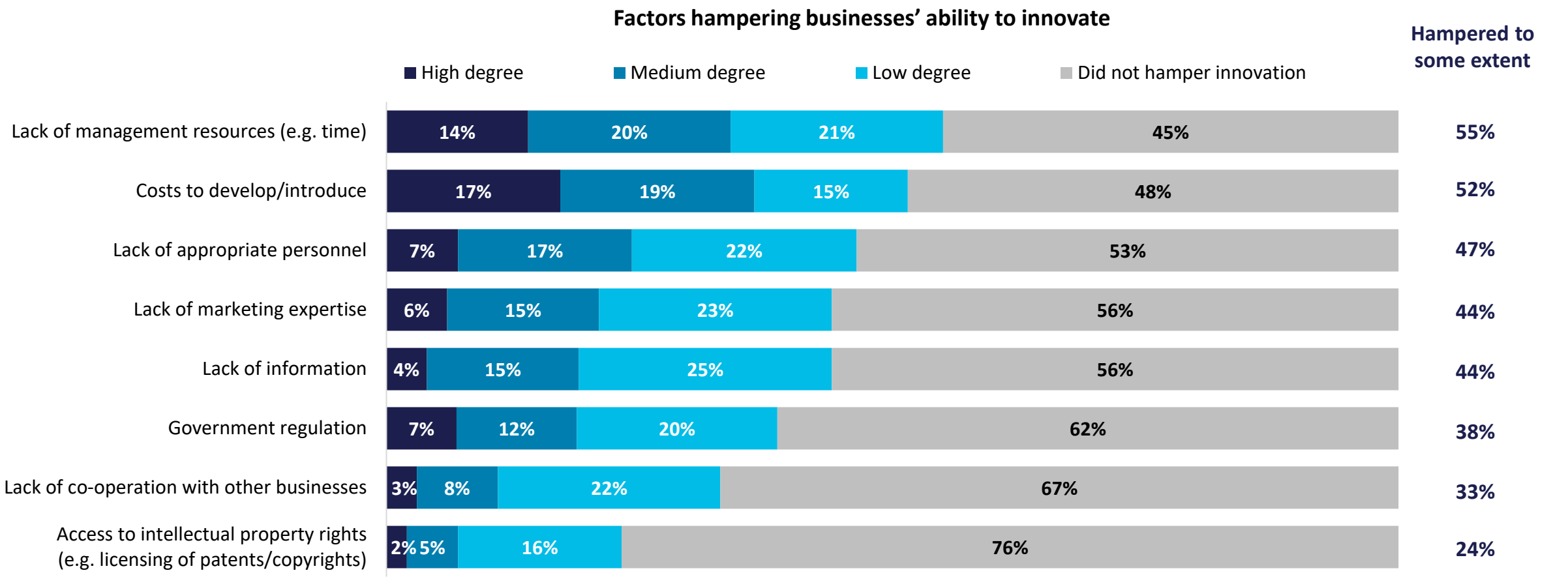
Barriers to innovation

Innovation barriers are primarily driven by internal business constraints rather than external factors. Lack of management resources (55%) and the costs of developing or introducing innovations (52%) were the most commonly reported challenges, followed by difficulties securing appropriate personnel (47%). In contrast, fewer businesses reported barriers related to government regulation (38%), collaboration with other businesses (33%), or access to intellectual property rights (24%), suggesting that capability and resource limitations are more significant obstacles to innovation than regulatory or legal considerations.



Inv14: *In the financial years 2023–24 and 2024–25, to what degree did the following factors hamper this business's ability to innovate?*

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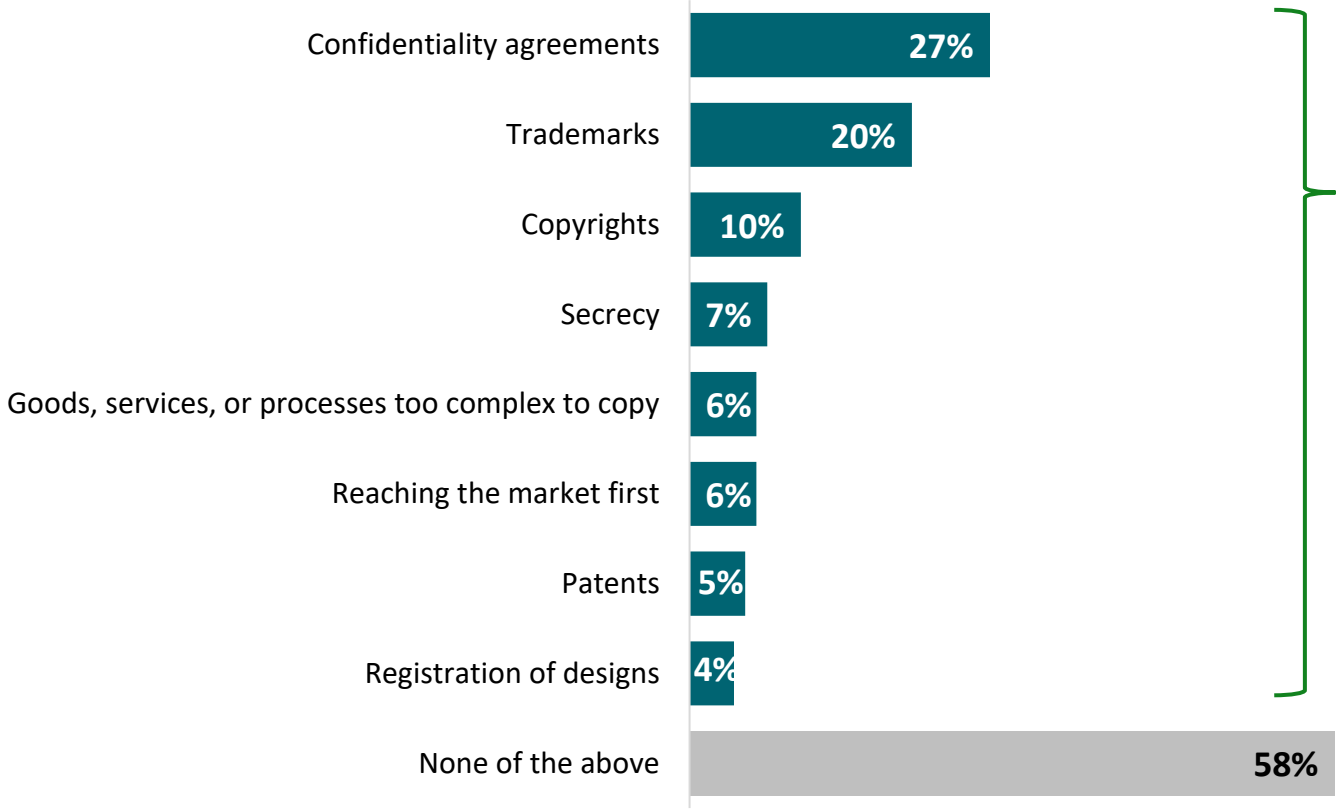
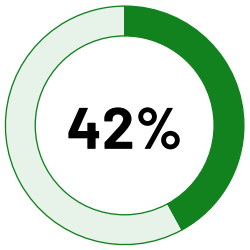
Protection of intellectual property

Some 42% of NZ businesses used at least one method to protect intellectual property, with confidentiality agreements (27%) and trademarks (20%) the most commonly used. The use of intellectual property protection was more common among larger businesses, AI adopters and businesses operating in knowledge-intensive and innovation-focused industries, such as information media and telecommunications, wholesale trade, financial and insurance services, manufacturing, and professional, scientific and technical services.

Methods of protecting intellectual property





Used at least one method of protecting intellectual property

Those **significantly more likely** to have used at least one method of **protecting intellectual property**

- *Large & Medium Businesses – 100+ (67%), 50–99 (62%), 20–49 employees (50%)*
- *Information Media & Telecommunications (75%), Wholesale Trade (62%), Financial & Insurance Services (59%), Manufacturing (57%), Professional, Scientific & Technical Services (56%), Administrative & Support Services (50%)*
- *Upper North Island (44%)*
- *AI Adopters (52%)*

Inv13: *Which of the following does this business or the parent company use to protect intellectual property?*

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THANK YOU

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