



# CPA AUSTRALIA ASIA-PACIFIC SMALL BUSINESS SURVEY 2025-2026

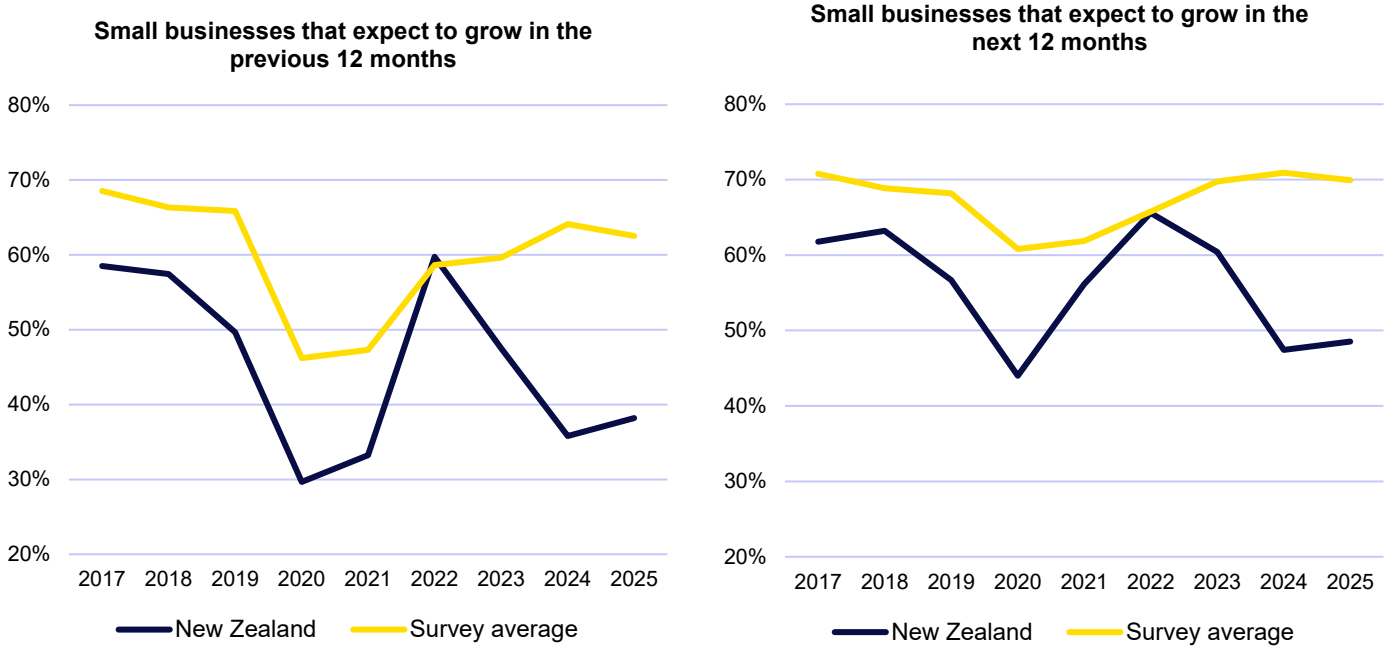
New Zealand market  
summary

# New Zealand

## Key findings

- Business sentiment remains broadly pessimistic
- New Zealand had the lowest percentage of small businesses reporting growth in 2025, with this trend expected to continue in 2026
- Small business confidence in New Zealand's economic outlook remains weak
- New Zealand small businesses rank lowest in nearly all indicators of technology adoption
- Innovation levels among New Zealand small businesses remain low
- Technology investments are mostly not translating into increased profitability
- Cyber risks are low
- Rising costs remain the primary concern, squeezing margins and lowering growth
- Most businesses are unlikely to pursue high-growth or expansion strategies
- Hiring activity remains low
- Businesses continue to be domestically focused
- Demand for external financing remains low
- Not heavily investing in ESG activities
- Accountants are the preferred source of business advice
- A risk-averse mindset prevails among New Zealand small business owners
- Despite poor overall business performance, business owners remain satisfied with owning a small business
- The small business population is ageing, with New Zealand having the highest proportion of owners aged over 50

## Business and economic conditions



|   | New Zealand 2025 | Survey average 2025 | Rank 2025 | New Zealand 2024 | Rank 2024 | New Zealand 2023 | New Zealand 2022 | New Zealand 2021 | New Zealand 2020 |
|---|------------------|---------------------|-----------|------------------|-----------|------------------|------------------|------------------|------------------|
| <b>Businesses that grew in the last 12 months</b>                             | 38.2%            | 62.5%               | 11/11     | 35.8%            | 11/11     | 47.5%            | 59.7%            | 33.2%            | 29.7%            |
| <b>Businesses that expect to grow in the next 12 months</b>                   | 48.5%            | 69.9%               | 11/11     | 47.4%            | 11/11     | 60.4%            | 65.6%            | 56.1%            | 44.0%            |
| <b>Businesses that expect the local economy to grow in the next 12 months</b> | 48.9%            | 64.6%               | 10/11     | 49.0%            | 10/11     | 50.5%            | 40.3%            | 51.9%            | 41.7%            |

In 2025, 38 per cent of New Zealand small businesses reported growth, a slight increase from 36 per cent in 2024 but well below the survey average of 62 per cent. This places New Zealand last among the 11 markets surveyed.

Looking ahead, growth expectations remain low. Only 48 per cent of New Zealand’s small businesses expect to grow in 2026, significantly below the survey average of 70 per cent and again the lowest among the 11 markets surveyed. In addition, New Zealand’s small businesses are the second least likely to expect their local economy to grow over the next 12 months.

The ageing profile of New Zealand small business owners appears to be a key factor influencing business performance and expectations. New Zealand has the oldest business owner demographic across the markets surveyed, with 63 per cent aged 50 or over – significantly above the survey average of 26 per cent.

Business growth rates vary significantly by age group, for example

- **Owners under 40:** 71 per cent reported business growth in 2025, and 74 per cent expect their business to grow in 2026
- **Owners 50 to 59:** the percentage that reported growing in 2025 drops to 38 per cent, with 53 per cent expecting growth in 2026
- **Owners aged 60 and over:** only 25 per cent experienced growth in 2025 and 32 per cent expecting to grow in 2026.

Other key factors limiting the success of New Zealand's small businesses include a weak economic environment, rising costs and the low adoption of high-growth strategies such as improving customer satisfaction and business strategy, and technology.

Despite weak business performance, 79 per cent of New Zealand small business owners' remain satisfied with running their business, suggesting that non-financial considerations play a significant role in motivating business owners.

Consistent with this, the primary motivations for starting a business are lifestyle related. The survey indicates that most New Zealanders established their business to be their own boss, achieve better work-life balance, or pursue a personal passion. Financial gain is cited as the primary motivation by just 10 per cent of respondents.

## Technology uptake

|   | New Zealand 2025   | Survey average 2025     | Rank 2025 | New Zealand 2024 | Rank 2024 | New Zealand 2023   | New Zealand 2022 | New Zealand 2021   | New Zealand 2020   |
|---|--------------------|-------------------------|-----------|------------------|-----------|--------------------|------------------|--------------------|--------------------|
| <b>More than 10 per cent of revenue came from online sales</b>  | 32.4%              | 63.4%                   | 11/11     | 33.9%            | 11/11     | 34.3%              | 35.7%            | 40.0%              | 25.7%              |
| <b>Did not use social media for business purposes</b>   | 31.4%              | 12.0%                   | 2/11      | 32.6%            | 1/11      | 32.7%              | 34.1%            | 36.8%              | 38.3%              |
| <b>Investment in technology by the business over the past 12 months has improved profitability</b>                                      | 25.6%              | 56.3%                   | 11/11     | 22.3%            | 11/11     | 19.5%              | 36.7%            | 32.3%              | 17.7%              |
| <b>Technology the business invested in most heavily over the past 12 months</b>   | Computer equipment | Artificial intelligence | N/A       | Website          | N/A       | Computer equipment | Website          | Computer equipment | Computer equipment |
| <b>Consider the business likely to be cyberattacked in next 12 months</b>   | 18.8%              | 42.3%                   | 11/11     | 19.0%            | 11/11     | 20.8%              | 31.2%            | 30.3%              | 16.3%              |
| <b>Reviewed the business' cybersecurity protections in past six months</b>  | 39.5%              | 52.0%                   | 9/11      | 39.4%            | 10/11     | 38.3%              | 46.4%            | 42.6%              | 33.3%              |
| <b>Lost time and/or money due to a cybersecurity incident in the past 12 months</b>   | 6.8%               | 36.7%                   | 11/11     | 10.6%            | 10/11     | 11.6%              | N/A              | N/A                | N/A                |
| <b>More than 10 per cent of sales is received through digital payment options such as PayPal, Google Pay, Apple Pay, Klarna, Alipay</b> | 35.4%              | 71.8%                   | 11/11     | 36.3%            | 11/11     | 40.6%              | 42.3%            | 39.7%              | 37.9%              |
| <b>Sought advice from IT consultants/specialists</b>  | 18.4%              | 26.6%                   | 7/11      | 21.3%            | 8/11      | 17.5%              | 17.2%            | 12.9%              | 11.3%              |

Technology adoption by New Zealand's small businesses remains low in comparison to the Asia-Pacific average. In 2025, only 32 per cent of New Zealand's small businesses reported generating more than 10 per cent of their revenue from online sales. This is less than half the survey average and the lowest result among the surveyed market.

Social media use is also comparatively low. Almost a third reported not using social media for business purposes, well above the survey average of 12 per cent, only a slightly better result than Australia.

Returns on technology investment remain limited. Just 26 per cent of New Zealand small businesses said their technology investments in 2025 improved their profitability. This is significantly below the survey average of 56 per cent and the lowest result among all markets surveyed. This suggests technology spending is more often directed toward replacement or maintenance rather than productivity-enhancing or growth-oriented solutions. This finding is consistent with broader productivity analysis emphasising that outcomes depend not only on the volume of capital investment, but also on its quality and effective use.

Cyber risk exposure remains low but reflects limited digital adoption. Only 7 per cent of small businesses report losing time and/or money due to a cybersecurity incident in 2025, the lowest result among surveyed markets. This likely reflects lower overall levels of digital adoption rather than stronger cyber resilience.

Cybersecurity preparedness is limited. Fewer than four in ten small businesses (39 per cent) reviewed their cybersecurity protections in the past six months, indicating ongoing gaps in cyber awareness and risk management.

## Business activity over the past 12 months

|  | New Zealand 2025 | Survey average 2025 | Rank 2025 | New Zealand 2024 | Rank 2024 | New Zealand 2023 | New Zealand 2022 | New Zealand 2021 | New Zealand 2020 |
|--|------------------|---------------------|-----------|------------------|-----------|------------------|------------------|------------------|------------------|
| Increased employee numbers   | 7.4%             | 36.2%               | 11/11     | 10.6%            | 10/11     | 13.2%            | 31.8%            | 22.3%            | 9.3%             |
| Improved customer satisfaction had a major positive impact on the business | 14.2%            | 31.2%               | 11/11     | 17.1%            | 11/11     | 25.4%            | 20.8%            | 14.1%            | 11.0%            |
| Improved business management had a major positive impact on the business   | 11.0%            | 24.6%               | 11/11     | 9.7%             | 11/11     | 13.9%            | 15.6%            | 12.3%            | 11.3%            |
| Increasing costs had a major negative impact on the business               | 54.0%            | 38.8%               | 1/11      | 50.6%            | 1/11      | 52.5%            | 37.0%            | 28.7%            | 18.0%            |
| Required funds from an external source                                     | 30.7%            | 61.3%               | 10/11     | 30.6%            | 10/11     | 30.4%            | 44.2%            | 45.5%            | 39.7%            |
| Sought external funds for business growth                                  | 30.5%            | 56.1%               | 11/11     | 37.9%            | 9/11      | 43.5%            | 28.7%            | 24.8%            | 11.8%            |
| Sought external funds for business survival                                | 33.7%            | 39.0%               | 8/11      | 25.3%            | 10/11     | 23.9%            | 24.3%            | 40.4%            | 49.6%            |
| Found it easy or very easy to access external finance                      | 33.7%            | 53.1%               | 9/11      | 34.7%            | 9/11      | 32.6%            | 25.7%            | 61.0%            | 52.9%            |
| A bank was the business' main source of external finance                   | 44.2%            | 45.4%               | 6/11      | 56.8%            | 2/11      | 47.8%            | 37.5%            | 24.1%            | 21.8%            |
| Did <b>not</b> spend any time and resources on ESG practices               | 52.8%            | 18.8%               | 1/11      | 48.7%            | 2/11      | 47.9%            | 42.2%            | N/A              | N/A              |

## Planned business activity over the next 12 months

|   | New Zealand 2026 | Survey average 2026 | Rank 2026 | New Zealand 2025 | Rank 2025 | New Zealand 2024 | New Zealand 2023 | New Zealand 2022 | New Zealand 2021 |
|---|------------------|---------------------|-----------|------------------|-----------|------------------|------------------|------------------|------------------|
| <b>Expect to increase employee numbers</b>  | 14.2%            | 47.0%               | 11/11     | 13.9%            | 11/11     | 18.2%            | 34.1%            | 28.1%            | 11.3%            |
| <b>Will introduce a new product, service or process unique to their market or the world</b> | 4.9%             | 29.2%               | 11/11     | 8.4%             | 10/11     | 6.9%             | 24.0%            | 23.2%            | 8.7%             |
| <b>Expect revenue from overseas markets to grow strongly</b>                                | 5.5%             | 20.6%               | 11/11     | 5.8%             | 10/11     | 7.3%             | 20.1%            | 17.1%            | 4.7%             |
| <b>Will seek external funds</b>   | 7.4%             | 25.4%               | 11/11     | 7.4%             | 11/11     | 7.3%             | 22.7%            | 18.4%            | 9.0%             |
| <b>Expect easy to very easy access to finance</b>   | 23.7%            | 48.9%               | 10/11     | 26.4%            | 8/11      | 26.7%            | 20.5%            | 41.5%            | 25.9%            |

### Employment

New Zealand small businesses are not large generators of new jobs. Only 7 per cent of New Zealand small businesses expanded their workforce in 2025, compared to the survey average of 36 per cent.

With small business confidence expected to remain low in 2026, hiring prospects also look subdued. Just 14 per cent of New Zealand's small businesses expect to increase employee numbers, the lowest result among the surveyed markets.

### Innovation

Innovation remains a low priority among New Zealand's small businesses. Only 5 per cent said they will introduce a new product, process or service that is unique to New Zealand or the world in 2026, well below the survey average of 29 per cent. This lack of innovation could limit future growth potential, as past survey results have consistently shown a strong correlation between innovation and business growth.

### Access to finance

New Zealand small businesses remain unlikely to seek external finance, with only 31 per cent requiring it in 2025, the second lowest result among surveyed markets. This is most likely due to the relatively smaller proportion of businesses that are growing, investing in technology, innovating, or expanding into new markets.

### Exports

New Zealand small businesses remain largely domestically focused. Only 5 per cent expect strong revenue growth from overseas sales in 2026, the lowest result among the 11 surveyed markets. Expanding into new markets can help businesses grow and diversify, while exposing them to greater

competition and new ideas. Our survey data has consistently shown a correlation between exporting and higher levels of business growth.

### Environmental, social, and governance (ESG)

New Zealand small businesses were the least likely to engage in ESG-related activities in 2025. The most common ESG activities were:

- staff health and safety (25 per cent)
- energy and water use monitoring (13 per cent)
- supply chain sustainability and ethics and compliance policy (11 per cent).

### Factors that had positive and negative influences on business and sources of advice

| Top four factors that had a positive influence on New Zealand small business in 2025 | Top four factors that had a positive influence New Zealand on small business in 2024 | Top four factors that had a positive influence on New Zealand small business in 2023 | Top 4 source of advice for small business in 2025 |
|--|--|--|---|
| Customer loyalty   | Customer loyalty   | Customer loyalty   | Accountants                                       |
| Good staff   | Good staff   | Good staff   | Friends and family                                |
| Cost control   | Cost control   | Improved customer satisfaction   | IT consultants/specialists                        |
| Technology   | Internet connection  | Cost control   | A bank or finance company                         |

| Top four factors that had a negative impact on New Zealand small business in 2025 | Top four factors that had a negative impact on New Zealand small business in 2024 | Top four factors that had a negative impact on New Zealand small business in 2023 |
|---|---|---|
| Increasing costs  | Increasing costs  | Increasing costs  |
| Poor overall economic environment   | Poor overall economic environment   | Poor overall economic environment   |
| Tax   | Tax   | Tax   |
| Increasing competition  | Rising interest rates   | Cash flow difficulties  |

New Zealand small businesses relied heavily on defensive strategies in 2025. Businesses reported that measures such as strengthening customer loyalty and tightening cost control had a positive influence on performance, reflecting a cautious operating environment and a high degree of risk aversion.

Rising costs remain the most significant challenge. Increasing costs continued to place pressure on already tight margins for New Zealand small businesses in 2025. The most burdensome costs were insurance, utilities, and fuel for vehicles and machinery.

The sources of advice used by small businesses in 2025 remain consistent with previous years. Accountants continue to be the primary source of advice, reflecting the ongoing importance of compliance and tax-related guidance in New Zealand. However, high growth businesses were more likely to seek guidance from IT professionals, reflecting their greater focus on technology and innovation.

## Entrepreneurship

|   | New Zealand 2025                  | New Zealand 2024                |
|---|-----------------------------------|---------------------------------|
| <b>Primary reason for starting their business</b>                           | Be your own boss / independence   | Be your own boss / independence |
| <b>Biggest concern when first started a business</b>                        | Irregular income / cashflow       | Irregular income / cashflow     |
| <b>Most common attitude and approach to managing business risk of owner</b> | Risk averse                       | Risk averse                     |
| <b>Overall satisfaction from owning or operating small business</b>         | Satisfied                         | Satisfied                       |
| <b>Most popular exit/succession plan for small businesses</b>               | Don't have a succession/exit plan | N/A                             |

When starting their businesses, New Zealand small business owners, like their counterparts in most other surveyed markets, were most likely to be motivated by a desire to be their own boss. Their biggest concern when starting out was irregular income and cash flow.

The greater risk aversion among New Zealand small business owners may help explain their relatively lower inclination to adopt technologies and be innovative compared to small businesses from other markets in the region.

## Demographics

|  | New Zealand 2025 | Survey average 2025 | Rank 2025 | New Zealand 2024 | Rank 2024 | New Zealand 2023 | New Zealand 2022 | New Zealand 2021 | New Zealand 2020 |
|--|------------------|---------------------|-----------|------------------|-----------|------------------|------------------|------------------|------------------|
| <b>Business owners aged under 40</b>               | 12.3%            | 38.0%               | 11/11     | 17.8%            | 11/11     | 35.4%            | 38.2%            | 22.5%            | 23.5%            |
| <b>Business established for less than 11 years</b> | 42.7%            | 57.8%               | 10/11     | 44.2%            | 11/11     | 52.8%            | 57.1%            | 51.0%            | 52.0%            |
| <b>Respondent is the business owner</b>            | 62.5%            | 40.2%               | 4/11      | 60.0%            | 4/11      | 57.8%            | 48.4%            | 49.0%            | 61.0%            |
| <b>Business has 10 to 19 employees</b>             | 10.7%            | 30.8%               | 11/11     | 16.1%            | 10/11     | 18.5%            | 29.5%            | 19.7%            | 13.0%            |

New Zealand has the highest percentage of business owners aged 50 and over among the surveyed markets. Our survey data consistently shows a strong correlation between business owners in this age group and lower levels of growth, digital adoption, innovation and overseas market exposures.

For example, the percentage of New Zealand small business owners generating 10 per cent or more of their sales online decreases with age:

- Owners under 40 - 52 per cent
- Owners aged 40 to 49 - 35 per cent
- Owner aged 50 to 59 - 25 per cent
- Owners 60 and over – 28 per cent.

This result highlights a clear generational divide, with younger business owners more likely to adopt

digital channels and other technologies.

## CPA Australia's observations

New Zealand should consider developing a comprehensive strategy to lift small business performance as a core pillar of its growth and productivity agenda. The survey results show that New Zealand's small businesses underperform both their counterparts in Asia and larger domestic firms. The gaps are most evident in technology adoption, innovation and growth. Addressing this underperformance is important to improving medium-term growth and productivity outcomes.

The older age profile of New Zealand small business owners is likely an important contributor to this underperformance. New Zealand has the highest proportion of small business owners aged 50 and over among surveyed markets. Survey data shows a strong association between older ownership and lower rates of technology uptake, innovation and growth-oriented activity.

Increasing the share of young small business owners should therefore be a priority. Survey findings indicate that younger small business owners are more likely to operate growing businesses, create new jobs, adopt technologies, innovate and export. Policies that encourage younger New Zealanders to start a business or buy an existing one should support stronger business dynamism and productivity over time.

To this end, policymakers should consider developing a coordinated package of measures to lift participation of younger New Zealanders in small business ownership, including:

- Capability-building incentives for younger prospective owners, focused on digital capability, business management skills and resilience to irregular income and cash-flow volatility.
- A "start-up apprenticeship" or mentoring program pairing new and aspiring young owners with experienced SME operators to build practical skills, networks and confidence.
- Improved access to finance and professional advice for younger owners, potentially through a "First Business Owners program" that connects participants with accredited advisers and possibly includes a SME loan guarantee component.
- Promotion of entrepreneurship as a viable career pathway, including national campaigns and a school-to-work transition initiative that position business ownership as an attractive career option.

Similar support should also be available to older business owners who wish to lift capability, adopt new technologies or reposition their businesses for growth.

Lifting small business technology adoption should be a central reform priority. New Zealand's small businesses lag well behind both larger domestic firms and regional peers in digital adoption. This gap is likely contributing to weaker growth outcomes.

To address this, the government should consider designing business digital support programs with more deliberate bundling and sequencing of measures, drawing on approaches used in Singapore. This would increase program effectiveness, accelerate the diffusion of productivity-enhancing technology, and promote more effective use of existing digital capabilities. Over time, this would support stronger productivity, greater business dynamism, and a more competitive small business sector.

Given the persistent underperformance of New Zealand's small business sector, and its central role in the economy, there is a strong case for prioritising a focused, sequenced package of reforms aimed at lifting small business dynamism.