

The Taranaki Business Survey

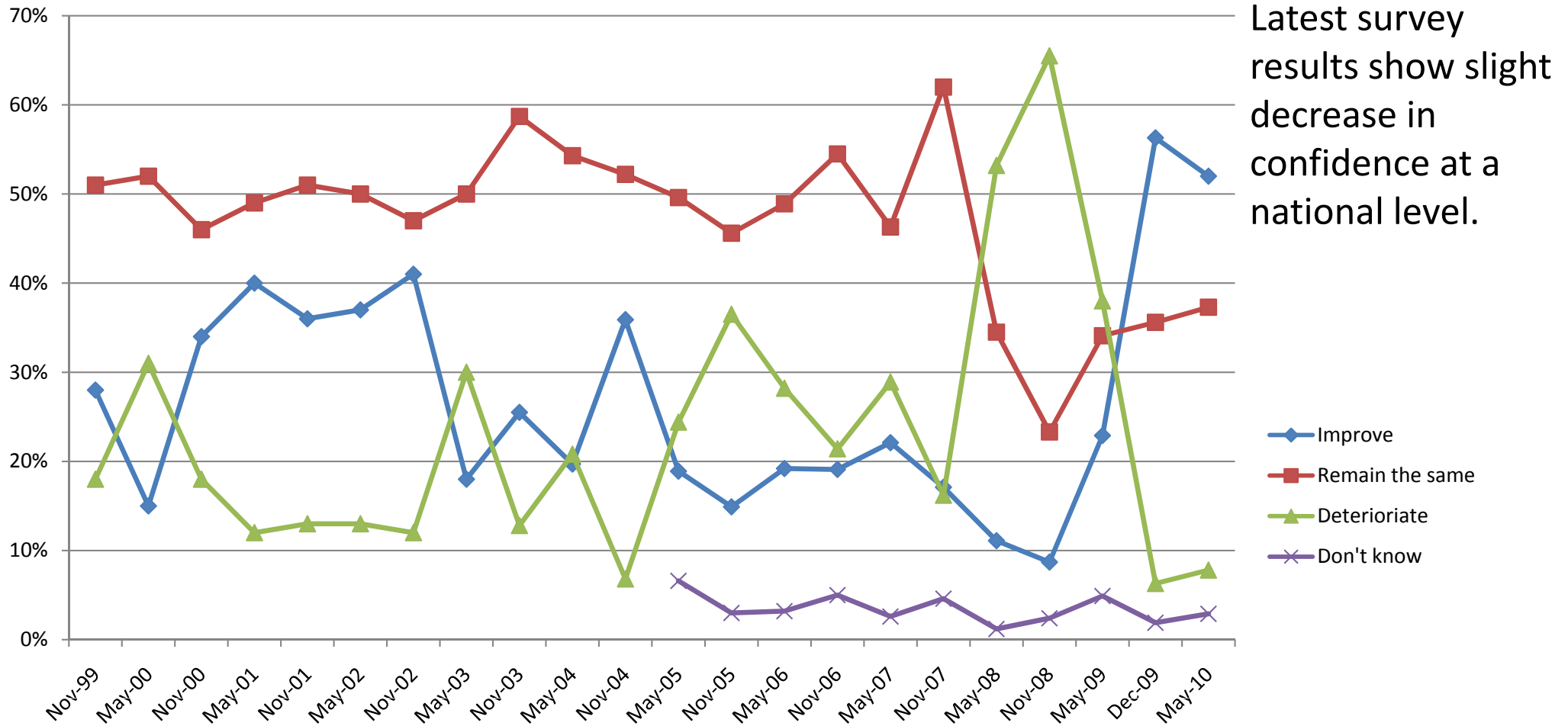
June 2010 results

Taranaki Business Survey

- Monitors economic confidence by Taranaki businesses and their views on key business issues.
- Survey undertaken by Venture Taranaki 6-monthly for over 10 years
- Survey sent to 1000 Taranaki businesses, cross section of industry type, location, and business size
- Standard questions and special topics:
 - Taranaki's economic outlook
 - Budget 2010 impacts
 - Emissions Trading Scheme

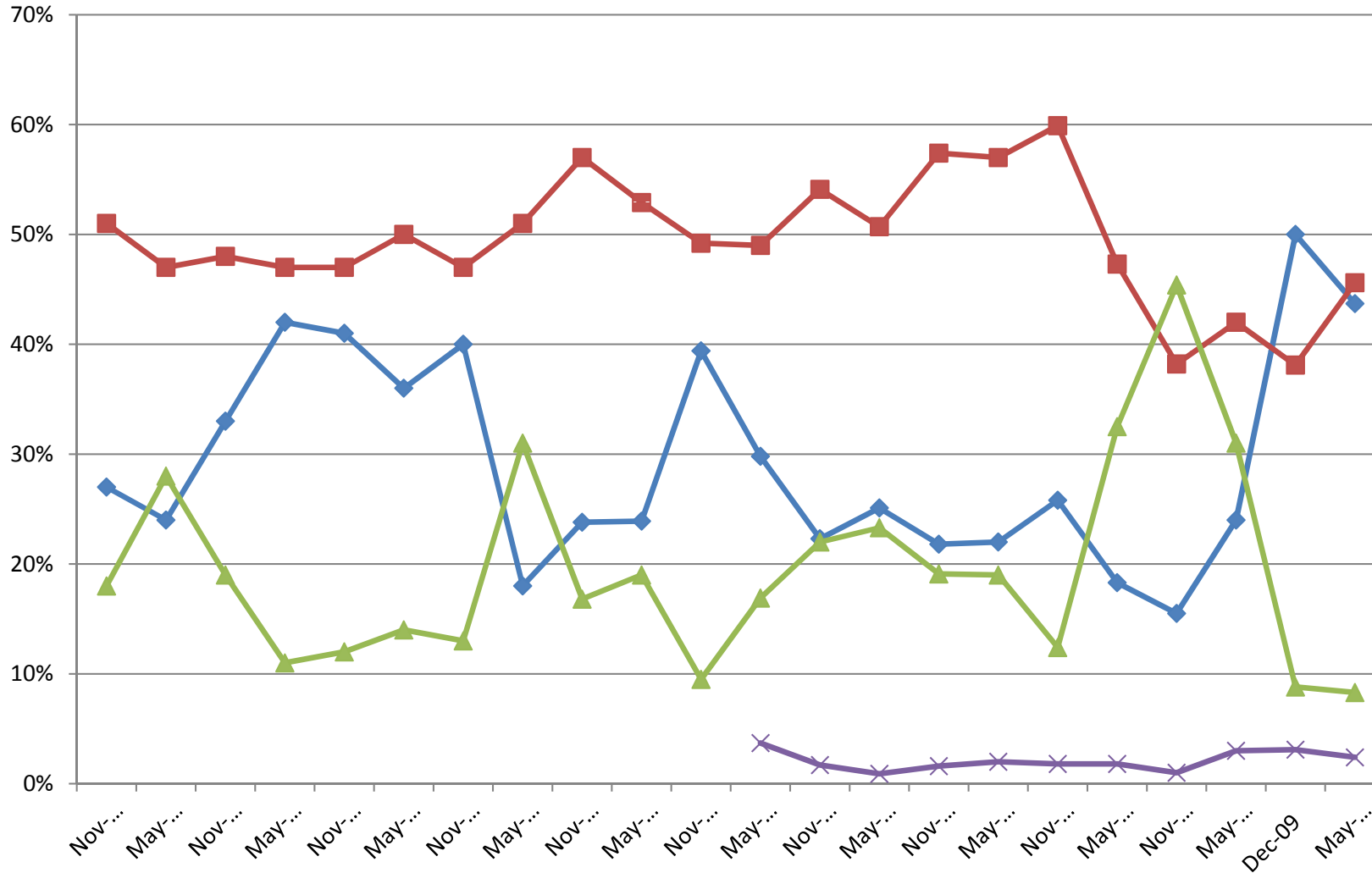
NZ-wide conditions – next 12 months

NZ Wide Economic Conditions



Industry conditions: next 12 months

Industry conditions



Similarly, a slight reduction of confidence within their own industry sectors.

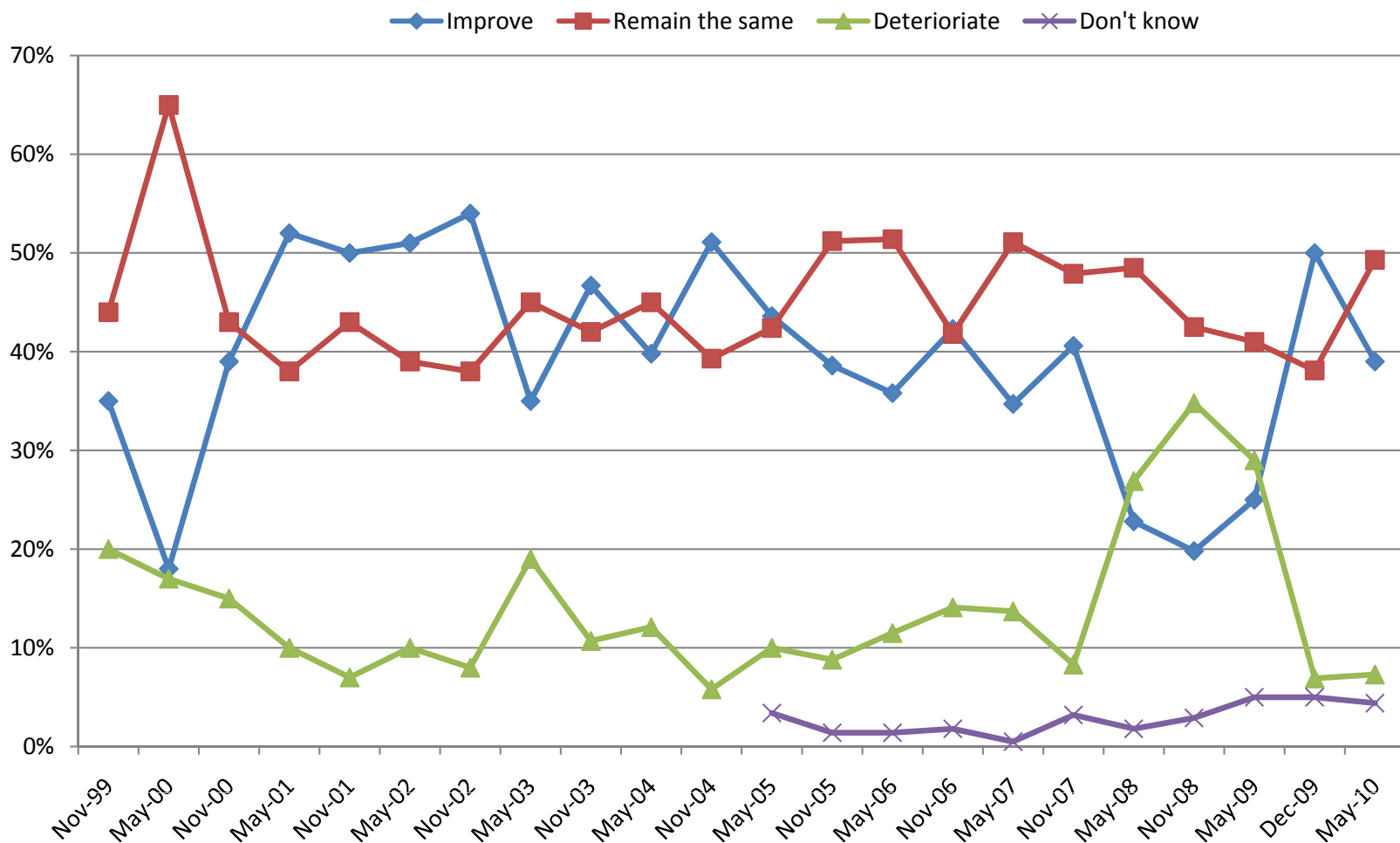
- ◆ Improve
- Stay the same
- ▲ Deteriorate
- × Don't know

Taranaki Business Trends

- Outcomes relatively similar across all three districts
- Although:
 - Stratford outcome more emphatic - either more positive or pessimistic – than national results
 - South Taranaki respondents more extreme on industry specific projections

Sales – next 6 months

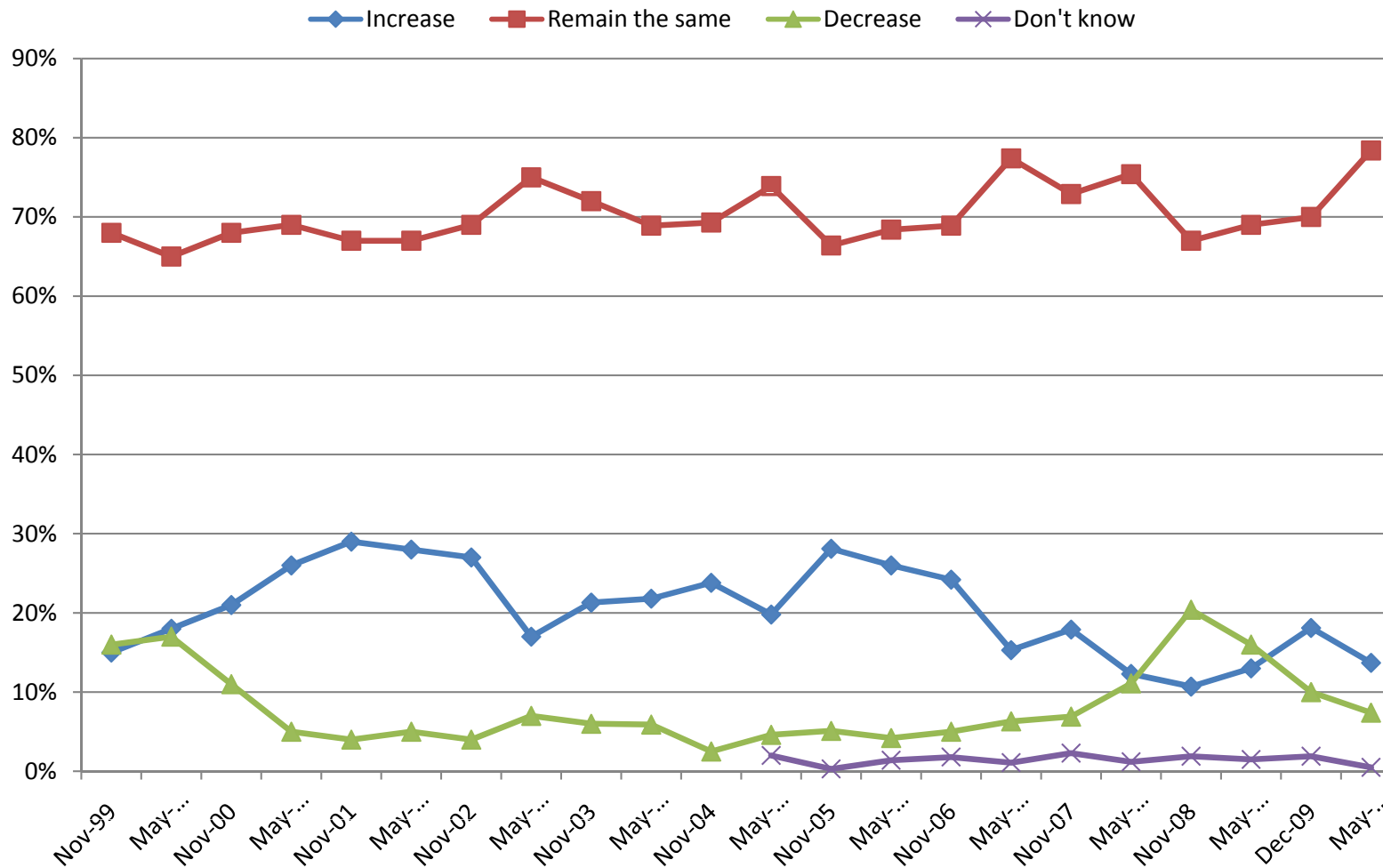
Sales - next 6 months



- 39% believed that sales, customers or bookings will increase over the next 6 months. This is down from 50% in the previous survey results.

Employee numbers – next 6 months

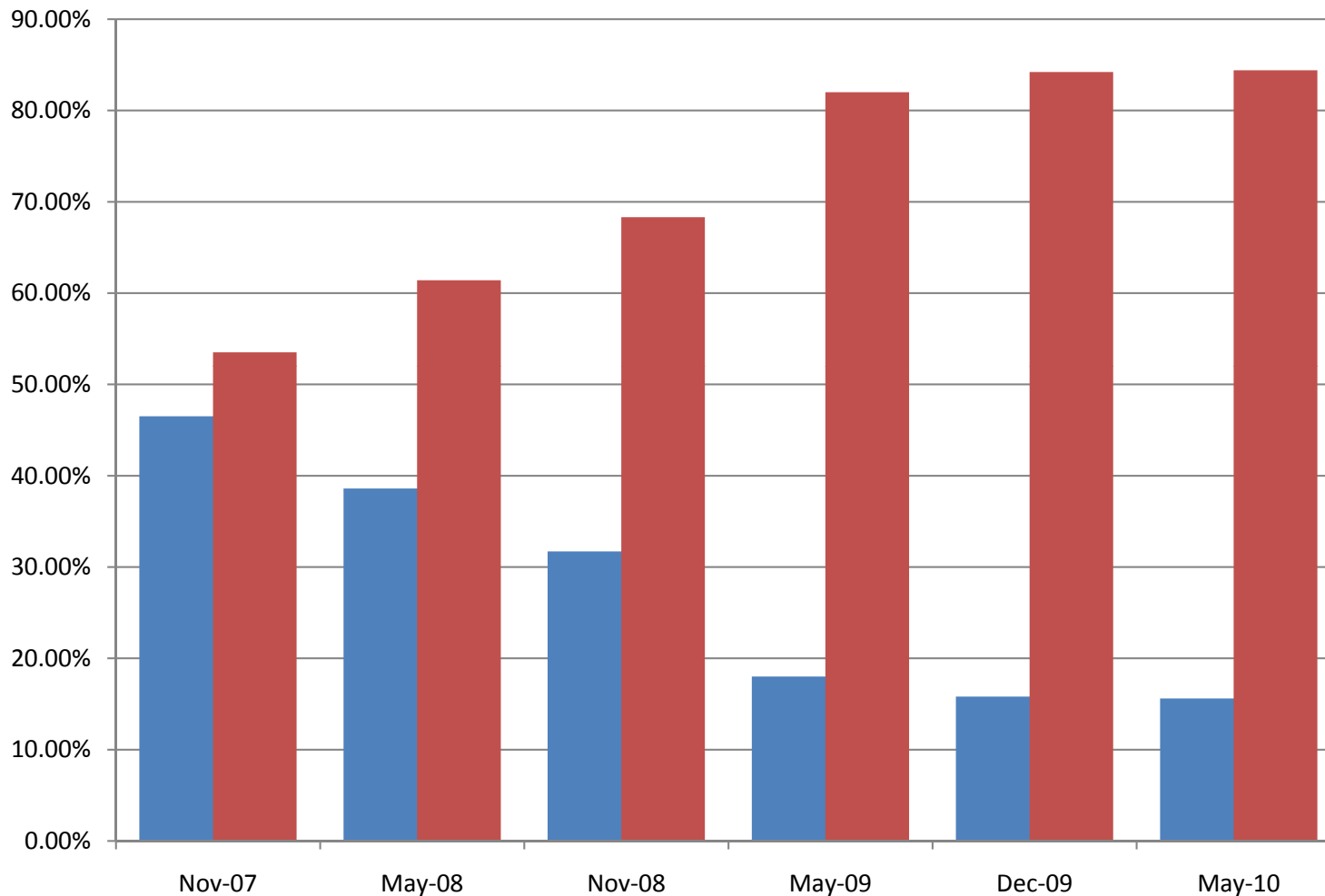
Employment - next 6 months



- 14% anticipate a need for more staff in the next 6 months.
- The likelihood of layoffs appears on the decline. Workforce stabilisation and status quo prevails.

Skill shortages or difficulty hiring?

Are you experiencing skill shortages?



- Skill shortages continue to decline
- 15.6% stated difficulties finding appropriate staff – down from 18% in May 2009 and 46.5% in November 2007.

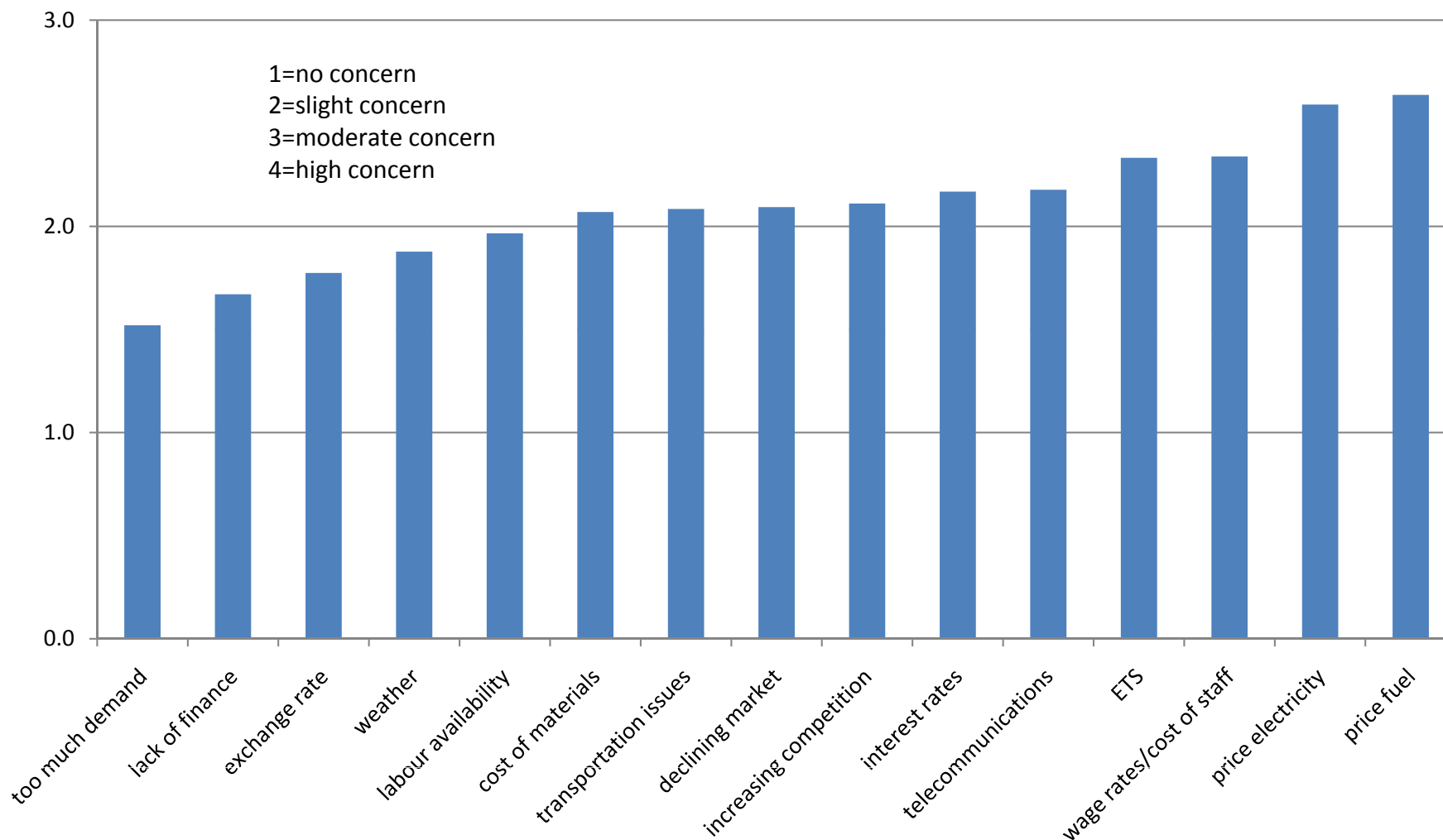


Skill Shortages

Key skills identified as difficult to attract:

- Electrical/engineer instrumentation
- Engineering skills
- High quality skilled drivers
- G.P. locums
- Qualified tradespeople
- Trained, skilled people with good base knowledge, experience, and a good work ethic

Taranaki Business: concerns

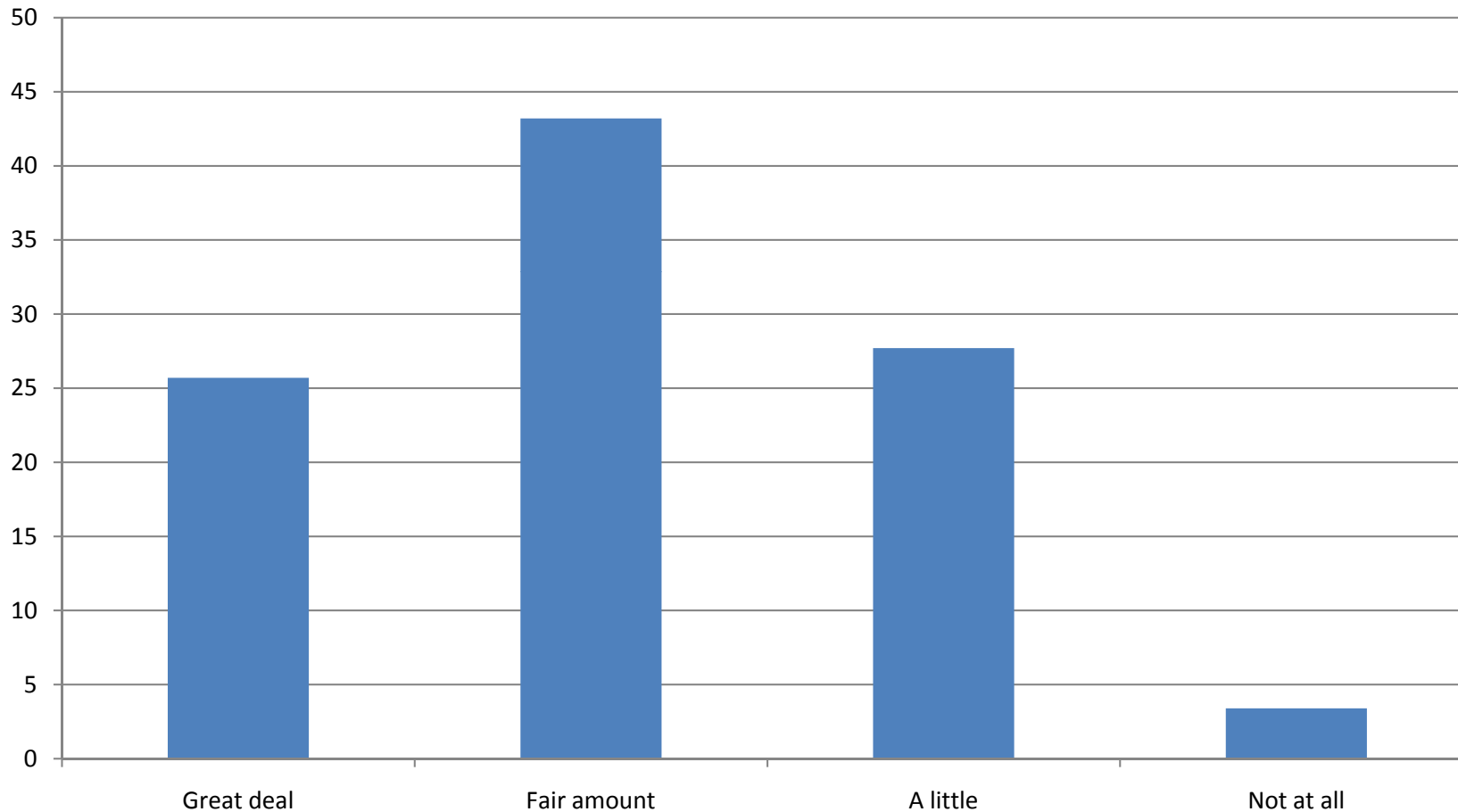




Special Topic: Environmental impacts

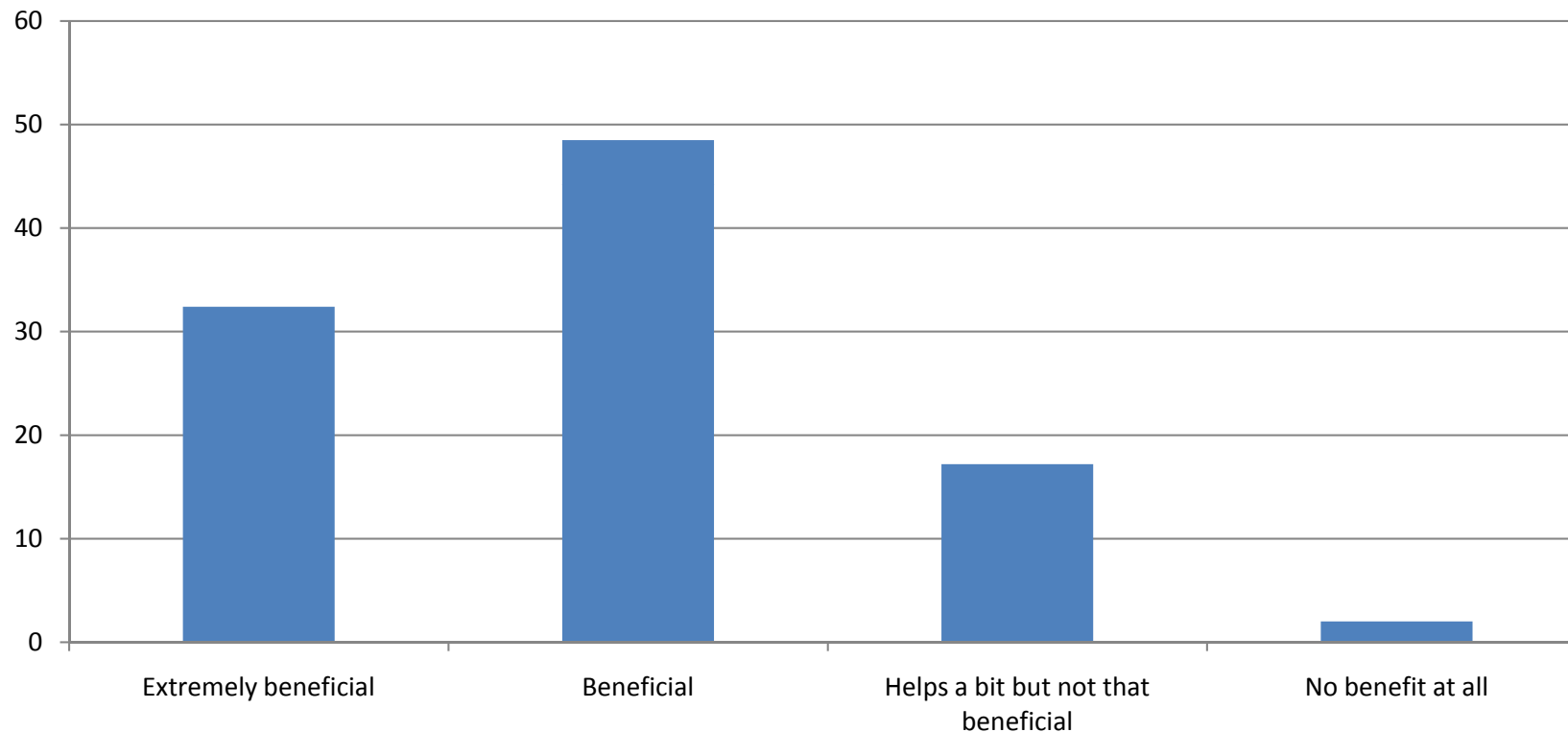
Interest in environmental issues?

To what extent are you personally interested in environmental issues?



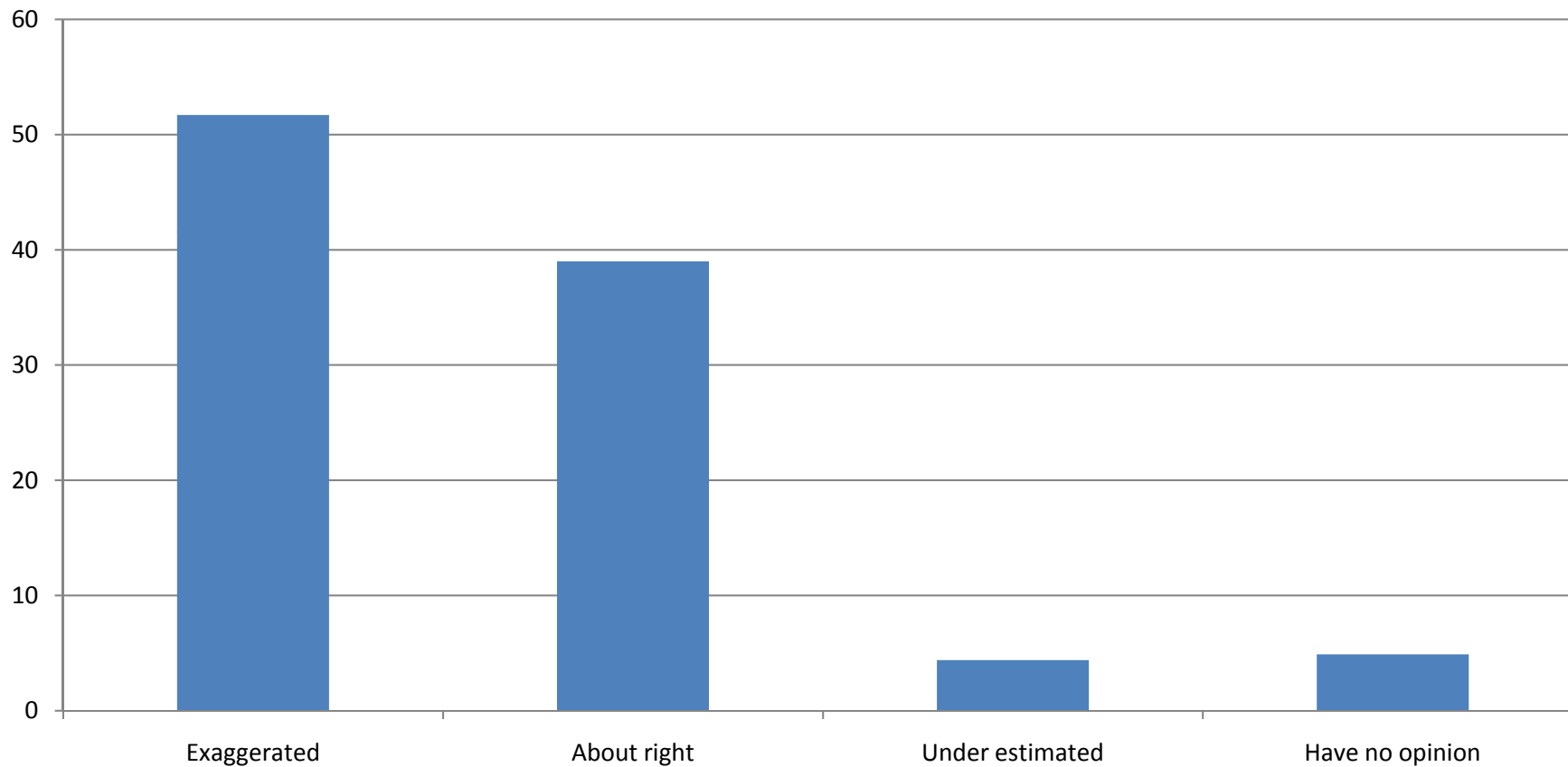
Concern for clean green image?

Do you believe NZ's clean, green image is beneficial to NZ businesses when marketing products/services internationally?



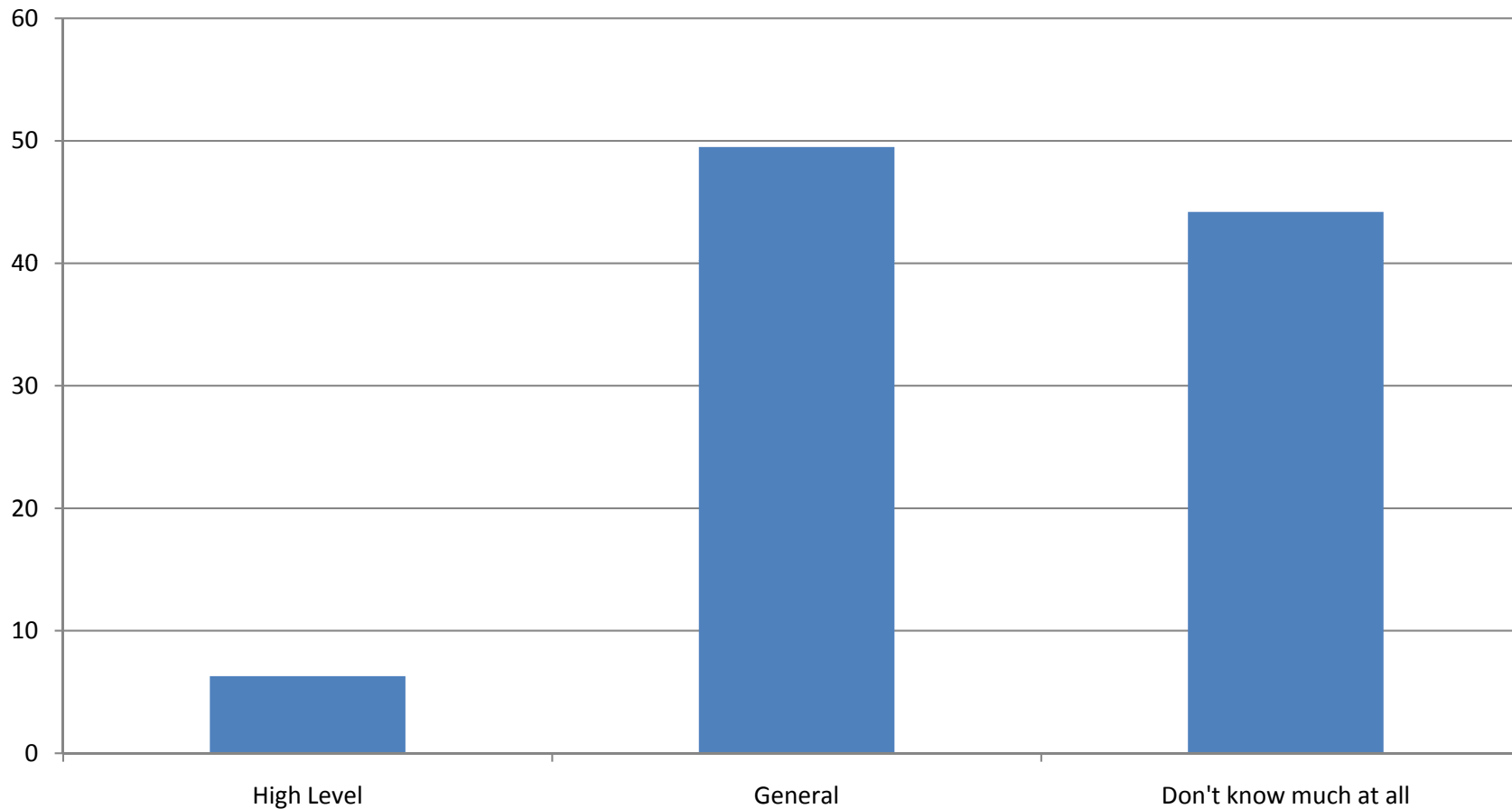
Fair representation from media?

Do you believe the seriousness of climate change presented in the news media tends to be:



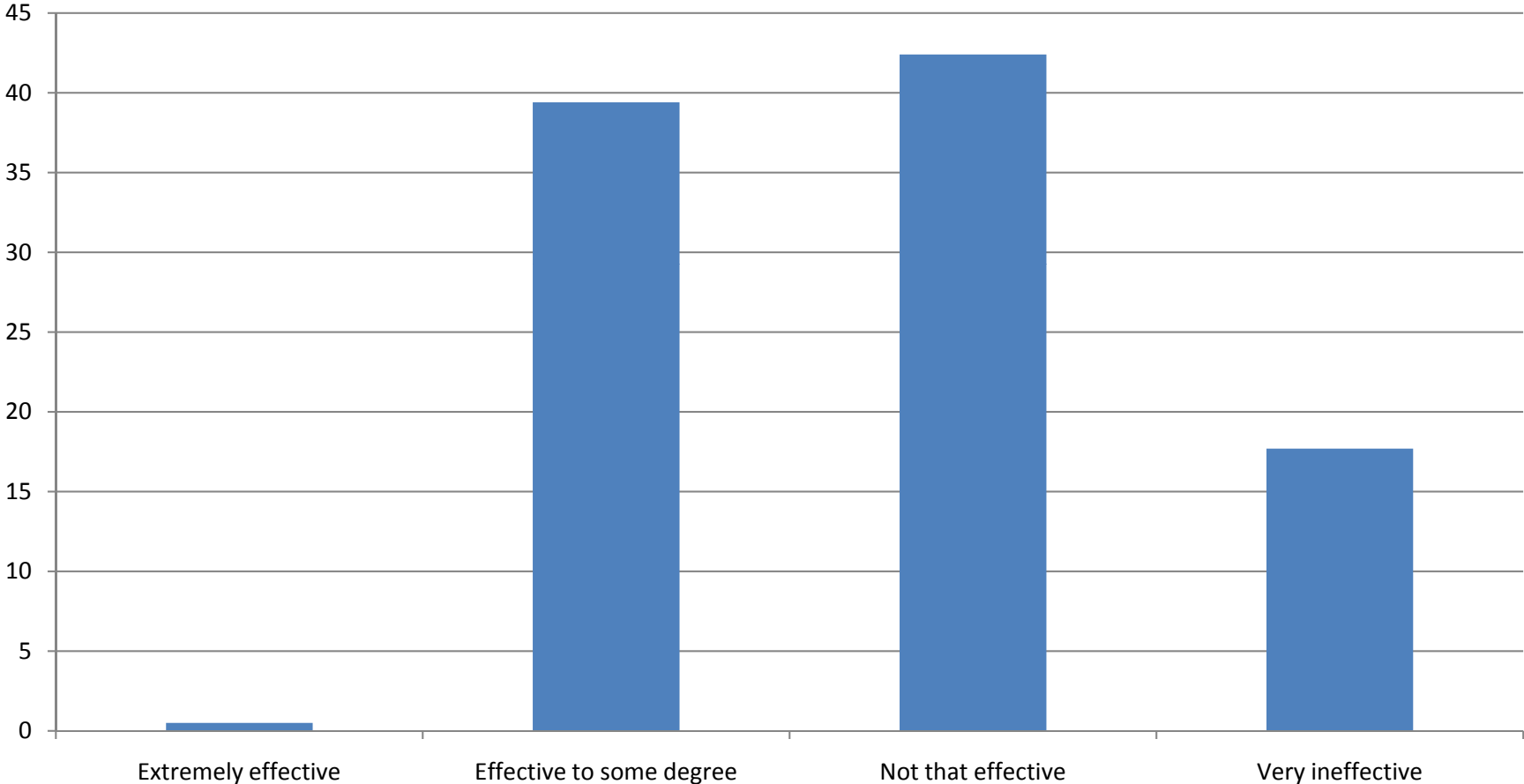
Understanding of ETS?

How would you rate your own understanding of NZ's ETS to be introduced 1 July 2010?



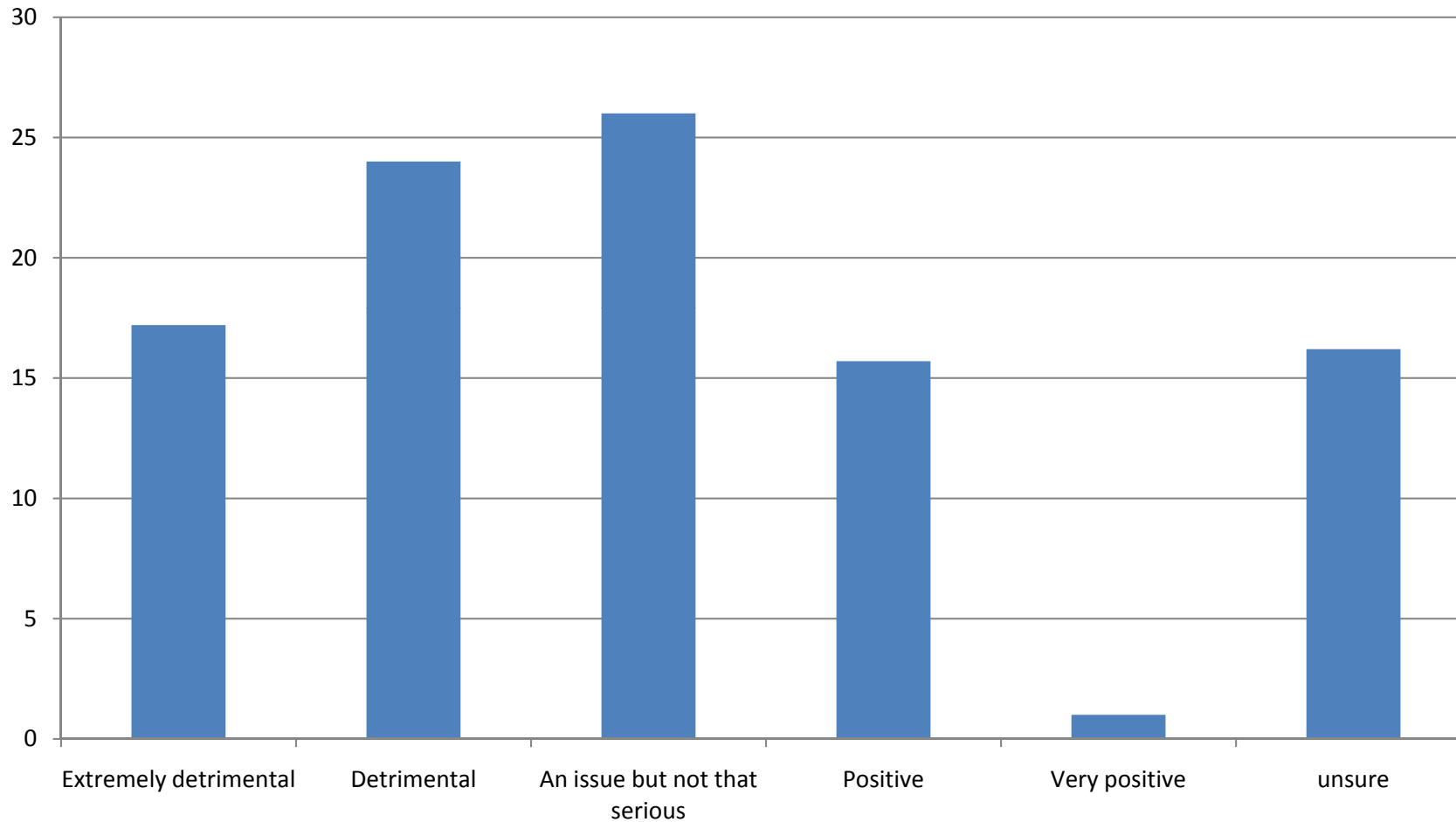
Is ETS effective?

Do you believe the introduction of an ETS (by any country) is an effective response to climate change?

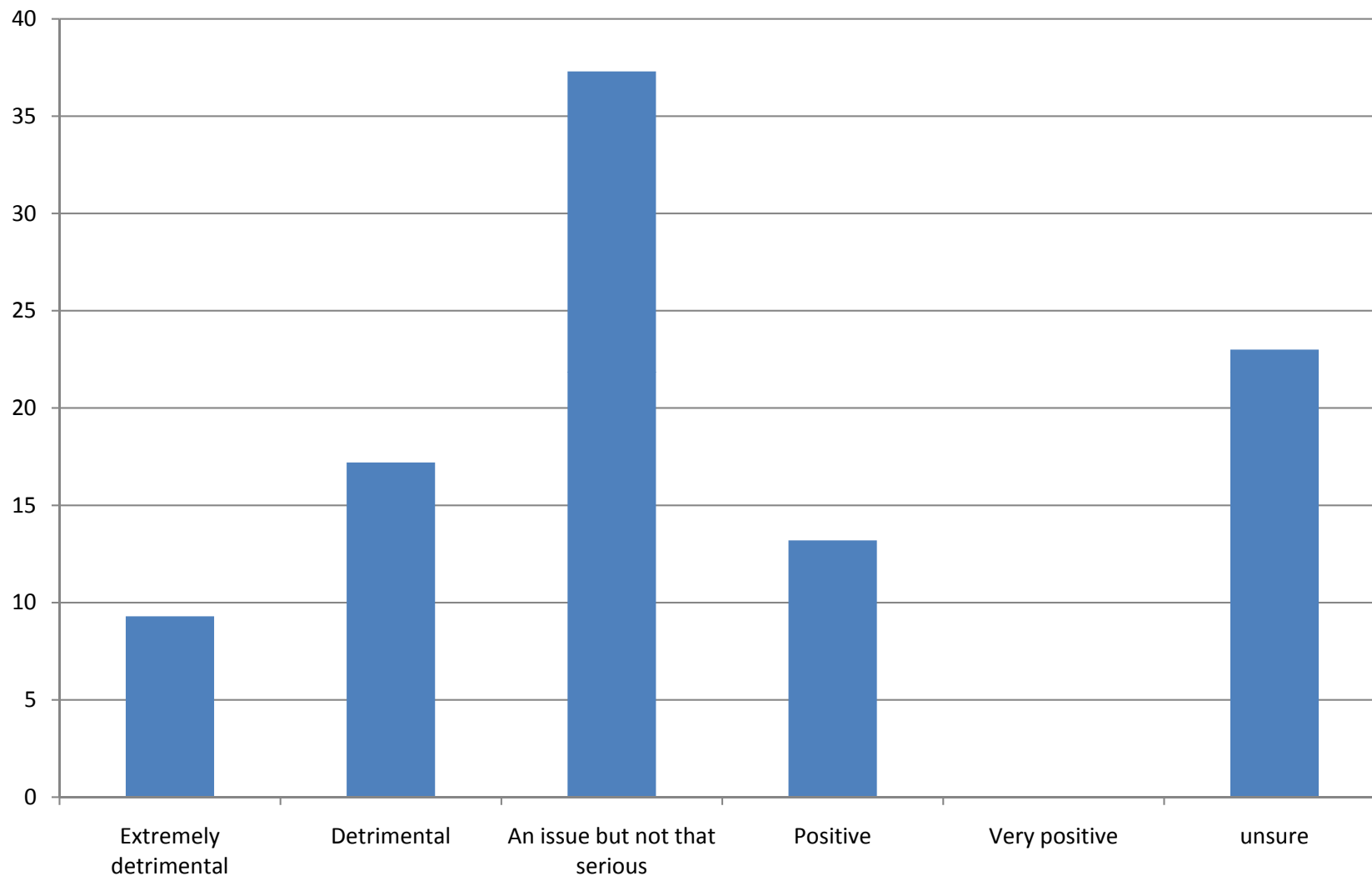


Effects of ETS on NZ

Do you believe an ETS for the NZ economy is:

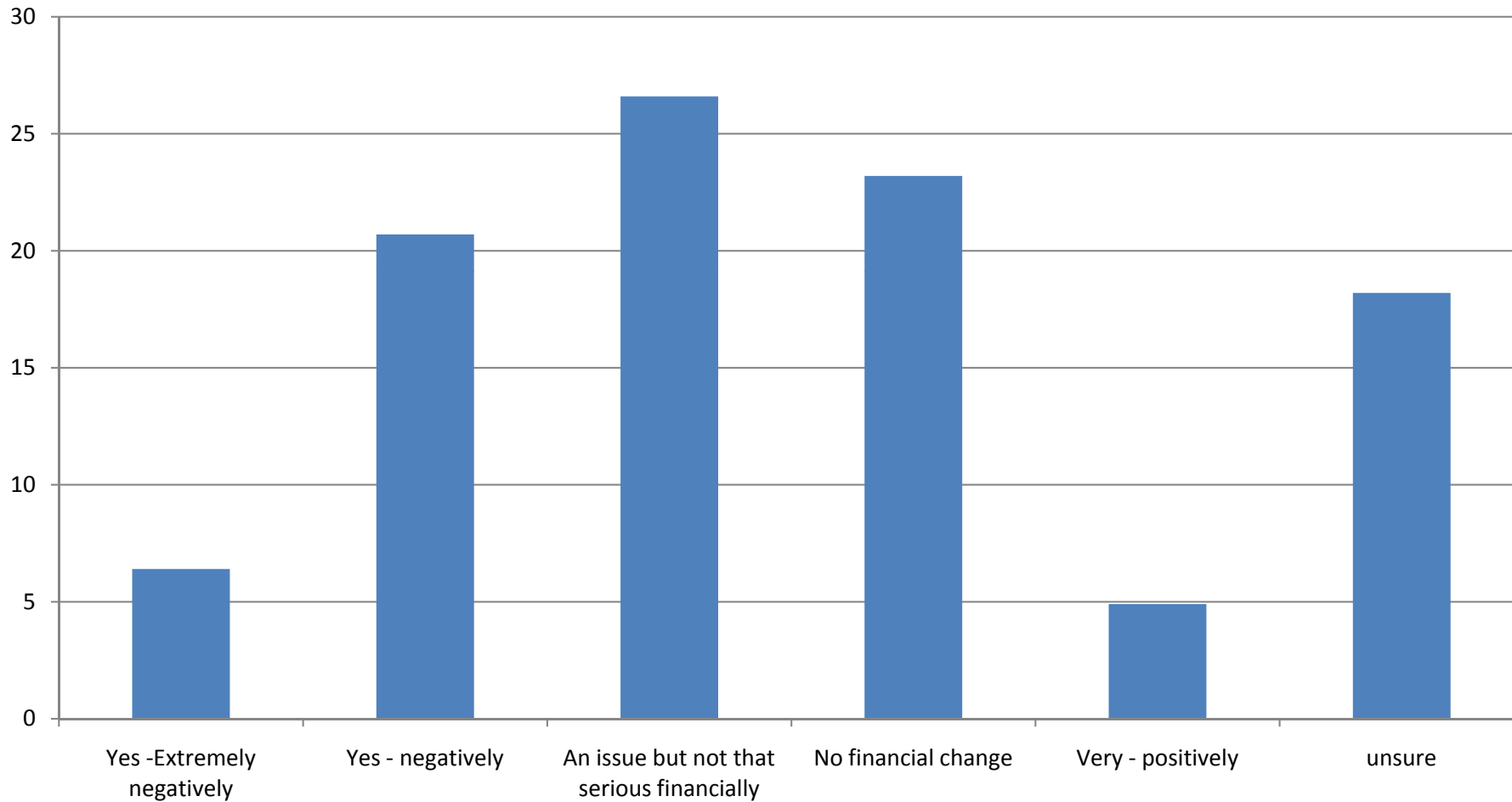


Impact of ETS on own industry sector



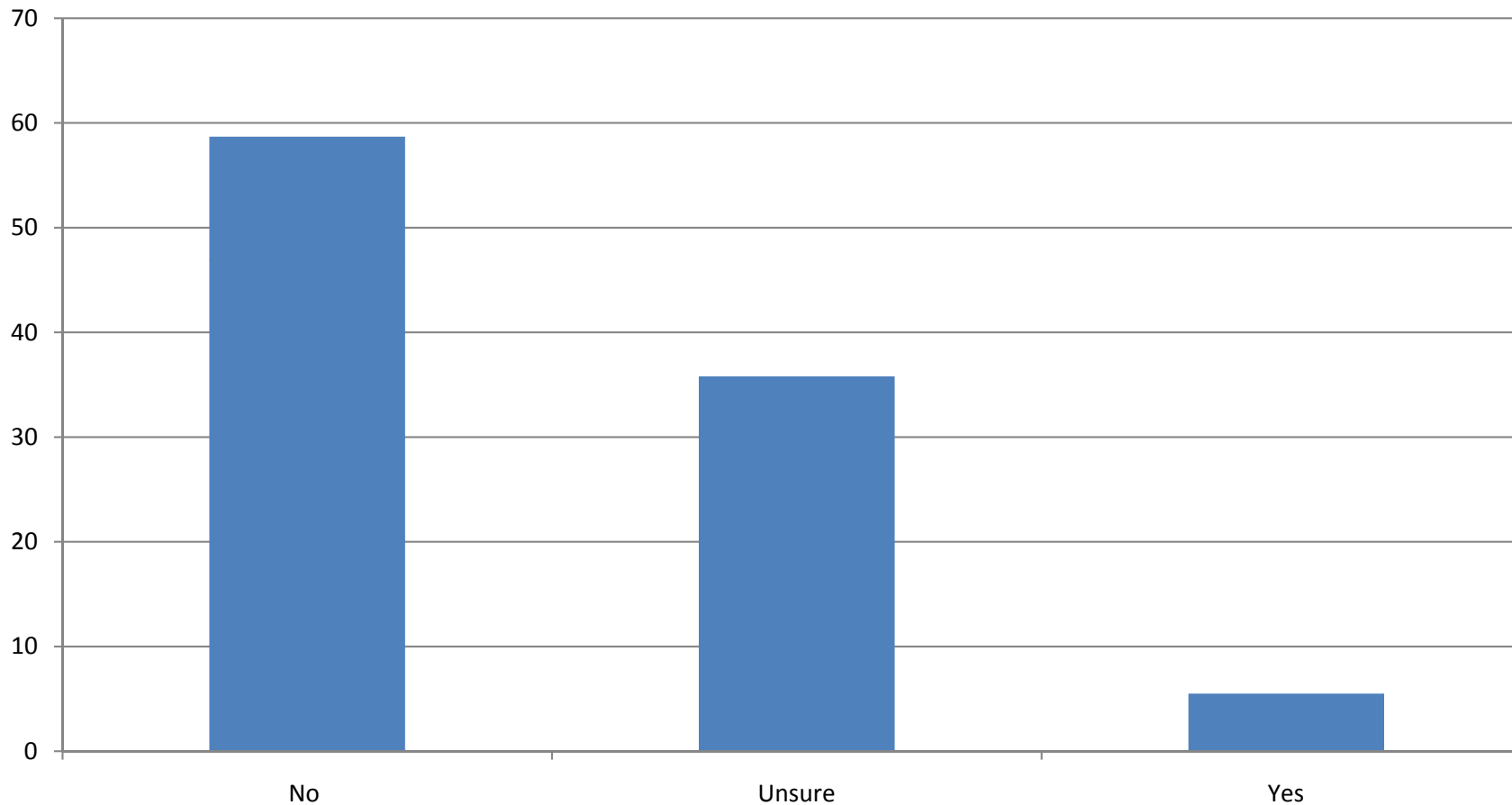
Financial impacts of ETS

Do you anticipate the ETS will impact your business financially?

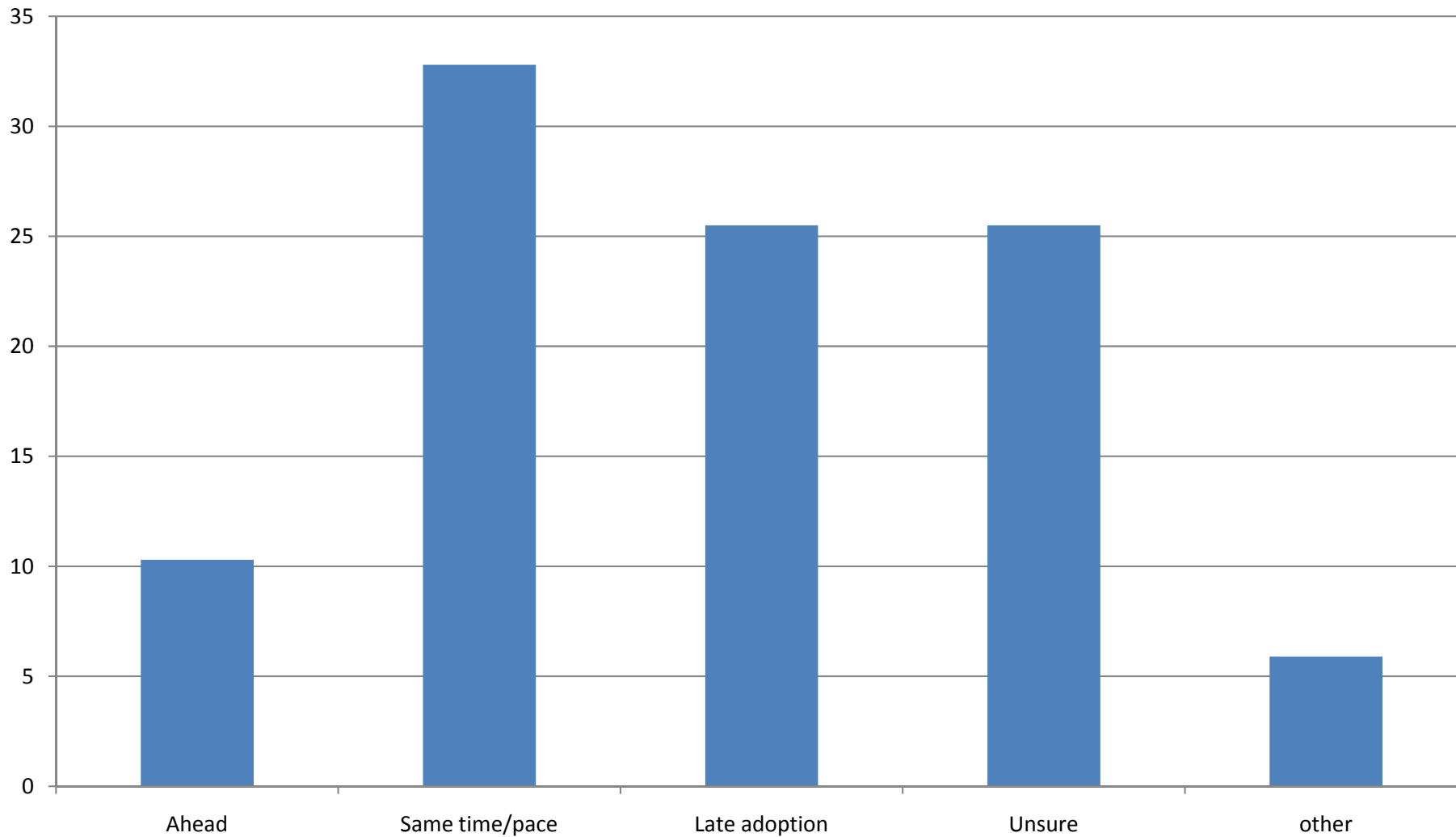


Opportunities provided by ETS

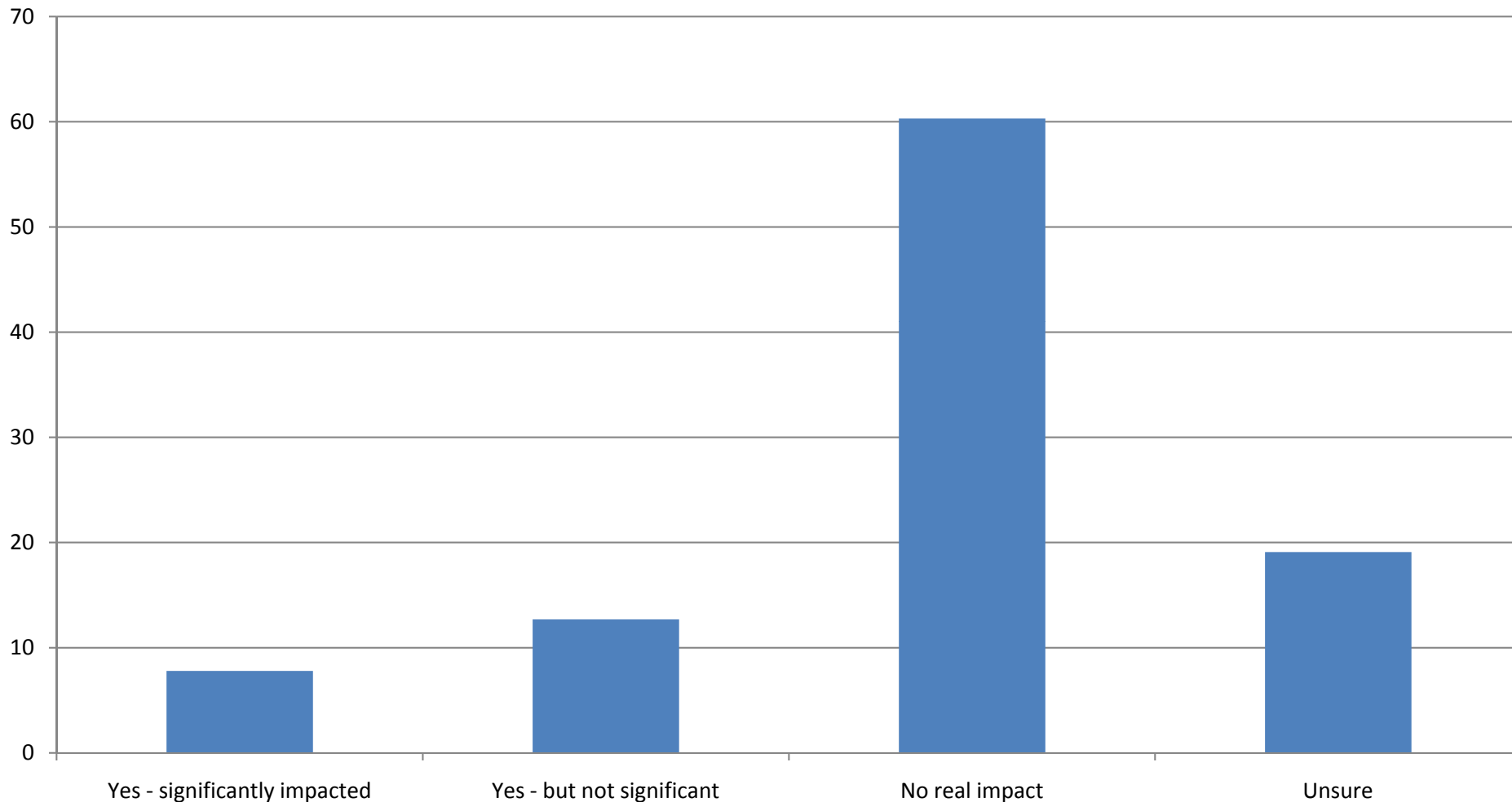
Do you anticipate the ETS will provide new opportunities for your business?



When should NZ adopt ETS relative to Australia?

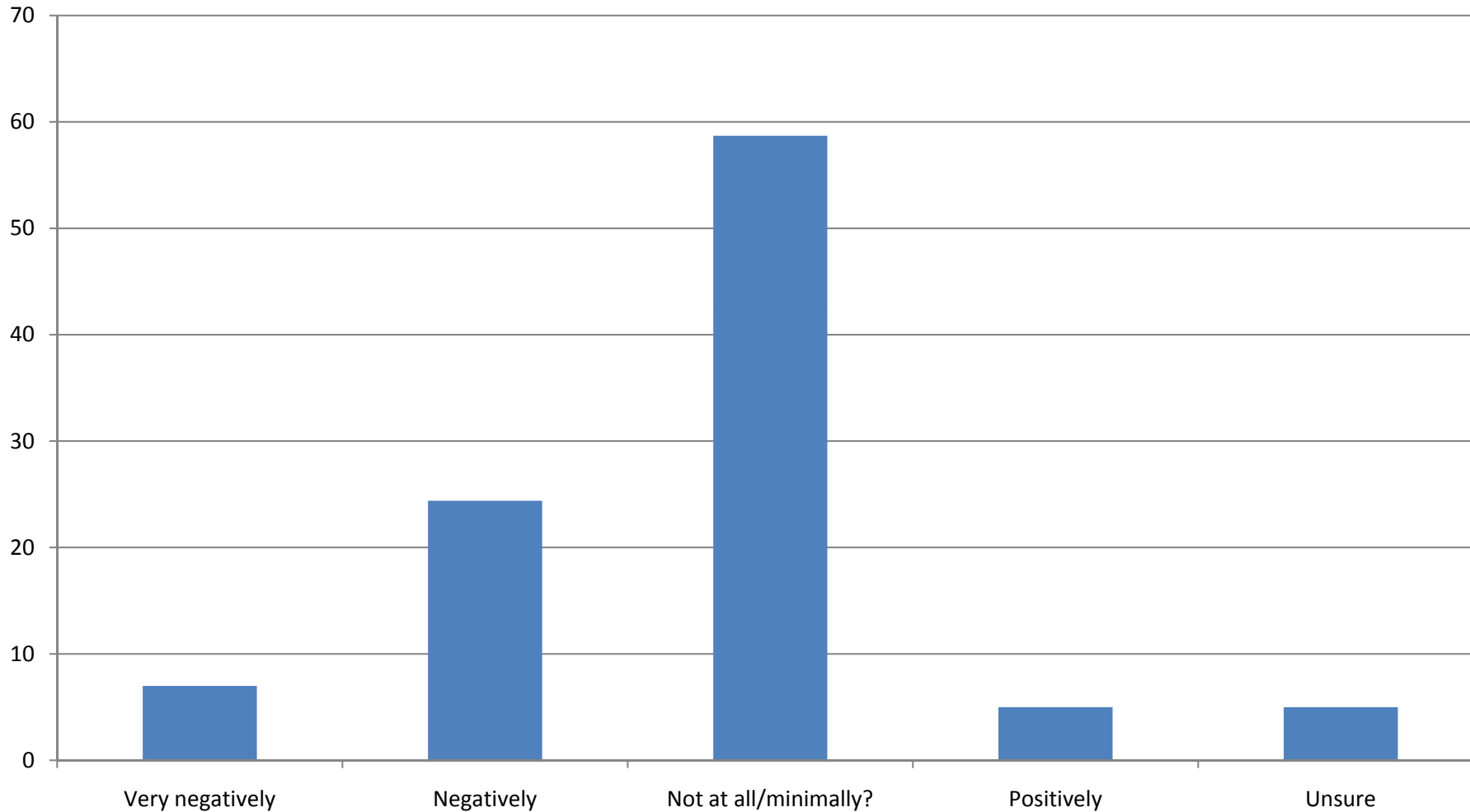


Will your business be disadvantaged due to differing adoption timings of NZ v Australia?

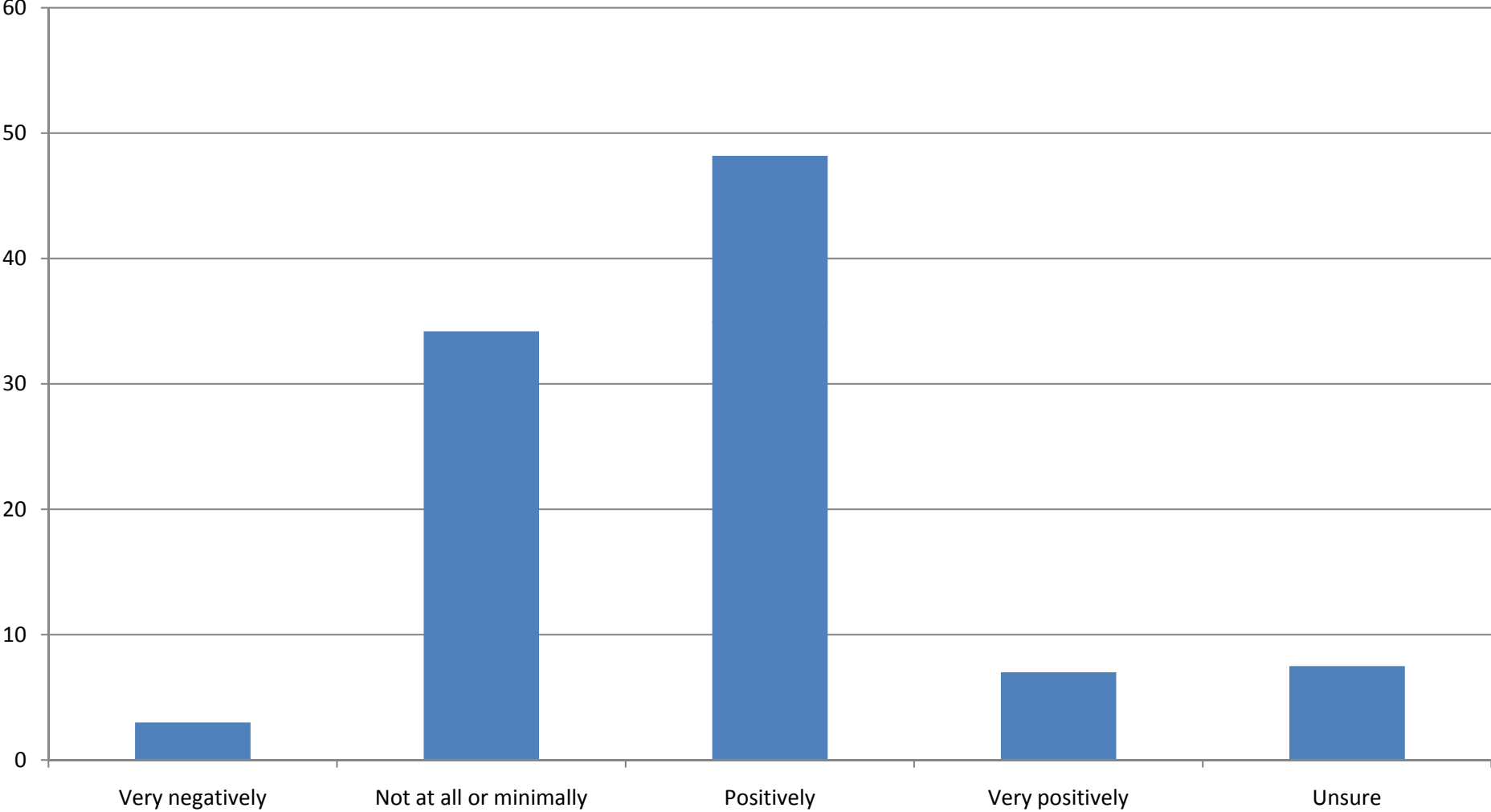


Special Topic: Budget 2010

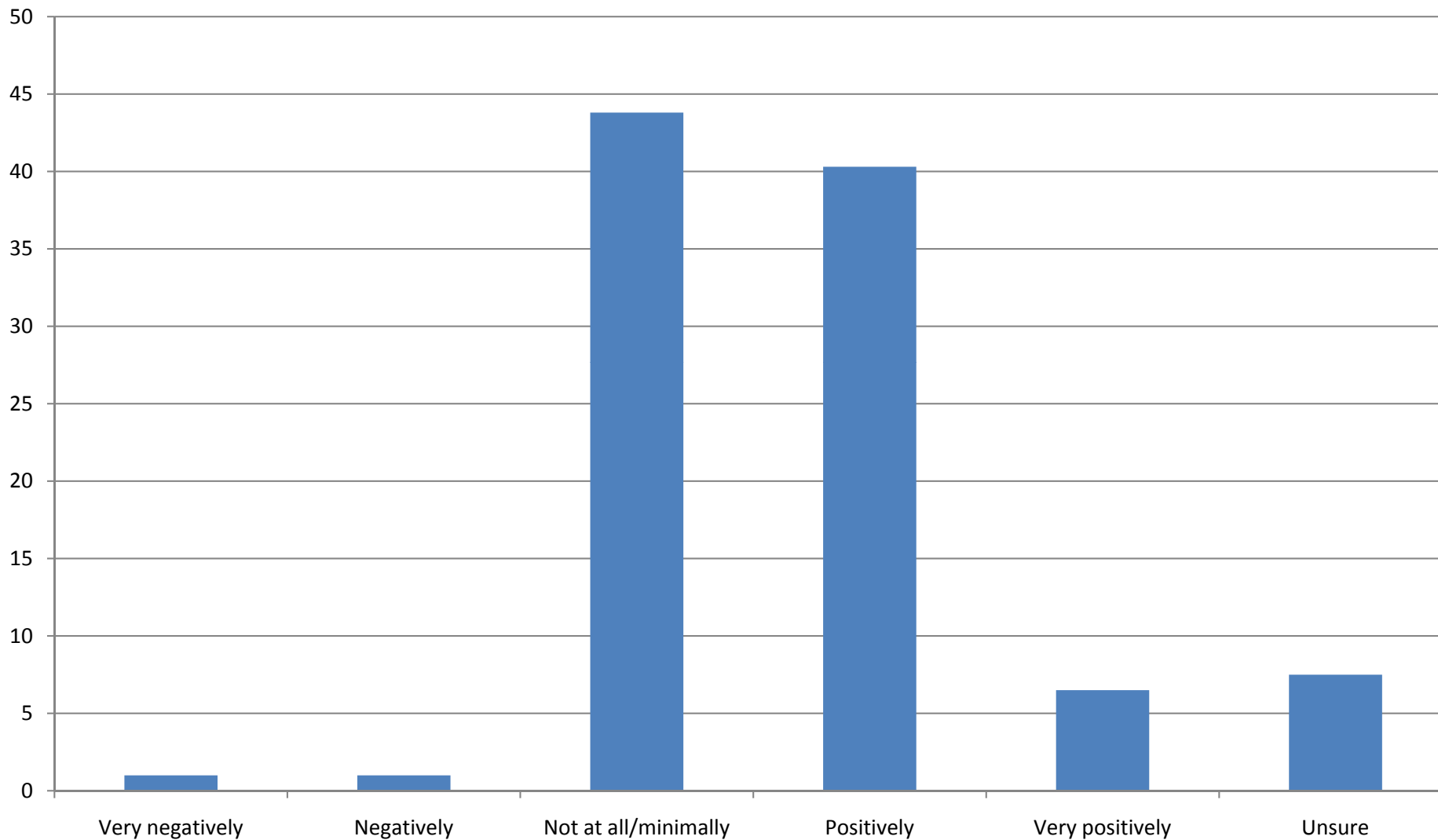
How will the increase in GST announced in the budget impact your business?



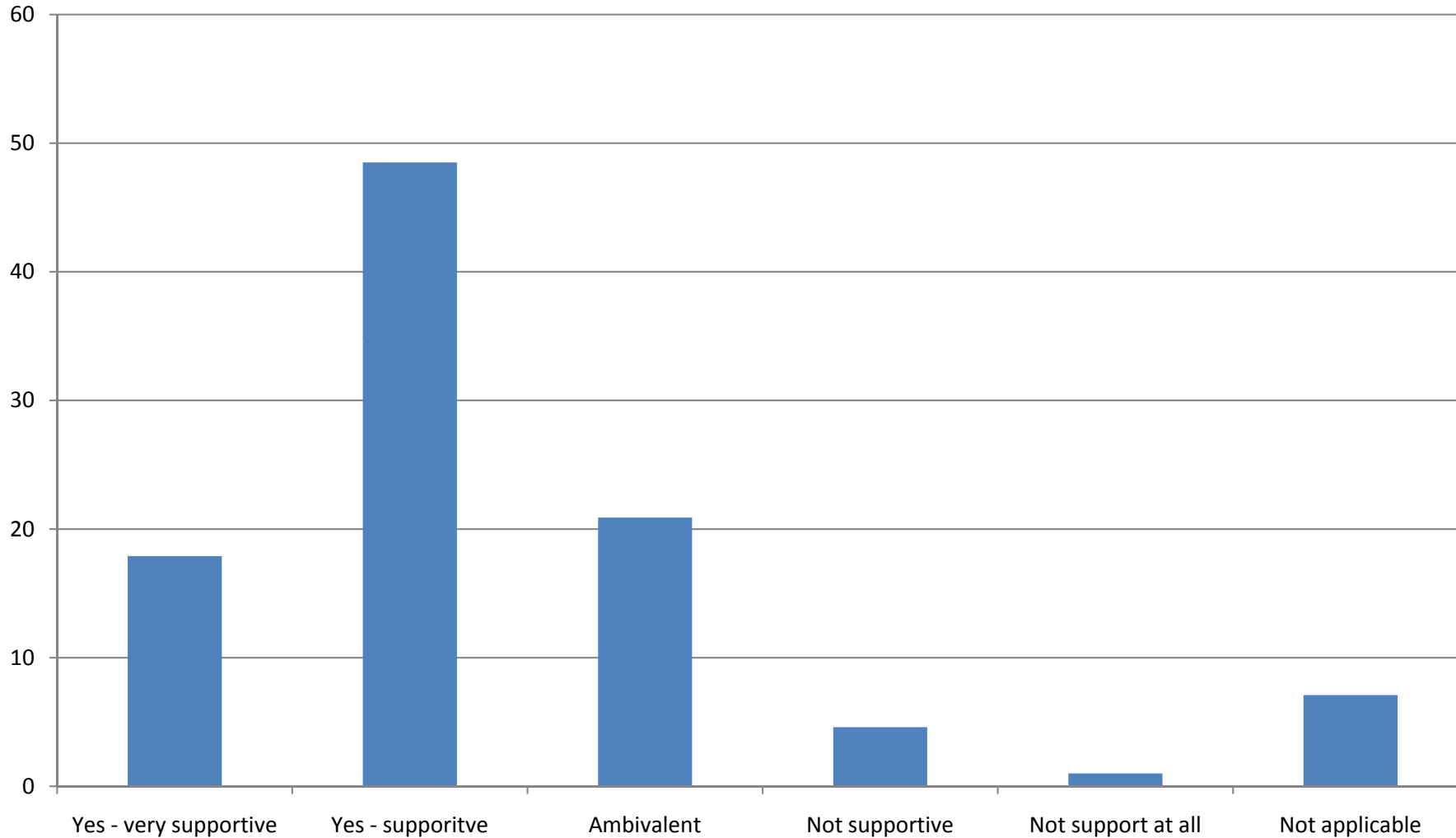
How will the reduction in company tax affect your business?



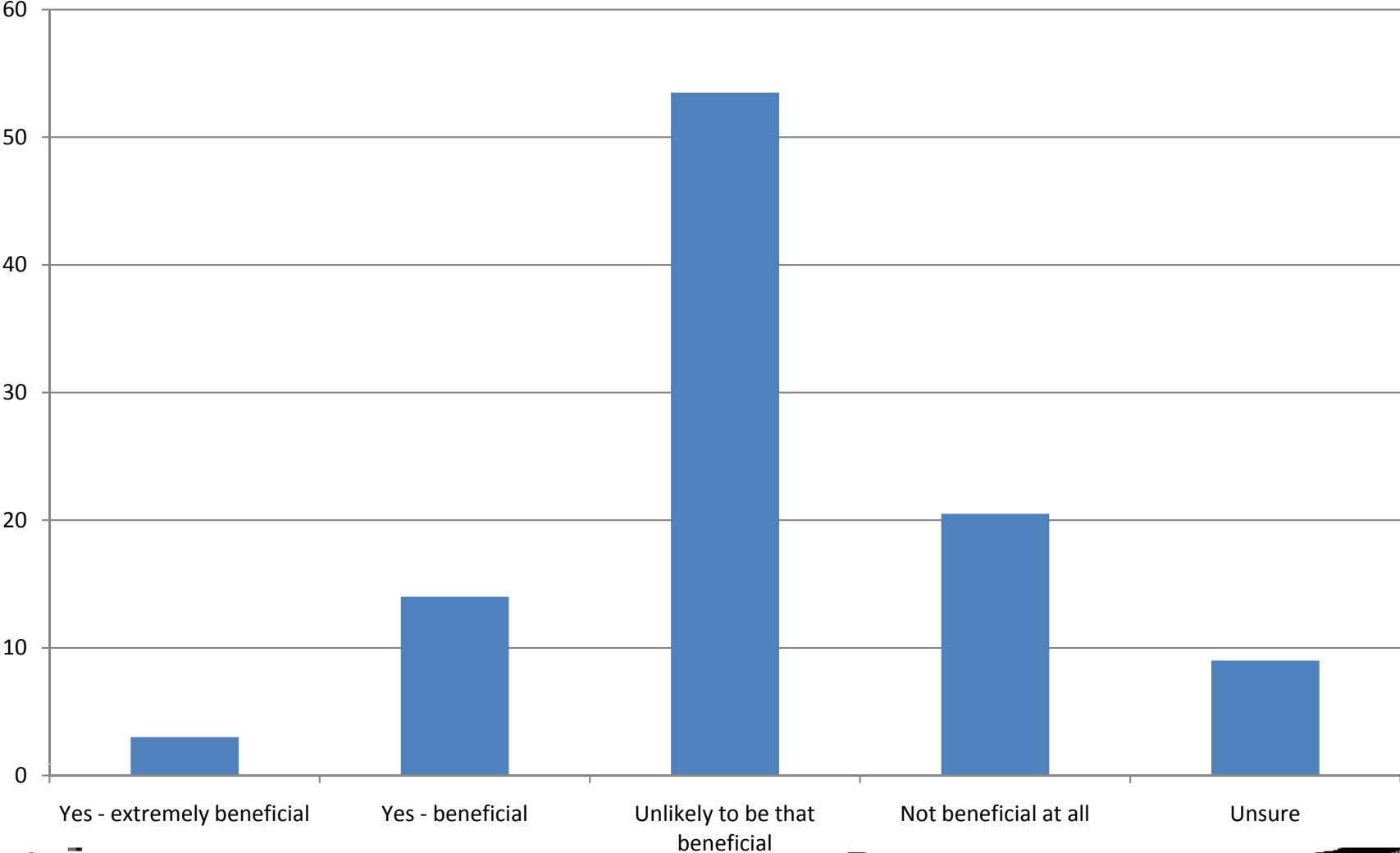
How will the reduction in personal tax affect your business?



Do you support the increase, in general, of RS&T Funding announced in the budget?

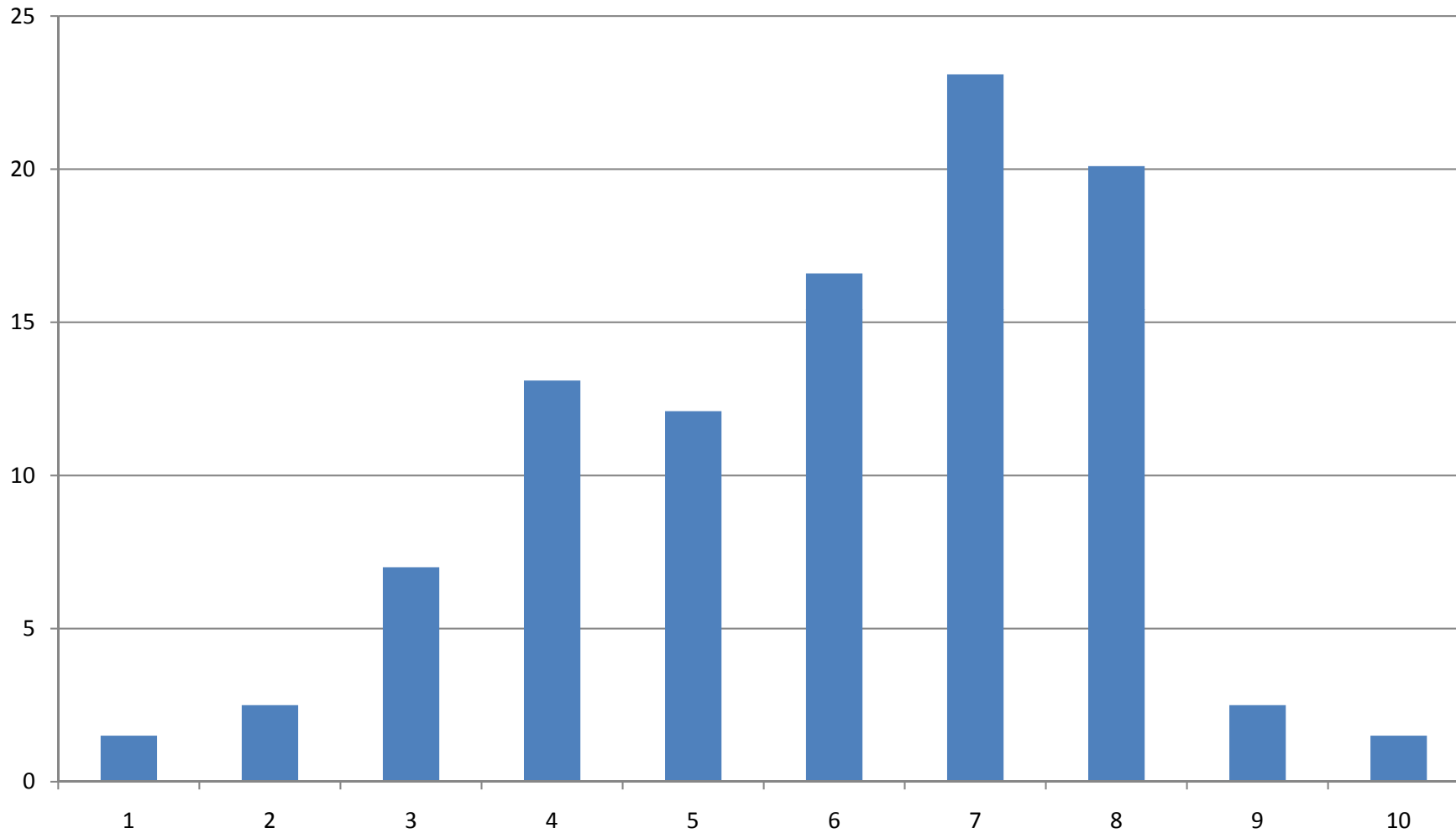


Do you anticipate the increase in RS&T funding will be of benefit to your own business?



Budget Ranking

Scale: 1(very poor) - 10 (excellent)



Average ranking of Budget 2010 by Taranaki businesses: **6/10**

In Summary

In Summary

- Region is felt to be heading in the right direction again.
- Taranaki businesses are growing again, but not yet confident enough to add staff.
- Tax changes announced in Budget 2010 will assist recovery.
- Scope for increased information around the Emissions Trading Scheme.

- Challenge now to shift the regional economy from a recessionary mindset to a growth mindset.