



BUSINESS SURVEY

December 2007

Featuring

Regional Activity Predictions
Proposed Eastern Harbour Redevelopment - Taranaki Business Views

Report prepared for
Venture Taranaki

By
Red Eye Limited

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1.0 Executive Summary

This report summarises the results of Venture Taranaki's six-monthly survey of Taranaki businesses. Its purpose is to monitor the local economic climate and key issues that affect businesses. The survey was sent to 1000 Taranaki businesses reflecting a cross-section by industry type, location and size. A total of 218 businesses participated in the survey

In terms of the NZ economy for the coming 12 months, the majority of business respondents anticipate the status quo will prevail (62.0%), 16.2% anticipate deterioration, whilst 17.1% expect improvement. Relative to the situation six months ago, there is an increasingly stronger belief that the status quo will prevail. There are also less optimists and pessimists.

In terms of industry-specific conditions, the majority of respondents (59.9%) anticipate the economy will remain the same, 25.8% anticipate improvement whilst 12.4% predict a decline. Relative to six months ago more businesses believe that industry-specific conditions will improve. The agriculture industry and oil/gas industry appeared the most optimistic.

Businesses based in South Taranaki and Stratford appear more optimistic than New Plymouth District regarding economic conditions in relation to the coming 12 months.

Businesses predominantly anticipate sales will increase in the next six months – however it must be noted this survey was undertaken prior to Christmas, thus heading into a period of seasonally heightened retail sales and tourism activity.

The majority of respondents (72.9%) anticipate employee numbers will remain the same, whilst 17.9% anticipate a need to increase employee numbers within their own businesses in the next six months. These outcomes are similar to the employment situation of six months ago.

However 46.5 percent of businesses reported they were experiencing difficulties finding good staff and/or those with appropriate skills. People from a variety of industries were cited e.g. plumbers, electricians, vets, hospitality staff, chefs, skilled and unskilled labourers. The attitude of prospective employees and their willingness to work the hours required and meet the needs of employers was also raised. As prospective employees are now able to pick and chose more (given the current labour situation) they seemingly have greater bargaining power in terms of when and how they elect to work, and the conditions of work they require.

A total of 49.8 percent of respondents said there were currently significant issues affecting the growth and profitability of their business. Key factors included compliance costs, the price of fuel, wages, rents, electricity, Government policies, the exchange rate volatility, the dairy payout and activity in the oil/gas industry.

The Business Survey Special Topic asked businesses for their views in relation to the proposed redevelopment of the Eastern Harbour at Port Taranaki – an area often known as the Lee Breakwater.

The proposed proposal if it proceeds, includes:

- Enhanced public access (e.g. new jetties, car parking improvements etc),
- Scope for further café/restaurant development;
- Infrastructure for commercial operators (e.g. slip way, travel lift and fuel facilities);
- Infrastructure supporting future port developments (e.g. relocation of berthage for the Port's tugs) and
- Recreational marina facilities.

Feedback, in the form of rankings, was sought to a series of questions and a general commentary was also asked of participating businesses.

The results showed:

- Most respondents (48.1%) rated the current state of Lee Breakwater as a place for public recreation as OK, 25.2% said it was poor, with the balance (10.7%) saying it was very good or excellent.
- In relation to the importance of the proposed redevelopment of the Eastern Harbour (Lee Breakwater area) in terms of enhancing pride, the majority of respondents felt it was very important (46.2%), 38.5% said it was important, 9.6% said it was moderately important, whilst the balance said it was of low importance/unimportant (5.7%).
- In relation to the proposed redevelopment of the Eastern Harbour (Lee Breakwater area) in terms of enhancing vibrancy, the majority of respondents felt it was very important (44.9%); 38.6% said it was Important, 10.6% said it was moderately important, whilst the balance said it was of low importance/unimportant (5.8%).
- In relation to the proposed redevelopment of the Eastern Harbour (Lee Breakwater area) in terms of enhancing business opportunities, the majority of respondents felt it would enhance business opportunities (74%), 22.6% said maybe and only 3.4% felt it would not lead to more business opportunities.

Comments concerning the proposal included very positive ones (e.g. “just do it!” “this project is long overdue”) whilst others highlighted areas of concern (e.g. “there are enough café’s already”, “Is this important relative to other needs e.g. regional transport issues?”). There were questions in relation to funding (“who pays?” “How will the formula work on a sub-regional basis?”). There was particular concern from South Taranaki respondents about project payment, whether they would benefit and/or be asked to pay for a project which some respondents felt had fewer/potentially minimal spin-offs for their part of the region.

2.0 Introduction

Venture Taranaki is a world-class Economic Development and Regional Tourism Agency founded by the New Plymouth District Council. Established as a charitable trust with a private sector board, Venture Taranaki provides a strategic and focused approach to developing the Taranaki economy. Its purpose is to foster a dynamic and innovative economy which assists regional development, tourism and sustainable wealth creation in Taranaki.

The Taranaki Business Survey has been conducted twice a year since 1999. Its function is to monitor trends, identify key issues affecting the growth of Taranaki businesses and provide timely, accurate and valuable information for Taranaki businesses and stakeholders.

This research report has been independently analysed and prepared for Venture Taranaki by Red Eye Limited.

Venture Taranaki would like to acknowledge the New Plymouth District Council for its support with this initiative.

3.0 Methodology

The Venture Taranaki Business Survey is undertaken every six months in May and November (with results available in June and December). Survey forms are mailed out to 1000 Taranaki businesses throughout the region. Survey recipients were randomly selected from the New Zealand Business Directory Database (UBD), phone directory and Venture Taranaki client database, and considerable effort has been dedicated to ensuring the sample is representative of industry sector and geographic location. The survey questionnaire comprises two sections - a standard economic/business section and a special topic section. The special topic for this survey asked businesses for feedback concerning the proposed Eastern Harbour Redevelopment at Port Taranaki (also known as the Lee Breakwater area).

As at February 2006 there were 8,630 businesses operating in the Taranaki region (Statistics New Zealand). The distribution of businesses across Taranaki districts is detailed below:

Table 1: Taranaki Business Population

District	Number of Business Operating	Percent of Taranaki Businesses
New Plymouth	5,917	68%
Stratford	753	9%
South Taranaki	1,960	23%

The survey sample is reflective of the sub-regional business distribution between the New Plymouth, South Taranaki and Stratford Districts. In addition to business location, surveys were distributed in proportion to industry type.

In total 218 completed survey forms were received by the close-off date. This equates to a response rate of 21.8 percent. The survey aims to achieve a confidence level of 95 percent (plus or minus five percent) that survey results are representative of the entire Taranaki business population. This outcome is dependent on the willingness of participants to complete and return the postal survey forms. As analysis throughout this report is, in parts, broken down by industry sector and district, it should be highlighted that the 95 percent plus or minus five percent confidence interval is relevant to overall results and not at industry and district level. Due to the larger interval at variable level, care should be taken when interpreting some results.

4.0 Respondent Profile

Of those businesses who responded to the survey, 65.1 percent were located in the New Plymouth District, 21.6 percent in South Taranaki and 6.9 percent in Stratford. A total of 6.4 percent of businesses operated from branches located throughout Taranaki (or didn't identify a location). These proportions are in alignment with the required representative samples.

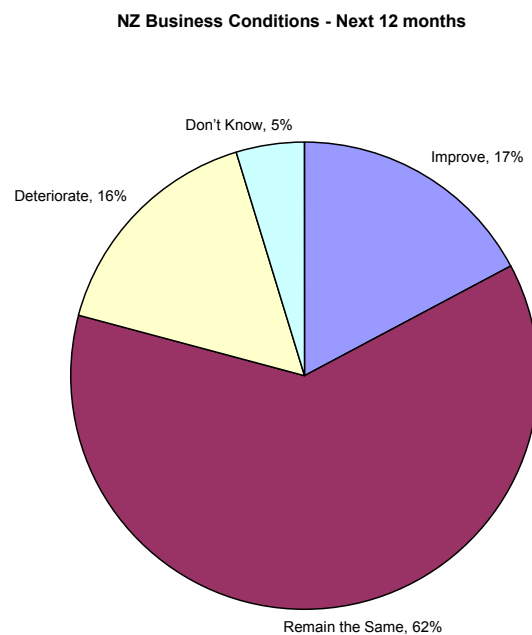
A total of 20.2 percent of respondents considered their primary business operation as 'retail and wholesale trade' while 12.4 percent reported they operated in the 'property, business, finance, insurance services' sector. A further 11.0 percent identified themselves as 'manufacturing' businesses, 13.0 percent in community/Government/personal services and 11.5 percent as building/construction. All other industry sectors each comprised less than 10 percent of respondents.

The majority of businesses (35.9 percent) reported having between one and four staff, 27.6 percent had between five and nine staff, and 15.7 percent had between 10 and 19. The remaining 20.8 percent of businesses have 20 or more people working in the business.

5.0 Economic Findings

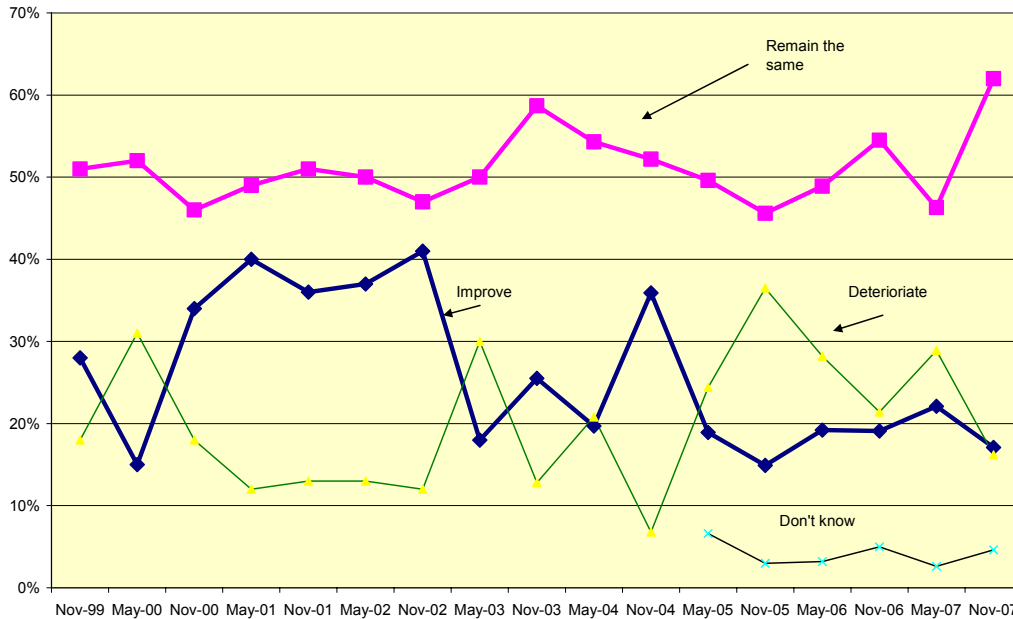
5.1 New Zealand-Wide Business Conditions

Respondents were asked to predict the general business outlook for New Zealand over the next 12 months. The majority of responding businesses (62%) predict that general business conditions in New Zealand will remain the same; 17.1% anticipate conditions will improve, whilst a similar proportion believed they will deteriorate (16.2%).



Although the majority of businesses perceive economic conditions will continue along similar lines for another 12 months, relative to the survey undertaken 6 months previously, this is increasingly becoming the predominant view – i.e. there is less optimism in terms of growth – but pessimism is also decreasing as well.

NZ General Business Situation - next 12 months



When analysing results by district, slightly higher levels of optimism regarding national economic conditions were indicated by respondents based in Stratford (20.0 percent) and South Taranaki (19.1 percent), whilst those in New Plymouth appear more cautious.

New Zealand-wide conditions: predictions for the next 12 months by district*

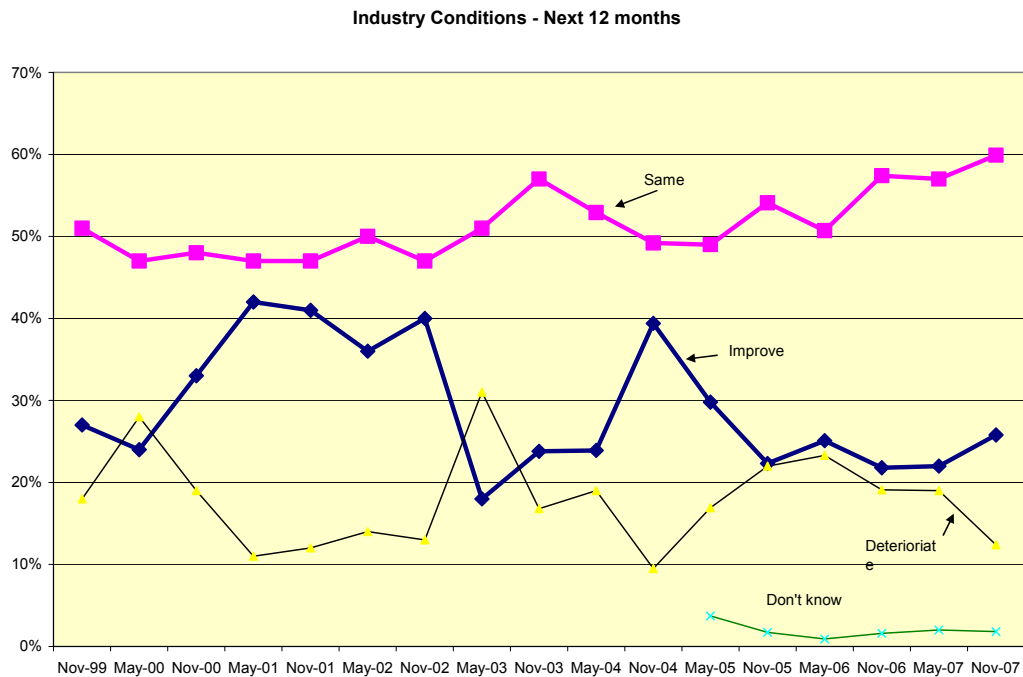
Prediction	NPD	SD	STD
Improve	13.6%	20.0%	19.1%
Remain the Same	62.1%	66.7%	66.0%
Deteriorate	17.9%	6.7%	14.9%
Don't Know	6.4%	6.7%	0.0%

* Balance reflects respondents located throughout Taranaki, thus were not district specific. Due to rounding factors, some outcomes may not total 100% with precision.

5.2 Industry Conditions

Respondents were asked to predict industry conditions for the coming 12 months with respect to their own industry sector. Once again, the majority of respondents (59.9%) anticipate stable industry conditions in the months ahead. A total of 25.8% anticipate conditions will improve, whilst 12.4% foresee

deterioration. The majority of businesses anticipate that the economic status quo will prevail in their own industry. Relative to six months ago, this is a more optimistic picture of future industry conditions.



The agriculture and oil/gas industries appear the most optimistic in relation to conditions within their own industry in the coming 12 months.

Businesses based in Stratford and South Taranaki appear more optimistic regarding conditions in their own industry in the coming 12 months, although the New Plymouth District was also very positive with fewer pessimists than South Taranaki.

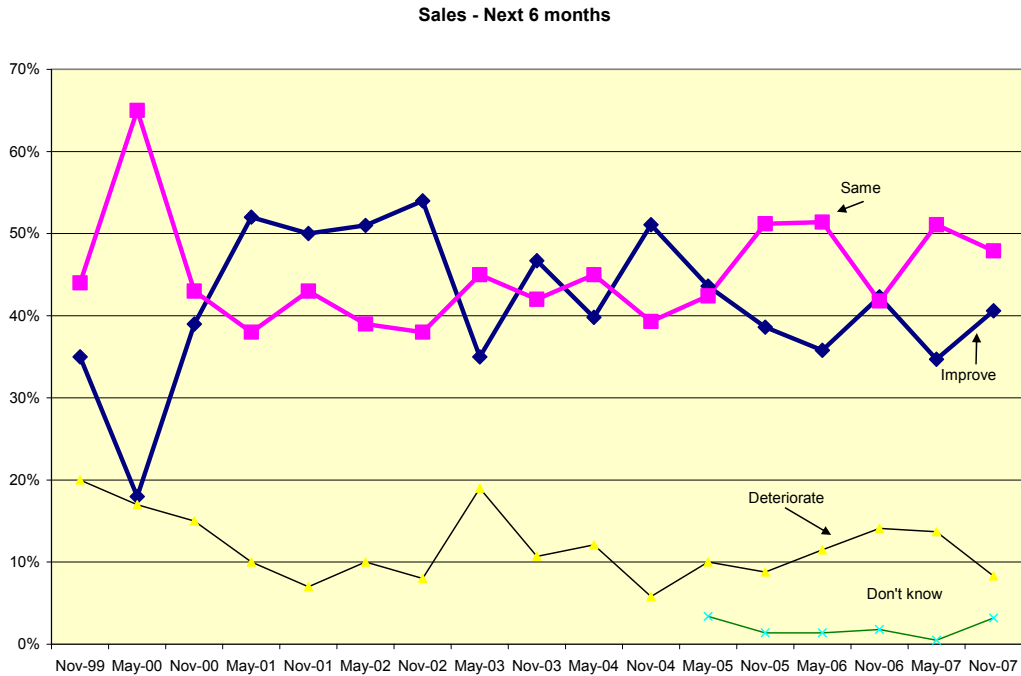
Industry conditions: predictions for the next 12 months by district

Prediction	NPD	SD	STD
Improve	21.3%	40.0%	27.7%
Remain the Same	64.5%	60.0%	53.2%
Deteriorate	12.8%	0.0%	14.9%
Don't Know	1.4%	0.0%	4.3%

**Balance reflects respondents located throughout Taranaki, thus were not district specific. Due to rounding factors, some outcomes may not total 100% with precision.*

5.3 Sales/ Customer Levels

Businesses predominantly anticipate sales will remain the same over the next six months with 40.6% anticipating sales will increase – up from the May 2007 result when the last survey was undertaken. However the region is heading into the Christmas, major events and tourism season –a period of heightened retail sales and this must be taken into account. Approximately 12.4% of respondents indicated sales levels will deteriorate.



Stratford and New Plymouth-based respondents proved most optimistic with regard to sales levels with respect to the coming six months. South Taranaki-based businesses also appear relatively optimistic.

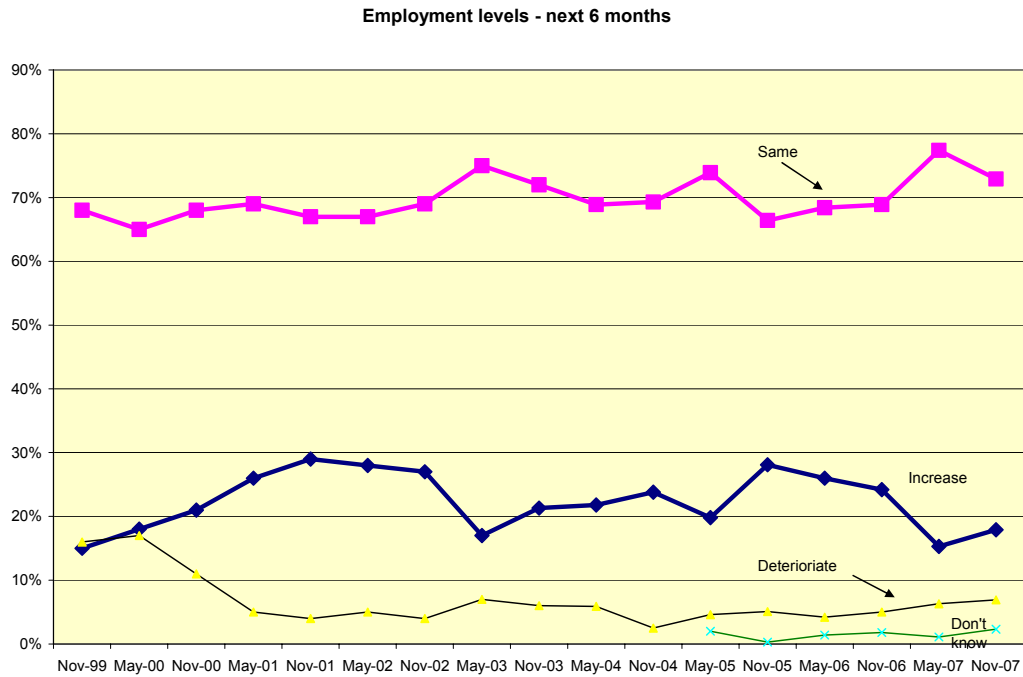
Sales/ customer levels: predictions for the next six months by district

Prediction	NPD	SD	STD
Improve	39.4%	66.7%	30.4%
Remain the Same	47.9%	26.7%	58.7%
Deteriorate	9.2%	0.0%	8.7%
Don't Know	3.5%	6.7%	2.2%

* Balance reflects respondents located throughout Taranaki, thus were not district specific. Due to rounding factors, some outcomes may not total 100% with precision.

5.4 Employment Levels

Respondents were asked to indicate whether they expect employment levels to change over the next six months. The majority of respondents (72.9%) anticipate employee numbers will remain the same, whilst 17.9% anticipate a need to increase employee numbers within their own businesses. These outcomes are slightly up on the employment situation of six months ago. Only 6.9 percent of respondents indicated staffing levels would decrease; similar to the 6.3 percent recorded in the last survey in May 2007.



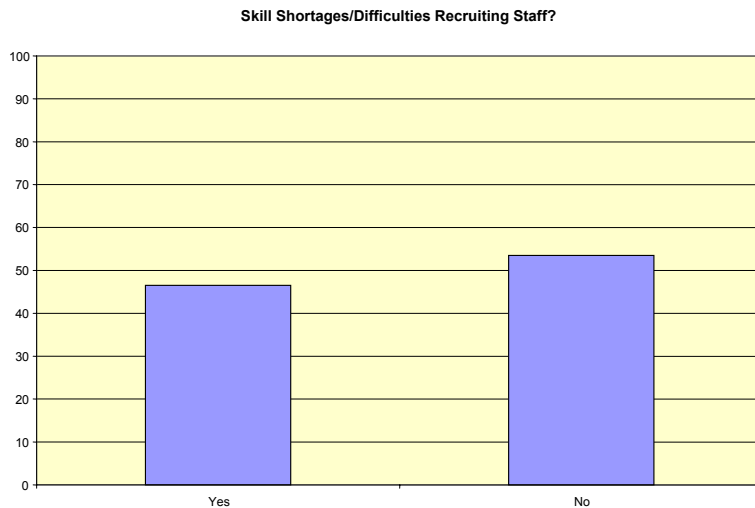
When reviewing employment demand across industry sectors, businesses operating in the agriculture, oil/gas and building/construction appear more likely to be taking on new staff, relative to other industries. When analysing predicted employee requirements for the coming six months at a sub-regional level, the majority of businesses predict employment requirements are set to remain the same irrespective of location. However, employment expectations were higher in Stratford and South Taranaki.

Table 5: Employment levels: predictions for the next six months by district

Prediction	NPD	SD	STD
Improve	14.1%	20.0%	27.7%
Remain the Same	76.1%	80.0%	68.1%
Deteriorate	6.3%	0.0%	4.3%
Don't Know	3.5%	0.0%	0%

5.5 Difficulties finding Skilled Staff/Recruiting those with Appropriate Skills

Respondents were asked whether they were experiencing any significant skill shortages and/or difficulties recruiting appropriate staff. A total of 46.5 percent stated they were, whilst the balance (53.5%) said they were not.



Many cited specific trades where difficulty was being experienced – trades people, vets, hospitality people, unskilled labour. Extracts from survey forms are documented below:

“Skilled employees difficult to find”

“Motorcycle mechanics”

“Typist”

“There has been no industry training since the PO/early telecom days”

“Unskilled labour is in short supply”

“Suitably qualified tanker masters for FPSO opps”

“Semi-skilled people with a mechanical background”

“Sales people”

“Skilled personal and technical people”

“Tradespeople”

“No plumbers, gas fitters with any skills available, plenty without skills”

“Technically qualified civil structural and environmental fields”

“Graduate in accountancy”

“Audiologists”

“People with electrical knowledge”

“Caregivers”

“Physiotherapists”

“Auto electricians”
“Competent cooks”
“Good trades staff”
“Qualified staff with degrees and experience”
“Bricklayer”
“Engineering design/manufacturing”
“Chefs and talented front staff”
“Qualified hospital staff”
“Engineering staff”
“Good skilled trades staff”
“There is no one with experience in the shipping industry”
“Slaughter men – boners”
“Drivers”
“Veterinarians”
“Semi skilled and general factory labour”
“No new drivers coming through class 2-5 licences”
“Chemical handling operators/water treatment consultants”
“Beauticians, professional and experienced”
“Degree qualified professional engineers”
“Qualified plumbing, gasfitters, tradespeople. Trade administration. Management/retail”
“Electricians, mechanics and other tradesmen”
“Fitter engineers”

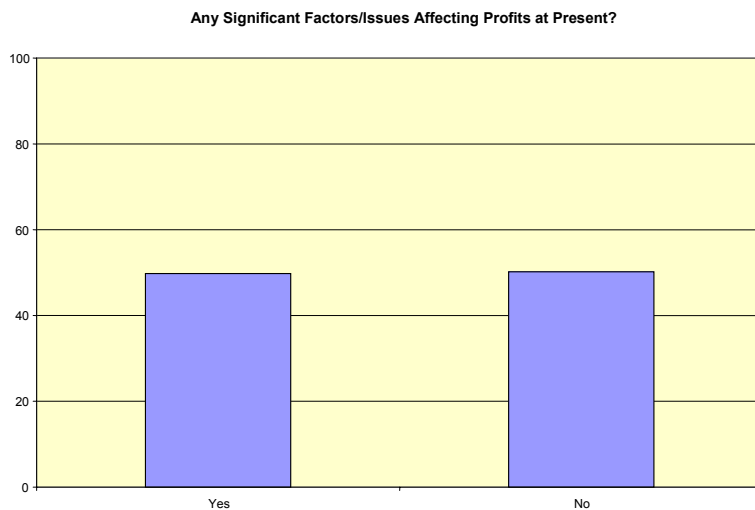
However respondents also lamented broader issues – the attitude of potential staff and how prospective employees were now able to pick and choose. Extracts from survey forms are documented below:

“There is not the employees out there. They want to be paid more than we can pay them”
“I want someone willing to work and follow instructions”
“No skilled people - people these days just don't want to work”
“There is a lack of skilled committed people. They want unrealistic pay for lack of skills”
“There is a lot of work out there and staff are picking and choosing”
“Lack of flexibility of potential employees”
“We want well presented, passionate people”
“Reliable staff able to consistently do their job safely”
“Good work ethic, weekend staff. Staff are not committed”

5.6 Issues impacting on Business Profitability at Present

Respondents were also asked whether they were experiencing any significant issues/factors at present which were impacting on the profitability/operations of their business.

A total of 49.8 percent stated there was, whilst the balance (50.2%) said there were not. Compliance costs, costs of business (e.g. wage pressures, fuel costs, rents, electricity costs, overheads etc), competition (e.g. cheap imports); the volatile dollar/exchange rate; farming situation (weather, payout etc) were amongst the most frequently cited issues.



Selected comments from respondents are listed below:

- "Fuel costs and compliance costs"*
- "Compliance issues with HAZNO ERMA/ISO9001 and Employment law"*
- "Cost of advertising in the Daily News"*
- "4 week annual leave"*
- "Wages, fuel"*
- "Debtors increasing, particularly in the land development/subdivision field"*
- "Lower priced imports"*
- "Rising costs"*
- "Govt legislation - re: minimum wage, Kiwi saver, flexible working hours"*
- "Bank rates"*
- "General resistance to price rises - an increase of private bars around town, supermarkets selling beer cheaper than breweries sell to us (using beer as loss leaders)"*
- "Govt policy"*
- "General overheads - rates etc"*
- "Interest rates. Raw material price increases"*
- "Paperwork - IRD/GST/Compliance costs"*

"Fuel costs and the Green party"
 "Food costs; and supermarket cut price sales of alcohol as loss leaders. Also we can not trial staff for any meaningful time"
 "Significant increases in raw material and transport costs"
 "Diesel prices"
 "High petrol prices"
 "The Labour Govt, GST, taxes increasing, rates, rent etc People leaving the country, poor roading"
 "Compliance with health, safety and Environment issues"
 "Increasing energy costs"
 "Stock food has doubled in the past 4 months"
 "The general cost of food. The cost to have to on-sell"
 "Intense uncontrolled competition leaving no profit margins"
 "Mass merchants are now selling a wider product range, including cheap alternatives with big buy now/pay back later options"
 "Sales have been flat through 2007 with increased overheads"
 "Competition - too many facilities in a small area"
 "High competition within the industry"
 "Lack of margin . Competition from overseas"
 "Australasian retail stores discounting to uneconomic levels"
 "Lack of customers, lots of lookers"
 "Tighter more competitive market"
 "High NZ Dollar"
 "Volatile exchange rate"
 "Petrol increase. - not good. Oil search – good"
 "As an agriculturally based business farmer payouts can have big impact"
 "Lack of rain - grass not growing. farmers feeding their cows to get more milk in the VAT and not shutting up paddocks for grass, silage, hay etc"
 "Increase in dairy payout and the increase in the cost of farm inputs"
 "No Govt controls on cheap imported product from China. A lot of what has been sold is below quality and being sold without warranties"
 "Interest rates and govt policy have tightened spending"
 "Unfair Govt discrimination against PHO practices (General Practice) i.e. they provide subsidies (new) to PHO practices"
 "Taxation; and growth/expansion outside of CBD i.e. taking shoppers away from city"
 "Misinformation regarding healthy eating"
 "Failure of local Councils to purchase locally (NPDC & STDC)"
 "Client discretionary spending"
 "Lack of growth and investment in forest processing"
 "Parking fees"
 "No one drawn to shop in our town. It is not very appealing with empty shops"
 "Waiwakaiho development drags people away from western and central NP"
 "Amount of new oil/gas coming onto line"
 "Rent increases in Centre City mean that my rent will comprise 18-20% of my annual turnover rather than the industry recommendation of 6%"

“Govt’s energy strategy with emissions/trading likely to impact negatively on attractiveness for gas exploration.”

“Need new premises. Shortage of suitably zoned land in Hawera”

“Staff quality”

“Shortage of skilled staff means we are unable to fulfill contracts being offered on some occasions”

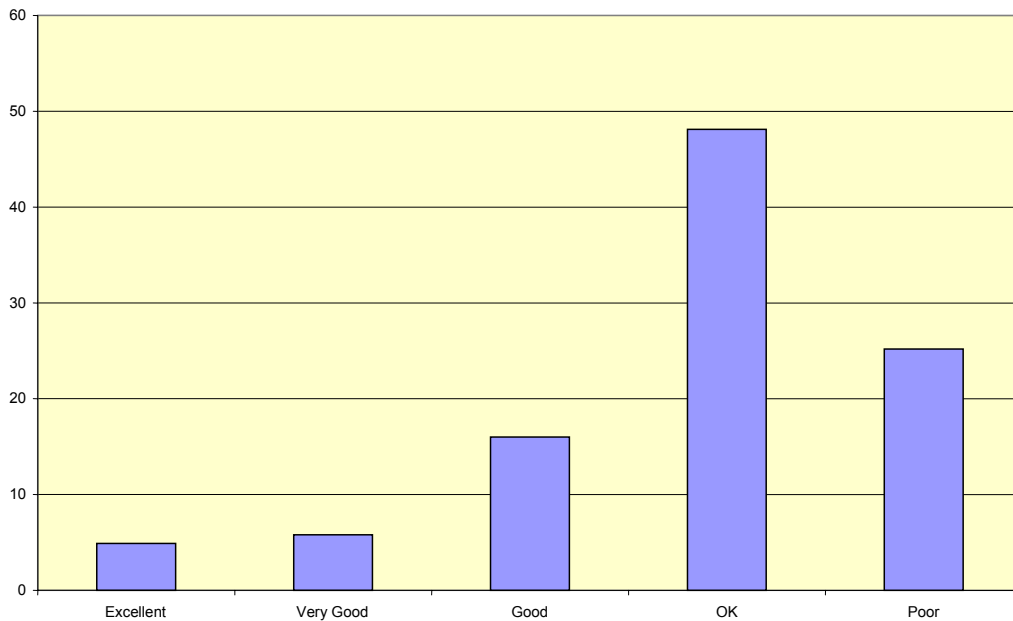
6.0 Proposed Eastern Harbour Redevelopment

This section documents survey feedback in relation to the proposed Eastern Harbour redevelopment at Port Taranaki - an area often referred to as Lee Breakwater.

6.1 What is your opinion of the current state of the Eastern Harbour (Lee Breakwater) area for public recreation and enjoyment?

In relation to the Lee Breakwater area as a place for public recreation and enjoyment the majority of respondents felt it was OK (48.1%), 25.2% said it was poor, 16% said it was good, whilst the balance said it was excellent/very good (10.7%).

Opinion of current state of Eastern Harbour (Lee Breakwater) for public recreation

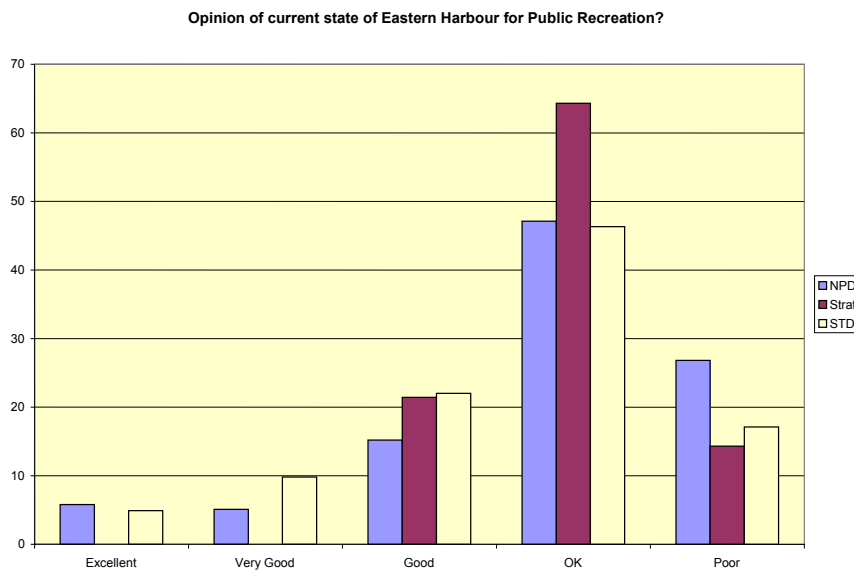


Views By district:

Analysing these results by district, there are some variances. The views of business people from North Taranaki were more favourable than those of Stratford and South Taranaki towards the Lee Breakwater area as a place for public recreation in its current state, but they also less favourable.

The results are shown in the following table and graph:

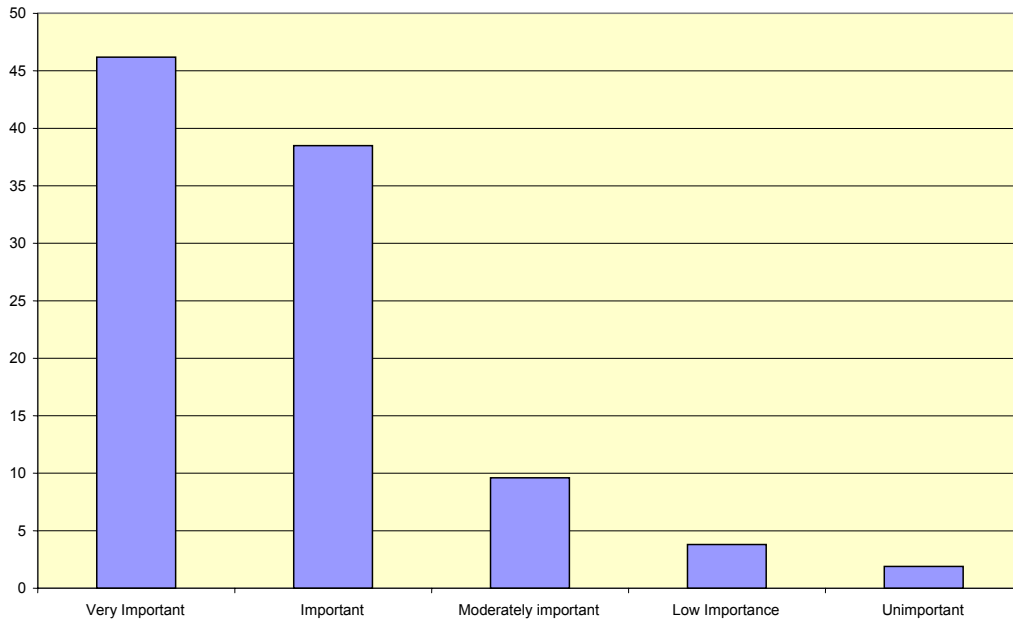
Rating (%)	New Plymouth District	Stratford	South Taranaki
Excellent	5.8	0	4.9
Very good	5.1	0	9.8
Good	15.2	21.4	22
OK	47.1	64.3	46.3
Poor	26.8	14.3	17.1
	100.0	100.0	100.0



6.2 How would you rate the importance of the proposed redevelopment in adding to people's pride in New Plymouth and the Taranaki region?

In relation to the importance of the proposed redevelopment of the Eastern Harbour (Lee Breakwater area) in terms of enhancing pride, the majority of respondents felt it was very important (46.2%), 38.5% said it was Important, 9.6% said it was moderately important, whilst the balance said it was of low importance/unimportant (5.7%).

Importance of Proposed Redevelopment to Adding to Pride in NP & Taranaki?



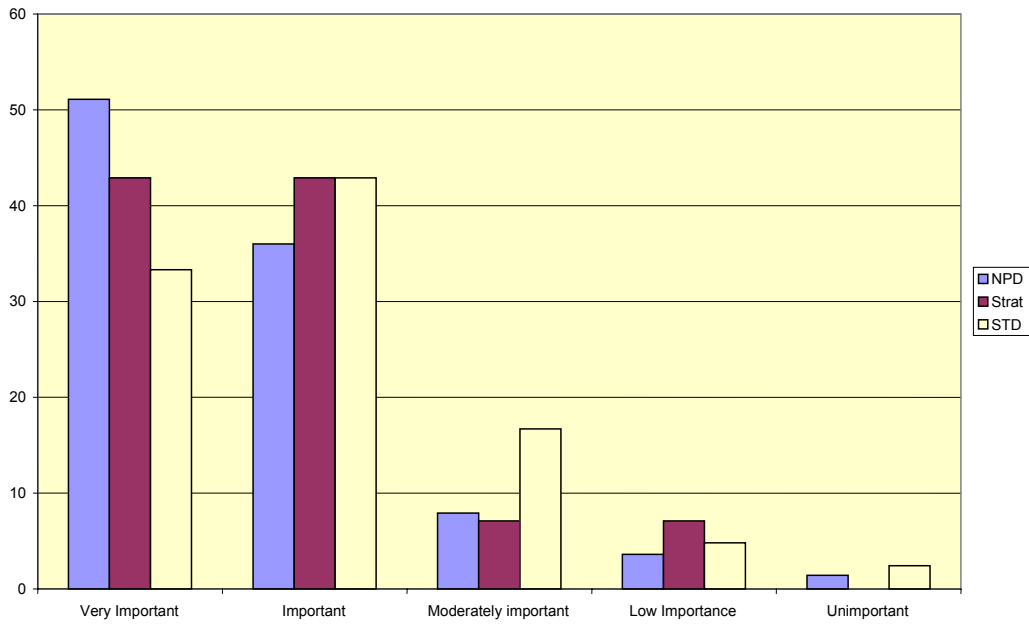
Views By district:

Analysing these results by district, there are some variances. More people from North Taranaki felt the redevelopment was very important in terms of enhancing pride in the region/district than those of Stratford and South Taranaki.

The results are shown in the following table and graph:

Rating (%)	New Plymouth District	Stratford	South Taranaki
Very important	51.1	42.9	33.3
Important	36.0	42.9	42.9
Moderately important	7.9	7.1	16.7
Low importance	3.6	7.1	4.8
Unimportant	1.4	0	2.4
	100.0	100.0	100.0

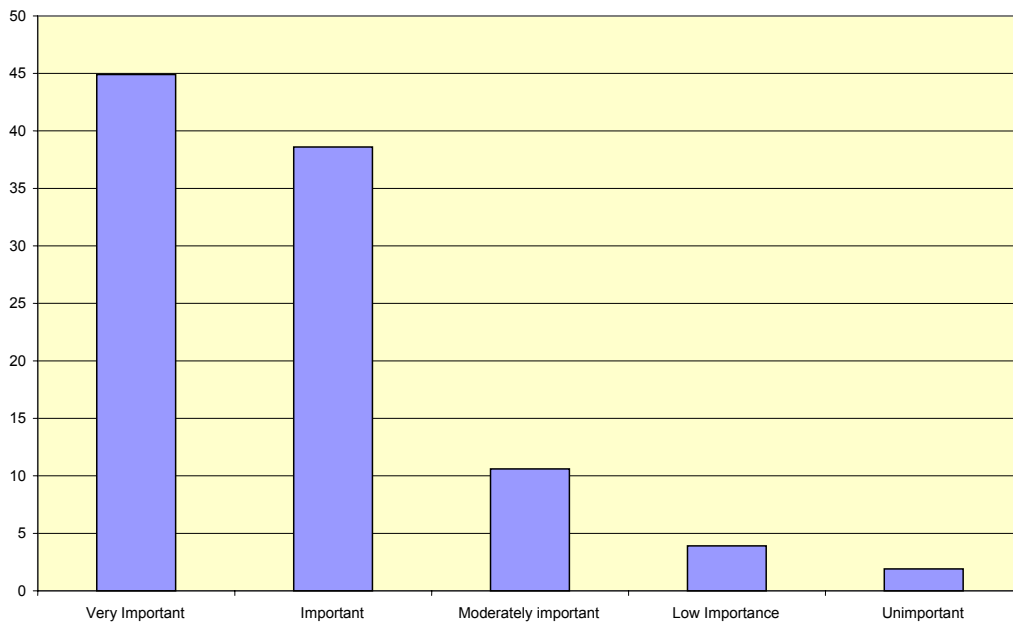
Importance of Redevelopment for adding to Pride?



6.3 How would you rate the importance of the proposed redevelopment on building a vibrant economy and community for New Plymouth and the Taranaki region?

In relation to the proposed redevelopment of the Eastern Harbour (Lee Breakwater area) in terms of enhancing vibrancy, the majority of respondents felt it was very important (44.9%); 38.6% said it was important, 10.6% said it was moderately important, whilst the balance said it was of low importance/unimportant (5.8%).

Importance of redevelopment in Adding to Economic Vibrancy in NP & Taranaki?

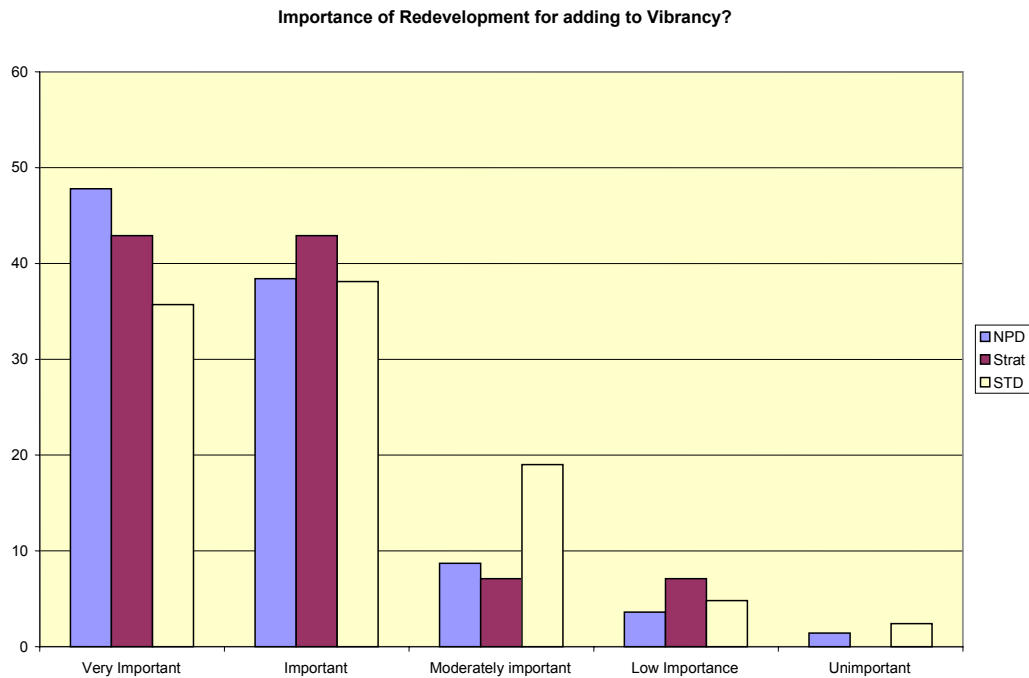


Views By district:

Analysing these results by district, there are some variances. More people from North Taranaki felt the redevelopment was very important in terms of enhancing vibrancy in the region/district than those of Stratford and South Taranaki.

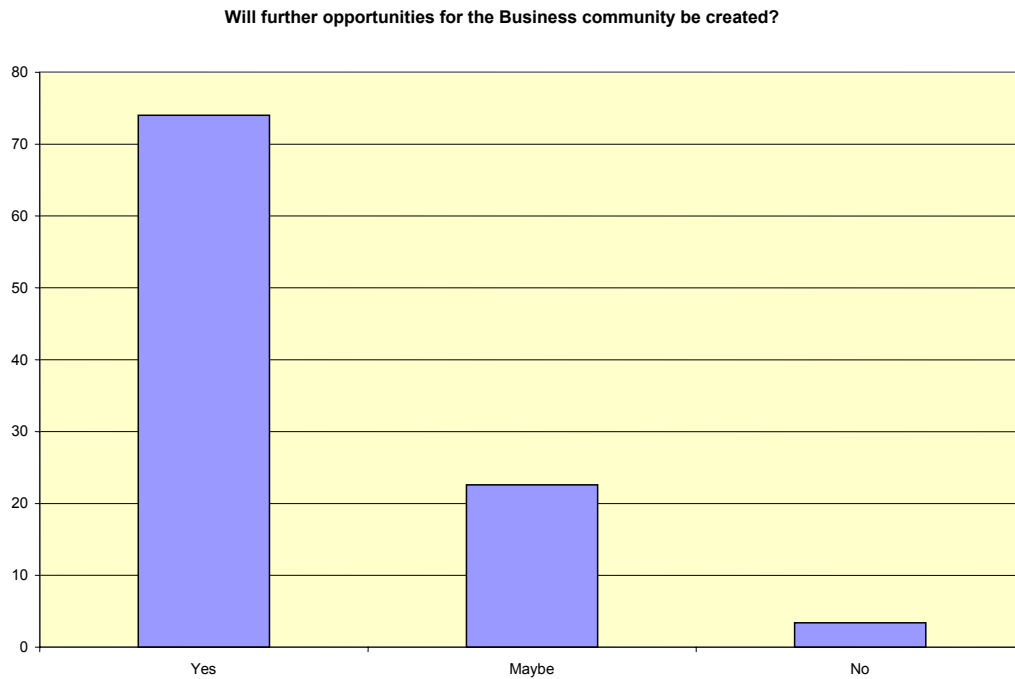
The results are shown in the following table and graph:

Rating (%)	New Plymouth District	Stratford	South Taranaki
Very important	47.8	42.9	35.7
Important	38.4	42.9	38.1
Moderately important	8.7	7.1	19.0
Low importance	3.6	7.1	4.8
Unimportant	1.4	0	2.4
	100.0	100.0	100.0



6.4 Do you believe further opportunities for the region’s business community would be created if the redevelopment were to proceed?

In relation to the proposed redevelopment of the Eastern Harbour (Lee Breakwater area) enhancing business opportunities, the majority of respondents felt it would enhance business opportunities (74%); 22.6% said maybe, and only 3.4% felt it would not lead to more business opportunities.



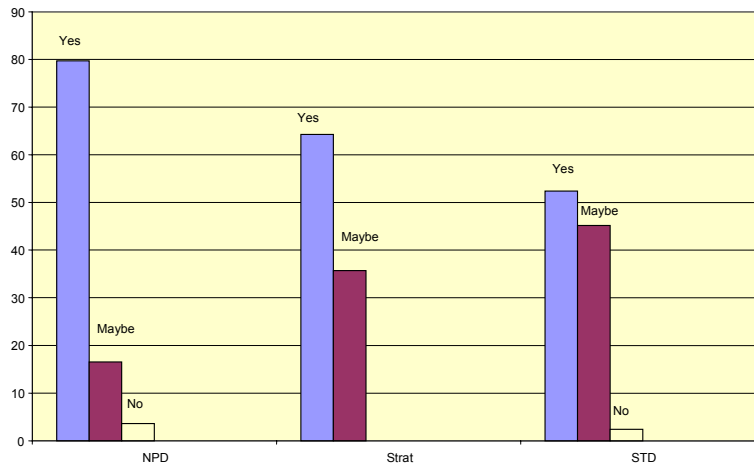
Views By district:

Analysing these results by district, there are some variances. More people from North Taranaki felt the redevelopment would lead to more business opportunities. Belief that spin offs would occur progressively declined as respondents were increasingly further from New Plymouth.

The results are shown in the following table and graph:

Rating (%)	New Plymouth District	Stratford	South Taranaki
Yes	79.7	64.3	52.4
Maybe	16.5	35.7	45.2
No	3.6	0	2.4
	100.0	100.0	100.0

Will further business Opportunities flow from this development?



Comments in relation to the Proposed Development

Many responses felt the proposal was very positive and were keen to see it progress. Extracts from survey forms are documented below:

"Marina facilities are long overdue. The sooner this gets done the better. Let's get more people coming to our port"

"The sooner the redevelopment happens the better"

"From both a retailer and potential large boat owner the sooner the project gets going the better"

"Must be good for the Taranaki region - shops, cafe, many more"

"Hope there are not too many opponents"

"The Port business is doing very well. We support your forward thinking Don't stop now"

"Would give a great area to begin/end the walkway"

"This will tie in with the walkway"

"Just do it !"

"Sailing around the Pacific we met several yachts on the way to NZ. All knew NOT to stop at NP due to lack of berths and facilities and most had never been to NZ before"

"My kids love fishing and we really need some more fishing jetties as not enough room for kids to fish"

"We have already seen the great impact the foreshore walkway has had. Developing the Eastern Harbour will have even more of an impact if done properly"

"Taranaki has moved forward very strongly in the last 8 years. This needs to continue at an affordable pace"

"Would like this to go ahead to bring business back to the port/western end of NP"

"Get on with it"

"I think the potential is huge for development at the lee breakwater. Would love to see it happen ASAP"

"It has to be done. The mooring area is disgraceful"

"Where would it stop?. It must be done"

"More jobs opportunities. Fewer unemployed"

"Great idea"

"We need this development to complete our amenity pool for a city of this size and stature"

"It should provide further employment and addition to coastal walkway"

"Any development to the harbour and our coastline would be to our advantage"

"This development is a must if we want to grow and attract people to our special natural assets"

"Too long in the coming - see Tauranga's development"
"Lee Breakwater area has not expanded to keep up with the expanding recreation"
"Would love to see this happen"
"Essential development. Can't happen soon enough"
"It will bring in more overseas money"
"It needs improving if NP wants to be a cruise destination"
"This project will bring life back to the area proposed and will also improve the tired look of the landscape"
"The sooner the better"
"Long overdue improvement at the Port area"
"Go for it"
"It would be good for Taranaki"
"It will increase travel and tourism"
"Definitely needs more developing. It heaps better than it was but needs more done to it"
"Well overdue!"

There was additional comment on some of the needs/facilities of the area, for example in relation to boating facilities, parking and cleanliness/tidiness of the location.

"There needs to be commercial fishing facilities and for leisure and boating"
"Please provide heaps more parking, both for boats and vehicles i.e. boaties and walkers etc"
"There needs to be additional boat launch facilities"
"Parking at Lee breakwater is critical"
"There needs to be smoothing off of the walking surface of the Lee breakwater. Provide steps down to the water at the end of the breakwater"
"Port redevelopment = more road transport to NP (trucks - major problem)"
"If not included in the Plan, access from Belt road for vehicles"
"The area is overpopulated with cafes and restaurants. There needs to be another draw for the people at the Breakwater"
"Would love to see checking done prior to any development for the environment i.e. sea life"
"Onshore coordination of visits by cruise passengers needs thought"
"Port areas are of interest to most people or to take kids fishing. Important that there is access. Must be kept clean-tidy - have gardens and grassed areas"
"Need to protect public use of Ngamutu beach as much as possible"
"A commitment to retain a safe clean swimming area at Ngamutu beach perhaps blue flag status"
"A tidy up in that area would be good. More like a park - a free recreation area"

Some were concerned about the number of cafes/restaurants – and whether this should be further encouraged.

"No more cafe's though - New Plymouth has become a city with more cafes than people"
"There are enough cafes and restaurants at the breakwater now"

There was concern the development could detract from the central hub of New Plymouth.

"Pleasure boating is always going to be limited on the west coast - especially when we do not have any islands out there for protection - most serious boaties from New Plymouth have their boats in different harbours"

"Look after the town while we still have one"

"Have to be careful not to take away from the CBD"

"It would take a lot of business away from the main shopping areas"

"Make the CBD the central hub of activity. It has the infrastructure, waterfront and tenants already"

The relative importance of the development was questioned:

"There are plenty of activities around warranting further developments"

"The dredging and the harbour has already opened up further regional opportunities. The full advantage of the breakwater and dredging won't be received until both rail and SH infrastructure are improved"

"Transport into/out of Taranaki is our most limiting factor".

"How much more can the ratepayers afford? NP's main problem is bridge to Bell Block"

Questions were raised about the funding of the Proposal. Who would pay? and also the formula of payment (sub-regional) in line with what was a fair reflection of District benefits.

"It is important ratepayers are not asked to fund the project"

"Not a New Plymouth person, nor a Port user. Completely irrelevant time! As long as it doesn't cost me anything - go ahead"

"Would be concerned if rates etc were to rise"

"The greater benefit is to New Plymouth - 80% and to the wider region - 20%"

"Do it. It will be cheap today"

"This is only going to affect a small number of people"

"Who would pay? You need to state"

"NPDC needs to stop taking money off us and actually give something back"

Respondents from South Taranaki in particular, questioned the merits and benefits to them. A number did not fill out this section of the survey questionnaire on this basis – thus results should be potentially viewed more (realistically) negative than the ratings cited above in relation to respondents from this part of the region. The following comments were provided.

"Living in South Taranaki, this development will not directly affect me but I can see a benefit for the region as a whole"

"Why can't something like this be done in Hawera to encourage people to travel down here from NP?"

"NP - major beneficiary. The rest of Taranaki - the 'scraps'"

"Very little benefit to South Taranaki. Patea access would be more useful"

"What can you do for South Taranaki?"

"Don't see how it would benefit South Taranaki businesses at all"

"New Plymouth benefits - yes; Rest of Taranaki - ?"

7.0 CONCLUSIONS

The November 2007 survey highlighted the following results:

- In terms of the NZ economy, the majority of business respondents are anticipating the status quo will prevail (62.0%), 16.2% anticipate deterioration, whilst 17.1% expect improvement. Relative to the situation six months ago, there is a small shift away from both optimism and pessimism, and a stronger belief that that status quo will prevail
- In terms of industry-specific conditions, the majority of respondents (59.9%) anticipate the economy will remain the same, 25.8% anticipate improvement whilst 12.41% predict a decline. In contrast with the outcome concerning general business conditions, there is a lift in optimism
- The agriculture industry and the oil/gas industry appeared the most optimistic in relation to conditions within their own industry in relation to the economic climate and potential impacts in the coming 12 months
- Businesses based in South Taranaki and Stratford appeared more optimistic than New Plymouth District regarding industry conditions in relation to the coming 12 months
- Businesses predominantly anticipated sales will increase in the next six months – however this survey was undertaken prior to Christmas, thus heading into a period of seasonally heightened retail sales and tourism activity
- The majority of respondents (72.9%) anticipate employee numbers will remain the same, whilst 17.9% anticipate a need to increase employee numbers within their own businesses in the next six months. These outcomes are slightly higher but generally similar to the employment situation of six months ago
- 46.5 percent of businesses reported they were experiencing difficulties finding good staff and/or those with appropriate skills. Trades people from a variety of industries were cited e.g. plumbers, chefs, electricians, labourers, vets. The attitude of prospective employees and their willingness to work the required hours and meet the needs of employers was also raised. As prospective employees are now able to pick and chose more, they seemingly have greater bargaining power in terms of when and how they elect to work, and conditions of work
- 49.8 percent of respondents said there were currently significant issues affecting their growth and profitability. Key items include compliance costs, the price of fuel, wages, rents, electricity,

Government policies, the exchange rate volatility, the dairy payout and activity in the oil/gas industry.

The special topic asked businesses for their views in relation to the proposed redevelopment of the Eastern Harbour at Port Taranaki – often known as the Lee Breakwater area.

Feedback, in the form of rankings, was sought to a series of questions, and general comment was also welcomed:

- Most respondents (48.1%) rated the current state of Lee Breakwater as a place for public recreation as OK, 25.2% said it was poor, with the balance (10.7%) saying it was very good or excellent
- In relation to the importance of the proposed redevelopment of the Eastern Harbour (Lee Breakwater area) in terms of enhancing pride, the majority of respondents felt it was very important (46.2%); 38.5% said it was important; 9.6% said it was moderately important, whilst the balance said it was of low importance/unimportant (5.7%)
- In relation to the proposed redevelopment of the Eastern Harbour (Lee Breakwater area) in terms of enhancing vibrancy, the majority of respondents felt it was very important (44.9%); 38.6% said it was important; 10.6% said it was moderately important, whilst the balance said it was of low importance/unimportant (5.8%).
- In relation to the proposed redevelopment of the Eastern Harbour (Lee Breakwater area) in terms of enhancing business opportunities, the majority of respondents felt it would enhance business opportunities (74%), 22.6% said maybe and only 3.4% felt it would not lead to more business opportunities
- Comments included very positive ones (e.g. “just do it!”, “this project is long overdue”) whilst others highlighted areas of concern (e.g. “there are enough café’s already”, “is this important relative to other needs e.g. Bell Block traffic/roading matters and other transport issues?”). There were questions in relation to funding (“who pays?”, “How will the formula work on a sub-regional basis?”). There was particular concern from South Taranaki respondents about project payment, whether they would benefit and/or be asked to pay for a project with fewer/potentially minimal spin-offs for their part of the region

APPENDICES

a. Disclaimer

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b. About this Report and Its Authorship

This Business Survey and analysis is an independent report commissioned by Venture Taranaki (Taranaki's regional development agency) and undertaken by Red Eye Limited. Red Eye Limited is a Specialist Projects and Research Company, based in Taranaki.

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