



BUSINESS SURVEY

November 2005

Featuring

- Regional Activity Predictions
 - Fuel Price Impacts

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Contents

1.0	Executive Summary	4
2.0	Introduction.....	5
3.0	Methodology.....	5
4.0	Respondent Profile	6
5.0	Economic Findings	
5.1	New Zealand-Wide Business Conditions	7
5.2	Industry Conditions	8
5.3	Sales/ Customer Levels.....	9
5.4	Employment Levels	11
5.5	Skill Challenges	14
6.0	Comments on General Taranaki Business Conditions.....	15
7.0	Special Topic: Fuel Price Changes	
7.1	Fuel Price Impact.....	16
7.2	Extent of Cost Change	17
7.3	Impact on Sales	18
7.4	Impact on Prices	19
7.5	Non-Financial Impacts.....	20
8.0	Comments on Fuel Price Impacts.....	21
9.0	Conclusions.....	23
	APPENDIX	25

Graphs

Graph 1	New Zealand-Wide Conditions: Predictions for the Next 12 Months.....	7
Graph 2	New Zealand-Wide Conditions: Comparison of Results	8
Graph 3	Industry Conditions: Predictions for the Next 12 Months	9
Graph 4	Industry Conditions: Comparison of Results	9
Graph 5	Sales/ Customer Levels: Predictions for the Next 6 Months.....	11
Graph 6	Sales/ Customer Levels: Comparison of Results	11
Graph 7	Employment Levels: Predictions for the Next 6 Months.....	12
Graph 8	Employment Levels: Comparison of Results	13
Graph 9	Employment Levels: Required Employee Types for the Next 6 Months	13
Graph 10	Skill Challenges	15
Graph 11	Biggest Skill Challenge.....	15
Graph 12	Fuel Price Impact on Costs	17
Graph 13	Extent of Cost Change	18
Graph 14	Sales Impact	19
Graph 15	Price Impact	20
Graph 16	Non-Financial Impacts.....	21

Tables

Table 1	Taranaki Business Population	5
Table 2	New Zealand-Wide Conditions: Predictions for the Next 12 Months by District	8
Table 3	Industry Conditions: Predictions for the Next 12 Months by District.....	10
Table 4	Sales/ Customer Levels: Predictions for the Next 6 months by District	12
Table 5	Employment levels: Predictions for the Next 6 months by District	14
Table 6	Fuel Price Impacts by District	17
Table 7	Fuel Impact on Costs by District	18
Table 8	Fuel Impact on Sales by District	19
Table 9	Impact on Business Prices by District	20

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. Approximately 300 businesses participated in the survey

The results suggest that as the region heads into 2006, Taranaki businesses are less bullish about the national economy. They have adopted a more conservative outlook. Whilst the majority of survey respondents anticipated that the status quo would prevail (45.5 percent), an increasing proportion (relative to the previous six-monthly survey) are expecting the national economy to deteriorate (36.5 percent).

With respect to their own industry, the majority of respondents (54.1 percent) anticipate that the economy will remain the same. Those who appear more optimistic include those involved in the ag/hort, oil/gas exploration, restaurant and accommodation industries. However, respondents in the restaurant/accommodation industry were also amongst the most pessimistic, along with those in the building/construction sector. Businesses based in the New Plymouth District proved the most optimistic. However, along with businesses located in the south of the province, they were also amongst the most pessimistic. In the coming 6-months, businesses anticipate sales levels to remain at similar levels.

With respect to employment, the majority of survey respondents anticipate that staffing levels will remain the same in the coming six-month period. 28.1 percent however anticipate their staff numbers will increase. Skilled manual and semi-skilled employees as well as graduates are those expected to be in most demand. Businesses involved in oil/gas exploration, transport/storage, business services and community services (e.g. health/education) were amongst those looking to increase staff. Of those seeking to increase staff levels 67.1 percent reported difficulties finding skilled personnel. Although people were applying for jobs, many lacked relevant or sufficient skills for the task.

This Business Survey also included a "special topic" - an issue of interest unique to each Venture Taranaki survey. The survey reviewed the impact of fuel price changes on Taranaki businesses. 80 percent of respondents to the survey indicated that fuel price changes had impacted on the costs of running their business. On an industry basis, those involved in ag/hort, oil/gas exploration, transport/storage and building/construction appeared the most affected. The majority of business respondents quantified this impact as a 1-9 percent increase on business costs and a further 21 percent of respondents stated that costs had increased 10-20 percent. Sales had been less affected by the fuel price changes, although those most affected included businesses involved in the retail/wholesale trade and the restaurant/accommodation sector. 50.2 percent of businesses stated they had increased their own product/service prices in response to changes in fuel prices. Although such price changes had been felt by businesses throughout the region, those based in South Taranaki appeared slightly more affected in relation to its impact on business costs, as well as their need to reflect such increases in their own product/service pricing structure.

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 to 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. Survey forms are mailed out to 1,000 Taranaki businesses throughout the region. Survey recipients were randomly selected from the New Zealand Business Directory Database (UBD), 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 focused on the impact of fuel prices changes on local businesses in 2005.

As at February 2004 there were 8,111 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	5,398	66%
Stratford	730	9%
South Taranaki	2,003	25%

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 296 completed survey forms were received by the close-off date. This equates to a response rate of 30 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 (see appendix for confidence intervals at variable levels). 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, 61.6 percent were located in the New Plymouth District, 23.3 percent in South Taranaki and 7.2 percent from Stratford. A total of 7.9 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.

21.4 percent of respondents considered their primary business operation as 'retail and wholesale trade', while 15.6 percent reported they operated in the 'property, business, finance, insurance services' sector. A further 10.9 percent identified themselves as 'manufacturing' businesses and 11.9 percent as building/construction. All other industry sectors each comprised of less than 10 percent of respondents.

The majority of businesses (34.7 percent) reported having between one and four staff, 26.8 percent had between five and nine staff, and 20.3 percent had between 10 and 19. The remaining 18.2 percent of businesses have 20 or more people working in the business.

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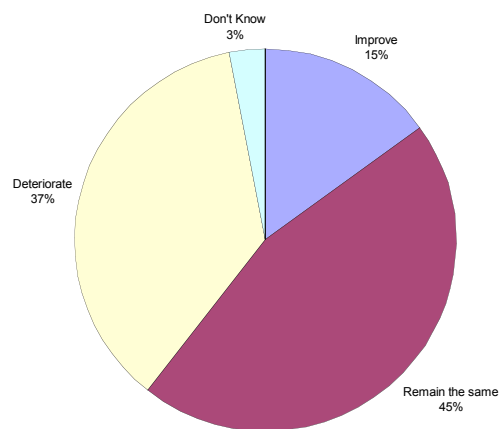
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5.0 Economic Findings

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 (45.6 percent) predicted that general business conditions in New Zealand would remain the same. However a reasonable proportion anticipated conditions would deteriorate (36.5%) and only 14.9% believed the New Zealand economy would improve.

Graph 1 : Business Conditions - Next 12 Months

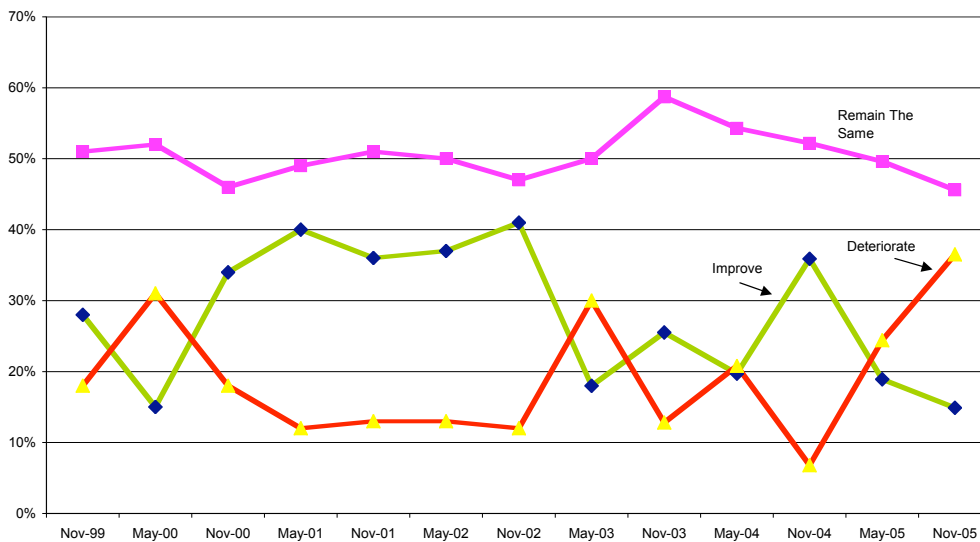


This reflects a deterioration in confidence by local businesses in the national economy, from the last survey (taken 6 months previously). Fewer businesses believe that the economy will remain stable or improve, whilst the proportion who anticipate a slowing in the economy has increased markedly from 24% (6 months ago) to 36.5% (current predictions).

Across the various industry sectors the community and Govt services sector appeared the most confident about the NZ economy along with the restaurant and accommodation sector. 23.4 percent of the community/Govt sector and 23.1 percent of restaurant/accommodation sector anticipated economic conditions in NZ would improve in the coming 12 months.

Those in the oil/gas exploration, manufacturing and financial/business services industry were the most pessimistic in outlook.

Graph 2: NZ Bus Conditions - Next 12 months



When analysing results by district, slightly higher levels of optimism were indicated by respondents based in New Plymouth District (16.7 percent) and South Taranaki (13.2 percent) on the basis of percentage of respondents anticipating an improvement in economic conditions on a national basis. However all Districts reflected a more cautious outlook to New Zealand wide conditions in the coming 12 months, and those in South Taranaki were also the most pessimistic. 41.2 percent of South Taranaki respondents anticipated a deterioration in economic conditions.

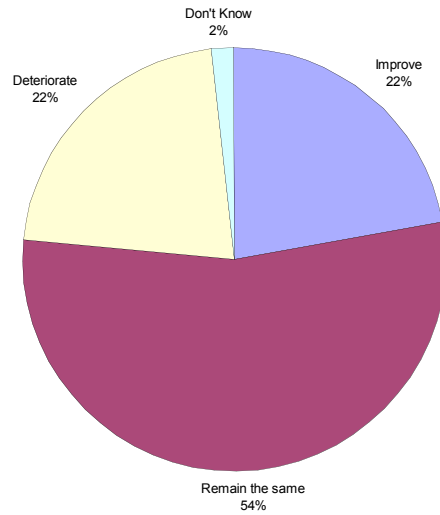
Table 2: New Zealand-Wide Conditions: Predictions for the Next 12 Months by District*

Prediction	NPD	SD	STD
Improve	16.7%	4.8%	13.2%
Remain the Same	46.7%	52.4%	44.1%
Deteriorate	33.9%	33.3%	41.2%
Don't Know	2.8%	9.5%	1.5%

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

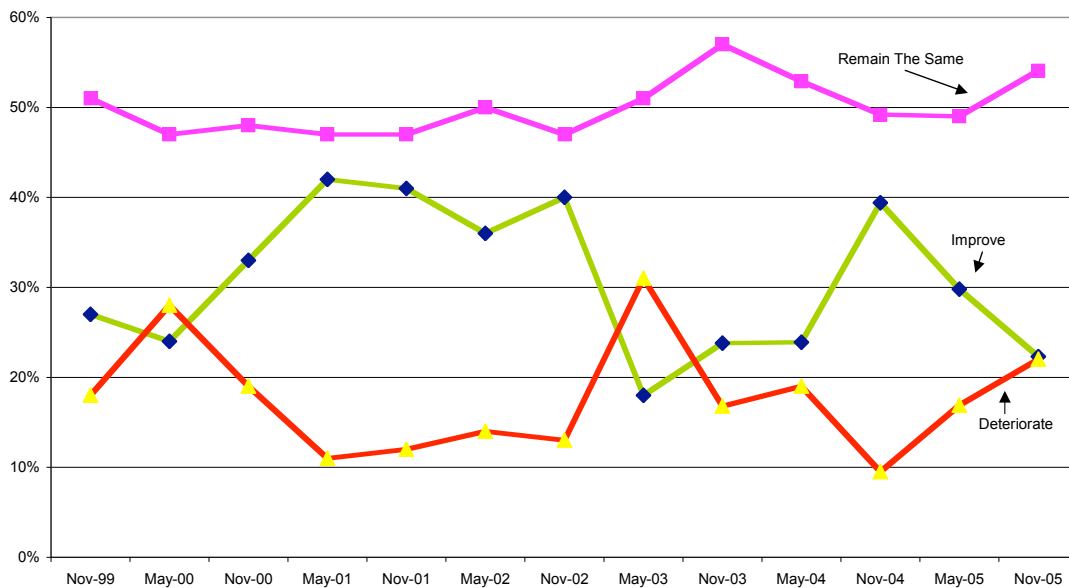
5.2 Industry Conditions

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 (54.1 percent) anticipate stable industry conditions in the months ahead. 22.3 percent anticipate conditions will improve, whilst an almost equal proportion foresee a deterioration (22.0 percent)



Relative to six months ago, local businesses are much more subdued about conditions in their own industry with a marked shift in mood reflecting increasing numbers anticipating a stable to slowing climate, as opposed to one of growth.

Graph 4 : Industry Conditions - Next 12 Months



In terms of industries, the most optimistic (as measured by the highest proportion who anticipate conditions in their own industry will improve) were the ag/hort industry (39.1 percent), oil/gas exploration (33.3 percent) and restaurant/accommodation sectors (38.5 percent).

Conversely, the restaurant/accommodation industry also reflected the highest proportion of respondents predicting conditions would deteriorate in the next 12 months within their industry. (38.5 percent) The building/construction industry was the next most pessimistic industry (28.6 percent).

Consistent with previous findings, the majority of businesses based in New Plymouth, Stratford and South Taranaki districts predict industry conditions will remain the same over the coming year. However, analysis highlights businesses operating in the New Plymouth District are more optimistic than businesses operating in Stratford or South Taranaki districts, with higher levels predicting improved conditions within their own industry.

However, ironically respondents based in New Plymouth District and South Taranaki were also the most pessimistic about industry conditions with 23.3 percent of New Plymouth based businesses, and 23.5 percent of South Taranaki business respondents anticipating a deterioration in industry conditions. Those based in Stratford, were more inclined to feel the status quo would prevail (81 percent).

Table 3: Industry Conditions: Predictions for the Next 12 Months by District

Prediction	NPD	SD	STD
Improve	26.7%	4.8%	16.2%
Remain the Same	47.8%	81%	60.3%
Deteriorate	23.3%	9.5%	23.5%
Don't Know	2.2%	4.8%	0%

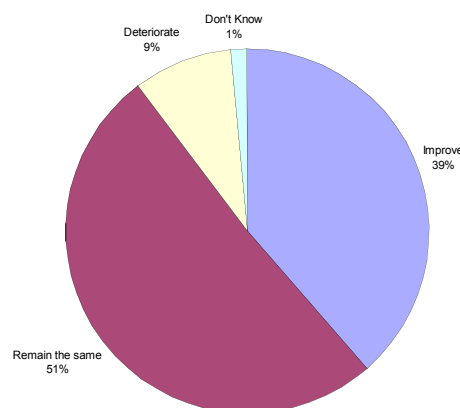
- *balance reflects respondents located throughout Taranaki, thus were not District specific. Due to rounding factors, some outcomes may not total 100% with precision.*

5.3 Sales/ Customer Levels

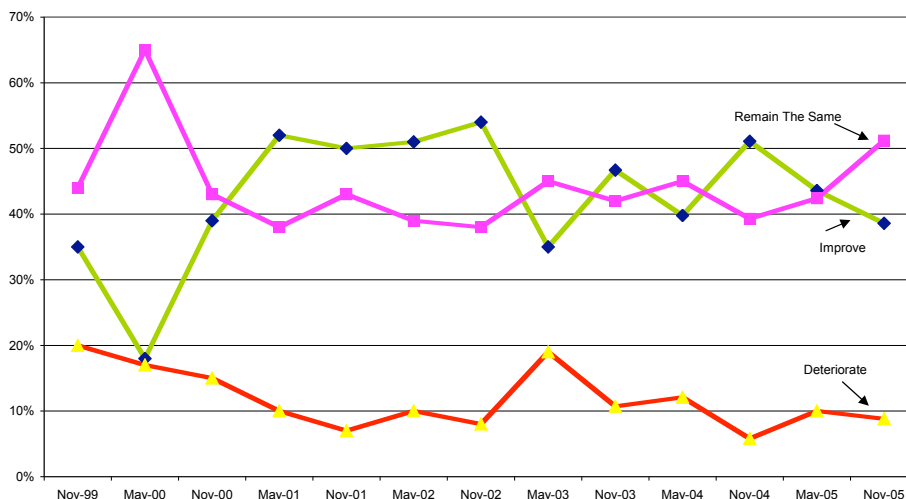
Sales confidence remains seemingly stable for the next 6 months with 51.2 percent of respondents indicated sales levels will remain the same over the next six months and 38.6 foresee an increase. Only 8.8% believe decreased sales are likely.

It is noted however, that despite such apparent optimism, the trend never-the-less reflects a perceived tightening of conditions relative to the past 6 months, or the same period last year. Refer to graph 6.

Graph 5 : Sales - Next 6 Months



Graph 6 : Sales - Next 6 Months



New Plymouth-based respondents proved most optimistic with regard to sales levels, as 42.2 percent anticipate levels will improve over the coming six months. Stratford and South Taranaki-based respondents also anticipating primarily stable to increasing sales in the coming 6 months. Naturally, this may be influenced to some degree by seasonal factors – in particular Xmas and the main tourism time.

Table 4: Sales/ Customer Levels: Predictions for the next 6 Months by District

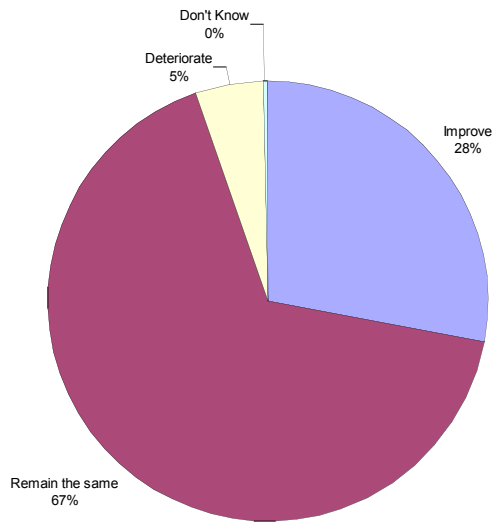
Prediction	NPD	SD	STD
Improve	42.2%	20.0%	30.9%
Remain the Same	48.9%	60.0%	57.4%
Deteriorate	7.8%	15.0%	10.3%
Don't Know	1.1%	5.0%	1.5%

* 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

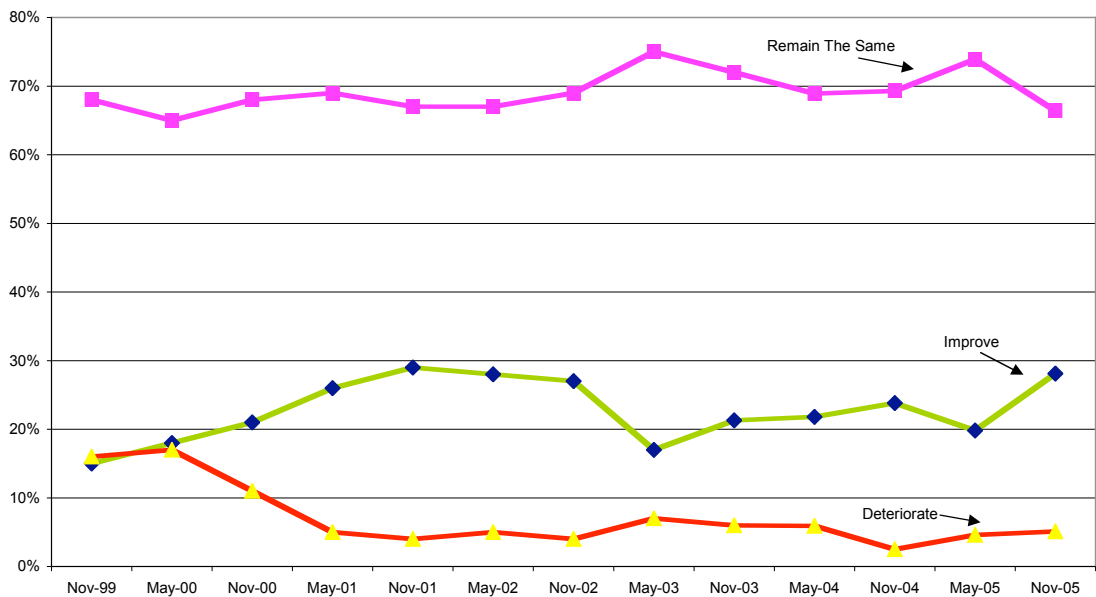
Respondents were asked to indicate whether they expected employment levels to change over the next six months. The majority of respondents (66.4%) anticipate employee numbers will remain the same, however 28.1 percent anticipate a need to increase employee numbers within their own business in the next 6 months.

Graph 7: Employment - Next 6 Months

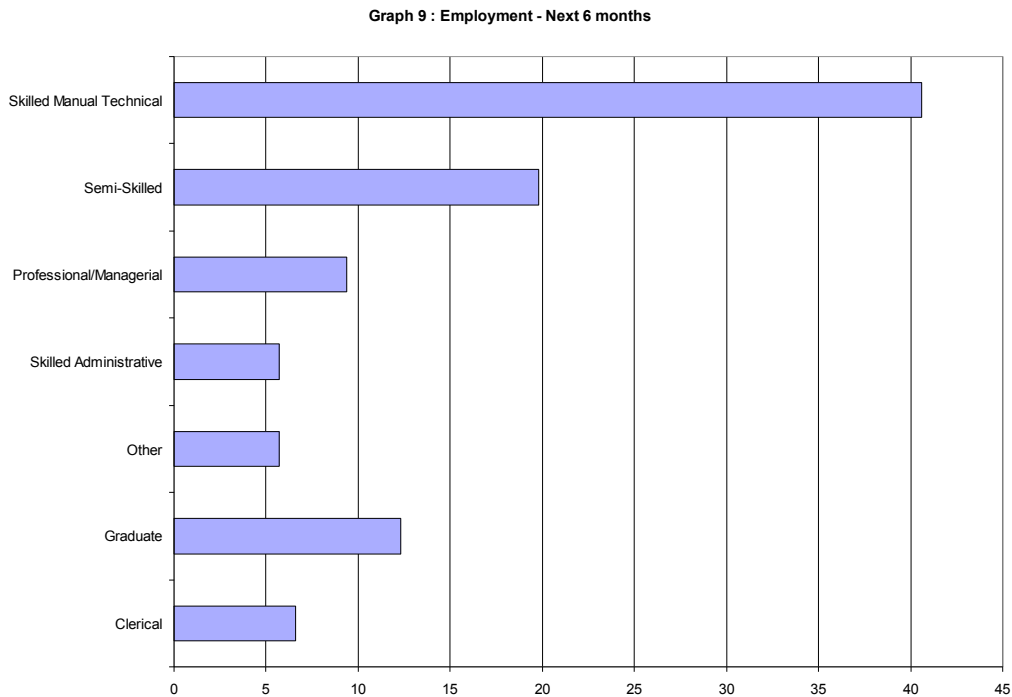


Whilst businesses have anticipated a tightening of conditions, they are not anticipating a retrenchment in staff. 66 percent of respondents indicated that they anticipated employment levels to remain the same in their organisation. Furthermore, relative to the previous survey (undertaken 6 months ago) the proportion anticipating an increase in employment numbers has increased from 20 percent (in May 2005) to 28 percent (November 2005). This will undoubtedly continue to place pressure on the local employment market and skill availability. Only 5 percent of respondents anticipated a decline in staff numbers.

Graph 8 : Employment - Next 6 Months



Of those respondents who indicated employees were required, most anticipate requiring 'Skilled Manual Technical', 'Semi-Skilled' staff and graduates. Clerical were among the least required. Refer to Graph 9 below.



When reviewing employment demand across industry sectors, businesses operating in the oil/gas industry, transport/storage, business services and community services reflected proportionately similar levels of demand for employees over the next six months.

When analysing predicted employee requirements for the coming six months at a sub-regional level, the majority of businesses predicted employment requirements are set to remain the same irrespective of location. However, employment demand is higher in South Taranaki and New Plymouth than Stratford, where an estimated one-third of respondents anticipated an increase in staff.

Table 5: Employment Levels: Predictions for the Next 6 Months by District

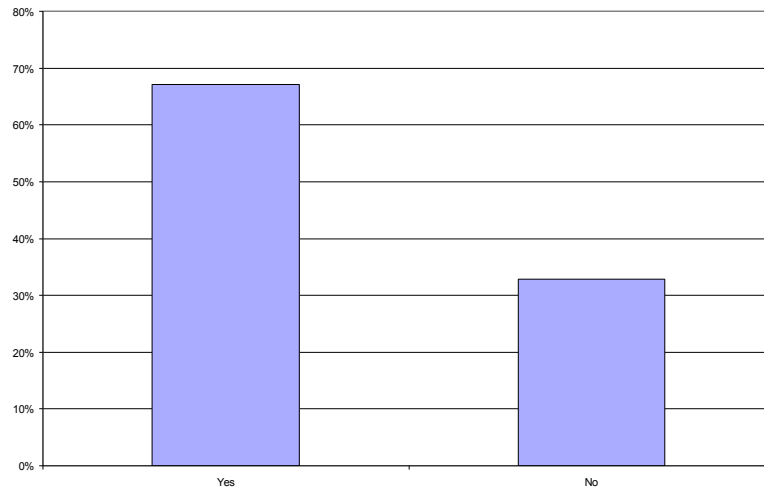
Prediction	NPD	SD	STD
Improve	29.9%	0%	32.4%
Remain the Same	63.3%	100%	63.2%
Deteriorate	6.2%	0%	4.4%
Don't Know	0.6%	0%	0%

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

5.5 Skill Challenges

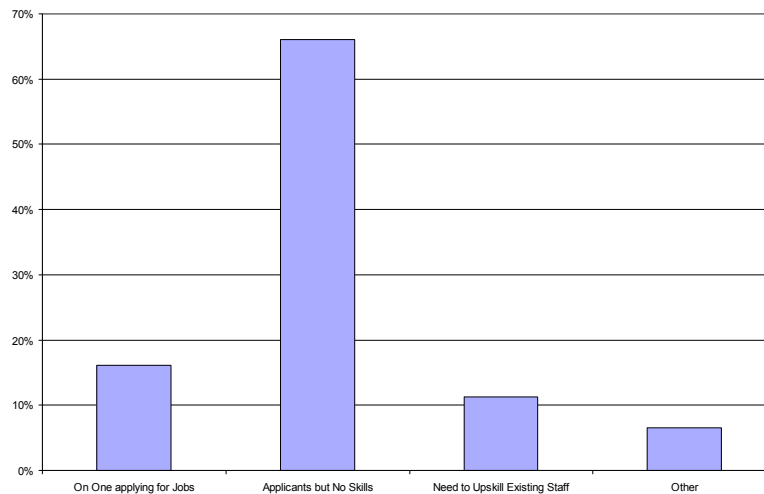
Of those businesses seeking to increase staff, approximately two-thirds (67.1 percent) reported they were experiencing difficulties obtaining skilled employees. The balance (i.e. 32.9 percent) reported no difficulties. The results were similar in both New Plymouth and South Taranaki. Skills shortages were experienced in many industry sectors, although proportionately more were reported from the electricity/water/gas, Govt services (e.g. health/education), agr/hort and “other manufacturing” sectors.

Graph 10 : Are You Experiencing Challenges Regarding Skills?



Of those reporting difficulties in securing appropriate skills for their business (as per above), the situation that best described their difficulty was that “people were applying for their jobs, but they did not have the right skills”. Two-thirds of respondents indicated this best reflected their scenario. 16.1 percent reported that their main problem was that “no one was applying for their jobs” i.e. irrespective of skills.

Graph 11 : Biggest Skill Challenge



6.0 Comments on Taranaki Business Conditions

The survey provided respondents with a section to express any pressing issues or concerns relating to Taranaki business conditions.

Fuel prices, interest rates, cost pressures and skill shortages were amongst the prime issues on the minds of Taranaki business respondents. Oil/gas exploration outcomes, the NZ dollar, bird flu and farmer returns also featured, as well as legislative issues e.g. the Building Act, ACC etc.

"Interest rates – will they hold or rise?"

"The difficulty of finding trained staff and also new laws"

"The oil and gas results for Taranaki will be significant"

"The margins to businesses are decreasing and the costs are increasing"

"Petrol prices and the level of borrowing. Higher repayments and interest rates"

"Fuel prices pushing up transport costs and consumers doing less mileage"

"The increasing costs of ACC levies and transport"

"High employment has created large skill gaps"

"Builder regulation. Building regulation changes"

"Difficulty in attracting rural GP's"

"Lack of skilled trades people"

"Dairy payouts. Commodity prices. Grass growth"

"Potential of bird flu"

"Pre Xmas slump and uncertainty with the market holding back spending"

"Escalating costs"

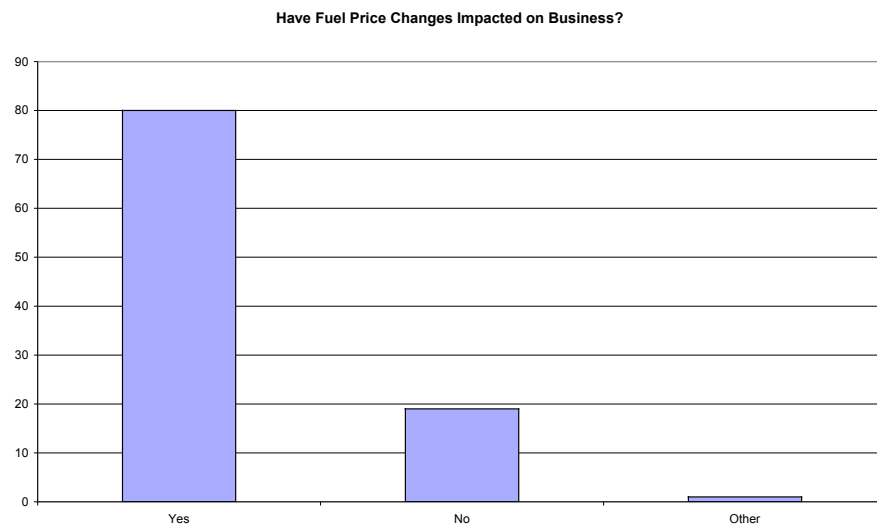
7.0 Special Topic – The Impact of Fuel Price Changes.

Taranaki businesses were asked a series of questions to explore how changes in fuel prices had impacted on their business during 2005.

During the past year, the price of petrol and diesel has increased, although subject to movements both up and down, finally settling at levels higher than 2004. There has been extensive media reporting on its impact on business, yet such reports have focused on anecdotal comment and impacts. The purpose of this survey was not only to gain insight into the impacts of such price movements, but also to quantify such effects.

7.1 Fuel Price Impact on the Cost of Business

Businesses were first asked whether the changes in fuel price during 2005 had impacted financially on the cost of running their business. The majority (80 percent) reported that it had, 19 percent reported it had not. Refer to graph 12 below.



The results indicated that the majority of businesses, irrespective of location, had been affected. However, businesses located in South Taranaki appeared more affected by the changes in fuel prices, than businesses located in New Plymouth District or Stratford. In the south of the province 86.6 percent of survey respondents stated their business costs had been impacted by fuel price changes.

Table 6

	NPD	SD	STD
Yes	77.7%	61.9%	86.6%
No	20.7%	38.1%	13.4%
Other	1.7%	0%	0%

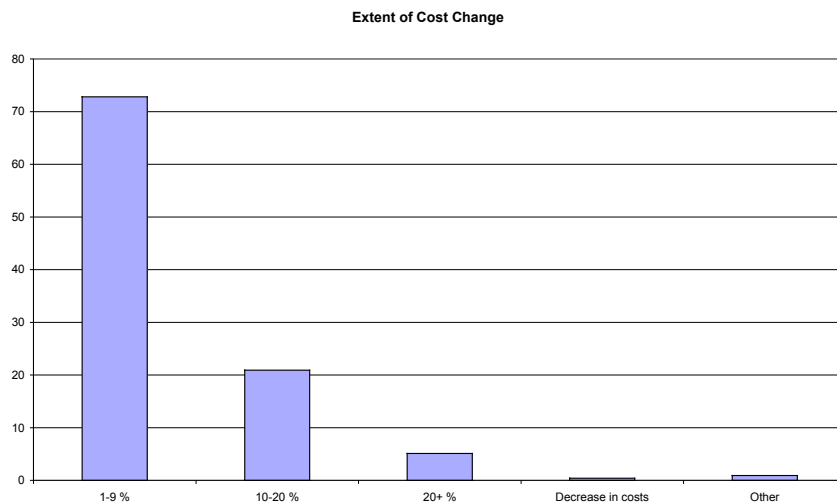
On an industry basis, respondents whose businesses were primarily involved in ag/hort, gas exploration, transport/storage and building/construction industries appeared the most affected in terms of fuel prices changes on costs of business.

7.2 Extent of Cost Change

Of those businesses who reported that the changes in fuel costs had impacted on costs (as per above), they were further asked to quantify the extent it had impacted on their business.

The majority (72.8 percent) reported that the cost of running their business had increased 1-9 percent, whilst 20.9 percent said that costs had increased 10-20 percent.

Graph 13



The extent of impact on business costs appeared similar irrespective of where respondents were located within the region.

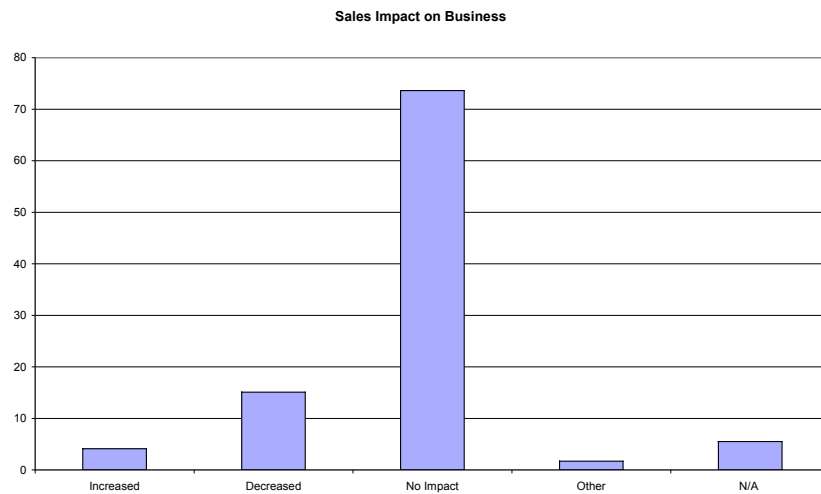
Table 7: Extent of Fuel Price Impact on Running Costs by District

Impact	NPD	SD	STD
1-9%	72.7%	76.9%	72.9%
10-20%	22.3%	23.1%	18.6%
20+%	5.0%	0%	0%
Decrease/Other	0%	0%	3.4%

7.3 Price Impact on Sales

In addition to its impact on business costs, businesses were also asked whether the fuel prices changes had impacted on their sales number or volume. The survey results suggested that although fuel prices had impacted on the majority of respondent's running costs, it had not impacted on sales volume to the same extent. 73.6 percent reported no impact on sales. However 15.1 percent reported sales had declined as a result of fuel prices changes, and for a few (4.1 percent), the situation had actually enhanced sales. These businesses were frequently involved in activities where the nature of their product appealed to a more fuel-conscious customer.

Graph 14.



Whilst Retail/Wholesale and Restaurant/Accommodation were not the most affected industry sector in terms of direct cost pressures due to fuel prices, they appeared the most affected in terms of its impact on sales volume. 32.3 percent of retail/wholesale respondents perceived sales volumes had decreased as a direct result of fuel prices and 30.8 percent of restaurant/accommodation businesses.

The majority of businesses, irrespective of District location, reported no change to the total number of sales due to fuel price changes. 17.3 percent of respondents based in New Plymouth District indicated sales had decreased, followed by South Taranaki (11.8 percent) and Stratford (10.0 percent).

Table 8: Fuel Price Impact on Sales: Results by District

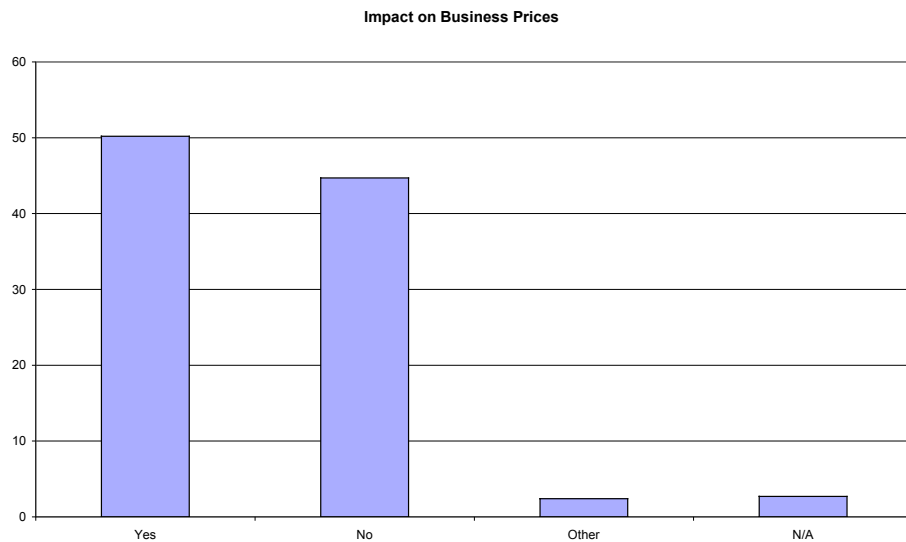
Sales Impact	NPD	SD	STD
Increased	5.0%	0%	2.9%
Decreased	17.3%	10.0%	11.8%
No impact	72.1%	75%	76.5%
Other/NA	5.6%	15%	8.8%

7.4 Price Impact on Own Prices

Businesses were also asked whether they had altered their own price of products and services to customers as a result of the changes in fuel cost. The results were closely divided. Just over 50 percent (50.2 percent) of respondents reported that they had increased prices as a direct result of the fuel prices changes. 44.7 percent said that they had not.

Worthy of note, is the number of respondents who, although highlighting that they hadn't increased prices, reported that the issue was currently under consideration. Some respondents conveyed that the reason they had not changed prices was due to competitive pressures. These respondents had absorbed the prices changes without passing it on to customers and margins were becoming increasingly tight.

Graph 15



Electricity/gas/water (83.3 percent), building/construction (82.9 percent) and transport/storage businesses (68.8 percent) reflected industries where proportionately more respondents had increased their own prices as a result of the fuel price changes.

Results concerning price increases were very similar when assessed by District location. A slightly higher proportion of respondents based in South Taranaki (52.9 percent) reported increasing their own prices, relative to New Plymouth and Stratford – but overall the difference was small.

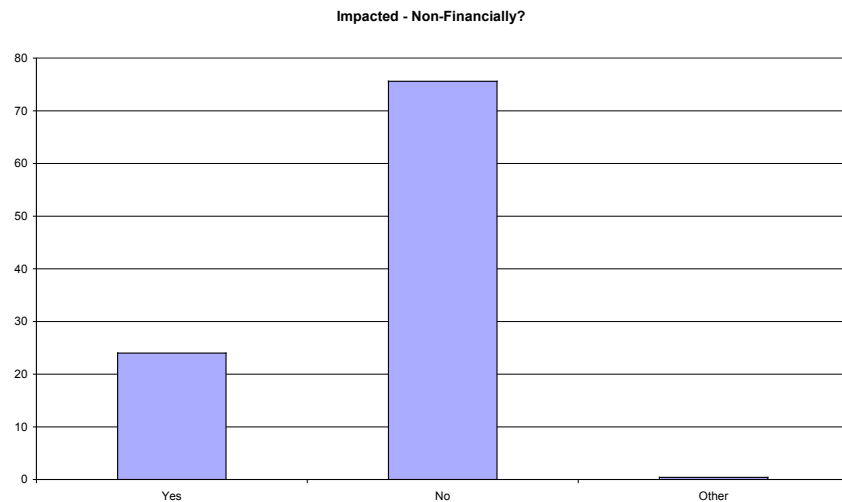
Table 9: Fuel Price Impact on Prices: Results by District

Price Increase	NPD	SD	STD
Yes	47.5%	47.6%	52.9%
No	48.0%	52.4%	42.6%
Other/NA	4.5%	0%	4.4%

7.5 Non-Financial Impacts of Fuel Prices Changes

Finally businesses were asked whether there were other non-financial ways that the fuel price increases had impacted on their business. 75.6 percent did not report any non-financial impacts, however 24 percent highlighted there were.

Graph 16



Businesses provided examples of such impacts, and extracts are summarised below:

“Staff are getting a hard time from customers about the price increases. It impacts on morale”.

“It impacts on how we choose to respond to enquiries e.g. whether to travel to see customers or not. It has changed our service delivery outlook”.

“It has affected confidence throughout the region in the economy”.

“It has impacted the type of people we interview for jobs. We are less inclined to interview out-of-town people due to travel costs”.

“It has affected how we order materials and our deliveries – we do them less often and in bigger quantities to make it worth while”.

“Staff have to pay more for travelling to work. It has affected their disposable income and morale”.

“Staff absenteeism is up as people can’t afford to fill the car until pay day”.

“Customers are more negative”.

“We are receiving lower levels of service from others in the supply chain as everyone cuts back on those small things which used to be done, to save travel costs”.

8.0 Comments on Fuel Price Impacts

The survey provided respondents with a section to express any general comments concerning the impact of fuel prices changes on business.

Cost pressures, compounding supply chain costs, transport costs such as freight and courier charges, reduction in discretionary business expenditure, changing customer habits and spending, uncertainty in the future, less frequent freight delivery patterns, difficulties in quoting and contract pricing were amongst the issues raised.

Respondent Comments

"We have noticed a dramatic slow down in on-site servicing due to getting staff on-site. Also come commodity prices have sky rocketed outside what is fair increase due to petrol prices."

"Staff travel costs have increased. Out of office travel has increased. CPI claims on wages have increased. Increases may have slowed decision- making for businesses wanting to expand."

"We have attracted attention as a petrol station with the lowest prices. It has increased customers."

"We have less income. Students are not coming on our training courses as they can't afford the travel costs."

"We have had a large increase in freight costs. We have absorbed this increase but we will have to pass it on at some stage..."

"We have had price increases on some stock lines. There have been courier price increases."

"There has been an increase in freight costs due to getting raw material to site. We have absorbed it for a short time but we need to pass it on. Most of our raw material comes from outside Taranaki".

"Petrol price increases have affected our operating expenditure and we are curtailing discretionary expenditure or enhancement works."

"Private motor vehicles are doing less mileage and some households are moving back to one vehicle".

"Suppliers are passing on charges ..."

"The main impact is on freight charges. We have to increase delivery fees to cover courier expenses. More spending on petrol also means less for everything else."

"The increase in fuel means greater costs to get men to the work site".

"Owner drivers are requesting contract renewals".

"Taxi's, couriers are charging more..."

"We have had to absorb increased costs in our contracts already in place which don't have an escalation clause".

"The fuel prices movements makes it impossible to quote on forward work..."

"It has made it difficult for us to plan ahead as our customers travel."

"It has had a compounding effect as everyone in the supply chain passes on the cost increase".

"It has created uncertainty in the future".

"In the accommodation sector, people seem less ready to take trips".

"Not as many people going on Sunday drives and calling into our showroom as a result".

"We are a road transport company. Fuel prices have a huge impact on us".

"The recent staff wage increases of 4-5% have been eaten up by their fuel/vehicle cost increases".

"We think twice about using our company vehicles now and also whether to visit customers or work from the office".

"We are not seeking work outside Taranaki as much due to the cost of transport makes us less competitive. This is profit we are not attracting back to the region".

"Out fleet costs are running well above budget this year".

"Fuel prices just keep going up along with other prices. This is now a fact of life".

"Clients just seem to put up with it. Power prices are a bigger concern".

"Transport firms are economising and will only deliver every five days instead of three now".

"People will travel less to our business as it is out of town. People will shop in town instead".

"Our business services the oil/gas companies. When oil prices increase, it promotes project development and therefore the need for our services".

"People are buying properties within walking distance of their place or work e.g. inner city living."

"Competition means we have to carry the cost of increases".

"I plan my meetings better so I don't have to drive back and forth from the office".

9.0 CONCLUSIONS

The November 2005 survey highlighted the following results:

- ❑ In terms of the NZ economy, the majority of business respondents are anticipating the status quo will prevail (45.5 percent). However an increasing proportion are expecting the national economy to deteriorate (36.5 percent) in the coming 12-months.
- ❑ In terms of industry-specific conditions, the majority of respondents (54.1 percent) anticipate the economy will remain the same. Those who expect it to deteriorate are matched those who expect conditions to improve.
- ❑ The ag/hort, oil/gas exploration and restaurant and accommodation sectors are the most optimistic. Ironically, the restaurant/accommodation sector respondents are also amongst the most pessimistic, along with those in the building/construction sector.
- ❑ Businesses in New Plymouth are the most optimistic. However, along with those in the south of the province, they are also the most pessimistic.
- ❑ Sales levels are largely anticipated to remain the same in the coming 6-months, however the mood is a little more subdued than when the previous survey was undertaken 6 months ago.
- ❑ The majority of respondents anticipate employment levels will remain the same. 28.1 percent however anticipate increasing staff numbers.
- ❑ Skilled manual and semi-skilled employees as well as graduates are those in most demand.
- ❑ Respondents involved in oil/gas exploration, transport/storage, business services and community services (e.g. health/education) are amongst those looking to increase staff.
- ❑ Of those seeking to increase staff levels 67.1 percent reported difficulties finding skilled staff.
- ❑ The most commonly described skill challenge is that people are applying for jobs, but they do not have relevant or sufficient skills for the position.
- ❑ Fuel price changes have impacted on the business costs of 80 percent of survey respondents.
- ❑ For most businesses the impact reflected a 1-9 percent increase in the cost of running their business. However 20.9 percent of respondents stated that costs had increased 10-20 percent.
- ❑ Sales have been less affected by the fuel price changes, however those most affected include the retail/wholesale trade and the restaurant/accommodation sector.

- ❑ 50.2 percent of businesses survey respondents have increased their own product/service prices due to changes in fuel prices.

- ❑ Although fuel price changes had been felt by businesses throughout the region, those in South Taranaki appear slightly more affected in terms of its impact of business costs, and proportionately more business respondents stated that they had increased their own prices as a result.

APPENDIX

Confidence Interval at District Level:

District	Taranaki Population/Business	Sample Size	Confidence Interval (At 95%)
New Plymouth	5,398	180	7.18%
South Taranaki	2,003	68	11.68%
Stratford	730	21	21.09%
Throughout Taranaki/Other/	-	27	-
Taranaki Total	8,111	296	5.59%

Confidence Interval at Industry Level:

Industry Group	Taranaki Population/ Business	Sample Size	Confidence Interval (At 95% Confidence)
Manufacturing	547	32	16.83%
Retail/Wholesale	1,444	63	12.08%
Property/Business Services	2,792	46	14.33%
Recreational/Personal and Other Services	633	26	18.84%
Agriculture/Mining/Electricity/Construction	1,329	70	11.40%
Accommodation/Transport/Communications/Government	1,366	59	12.48%
All Industries	8,111	296	5.59%

NOTE: Industry sectors have been grouped where individual responses from sectors are not statistically significant. Analysis by industry and district should be interpreted as an indicator of trends only.