

Taranaki Business and the Global Situation

Results of the VTT Taranaki Business Survey
August 2009

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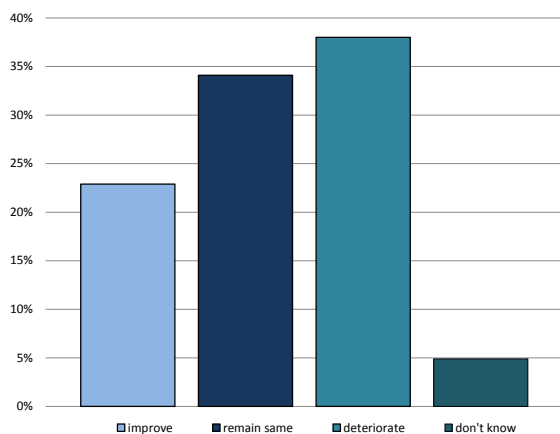
Venture Taranaki Business Survey

- 6-monthly survey of over 1000 Taranaki businesses
- Cross section of industry and commerce, from throughout the region
- Aim is to monitor key trends and impact of the current global economic situation
- Provides useful commentary to assist strategic planning and future investment decisions
- These results to be publicly released next week

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NZ wide conditions next 12 months

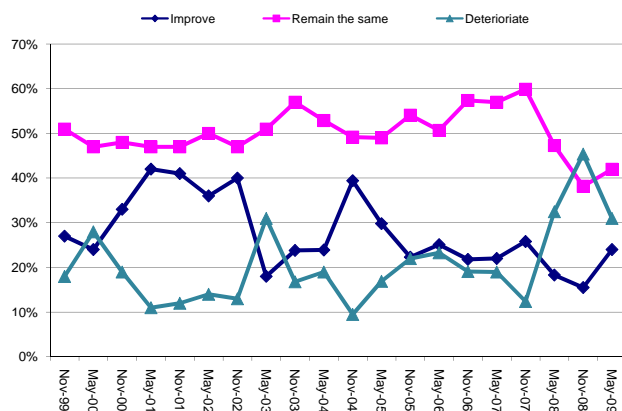


- 38% predict conditions will deteriorate
- 23% think sales will improve

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Industry conditions next 12 months

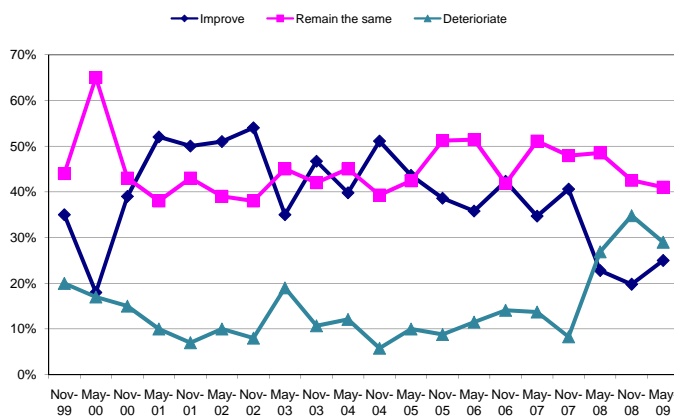


- 23% predict improvement
- 41% anticipate status quo
- 31% deteriorate
- Overall a slight improvement on previous survey

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Sales outlook next 6 months

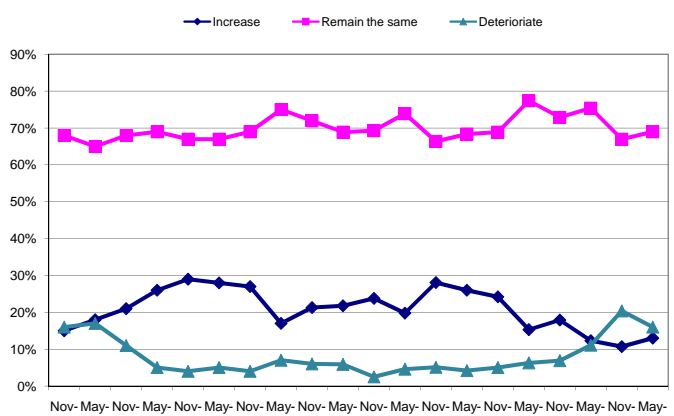


- 42% status quo
- 28% decline
- 25% increase
- Slight improvement on previous survey

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Employment trends next 6 months

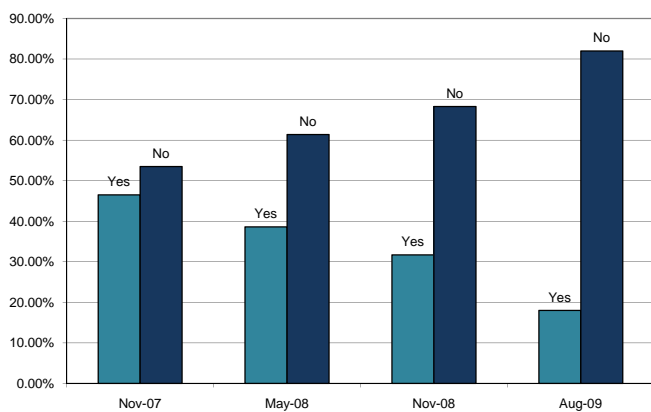


- 69.4% - predict status quo
- 16% deterioration
- 13% - improve
- Slight improvement on previous survey

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Experiencing Skills Shortages?

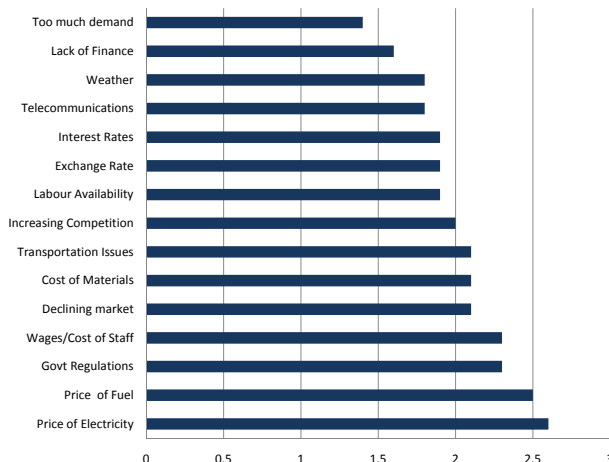


- **No: 82%**
- 6 months earlier the labour market was tighter
- **Yes: 18%**

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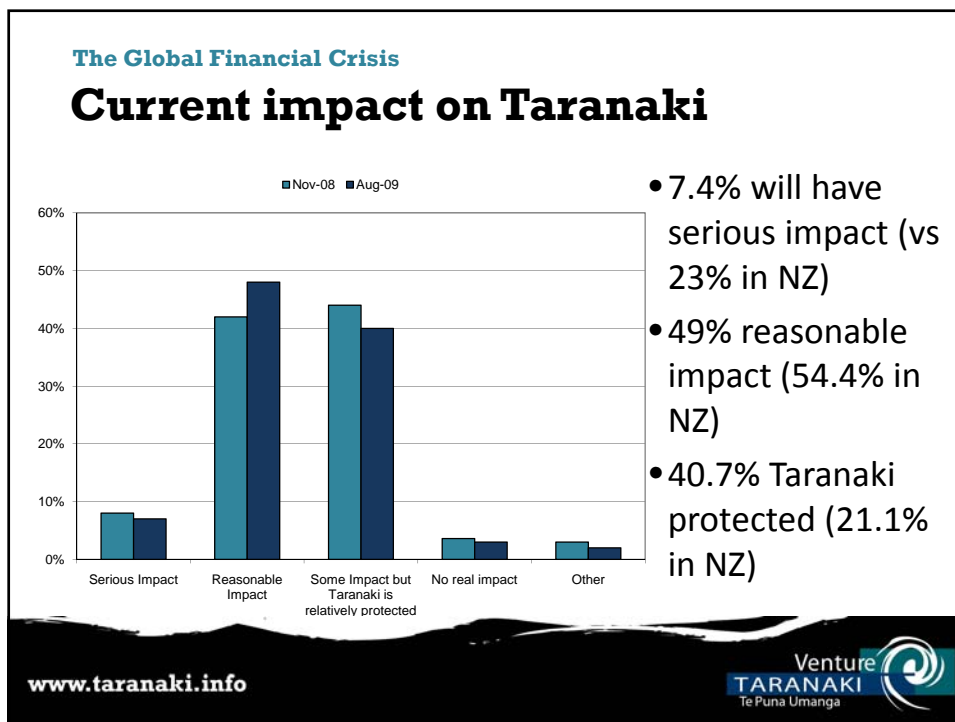
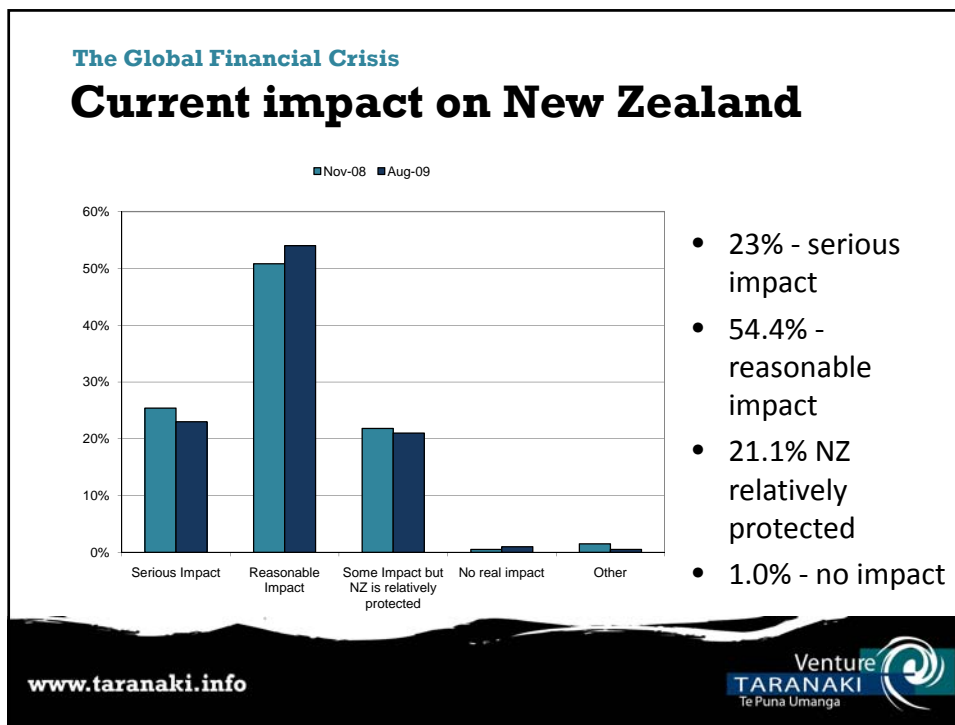
Factors impacting on your business



Fuel and electricity costs are the factors most concerning businesses

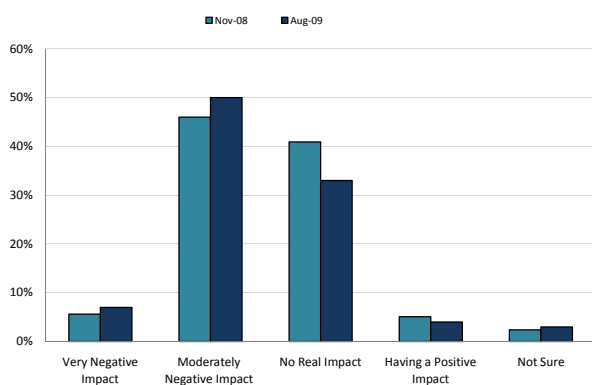
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The Global Financial Crisis

Impact on own business



- Only 7.5% - very negative impact
- 50% - moderate impact
- 34% - no real impact
- Outcome = GFC now being more directly felt by Taranaki businesses than 6-months ago?

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The Global Financial Crisis

Challenges

- Lower level of disposable income for dairy farmers
- Fewer visitors and spending less
- Work load is down and commitment to projects reduced
- No money for non-urgent work
- Media negativity
- Gloom and doom talk affecting buyers
- Payment is coming in later, clients asking for extensions

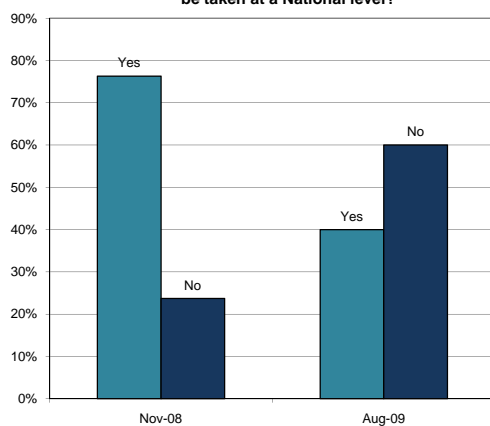
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The Global Financial Crisis

Should the Government do more?

Should Actions To The Global Financial Situation
be taken at a National level?



- Fewer saying **Yes**:
- November 08: 76%
- August 09: 40%
- Saying **No**:
- November 08: 24%
- August 09: 60%

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The Global Financial Crisis

Recent Government Actions

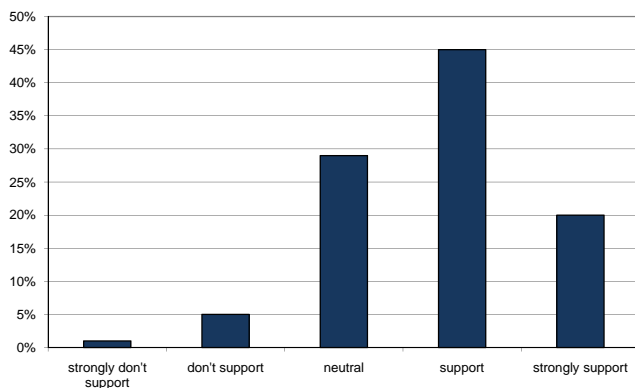
Specific initiatives gauged:

- Moving forward Infrastructure
- Tourism funding into the Australian market
- National Cycleway
- Nine-day fortnight
- Funding Guarantee
- The survey found that the greatest support existed for **infrastructure** and **tourism** initiatives

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Bringing forward infrastructural projects

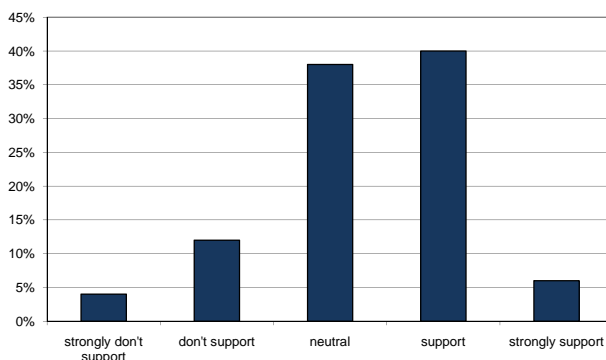


- Strongly don't support: 1%
- Don't support: 5.4%
- Neutral: 28.9%
- Support: 45.1%
- Strongly support: 19.6%

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Increased funding for tourism promotion into Australia

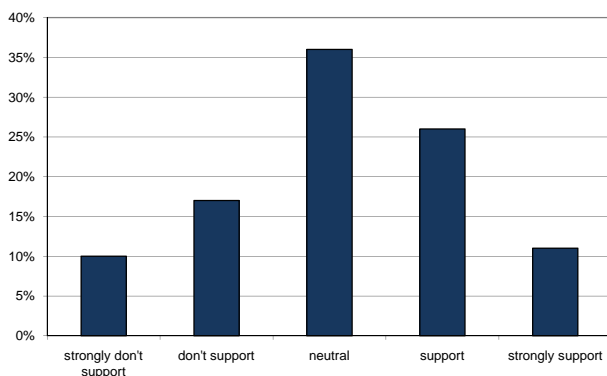


- Strongly don't support: 4.5%
- Don't support: 12.5%
- Neutral: 37.5%
- Support: 39.5%
- Strongly support: 6.0%

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Development of the National Cycleway

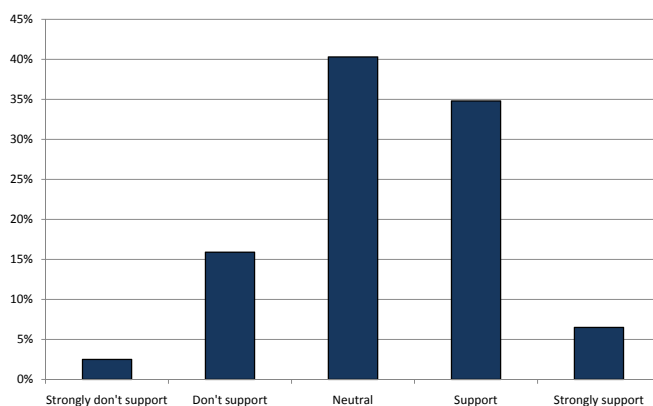


- Strongly don't support: 9.9%
- Don't support: 16.8%
- Neutral: 35.6%
- Support: 26.2%
- Strongly support: 11.4%

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Funding guarantee scheme

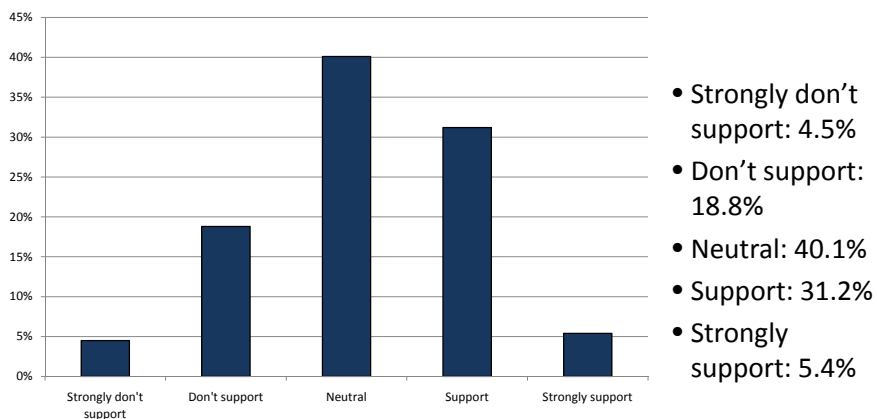


- Strongly don't support: 2.5%
- Don't support: 15.9%
- Neutral: 40.3%
- Support: 34.8%
- Strongly support: 6.5%

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Do you want a nine day fortnight?



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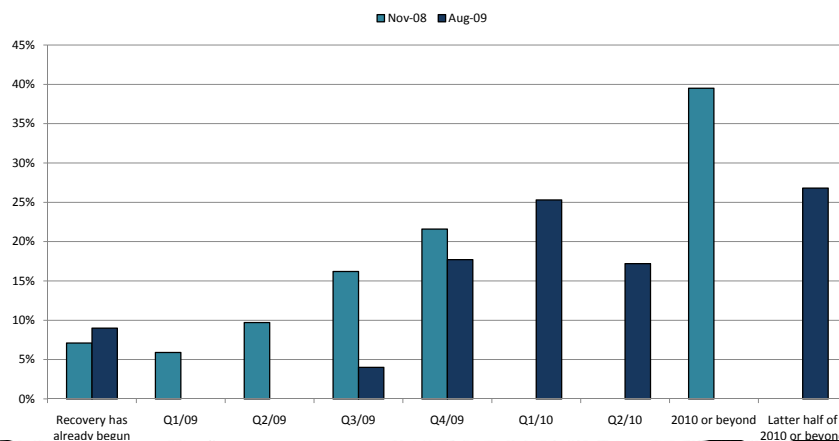
Comments

- "Support infrastructure projects if across all NZ"
- "Infrastructure projects should open up road north and south from Taranaki"
- "Regional agencies are going to have to lobby strongly to secure a share of the stimulation packages"
- "Funding guarantee was necessary short term but it now needs to be stepped back from"
- "I don't consider the cycleway will generate much employment"
- "We need to focus on domestic market as well as Australian"

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When do you expect economic recovery?



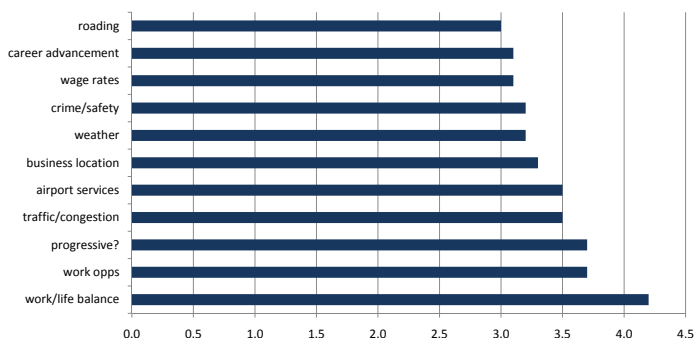
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Perceptions of Taranaki

Companies asked how they believe Taranaki is perceived

Perceptions Ranking mean scores



- Respondents believe:
- Work life balance – is most favourable
- Roading – least favourable attribute from this list

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Perceptions about Taranaki region

- “Most perceptions come into play when trying to attract potential employees”
- “Access in and out of province a nightmare”
- “It’s a long way to travel to visit”
- “the weather is cold and wet”
- “the region is isolated”
- “Friends are surprised at the cosmopolitan nature of the town”
- “The region keeps going in difficult times”
- “It’s a positive, go ahead place that continues to grow”

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**View the full report at
www.taranaki.info/business**

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