Venture TARANAKI

TARANAKI TRENDS

TARANAKI ECONOMIC REPORT

CURRENT UNTIL 30 JUNE 2008

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TARANAKI

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CONTENTS

THE TARANAKI ECONOMY.

WHAT'S HOT AND WHAT'S NOT?

↑ REGIONAL GROWTH
Taranaki recorded an increase in growth for the December quarter of 3.3%. Furthermore, it ended the 2007 calendar year with a year-on-year growth rate of 2.7%.

↑ CONSUMER PRICE INDEX (CPI)
CPI for New Zealand recorded a 1.2% increase in the December 2007 quarter. Transport, food, housing and household utilities accounted for much of this trend.

↑ GDP
Economic activity increased 0.5% in the September 2007 quarter.

↓ UNEMPLOYMENT RATE – ANNUAL COMPARISON
The unemployment rate decreased in Taranaki to 3.2% to December 2007. In December 2006 it was 3.3%.

↑ LABOUR FORCE PARTICIPATION RATE
Taranaki's labour force participation rate increased to 69.3% in December 2007 – higher than the national average of 68.6%.

↑ RETAIL TRADE – QUARTERLY CHANGE
Retail sales for the Taranaki region reflected an increase of $62.6 million, up 16.8% over the December 2006 quarter.

↑ REAL ESTATE – NUMBER OF SALES
During the December 2007 quarter, 85 houses were sold. This compares with 52 in the previous quarter.

↑ REAL ESTATE –HOUSE PRICES
The median sales price in Taranaki for December 2007 was $232,000 – less than December 2006 when it was $260,000.

↓ RENTAL ACCOMMODATION
Between May and November 2007, rental accommodation (median rent) decreased in Taranaki from $250 per week to $240 per week.

↓ TOURISM
Taranaki experienced 143,659 guest nights in the December 2007 quarter. This reflects a decrease on the December 2006 quarter of 7.6%. Visitor numbers have also decreased slightly relative to the same time last year by 8.5%.

↓ BUILDING CONSENTS - RESIDENTIAL
Residential building consents declined 5.6% in number and fell 5.6% in value from the previous year.

↓ BUILDING CONSENTS – NON RESIDENTIAL
Non-residential building consents valued at $79.7 million were authorized during 2007 – down 9.6% from the previous year.

↑ BUSINESS AND EMPLOYMENT – NEW PLYMOUTH DISTRICT
Numbers of businesses in New Plymouth increased 3.1% between 2006 and 2007, and employment increased 2.6%.

↑ BUSINESS AND EMPLOYMENT – STRATFORD DISTRICT
Numbers of businesses in the Stratford District decreased 0.3% between 2006 and 2007, however employment by businesses increased 2.5%.

↑ BUSINESS AND EMPLOYMENT – SOUTH TARANAKI DISTRICT
Numbers of businesses in South Taranaki decreased 0.2% between 2006 and 2007, however employment by businesses increased 0.9%.

A special feature in this edition highlights the reasons why people in Taranaki choose to stay in or leave the region:
Main reason for not moving: Environment eg. like where they live
Main reason for planning to move: Employment

WHAT'S HAPPENING IN THE NATIONAL ECONOMY?

GROSS DOMESTIC PRODUCT

Economic activity increased 0.5% in the September 2007 quarter, following an increase of 0.8% in the June 2007 quarter.

In the year ended September 2007, the economy grew 2.7%, up from the 1.6% growth recorded in the September 2006 year.

The growth in household spending has continued to ease this quarter, increasing 0.3% following 0.5% growth in the previous quarter. Increased expenditure on durables and services were main drivers of this quarter's growth.

CONSUMER PRICE INDEX (CPI)

The Consumers Price Index (CPI) rose 1.2% in the December 2007 quarter.

Transport prices rose 3.2%, driven by higher prices for petrol.

Food prices increased 1.5%, with the main contribution coming from higher prices for grocery food.

Housing and household utilities prices rose 0.9%, driven by higher prices for purchase of new housing.

Prices for recreation and culture increased 1.0%, driven by package holidays.

The CPI increased 3.2% for the year to the December 2007 quarter.

Source: Statistics New Zealand

WHAT'S HAPPENING IN THE TARANAKI ECONOMY?

QUARTERLY CHANGE IN GROWTH

TARANAKI WAS THE STANDOUT REGION!

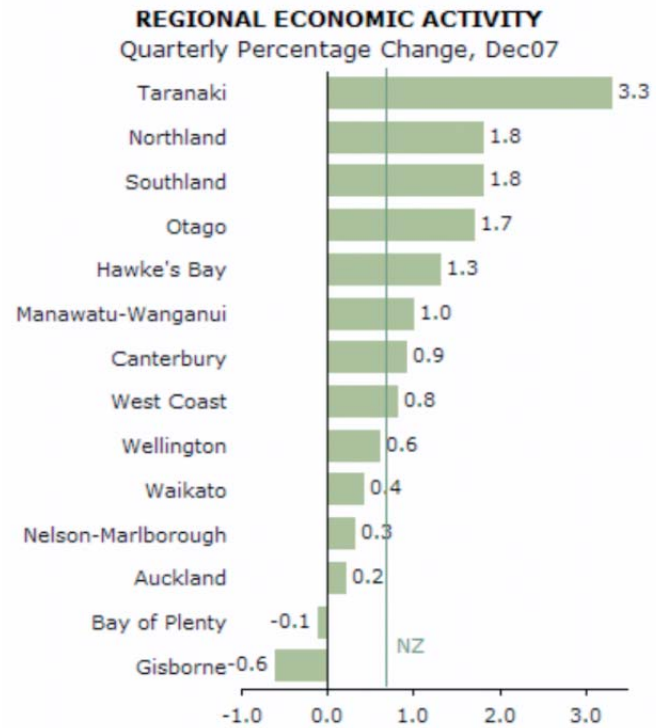
According to the National Bank Regional Trends report, Economic activity in the December quarter expanded in twelve of the fourteen regions.

The standout gain was measured in Taranaki, with a 3.3% surge from the preceding quarter.

The jump in activity is most likely a reflection of the positive impact associated with the recently commissioned Tui oil field development, as well as an anticipated increase in the dairy payout.

The next largest quarterly rises in economic activity were measured at either extremes of the country.

The nationwide measure of economic activity rose 0.7% in the December quarter.



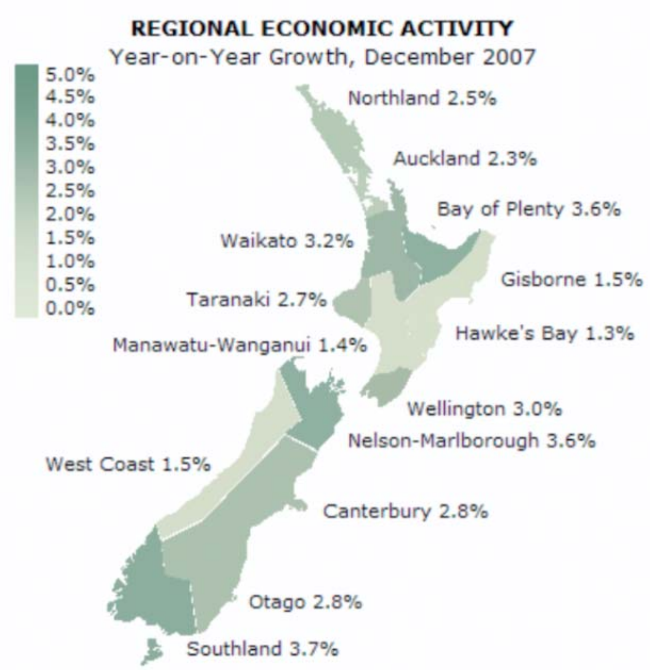
ANNUAL CHANGE IN GROWTH

Taranaki recorded annual growth of 2.7% the year to December 2006.

Nationwide year-on-year economic growth eased from 2.7% in September to 2.6% in December.

The North Island eased to 2.5%, while the South Island was unchanged on 3.0%.

Southland recorded the strongest annual rate of economic growth last year, rising 3.7% from 2006.



Source: Westpac McDermott Miller Consumer Confidence Index

CONSUMER CONFIDENCE

National overview

Consumer confidence declined in every region except Canterbury, as measured in the quarterly Westpac McDermott Miller Consumer Confidence Index, to December 2007.

The survey is made up of several components, including

- Whether people feel financially better off or worse off
- Whether the economy will experience good or bad times over the next year and next 5 years, and
- Whether now is a good time to buy a major household item.

An index of over 100 indicates there are more optimists than pessimists, while a number under 100 indicates that pessimists outnumber optimists.

Consumer confidence nationally has steadily deteriorated over the past year, except for a brief flurry of optimism in September. The index is now 10 points lower than it was in December 2006.

Although job opportunities have increased, the decline has been aligned to increasing costs in three basic elements – shelter, food and transport. Mortgage rates are up, rents are rising as are food and petrol/fuel costs.

Regional Analysis

The following table displays the consumer confidence results on a regional basis.

As mentioned, Canterbury was the only region to record an increase in consumer confidence.

Taranaki, which is grouped with Manawatu and Wanganui, declined to a score of 110.4 – however optimists still outweigh pessimists.

Region	Dec 06	Sept 07	Dec 07
Northland	117.6	111.5	109.0
Auckland	124.8	114.8	110.3
Waikato	114.8	110.6	105.2
Bay of Plenty	117.4	107.5	107.0
Gisborne/ HB	115.5	110.5	104.1
Tar/Man/ Wang	117.1	111.5	110.4
Wellington	123.3	120.2	115.6
Nelson-Mar/ West Coast	114.1	106.8	104.9
Canterbury	116.6	113.4	114.9
Otago	116.7	113.8	107.8
Southland	115.1	118.6	102.2

Source: Westpac McDermott Miller Consumer Confidence Index

WHAT'S HAPPENED RECENTLY IN TARANAKI BUSINESS?

INDUSTRY – GENERAL

Boat building is proving successful in the region. Fitzroy Yachts already has several yachts under construction, one of which is 50 metres long and worth over $40 million.

Contact Energy is likely to build yet another 100MW gas turbine station at Stratford, in addition to the one announced three months ago. The company says it needs to replace the 300MV peak load generating capacity of the New Plymouth station, which is now permanently out of service. The company announced in October it will build a $140 million fast-start turbine plant, operational in 2009, next to its existing 377 MW combined cycle gas turbine on East Rd, Stratford.

The Waitara wharf revamp project is underway. The Waitara wharf and Waitara boat ramp redevelopment are part of the Vision Waitara scheme, which will eventually see 15 separate projects completed to make up the multi-million dollar Waitara Marine Park and River Walk.

The re-opening of Methanex's Motunui plant is being addressed, with the company in discussions to secure natural gas supplies so methanol production at the Plant can recommence. This could generate 300 jobs for the region.

Taranaki's two major mountain tourism destinations - the Stratford Mountain House and Dawson Falls – have been bought and both are destined to be upgraded.

The drought is seriously impacting on Taranaki farmers. Flow on impacts are impacting the regional economy.

A new Countdown supermarket is confirmed for New Plymouth's Waiwhakaiho Valley. Progressive enterprises intends to build a 4000sqm supermarket – twice the size of the existing one in central New Plymouth.

A fire at the old Patea freezing works destroyed the old site and created health concerns for the community.

New Plymouth engineers will play a major hand in a $65 million contract to build the Kupe oil field production station near Ohawe.

EVENTS

Taranaki has scored a major coup – to host the 2009 University games. These are scheduled to be held from 14 to 17 April, and will bring an estimated field of 2,500 into the region.

Numerous local events in recent months have generated social and economic spin-offs for the region. Some highlights have included:

- Taranaki Cycle Challenge
- Taranaki Wine and Food Festival
- Elton John concert
- Motorhead concert
- Festival of Lights
- The Americarna festival
- The Urenui Rodeo
- The Mountain to Surf Marathon
- WOMAD
- Jack Johnson concert
- ITU World Triathlon: April

COMING UP

- Westlife concert: May

This is not an exhaustive list of new business startups or development. Many of the above businesses have established with the help and advice of Venture Taranaki or economic development advisers at SDC & STDC. If you are aware of any new businesses starting up in Taranaki, Venture Taranaki would be pleased to add them to this list or provide assistance.

Sources: Daily News, Venture Taranaki, South Taranaki District Council, Stratford District Council.

2007 TARANAKI BUSINESS AND EMPLOYMENT SYNOPSIS

ABOUT THE ANNUAL SURVEY

Statistics NZ have recently released their latest business and employment counts. This section provides a synopsis of outcomes and key changes for New Zealand and Taranaki.

There have been some significant changes to the methods used by Statistics NZ and also improvements to the robustness of the data. As a result these numbers are not comparable to those previously released.

Industry coverage now includes farm production, which was not the case in previous years. Businesses are economically significant units only – those with annual GST expenses or sales of more than $30,000 and/or a rolling mean employee count of greater than three.

THE 2007 NEW ZEALAND RESULTS

At February 2007, the total number of business enterprises in New Zealand was 463,380 up 2% from the same period in 2006.

More than three-quarters of businesses were located in the North Island, with 31% in the Auckland region.

Around one-third of all enterprises were engaged in property and business services, with 149,860 enterprises and approximately 230,100 employees.

The manufacturing sector continues to be the largest employer, with approximately 266,700 employees as at February 2007.

THE 2007 TARANAKI RESULTS

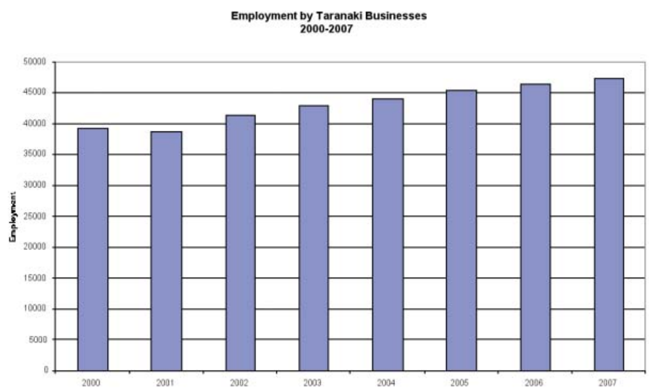
EMPLOYMENT

There were a total of 47,450 employees in Taranaki businesses as at February 2007.

This represented 2.5% of all employees in New Zealand.

Employment has increased 2.2% since the same time in 2006.

Employment has continued to display a predominantly upward trend since 2000.



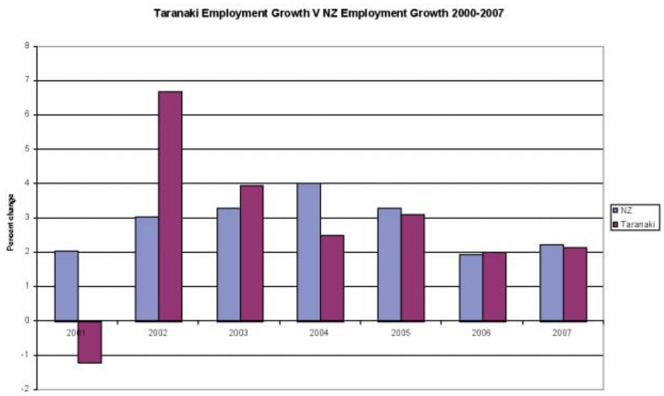
The 2.2% growth rate from 2006-2007 compares with similar levels experienced nationally (2.3%).

DEFINITIONS

An *Enterprise* is a business operating in New Zealand. Some enterprises may have a number of branches. When these separate units are also included, they are called *geographic units.*

For the purposes of the remainder of this analysis geographic units will be used, as within Taranaki there may be numerous branch offices of enterprises, and it is valuable to recognize these as having a presence.

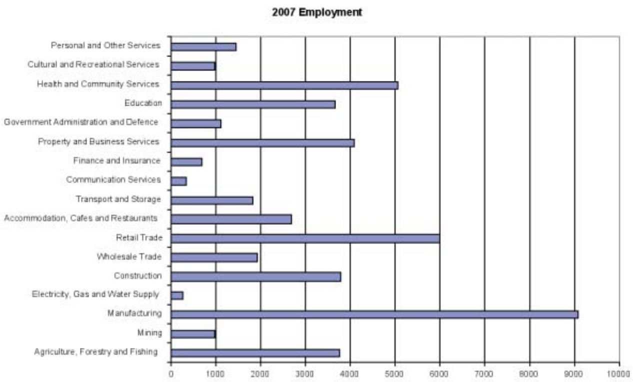
 Source: Statistics New Zealand



Manufacturing is a key employer within the region with over 9000 full time equivalent (FTE) staff.

This is followed by retail, community and health services and business and property services.

Agriculture accounts for 3740 employees.



BUSINESS

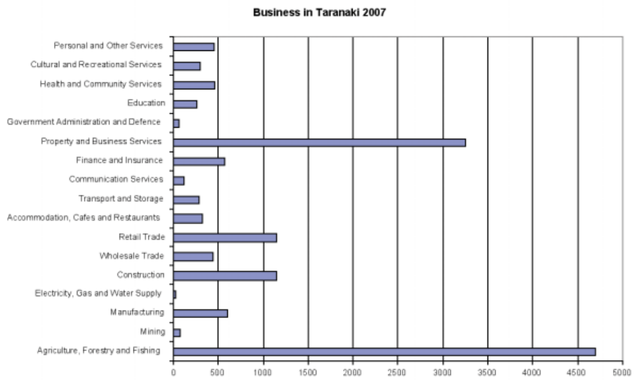
A total of 14,110 businesses (geographic units) were located in Taranaki as at February 2007.

This represented an increase of 1.8% over the 2006 year – similar to the 1.9% growth achieved nationally.

The majority of these businesses were involved in farming, followed by business/property services.

Whilst there are significant farming businesses in the region, manufacturing remains the biggest employer in the region.

The property and business services industry comprises the multitude of financial advisory services, consultancy, property, insurance as well as technical and engineering consultants.



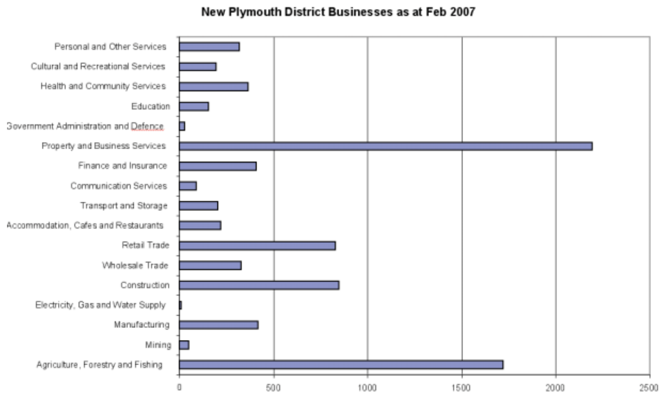
2007 SUB-REGIONAL RESULTS

NEW PLYMOUTH DISTRICT

As at February 2007 there were 8,376 businesses (geographic units).

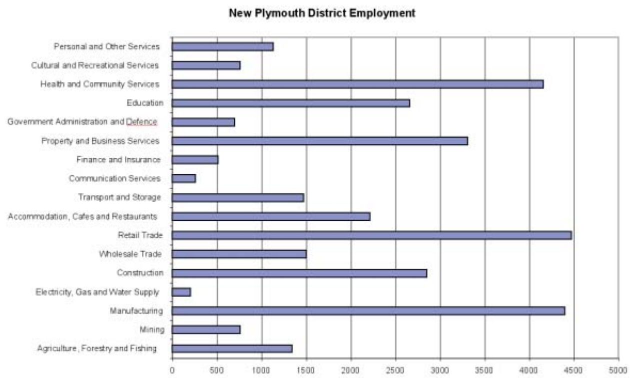
The majority of businesses in the District were:

- Business/Property
- Agriculture



However in terms of employment, key industries include:

- Retail
- Health and community services
- Manufacturing



Source: Statistics New Zealand

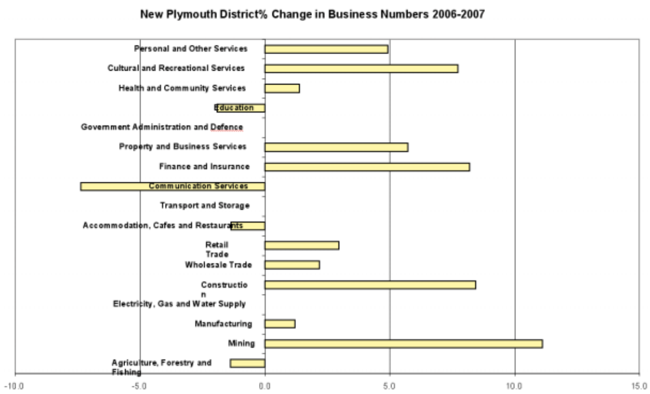
THE 2007 TARANAKI RESULTS

What has changed in terms of business in the New Plymouth District between 2006 and 2007?

Numbers of business have increased 3.1% in the New Plymouth District between February 2006 and February 2007.

The biggest%age increase has occurred in the mining/oil and gas industry. This sector has increased 11% in terms of business numbers, as shown in the following graph.

The construction industry has also increased significantly – 8.4%.

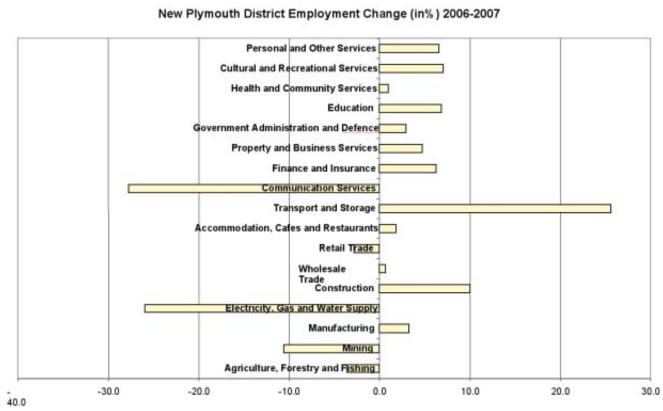


In absolute numbers, the most significant increase in business numbers has occurred in the business and property industry – where there were 119 more businesses recorded in 2007 than in 2006.

What has changed in terms of employment in the New Plymouth District between 2006 and 2007?

Employment in the New Plymouth District has increased 2.6% between February 2006 and February 2007.

The biggest %age increase has been within the transport/ storage industry and also within the construction industry. These sectors have increased 26% and 10% respectively.



THE 2007 TARANAKI RESULTS

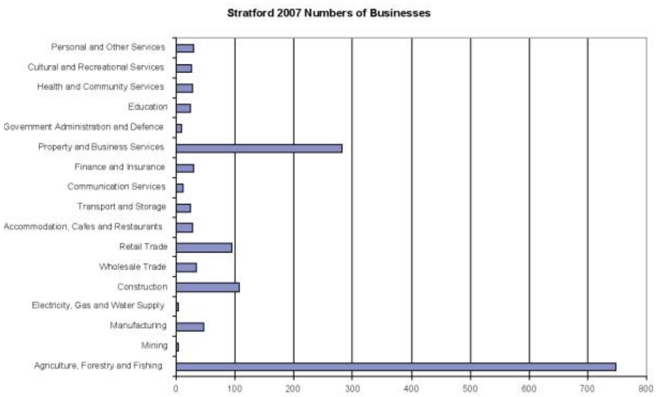
Stratford District

As at February 2007 there were 1,518 businesses (geographic units) in the Stratford District.

The majority of businesses in the District were:

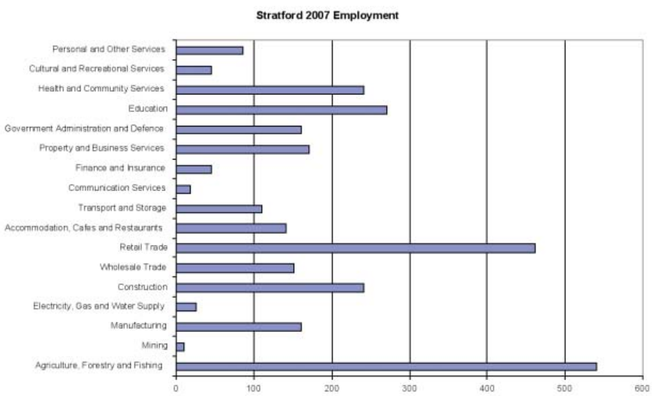
- Business/Property
- Agriculture

This is shown in the following graph.



In terms of employment, this predominantly occurs within the following sectors:

- Agriculture
- Retail
- Education
- Health and community services

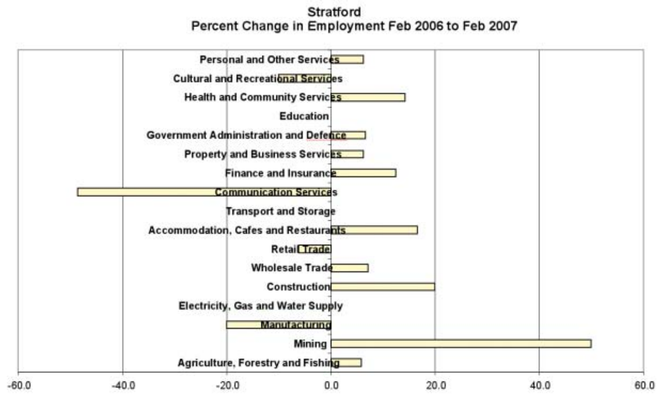


What has changed since 2006?

The number of businesses in the Stratford District decreased 0.3% between February 2006 and February 2007.

However total employment by businesses has increased by 2.5%.

Key areas of employment growth (in terms of%age change), have occurred in the following sectors: oil/gas, construction, accommodation/restaurant.



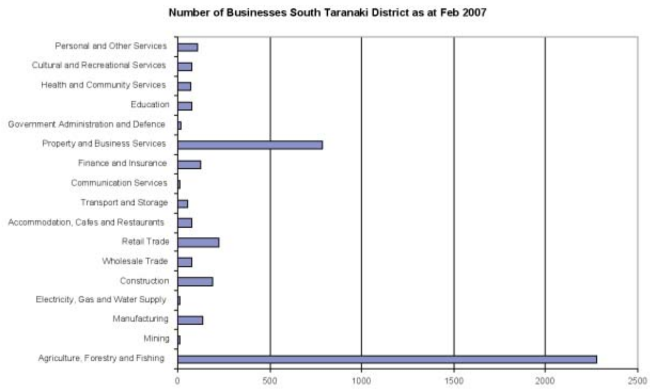
THE 2007 TARANAKI RESULTS

South Taranaki District

As at February 2007 there were 4,277 businesses (geographic units).

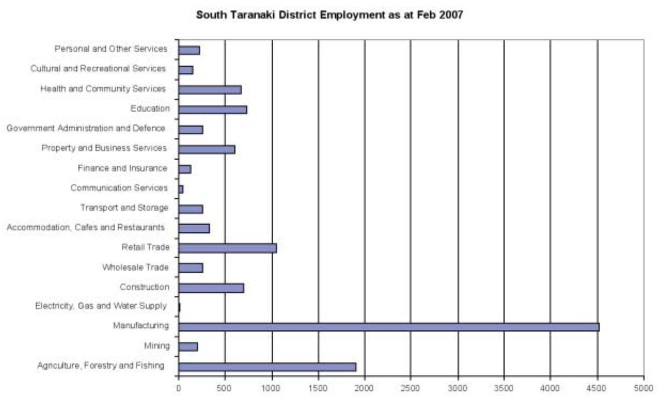
The majority of businesses in the District were:

- Agriculture
- Business/Property



In terms of employment, this predominantly occurs within the following sectors:

- Manufacturing
- Agriculture
- Retail

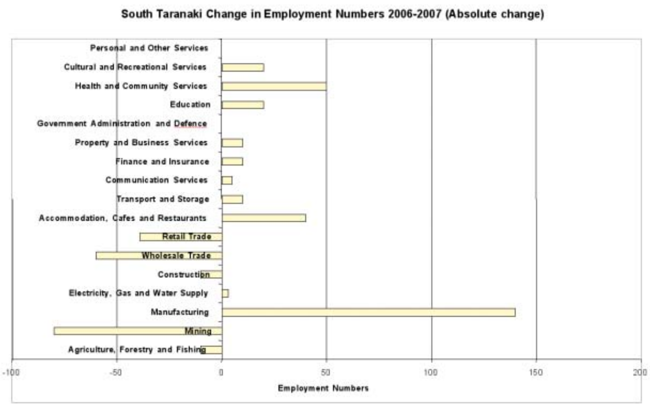


What has changed since 2006?

The number of businesses in the South Taranaki District decreased 0.2% between February 2006 and February 2007.

However total employment by businesses has increased by 0.9% over that period.

Of some note, employment in manufacturing has increased 3.2% (ie. by 140 jobs).



 Source: Statistics New Zealand

TARANAKI LABOUR MARKET

The following analysis has been extracted from the Department of Labour December 2007 Labour Market Report. It provides a useful snapshot of Taranaki's performance and comparators to the New Zealand average/outcomes, in key area such as employment, unemployment and labour market skills.

OVERVIEW

The reports highlights that the labour force participation rate in Taranaki stood at 69.3% during the year to December 2007 - up from 67.8% the year before. In comparison, the national average participation rate was 68.6% for the year to December 2007.

The unemployment rate in Taranaki fell to 3.2% for the year to December 2007 from 3.3% in the year to December 2006. The national average at December 2007 was 3.6 per cent.

There were 630 working aged people receiving unemployment benefits from Work and Income in the Taranaki region at the end of December 2007.

Advertised vacancies in Taranaki grew by 14.1% in the year to December 2007, compared with a fall of 2.2% at the national level.

KEY LABOUR MARKET DATA FOR THE TARANAKI REGION				
	Taranaki		**New Zealand**	
HLFS Indicator	**year to Dec 2006**	**year to Dec 2007**	**year to Dec 2006**	**year to Dec 2007**
Participation rate, ann ave	67.8%	69.3%	68.4 %	68.6%
Employment rate, ann ave	65.6%	67.1%	65.8%	66.1%
Unemployment rate, ann ave	3.3%	3.2%	3.8%	3.6%

EMPLOYMENT

The employment rate (the proportion of the working-age population that is employed) in Taranaki stood at 67.1% during the year to December 2007 up from 65.6% the year before. In comparison, the national average employment rate was 66.1%.

Employment in the Taranaki region was 59,200 in the year to December 2007.

REGIONAL AND NATIONAL TRENDS IN THE EMPLOYMENT RATE		
annual average, %	**Taranaki**	**New Zealand**
Dec 98	59.7	60.4
Dec 99	59.5	61.0
Dec 00	59.7	61.5
Dec 01	62.0	62.5
Dec 02	64.5	63.2
Dec 03	64.7	63.3
Dec 04	62.4	64.4
Dec 05	64.6	65.3
Dec 06	65.6	65.8
Dec 07	67.1	66.1

Source: HLFS, Statistics New Zealand

UNEMPLOYMENT

The region's unemployment rate declined to 3.2% in the year to December 2007, from 3.3% the year before. In comparison, the national average unemployment rate was 3.6% for the year to December 2007.

The number of unemployed people in the region (as measured by the official statistics) is estimated at 1,900 for the year to December 2007.

REGIONAL AND NATIONAL TRENDS IN THE UNEMPLOYMENT RATE		
annual average, %	**Taranaki**	**New Zealand**
Dec 98	6.9	7.5
Dec 99	6.9	6.8
Dec 00	7.2	6.0
Dec 01	5.6	5.3
Dec 02	5.1	5.2
Dec 03	5.0	4.7
Dec 04	4.3	3.9
Dec 05	3.3	3.7
Dec 06	3.3	3.8
Dec 07	3.2	3.6

Source: HLFS, Statistics New Zealand

JOB VACANCY TRENDS

The Job Vacancy Monitor (JVM) is a monthly analysis of job advertisements in selected editions of 25 major newspapers around New Zealand and three websites advertising IT vacancies. Over time, JVM informs us about the tightness of the labour market.

Advertised vacancies in Taranaki grew by 14.1% in the year to December 2007, compared with a fall of 2.2% at the national level.

Advertisements for highly skilled (legal/admin/managers & professionals) occupations in Taranaki grew by 37.4% in the year to December 2007.

Advertisements for skilled (ass.profs/tech & trades workers) occupations in Taranaki declined by 4.4% in the year to December 2007.

Advertisements for semi-skilled / elementary (clerks, service/sales workers, agricultural/fisheries workers, plant/machine operators and elementary) occupations in Taranaki grew by 15.5% in the year to December 2007.

REGIONAL AND NATIONAL TRENDS IN VACANCY COUNTS IN THE TARANAKI REGION		
annual average % change	**Year to December 2006**	**Year to December 2007**
Region	3.1	14.1
New Zealand	-8.1	-2.2

Vacancy Monitor, Department of Labour

REGIONAL TRENDS IN VACANCY COUNTS IN THE YEAR TO DECEMBER 2007 BY OCCUPATION GROUP FOR THE TARANAKI REGION.		
annual average % change	**Year to December 2006**	**Year to December 2007**
Legislators / Managers	21.9	9.2
Professionals	-6.4	50.6
Highly skilled 37.4	**1.1**	**37.4**
Ass. Profs / Technicians	15.3	5.1
Trades Workers	7.2	-13.1
Skilled	**10.9**	**-4.4**
Clerks	21.5	5.5
Services / Sales Workers	20.8	20.3
Agr and Fishery Worker	-14.8	12.3
Plant and Mach Operators	-26.7	22.2
Elementary Occupations	-11.7	13.5
Elementary / Semi skilled	**0.4**	**15.5**

Source: Job Vacancy Monitor, Department of Labour

HIGH VACANCY OCCUPATIONS

Below is a list of occupations from the Department of Labour Job Vacancy Monitor that have the highest number of vacancies (high vacancy occupations), and those occupations that have shown the highest growth in advertised vacancies in terms of percentage change (top percentage growth occupations) and numerical change (top numeric growth occupations) in Taranaki.

TABLE 6: TARANAKI: TOTAL VACANCIES AND GROWTH IN ALL OCCUPATIONS IN THE 12 MONTHS TO DECEMBER 2007

Rank	High Vacancy Occupations	No. of vacancies	Top Percentage Growth Occupations	% Growth	Top Numeric Growth Occupations	Numeric Growth
1	Sales Assistant	130	Cleaner	91%	Sales Assistant	32
2	Dairy Farmer, Dairy Farm Worker	116	Primary School Teacher	75%	Cleaner	32
3	Care Giver	100	Kitchenhand	59%	Registered Nurse	27
4	Registered Nurse	89	Registered Nurse	44%	Early Childhood Teacher	27
5	Cleaner	67	Hairdresser	35%	Primary School Teacher	21

UNEMPLOYMENT BENEFITS

The Ministry of Social Development has recently begun to make information on numbers receiving social security benefits available for Territorial Local Authorities.

There were 630 working aged people receiving unemployment benefits from Work and Income in the Taranaki region at the end of December 2007. Their characteristics are shown in the following table.

TABLE 7: WORKING AGED UNEMPLOYMENT BENEFIT RECIPIENTS (AGED 18-64) IN THE TARANAKI REGION AND NATIONALLY DURING DECEMBER 2007

	Region		New Zealand		Region's share of New Zealand (%)
	Share (%)	Number	Share (%)	Number	
Total		630		22,748	2.8
Male	69.7	439	66.2	15,059	2.9
Female	30.3	190	33.8	7,688	2.5
Maori	43.7	275	38.2	8,689	3.2
Pacific People	0.2	1	8.3	1,888	0.1
18-24 years	17.9	112	22.6	5,141	2.2
25-39 years	32.9	207	34.1	7,757	2.7
40-54 years	23.8	149	23.7	5,391	2.8
55-64 years	25.4	160	19.6	4,458	3.6

 (Source: Department of Labour – Labour Market Update for December 2007)

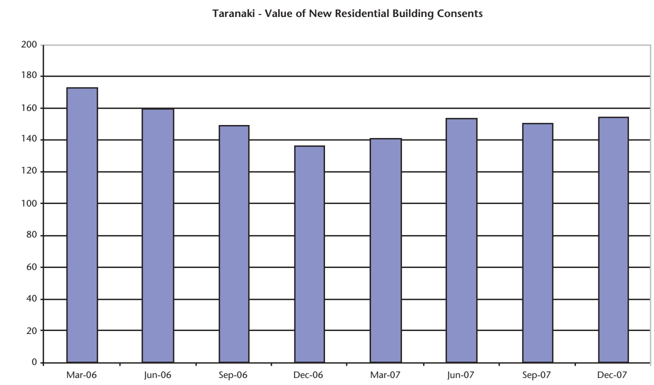
CONSTRUCTION

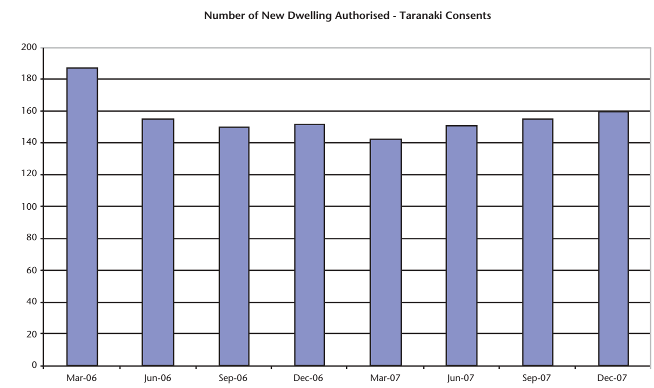
RESIDENTIAL CONSTRUCTION

612 new dwelling units worth $150.3 million were authorised for construction within the Taranaki Region during 2007.

This reflects a 5.6% decline in number and a fall of 5.6% in value from the previous year.

Quarterly trends for residential building consents (number and value) for the past two years are reflected in the graphs below.





NON-RESIDENTIAL CONSTRUCTION

There were 807 building consents issued for the construction and alteration of non-residential buildings in Taranaki during 2007. This is an increase of 9.3% over the 2006 year.

They were valued at $79.7 million – down 9.6% from the previous year.

A high proportion of the dollar value in terms of commercial construction was authorized for shops, factories and farm construction in Taranaki.

The following table highlights regional and sub-regional comparisons in relation to the value of non-residential (commercial construction) approved in 2007.

VALUE OF NON-RESIDENTIAL BUILDING CONSENTS YEAR ENDED DECEMBER			
	Value $ million		
Location	2006	2007	% Change
Taranaki Region	88.1	79.7	-9.6
New Plymouth District	62.0	53.3	-14.0
Stratford District	3.2	3.9	21.0
South Taranaki	22.9	22.4	-1.9
Waikato Region	347.1	412.4	18.8
Manawatu-Wanganui Region	184.3	197.8	7.3
New Zealand	3,920.5	4,164.4	6.2

Source: Statistics New Zealand

RENTAL ACCOMMODATION

HOUSEHOLD RENTAL ACCOMMODATION

In the period from May 2007 to November 2007, the median rent for private sector rental accommodation decreased from $250 to $240 per week.

This compares to a national increase over the same period from $280 to $290 per week.

The highest median rental accommodation is in North Shore at $370 per week, whilst Invercargill has the lowest median rent at $180 per week.

The highest rental increases in the May to November 2007 period were in:

- Hastings
- Christchurch
- Whangarei
- Rotorua

Region	$ Median Rent – Nov 2007
Whangarei	270
North Shore	370
Waitakeke	320
Auckland	350
Manukau	330
Papakura	300
Hamilton	280
Tauranga	295
Rotorua	220
Gisborne	220
Hastings	250
Napier	270
New Plymouth	240
Wanganui	190
Palmerston North	250
Kapiti	275
Poirua	300
Upper Hutt	220
Lower Hutt	290
Wellington	350
Nelson	270
Christchurch	290
Dunedin	250
Invercargill	180
ALL NZ	290

Sources: Massey University Real Estate Unit Analysis and Real Estate Institute of New Zealand

REAL ESTATE

HOUSE SALES

The following table reflects the median house sales price for Taranaki as reported via REINZ sales for the December 2007 quarter.

It also provides comparisons of this result with the same period in 2006 for Taranaki as well as a comparison of the current quarter with New Zealand's median sales figures.

THE RESULTS HIGHLIGHT:

The median sales price for December 2007 has ended on a more cautious note. At $232,000, it was lower than the $260,000 recorded in December 2006.

Taranaki's median sales price is circa $113,000 beneath the New Zealand median sales price.

Period	Taranaki 2007	Taranaki 2006	New Zealand 2007
October	$238,500	$202,500	$350,000
November	$233,000	$225,750	$352,000
December	$232,000	$260,000	$345,000

NUMBER OF SALES

The number of house sales also remained positive in the December quarter, both regionally and nationally.

85 houses were sold in the December 2007 quarter in Taranaki. This compares with 52 in the previous quarter and 79 for the same time last year (December 2006 quarter).

However it is taking longer to achieve a sale. The following table highlights the median number of days to sell a house in the December 2007 quarter relative to the same period in 2006.

Month	Median days to sell - 2007	Median days to sell - 2006
October	60	28
November	52	45
December	64	42

NEW PLYMOUTH CITY - CHANGES

THE HOUSING MARKET IS COOLING IN NEW PLYMOUTH CITY.

The median house sale price for December 2007 in New Plymouth was $293,500, down from $320,000 in December 2006.
In December 2007 the median days to achieve a sale was 34, down from 31 days in December 2006.

(Source: REINZ and Massey University Property Foundation)

HOME AFFORDABILITY

QUARTERLY

Home affordability comprises an assessment of three variables: house prices, wage rates and mortgage interest rates.

On a regional basis affordability improved over the quarter in Central Otago/Lakes (9.6%), Northland (1.7%) and Otago. Waikato/Bay of Plenty was static over the quarter. All other regions showed declines. Taranaki declined by 9.1%.

ANNUAL

On an annual basis, national affordability declined by 9.6%. Otago showed a slight improvement but all other regions declined.

PERCENTAGE CHANGE IN HOME AFFORDABILITY IN THE PAST 12 MONTHS	
Region	**Percentage change**
Northland	-9.2
Auckland	-8.6
Waikato/Bay of Plenty	-7.5
Hawkes Bay	-5.9
Taranaki	-4.8
Manawatu/Wanganui	-14.0
Wellington	-11.2
Nelson/Marlborough	-1.8
Canterbury/Westland	-12.2
Otago	+0.7
Central Otago Lakes	-10.9
Southland	-39.7

FARM SALES

The REINZ reports that the median price for farms sold in Taranaki remained steady at $1,500,000 in both December and November (In December 2006 it was $1,550,000).

43 farms were sold in December 2007, well up on the 29 sold in November, and up on the 41 sold in December 2006.

Of the 43 farms sold - 20 were dairy, 17 grazing and 3 were finishing (one each of arable, horticulture and special).

70 lifestyle blocks were sold. This is two less than the 72 sold in November. In December 2006, 56 lifestyle blocks were sold.

In December the median price increased to $390,000, from $375,000 in November.

(Source: REINZ and Massey University Property Foundation)

THE RURAL MARKET

WHAT ARE THE PREDICTIONS?

Massey University undertakes quarterly surveys of a panel of rural real estate market specialists drawn from the Banking, Real Estate and Valuation Professions.

Their December 2007 survey outcome makes the following predictions in relation to the rural property market e.g. farms sales.

Opinions concerning rural real estate sales volume during the next 3 months compared to the same period last year:

Farm type	Large increase	Moderate increase	Same	Moderate decrease	Large decrease	N/A
Dairying	28%	36%	18%	18%		
Sheep and beef		42%	25%	33%		
Arable/ fattening		58%	25%	17%		
Horticulture		17%	49%	17%		17%
Forestry		18%	55%			27%

The above table highlights that 28% of respondents anticipated a large increase in dairy real estate sales (volume) during the next three months, and 36% predict a moderate increase.

Opinions concerning rural real estate sales prices during the next 3 months compared with current prices:

Farm type	Large increase	Moderate increase	Same	Moderate decrease	Large decrease	N/A
Dairying	11%	56%	33%			
Sheep and beef		8%	46%	46%		
Arable/ fattening		15%	70%	15%		
Horticulture			85%			15%
Forestry		17%	58%			25%

The above table highlights that 67% of respondents anticipated an increase in dairy farm sale prices during the next three months.

(Source: REINZ and Massey University Property Foundation)

RETAIL TRADE DECEMBER 2007

NATIONAL RETAIL SALES – OVERVIEW

On a seasonally adjusted basis (ie not actual retail sales) total retail sales increased 1.9% ($309 million) in the December 2007 quarter compared with the September 2007 quarter in New Zealand.

This followed an increase of 0.6% ($96 million) in the September 2007 quarter.

The core retailing group, which excludes the vehicle-related industries, increased 0.4% ($47 million).

Of the 24 retail industries, 13 had sales increases and 11 had decreases. The largest increases were in:

- automotive fuel retailing, up 15.1% ($229 million)
- clothing and softgoods retailing, up 5.1% ($32 million)
- motor vehicle retailing, up 1.0% ($22 million)
- supermarket and grocery stores, up 0.6% ($20 million).

NATIONAL RETAIL SALES WITH PRICING EFFECTS REMOVED

With price effects removed, the seasonally adjusted volume of total retail sales rose 0.3% in the December 2007 quarter.

Of the 24 retail industries, 13 had volume rises and 11 had falls in the December 2007 quarter. The largest volume rises were in clothing and softgoods retailing and automotive fuel retailing, and the largest volume falls were in supermarket and grocery stores and other food retailing.

TARANAKI REGION – ACTUAL SALES

Retail sales in the Taranaki Region during the December 2007 quarter totalled $436.4 million.

This reflected an increase of $62.6 million or up 16.8% over the December 2006 quarter.

National sales were up 6.1% from the December 2006 quarter (non-seasonally adjusted sales).

$M RETAIL SALES BY REGION - DECEMBER 2007 QUARTER COMPARISON

Region	December 2006	December 2007	%
Northland	514.8	582.8	13.2
Auckland	5,680.9	5,851.5	3.0
Waikato	1,556.8	1,608.0	3.3
Bay of Plenty	1,144.8	1,210.9	5.8
Gisborne	143.2	148.3	3.6
Hawke's Bay	619.5	657.5	6.1
Taranaki	373.7	436.4	16.8
Manawatu/ Wanganui	919,4	989.0	7.6
Wellington	1,770.4	1,909.9	7.9
Tasman	189.4	206.5	9.0
Nelson	177.8	213.9	20.3
Marlborough	189.5	220.0	16.1
West Coast	107.9	104.2	-3.5
Canterbury	2,086.3	2,273.7	9.0
Otago	899.9	939.7	4.4
Southland	386.4	423.5	9.6
New Zealand	**16,762.5**	**17,778.0**	**6.1**

TOURISM[1] DECEMBER 2007 QUARTER

GUEST NIGHTS

Number of guest Nights in Taranaki for the December 2007 quarter was 143,650.

Taranaki: guest nights recorded in the December 2007 quarter with the same period in 2006, shows a decrease of 7.6%.

New Zealand: guest nights in the December 2007 quarter, relative to 2006, have increased by 0.6%.

VISITOR ARRIVALS

The number of visitors who came to Taranaki for the December 2007 quarter and stayed in commercial accommodation, totaled 72,944.

Taranaki: a comparison of visitor numbers with same time last year, shows a decline of 8.5%.

New Zealand: New Zealand visitor numbers in the December 2007 quarter, relative to same time last year, reflect a 1% increase.

OCCUPANCY RATES

The occupancy rate in December 2007 for Taranaki was 32.6%, relative to the national average of 37.8%.

On a sub-regional basis, the highest occupancy rate was in the New Plymouth District with 36.1 for the December 2007 quarter.

Stratford recorded a significant increase in occupancy levels for this period. At 30.7 it was 12% higher than the same time in 2006.

OCCUPANCY RATE (PERCENT) DECEMBER QUARTER			
Area	**2006**	**2007**	**Change**
Taranaki	30.5	32.6	2.1
New Plymouth District	35.2	36.1	0.9
Stratford District	18.7	30.7	12.0
South Taranaki	18.0	20.4	2.4
Waikato	35.2	33.1	-2.1
Manawatu/ Wanganui	28.1	26.3	-1.8
New Zealand	38.4	37.8	-0.6

[1]Figures in this analysis only include visitors staying in short term commercial accommodation establishments such as hotels, backpackers, camping grounds etc.

Source: Statistics New Zealand

2007 TARANAKI TOURISM SUMMARY

Commercial accommodation in 2007 in Taranaki was up from 2006 – both in terms of guest nights and visitor numbers.

Visitor number increased 5.6% over 2006, and guest nights were up 3.9%.

Taranaki performed better than the national average in both guest nights and visitor numbers.

PERCENTAGE CHANGE 2006-2007 YEAR		
Locality	**Guest Nights**	**Visitors**
Taranaki	3.9	5.6
New Zealand	3.8	2.3

ANALYSIS BY DISTRICT - 2007

NEW PLYMOUTH DISTRICT

There were 220,718 visitors to the New Plymouth District during 2007 and a total of 452,117 guest nights.

Visitor numbers during this period increased by 4.1%.

This is an increase in guest nights of 1.5%.

STRATFORD

There were 19,137 visitors to the Stratford District during 2007 and a total of 36,480 guest nights.

This is an increase in visitors of 8.4%.

Guest nights in Stratford increased by 7.0%.

SOUTH TARANAKI

There were 34,883 visitors to the South Taranaki District during 2007 and a total of 68,063 guest nights.

Visitor numbers recorded an increase of 14.7%.

This is an increase in guest nights of 21.1%.

Visitors By District 2007		
District	**2007**	**% change from 2006**
New Plymouth	220,718	4.1
Stratford	19,137	8.4
South Taranaki	34,883	14.7
Taranaki	274,738	5.6

Guest Nights 2007	
District	**% Change from 2006**
New Plymouth	1.5
Stratford	7.0
South Taranaki	21.1

Source: Statistics New Zealand

DYNAMICS AND MOTIVATIONS FOR MOVING

SURVEY INTRODUCTION

In the March 2007 quarter, Statistics New Zealand undertook the first nationwide Survey of Dynamics and Motivations for Migration in New Zealand. The survey investigates what motivates some people to move from one house to another, from one part of New Zealand to another, or to and from New Zealand, and what motivates people to stay where they are.

The survey also provides some regional analysis. Outcomes relating to Taranaki have been provided in this summary.

The survey results form a basis for understanding and explaining why people choose to either move away from or remain in a particular area, and the factors that influence their decisions to shift. The survey also provides insights into some of the reasons why people are attracted to, disaffected by, or attached to where they live. It identifies information about people's intentions about moving, including reasons for planning to move or planning not to move. This information will fill a gap in knowledge about the drivers and motivations of internal migration in New Zealand.

The survey was run as a supplement to the quarterly Household Labour Force Survey (HLFS). All respondents in the household within the scope of the HLFS were given the opportunity to take part in the Survey of Dynamics and Motivations for Migration in New Zealand.

NATIONAL RESULTS – DEMOGRAPHIC OVERVIEW OF MOVERS AND NON-MOVERS

AGE

Of those who moved within New Zealand, about one third (32.9%) were aged 20 to 29 years.

The non-movers had a much older age structure; about two-thirds (67.8%) of this population were aged between 30 and 69 years.

ETHNICITY

The Maori ethnic group had the largest proportion of movers within New Zealand (34.3%) and the lowest proportion of movers from overseas (1.5%).

MARITAL STATUS

Of movers within New Zealand, 42.9% recorded being never married, or separated.

INCOME

About half of both movers within New Zealand and non-movers (51.9 and 51.6%, respectively) had an income of $30,000 or less.

41% of movers within New Zealand have income ranging from $20,001 to $50,000.

EMPLOYMENT

Movers within New Zealand were more likely to be working for pay or profit (69.2%) than non-movers (63.2%).

The highest proportion of movers within New Zealand stated their occupation as service and sales workers (18.4%), whereas the largest proportion of non-movers stated their occupation as professionals (16.2%).

TARANAKI AND NEW ZEALAND RESULTS

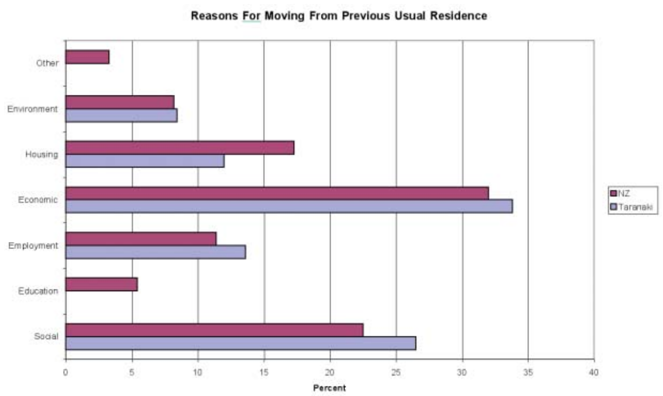
REASONS FOR MOVING OR NOT-MOVING

These results presents highlight why people do or do not move from their place of residence. Both New Zealand and Taranaki outcomes are provided.

MAIN REASON FOR MOVING FROM PREVIOUS USUAL RESIDENCE

Movers within New Zealand gave a variety of reasons for moving away from their previous usual residence. Nearly one third (32.0%) of the main reasons stated were economic in motivation.

This trend was also mirrored in the Taranaki results where 33.8% stated economic reasons underpinned their decision to move.



Social motivators were also important reasons for leaving, at 22.5%. These included setting up home independently, moving with others who were moving and moving to live with a spouse or partner.

MAIN REASON FOR MOVING TO CURRENT USUAL RESIDENCE

In terms of national results, social motivators (21.7%) were the most common reasons for all movers choosing to live at their current usual residence.

Taranaki recorded a similar outcome with 25.4% due to social reasons.

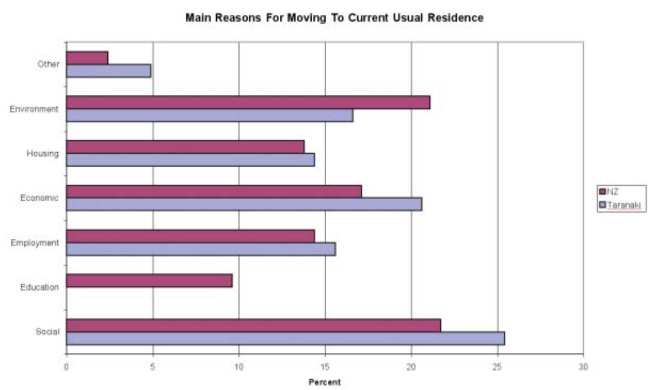
This includes living closer to others and living with others.

Economic reasons were also significant for those in Taranaki with 20.6% in terms of the main reasons for moving to their current residence. This compares with 17.1% nationally.

Economic reasons include moving to more affordable housing and choosing their current home for employment reasons. This suggests that the characteristics of the area, including proximity to work, were important factors in deciding where to live.

Environmental reasons were common on a national basis – accounting for 21.1% of all main reasons provided. But this factor was less significant for Taranaki people – it was a motivator for 16.6%.

Environmental reasons include having better or closer services and facilities and a more suitable suburb, town, city, or region.



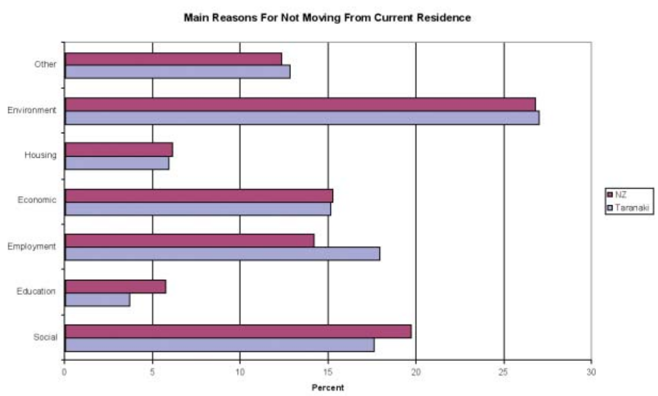
MAIN REASON FOR NOT MOVING FROM USUAL RESIDENCE

Environmental factors were the largest group of reasons for not moving in the previous two years (26.8% of all main reasons given nationally).

In Taranaki it accounted for 27% of reasons why people did not move from their residence.

Non-movers were often satisfied with the availability/proximity of services, their suburb, town, city, or region), and their current lifestyle or quality of life. Many people also had social reasons for not moving. Many people in this category stated that they wanted or needed to live with or close to their family. The main employment reason given was that the non-mover’s current home was close to their workplace.

This indicates that the key motivations for people to remain at their current home are related to the proximity of services, workplace, and other family members. It is worth noting that many were happy in their current dwelling or location, and were not moving for this reason.



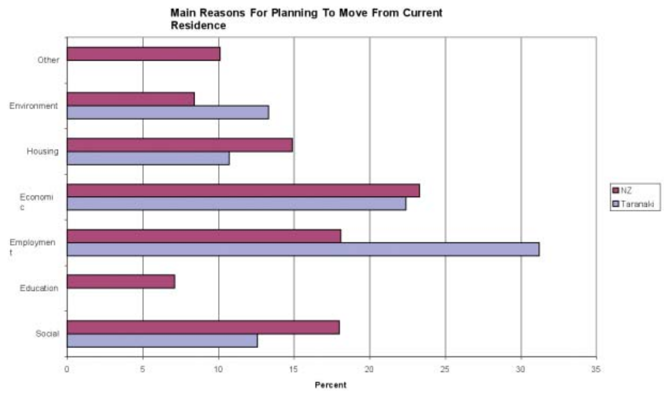
MAIN REASON FOR PLANNING TO MOVE FROM CURRENT USUAL RESIDENCE

Nationally, nearly one quarter (23.3%) of all the main reasons for planning to move were economic. Here, the most frequent reason was the intention to purchase (or had already purchased) or build a dwelling.

However in Taranaki the main reasons was more likely to be employment (31.2%).

This includes moving for better employment prospects, career, or business opportunities.

Social motivations were important on a national basis but less so in Taranaki.



IN CONCLUSION, THE KEY FINDINGS FOR TARANAKI:

Main reasons for moving from previous residence:

- Economic e.g. buying a house

Main reasons for moving to current residence:

- Environment e.g. closer to facilities, suburb
- Social reasons

Main reasons for Not Moving:

- Environment e.g. like where they live

Main reasons for planning to move:

- Employment

FINAL SNIPPETS

FOR THE DECEMBER 2007 QUARTER:

BIRTHS

There were 384 births – up 9.1% on December 2006.

DEATHS

There were 225 deaths - up 2.3% over the December 2006 quarter

PERMANENT AND LONG TERM ARRIVALS

There were 337 permanent and long term arrivals – up 21.6% relative to the December 2006 quarter.

PERMANENT AND LONG TERM DEPARTURES

There were 271 departures – up 4.6% from the same time last year.

AVERAGE HOURLY EARNINGS

This was recorded at $22.42 – up 4.3% from the December 2006 quarter.

CAR REGISTRATIONS

There were 871 new and overseas car registrations – up 10.1% from the same time last year.

GST SALES

For the September 2007 quarter GST sales in the Taranaki region totaled $2,822.2m - up 4.5% from the September 2006 quarter.

GST PURCHASES

For the September 2007 quarter, GST purchases totaled $2,275.3m – up 22.9% from the same period last year.

CARGO UNLOADED (FOB)

Year ended December 2007

$2,601.1m

This is an increase of 51.7% from the year ended December 2006

CARGO UNLOADED (CIF)

Year ended December 2007

$438.0m

This is an increase of 41.3% from the year ended 2006

NB: These cargo figures (values) have been sourced from Statistics NZ. They may differ from those of Port Taranaki due to their differing recording formats. Figures do not include coastal trade.

THANK YOU

Venture Taranaki acknowledges the support of its key stakeholder – the New Plymouth District Council – whose continued commitment to the Trust has been pivotal in its success.

Venture Taranaki also acknowledges the input of other stakeholders in producing Taranaki Trends, including the South Taranaki District Council, Stratford District Council, Taranaki Newspapers, Statistics New Zealand, National Bank of New Zealand, REINZ (Taranaki), the Department of Work and Income, and ANZ (job advertisement statistics).

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ABOUT VENTURE TARANAKI

As Taranaki's regional development agency, we're committed to making Taranaki grow.

That's why we're interested in helping to make your business a success.

If you need advice and assistance or access to information and knowledge to support your business aspirations, we offer a single point of contact to provide the help you require.

If you are:

- Thinking of starting up a business;
- Trying to grow your business;
- Considering relocating or investing in Taranaki...

We have a range of products and services designed to meet your business needs.

Why not call us today!

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