

TARANAKI TRENDS



Venture  Taranaki

TARANAKI ECONOMIC REPORT

2004  
FIRST QUARTER

[www.taranaki.info](http://www.taranaki.info)

# Welcome...

Looking back 2003 has been a milestone year for Taranaki.

Although economically a tighter year, influenced by a strong New Zealand dollar and tougher farming conditions, 2003 will undoubtedly be remembered as the year The Last Samurai hit the region.

A number of issues were raised by businesses in the latest Venture Taranaki business survey. While businesses are cautious of the impact of the farming year and the oil and gas uncertainty in the longer term, there has been a significant lift in outlook compared to mid 2003. Sales and cashflow are among the most optimistic variables businesses predict to improve over the coming six months. Those predicting employment increases are also up on six months ago indicating a positive position to start 2004.

The survey also revealed a divided response on the possible upgrade of the New Plymouth airport. 47% support an international upgrade while 27% would not and 26% were undecided on the matter. Views were found to be correlated to business location. A higher portion of New Plymouth based businesses reported they would support an upgrade with support dropping off as airport proximity increased.

With Christmas, warmer weather and many events just around the corner it is heartening to see spirits lifting. The Last Samurai will be launched early in the New Year, and this can bring numerous tourism and economic spin offs for Taranaki. Once again attention will be drawn to Taranaki and as a community we need to ensure those terrific opportunities are maximised.

On behalf of the Board of Trustees and the Venture Taranaki team we take this opportunity to wish you all a happy New Year and a profitable 2004.

# Contents

|   |                   |
|---|-------------------|
| Economic Trends .....                                     | 2                 |
| The Economy – What’s hot and what’s not?.....             | 3                 |
| What's happening in the National Economy? .....           | 4                 |
| What's happening in the Taranaki Economy? .....           | 5                 |
| What's happening in Taranaki Business?.....               | 6                 |
| What’s New? – Businesses Starting up in Taranaki.....     | 8                 |
| Retail Trade.....   | 10                |
| New Zealand Incomes .....                                 | 11                |
| Real Estate and Rental Accommodation.....                 | 12                |
| Potential Redevelopment of the New Plymouth Airport ..... | 14                |
| Construction .....  | 16                |
| Labour Force .....  | 17                |
| Taranaki Business Outlook .....                           | 18                |
| Maori Economic Development.....                           | 20                |
| Manufacturing in Taranaki .....                           | 21                |
| Export Trade .....  | 22                |
| New Zealand Trade and Enterprise Grants Scheme.....       | 23                |
| Thank you .....   | 24                |
| Venture Taranaki .....                                    | inside back cover |

# Taranaki

## Economic Trends

# The Economy

## What's hot & what's not?

### Regional Growth

- Every region reported an increase in economic activity over the September quarter period. The Taranaki economy increased by 0.3% compared to the previous June 2003 quarter.

### CPI

- The national Consumer Price Index (CPI) rose 0.5% over the September 2003 quarter.

### GDP

- Economic activity increased 0.2% in the June 2003 quarter following a 0.6% rise in the March 2003 quarter. Annual GDP growth for the June 2003 year was 4.0%.

### Labour Force

- The regional Taranaki unemployment rate decreased over the September quarter period from 5.6% to 5.0%. This equates to a decrease of 10.7%.

### Situations Vacant

- Over the September 2003 quarter there were 1,301 jobs advertised in The Daily News. This is an increase of 8.1% on the previous June 2003 quarter and a decrease of 2.8% on the same quarter last year.

### Retail Trade

- Retail expenditure in the Taranaki Region during the September 2003 quarter totaled \$329.7 million. This is an increase of 7.4% on the previous quarter and a 4.4% increase on the same quarter last year.

### Rental Accommodation

- Compared to the previous March quarter, the median New Plymouth private sector rental price decreased by 6.3% from \$192 to \$180 per week.

### Taranaki Business Outlook

- The majority of businesses 58.7% believe that New Zealand wide business conditions are set to remain the same for the coming 12 month period.

### Potential Redevelopment of the New Plymouth Airport

- 46.5% of respondents reported that they would support significant investment to upgrade the New Plymouth airport to international standard. 26.8% of respondents reported they would not support the upgrade while 26.1% were undecided on the matter.

### Real Estate

- Over the September 2003 quarter there were 695 residential property sales valued at a total of \$98.2 million, this compares to 704 sales during the previous quarter valued at \$98.0 million.

### Exports

- Over the period year ending September 2003 there was a total of 634,190 tonnes of coastal and international cargo unloaded at Port Taranaki. This is an increase of 3.5% on the previous June quarter and a 17.1% increase on the same time last year.

### Construction

- During the September 2003 quarter Taranaki was granted 86 new residential building consents valued at \$17,281,194. This equates to an increase of 11 consents and a dollar increase of \$3,888,929 (or 29.0%).

### Manufacturing Industry

- Overall there are 4,288 FTE's employed within the manufacturing industry in the Taranaki region. The industry contributed a total of \$307.0 million in Value Added to the local Taranaki economy during 2002.

### New Zealand Incomes

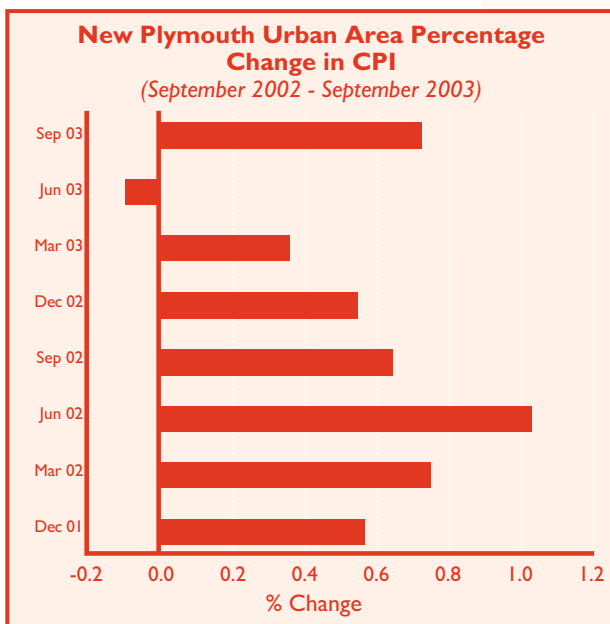
- The median weekly income for all New Zealanders over the June 2003 quarter was \$539. The Taranaki weekly median income was recorded at \$525 - ranking the third highest across the regions (behind Wellington and Auckland).

# What's happening in the National Economy?

## Consumers Price Index

### Quarterly Change:

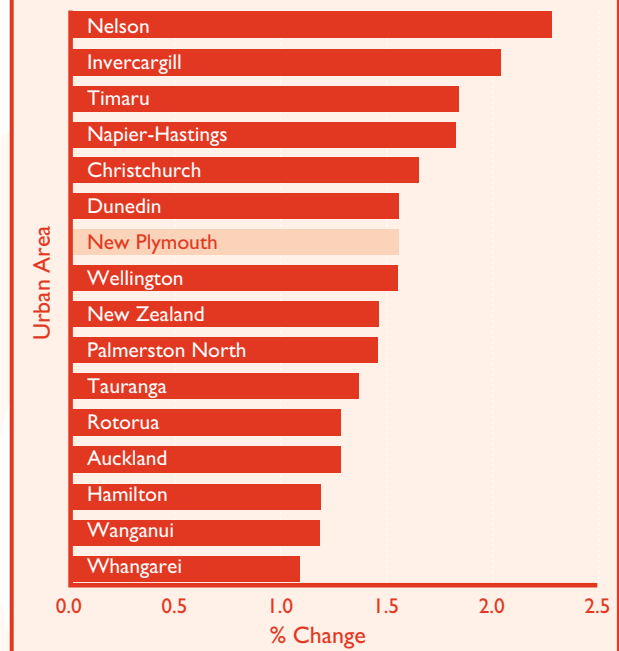
- The national Consumer Price Index (CPI) rose 0.5% over the September 2003 quarter.
- Factors contributing to the rise included higher prices for the purchasing and construction of new dwellings, local authority rates, tobacco/alcohol prices and household operation prices.
- Conversely transportation prices made the largest downward contribution decreasing 1.6%.
- Over the quarter the New Plymouth Urban area CPI increased by 0.7%. This is the largest growth for the area since June 2002.



### Annual Change:

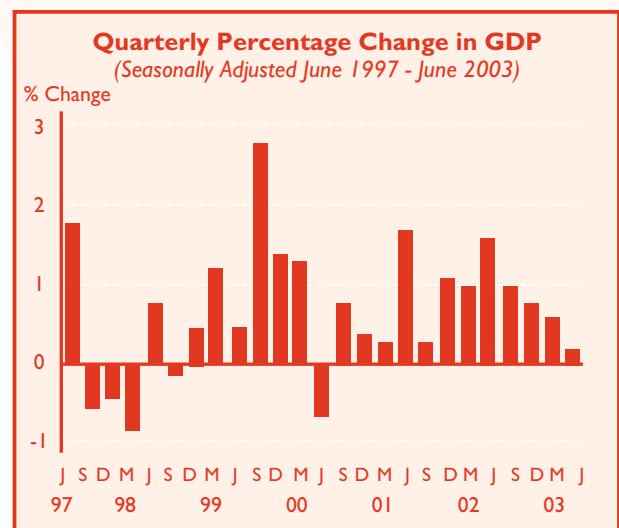
- The national CPI rose 1.5% from the September 2002 quarter to the September 2003 quarter.
- The New Plymouth Urban area experienced an annual rise of 1.6% in consumer prices from the September 2002 quarter to the September 2003 quarter.
- Across the regions the New Plymouth Urban area CPI experienced the sixth highest growth and is equal to that of the Dunedin and Wellington areas.

**Annual Percentage Change in CPI by Urban Area**  
(September 2002 - September 2003)



## Gross Domestic Product

- Economic activity increased 0.2% in the June 2003 quarter following a 0.6% rise in the March 2003 quarter.
- Annual GDP growth for the June 2003 year was 4.0%.
- Significant contributors to this growth included internal demand, business investment, import volumes and service industries.



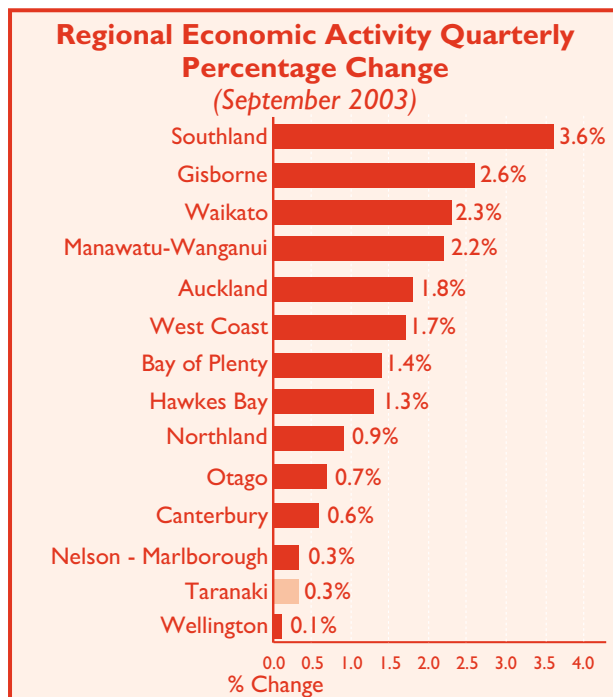
(Source: Statistics New Zealand)

# What's happening in the Taranaki Economy?

## Growth

### Quarterly Change:

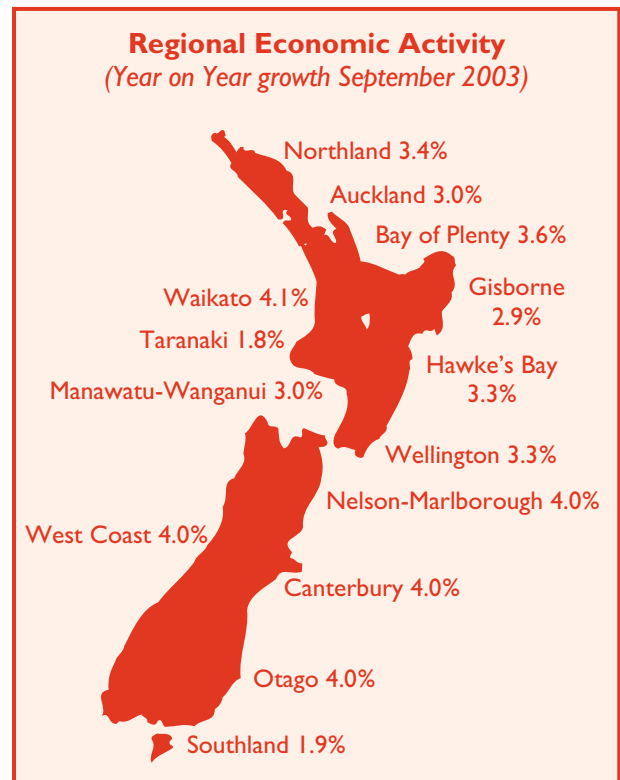
- According to the National Bank Regional Trends Report economic activity rose in every region over the September quarter. This is the first time in 18 months all regions have grown simultaneously.
- Over the September quarter period the Taranaki economic activity increased by 0.3% compared to the June 2003 quarter.
- Nationally growth of 1.3% was experienced.
- Across the regions Taranaki recorded the second lowest rise in economic activity over the quarter, ahead of the Wellington region with 0.1% growth for the period.



### Annual Change:

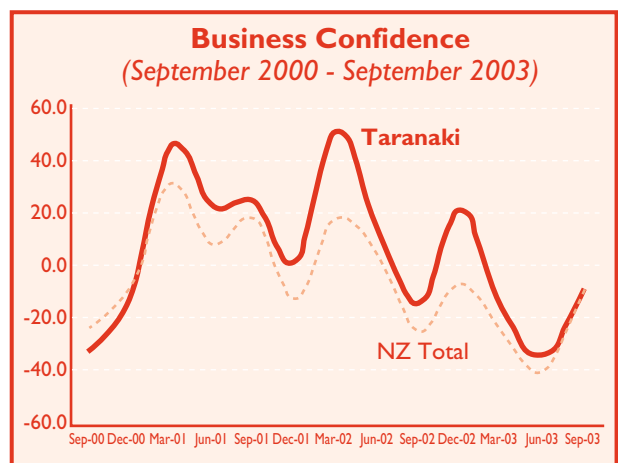
- The region recorded 1.8% year-on-year growth. Nationally, the average year-on-year growth was recorded at 3.3%.
- Taranaki recorded the slowest growth across the regions for the period. The Waikato region recorded the highest year-on-year economic growth for the period with 4.1%.

- Three South Island regions, including Nelson – Marlborough, Canterbury and West Coast, tied for the second highest growth rate at 4.0% growth.



## Business Confidence

- Business confidence increased in every region over the September 2003 quarter.
- The Taranaki region recorded an increase in business confidence.



(Source: National Bank Regional Trends Report)

# What's happening in Taranaki Business?

- New Plymouth District has recently confirmed an agreement to gain a second sister city – Kunming, China.
- Tim Roper is Taranaki's first male nail technician operating from Chere's Nail Salon in New Plymouth. The salon recently relocated and is now operating from Devon Street opposite The Shampoo Shop.
- New Plymouth's Top 10 Holiday Park in Fitzroy has been purchased by Michael and Christine Hickford for over one million dollars.
- Allied Work Force has opened a branch in New Plymouth. The business has over 120 workers on the books and can offer blue collar workers to companies on a temporary basis.
- Keri Juice Co. has named New Plymouth 'New Zealand's Most Optimistic Town' after a month long tour of the country.
- Alana Robins recently took over the management of the Coronation Hotel, Eltham.
- Stratford based 7<sup>th</sup> Avenue is under new ownership. Sue and Mark Nickel took over the business on 1<sup>st</sup> August 2003.
- Murray Herbert won the Venture Stratford Business Idea's competition in August this year. The winning idea was to reproduce Warwickshire Castle as a hotel.
- John and Clare Grant of the Whangamomona Hotel have recently been selected as one of the finalists in a category for the Hospitality Association of New Zealand's excellence awards.
- Annie's Café located in Moturoa recently celebrated one year in business.
- The New Plymouth based \$2 Shop has relocated to Devon Street next to Payless Plastics.
- Andrea Needham has released her new book on workplace bullying and is set to be launched in the United States market.
- The Taranaki Arts Community Trust (TACT) has recently been established. The trust aims to develop and promote the arts industry within Taranaki.
- TSB Bank has opened its refurbished branch on Chesney Street in Bell Block.
- Architect Murali Bhaskar was recently awarded the supreme prize for his design of New Plymouth restaurant Arborio at the New Zealand Retail Interior Association annual awards in Auckland.
- The Regional Young Enterprise Scheme (YES) 2003 supreme award was won by Spotswood College with their business 'Underit'. The team went on to represent Taranaki in the national competition.
- New Plymouth based D & L Appliance Services has relocated to Unit 5, Bell Block Court.
- New Plymouth New World Supermarket celebrated it's 10th birthday in October. An image change, new staff uniforms and a range of in-store promotions were launched over a week long period to celebrate the event.
- Tasman Marine Ltd relocated in late October from South Road, New Plymouth to a new site near the Lee Breakwater.
- The gas-to-gas section of Methanex's Motuni plant has been dismantled and sent back to where it was built nearly 20 years ago. The plant facilities were no longer required by Methanex.



- A fire on October 17<sup>th</sup> at Te Wera Valley Lodge destroyed the kitchen and dining buildings. Although a setback, the camp remained fully operational and has begun investigating options for replacement.
- The New Plymouth District Council's recently renovated website was ranked 27<sup>th</sup> in a survey of 85 New Zealand regional and city council websites. The survey was undertaken by an Auckland based University.
- Stranz Hair Design has recently been awarded the Redken gold level salon award for the highest loyalty to Redken in New Zealand.
- Absolute Nails is the latest addition to Club Health. Michaela Phillips has joined the team as the nail technician.
- Hawera based Mellond Water Services have relocated to new premises on High Street.
- Abbazar located in Hawera have also recently relocated into the local central business district.
- Dobsons Canvas has relocated premises to Glover Road, Hawera.
- New Plymouth architects won 12 of 17 project awards in the New Zealand Institute of Architects Resene Local Awards for Architecture in the Western region. Boon Goldsmith Bhaskar Team won five awards, Architects Ian Pritchard won four and Chapman Oulsnam Speirs three.
- Ultra Lounge, located on New Plymouth's Devon Street, has undergone an extension with the back of the premises converted into a garden bar area.
- Tegel Foods, located in Bell Block, have perfected a leak-free chicken bag. The invention has created five new full-time jobs at the factory.
- The New Plymouth coastal walkway was recently recognised by the New Zealand Recreation Association winning the Outstanding Project Award 2003.
- Taranaki businesses did well at the New Zealand Franchise Awards 2003. Pete's Post took out the Franchise System of the Year category and the award for best Taranaki entry. The \$2 Shop won the category award for team excellence.
- John and Christine Gray are the new owners of Merrilands New World. The couple has implemented a number of changes to the store; including painting the interior and exterior of the store and adding a customer service desk.
- Cobb & Co, the licensed family restaurant on Courtenay Street New Plymouth, has been trading under new owners, Melanie and Glenn Corbett of New Plymouth.
- The Poise Nanny and Childcare area office is now situated at 161 Lemon Street. Poise is a facility that provides in-home childcare and education services to under five year olds.
- Local photographer John Crawford had more than 15 photographs published in the 2002 Lion Nathan Annual Report, which took top honours at the annual international awards in New York recently.
- A group of Taranaki businesses have joined together to create 'Real Style Taranaki'. The group is made up of 17 tourism related and service businesses. The aim of the group is to market the collective to locals and visitors as top service providers.
- Located on Octavius Place in New Plymouth, Chalmers Home for the elderly celebrated it's 40th anniversary on November 15th. The day's activities included a public opening and guest speakers Mayor Peter Tennent and MP Hon Harry Duynhoven.
- Duncan and Davies Nurseries Limited and Falcon Engineering Limited received funding from Technology NZ to support their respective R&D projects. Combined, this funding exceeds \$75,000.

# What's New? - Businesses starting up in Taranaki\*



The Waterfront Hotel

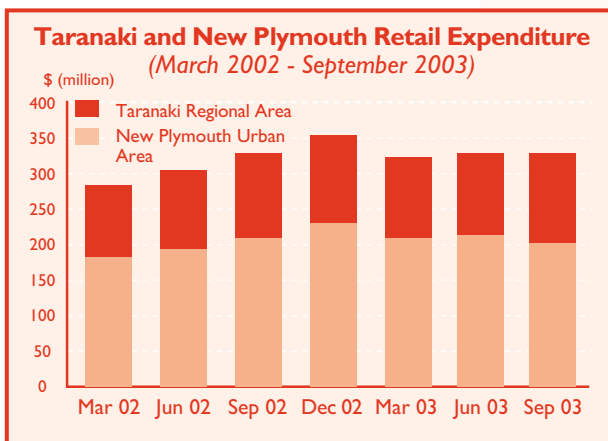
- The Waterfront Hotel located across from New Plymouth's Puke Ariki complex has been operating for approximately eight months. In addition to the thirty-nine rooms, three suites and function/meeting room, Salt restaurant is available to cater to customer needs.
- Dog Design has recently been established. The business is operating from New Plymouth and sells dog jackets locally and overseas.
- Okurukuru restaurant and function centre located on state Highway 45 between New Plymouth and Oakura opened in November.
- Barriball Motors has imported a 360cc three passenger Tuktuk from Singapore. The Tuktuk is to run to New Plymouth beaches, Pukekura Park and other New Plymouth sites.
- The Taranaki Hospice Foundation has recently opened a hospice shop in Stratford. The store will be open Tuesdays and Thursdays from 10am till 2pm.
- NZone is a new gift shop located on New Plymouth's Devon Street. The shop retails quality gifts crafted in New Zealand.
- South Taranaki glass artist Richard Landers has recently relocated to live in Oakura and has opened a studio gallery on Croydon Road.
- A Maori Art retail shop, known as 'AM', has recently opened in New Plymouth's Richmond Centre on Egmont Street. Co-owner Julie and husband Rangi set up the art gallery to enhance the value of Maori art.
- Amy Frewin has recently established a new gallery called 'Amz' Artz' located on Surf Highway 45 in Okato. The gallery features work by local Taranaki artists.
- Originally from Oxford England, Penny and Fred Mitchell have recently opened The Mountain View Furniture Centre on Fenton Street, Stratford. Like their previous business in England, the store sells furniture and collectables.
- Lys café and bakery opened on 29th October. The café is located on New Plymouth's Devon Street East opposite Clegg's Furniture Court and offers a range of quality foods.
- Aucklanders Jef and Christina Overwater plan to open Smiths Sports Store at the end of November. The store will be located in the former Clearance House on the Devon Street Hill in New Plymouth.
- 'Chocolate' has opened in New Plymouth's Metro Plaza on Devon Street West. Owner, Dianne Parkinson, stocks a selection of specialty and imported chocolate.
- Peter Van Druuten located in Okato has established Coastal Coatings. The business makes and retails concrete garden ornaments.
- An innovative contemporary Aotearoa inspired designer, Tom Allan, has started 'SOUP Design'. SOUP design is a new design and product development business located at Tataraimaka.

- Dave Stewart of Whitecliffs has recently established a new business providing corrective horse hoof trimming. Dave visits horses to maintain their hooves every six to eight weeks or to take them through the transition from shoes to bare feet.
- Christine Blakelock has opened 'Hair d Votion', a new mobile hair salon operating in New Plymouth. Christine will come directly to you and will give consultations, cuts, colours, perms, sets, blow-waves and will do hair for balls and weddings.
- Harley and Daniel Jamieson have started Mokau Milling and Forestry - a portable sawmilling business supplying quality timber products to the timber industry. Harley and Daniel are both committed to doing a clean and honest job replanting for future generations whenever possible.
- Diane Mills and Vern Saunders have established Kiwi Cleaners. Located in Waitara this business offers a one stop shop cleaning service covering all house cleaning services, both interior and exterior.
- Forme Hair Salon has been established by Lisa Williams. The hair salon is located in Waitara and will cater to all your hair dressing needs.
- Possrino Knitwear has been set up by owner Doreen Berge. Located in New Plymouth this business supplies a unique quality garment, handmade in New Zealand, out of a mix of Possum and Merino wool. These garments are all made to measure to the client's specific requirements for design, colour and lifestyle.
- Kerrie Thomson-Booth has established a Pedal Car Dealership. The business retails a range of small classic cars built with pedals for children.
- Xtreme Hair, situated on South Road Spotswood, has been established by Melanie Eynon. The salon opened on September 8th and offers men's, women's and children's hairdressing.
- Surfer Craig Rumbal is opening an art studio to the public. Rumbal, as Craig is known, has established the studio off Atiawa Street in Waiwhakaiho. The studio features surf paintings, photographs and sketches.
- New Plymouth's McKendrick Pre-school will become an independent charitable trust after being under the umbrellas of the North Taranaki CCS for nearly 40 years.
- Grant Sharpe is opening a new specialty gift shop called "Essence of Style". This gift shop is located next to the BNZ bank on Devon Street West, selling mainly New Zealand art and products, complimented by a range of imported products from England, Portugal, Germany and Belgium.
- Simon Green and Andrew Cole have established Spectrum – a new decorating service operating from New Plymouth.
- EcoSteps - a consulting firm providing environmental services to organisations, has recently been established. The head office of the organisation is based in New Plymouth.
- Glenn and Jan Parker have temporarily closed their business Parkers Garden Nursery to concentrate on their new business, Mountain Greens. The business grows tiny specialty plants called micro-greens (small salad greens, herbs and leafy vegetables, most under five centimetres tall). The business supplies fresh greens to a number of local restaurants.
- Nicci Goodin has recently opened a designer florist shop located at 53 Egmont Street in New Plymouth.

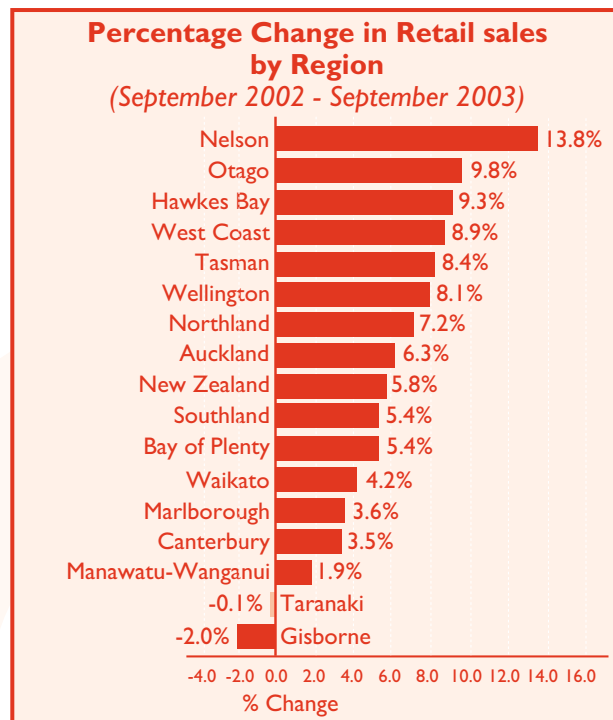
**\*This is not an exhaustive list of all new business startups. Many of the above businesses have been established with the help and advice of Venture Taranaki. If you are aware of any new businesses starting up in Taranaki, Venture Taranaki would be pleased to add them to this list or provide assistance.**

# Retail Trade

- Retail expenditure in the Taranaki Region during the September 2003 quarter totaled \$329.7 million. This is an increase of 0.1% on the previous quarter and a 0.1% decrease on the same quarter last year.
- Nationally a total of \$12,887.3 million was spent in the retail industry over the September quarter period. This equates to a 2.4% increase on the previous June quarter and a 5.8% increase on the same quarter last year.
- Of this national expenditure 2.6% (\$329.7 million) was spent in the Taranaki region.
- Within the region, 62.0% of retail expenditure took place in the New Plymouth Urban area.



- Over time Retail sales in the Taranaki region have fluctuated around \$300 million.
- The December quarter consistently records the highest level of retail sales thorough out the year. This is likely due to seasonal influences.
- The spike in the December quarter is usually followed by lower than average expenditure in the March quarter each year.



- Across the regions Taranaki was one of two regions to experience a decline in the percentage change in retail sales from the 2002 to 2003 September periods.

(Source: Statistics New Zealand)

## Future Forecasts

Based on Venture Taranaki's recent business survey carried out in November 2003, the following predictions were made by owners/ managers from the regions retail/ wholesale sector:

### Industry Conditions:

- 27.9% of retailers/ wholesales anticipate industry conditions will improve over the next six months.
- Conversely 18.6% predict a decline in conditions while 48.8% expect conditions to remain the same.

### Sales Levels:

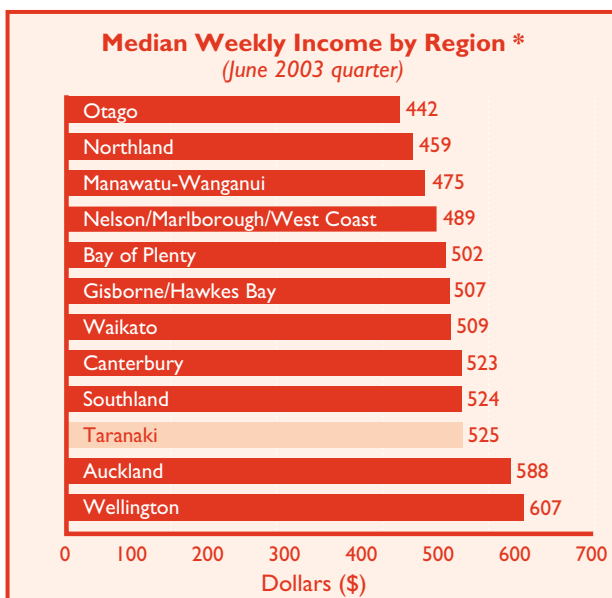
- 49.4% of retailers/ wholesalers expect sales/ customer levels to improve over the coming six months.
- 36.8% expect sales/ customer levels to remain the same while 13.8% predict a decline in levels.

For a more detailed report visit our website at [www.taranaki.info](http://www.taranaki.info).

# New Zealand Incomes

## Weekly Income

- The median weekly income for all New Zealanders over the June 2003 quarter was \$539.
- The Taranaki weekly median income is slightly below the national figure at \$525.
- The Wellington region reported the highest level of weekly median income across the regions with \$607. Following this the Auckland region reported the second highest median of \$588.
- Compared Nationally, Taranaki ranks the third highest median income across the regions, behind the Wellington and Auckland regions.

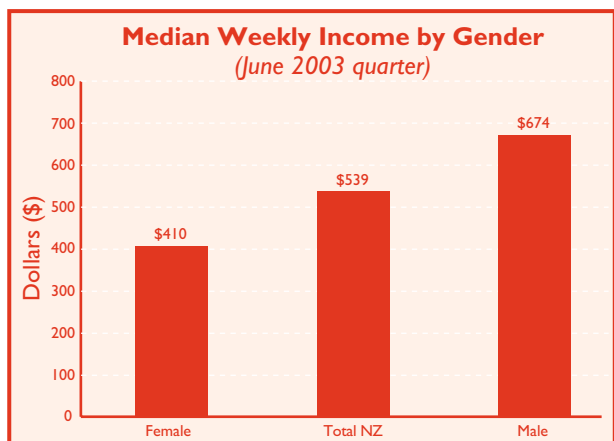


- Southland and Canterbury follow Taranaki in the rankings, with median weekly incomes of \$524 and \$523 respectively.
- Otago ranks the lowest income across the regions with a median weekly income of \$442. This is 15.8% below the national figure.

\* Before Tax figures

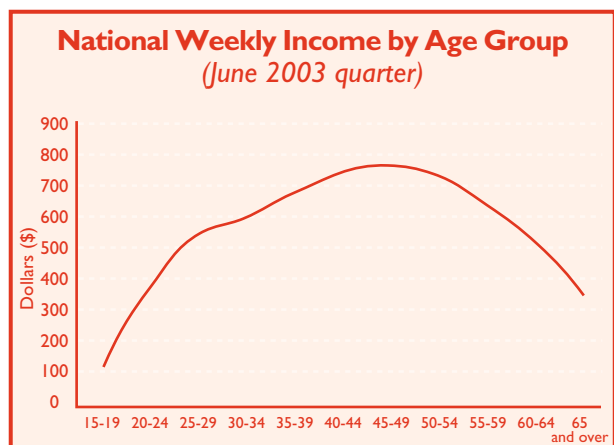
## National Income by Gender

- The national median weekly income for males was recorded at \$674 for the June 2003 quarter.
- The median income for females was recorded at \$410. This is 39.2% lower than males and 23.9% lower than the national median.



## National Income by Age Group

- When analysed by age group, the 45 – 49 year bracket recorded the highest median weekly income of \$766.
- The average weekly income drops off dramatically (\$529 to \$353) after the retirement age (65 years and over).

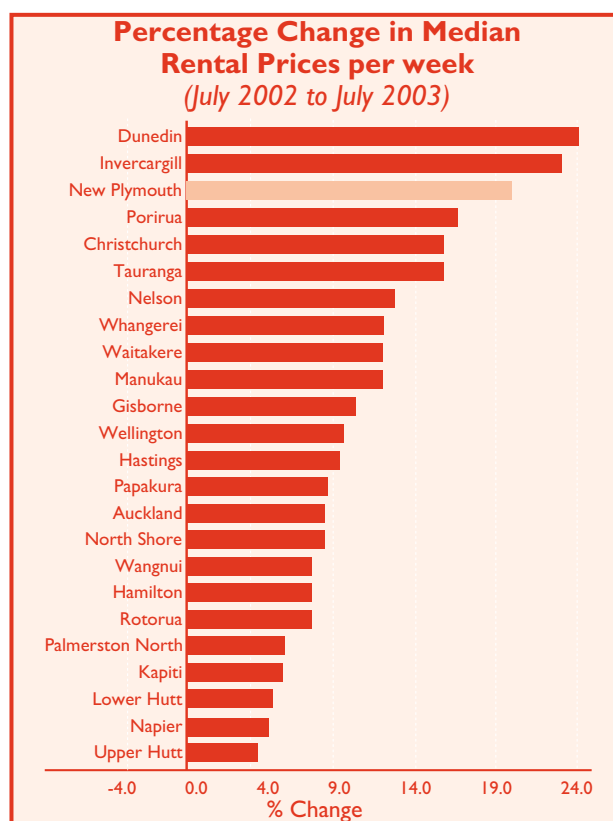


(Source: Statistics New Zealand)

# Real Estate and Rental Accommodation

## Household Rental Accommodation

- The national median price for private rental sector accommodation for the 12 months ending July 2003 remained the same as the previous March quarter at \$220.
- The New Plymouth median price for private sector rental accommodation increased from \$150 per week in July 2002 to \$180. This equates to an increase of 20.0%.
- Compared to the previous March quarter, the median New Plymouth private sector rental price decreased from \$192 to \$180 – a decrease of 6.3%.
- Across the districts New Plymouth recorded the third highest increase in private sector rental accommodation during the quarter.



- Ahead of New Plymouth were the Dunedin and Invercargill areas.
- All regions reported an increase in residential rental accommodation over the period.

(Source: Massey University Real Estate Analysis Unit)

## Residential House Sales

- Over the September 2003 quarter there were a total of 695 residential property sales valued at \$98.2 million; this compares to 704 sales during the previous quarter valued at \$98.0 million.

### Taranaki Residential House Statistics (September 2003 Quarter)

| Area                  | Number of Sales | % of Total Number of sales | Average Median* Sale Price (\$) |
|-----------------------|-----------------|----------------------------|---------------------------------|
| Bell Block            | 36              | 5.2                        | 142,000                         |
| Hawera                | 108             | 15.5                       | 80,167                          |
| New Plymouth City     | 334             | 48.1                       | 147,500                         |
| Stratford             | 76              | 10.9                       | 74,583                          |
| Taranaki Country      | 87              | 12.5                       | 83,833                          |
| Waitara               | 54              | 7.8                        | 98,167                          |
| <b>Total Taranaki</b> | <b>695</b>      | <b>100.0</b>               | <b>123,667</b>                  |

- The majority (48.1%) of residential property sales were within the New Plymouth City area.
- The average median\* residential sale price for the September 2003 quarter was \$123,667. This is an increase of 2.5% on the previous July 2003 quarter.
- 37.4% of residential property sales for the quarter took place during the September month.
- The average number of days properties were on the market over the September 2003 quarter totaled 31 days.

**\*NOTE:** The average median sale price is derived from averaging the median prices for the individual months in the quarter.

(Source: Real Estate Institute of New Zealand (REINZ))

## Section Sales

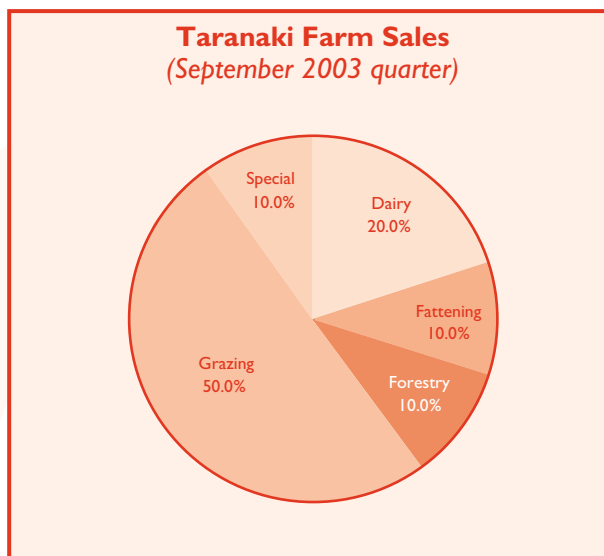
- Throughout the region there were 57 section sales valued at \$3.3 million.
- During the September 2003 quarter there were 50 section sales recorded valued at \$3.4 million.

| Taranaki Section Statistics<br>(September 2003 Quarter) |                 |                  |                                 |
|---|-----------------|------------------|---------------------------------|
| Area  | Number of Sales | % of Total sales | Average Median* Sale Price (\$) |
| Bell Block  | 1               | 1.8              | 53,000                          |
| Hawera  | 5               | 8.8              | 82,500                          |
| New Plymouth City                                       | 41              | 71.9             | 65,000                          |
| Stratford   | 4               | 7.0              | 42,500                          |
| Taranaki Country  | 4               | 7.0              | 34,500                          |
| Waitara   | 2               | 3.5              | 13,000                          |
| <b>Total Taranaki</b>                                   | <b>57</b>       | <b>100.0</b>     | <b>53,750</b>                   |

- A total of 71.9% of section sales in the Taranaki region were within the New Plymouth City area.
- The average number of days sections were on the market over the period was recorded at 31 days.
- Compared to the September 2002 quarter the number of section sales has increased from 24 to 50, with a dollar increase from \$1.2 million to \$3.4 million.

## Farm Sales

- During the September 2003 quarter there were a total of 15 farm sales at an average median\* price of \$564,250.
- Compared to the previous June 2003, the September 2003 number of sales decreased from 50 sales to 15 sales.



- 50.0% of farm sales over the period were classified as grazing farms.
- Following this, dairy farms were the next most reported sale type with 20.0% of farms falling under this category.

(Source: REINZ)

## Lifestyle Blocks

- During the September 2003 quarter there were 40 lifestyle block sales with an average median\* sale price of \$180,833.
- Compared to the June 2003 quarter the September 2003 median lifestyle block price has decreased by 23.1%.



50% of lifestyle block sales over the September quarter took place during July.

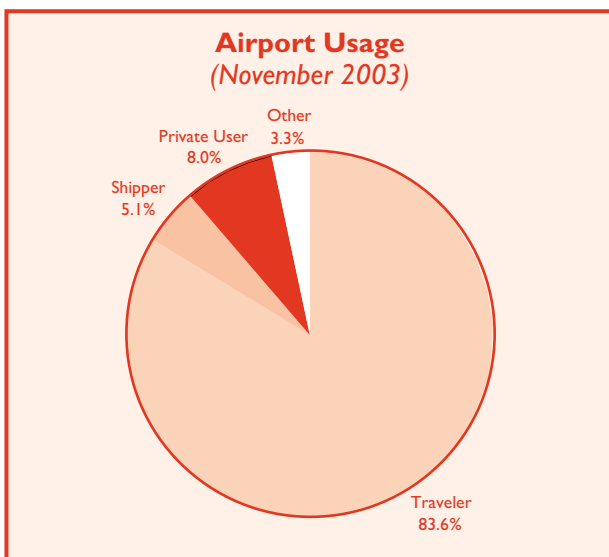
(Source: REINZ)

# Potential Redevelopment of the New Plymouth Airport

Venture Taranaki conducted the ninth Business Survey in November 2003. The survey was sent out to 1,000 Taranaki businesses. Of those who responded, 62.7% are located in the New Plymouth District, 25.0% South Taranaki and 7.0% Stratford. For a full report, visit [www.taranaki.info](http://www.taranaki.info). A summary of the hot topic results on the potential redevelopment of the New Plymouth Airport are as follows:

## Customers of the NP Airport

- Overall 82.0% of responding businesses reported they were users of the New Plymouth Airport.
- Of these, 83.6% use the airport as a traveler while 8.0% use it for private flying/ chartering purposes and 5.1% use it for shipping goods.



- When analysed by industry sector, it is evident that businesses in the mining/ oil/ gas and electricity/ gas/ water supply industries have a higher than average proportion of businesses that use the airport services.
- Businesses within the New Plymouth District reported a higher portion utilising the airport services than Stratford and South Taranaki businesses.
- 86.7% of businesses located within the New Plymouth District reported utilising the New Plymouth Airport services. This compares with 81.0% of Stratford and 72.0% of South Taranaki based businesses.

## Schedules and Services

Respondents were asked if the current schedules and services were meeting their needs as a customer.

- Overall the response was very positive with 86.6% of business respondents reporting that the New Plymouth Airport did meet their needs.
- A popular issue raised by respondents in this section of the survey was the flight times and destinations. Many respondents requested additional early morning flights to Wellington in particular.

## Improvements

Respondents were asked what improvements, if any, they would like to see to enhance the New Plymouth Airport.

- Overall comments on making the airport international were the most popular with 30.0% of comments made in reference to this topic.
- Following this, 14.8% of comments were in regard to revamping the airport and renovating the internal area, entry ways and facilities. In particular 4.9% of respondents mentioned redesigning the café area.
- 11.7% of comments were on the lack of protection from the weather. Many respondents suggested covered walkways from the car park to the terminal and from the terminal to the aircraft.
- A number of respondents touched on the idea of extending the runway to accommodate larger aircraft for domestic flights. This was coupled with requests for flight frequency to remain the same.

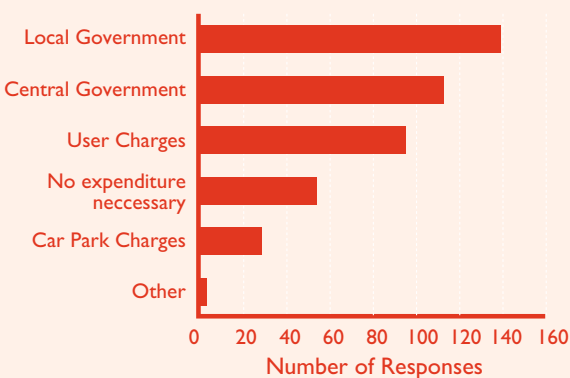


## Funding

Respondents were asked to select how they thought any alterations to the New Plymouth Airport should be funded.

- The most popular response was Local Government funding with 32.1% of total responses.
- Central Government was the second most popular choice with 26.1% of responses.
- Next was user charges with 21.9% of responses.

### How many redevelopments to the New Plymouth Airport should be Funded (November 2003)



- 12.5% of responses reported that no expenditure was necessary to improve the New Plymouth Airport.
- Car park charges accounted for 6.7% of comments. A small portion of respondents made specific comments expressing their desire to maintain the current free parking available at the New Plymouth Airport.

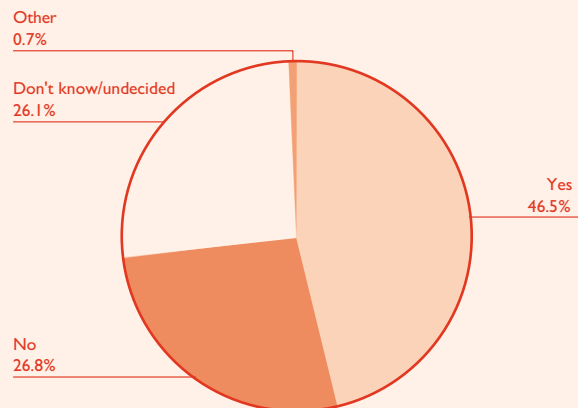


International aircraft - Boeing 747

## Support for Upgrading the New Plymouth Airport to International Standard

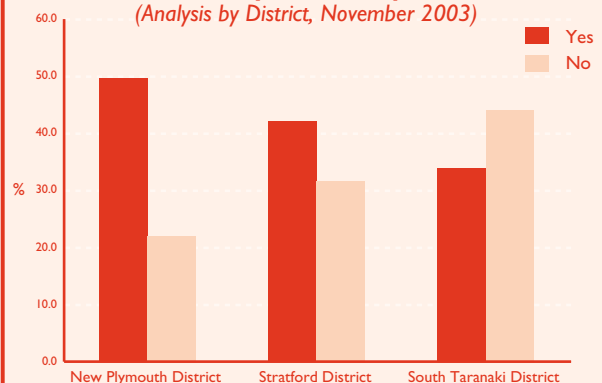
- Overall 46.5% of respondents reported that they would support significant investment to upgrade the New Plymouth Airport to international standard.
- A number of respondents who said they would support an international upgrade made comments in this section:
  - “Only if it [the upgrade] was through government funding, not tax payers”
  - “Will support [the upgrade] but prefer no rates increases”
- 26.8% of respondents would not support an international upgrade and 26.1% didn't know or were undecided on the matter.

### Support for an Upgrade of the New Plymouth Airport (November 2003)



- When analysed by region, a higher portion of New Plymouth based respondents support an upgrade compared to Stratford and South Taranaki based businesses.

### Support for an Upgrade of the New Plymouth Airport (Analysis by District, November 2003)



# Construction

## Residential Construction

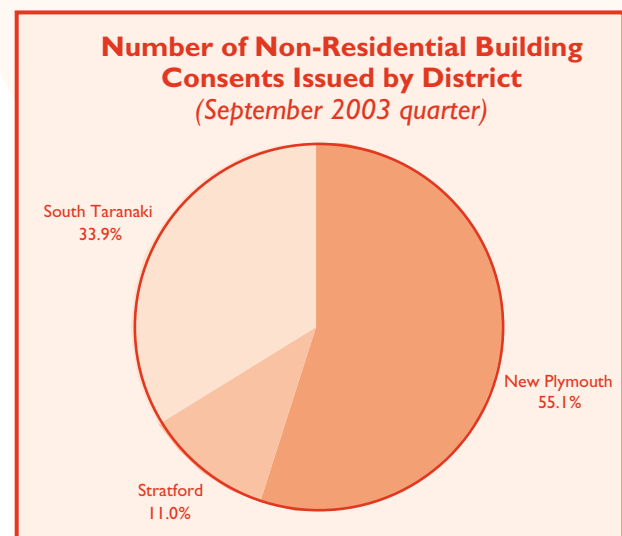
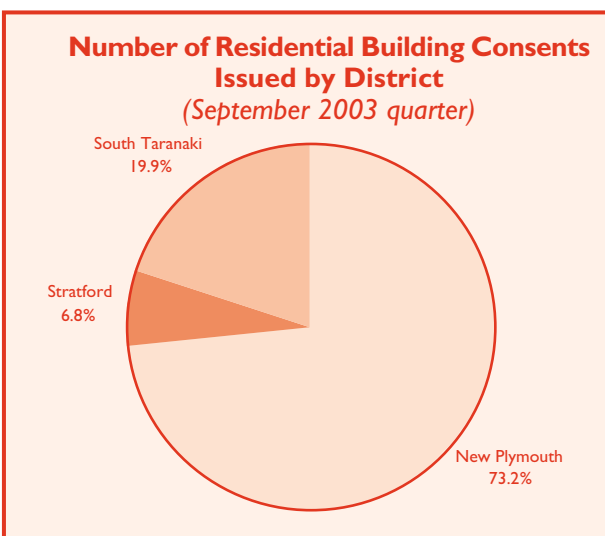
- There were 336 residential building consents issued throughout Taranaki over the September 2003 quarter. This equates to 2.3% of the nations 14,926 building consents issued for the period.
- During the September 2003 quarter Taranaki was granted 86 new residential building consents valued at \$17,281,194. This equates to an increase of 11 consents and a dollar increase of \$3,888,929 (or 29.0%).
- Regionally there were 250 alteration residential building consents issued valued at \$6,104,853 over the period. Compared to the July 2003 period this is a unit decrease of 20 consents. Despite this unit decrease, a dollar increase of 10.0% was recorded.
- Within the region, the majority of consents (246 or 73.2%) were within the New Plymouth District.

## Non-Residential Construction

- Nationally there were 4,131 non-residential building consents issued during the September 2003 quarter. The Taranaki region was issued 127 (or 3.0%) of the national figure.
- A total of 72 new non-residential building consents valued at \$5,209,209 were issued throughout the region during the September 2003 quarter. Compared to the previous quarter this is a unit decrease of 15 consents and a dollar decrease of \$10,094,280 (or 66.0%).
- There were 55 alteration building consents issued valued at \$3,377,904 over the September quarter. This is a unit decrease of 17 consents and a dollar decrease of \$2,775,893 (or 45.1%).
- Across the districts, the majority (55.1%) were located in the New Plymouth District while 33.9% and 11.0% were located in the South Taranaki and Stratford Districts respectively.

| District              | Count     |            | Value (\$)        |                  |
|-----------------------|-----------|------------|-------------------|------------------|
|                       | New       | Altered    | New               | Altered          |
| New Plymouth          | 68        | 178        | 13,646,426        | 4,179,571        |
| Stratford             | 5         | 18         | 758,880           | 798,386          |
| South Taranaki        | 13        | 54         | 2,875,888         | 1,126,896        |
| <b>Taranaki Total</b> | <b>86</b> | <b>250</b> | <b>17,281,194</b> | <b>6,104,853</b> |

| District              | Count     |           | Value (\$)       |                  |
|-----------------------|-----------|-----------|------------------|------------------|
|                       | New       | Altered   | New              | Altered          |
| New Plymouth          | 41        | 29        | 3,842,974        | 1,391,173        |
| Stratford             | 9         | 5         | 792,993          | 410,000          |
| South Taranaki        | 22        | 21        | 573,242          | 1,576,731        |
| <b>Taranaki Total</b> | <b>72</b> | <b>55</b> | <b>5,209,209</b> | <b>3,377,904</b> |

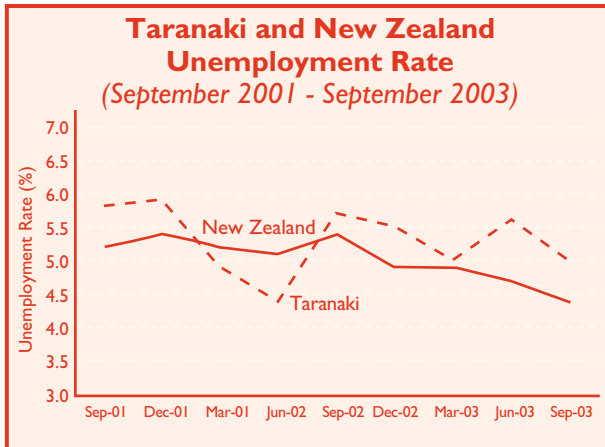


(Source: Statistics New Zealand)

# Labour Force

## Unemployment Rate

- The national unemployment rate decreased by 6.4% from 4.7% to 4.4% over the September 2003 quarter.
- The regional Taranaki unemployment rate also decreased over the period from 5.6% to 5.0%. This equates to a decrease of 10.7%.



- Taranaki ranks the 7th equal lowest unemployment rate across the regions (equal with the Bay of Plenty region).

| Regional Unemployment Rates (Percent) |        |        |         |
|---------------------------------------|--------|--------|---------|
| Region                                | Jun 03 | Sep 03 | Ranking |
| Southland                             | 3.6    | 2.9    | 1       |
| Waikato                               | 4.9    | 3.2    | 2       |
| Auckland                              | 4.0    | 3.4    | 3       |
| Tasman/Nelson/Marlborough/West Coast  | 3.0    | 3.8    | 4       |
| Canterbury                            | 4.4    | 4.4    | 5       |
| Wellington                            | 4.8    | 4.8    | 6       |
| Taranaki                              | 5.6    | 5.0    | 7       |
| Bay of Plenty                         | 6.6    | 5.0    | 7       |
| Gisborne/Hawkes Bay                   | 4.0    | 5.2    | 8       |
| Manawatu/Wanganui                     | 5.1    | 5.2    | 8       |
| Otago                                 | 5.6    | 5.9    | 9       |
| Northland                             | 7.3    | 8.3    | 10      |

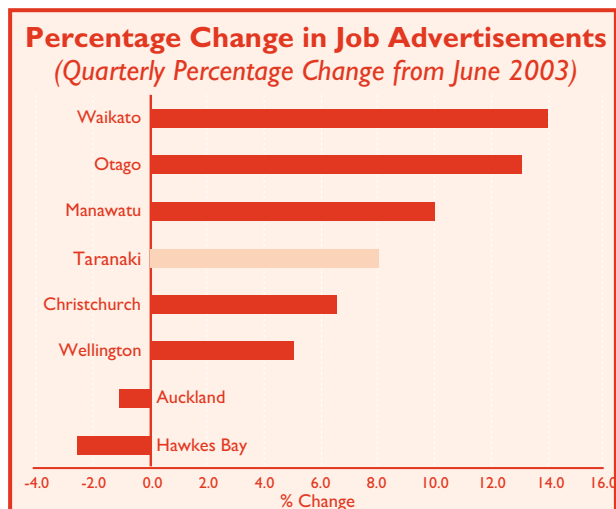
(Source: Statistics New Zealand)

## Situations Vacant

- Over the September 2003 quarter there were 1,301 jobs advertised in The Daily News.
- This is an increase of 8.1% on the previous June 2003 quarter and a decrease of 2.8% on the same quarter last year.



- Throughout the September 2003 quarter there was a total of 92,649 jobs advertised in newspapers throughout the country. This equates to a 1.7% increase on the previous quarter and a 2.1% increase on the same time last year.
- Compared to the June 2003 quarter, Taranaki reported the fourth highest percentage increase in the number of jobs advertised.



(Source: ANZ New Zealand/ The Daily News)

NOTE: Data used in the ANZ Newspaper Job Ads series (as above) are obtained from the New Zealand Herald, the Dominion Post, the Christchurch Press, the Waikato Times, the Otago Daily Times, the Manawatu Standard, and Hawke's Bay Today. In addition to these, internet job listings from seek.co.nz, jobuniverse.co.nz, jobnet.co.nz, monster.co.nz and netcheck.co.nz were also included.

# Taranaki Business Outlook

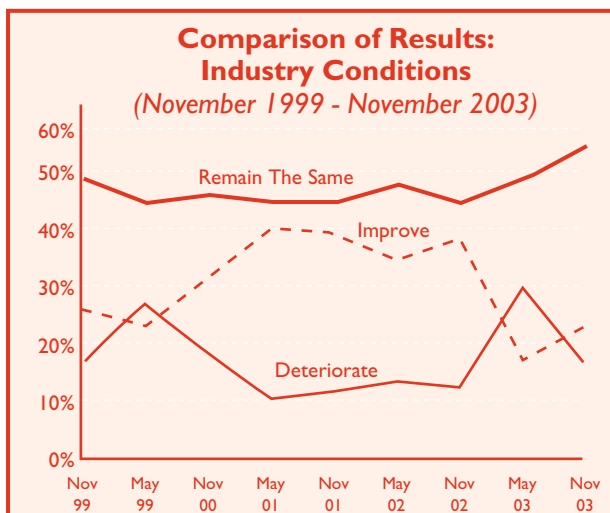
Venture Taranaki conducted the ninth Business Survey in November 2003. The survey was sent out to 1,000 Taranaki businesses. Of those who responded, 62.7% are located in the New Plymouth District, 25.0% South Taranaki and 7.0% Stratford. For a full report, visit [www.taranaki.info](http://www.taranaki.info). A summary of the results are as follows:

## New Zealand Wide Conditions

- The majority of businesses 58.7% believe that New Zealand wide business conditions are set to remain the same for the coming 12 month period.
- Just over one quarter of respondents (25.5%) predicted an improvement in New Zealand wide business conditions while 12.8% predicted a decline.

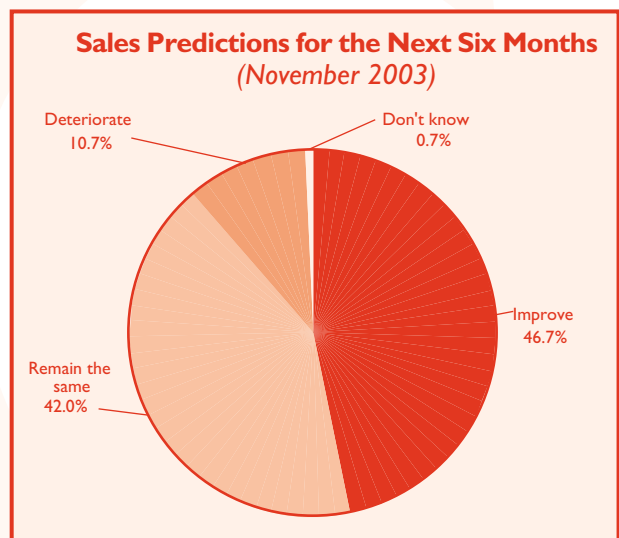
## Industry Conditions

- 57.0% of responding businesses anticipate that industry conditions will remain the same for the coming 12 months.
- Just under one quarter (23.8%) of respondents predict industry conditions will improve over the coming 12 months while 16.8% predict deterioration in conditions.
- The retail/ wholesale, restaurant/ accommodation and health/education industries are the most optimistic industry groups with over 50% of businesses within these industries predicting that industry conditions will improve over the coming 12 months.
- Since the previous survey, the portion of businesses predicting a decline in industry conditions has decreased, conversely the portion predicting an improvement has increased.

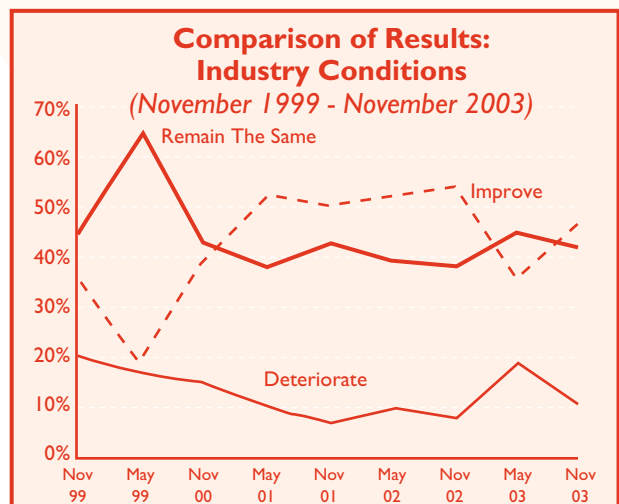


## Sales Trends

- 46.7% of responding businesses anticipate that sales (including sales, customer levels, bookings etc) will improve over the coming six month period.
- A total of 42.0% predicted sales levels will remain the same while 10.7% predicted a decline.

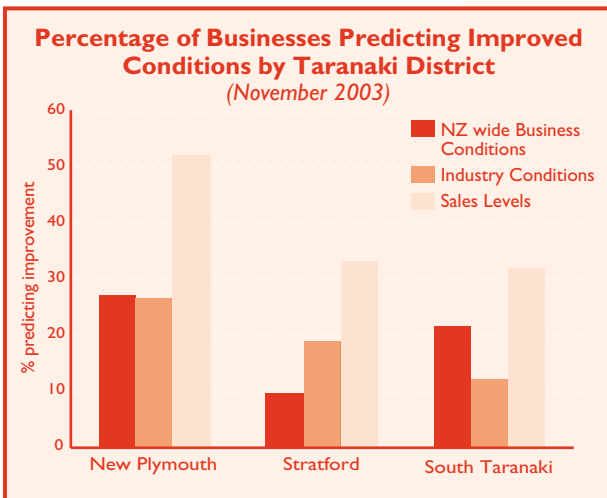


- Similar to the trend identified in the industry conditions section, a decline in the portion predicting deterioration in sales is evident while an increase in those anticipating improvement is also apparent when compared to the previous survey results.



## Business Location

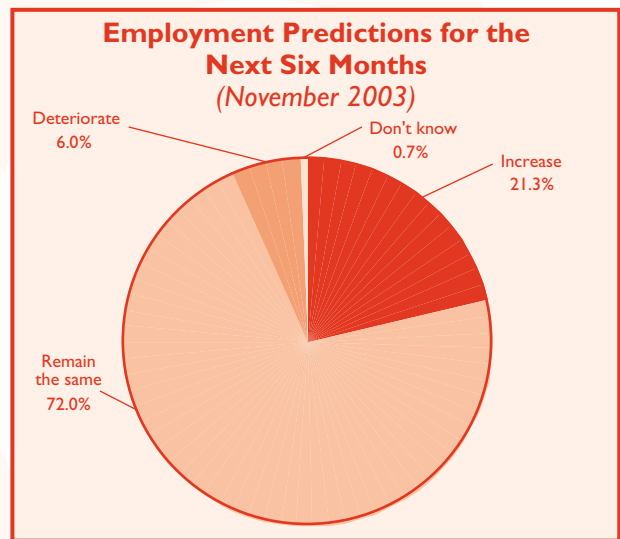
- Interestingly the level of optimism regarding New Zealand wide conditions, industry conditions and sales levels is correlated with the location of business respondents.
- The strongest relationship is between location and sales levels. Here 52.1% of New Plymouth based business respondents predicted sales levels will improve while only 32.0% of South Taranaki and 33.3% of Stratford businesses predicted improvements.
- Similarly, 26.7% of New Plymouth businesses anticipated an improvement in industry conditions while only 12.2% of South Taranaki and 19.0% of Stratford based businesses reported improvement predictions.



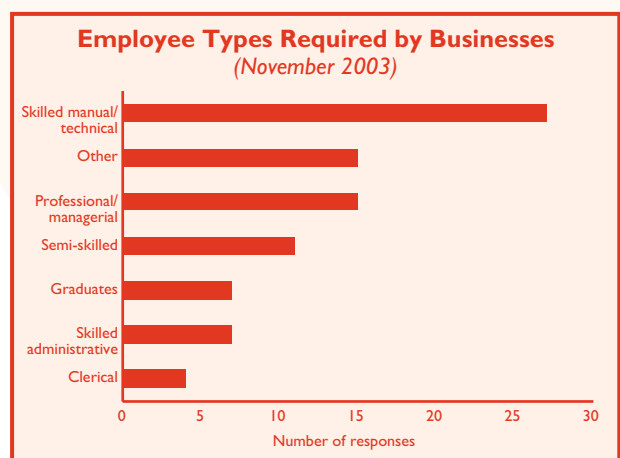
- As the graph illustrates, the New Plymouth District is consistently the most optimistic across the Taranaki districts.
- Although the Stratford and South Taranaki Districts are not as optimistic in outlook as New Plymouth, the largest portion of respondents in these areas are optimistic in outlook.
- When averaging optimism scores, the Stratford and South Taranaki Districts calculate to be 20.6% and 21.9% respectively compared to New Plymouth's at 35.4%.

## Employment Trends

- Overall 72.0% of responding businesses indicated that they would not be requiring additional staff over the coming six month period.
- 21.3% reported they will require additional staff over the coming six months while 6.0% said staffing levels would deteriorate over the period.



- Of the respondents who indicated an increase, skilled manual/ technical, professional/ managerial and other workers were among the most requested employee types.



(NOTE: The other category predominantly includes sales and experienced retail people)

# Maori Economic Development



Te Puni Kokiri  
Ministry of Māori  
Development

## This Quarter...

- As at the six months ending September 2003 there were 14 Maori individuals confirmed to have started trading in business.\*
- These businesses are trading in the following industries:\*

| Industry of Start up                    | % of total |
|---|------------|
| Agriculture, hunting, forestry, fishing | 0.0%       |
| Mining and quarrying                    | 0.0%       |
| Manufacturing                           | 28.6%      |
| Electricity, gas and water              | 0.0%       |
| Construction                            | 0.0%       |
| Wholesale and retail trade              | 35.7%      |
| Restaurants and hotels                  | 0.0%       |
| Transport, storage and communication    | 0.0%       |
| Business and financial services         | 14.3%      |
| Community, social and personal services | 21.4%      |
| Tourism                                 | 0.0%       |
| Education                               | 0.0%       |
| Total                                   | 100%       |

- The majority of confirmed business start ups over the period are operating within the wholesale/retail industry.
- Following this, manufacturing was the next most popular industry.
- For the six months ending September 2003 there were 65 Maori individuals enquiring with Venture Taranaki or Te Puni Kokiri about starting up a business.\*

\* These statistics were collated from Venture Taranaki Trust and Te Puni Kokiri. This is not an exhaustive list of all Maori business startups and enquiries.

## Maori Education in Taranaki

- Within the Taranaki region a total of 2,985 (or 33.4%) of Maori have a qualification greater than high school level.
- 26.4% of Taranaki Maori gained a high school level qualification.
- A total of 201 Maori residents within the region gained a university degree. Of these, 141 (or 70.0%) are within the New Plymouth District.

|              | None<br>High<br>School | Greater<br>than<br>High<br>School | Degree | Other | Total |       |
|--------------|------------------------|-----------------------------------|--------|-------|-------|-------|
| <b>NPD</b>   | 1,965                  | 1,386                             | 897    | 141   | 834   | 5,223 |
| <b>SD</b>    | 213                    | 141                               | 63     | 12    | 75    | 504   |
| <b>STD</b>   | 1,410                  | 828                               | 372    | 48    | 543   | 3,201 |
| <b>Total</b> | 3,588                  | 2,355                             | 1,332  | 201   | 1,452 | 8,928 |

(Source: Statistics New Zealand, 2001 Census)

The Young Enterprise Scheme (Y.E.S) is a programme where senior secondary school students get the opportunity to start up their own company and make, market and sell a product or service.

This year Venture Taranaki worked with Te Puni Kokiri to develop a Promotion of Maori Culture Award for the Shell Regional Young Enterprise Scheme. The aim of developing this award was to increase the number of Maori students involved in the scheme.

This award acknowledges how well their product/service promotes Maori culture positively. Teams needed to recognise their cultural learning's and how these have influenced the decision making processes of the management team and the creation of their product.

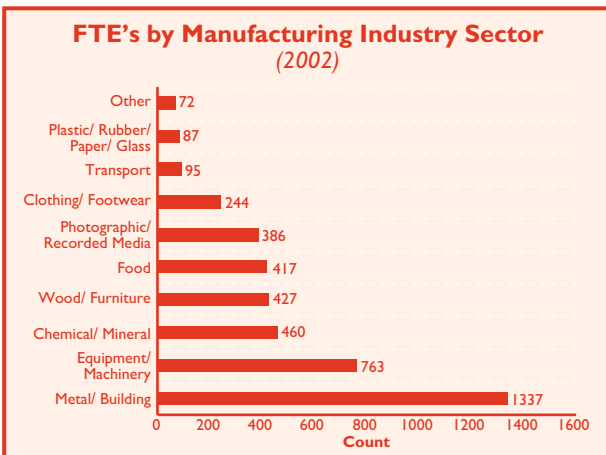
This year the winner of the Promotion Of Maori Culture Award was a company called Harakeke from Inglewood High School. Their product was a range of handmade flax souvenirs, including soap baskets, kiti's, flowers and bookmarks.

# Manufacturing in Taranaki

The following section has been derived from the economic model of the Taranaki regional economy constructed for Venture Taranaki by The University of Waikato's Department of Economics. The model comprises an analysis of 114 industry sectors for the 2002 year. The below manufacturing summary includes 32 of the 114 industry sectors. The 32 industries included in this analysis can be classified under the general manufacturing industry.

## Full Time Equivalents (FTE)

- The full time equivalent statistic details how many full time positions there are within one industry.
- Overall there are a total of 4,288 FTE's employed within the manufacturing industry in the Taranaki region.
- This equates to 10.5% of total FTE's in the Taranaki region.
- Within the manufacturing industry, the largest portion (31.2%) work within the metal/ building manufacturing sector. Following this is the equipment/ machinery sector with 17.2%.



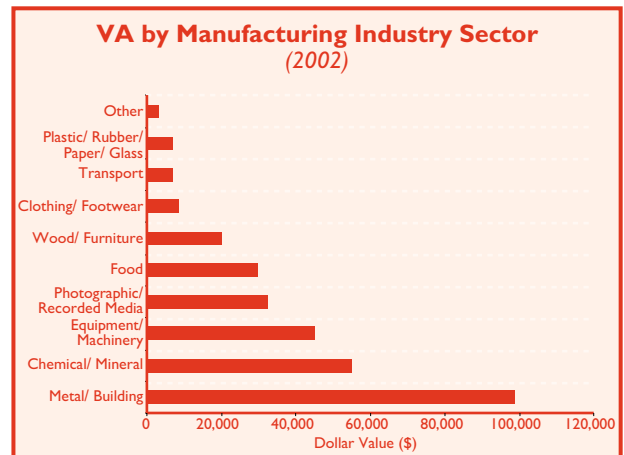
- During 2002 the number of FTE's within this sector increased from 4,083 to 4,288. This equates to an FTE increase of 5.0%



One in ten FTE's in Taranaki work in the manufacturing industry

## Value Added (VA)

- Value Added for a sector (or organisation, event etc.) comprises gross wages/ salaries, gross operating profit and all taxes paid to the government by that sector. VA is also known as regional GDP (GRP).
- During the 2002 year there was a total of \$307.0 million added to the Taranaki economy generated from the manufacturing industry.
- Regionally a total of \$3,929.6 million was contributed to the local economy by all industries. Of this 7.8% was contributed by the manufacturing sector.



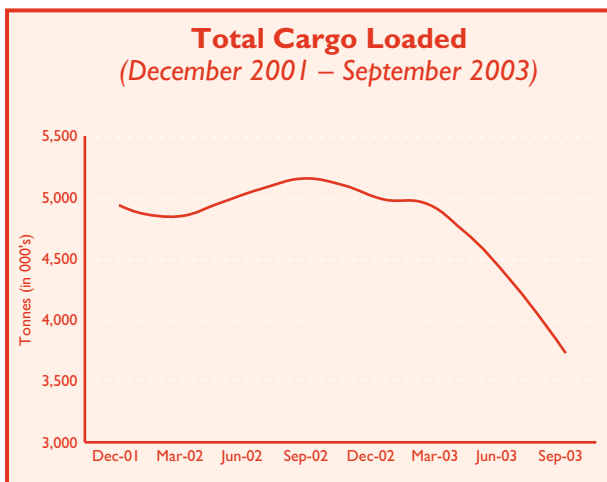
- 32.1% of VA generated within the manufacturing industry is from the metal/ building sector. The chemical/ mineral sector is the second highest VA generator with 17.9% of the total industry output from this sector.
- Compared to the 2001 figures, there is an overall increase of 5.0% in VA within the manufacturing industry, indicating the sector has grown to contribute more to the local economy over the 2002 year.

(Source: Waikato University Economics Department)

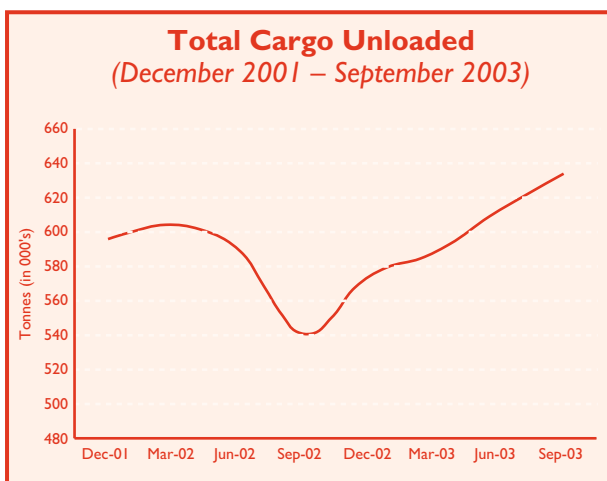
# Export Trade

## Port Taranaki

- For the 12 months ending September 2003 there was a total of 3,746,710 tonnes of coastal and international cargo loaded at Port Taranaki. This is a decrease of 15.2% on the previous June quarter and a 27.4% decrease on the same time last year.



- Over the period year ending September 2003 there was a total of 634,190 tonnes of coastal and international cargo unloaded at Port Taranaki. This is an increase of 3.5% on the previous June quarter and a 17.1% increase on the same time last year.
- The graph below illustrates the increasing trend in the volume of cargo unloaded at Port Taranaki evident since September 2002.



(Source: Port Taranaki)

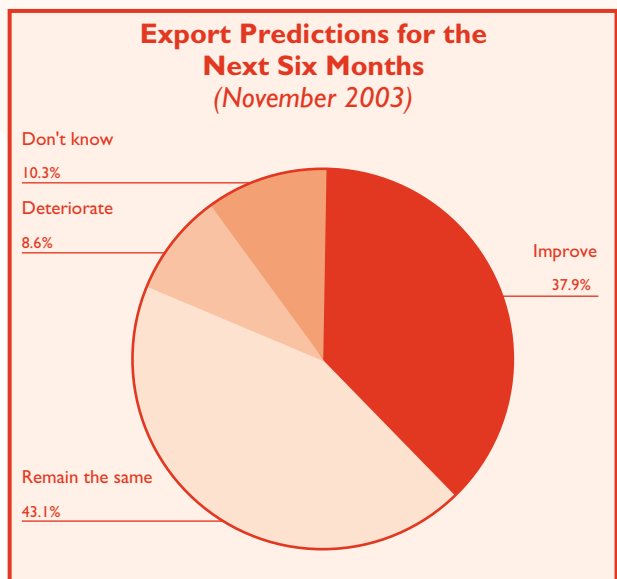


Export Cargo ship

## Future Forecasts

Based on Venture Taranaki's recent business survey, carried out in November 2003, 19.3% reported that they are currently exporting.

- Of those exporting, 43.1% predict export conditions are set to remain the same.
- 37.9% anticipate conditions will improve
- 8.6% predict conditions will deteriorate and 10.3% reported that they did not know what the next six months would bring.





# New Zealand Trade & Enterprise Grants Scheme

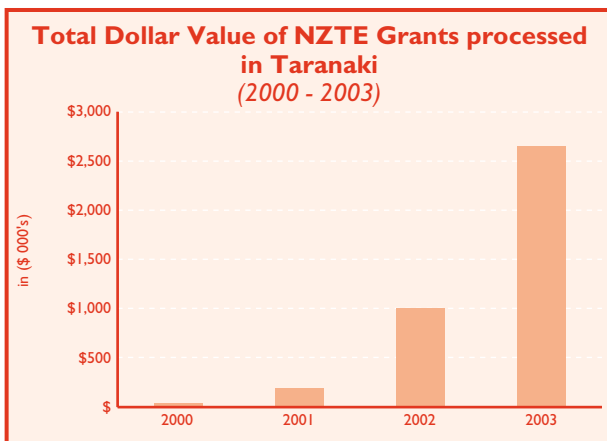


The last quarter has seen the merger of Trade New Zealand and Industry New Zealand to form New Zealand Trade & Enterprise (NZTE) as the government's trade and economic development agency.

NZTE's role is to stimulate and grow the international competitiveness, profitability and capability of New Zealand business. It offers a range of programmes and services to business throughout their life cycle, from start-ups to internationally competitive exporting companies.

These include a variety of free business training courses delivered by Venture Taranaki, an investment training and brokerage scheme to assist companies attract investment of \$5 million or less, and a new Enterprise Development grants scheme to help entrepreneurs, start-ups and individual businesses gain additional skills and assistance to develop their business.

The graph below illustrates the dollar value of NZTE grants awarded to Taranaki businesses over the 2000 to 2003 period.



Grants under this scheme can help a company engage the services of a business mentor; undertake advanced management or technology-based training, employ specialised expertise on a particular project to help grow the company or undertake market development activities, for example, by attending an offshore trade fair. In addition, a new business website, [www.biz.org.nz](http://www.biz.org.nz) has been launched to save businesses time and effort finding out about important compliance and regulatory information.

Among a population of just over 100,000 there is already an impressive range of innovative businesses in the region. Currently nineteen of these businesses have such good growth potential that they have qualified for NZTE's programme supporting high growth companies.

Through a network of 38 offices overseas Taranaki exporters now have access to assistance with developing offshore markets. The offshore staff can provide local buyers, importers and distributors with information about New Zealand's business capability and help New Zealand businesses access new markets overseas. NZTE's online service [www.ProjectLink.co.nz](http://www.ProjectLink.co.nz) provides Kiwi exporters with valuable qualified, pre-tender business

Funding for the region under NZTE's Regional Partnership Programme to establish a Centre of Applied Engineering was announced in this quarter. This is a significant project aimed at growing the local economy and is the outcome of key Taranaki organisations – Venture Taranaki, Engineering Taranaki Consortium cluster and Western Institute of Technology at Taranaki in particular - agreeing on the best way to promote sustainable growth in the region.

The funding will also contribute towards a skills strategy in partnership with Western Institute of Technology, which received funding under NZTE's Polytechnic Regional Development Fund, establishing a procurement and export office within the Centre, resources to commercialise new products, and a regional branding campaign.

To support these regional economic development activities, NZTE recently announced the appointment of Liz Tennyson as Regional Economic Development Advisor for Taranaki.

The Cluster Development Fund, which has provided support for the Oil and Gas Technologies cluster and the Engineering Consortium, is to announce its third funding round in November, and the third round of Enterprise Culture and Skills Activities Fund is also due. This fund supported the Innovation Hub – the on-line virtual business community for year 9-13 students - that was launched in Taranaki earlier this year.

[www.nzte.govt.nz](http://www.nzte.govt.nz)  
Enterprise Hotline 0800 555 888

# 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 to its success.**

**Venture Taranaki also acknowledges the input of other stakeholders in producing “Taranaki Trends”, including Taranaki Newspaper Ltd, Statistics New Zealand, National Bank of New Zealand, REINZ (Taranaki), the department of Work and Income, ANZ (job advertisement statistics), New Zealand Trade and Enterprise.**

**This document was designed and printed in Taranaki by TGM Design Ltd and Masterprint Printers Limited.**

**This report was prepared by Belinda Salmon, Research Coordinator for Venture Taranaki Trust.**

# 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!

Venture Taranaki  
41-43 Molesworth Street  
PO Box 670  
NEW PLYMOUTH

Telephone: (06) 759 5150  
Freephone: 0800 4 VENTURE  
Fax: (06) 759 5154

Website: [www.taranaki.info](http://www.taranaki.info)