

TARANAKI MINI TRENDS

INTERIM TARANAKI ECONOMIC REPORT

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Taranaki

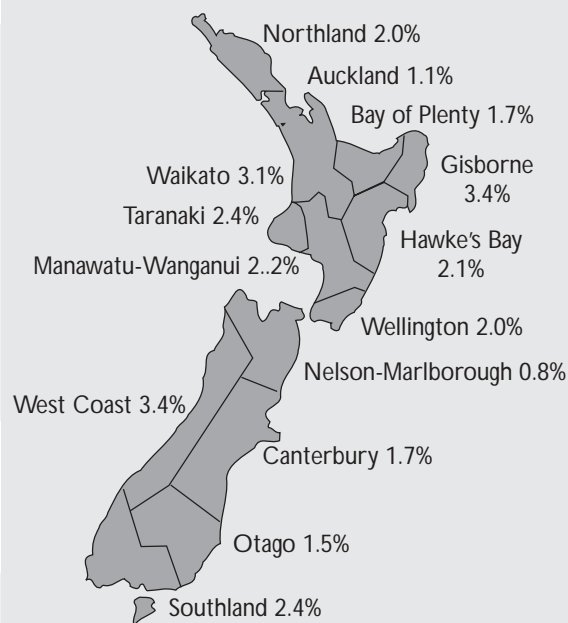
Trends at a Glance



GDP

- Gross domestic product (GDP) increased 0.5% in the June 2006 quarter following an increase of 0.8% in the March 2006 quarter.
- In the year ended June 2006, the economy grew 1.9%, down from the 3.1% growth recorded in the June 2005 year.
- Service industries continued to provide much of the impetus for the New Zealand economy, growing 0.5% in the June 2006 quarter. The largest contributions to this growth came from the finance, insurance and business services group, and personal and community services. Government administration and defence recorded its nineteenth consecutive quarter of growth, and was up 10.3 % for the year ended June 2006.

Regional Economic Activity (Year on Year Growth, September 2006)



(Source: National Bank Trends Report)

Overall Regional Growth

The following analysis reflects the results of the National Bank's latest comparison of NZ regions based on their assessment of a cross-section of indicators such as employment, consumer confidence, job adverts etc.

In the September 2006 quarter:

- Taranaki's growth declined 0.4%.
- New Zealand's growth increased 0.8%.

In terms of Year-on-Year growth rates (to Sept 06) :

- Taranaki's year-on-year growth was 2.4%.
- New Zealand's year-on-year growth was 1.8%.

Net GST

The following GST data provides another useful barometer of local economic activity. The analysis was undertaken by matching GST returns from the IRD to the Statistics NZ business frame (which contains NZ business and their regional localities).

- During the June 2006 quarter, total net GST (sales less purchases) in the Taranaki region was \$1,173.6m.
- This reflects 3.2% of total net GST in NZ.
- For the 12 months ending June 2006, total net GST for the Taranaki region increased by 28.6% relative to the previous year.
- This compares with 7.8% recorded nationally.

Employment

For the September 2006 quarter:

- Taranaki's regional labour force was estimated at 55,100
- Taranaki's unemployment rate was 3.5%.

Comparison with June 2006 Quarter:

- Regional unemployment has increased from the previous quarterly result, when it was 2.4%.

Comparison with same time last year:

- Unemployment is also up slightly compared with the September 2005 quarter when the region recorded 3.2% unemployment.

Comparison with New Zealand's unemployment rate:

- Taranaki's current unemployment rate is at similar levels to New Zealand's unemployment rate (3.6% for the September 2006 quarter).

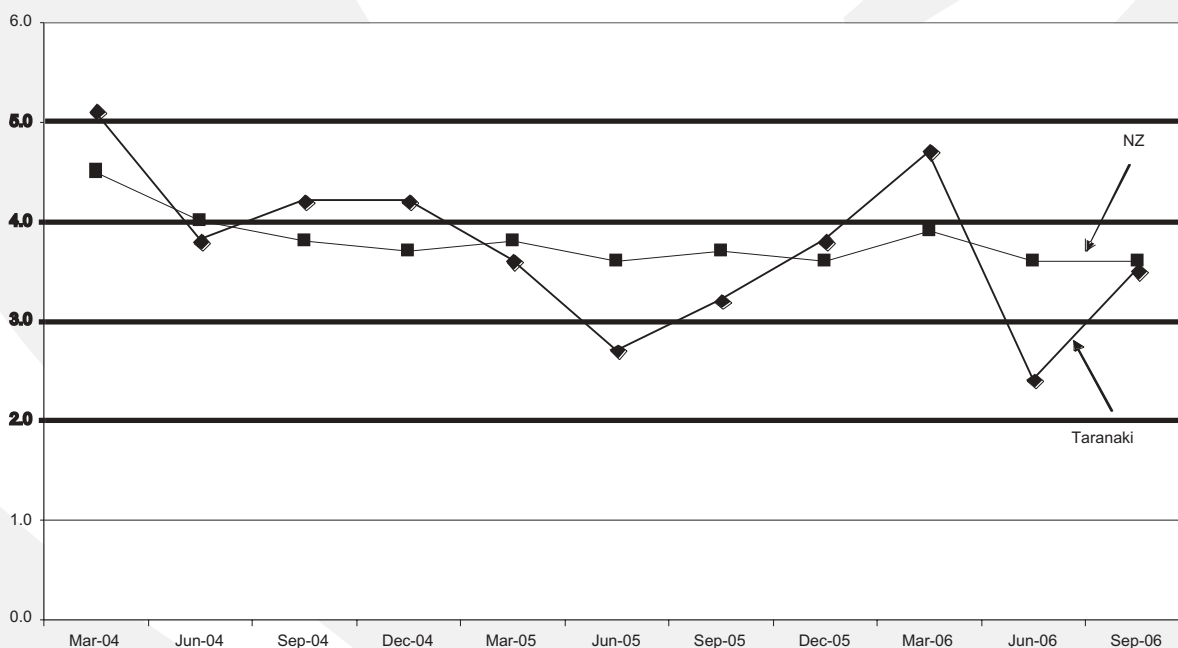
Average Hourly Earnings

Average hourly earnings are assessed by Statistics NZ through data collected from a survey of 19,000 businesses representing a cross-section of industries and NZ regions.

The latest results highlighted:

- Average hourly earnings in Taranaki for the September 2006 quarter were \$21.43.
- Earnings have increased 7.7% (+\$1.53) from the September 2005 quarter in Taranaki.
- Earnings have increased 1.9% in Taranaki from the last quarter (June 2006).
- In comparison, NZ average earnings increased 1.6% in the last quarter (June 2006). The average hourly rate for New Zealand for the September 2006 quarter was \$22.24.

Unemployment Rate - Taranaki V NZ



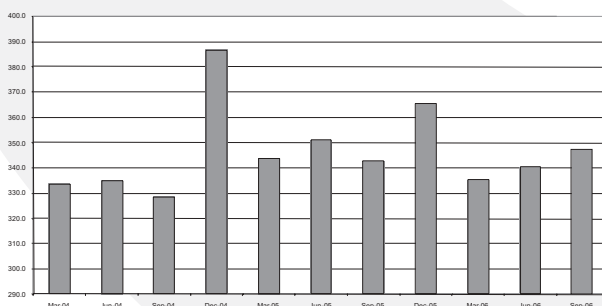
Retail Sales

Retail sales are assessed from a quarterly survey of retail outlets throughout New Zealand. Venture Taranaki draws its regional results from the survey, bearing in mind that the survey is essentially not designed to be representative at a national and regional level. With these limitations in mind it still provides a useful indicator and tool for monitoring economic performance, especially if continued over time, as the Trust has done.

The latest results are as follows:

- Total retail sales for Taranaki during the September 2006 quarter were estimated as being approximately \$347.7m.
- Of this total, retail sales in New Plymouth were estimated as being circa \$208.1m.
- Taranaki's retail sales (for the September 2006 quarter) reflected an increase of 1.5% over the same period last year.
- Nationally retail sales have increased 3.2% during this same period.

Retail Trade Taranaki



Tourism

With respect to commercial tourism establishments:

Guest Nights:

- Guest nights for the September 2006 quarter in Taranaki totalled 107,932 nights.
- This is an increase of 7.5% over the September 2005 quarter result.
- In comparison, guest nights increased on a national basis (i.e. Sept 05 quarter compared with Sept 06) by 1.1%.

Visitor Numbers:

- Visitor numbers for the September quarter were down 1% compared with the same period in 2005 in Taranaki.
- Nationally visitor numbers increased 0.9% relative to the September 2005 result.

New and Ex-Overseas Car Registrations

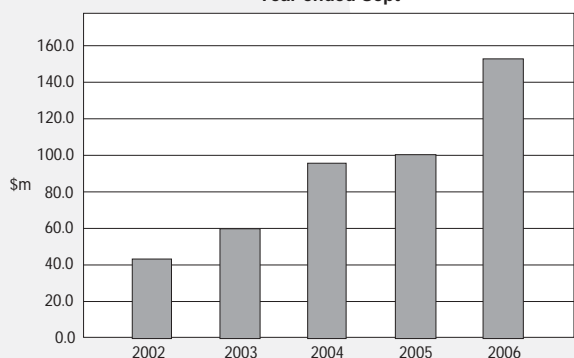
- Car registrations (comprising new and ex-overseas cars) for the New Plymouth Postal District totalled 863 registrations for the September 2006 quarter.
- This reflects a decrease of 3.3% from the June 2006 quarter.
- The September 2006 result reflects a decrease in car registrations of 24.7% from the same period last year (September 2005).
- In comparison, New Zealand car registrations have declined 18.9% relative to the same period last year.

Building and Construction

Residential:

- For the year ending September 2006, 632 new residential dwellings worth \$151.1m were authorised for construction within the Taranaki region.
- This reflects an increase over the previous year of:
 - * 31.4% in consent numbers.
 - * 51.1% in the dollar value of consents approved.
 - * 28.9% in total floor area (sq metres) approved for construction.

Value of New Dwellings (\$m)
Year ended Sept



Commercial:

- There were 713 building consents, valued at \$91.2m, issued for commercial construction in Taranaki for the year ending September 2006.
- This reflects an increase of:
 - * 6.4% in consent numbers
 - * 21.7% in the dollar value of consents approved.

Real Estate Sales

The following table reflects the median house sales price for Taranaki as reported via REINZ sales for the September 2006 quarter. It also provides comparisons of this result with the same period in 2005 for Taranaki, as well as a comparison of the current quarter with New Zealand's median sales figures.

The results highlight that:

- The median sales price in the September quarter within the region has continued to reflect a positive upward trend, with the median price up on last year.
- Taranaki's median sales price is circa \$70,000 beneath the New Zealand median sales price.

Period	Taranaki 2006	Taranaki 2005	New Zealand 2006
July	\$236,800	\$216,000	\$312,500
August	\$240,000	\$216,000	\$310,000
September	\$250,000	\$225,250	\$313,000

Number of sales:

The number of house sales, however, has declined both regionally and nationally.

- Real estate sales in the Taranaki region for the September 2006 quarter were down 7% in number, relative to the same period in 2005.
- This compares with a 3.6% decline experienced nationally.

The following table highlights the percentage change in the number of house sales in the September 2006 quarter relative to:

- The previous period (ie. June 2006).
- The same time last year (ie. September 2005).
- The changes experienced nationally.

September 2006 sale numbers compared with	Taranaki Percentage change in no. of sales	New Zealand Percentage change in no. of sales
September 2005 Quarter	-7.0%	-3.6%
June 2006 Quarter	-9.8%	-2.6%

Farm Sales

- The REINZ reports that the median price for farms sold in September 2006 was \$835,000, which was up on August's median of \$777,500.
- The median price in July was \$880,000.
- In total four farms (three grazing and one dairy) were sold during September 2006.
- During this period, lifestyle properties enjoyed the benefits of a rising residential property market. However farm sales were slow due to the response to concerns about the dollar, interest rates and the rural economy.
- It is anticipated that sales and prices are likely to pick up as the region heads towards December which is customarily a busier period for farm sales.

Home Affordability

- Home affordability comprises an assessment of three variables: house prices, wage rates and mortgage interest rates.
- Nationally, home affordability has declined for 17 consecutive quarters.
- August 2006 (the most recent assessment) indicated that Taranaki recorded a home affordability index of 22.94.
- This reflects an 11.3% decline in the last 12 months.
- Nationally, home affordability has declined by 6.9% in the past year.

Rental Market

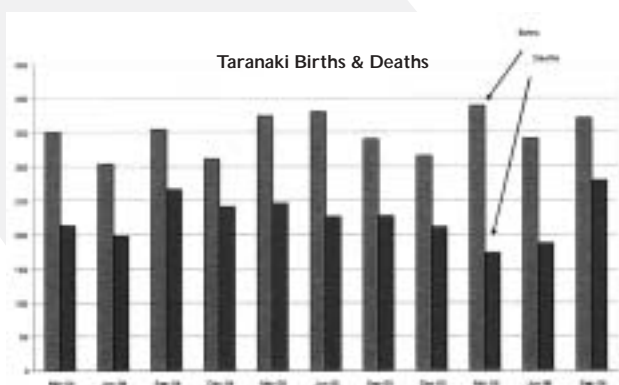
- On a national basis, renting has become less affordable over the period 1993-2006.
 - * In 1993 the typical private sector rental would have required 26% of the average wage to pay the NZ median rent.
 - * By 2000, this had increased to 28%.
 - * By the first quarter of 2006 rental had increased to 32% of the average wage.
- The median rent as at August 2006 in New Plymouth was \$240. In January 2006 it was \$220 per week.
- The median rent in August 2006 on a national basis was \$260 per week. In January 2006 it was \$260 as well.

Exports and Imports

- Overseas cargo loaded at Port Taranaki (i.e. excluding coastal trade) for the year ended September 2006 was valued at \$1,747.1m.
- Overseas cargo unloaded at the port for this same period equated to \$244.2m.
- The value of overseas cargo loaded at the Port reflected a decline of 10.3% and the value of cargo unloaded reflected an increase in value of 1.6% relative to the previous year.

Births and Deaths

- During the September 2006 quarter there were 371 live births in the region.
- This is an increase of 9.1% over the September 2005 quarter.
- There were 280 deaths during the September 2006 quarter.
- Deaths recorded during this period reflect an increase of 23.3% over the same period last year.



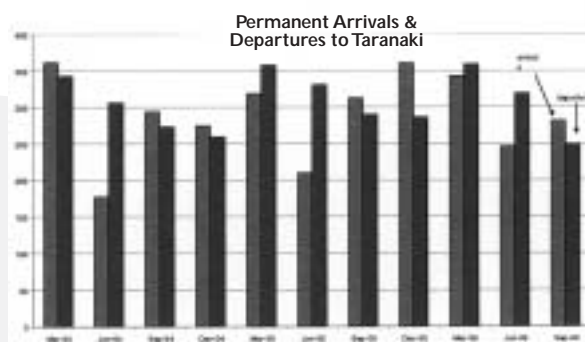
External Migration: Permanent & Long Term Arrivals and Departures

September 2006 quarter:

- There were:
 - * 281 permanent & long term arrivals in the region (from overseas localities) during the September 2006 quarter, and;
 - * 248 departures (to overseas localities)
- Thus resulting in a net increase of 33 individuals in the region.

Annual Result:

- For the year ending September 2006 net migration figures within the region were as follows:
 - * New Plymouth District: 114
 - * Stratford: -48
 - * South Taranaki: -47
- Thus Taranaki experienced a net migration of 19 individuals.



NB: This result only includes movements from overseas localities into and out of the region, not movements in and out of the region from other NZ locations.



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