

# Taranaki Trends

## TARANAKI ECONOMIC REPORT

Venture  Taranaki

FIRST QUARTER 2003

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

# Welcome...

Welcome to this latest edition of Taranaki Trends.

Reflecting on 2002 – it was certainly a milestone year for Taranaki as it expanded its economic horizons into new industries and projects.

2003 will undoubtedly build on this momentum, with prominent items on this year's calendar likely to include the following:

- Resolution of the Pohokura consent process, and further clarification on the extent of the field.
- Potential work for local engineering firms, skill shortages, and work force planning challenges.
- Results of the Maui re-determination.
- Methanex – further considerations pertaining to their Taranaki presence.
- Completion of The Last Samurai filming, and reflection on Taranaki's performance as a film friendly location.
- Commencement of work on the new Northern Walkway on Mount Taranaki.
- Hawera's Water Tower – and its potential face lift.
- Taranaki's growing reputation in the Super Yacht building industry.
- Continuing development of New Plymouth's coastal walkway, Port and marina.
- Progress on Opunake's artificial reef project, while New Plymouth considers the concept in its own backyard.
- Decisions pertaining to Taranaki's defence tender bid.
- Completion of upgrades to the Region's airport.
- Health, education and transport and their impact on the region's social and economic fabric.

Undoubtedly there will be many other items on the region's 2003 Calendar, in addition to the above.

But one thing we can be sure of – 2003 looks set to be another eventful (if not landmark) year in Taranaki's economic evolution.

Happy New Year !



Anne Probert

Economic Development Director

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# Taranaki

## Economic Trends

# The Economy

## What's hot & what's not, this quarter?

### Regional Growth

- Taranaki recorded a 0.1% fall in economic activity during the September 2002 quarter, but still has the third highest regional annual growth rate.

### CPI

- New Plymouth Urban Area Consumer Price Index increased by 0.6% in the September 2002 quarter – This is slightly above the national increase.

### GDP

- National economic activity rose strongly, up 1.7% in the June 2002 quarter.

### International Arrivals

- Net migration figures for Taranaki have recorded an increase of 191 people, an improvement on the loss of 410 people which was recorded in the September 2001 quarter. 1,297 offshore arrivals were recorded for the province during the September quarter.

### Employment

- The estimated number of people employed in Taranaki increased 5.7% from the September quarter last year.

### Business

- As at February 2002, there were 7,272 businesses (excluding farms) located within the region. This is a 2.1% increase from the previous year, when there were 7,119 businesses.

### Unemployment

- Taranaki's unemployment rate for the September 2002 quarter was 5.7% compared with 5.8% for this quarter last year.

### Entrepreneurship

- The latest GEM report reveals that Taranaki is one of the most entrepreneurial regions.

### Situations Vacant

- There were 1,326 jobs advertised in the Daily News during the September 2002 quarter – an decrease of 1% (or 8 less situations vacant advertised) from the September 2001 quarter.

### Weekly Income

- Taranaki had an average weekly income of \$504 in June 2002 – maintaining the region's fourth place ranking in a regional comparison across the country.

### Farm Sales

- A total of 14 farms were sold in the September 2002 quarter, while 24 farms were sold during the June 2002 quarter.

### House Sales

- During the September 2002 quarter, 587 houses were sold in Taranaki – the average price was \$129,500. This has been a 27% increase in the number of dwellings sold from the September quarter 2001

### Construction

- When compared with the September 2001 quarter, the value of residential building consents in Taranaki has increased significantly.

### Retail Sales

- Retail sales in Taranaki, of \$330 million during the September 2002 quarter, were 8% higher than the same period last year.

### Tertiary Education

- The total number of Taranaki students enrolling in degree courses has increased from 312 students in 1998 to 445 students in 2001.

### Taranaki Business Outlook

- Venture Taranaki's Business Survey revealed that overall stability or on-going growth is the expected mood from Taranaki businesses for the next 6 months.

# What's happening in the National Economy?

## Consumers Price Index

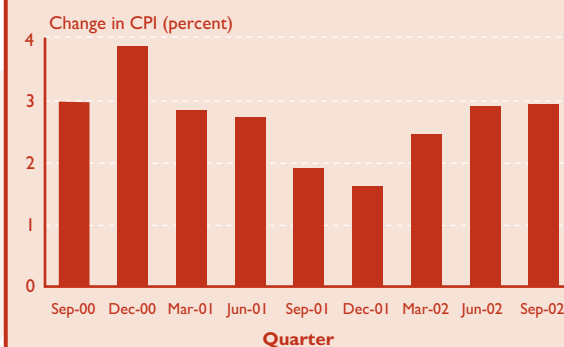
### Quarterly Change:

- The National CPI rose by 0.5% from the June 2002 quarter to the September 2002 quarter.
- This rise resulted from higher prices for housing, household operation, alcoholic drinks and health care.
- The New Plymouth Urban Area experienced an increase of 0.6% in consumer prices from the June 2002 quarter to the September 2002 quarter. This is only slightly higher than the national increase of 0.5%.

### Annual Change:

- The National CPI recorded a 2.6% increase over the year (Sept 01-Sept 02).
- The CPI for the New Plymouth Urban Area rose by 3.0% from the September 2001 quarter to the September 2002 quarter. This was above the national increase of 2.6%.

**Annual Percentage Change in CPI**  
New Plymouth Urban Area  
From Same Quarter of Previous Year



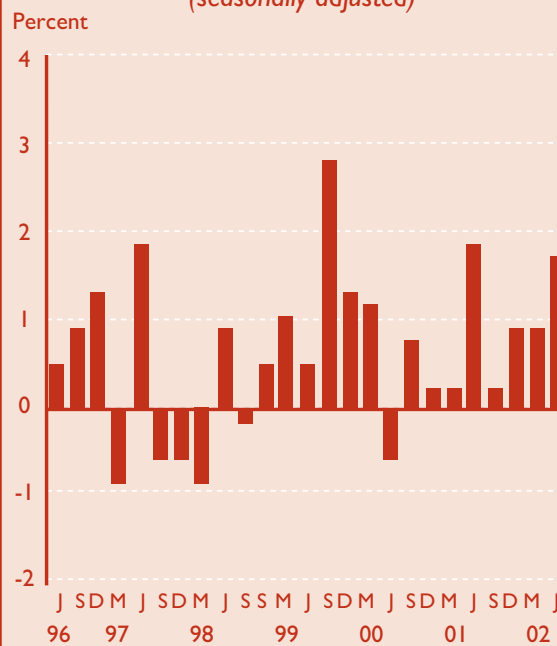
## Gross Domestic Product

- Economic activity rose by 1.7% in the June 2002 quarter. This follows a 1.0% rise recorded in the March 2002 quarter. A 3.5% increase was recorded for the year ending June 2002.
- Exports rose 6.2% this quarter largely due to an increase in primary exports. Manufacturing was also up 4.3% reflecting the increased economic activity recorded by most industries.

**Annual Percentage Change in CPI by Urban Area**  
(From September 2001 Quarter to September 2002 Quarter)



**Quarterly % Change in GDP**  
(seasonally adjusted)

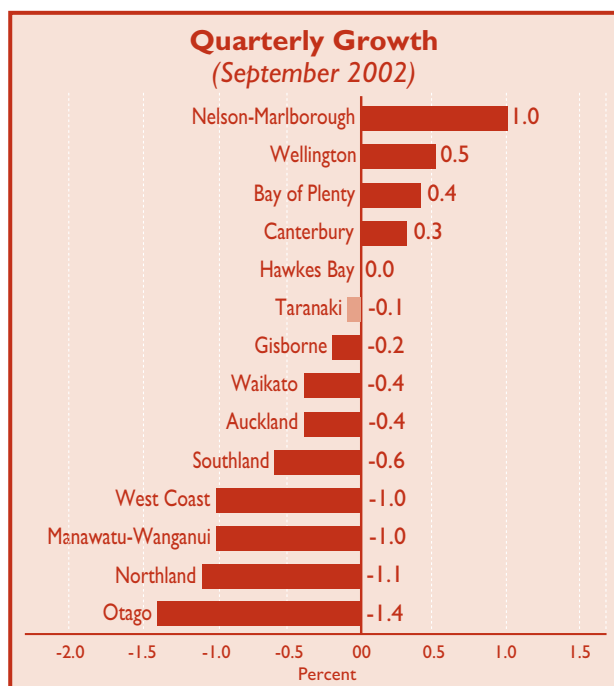


Source: Statistics New Zealand

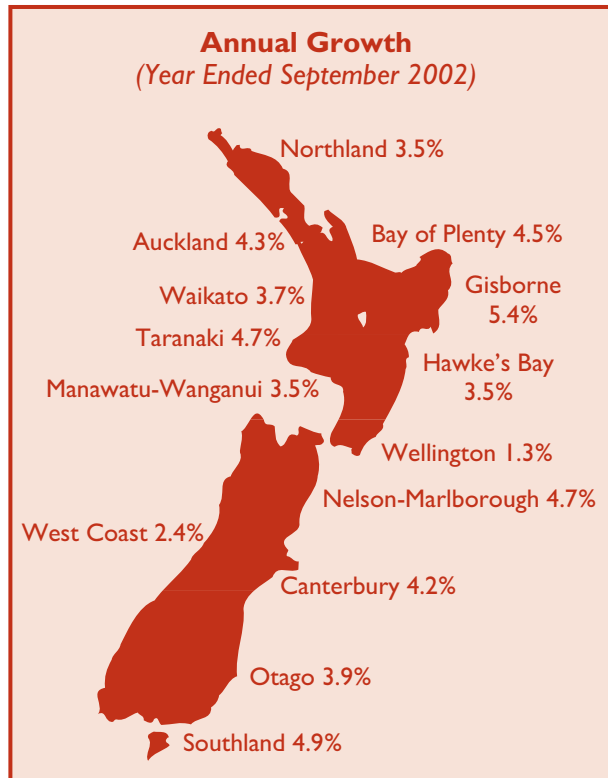
# What's happening in the Taranaki Economy?

## Growth

- According to the National Bank Regional Trends Report, only four regions in NZ recorded a rise in economic activity for the September 2002 quarter.
- Of the nine regions experiencing a fall in economic activity, Taranaki experienced the smallest drop at only 0.1%.
- Taranaki had the largest increase in retail trade and accommodation guest nights.
- The Nelson-Marlborough region recorded the largest gain during the quarter - up 1.0 %.
- Economic growth for New Zealand decreased by 0.2%.

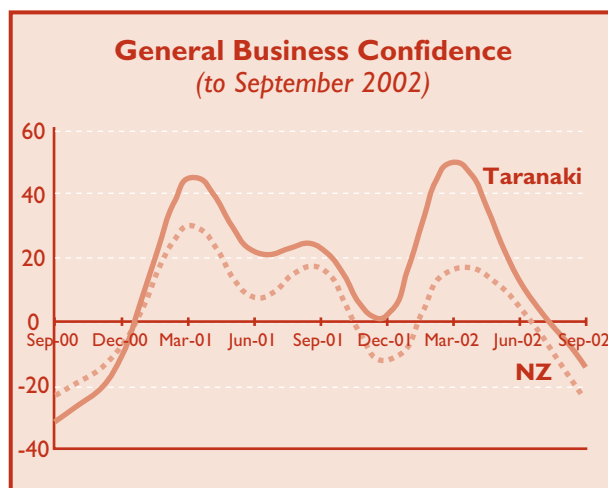


- The annual average growth rate for Taranaki was 4.7%
- Taranaki ranked third in a regional comparison of year-on-year growth.
- Taranaki is still above the national average of 3.8% annual growth. Gisborne is now the top of the table for regional year-on-year growth at 5.4%.



## Business Confidence

- Business confidence for this quarter fell in every region. New Zealand's average business confidence was -24.5%.
- Taranaki was the leading region for business confidence despite a 13.8% fall in confidence.



Source: National Bank Trends

# What's Happening in Taranaki Business?

- Taranaki's Fitzroy Engineering has been short listed in the top six bids for the Navy's ship building project. The project could be worth up to \$500 million. The Taranaki firm entered a joint bid with British firm Vosper Thornycroft who were named when the Government narrowed twenty one interested organisations down to just six remaining contenders.
- Robt Stone Engineering of New Plymouth was awarded the contract for construction of an impressive \$30 million Tuna Processing plant in Papua New Guinea. The factory will be the biggest of its kind in the Western Pacific and the success of the New Plymouth firm is further recognition of the area's successful engineering sector.
- Taranaki's Pacific Natural Gut String Company was awarded a prestigious Exporter of the Year Award. The company's product is one of the highest quality strings in the world.
- An International report evaluating levels of entrepreneurship found that Taranaki had the distinction of being the region with the highest proportion of "opportunity entrepreneurs" in the world.
- Yarrows Ltd of Taranaki have recently completed extensions at their Manaia bakery. The bakery has been increased by 2000sqm, an extension that will take production levels from 1500 to 3500 loaves per hour.
- A \$113 million oil and gas exploration project is to be undertaken in Taranaki over the next eight months. Todd Energy and a number of other energy operators hope to discover new oil and gas reserves as a replacement upon the depletion of the Maui field.
- Preparations for the Warner Bros film, The Last Samurai have brought 19th century Japan to Taranaki. With a Japanese village rapidly taking shape and plans to use the Uriti Valley, the Terraces of the Pukekura Park playing field and other local sites in the film, Taranaki is set to make its filming debut in January.
- Taranaki businesses have been quick to seize opportunities offered by Technology New Zealand, the Government's private sector research and development scheme. A combined total of \$1.5 million has been used by 33 Taranaki companies to further their research and development. Per capita, this places us alongside the Manawatu and well ahead of other regions.
- Venture Stratford – a joint initiative of Venture Taranaki and the Stratford Economic Development Trust – is underway. Its key aim is to enhance the growth of Stratford, by assisting businesses with their development plans, and undertaking a range of projects with positive economic spin-offs for the community. Tim McMullan is the Project Manager of the programme.
- Taranaki is to host the first International Surfing Association's World Surfing Masters from 15-21 April 2003. The event is to be sponsored by Fosters and will draw entrants from around the world including Australia, South Africa, Argentina and the US.
- Westgate, Port Taranaki, have taken the first steps to introduce a proposed development for the Eastern Side of the Port. A new inner breakwater, nine berths for fishing boats and a marina for pleasure boats have been included in the proposal.
- Tourists, both domestic and international, will enjoy a new walking track to be established in the Egmont National Park. The track will be a great asset for the park and will offer improved access to areas of ecological significance
- New seismic information has revealed that the Deepwater Taranaki Basin may hold exciting possibilities for future oil and gas prospectors. Five exploration blocks are on offer to explorers for competitive bidding until September 2003.

- Taranaki's demand for trades people, contractors and earthmovers has exceeded the region's supply capability. Taranaki is experiencing such a boom in these industries that some people wanting work done have had to be wait-listed.
- South Taranaki Iwi, Ngati Ruanui, has teamed up with Venture Taranaki to carry out an investigation into aquaculture. The Iwi are interested in not only establishing a profitable business but also hope to replenish their traditional food stocks.
- Taranaki's TSB Bank once again topped the customer satisfaction survey conducted by Auckland University's Marketing Department. The bank received a vote of 93% customer satisfaction.
- A major facelift is planned for the New Plymouth Airport. It is hoped that the upgrade will be completed by mid 2003.
- Genesis Power announced that they will be establishing a development plan for the Kupe oil and gas field in South Taranaki over the next 12 months.
- Magellan Technology has benefited from funding awarded by Technology New Zealand. The funding enables the company to utilize the expertise of a Masters Graduate within its Research and Development programme over the next 18 months.
- Inglewood's TET stadium was host to the New Zealand Secondary Schools Athletics Championships. The event, held in the first weekend of December, attracted more than 1,600 competitors. This brought yet another influx of visitors to Taranaki motels, hotels, campsites and Backpacking hostels.
- The temporary closure of the Methanex Waitara Valley facility will involve a \$9.5 million maintenance project and the employment of around 550 extra contractors, which Methanex hopes to draw largely from Taranaki residents.
- The filming of the Last Samurai has provided security jobs for 20 Taranaki job seekers. The group have recently graduated from a Work and Income New Zealand security training course.
- Two Taranaki transport firms were honoured at the Road Transport Forum in Nelson. Taranaki Firms FBT (Freight and Bulk Transport) and Hooker Pacific received awards from the Road Transport and Logistics Industry Organisation for leading the way in training programs for their staff.
- A new Warehouse store is planned for Hawera. The store is to be as large as that of New Plymouth and is also to include a 131 space car park.
- Taranaki's booming property market is one of the factors that has prompted Self Storage Taranaki to expand their operation by adding 110 new storage units.
- The Puke Ariki Museum and Library complex is still on target to open in June 2003.
- The New Plymouth District Council announced plans to form a further sister city relationship with Kunming City in China. This relationship is expected to bring more foreign, fee paying students into New Plymouth schools.

*Source: The Daily News, The North Taranaki Midweek & The Stratford Press*



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

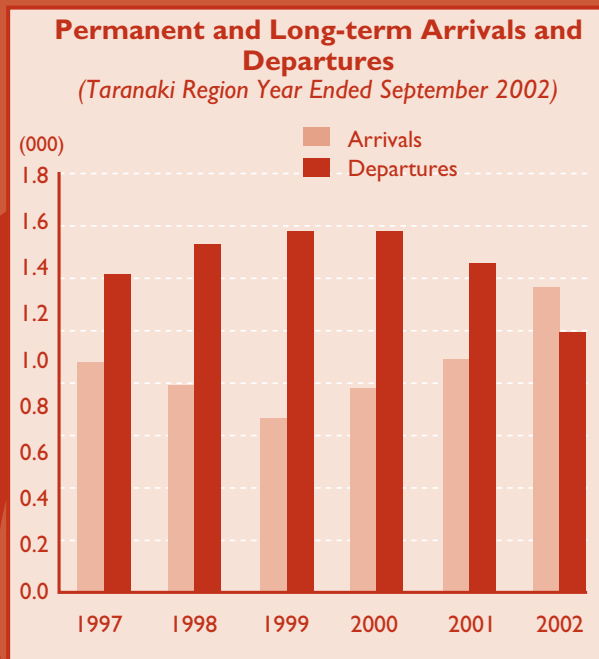
- Multi-national company BARTERCARD has opened a branch on New Plymouth's Devon Street. The company is the World's largest trade exchange and its New Plymouth branch is further evidence of the confidence in the Taranaki economy.
- The Bell Block WAREHOUSE MEGA-STORE opened on November 21st, just in time for Christmas retailing.
- Taranaki Farmers and Wrightsons have undertaken a joint venture in the establishment a new sale yards complex in Stratford. The new complex, which opened in November, aims to centralise sale yard activity.
- A day spa is the latest addition to New Plymouth's Centre City. ELYSIUM DAY SPA provides a range of facial and body treatments in their specially designed premises.
- Pipes specialists, HYNDS PIPE SYSTEMS have established a New Plymouth branch in Waiwhakaiho. With an emphasis on drain laying and farming, the company is a family-run operation that was established in 1973.
- THE SHAMPOO SHOP has recently opened in the premises of former Champions Wool Unlimited. The shop, owned by Julie Sinkinson, specialises in an array of hair products.
- Peter and Bronnie Van Lith have established Waitara based CANOE & KAYAK. The couple provide equipment, advice, training and events that ensure paddlers of all levels can enjoy getting out on the water.
- KINGFISHER LODGE provides a new accommodation option for those visiting the area. The Lodge is a small well-appointed cottage by the Mangatoki stream just out of Eltham.
- Fruit and Vegetable store, MOSHIMS, has opened on Gill Street in New Plymouth. The store is part of a chain being established throughout the country by the Ali and Khan families.
- A new event and project management company MOMENTUM PACIFIC has been established by Tahniah Roberts.
- Suppliers of ink cartridges, CARTRIDGE WORLD have set up a New Plymouth Branch on Devon Street East.
- New Plymouth's Metro Plaza is the site of the new American themed Miller Bar. The bar owned by Ian Riley opened on the 29th of November.
- A 21 unit motel is under progress on the former site of Courtney Street Autos. John Russell, previously the owner of the car yard, is now the brains behind the \$2.1 million motel development.
- ANNIES CAFÉ was opened in Moturoa by Annette Warrender.
- Wendy Clough has started LINK ENGINEERING AND MANUFACTURING.
- ANTONIO MEWS is the name of a new 12 unit motel set to open in January on Stratford's Broadway South.
- INTERPLAY, a new Internet Café on Devon St has been opened by Edward Sanderson.
- CHRIS WISE CONTRACTING has been established by Chris Wise who contracts out as a digging operator.
- EASE YOUR ACHES is the new initiative of Roimata Takie who has opened as a self employed masseuse.
- Chips and Chaps is a new company producing Horse riding Chaps in New Plymouth.
- Chris McEwen has recently set up CHRISSY'S FASTRUNNER a healthy take-away meal alternative. As well as operating as a "meals on wheels" scheme, the shop will provide hot roast dinners to-go.
- A new \$2 retailer has been opened on the Devon Street Hill, New Plymouth. The shop has taken over the premises formerly occupied by Raw Music.
- Moturoa has a new hair salon, PRIMO HEADS.
- A new café, INFUSION, has been opened in central New Plymouth by Paul Hanson.
- Pat Sole has started the land surveying business PAT SOLE SURVEYORS.

**\*This is not an exhaustive list of all new business startups. Many of the above businesses have 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.**

# Migration

## International Arrivals and Departures\*

- There were 1,297 permanent and long-term arrivals in the Taranaki Region during the year ended September 2002.
- This figure represented a 31% increase in arrivals to the region over the year ended September 2001. Taranaki therefore experienced a greater rise than the national increase of only 28%.
- There were 1,106 permanent and long-term departures from Taranaki during the same period.
- The net impact of the above was a gain of 191 people for the region. This is the first time since 1997 that the Taranaki region has experienced a net increase in people via migration.
- When broken down into the three Taranaki districts, New Plymouth experienced a net increase of 251 in permanent and long-term migrants.



<b>Permanent and Long-term Migration</b> (Year ended September 2002)	
	<b>Net Migration</b>
New Plymouth District	251
Stratford District	-30
South Taranaki District	-30
<b>Taranaki</b>	<b>191</b>

\*Overseas migrants who arrive in New Zealand intending to stay for a period of twelve months or more, plus New Zealand residents returning after an absence of twelve months or more. Does not include population movements between Taranaki and other New Zealand locations.

SOURCE: Statistics New Zealand

## Census 2001 - Usual resident 5 years ago

- Results from the 2001 Census reveal a total of 44,838 Taranaki people stated that 5 years ago (1996 Census) they lived somewhere else in New Zealand.
- Of those who have shifted into the Taranaki region from elsewhere in New Zealand, the majority (4,761 people) are between the ages of 5 -9 years, while 4,479 people aged 30-34 years shifted into Taranaki.
- Therefore, it can be assumed that during the last 5 years those who migrated to Taranaki were more likely to be young families.
- The bulk of people who lived overseas 5 years ago and who now live in Taranaki, were mostly between the ages of 25-39 years.
- Specifically, 444 Taranaki people previously lived overseas at the time of the 1996 Census.
- The 2001 Census revealed that Taranaki was one of the regions with the largest net internal migration losses for the 15-24 year age group.

Source: Statistics New Zealand

# Business and Earnings

## Business

(Based on a comprehensive annual survey of all Taranaki businesses excluding farms)

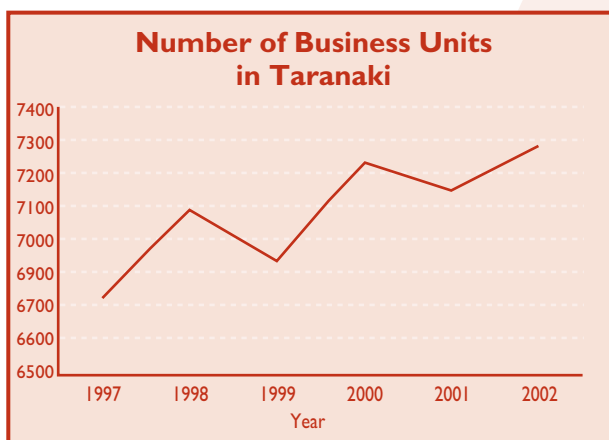
- A total of 7,272 businesses were located within the regions as at February 2002- accounting for 2.3% of all businesses in New Zealand.
- 5,573 of these businesses were from the broader service sector, including retail trade, education, health, property etc.
- The principle industry within Taranaki is the Property and Business services industry, which accounts for 29.3% of all businesses.
- As at February 2002 there were 34,360 full time equivalent positions within Taranaki. The Manufacturing sector provided 24% of all these positions while the retail sector accounted for a further 13.6%.
- The Mining industry recorded the greatest increase in the number of full time equivalents for any industry, rising by 20% in the year to February 2002.
- Between February 2001 and February 2002 there were 1090 business start-ups in the Taranaki region. This is a 22.5% increase from the number of start-ups recorded for the year to February 2001.
- 50% of start-ups in the Taranaki region were in the Property and Business industry.
- During the period between February 2001 and February 2002, 830 businesses closed in Taranaki. 18 businesses moved into the region and 25 moved out.
- As a result Taranaki experienced a net increase of 225 businesses.

### Taranaki Business Units, Births, Deaths, Move in and out 2002\*

	Business Units	Full-time Equivalents	Number of Births	Number of Deaths	Number of "Move Ins"
Agriculture, Forestry & Fishing	377	610	50	30	3
Mining	42	660	6	0	0
Manufacturing	537	8,230	57	45	3
Electricity, Gas & Water	25	290	3	0	0
Construction	718	2,690	83	73	9
Wholesale Trade	375	1,640	48	57	0
Retail Trade	1003	4,670	72	103	0
Accommodation, Café & Restaurant	245	1,490	30	18	0
Transport & Storage	233	1,270	36	33	0
Communication Services	101	350	18	12	0
Finance & Insurance	197	570	30	15	0
Property & Business	2,131	3,770	540	303	0
Government Administration & Defence	56	730	3	0	0
Education	249	2,280	6	15	0
Health & Community Services	406	3,540	42	45	3
Cultural & Recreational Services	246	520	30	30	0
Personal & Other Services	331	1,060	42	33	3
<b>TOTAL</b>	<b>7,272</b>	<b>34,360</b>	<b>1,090</b>	<b>830</b>	<b>18</b>

\*columns may not add up due to rounding

- A total of 4,783 businesses were located within the New Plymouth District- accounting for 66% of the region's business units.
- There were 300 new start-ups in the South Taranaki region and a net increase of 112 businesses for the year ended February 2002.
- The Stratford area also enjoyed a net increase of 31 businesses with 100 start-ups for the year to February 2002.
- The graph below represents a general trend of increasing business numbers in Taranaki.
- Between 1997 and 2002 there has been an overall increase of 510 businesses in the Taranaki region.



Source: Statistics New Zealand - Business Demographics

## Earnings

### Average Hourly Earnings

(Survey is carried out quarterly)

- Employees in the Taranaki region earned an average of \$18.72 per hour in August 2001, 1.7% (or 32 cents) higher than in May 2002. This increase compares closely with a 1.8% increase for New Zealand.
- In August 2002 males and females in Taranaki earned \$21.05 and \$15.56 respectively.
- On a district breakdown, average hourly earnings were higher in the South Taranaki District for females (\$16.32 per hour) and in New Plymouth District for males (\$21.35).

### Average Weekly Income\*

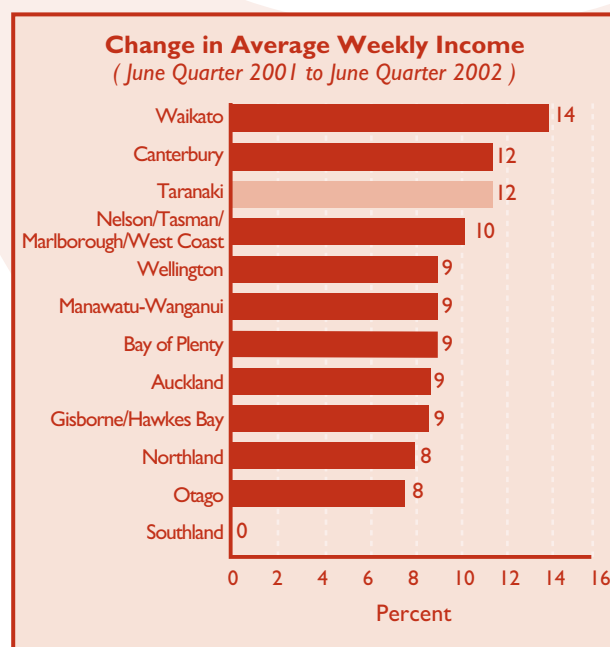
(Survey is carried out annually)

- During the June 2002 quarter, people in Taranaki had an average weekly income of \$504. Taranaki retained the position of fourth highest region in a national comparison and recorded an increase, in average weekly income, of 12% over the previous year.

Region	2002	Regional Ranking
Northland	438	11
Auckland	559	2
Waikato	506	3
Bay of Plenty	468	9
Gisborne-Hawkes Bay	474	8
Taranaki	504	4
Manawatu-Wanganui	467	10
Wellington	597	1
Nelson/Marlborough	482	7
Canterbury	496	5
Otago	432	12
Southland	491	6

\*1=highest weekly income to 12=lowest weekly income

- Auckland and Wellington were the only regions to record an average weekly income above the national average, that being \$518.



\*pre-tax (gross) income

Source: Statistics New Zealand

# Stratford & Surrounding Areas: Business Profile

- Pop: 1,218
- 68 Businesses
- 62% Business & Property Services

- Pop: 249
- 26 Businesses
- 31% Business & Property Services

- Pop: 2,154
- 108 Businesses
- 23% Construction

- Pop: 852
- 85 Businesses
- 38% Business & Property Services

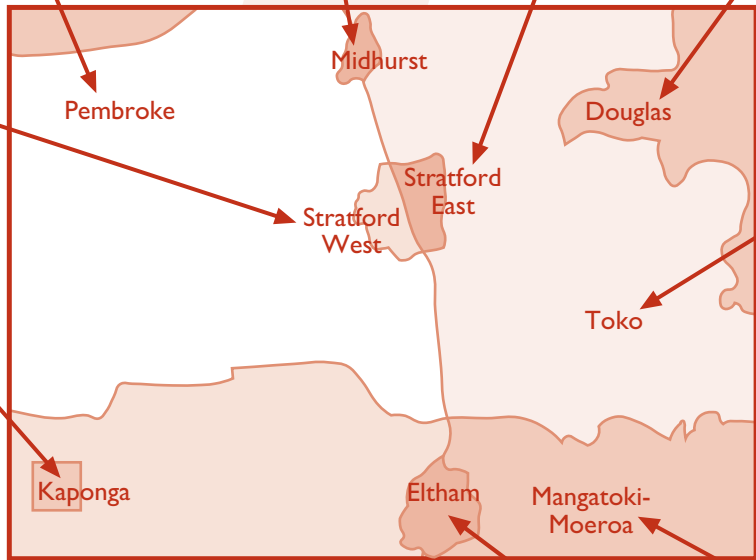
- Pop: 1,161
- 71 Businesses
- 59% Business & Property Services

- Pop: 1,716
- 92 Businesses
- 62% Business & Property Services

- Pop: 2,100
- 104 Businesses
- 20% Business & Property Services

- Pop: 3,078
- 280 Businesses
- 25% Retail Trade

- Pop: 351
- 21 Businesses
- 14% Construction
- 14% Manufacturing



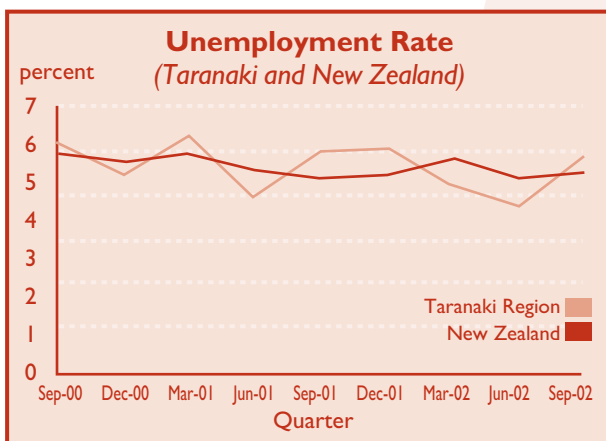
	Stratford (and surrounding areas)	Taranaki
Population	12,879	102,858
% change from 1996	-5.0%	-3.5%
% aged under 15 years	25.8%	23.7%
% aged over 65 years	11.0%	14.2%
% of Maori	11.3%	14.7%
% earning over \$30,000	30.2%	28.0%
Number of businesses	855	7,272

Source: Statistics New Zealand

# Employment

## Employment

- The Taranaki labour force totalled 53,607 during the September 2002 quarter – This is a 5.7 % increase from the same quarter of the previous year.
- The unemployment rate for Taranaki during the September 2002 quarter was an estimated 5.7%, compared to 4.4% in the previous quarter. This shows a 1.3% rise in unemployment.
- Unemployed in the Taranaki region totalled 3,402 during the September quarter.
- New Zealand's unemployment rate for the September 2002 quarter was 5.3%.



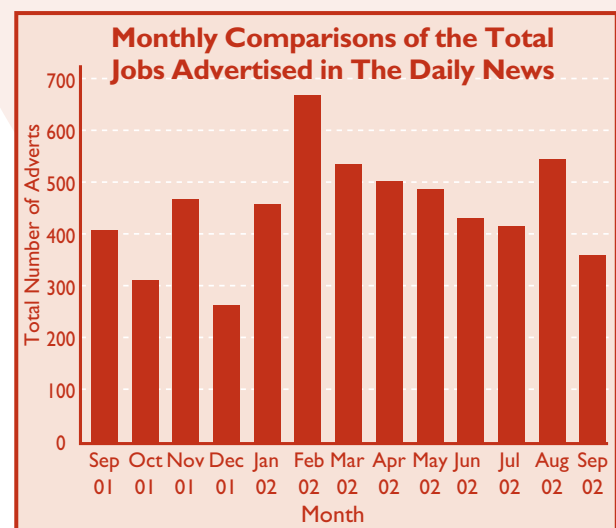
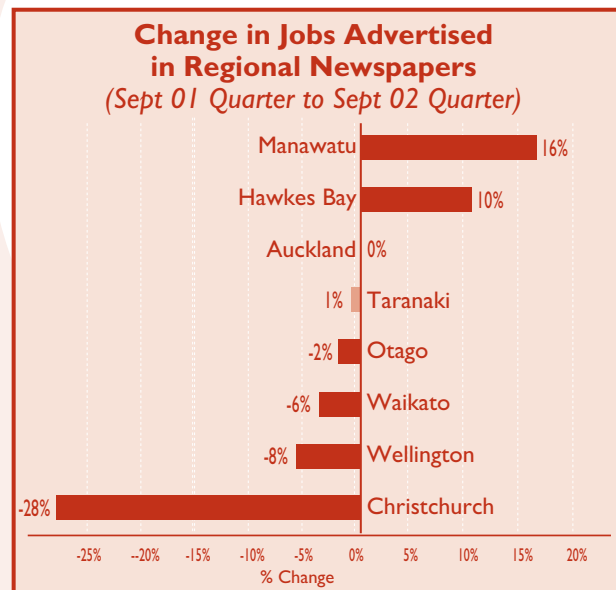
Region	2002	Regional Ranking*
Northland	8.3	12
Auckland	5.0	5=
Waikato	5.4	7
Bay of Plenty	7.3	11
Hawkes Bay	4.9	4
Taranaki	5.7	9
Manawatu	5.0	5=
Wellington	4.8	3
Nelson/Marlborough	2.3	1
Canterbury	5.6	8
Otago	6.6	10
Southland	3.7	2

\*1=lowest unemployment rate and 12=highest unemployment rate

Source: Household Labour Force Survey

## Situations Vacant

- For the September 2002 quarter there were 1,326 jobs advertised in The Daily News, a 1% decrease on the September 2001 quarter.
- Overall, the number of jobs advertised in all major New Zealand newspapers fell by 6%.
- Relative to the same period last year, the Manawatu recorded the largest growth in jobs advertised, up 16%.
- When compared to the June 2002 quarter, there were 115 fewer jobs advertised in The Daily News.



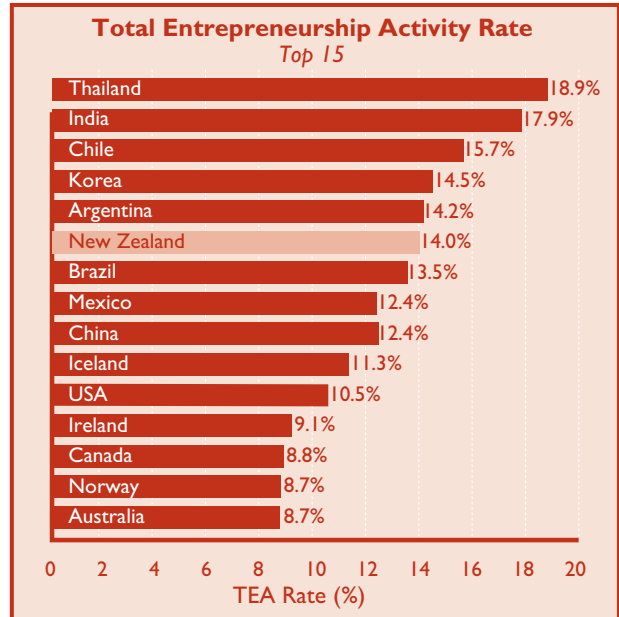
Source: : The Daily News & ANZ

# Global Entrepreneurship Monitor

The Bartercard Global Entrepreneurship Monitor New Zealand 2002 (the “GEM Report”) discloses the positive link between entrepreneurship and economic growth. The report, compiled by UNITEC’s New Zealand Centre for Innovation and Entrepreneurship, was part of a study of entrepreneurship in 37 countries. The results are as follows:

## How Did New Zealand Perform?

- New Zealand’s Total Entrepreneurial Activity (TEA) was 14%, revealing that New Zealand is one of the most entrepreneurial countries in the world.
- The 2002 data shows that New Zealand was once again significantly more entrepreneurial than the United States, Canada and the United Kingdom.
- TEA varies from 2% for Japan (1 in 50 adults) to 19% for Thailand (1 in 5 adults).
- The global average is 8%.
- New Zealand has the highest proportion of opportunity entrepreneurs amongst the developed countries<sup>(1)</sup>



## Regional Entrepreneurs

- Manukau City had a TEA of 14.8% and Waitakere City was at 14.6%, both above the New Zealand rate of 14%.
- Taranaki Province at 11.9% may be below the New Zealand average this year, but are significantly higher than the other GEM countries as a whole.

- In Taranaki there are more new firms that have been open for less than 12 months.
- Taranaki is by far the most optimistic region in terms of the perceived opportunities – 20% more than the country average
- Taranaki also has the world’s highest percentage of opportunity entrepreneurs.<sup>(1)</sup>

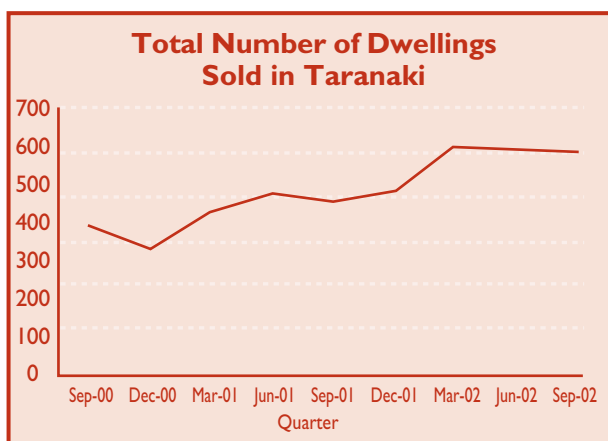
Entrepreneurial Environment Within The Regions					
	Manukau	Taranaki	Waitakere	North Shore	New Zealand
Good start up opportunities in the next 6 months	47.90%	63.60%	45.80%	52.70%	43.70%
Fear of failure would prevent individual from starting a business	30.50%	24.00%	28.20%	28.30%	29.40%
Have the knowledge, skills and experience to start a business	64.30%	58.80%	61.80%	62.30%	60%
Personally know someone who started a business in the last 2 years	38.70%	40.20%	38.10%	46.70%	40.60%
Opportunity entrepreneurship	80%	93.50%	84.60%	85%	82.60%
Necessity entrepreneurship	20%	6.50%	15.40%	15%	17.40%

(1) Opportunity entrepreneurs are people who identify available opportunities and exploit them.

# House, Farm and Section Sales

## House Sales

- There were 587 dwellings sold in the September 2002 quarter.
- Between September 2001 and September 2002 quarter the number of dwelling sales for Taranaki have increased by 29%. National dwelling sales increased by 27%.
- The graph below shows the slight decrease in sales since the June quarter this year.

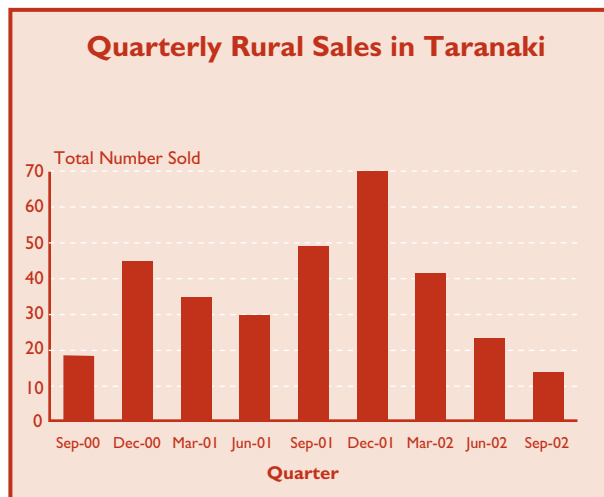


- The average price for dwellings sold during the September 2002 quarter in the Taranaki region was \$129,500. This is \$2,400 higher than the June 2002 quarter (\$127,100) and \$13,800 higher than the September 2001 quarter (\$115,700). This continues the general upwards trend in the value of Taranaki dwellings sales.
- The national average sale price for the September quarter was \$230,000.

## Farm Sales

- For the September 2002 period, 14 farms were sold in Taranaki, of which 3 were dairy farms. This is compared with 24 farms sold during the June 2002 quarter.
- This also compares with 49 farms sold for the September 2001 quarter, a 71% drop in the number of farms sold.

- The majority of farms sold in the September quarter were less than 100 hectares.
- Since the March 2002 quarter the total number of farms sold in Taranaki has dropped considerably.



## Section Sales

- There were 24 sections sold in Taranaki for the September 2002 quarter, with an average sale price of \$51,000.
- This compares closely with the 23 sections sold in the June 2002 quarter but is an increase on the 18 sold in the September quarter last year.
- In the last 12 months, there have been 90 sections sold in Taranaki.

REINZ Taranaki District President Ron Beccard reports that:

*“There are still a good number of people looking for properties in Taranaki. Also, more people are wanting to buy properties at Bell Block, especially after the opening of The Warehouse”.*

Source: REINZ Taranaki District President – Ron Beccard & Statistics New Zealand

# Construction

- Both New Plymouth and Stratford experienced an increase in the value of building consents during the September 2002 quarter. Stratford experienced a 118.3 % rise, markedly higher than the 12.1% national increase.
- When compared with the September 2001 quarter, the value of building consents in Taranaki increased significantly

Region	Growth
New Plymouth	27.6%
Stratford	118.3%
South Taranaki	-4.1%
New Zealand	12.1%

\* Growth in the value of construction consents for the September 2002 quarter over the previous quarter

## Residential Construction

- During the year ended September 2002, a total of 244 new dwelling units worth \$43.2 million were authorised for construction within Taranaki. This is a significant rise of 60% in number and an even more significant rise of 82% in value.

	Residential Construction		
	Quarter		
	Mar 02	Jun 02	Sep 02
New Plymouth	\$11,232,121	\$14,105,656	\$11,625,651
Stratford	\$1,017,698	\$614,667	\$1,493,459
South Taranaki	\$2,627,405	\$3,100,849	\$2,554,942

## Non-residential Construction

- There were 680 building consents issued for the construction and alteration of non-residential buildings, a rise of 5% from the year ended September 2001. The Taranaki figure represents an increase in non-residential building consents well above that recorded nationally which showed only a 3% increase.

	Non-Residential Construction		
	Quarter		
	Mar 02	Jun 02	Sep 02
New Plymouth	\$6,646,433	\$5,545,754	\$13,449,484
Stratford	\$1,161,944	\$1,148,534	\$2,355,673
South Taranaki	\$5,365,827	\$3,311,302	\$3,592,882

- The value of non-residential building consents was \$66.7 million, up 17% from the previous year.

Source: Statistics New Zealand

## Future Forecasts

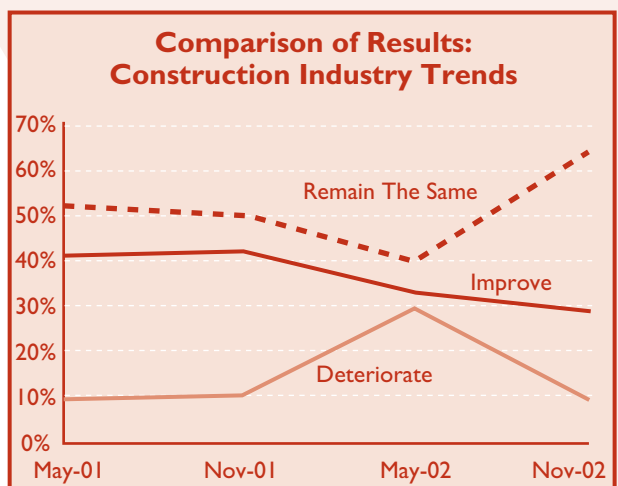
Based on Venture Taranaki's recent business survey, the following predications were made by owners/managers from the regions building and construction sector:

63% felt that their industry conditions would remain the same over the next 6 months.

-28% Improve

-9% Deteriorate

- The last year has been a rocky road for the construction sector. Earlier this year, in May, a large proportion anticipated conditions would deteriorate. However, more people are now optimistic (anticipating growth or stability in conditions for the next 6 months).

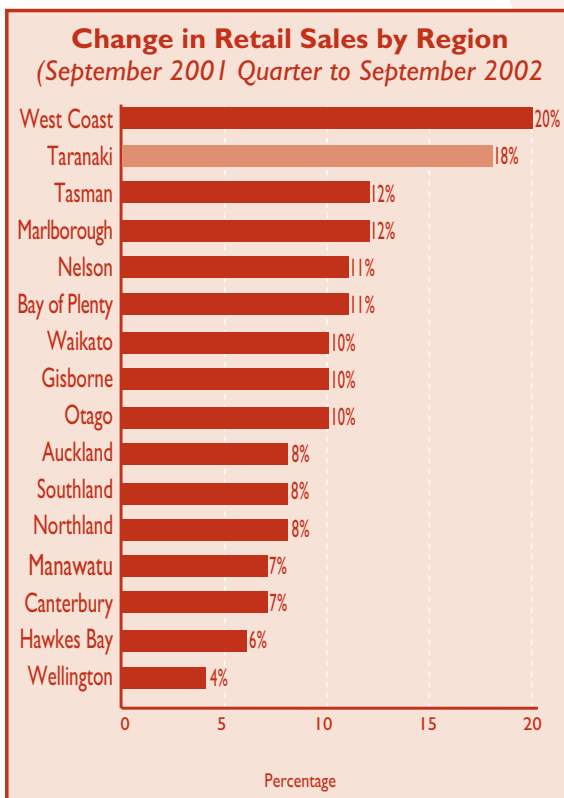


# Retail Trade

- Taranaki retail sales for the September quarter were \$330m, \$218m of which occurred in New Plymouth.
- This is the largest amount ever recorded for a September quarter in Taranaki.



- Relative to the same time last year (September 2001) Taranaki retail sales have increased convincingly, rising 18%
- The graph below shows that retail sales in Taranaki and the West Coast are well ahead of the rest of the country.



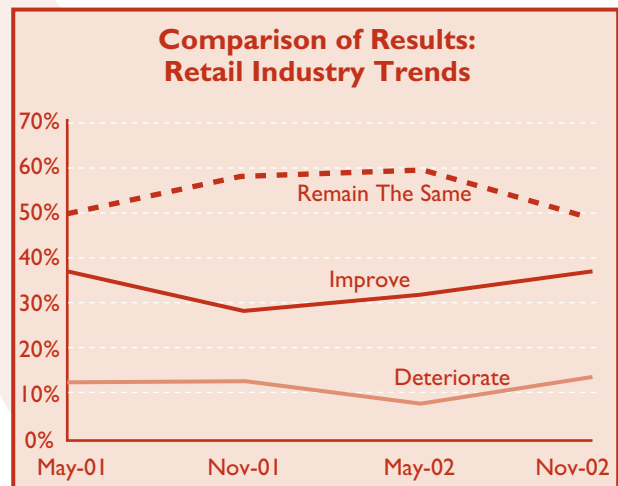
- Over this quarter Taranaki recorded the second largest increase in retail sales for any region. This is a huge jump from the 9th and 10th places recorded for the region in the earlier quarters of this year.
- On a national level, actual retail sales amounted to \$12,184 million, up 8.1% from the September 2001 quarter.

Source: Statistics New Zealand

## Future Forecasts

Based on Venture Taranaki's recent business survey, carried out in November 2002, the following predications were made by owners/managers from the regions retail sector:

- 49% felt that their industry conditions would remain the same over the next 6 months.
  - 37% Improve
  - 14% Deteriorate
- Over the last year, more retailers are predicting better industry conditions



- Retailers are also confident in terms of sales/customer levels over the next 6 months, with 58% predicting increased levels.
- Over half felt optimistic towards cashflow levels.

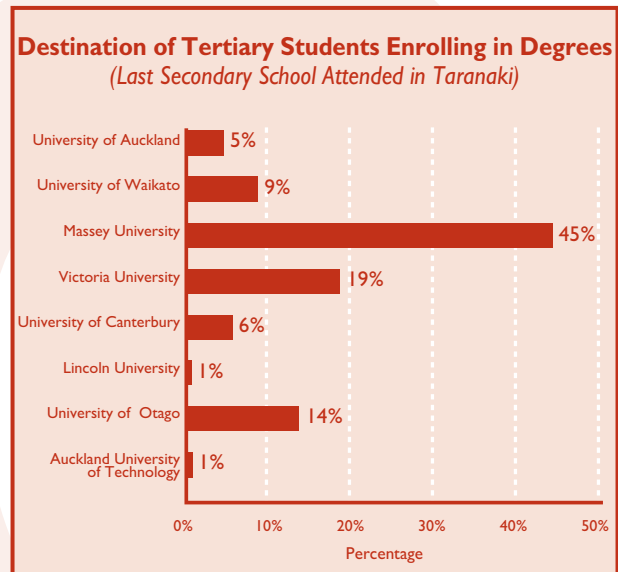
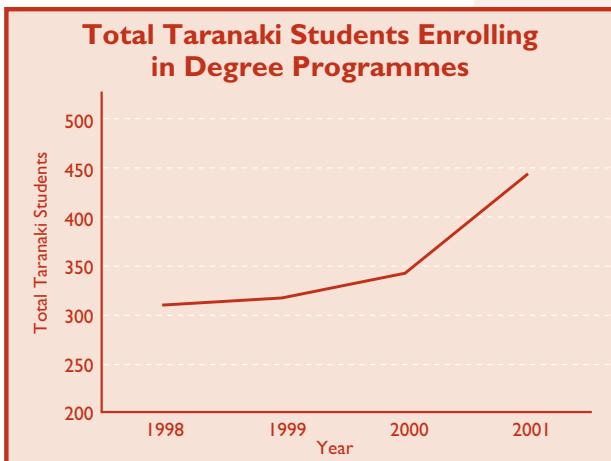
For a more detailed report visit our website [www.taranaki.info](http://www.taranaki.info)

# Taranaki Tertiary Education Profile

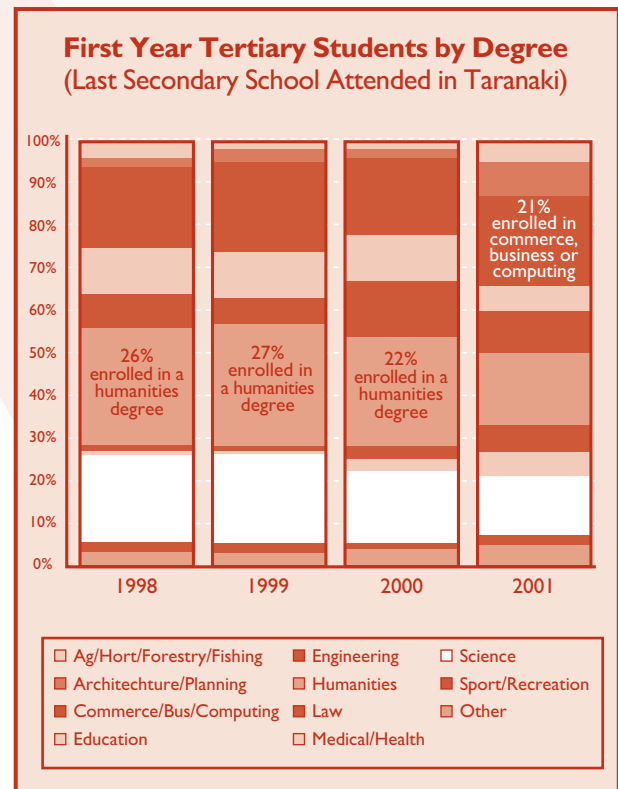
Venture Taranaki recently undertook research concerning the destinations of Taranaki school leavers, with particular emphasis on those with no school qualification. One section of this research comprised of a Taranaki Tertiary Profile. The results are as follows:

## Taranaki Tertiary Students Enrolling In Degree Programmes

- The total number of Taranaki students enrolling in degree courses among New Zealand universities is increasing.
- First year tertiary students, whose last secondary school attended was in Taranaki, totalled 312 people in 1998.
- This figure has risen to 445 students in 2001.



- Over the last four years, the destination for the vast majority of these Taranaki tertiary students (45%) was a degree course at Massey University.<sup>(1)</sup>
- Victoria University, in Wellington, was an option for 19% of Taranaki university students.
- An average of 14% over the last four years went to Otago University
- The most popular type of degree for Taranaki tertiary students enrolling between 1998 and 2000 was humanities. This particular programme gained between 22% to 26% of total enrolments.



- Commerce, business and information technology degrees were most popular in 2001.
- Alternatively, engineering, medical and education degrees were not so popular, only averaging between 9% and 3% of total enrollments.
- Recently more enrolments have been received in disciplines such as law, architecture & engineering.

**Taking into account Taranaki’s current skill shortages (engineering, health etc.), and then considering the type of degrees that most students are enrolling for, it would appear that these skill shortages are unlikely to be addressed by Taranaki’s young graduates in the short to medium term.**

**Western Institute Of Technology At Taranaki (WITT)**

- The Western Institute of Technology at Taranaki, formally known as Taranaki Polytechnic, is the region’s main tertiary provider.
- In 2001 there were a total of 1,549 people enrolled at WITT who had no formal school qualification.
- In 2001, Maori made up the largest proportion of total students at WITT with no school qualification at 44%.
- Following this, 30% of European/Pakeha enrolments stated that they have had no formal school qualifications.
- In 2001, nearly half (45%) of female students at WITT had no school qualifications, compared to 30% of males.
- Students aged 19 or under form the largest age group with no school qualifications. Since 1998, the proportion of those aged 19 years or under who have no qualifications has ranged between 63% and 88%.

**Therefore, even though these young people leave school without any school qualification, a considerable number subsequently enrol in tertiary courses in their initial years out of school.**

- Tertiary students who had left school without gaining any qualification were more likely to opt for part-time study.
- Those enrolled in certificate level courses at WITT mostly comprised of students who have no school qualification.

Percentage of WITT Enrolments Without School Qualifications By Programme of Study		
	2000	2001
Certificate Level	48%	47%
Diploma Level	25%	24%
Degree Level	27%	29%

*(1) Massey University is a multi campus university, with the main campus in Palmerston North, as well as facilities in Albany and Wellington*

*Source: Ministry of Education and Western Institute of Technology At Taranaki*

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



# Taranaki Business Outlook

Venture Taranaki conducted its seventh Business Survey in November 2002. The survey was sent out to 1000 Taranaki businesses. Of those who responded, 67% are located in the New Plymouth District, 21% South Taranaki and 9% of the businesses were from Stratford. 3% had company branches, located Taranaki wide. The results are as follows:

## New Zealand Wide Conditions

The majority of businesses (47%) believe the general New Zealand business situation will remain the same over the next 12 months.

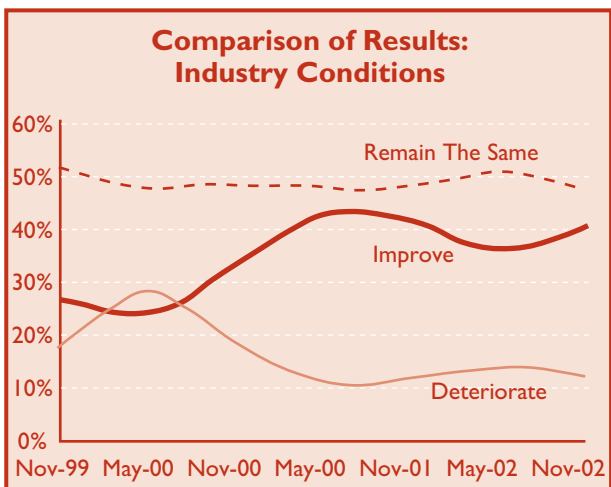
- 41% - Improve
- 12% - Deteriorate

## Industry Conditions

47% felt that business conditions in their respective industry will remain the same over the next 12 months.

- 40% - Improve
- 13% - Deteriorate

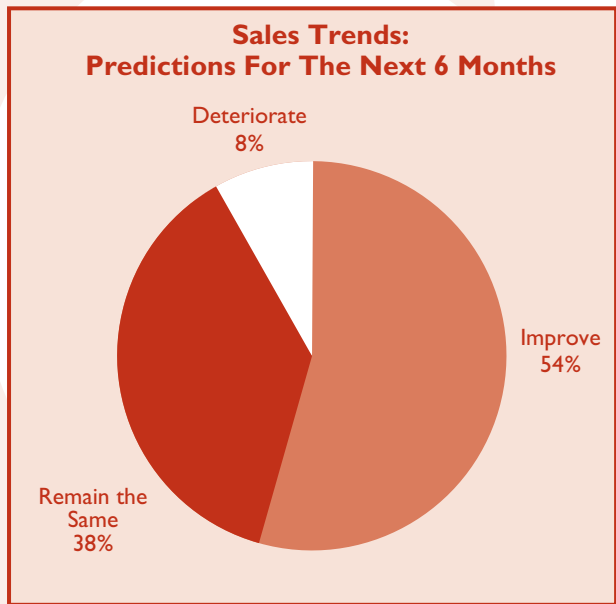
- The Mining/Oil and Gas sector are much more positive, with 80% predicting that their industry conditions will improve. The Restaurant/Accommodation sector is also confident, with 68% predicting a better year.
- Alternatively, the Transport sector are more pessimistic – 26% believe that their industry conditions will deteriorate.
- Optimism about respective industry conditions increased dramatically from May 2000. Since then this optimism has fluctuated around 40%.



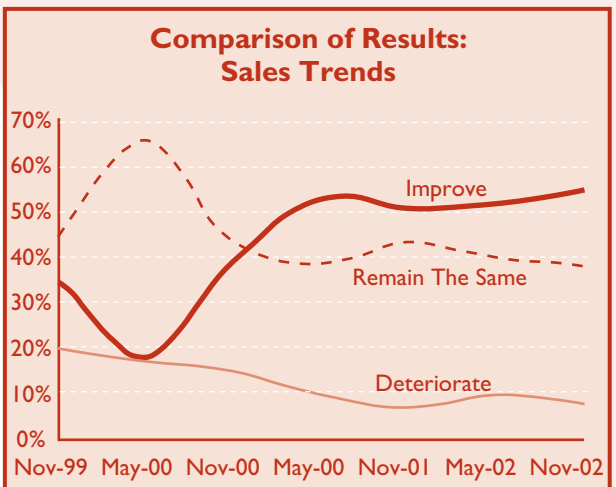
## Sales Trends

54% predicted that sales and customer levels would improve over the next 6 months.

- 38% - Remain the Same
- 8% - Deteriorate



- The last 2 years have shown that the majority of respondents are positive about anticipated sales levels.



- 86% of businesses from the Accommodation/Restaurant sector felt that sales/customer levels would increase.
- 69% – Business/Property/Financial.
- 16% of businesses from the Agriculture/Horticulture/Forestry/Fishing sector are not so positive and predict sales to decrease.
- More than half of the New Plymouth businesses predicted an increase.

Sales Levels By Location Of Businesses			
	New Plymouth	Stratford	South Taranaki
Improve	59%	32%	35%
Same	35%	48%	52%
Deteriorate	6%	20%	13%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

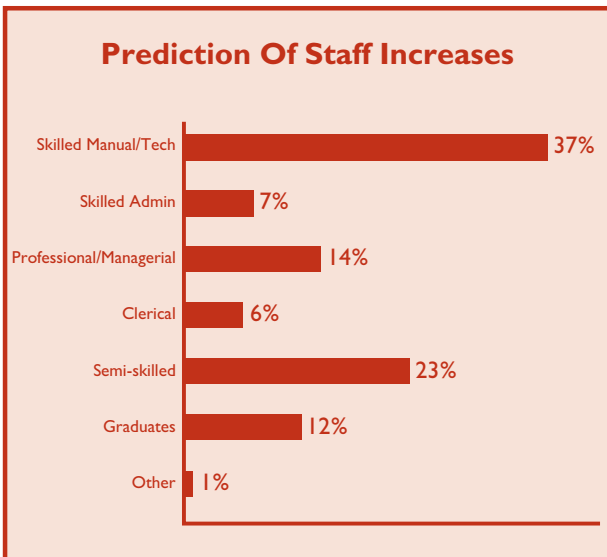
## Employment Trends

69% of Taranaki businesses predicted overall employment levels would remain the same over the next 6 months.

27% – Increase

4% – Deteriorate

- Staff increases were mainly predicted for skilled manual/technical (37%) and semi-skilled workers (23%).
- Significant increases in staff are expected to come from the Other Manufacturing sector, with 53% stating that they would be employing extra staff.



- 31% from the New Plymouth District predict increased employment, compared to 19% from South Taranaki and only 13% of businesses from Stratford.

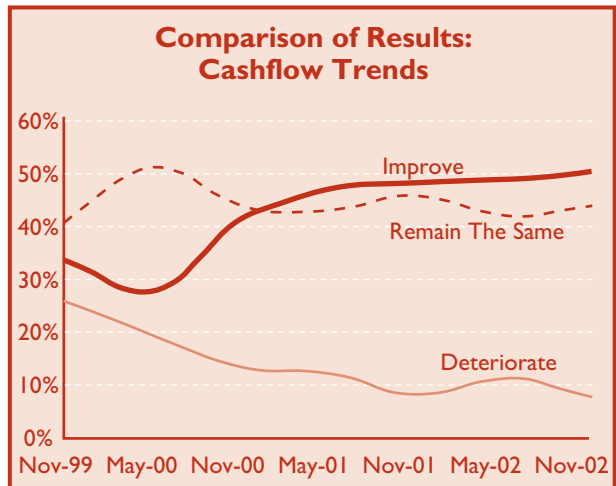
## Cashflow Trends

The majority of Taranaki businesses (49%) expect cashflow levels to improve.

43% – Remain the Same

8% – Deteriorate

- 71% of Accommodation/Restaurant businesses felt that their cashflow levels would improve.
- Of those associated with Agriculture/Horticulture/Fishing/Forestry a significant amount felt that cashflow levels would decline.
- Over the last 2 years, predictions for cashflow levels have been increasingly positive.



## Export Trends

20% of the businesses who responded are currently exporting. Of those, 46% anticipate export levels will improve over the next 6 months.

44% – Remain The Same

10% – Deteriorate

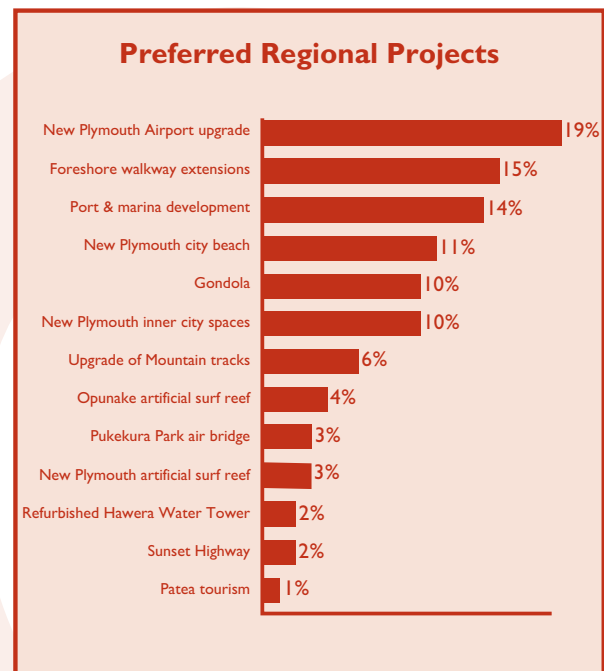
*\*A full copy of this report is available on our website – [www.taranaki.info](http://www.taranaki.info)*

# Potential Regional Projects

Results are from Venture Taranaki's recent business survey, which contained a special topic section on potential regional projects. Survey participants were given a list of proposed initiatives for the region and were asked to rank their top 3 preferred projects.

## Preferred Regional Projects

- The majority of Taranaki businesses felt that an upgrade of New Plymouth's airport was essential, resulting in 19% choosing this project in their top 3 preferred regional initiatives.
- 15% feel that the foreshore walkway has been extremely successful and they would like to see further extensions.
- A marina development at Port Taranaki, New Plymouth city beach, gondola and New Plymouth inner city spaces were also popular projects.
- When broken down by district, the most preferred initiative from New Plymouth businesses was the New Plymouth Airport upgrade. A gondola was most popular among Stratford businesses, while in South Taranaki the artificial reef at Opunake, also featured strongly along with the New Plymouth Airport Upgrade.



## General Comments On Regional Projects

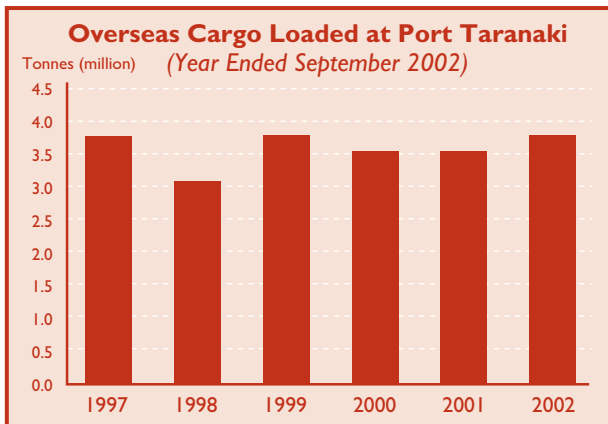
- "Airport expansion must be considered a priority to increase tourists"
- "If we do not upgrade the airport we will miss out"
- "Tourism will be the long-term stay for the Taranaki economy"
- "These projects are essential for an increase in tourism"
- "The foreshore walkway has been a success, so let's keep improving it"
- "The Mountain is our tourism life line"
- "An artificial reef would bring more tourists"
- "Development of smaller, rural towns is needed"
- "Taranaki is looking and feeling better than ever before"

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

# Export Trade

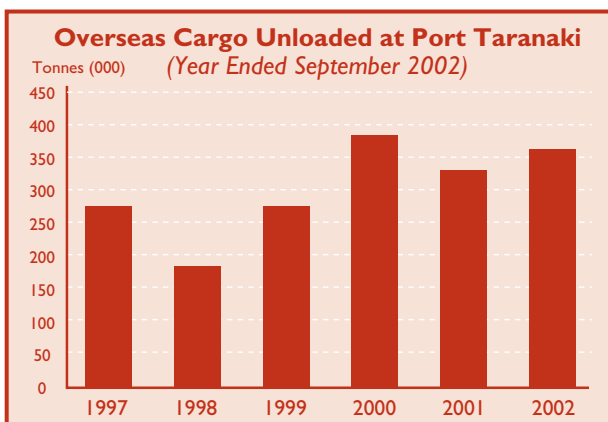
## Overseas Cargo Loaded

- For the year ended September 2002, the amount of international cargo loaded at Port Taranaki was 3,788,438 tonnes. This was a 6% increase from the previous year, compared with a national increase of 7%.
- Cargo valued at \$2,031.7 million was loaded at Port Taranaki during the same time. This represented a 6.1% increase on the previous year.



## Overseas Cargo Unloaded – International Trade

- For the year ended September 2002, the amount of international cargo unloaded at Port Taranaki was 365,380 tonnes. This was a 9% increase from the previous year.
- Cargo valued at \$193.4 million was unloaded at Port Taranaki during the same time. This represented a 23% increase in value on the previous year.



Source: Statistics New Zealand

\*Note: This information does not include coastal trade loaded/unloaded at the port.

## Port Taranaki – Coastal and International Trade

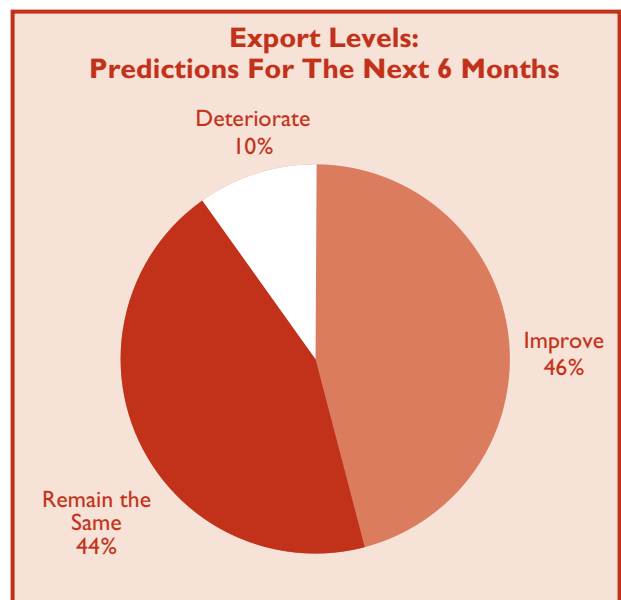
- For the 12 months ending September 2002, the total amount of international and coastal cargo loaded at Port Taranaki was 5,159,836 tonnes. This compares favourably to the 4,769,156 recorded for the year ended September 2001 – showing an 8% increase.
- For the 12 months ending September 2002, the total amount of international and coastal cargo unloaded was 541,362 tonnes. This is a 5% decrease from the previous year.

Source: Port Taranaki.

## Future Exporting

Based on Venture Taranaki's recent business survey, carried out in November 2002, 20% of businesses who responded are currently exporting.

- Of those exporting, 46% anticipated export levels will improve over the next 6 months.
  - 44% Remain the same
  - 10% Deteriorate
- Taranaki exporters are not as optimistic about conditions now as they were 2 years ago.



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

# 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)

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This report was prepared by Zara Broker and Liz Auld, Research Coordinators 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.

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