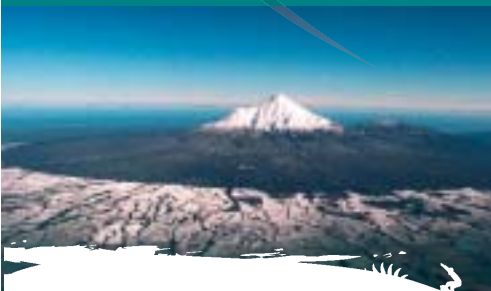


# TARANAKI TRENDS

TARANAKI ECONOMIC REPORT

2000-2005



**TARANAKI**

like no other

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# TARANAKI TRENDS

TARANAKI ECONOMIC REPORT SPECIAL EDITION

## 2000-2005

*(Document current until October 2006)*

TARANAKI  
TARANAKI  
TARANAKI  
TARANAKI

# Welcome...

Over the past six years, the purpose of Taranaki Trends has been to help quantify and demonstrate our regional progress and economic development as a province. In this edition you will read that Taranaki has more businesses, more people employed and more tourists visiting the region than ever before.

Since the year 2000, the numbers of businesses in New Plymouth District have increased by 20.6%, in Stratford District by 16.4% and in South Taranaki by 13.4%. Since 2000, employment has increased in New Plymouth District by 22%, in Stratford District by 17.6% and in South Taranaki by 11%. Visitor numbers to the region are almost 40% higher in 2005 than they were in the year 2000, and guest nights have increased by 42%. These outcomes are the envy of other regional centres in New Zealand and offshore. This community has demonstrated the highest levels of business confidence in New Zealand throughout the period, and investment flows have increased, creating new businesses and new opportunities for our Districts.

In the coming 12 months, Taranaki will become the focus for investment in the oil and gas sector, as exploration activity continues and the production from Pohokura and Maui creates direct benefits to both the local and national economies. Our supply chains to these industries remain world-class and capable of servicing the needs of major international corporations throughout Australasia. We continue to need to promote our capability and competence to new entrants to the market, who traditionally tend to work with their natural strategic partners in other markets. We also continue to promote the benefits of purchasing locally from contractors and suppliers experienced in operating within the Taranaki Basin.

Our dairy and food processing industries remain competitive despite the vagaries of world commodity prices and the strength of the New Zealand dollar. The recent decision by Fonterra to base its cheese manufacturing operations in Eltham is a testament to the skills and talents of the Taranaki workforce as well as their suppliers into this global industry.

The smart money has been invested into the growth of this province for a number of years, and has seen a tremendous rate of return. Although the odds may have shortened as awareness has expanded and more investors have flooded the market looking for quick returns, the opportunities remain impressive.

The economic outlook remains promising, with the opportunity to create added value for industry and commerce throughout the region. Many businesses demonstrate on a daily basis their ability to be based in Taranaki and deliver world-class products and services. Our region can still attract more sustainable businesses without detracting from our superb environment and lifestyle. The package is compelling, and the global community is discovering the benefits of a 'region like no other'.

*Stuart Jurdle*

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# Taranaki

Economic Trends

# The Economy

## What's Hot & What's Not?

### ↑ Regional Growth

- According to the National Bank Regional Trends Report, Taranaki recorded an increase in growth for the December quarter of 0.2 percent. Furthermore, it ended the 2005 calendar year with a year-on-year growth rate of 3.7 percent – second-equal with Gisborne and just behind leader Manawatu-Wanganui.

number of dwelling sales and section sales were less than the September 2005 quarter as well as the same period last year (December 2004).

### ↑ Real Estate – Prices

- The average sales price for dwellings sold in Taranaki during the December 2005 quarter was \$242,300 and \$135,300 for sections. Average sales prices for both dwellings and sections remain buoyant. In September 2005 the average sale price (for dwellings) was \$242,100 and for the December 2004 quarter \$203,100. The average price for sections sold in Taranaki was \$100,200 in the September 2004 quarter and \$77,300 for the December 2004 quarter.

### ↑ CPI

- The Consumer Price Index (CPI) for the New Plymouth Urban Area was 3.1 percent in the December 2005 quarter. This was less than the New Zealand CPI of 3.2 percent.

### ↑ Tourism

- Taranaki experienced 137,051 guest nights in the December 2005 quarter. This is an increase over the December 2004 period (130,212 guest nights). Taranaki also bucked the New Zealand trend – nationally, guest nights for the December 2005 quarter were less than the same period last year.

### ↑ GDP

- Economic activity increased 0.2 percent in the September 2005 quarter, following a rise of 1.2 percent in the June quarter. Annual GDP was 2.7 percent for the year ending September.

### ↑ Unemployment Rate – Quarterly Change

- The unemployment rate increased in Taranaki from 3.2 percent in September 2005 to 3.8 percent in December 2005.

### ↓ Exports

- 2005 saw a contraction in both tonnage of exports and imports through Port Taranaki. Exports were down 34.6 percent, and import tonnage down 9.1 percent over the 2004 calendar year.

### ↓ Unemployment Rate – Annual Comparison

- Although unemployment has increased slightly it remains less than the same period in 2004, when it was 4.2 percent.

### ↑ Retail Trade – Quarterly Change

- Retail sales for the Taranaki region for the December 2005 quarter were an estimated \$365.3m. This is higher than the September quarter (at \$342.7m).

### ↑ Building Consents - Residential

- For the year-ended December 2005, new dwelling consents valuing \$108.6m were issued in the Taranaki region, and \$34.6m in residential alterations. This reflects an increase over the 2004 year, when \$96.6m of new dwelling consents were issued and \$33.2m for alterations.

### ↓ Retail Trade – Annual Comparison

- Retail sales for the Taranaki region for the December 2005 quarter were less than the same period last year, when they were an estimated \$386.7m.

### ↑ Building Consents – Non Residential

- Non-residential consents also ended the year more positively than 2004. Consents valuing \$85.3m were issued in the region – up from \$81.6m in 2004.

### ↓ Real Estate – Number of Sales

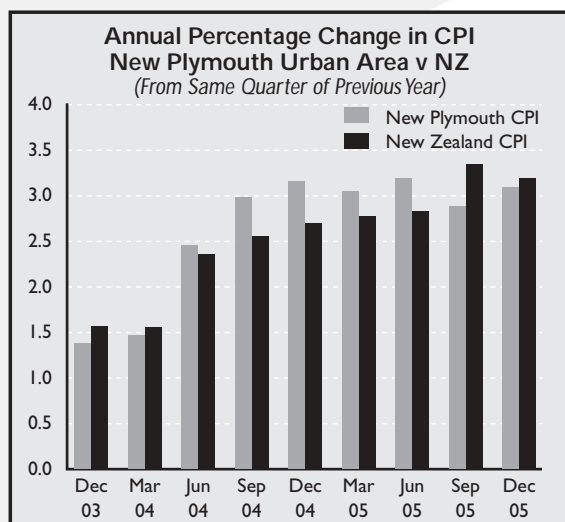
- During the December quarter, 570 dwellings were sold in Taranaki and 62 sections. The

# What's happening in the National Economy?

## Consumer Price Index

### Quarterly and Annual Change:

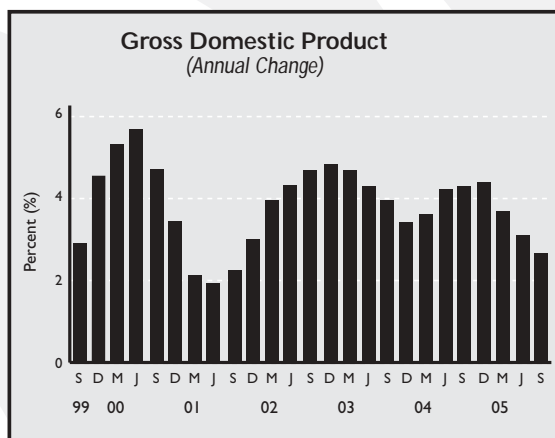
- The Consumers Price Index (CPI) rose 0.7 percent in the December 2005 quarter.
- Nationally, the annual percentage change reflected an increase of 3.2 percent, whilst the New Plymouth Urban Area experienced an annual rise of 3.1 percent.



- Nationally, the most significant upward contributions to the movement of CPI came from price increases for air travel, and the purchase and construction of new dwellings. The most significant downward contributions came from lower prices for petrol and used cars.

## Gross Domestic Product

- Economic activity increased 0.2 percent in the September 2005 quarter. This follows increases of 1.2 and 0.7 percent in the June and March 2005 quarters, respectively.
- In the year ended September 2005, the economy grew 2.7 percent, down from the 4.3 percent growth recorded in the September 2004 year.



## Household Spending

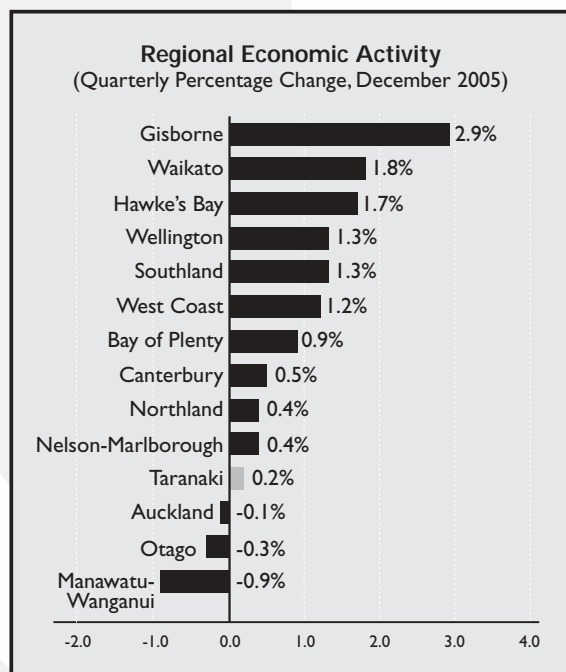
- Household spending remained buoyant this quarter, increasing 1.0 percent, following a similar rise in the previous quarter. In terms of annual assessment, household spending was up 5.3 percent for the September 2005 year, down from the 6.7 percent growth recorded in the previous September year.
- Most items of household spending were up this quarter. Expenditure on durable goods increased 2.8 percent, and expenditure on services and non-durables also rose (up 1.2 and 1.4 percent, respectively). Spending on retail food was particularly strong (up 3.0 percent). In contrast, there was a fall in expenditure overseas by New Zealand residents (down 2.5 percent). However, expenditure on overseas travel was up 17.2 percent for the September 2005 year.
- Investment in new housing fell 5.6 percent this quarter, following a 1.4 percent fall in the June 2005 quarter. For the September 2005 year, new housing investment was down 4.3 percent. This follows strong growth of 8.6 percent and 20.1 percent, respectively, for the 2004 and 2003 September years.

(Source: Statistics New Zealand)

# What's happening in the Taranaki Economy?

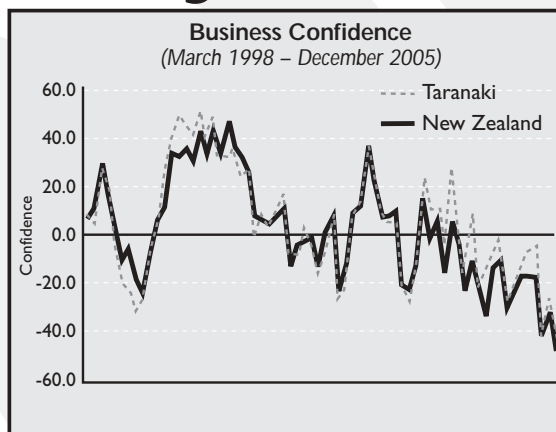
## Quarterly Change in Growth:

- According to the National Bank Regional Trends Report, 11 regions recorded a rise in economic activity in the December 2005 quarter.
- Gisborne recorded the largest increase of 2.9%. This was followed by Waikato and Hawkes Bay.
- Taranaki reported a quarterly increase of 0.2%.
- While factors such as growth in accommodation/tourism, business confidence and consumer confidence placed Taranaki amongst the best in the country, employment, house sales, new car registrations and retail trade performed less favourably.
- The Manawatu-Wanganui region reflected the lowest level of growth in the December quarter – contracting 0.9%.



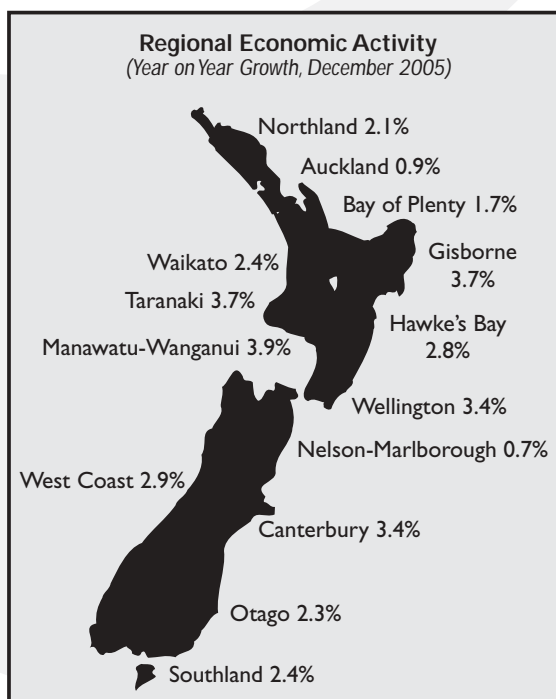
## Business Confidence

- Although business confidence has decreased regionally and nationally, Taranaki remains above the national average.



## Annual Change in Growth:

- Taranaki recorded 3.7 percent year-on-year growth for the year December 2005, second-equal with Gisborne, and just behind leader Manawatu-Wanganui at 3.9%.
- Overall, year-on-year growth slowed towards the end of 2005 in all but two areas – Hawkes Bay and Southland.
- Nelson-Marlborough recorded the lowest rate of economic growth in the 2005 calendar year, rising just 0.7 percent. Auckland has the second lowest growth rate.





# What's happening in Taranaki Business?<sup>1</sup>

## Industry – General

- New Plymouth's \$6m Huatoki Plaza is a step closer with the demolition of the former Deka building. This is the initial phase of a broader development which proposes to open up the Huatoki stream and create a new city plaza.
- Off shore development of Taranaki's Pohokura gasfield has begun. Fitzroy Engineering is part of a joint venture involved in the construction of an off-shore platform for the gas field. The firm will build the top side of the platform – a contract worth several million dollars. The field is expected to yield about 700 petajoules of gas over the next 20 years.
- Fonterra has signalled a tougher year due to the strength of the NZ dollar.
- Olex Cables, which has recently spent \$1m on new equipment as well as introducing innovations and changes to the firm, turned over \$60m last year. It aims to increase this to \$90m in the next 18 months to 2 years, on the back of an export-led growth strategy.
- Tegel is being sold to Australia's Pacific Equity Partners (PEP) from H.J. Heinz. Although major processing facilities are based at Bell Block, the prospective new owners remain positive for the area.
- A specially imported drilling rig has arrived in Taranaki from Texas, to begin finding more gas in the offshore Maui field.

- Fonterra is planning to cut 300 jobs nationwide from its Mainland cheese processing operations and consolidate its work in one plant at Eltham.
- A new \$40m shopping complex at Waiwhakaiho, called "The Valley", is currently under development and should be completed by October this year.

## Events

- Numerous events have recently occurred within the region, generating social and economic spin-offs for the region. Some highlights include:
- Joseph and the Amazing Technicolour Dreamcoat performed to 6000 at the Bowl of Brooklands.
- New Plymouth's Festival of Lights attracted nearly 200,000 visitors in two months.
- The ITU World Cup, NZ Age Selection Race (& Kids Weet-Bix Tryathlon) attracted international, national and local athletes, 10,000 spectators and extensive media coverage.
- The Doobie Brothers, and UB40, Stevie Nicks and John Farnham, John Fogerty, Amici and Russell Watson, Jimmy Cliff and Michael Crawford also performed to appreciative audiences.

## Exporting Update

- Port Taranaki has won an \$80m contract to export coal from a new mine on the South Island's west coast. The contract, initially for 18 years, will transform the ports into a facility second only to Lyttleton in terms of coal tonnages handled.
- Port Taranaki exports for the 12 months ending December 2005 were 2,038,584 tonnes. This reflects a 34.64% decrease for the same period in 2004.
- Port Taranaki imports for the 12 months ending December 2005 totalled 667,967 tonnes. This reflected a 9.11% decrease on the 2004 year.

<sup>1</sup> Sources: Daily News, Venture Taranaki, South Taranaki District Council, Stratford District Council.

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

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

## New Plymouth

- Mark and Nicki Godfrey have purchased Skyworks Aerial Photography and are operating full-time from March.
- Imagine Building Design has relocated to the King's Building in Devon Street. It is an architectural practice that prides itself on a modern, innovative approach to residential and commercial building design.
- Ross Bennett has established Cause and Effect – a graphic design business.
- Waves - for tired and sore bodies, Moyra Field's business offers a hydrotherapy massage bed.
- Bounceback Physiotherapy has opened another clinic in Parklands Shopping Centre, Bell Block.
- Proformac (Top Shop Award Winners) has expanded to include Plug N Play your authorised Jaycar Electronics stockists for Taranaki. It has the latest gadgets and electronic components.
- Dr Swartz Medical Centre has relocated to Parklands Shopping Centre, Bell Block.
- Rouge Bar and Café, Parklands Takeaways and Headline Salon are all under new ownership at Parklands Shopping Centre, Bell Block.
- Digital Fuel is a new video design company which uses high end motion graphic cameras and editing equipment. It specialises in weddings, funerals, events, promotions, presentations and commercials.
- Also newly established in the Kings Building is The Interface Financial Group.
- Niki Boutery has established Devon Clothing which specialises in individually designed garments.
- Gary TeWaaka is the owner of IT Resolutions, and his business is based in Blagdon. It specialises in computer and software sales, and IT support.
- Soupa Juice specializes in fresh juice and healthy food. It is a mobile business that is located near the playground at East End.

- Blue Heaven Villas is due to open early April and is offering 'accommodation with a difference'. It will be located in Brixton.
- Karl Zhender has purchased Bell Block Fruit and Veg.
- Brad Lockely has established Modern Entertainment . It is based in Waitara and offers DVDs, games and entertainment.
- April McIntyre has joined with Executive Nails to offer a beauty therapy clinic called Executive Beauty that complements the existing business on site.
- Daryl Christianson has established a car valet and auto broking operation.
- Sandra Watson has established Sandra's Premium Products and Pest Control. It offers fertiliser and a variety of products, including pet odor neutralisers.
- Diane Wood is the owner of Seaside Practice – a counselling B & B operation.
- Lynda Elliot has established Lynda's Sign Studio. She is a signwriter based in Waitara.
- Craig Dunn has opened Voodoo Rock a recording studio producing unique sounds.
- Reuben Uncles has established MODZ – an IT service and wholesale business.
- Electel is a new electrical firm that specialises in domestic and light commercial work. Its owner is Murray Gush.

## Hawera

- The Hawera Mitre 10 store in Glover Road has been purchased by neighbours Taranaki Farmers, and will trade in the future as Taranaki Farmers Mitre 10.
- Hawera's Nursery Rhyme has opened new premises in High Street after relocating from Union Street. The business sells clothes for babies up to three year olds.

- The Pak N Save site has been cleared and foundation preparation is underway. The project is expected to be operational by September 2006.
- Laser Electrical is developing new premises on Glover Road.
- Wrightson PGG is relocating its stock and station business to Glover Road.
- Soothill Bros Cabinetmakers is developing a double section on Glover Road.
- Obertech has established a new 'call centre' at its Glover Road premises.
- Oxygen Ltd is relocating into the former Bob Thomas Pharmacy premises on High St, Hawera.
- Robertson's Pharmacy is doubling in size by including into its existing shop the former Oxygen premises.
- Matthews Engineering has doubled its workshop area so it can handle large trucks.
- Cornish's Hawera Ltd is closing down its High St premises.
- Andy Beccard (Beccard Motors) is building a new showroom on Princess St, Hawera. He will service motor vehicles and retail Karcher water blasting equipment.
- NDA has relocated to Normanby, and its former site is about to be the new Pak n Save building.
- Custom Line Upholstery has relocated its workshop from Broadway to 25 Warwick Road.
- Colonel Malone's Restaurant and Bar has opened on the corner of Fenton Street and Broadway.
- Laurain Gardener has opened the Toy Shed on Margaret Street, selling educational toys.
- Devon Sweets in Stratford is shifting from Fenton St, Stratford to the former Shorty's Diner in Broadway to make way for new commercial development.
- Luke Smith is now the new owner of Ansford-Smith Motors in Stratford.

## Stratford

- Platinum Lodge owned by Tash and Brendan Hintz has opened the first two stages of the lodge. Hair @ Platinum is a fully operating hair salon run by Tash, and The Retreat is a beauty and massage spa.
- Best and Less from Hawera has opened a new clothing/gift store in the old Stratford Leisure building.



Sam Warriner, the face of ITU World Cup Triathlon New Plymouth

# Labour Force

## New Zealand Labour Market Overview

- The December 2005 quarter Household Labour Force Survey (HLFS) shows an easing of the employment growth seen in recent quarters, with a quarterly decrease of 1,000 (0.1 percent) and an annual increase of 31,000 (1.5 percent).
- Unemployment fell by 2,000 (1.9 percent) over the quarter, resulting in an unemployment rate of 3.6 percent. Despite an easing of employment growth, the labour market remained tight in the December 2005 quarter, with very little change in either the number of people employed or the number unemployed. The unemployment rate is the equal lowest on record.
- Furthermore, the continued growth in the working-age population was not reflected in increased capacity in the labour force, instead fuelling growth in the number of persons not in the labour force. The labour force participation rate has eased slightly, from the September 2005 quarter record high, to 67.8 percent.

New Zealand	Dec Qtr	Quarterly Change	Annual Change
Unemployment Rate	3.6%	-0.1%	0.0%
Unemployed	78,000	-1.9%	+0.7%
Employed	2,085,000	-0.1%	+1.5%
Not in the Labour Force	1,025,000	+1.1%	+0.8%
Labour Force Participation Rate	67.8%	-0.3%	+0.1%

## Taranaki Labour Market

- Unemployment in Taranaki increased from 3.2 percent in September 2005 to 3.8 percent in December 2005.

- However, unemployment is lower than the same period last year (December 2004) when it was 4.2 percent.

## Regional Comparison

- Relative to other regions, Taranaki recorded the sixth-lowest unemployment rate.
- Low unemployment in the lower North Island and South Island is apparent, with Wellington, Tasman/Nelson/West Coast/Marlborough region, Southland and Canterbury recording the lowest rates in the country.

Regional Unemployment Rate (December 2005)		
Region	Unemployment Rate	Rank
Northland	4.4	10
Auckland	3.7	5
Waikato	4.0	7
Bay of Plenty	4.0	7
Gisborne/Hawkes Bay	4.5	11
Taranaki	3.8	6
Manawatu/Wanganui	4.1	9
Wellington	3.1	3
Tasman/Nelson/Marlborough/West Coast	3.3	5
Canterbury	2.4	2
Otago	3.2	4
Southland	1.4	1
New Zealand	3.6	-

## Average Hourly Earnings

- Average hourly earnings for the Taranaki region increased from \$19.90 in the September quarter to \$20.22 percent in December 2005. Nationally, average hourly earnings are \$21.35.

(Source: Statistics New Zealand - Household Labour Force Survey and Quarterly Employment Survey)

# Special Feature

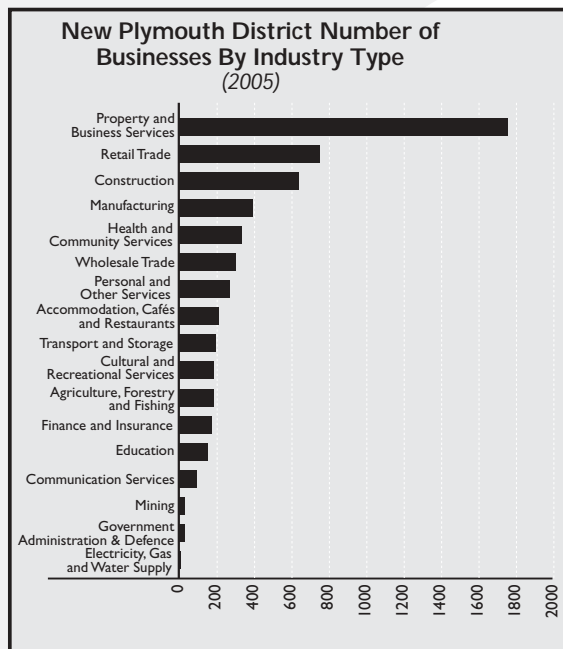
## Taranaki Business and Employment: What's changed since 2000?

### New Plymouth District

#### Number of Businesses

#### Status: 2005

- New Plymouth District has (as at February 2005) 5622 businesses (NB: excluding farms).
- As highlighted in the graph below, the majority of businesses in the New Plymouth District are involved in property and business services, retail and construction.

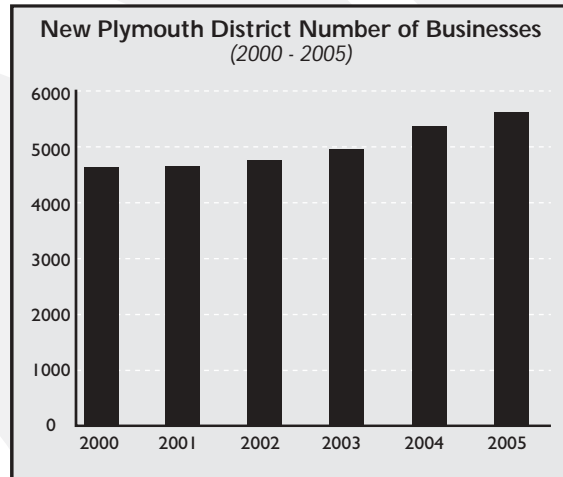


#### What has changed since 2000?

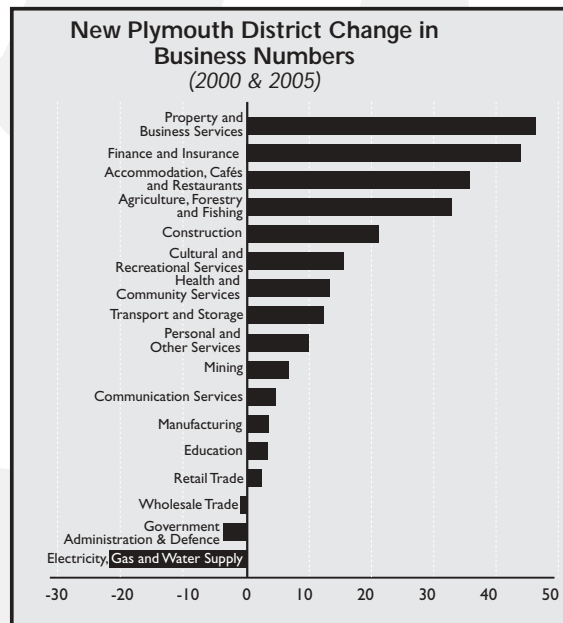
- Since 2000, the number of businesses in the New Plymouth District has increased by 20.6%.

<sup>1</sup> This survey is undertaken annually in February. Businesses reflect geographic units. This analysis does not include farms. Economically significant operations only are included. These have annual sales or GST expenses of \$30,000+ & employ more than 2 full time employees. Employees are reflected as FTE equivalents: i.e. Total number of employees working full time plus half the number of employees & working proprietors working part time.

(Source: Statistics New Zealand)



- The District has more businesses in virtually every major industry group in 2005, relative to 2000.

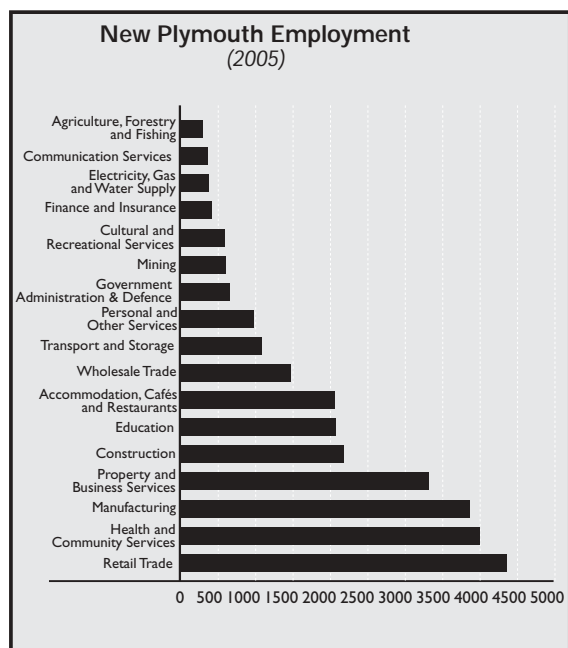


- Biggest sources of growth in terms of business numbers (i.e. percent increase relative to 2000):
  - Property and business services
  - Finance and insurance
  - Accommodation/cafés/restaurants
  - Services to the agricultural sector
  - Construction.
- Where have business numbers contracted (i.e. percent decrease relative to 2000):
  - Wholesale trade businesses
  - Government services
  - Electricity/gas/water supply

# Employment

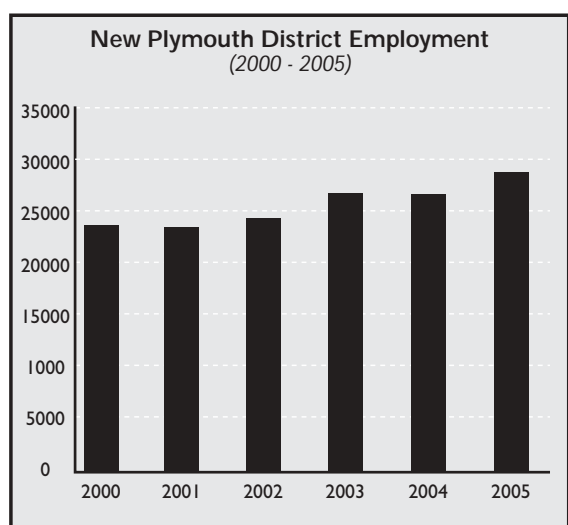
## Status: 2005

- As at February 2005 there were 28,790 full time equivalent employees in the New Plymouth District.
- Retail, health and community services, manufacturing and property/business services are major sources of employment within the New Plymouth District (as shown in the graph below)



## What has changed since 2000?

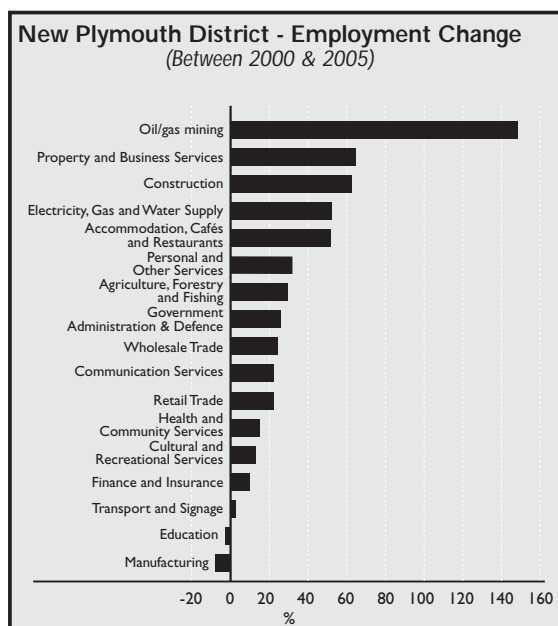
- Compared with 2000, employment in the District has increased by 22%.



(Source: Statistics New Zealand)

## Where has Employment Increased/Contracted?

- Relative to the year 2000, employment growth (in terms of percent) can be observed in the majority of industry groups.
- Most significant areas of increased employment growth (i.e. percent change between 2000 & 2005):
  - Oil/gas mining
  - Property/business services
  - Construction



- As highlighted in the previous graph, employment in education and manufacturing has declined.
- However a more in-depth analysis (refer to the table below) which tracks employment changes on an annual basis in relation to these sectors highlights how their employment numbers fluctuate from year to year.

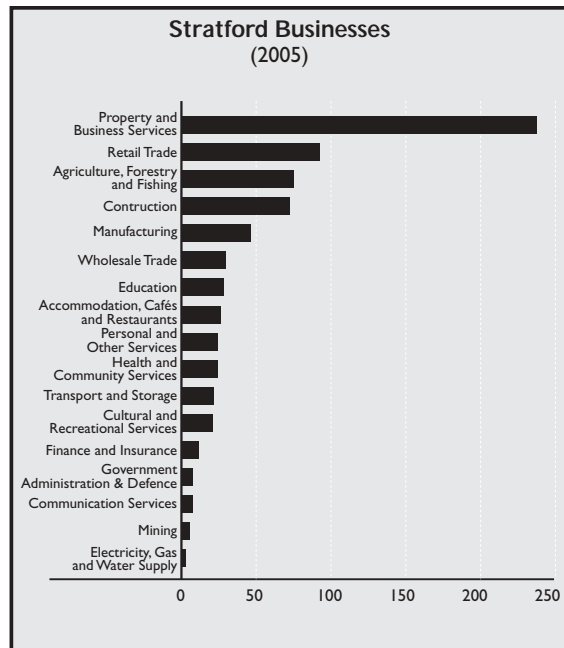
Employment Change 2000 & 2005	Manufacturing	Education
	-7.67	-2.8
Annual Trend		
2000	4170	2140
2001	3720	2170
2002	3910	1840
2003	3980	2010
2004	3750	2130
2005	3850	2080

# Stratford District

## Number of Businesses

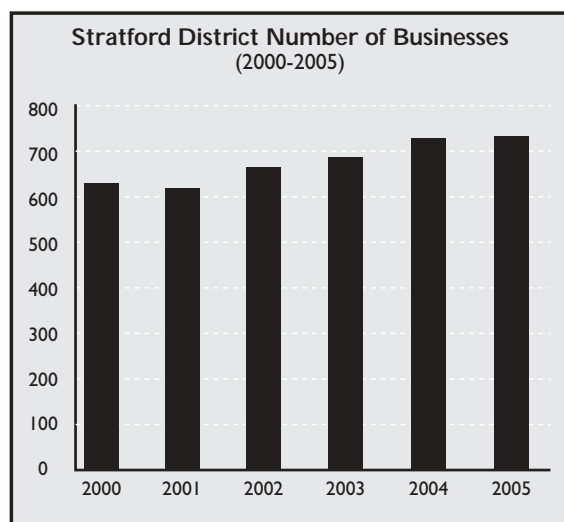
### Status: 2005

- As at 2005, Stratford has 733 businesses.
- The majority of businesses in the Stratford District are involved in property and business services, retail, and services to agriculture (as indicated in the graph below).



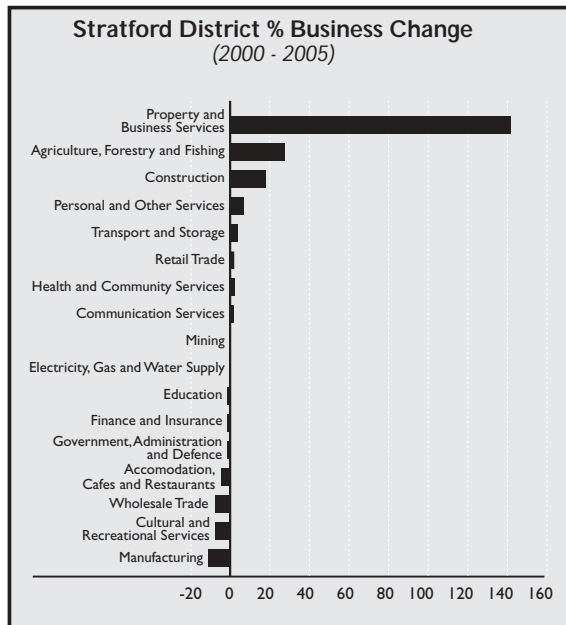
### What has changed since 2000?

- Since 2000, the number of businesses in Stratford District has increased by 16.4%.



## Industry Changes: 2005 Compared with 2000

- Biggest sources of growth in terms of business numbers (i.e percent increase relative to 2000)
  - Property and business services
  - Agriculture sector
  - Construction.

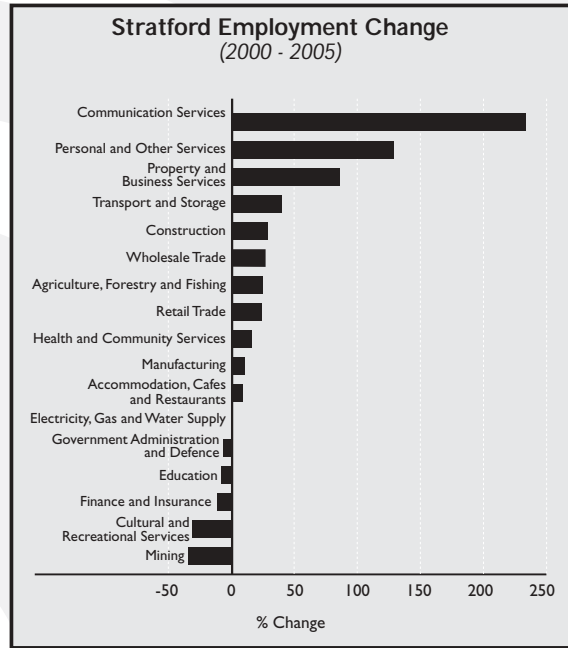
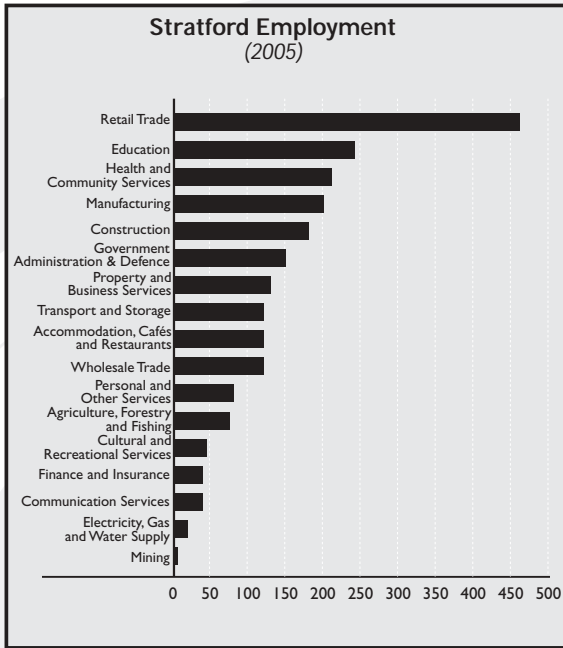


- Where have business numbers contracted (i.e. percent decrease relative to 2000)
  - Manufacturing
  - Cultural and recreational services
  - Wholesale trade
  - Accommodation/cafés and restaurants.

## Employment

### Status: 2005

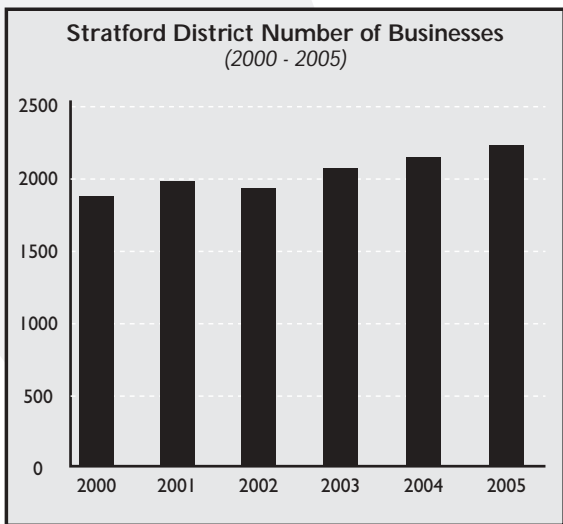
- As at February 2005, there were 1901 full time equivalent employees in Stratford (excluding farms).
- Retail, education, health & community services, manufacturing and construction are major sources of employment within the Stratford District.



## Changes: 2000 compared with 2005

- Relative to the year 2000, employment levels in the year 2005 are 17.62 percent higher.
- Employment changes on an annual basis are highlighted on the graph below.

- Employment growth (as indicated in the graph) can be seen in sectors such as communications, 'personal', property and business services.
- Although there are fewer businesses involved in manufacturing and accommodation/restaurant/café when compared with 2000 (as indicated earlier), there are more people employed within such industries (as shown in the graph above).



- Relative to the year 2000, employment growth can be observed in approximately two-thirds of the major business/industry sector groups in Stratford.





## South Taranaki District

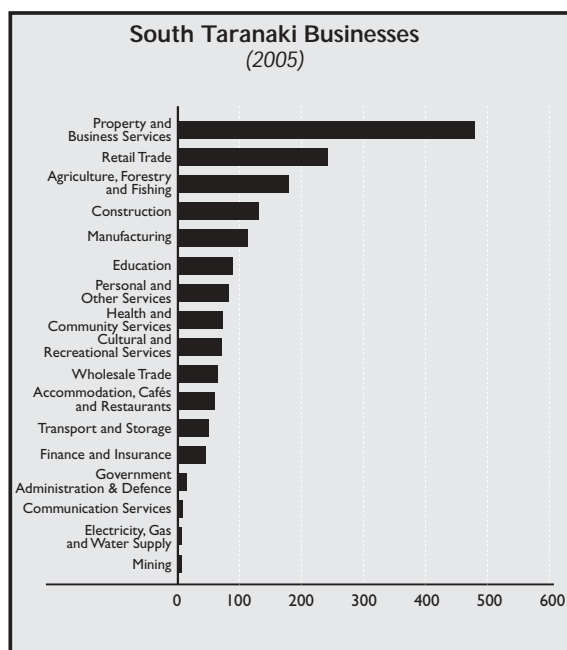
### Number of Businesses

#### Status: 2005:

- As at 2005, there were 1946 businesses (excluding farms) in the South Taranaki District.

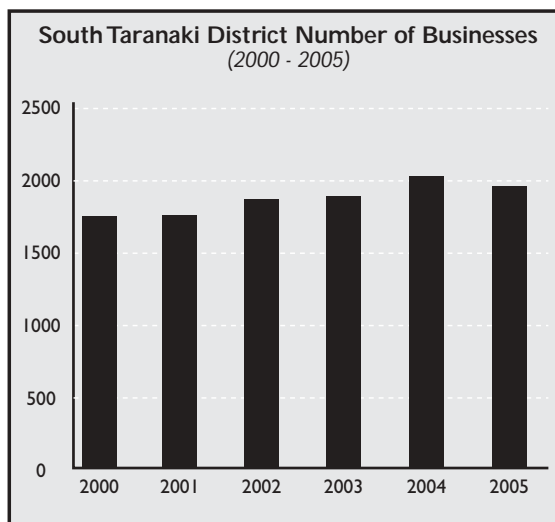
#### What do they do?

- The majority of businesses in the South Taranaki District are involved in property and business services, retail, and services to agriculture, construction and manufacturing.



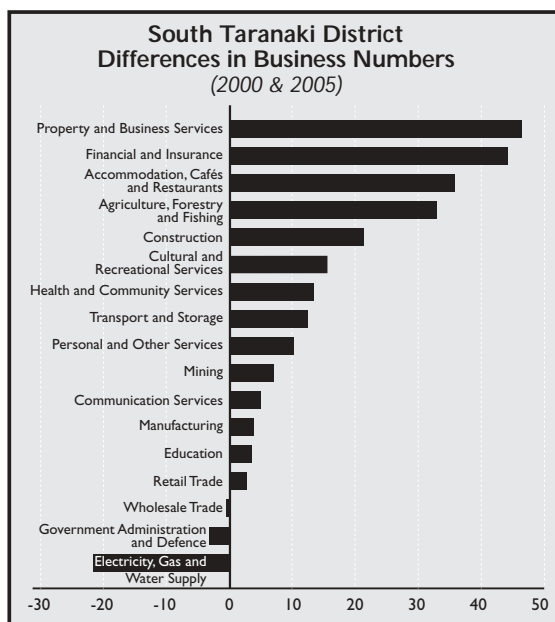
#### What has changed since 2000?

- Since February 2000, the number of businesses in the South Taranaki District has increased by 13.4%.
- The following graph highlights annual changes in business numbers:



#### 2000 Compared With 2005: What has Changed Industry-Wise?

- Biggest sources of growth in terms of business numbers (i.e. percent increase relative to 2000)
  - Property/business services
  - Finance/insurance services
  - Accommodation/cafés/restaurants
  - Agriculture, services.



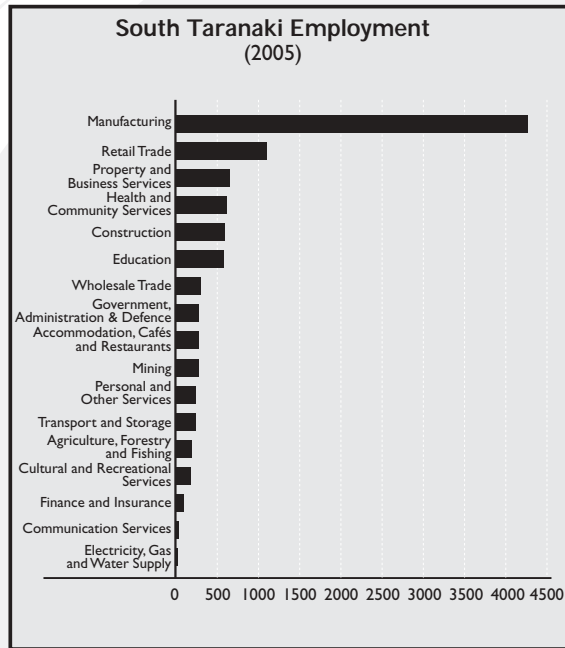
### Employment

- Employment has increased in the district by 11% since 2000, to 9910 full time equivalent employees (as at February 2005).

(Source: Statistics New Zealand)

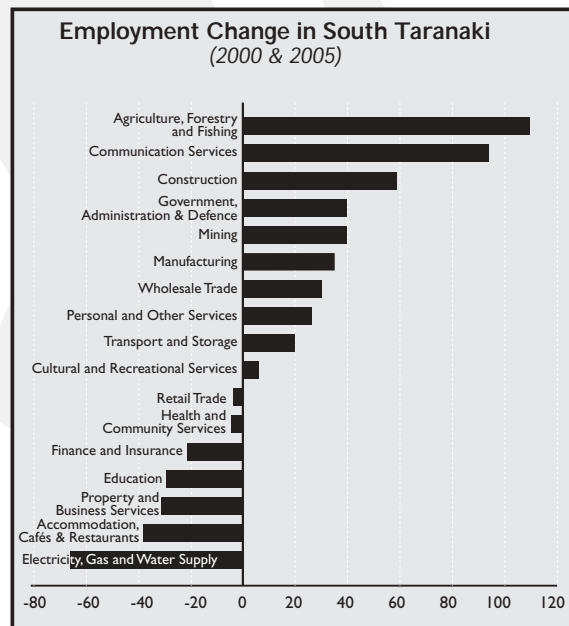
## Where Do People Work?

- Manufacturing dominates the employment scene in South Taranaki, followed by retail and property/business services.
- Manufacturing accounts for almost 43% of full time equivalent employees (NB: figures exclude farm employment).



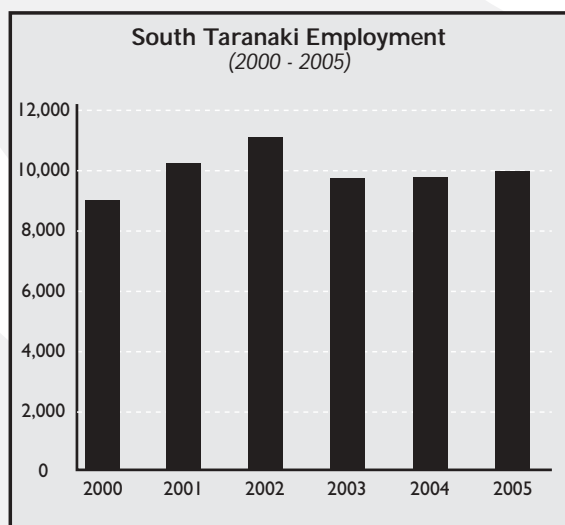
## What Has Changed In Terms of Employment Since 2000?

- Relative to the year 2000, employment has increased in manufacturing, along with many other industry sectors such as services to agriculture, communications, construction and Government.
- However, there are conversely less people employed in industries such as electricity/water/gas, accommodation, café/restaurants, property/business, finance/insurance as well as education.

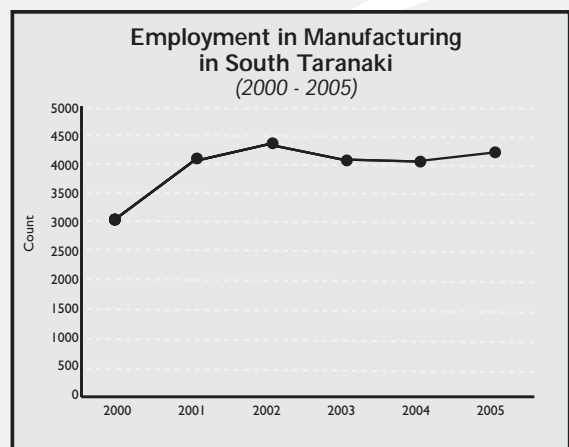


## What has changed since 2000?

- Relative to the year 2000, employment has increased in the district by 11%.



- Annual changes in employment (2000-2005) within manufacturing in the South Taranaki District, is shown below.



(Source: Statistics New Zealand)

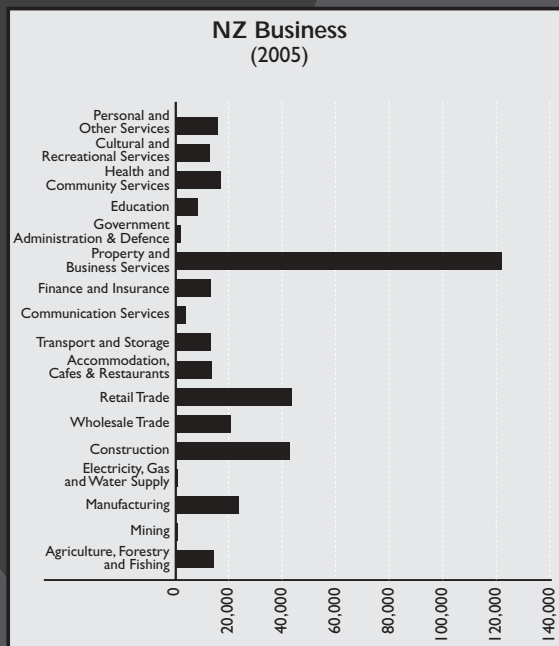
## Taranaki verses New Zealand Business and Employment: 2000-2005

What are the national trends? Are Taranaki's changes different? How does the region stack up in terms of growth?

### Business

#### Number of Businesses and Overall Growth

- As at February 2005, there were 366,128 businesses in New Zealand.
- Property and business services, retail and construction comprise the majority of businesses in New Zealand.

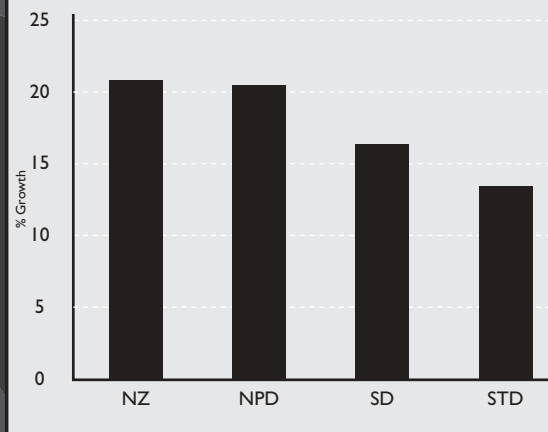


#### Growth Rate Comparison: 2000 & 2005

- Relative to the year 2000, the number of businesses in New Zealand in 2005 has increased by 20.9 percent.
- This growth rate is comparable to that of New Plymouth District (20.6 percent).
- The national growth rate (2000 & 2005) is higher than that of Stratford (16.4 percent) and South Taranaki (13.4 percent).
- The following graph highlights this comparison.

(Source: Statistics New Zealand)

Percentage Growth in Numbers of Businesses (2000 & 2005 Comparison)



#### Business Composition (%): Is Taranaki's Profile the Same or Different to the NZ Business Profile?

- The following table lists the top three industry sectors (as determined by business numbers) for New Zealand, New Plymouth, Stratford and South Taranaki.
- The table highlights that New Plymouth District shares a similar business profile to New Zealand profile, ie the majority of businesses are involved in property/business services, retail and construction.
- Agriculture services, however, comprise a greater percentage of businesses numbers in Stratford and South Taranaki, relative to the national profile.

Area	Business Number Composition: The Top Three:
New Zealand	1. Property/Business Services 2. Retail 3. Construction
New Plymouth District	Same as New Zealand
Stratford District	1. Property/Business Services 2. Retail 3. Agricultural Services
South Taranaki	Same as Stratford

**Business/Industry Growth Comparison  
2000 - 2005 – Is Taranaki's Industry Growth  
Profile Similar or Different to NZ?**

- The following table lists the industry sectors which have increased the most (percent change) between the years 2000 - 2005, for New Zealand, New Plymouth, Stratford and South Taranaki.

Area	Business Number Growth: The Top Three:
New Zealand	1. Property/Business Services 2. Accommodation/Restaurant/Cafes 3. Agricultural Services
New Plymouth District	1. Property/Business Services 2. Finance/Insurance 3. Accommodation/Restaurant/Cafes
Stratford District	1. Property/Business Services 2. Agricultural Services 3. Construction
South Taranaki	1. Property/Business Services 2. Finance/Insurance 3. Accommodation/Restaurant/Cafes

- It highlights that businesses involved in property and business services have been the biggest source of growth nationally and regionally (percentage change in terms of numbers).
- Accommodation/restaurants/cafes have also increased at a national level, as well as in New Plymouth District and South Taranaki.
- Finance/insurance businesses have increased to a greater extent in Taranaki (New Plymouth District and South Taranaki) relative to the New Zealand average.
- Agriculture services have increased nationally, and this is also reflected in Stratford.

(Source: Statistics New Zealand)

**Employment**

**Employment and Overall Growth 2000 - 2005**

- Since 2000, the number of full time equivalent (FTE) employees in New Zealand has increased by 21.87% to a total of 1,726,120.
- New Plymouth District compares favourably with this growth rate.
- Stratford and South Taranaki have also experienced an increase in FTEs in 2005, relative to 2000, however at lower rates than that of the national average.

Area	Employment Change: 2000 - 2005
New Zealand	21.87%
New Plymouth District	22.35%
Stratford District	17.62%
South Taranaki District	10.63%

**Employment Composition**

The following graph compares the employment composition (as at 2005) between New Zealand, New Plymouth District, Stratford and South Taranaki.

It indicates:

- The importance of manufacturing to South Taranaki's employment base.
- Retail is an important source of employment nationally and regionally.
- Property and business services, as well as proving significant in numbers of businesses, are also an important source of employment.
- Education is an important source of employment within Stratford.
- Health & Community services are important to the employment base of both New Plymouth and Stratford.

Industry	%NZ	%NPD	%SD	%ST
Agriculture, Services	1.99	1.08	3.35	2.02
Mining/Oil & Gas Exploration	0.26	2.15	0.27	2.83
Manufacturing	14.93	13.37	8.94	42.67
Electricity, Gas and Water Supply	0.43	1.32	0.89	0.06
Construction	6.22	7.57	8.05	5.97
Wholesale Trade	6.63	5.14	5.37	3.03
Retail Trade	13.12	15.07	20.57	11.02
Accommodation, Cafes/Restaurants	6.36	7.16	5.37	2.83
Transport/Storage	4.32	3.79	5.37	2.43
Communication Services	1.61	1.32	1.79	0.35
Finance/Insurance	3.01	1.53	1.79	1.11
Property/Business Services	13.04	11.5	5.81	6.57
Government Administration/Defence	3.98	2.36	6.71	2.83
Education	7.46	7.22	10.73	5.86
Health/Community Services	10.32	13.89	9.39	6.17
Cultural/Recreational Services	2.73	2.08	2.01	1.82
Personal/Other Services	3.58	3.44	3.58	2.43
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Relative to the national average, New Plymouth has higher levels of employment in:

- Mining/Oil&Gas Exploration
- Electricity/Water/Gas
- Construction
- Retail
- Accommodation/Restaurants/Cafes
- Health/Community Services

Relative to the national average, Stratford has higher levels of employment in:

- Agriculture Services
- Mining/Oil & Gas Exploration
- Electricity/Water/Gas
- Construction
- Retail
- Government Administration
- Education.

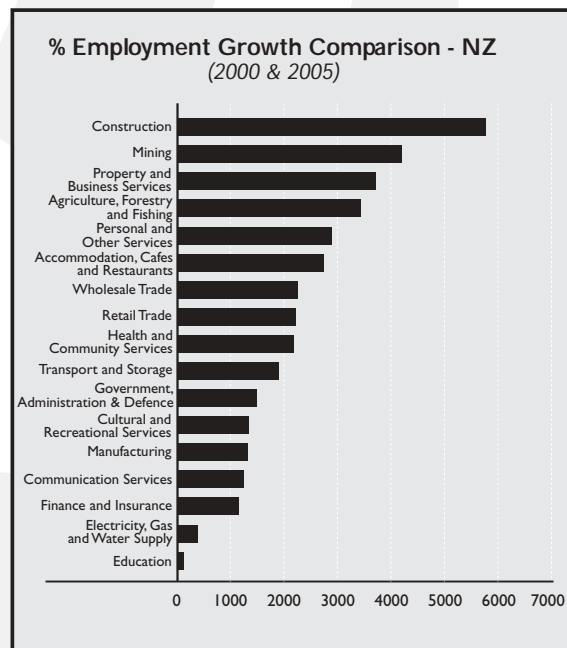
Relative to the national average, South Taranaki has higher levels of employment in:

- Agriculture Services
- Mining/Oil & Gas Exploration
- Manufacturing

### NZ Employment Growth By Industry and Comparison with Taranaki.

New Zealand:

- Relative to 2000, employment has increased in all major industry sectors in New Zealand in 2005.
- Construction has experienced the largest growth in New Zealand (as percent).
- Furthermore, mining/oil & gas exploration, property/business services and agriculture services have all increased by more than 30% in terms of FTEs since 2000.
- Education has grown the least.



### Employment: Regional Comparison with New Zealand.

- Compared with New Zealand, the region reflects some similar growth patterns as well as differences.
- Employment in Mining/Oil & Gas Exploration has increased nationally, and this has been reflected in the New Plymouth District.
- However employment growth in communication services is more apparent in Stratford and South Taranaki, than in the national average.

(Source: Statistics New Zealand)

Area	Employment Growth (%) 2000 - 2005 Comparison The Top Three Industries:
New Zealand	<ol style="list-style-type: none"> <li>1. Construction</li> <li>2. Mining/Oil &amp; Gas Exploration</li> <li>3. Property/Business Services</li> </ol>
New Plymouth District	<ol style="list-style-type: none"> <li>1. Mining/Oil &amp; Gas Exploration</li> <li>2. Property &amp; Business Services</li> <li>3. Construction</li> </ol>
Stratford District	<ol style="list-style-type: none"> <li>1. Communication Services</li> <li>2. Personal &amp; Other Services</li> <li>3. Property &amp; Business Services</li> </ol>
South Taranaki	<ol style="list-style-type: none"> <li>1. Agriculture Services</li> <li>2. Communication Services</li> <li>3. Construction</li> </ol>



# Tourism<sup>1</sup>

## The December 2005 Quarter

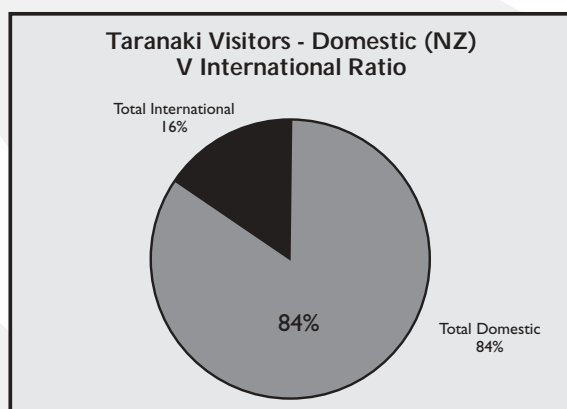
- For the December 2005 quarter, 67,998 people visited the Taranaki region and stayed in short term commercial accommodation.
- Visitors stayed on average 2.02 nights. Taranaki's average length of stay was above the national average (1.8 nights).
- In total, guest nights for the region equated to 137,051.

Comparison (December 2005 Quarter v December 2004 Quarter)		
Location	Guest Arrivals	Guest Nights
Taranaki	+3.5 percent	+5.3 percent
New Zealand	-1.2 percent	-1.1 percent

- Taranaki's results bucked the New Zealand trend. Nationally, visitor numbers were down -1.2 percent for the December quarter (relative to the same period in 2004). Furthermore guest nights also registered a decrease down -1.1 percent.

## The Origin of Visitor Guest Nights

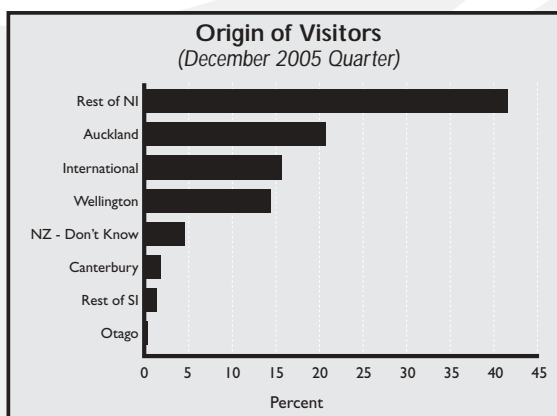
- A total of 84.4 percent of guest nights in the December quarter (115,705) stemmed from visitors from other parts of New Zealand, whilst 15.6 percent of guest nights (21,405) were from international visitors.



- Within New Zealand, the majority of New Zealand visitors to Taranaki were from North Island locations.
- Centres outside Auckland and Wellington comprised the major source of Taranaki's visitors (49.15 percent) for the December quarter. Auckland featured as the next most dominant source of visitors to the region with 24.48 percent.

NZ Location	% December Quarter
Otago	0.38
Rest of SI	1.65
Canterbury	2.02
NZ - Don't Know	5.38
Wellington	16.94
Auckland	24.48
Rest of NI	49.15
<b>Total NZ Guest Nights</b>	<b>100.00</b>

- The following graph highlights all guest nights (national and international) in terms of origin, for the December quarter.
- The top three sources of guest nights in commercial accommodation for the December 2005 quarter were:
  - Rest of North Island visitors
  - Auckland visitors
  - International visitors



<sup>1</sup> Figures in this analysis only include visitors staying in short term commercial accommodation establishments such as hotels, backpackers, camping grounds etc. Accommodation outlets include economically significant providers i.e. annual turnover of \$30,000+ and GST registered. One guest night equates to one guest spending one night in an establishment i.e. 15 guests spending 2 nights would equate to 30 guest nights.

- Year end figures indicate that Taranaki enjoyed a 7.1% increase in guest nights, and a 5.2% increase in guest arrivals to Taranaki, well up on the national figures of a 1.8% increase in guest nights and a 2.1% increase in guest arrivals.

## Analysis by Taranaki District<sup>2</sup>

### New Plymouth

- There were 54,589 visitors to the New Plymouth District during the December 2005 quarter, staying on average 2.06 nights. The October to December quarter is typically the second busiest quarter for the tourism sector behind January to March.
- Guest nights for the December quarter equated to 112,841 – an increase of 4.8 percent over the same period last year.
- The occupancy rate for the district in the December quarter was 38.7 percent, slightly down on 2004 figures due to an increase in accommodation capacity.
- Overall, the New Plymouth District experienced a more buoyant year with visitor numbers up 4.3 percent for the 2005 calendar year, and guest nights up 6.2 percent.

Visitors by District (September 2005 & December 2004)		
District	Sept Quarter	Dec Quarter
New Plymouth	44,630	54,589
Stratford	3,279	5,813
South Taranaki	5,816	7,536
<b>Total</b>	<b>53,725</b>	<b>67,938</b>

### South Taranaki District

- There were 7536 visitors to the South Taranaki District during the December 2005 quarter, staying on average 1.68 nights. In September the district had an estimated 5816 visitors staying in commercial accommodation.
- Guest nights for the December quarter equated to 12,827 – a slight decrease of 2.8 percent over the same period last year.

- The occupancy rate for the district in the December quarter was 16.4 percent.
- Overall the South Taranaki District experienced a buoyant year, with visitor numbers up 4.9 percent for the 2005 calendar year, and guest nights up 7.0 percent.

### Stratford

- Stratford experienced a terrific December 2005 quarter.
- Visitors to Stratford during the December 2005 quarter totalled 5873, indicating an increase of 15.1 percent over the same period in 2004.
- Guest nights also highlighted a significantly more buoyant December quarter – up 22 percent over December 2004.
- The occupancy rate for the district in the December quarter was 24.6 percent. In the December 2004 quarter it was 19.5 percent.
- Overall, for the 2005 calendar year, Stratford experienced a growth in visitor arrivals of 16.7 percent, coupled with an increase in total guest nights of 18.7 percent.

Taranaki District Overview (For Year Ending December 2005)		
District	Visitors	Guest Nights
New Plymouth District	4.3 percent	6.2 percent
Stratford	16.7 percent	18.7 percent
South Taranaki	4.9 percent	18.7 percent
South Taranaki	4.9 percent	7.0 percent

<sup>2</sup> TLA totals may vary slightly from the regional total due to rounding.

(Source: Statistics New Zealand)

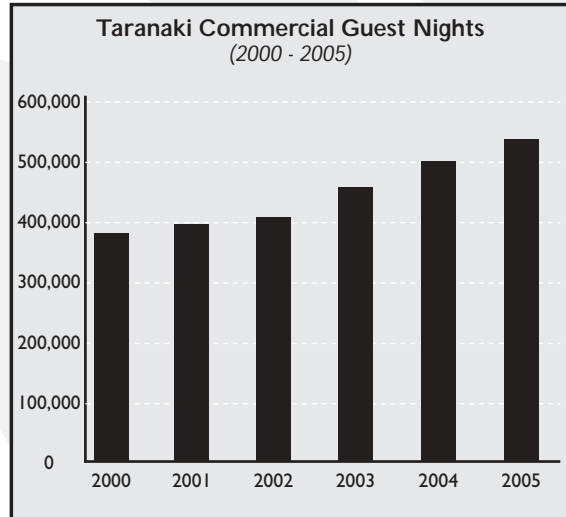
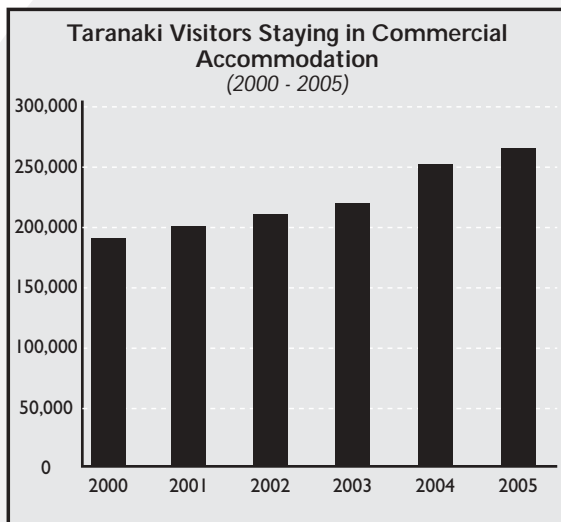


# Special Feature

## Taranaki Tourism – what’s changed since 2000?

### Visitor Arrivals

- Since 2000, the number of visitors who come to Taranaki and stay in commercial accommodation has increased each year.
- Relative to the year 2000, visitor numbers to Taranaki in 2005 is 39.5 percent higher.



### New Zealand comparison

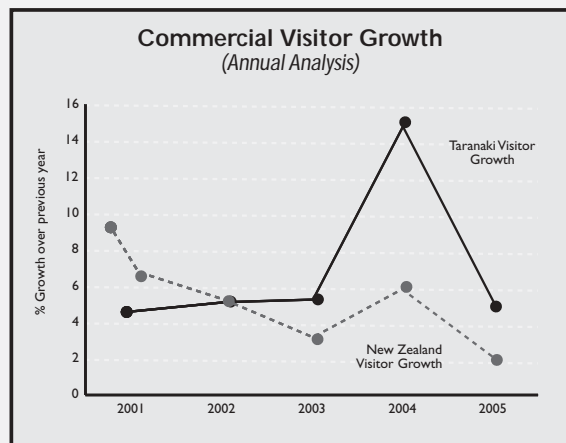
- Such growth ranks favourably against that of New Zealand.

Comparison 2000 & 2005	New Zealand Growth	Taranaki Growth
Guest Nights	23.6	42
Visitor Numbers	25.5	39.5

### Guest Nights

- Guest nights have also increased each year since 2000.
- Total commercial guest nights for Taranaki for the year ending 2005 are 42 percent higher than they were for 2000.

- Since 2002, Taranaki’s visitors numbers have increased at a rate higher than the national average (when comparing annual percentage changes in visitor numbers).

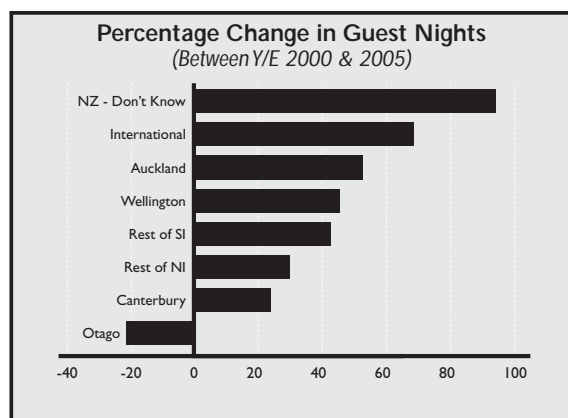


(Source: Statistics New Zealand)

# Taranaki's Changing Tourism Market

## Percentage Change in Key Guest Night Markets:

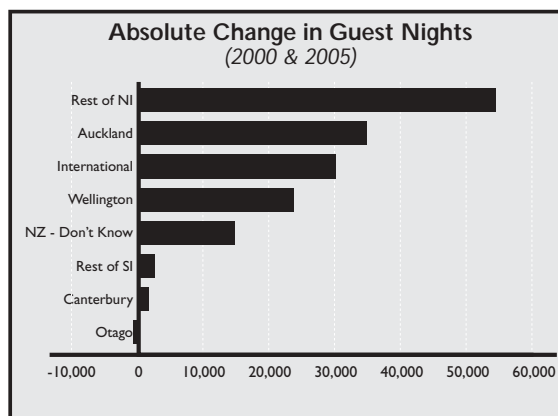
- An analysis of percentage change in numbers of guest nights between the years of 2000 and 2005 highlights growth in many market segments (as defined by visitor origin).
- The number of guest nights stemming from NZ visitors from undefined locations in the country (i.e. "NZ - don't know") in 2005 were almost 94 percent higher than that experienced in 2000.
- Guest nights from international visitors has increased almost 67 percent.
- The Auckland and Wellington market has also increased significantly.



## Change in Numbers of Guest Night Origin

- The analysis above must also be balanced with consideration of actual changes in guest night numbers, due to variances between their market size.
- Although the "Rest of North Island" (ie centres outside Auckland & Wellington) did not reflect the greatest percentage change, it was the major source of Taranaki's increased guest nights in terms of numbers.
- Taranaki had 54,070 more guest nights from such visitors in 2005 than it did in the year 2000.

- Auckland visitors provided Taranaki with 34,520 more guest nights in 2005, relative to 2000.
- International visitors are also contributing to Taranaki's growing tourism industry, recording the third highest increase in commercial guest nights.



## Change By District

- New Plymouth District has experienced the largest percentage change in guest nights when comparing the calendar years of 2000 & 2005.
- Guest nights have increased 47.7 percent in the New Plymouth District.

District	YE Dec 2000	YE Dec 2005	Growth
New Plymouth	300,038	443,072	47.7
Stratford	30,288	39,978	32.0
South Taranaki	47,847	54,977	14.9
Total	378,173	538,027	42.3

- This was followed by Stratford (up 32 percent) and South Taranaki (14.9 percent) respectively.

(Source: Statistics New Zealand)



## Thank you...

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

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

This document was designed in Taranaki by TGM Design Ltd.

This report was prepared by Red Eye Limited for Venture Taranaki Trust.

# Venture Taranaki

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

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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.

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