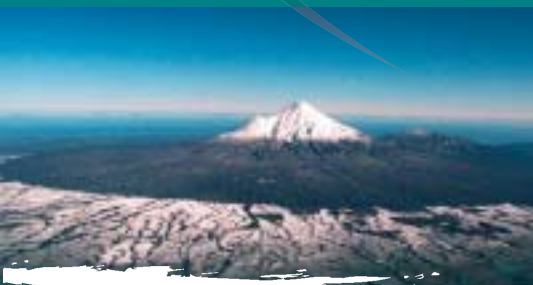


TARANAKI TRENDS

TARANAKI ECONOMIC REPORT

Document Current Until June 30, 2007



TARANAKI

like no other

Venture
TARANAKI



www.taranaki.info

Welcome...

Taranaki continues to surf the economic growth wave this quarter. With the second greatest rise in New Zealand during the December quarter of 2.1%, the region is competing with the main cities... amongst the leaders at 2.4% annually and looking strong for the future.

The labour market remains tight, however, with continuing high employment levels and unemployment at less than 4% nationally since the September 2004 quarter. Taranaki's present unemployment rate of 2.6% is significantly lower than the national average for the December quarter, and is down from 3.5% in September.

Taranaki's largest industry in terms of employment was manufacturing, accounting for 20.2% of the region's employees. This in part reflects the buoyancy of the mining/oil and gas sectors, which have increased in the New Plymouth District by almost 39%. Nearly a quarter of all people working in the New Zealand mining industry (which includes oil and gas) are based in Taranaki.

While the tight unemployment market is positive, it creates flow-on effects that bring their own challenges. One such challenge is skill shortages. Industries such as the manufacturing/oil and gas and mining sectors are particularly challenged in finding suitably skilled staff, and this continues to be concerning when considering Taranaki's future growth. This industry is not the only one facing shortages, however. The highest number of advertised vacancies for the 12 months to December 2006 were for dairy farmers or workers.

Future Taranaki, a grouping of the leading public sector CEOs in the region, is combining forces with Venture Taranaki to look at this present and future dilemma, determining where shortages currently are, what labour demands are likely to occur in the future, and the development of strategies to 'close the gaps'.

The tight labour market also continues to fuel the housing market, with sales remaining comparable to New Zealand averages and prices continuing to increase. The median sales price in December 2006 for Taranaki was \$270,000, compared with \$230,000 for December 2005. The residential construction industry is still buoyant, with a 23.4% increase in new dwelling units authorised for construction in 2006 compared with 2005. This represents an increase of 42.6% in terms of value.

This quarter's Trends document shows:

*The largest industry in terms of business numbers is Taranaki is property and business services

*Numbers of businesses have increased by 5.2% - with the biggest percentage increase in the mining/oil and gas industry

*The construction industry increased by 10.4%

*Employment in New Plymouth District increased 2%, with the largest increase felt in mining/oil and gas (a 35% increase).

While times are good, it is an opportune moment to consider strategies to maintain sustainability into the future.

The Trust is currently investing in a number of initiatives to ensure the region stays at the forefront of New Zealand's energy sector. Bio fuels, energy conservation and educational programmes are at the forefront of our present activity. As other areas of new Zealand open up for oil and gas exploration it remains critical to retain capability and expertise within the region to service the needs of this important energy sector.

Business need to be based in Taranaki and remain world class.



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The Taranaki 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 2.1 percent. Furthermore, it ended the 2006 calendar year with a year-on-year growth rate of 2.4 percent.

Consumer Price Index (CPI)

CPI for New Zealand recorded a 0.2 percent decrease.

GDP

Economic activity increased 0.3 percent in the September 2006 quarter, following a rise of 0.4 percent in the June quarter. Annual GDP was 1.4 percent for the year ending December.

Unemployment Rate – Quarterly Change

The unemployment rate decreased in Taranaki from 3.5 percent in September 2006 to 2.6 percent in December 2006.

Labour Force Participation Rate

Taranaki's labour force participation rate increased to 70.6 percent in December 2006 – higher than the national average of 67.9 percent.

Average Hourly Earnings

Average hourly earnings increased 0.4 percent in Taranaki in the December 2006 quarter. It increased 0.7 percent for New Zealand.

Retail Trade – Quarterly Change

Retail sales for the Taranaki region for the December 2006 quarter were an estimated \$373.7m. This reflects a 14 percent increase on the September quarter and a 6 percent increase over December 2005.

Real Estate – Number of Sales

During the December 2006 quarter, residential house sales were up 4.5 percent on the September quarter and 8.9 percent on the December 2005 quarter. The median sales price in Taranaki for December 2006 was \$270,000.

Rental Accommodation

In the past 12 months, rental accommodation has increased 12.5 percent in New Plymouth. No city across New Zealand has recorded a decline during this period.

Tourism

Taranaki experienced 133,539 guest nights in the December 2006 quarter. This reflects a decrease on the December 2006 quarter of 2.6 percent. Visitor numbers have also decreased slightly, relative to the same time last year, by 1.1 percent.

Building Consents - Residential

For the year ended December 2006, new dwelling consents valuing \$154.9m were issued in the Taranaki region. This reflected an increase over the 2005 year, in terms of value, of 42.6 percent.

Building Consents – Non Residential

Non-residential consents also ended the year more positively than 2005. Consents valuing \$88.1m were issued in the region – up 3.3 percent over 2005.

Births

There were 3 percent more births in Taranaki during the 2006 calendar year, relative to 2005.

Deaths

Deaths in Taranaki were down 5.5 percent in the 2006 year, relative to 2005.

Migration

Migrant arrivals were down 1.9 percent for the year ended December 2006, relative to 2005.

Business and Employment – New Plymouth District

Numbers of businesses in New Plymouth increased 5.2 percent between 2005 and 2006, and employment has increased 2 percent.

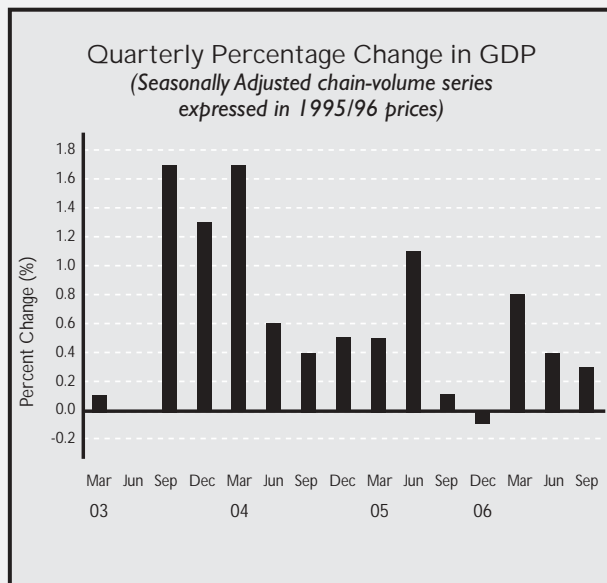
Car Registrations – New Plymouth

Car registrations were 8.3 percent less in the December 2006 quarter, relative to the September 2006 quarter.

What's happening in the National Economy?

Gross Domestic Product

- Economic activity increased 0.3 percent in the September 2006 quarter, following an increase of 0.4 percent in the June 2006 quarter.
- In the year ended September 2006, the economy grew 1.4 percent, down from the 2.5 percent growth recorded in the year ended September 2005.



Consumer Price Index (CPI)

The Consumer Price Index (CPI) recorded a 0.2 percent decrease in the December 2006 quarter, following increases of 0.7 percent and 1.5 percent in the September 2006 and June 2006 quarters, respectively.

What went down?

The most significant individual downward contributions to the movement in the CPI came from:

- Price decreases for petrol (down 15.2 percent) and;
- Vegetables (down 13.2 percent).

What went up?

The most significant upward contributions to the movement in the CPI came from higher prices for:

- Fruit (up 16.6 percent),
- International air transport (up 9.7 percent),
- Meat and poultry (up 4.3 percent), and
- Package holidays (up 10.5 percent).

(Source: Statistics New Zealand)

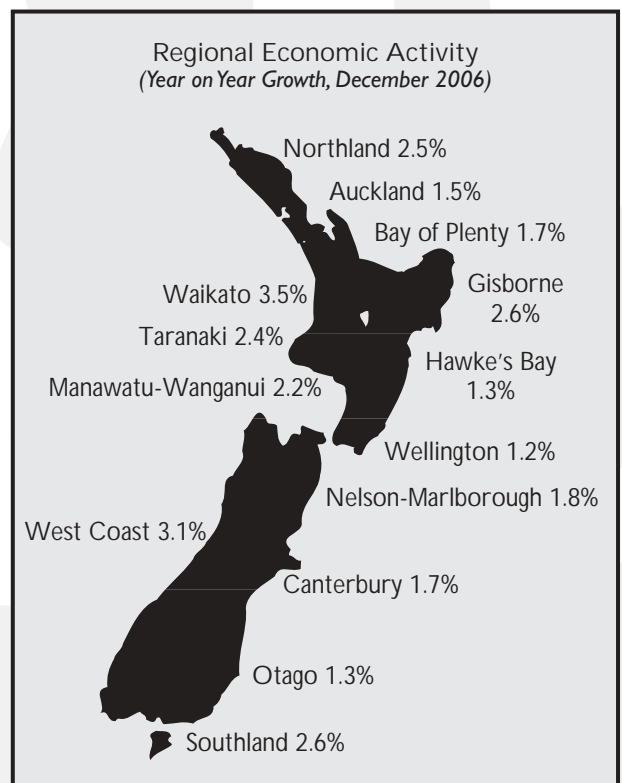
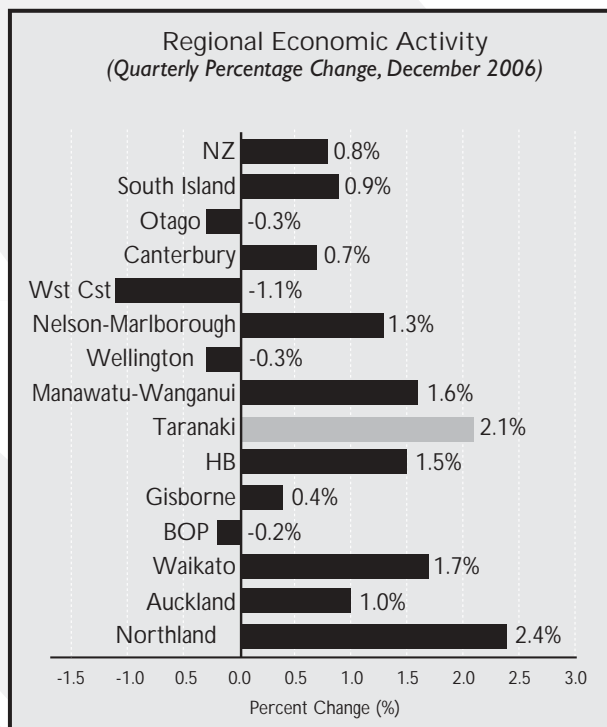
What's happening in the Taranaki Economy?

Quarterly Change in Growth

- According to the National Bank regional trends report, ten regions recorded an increase in economic activity in the December quarter 2006, whilst there was a decline in the remaining four regions.
- Northland recorded the largest gain across the regions, expanding 2.4 percent from September.
- Taranaki recorded the next largest rise, with a 2.1 percent increase in economic activity.
- Trailing the field was the West Coast, with a 1.1 percent decline in activity.
- New Zealand's economic activity recorded a 0.8 percent rise. The North Island registered a 0.9 percent increase in activity, while the South Island grew 0.6 percent.
- Economic growth was skewed towards the rural aligned regions, which rose 1.1 percent in aggregate, outstripping a 0.6 percent increase in the urban areas (Auckland, Wellington and Canterbury combined).

Annual Change in Growth

- Taranaki recorded a 2.4 percent year-on-year growth for the year to December 2006.
- The Waikato economy recorded the strongest increase in economic growth in the 2006 calendar year, expanding 3.5 percent from 2005.
- At the other extreme, the slowest growing regional economy was Wellington, growing 1.2 percent in the year.



(Source: National Bank Trends Report)

Regional GDP

Statistics NZ have recently released estimates of current price regional GDP.

What is GDP?

- Gross Domestic Product (GDP) is an internationally accepted measure of economic activity that represents the national income earned by production in New Zealand.

What is Regional GDP?

- GDP when presented on a regional basis provides an indication of the size and structure of a regional economy and measures the changes taking place within it.

What is Taranaki's GDP?

As shown in the following table:

Region	Regional Gross Domestic Product (Current prices)			
	Year ended March		2002	2003
	2000	2001		
\$(million)				
Northland	2,787	3,106	3,370	3,243
Auckland	39,518	40,277	43,301	47,689
Waikato	8,930	10,119	11,087	10,598
Bay of Plenty	5,721	6,134	6,551	6,689
Gisborne	916	960	1,001	1,031
Hawke's Bay	3,569	3,839	4,122	4,318
Taranaki	3,743	4,600	4,678	4,414
Manawatu-Wanganui	4,847	5,201	5,557	5,594
Wellington	16,790	17,046	18,283	19,286
Total North Island	86,820	91,281	97,951	102,863
Tasman/Nelson	1,943	2,080	2,282	2,343
Marlborough	955	1,045	1,161	1,193
West Coast	662	755	804	779
Canterbury	12,538	13,237	14,195	15,074
Otago	4,344	4,683	5,127	5,411
Southland	2,434	2,861	3,120	3,023
Total South Island	22,875	24,661	26,668	27,824
Gross domestic product	109,696	115,941	124,639	130,687

(Source: Statistics New Zealand)

- Taranaki's estimated GDP is \$4,414 million as at 2003.
- Taranaki's GDP is similar to that of regions such as Hawke's Bay.
- The Auckland region has the largest GDP and the West Coast the smallest.

What are key components of Taranaki's GDP?

- The oil/gas, mining, construction, electricity and water supply industries account for circa 32 percent of Taranaki's GDP.
- Manufacturing accounts for 20 percent.
- Agriculture 11 percent.

What's Happening in Taranaki Business?¹

Industry – General

- Greymouth Petroleum has been awarded a new petroleum exploration permit off-shore from Taranaki.
- Several major film projects, managed by Fat and Thin Productions, have been attracted to the region – one of which covers the life of decorated war hero Charles Upham. Depending on completion of funding requirements, filming on this movie will commence during 2007.
- Independent Canadian oil and gas company TAG Oil Ltd started drilling its onshore Mangamingi-1 exploration well in eastern Taranaki.
- Final work commenced on the Airport upgrade in New Plymouth. The car park and access roads are to be reconfigured and a covered walkway installed from the car park to the terminal.
- New Plymouth Girls' High School has been given \$5.5m by the Ministry of Education for a seven-year building revamp.
- Mitre 10 is building a new \$11m home improvements store in New Plymouth, next to the Valley development at Waiwhakaiho. It will be open in time for Christmas 2007.
- The TSB Bank has opened a branch in Hamilton in addition to its operations in Wellington, Auckland and Christchurch. It now lends almost half its money to people outside Taranaki.
- The possibility of an international-sized cycle velodrome at Bell Block's Hickford Park has been mooted. The Taranaki Velodrome Trust wants to create a three-stage cycling facility – including velodrome, road cycle track and club rooms. It is expected to cost \$1.25m.

- Nearly 30 new walkways and cycle ways throughout Taranaki are proposed in a strategy document, jointly prepared by Taranaki's councils, the Department of Conservation and Venture Taranaki. The document has been released for public comment.
- Cambrian Engineering has been sold to Bell Block-based Amtec Engineering.
- A million dollar revamp for the St Andrews Presbyterian Church in New Plymouth is planned, to save it from further deterioration.

Events

- A record crowd flocked to WOMAD.
- Chrissie Hynde and The Pretenders played at the TSB Bowl of Brooklands to an appreciative audience.
- The New Plymouth ITU World Cup Triathlon attracted multi-sport fans and athletes to the province in November, building on the success of the 2005 inaugural event
- The Americarna festival in February attracted people in the thousands keen to view the American cars and motor bikes on display and enjoy the four-day event.
- The Urenui rodeo attracted an estimated 4500 people to the event who watched Taranaki cowboys and cowgirls compete with the best from around New Zealand in terms of skills with bulls, calves, horses and barrel races.
- During March, crowds flocked to the Taranaki Food and Wine Festival, the multi ethnic extravaganza, the Home and Lifestyle Expo, Childrens Day and the Sea Week launch.
- The Athletics meet in Inglewood attracted leading local athletes and national athletes. The three-day championship was a huge success, attracting more than 570 competitors.

¹ 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 and new developments in Taranaki*

New Plymouth

- A new gym, City Fitness, plans to open in part of the Richmond Centre.
- New Plymouth's Centre City mall is set for a \$9m revamp, and Farmers will take over a large part of the third floor.
- Taranaki Mineral Pools is expanding to accommodate increased demand for services such as therapeutic massage.
- A group of New Plymouth midwives has opened a clinic called Partners in Pregnancy.

New small business start-ups include:

- Juan Richardson Internet Sales and Marketing.
- Imp Original Art established by artist, Cherie Willans.
- Arrow Landscaping - Bryce Upson's new operation.
- Specific Fitness, formed by Kareena Kingi.
- Samson Tattoos, now in Currie St, New Plymouth.
- Quit Nitz, established by Patricia Rudolph, in Strandon.
- Grants totalling \$253,416 were recently awarded to Taranaki companies. A total of \$246,696 of this came from NZTE and \$6,720 from FRST (Foundation for Research, Science and Technology). This reflected nine separate grants which went to eight different companies.

Hawera

- Hawera's Andrew Shoes & Repairs has closed down, reopening anew as Shooz Hawera Ltd.
- Total Span Ltd has new premises on Glover Road and plans to erect storage sheds on site.
- The Glover Road Rail Café has reopened with new owner/operators.
- HireQuip Ltd, an equipment hire company, has opened new premises on the corner of Victoria and Glover Roads, Hawera.
- Egmont Doors Ltd have purchased, renovated and relocated into the former Taranaki Farmers building on Glover Road.

- Allied Workforce has opened premises on High Street in Hawera.
- La Nuova dry cleaning business has relocated to Inglewood. The Hawera site is available for redevelopment.
- A new motel is being built in the CBD, Princes St in Hawera.
- Armourshield Engineering Normanby has exported its feed-out wagons to Australia.
- The Kiwi Span Ltd steel shed business has relocated to new premises on Waihi Rd, Hawera.
- The newly completed Park Motel, Waihi Road, Hawera recently opened for business.
- Local real estate companies report that 'stage one' (some 70 sections of the new subdivision near the Furlong Hotel) has been sold as has a good number of 'stage two' sections. The same situation applies to the large rural subdivision on Goodson Rd.

Stratford

- A feasibility study into future options for the Taranaki Pioneer Village has proposed major upgrades and developments to transform it into a destination garden café and functions centre with the heritage area forming the backdrop. It has suggested a capital budget of \$1.3 m would be required for these works to occur. The Stratford District Council has decided against being a partner in the project.
- Stratford's Mitre 10 has purchased a large central site from the Council and will build a new \$15m retail and merchandise complex there, to open in mid-2008.

Labour Force

New Zealand Overview

- The results of the December 2006 quarter Household Labour Force Survey indicate a labour market that remains relatively tight, with continuing high employment levels. The unemployment rate has been consistently low - under 4 percent - since the September 2004 quarter.

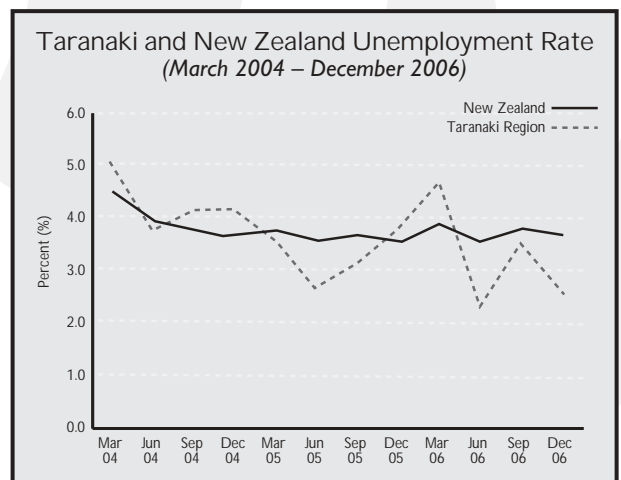
National Summary of December 2006 quarter trends:

- Seasonally adjusted employment decreased (by 2,000) to 2,115,000.
- The seasonally adjusted unemployment rate decreased to 3.7 percent.
- The seasonally adjusted labour force participation rate decreased to 67.9 percent.
- Seasonally adjusted total actual hours worked per week increased by 0.5 percent.

Labour Force Comparison (December 2006 Quarter)		
	Taranaki	New Zealand
	December 2006 quarter	December 2006 quarter
Unemployment rate	2.6%	3.7%
Unemployment	1,600	82,000
Employed	60,700	2,115,000
Not in the labour force	26,000	1,037,000
Labour force participation rate	70.6%	67.9%

Taranaki Labour Market

- Taranaki's labour market continues to tighten.
- Unemployment in Taranaki declined to 2.6 percent in the December 2006 quarter - down from 3.5 percent in September 2006.
- Taranaki's unemployment rate is significantly lower than the national average, which is currently at 3.7 percent.
- The labour force participation rate increased from 66.4 percent in September 2006 to 70.6 percent in December 2006. This is higher than the national average, which currently resides at 67.9 percent.



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

Regional Comparison

- Relative to other regions, Taranaki recorded the lowest unemployment rate, along with Waikato, for the December 2006 quarter.
- Gisborne/Hawkes Bay had the highest unemployment rate for this period.

Regional Unemployment Rate (December Quarter 2006)		
Region	Unemployment Rate	Rank
Northland	3.3	6
Auckland	3.8	9
Waikato	2.6	1
Bay of Plenty	3.4	7
Gisborne/HB	4.7	12
Taranaki	2.6	1
Manawatu/Wanganui	4.3	10
Wellington	4.5	11
Tasm/Nels/Marl/West	3.1	5
Canterbury	2.8	4
Otago	3.5	8
Southland	2.7	3
New Zealand	3.6	-

percent since Sept 2006).

- The following table displays regional comparisons for average hourly earnings, as at December 2006, for men and women.

Average Hourly Earnings - Regional Comparison (December 2006 Quarter)		
Area	Male	Female
Taranaki Region	23.67	18.57
Auckland City	27.16	22.58
Taupo District	22.51	19.41
Rotorua District	20.62	19.67
Napier City	22.67	18.53
New Plymouth District	23.04	18.55
Stratford District	25.12	15.37
South Taranaki District	24.95	19.52
Wanganui District	19.72	18.72
Palmerston North City	22.75	20.02
Wellington City	31.54	24.63
Christchurch City	23.10	20.34
Invercargill City	21.34	19.21
New Zealand	23.96	20.50

Average Hourly Earnings

- Taranaki region employees earned an average of \$21.51 per hour in December 2006, \$0.8 or 0.4 percent higher than in September 2006.
- This increase compares with a 0.7 percent increase for the whole of New Zealand.
- In December 2006 the 'per hour' rate in Taranaki for males was \$23.67 (up 0.9 percent since Sept 2006).
- For females, the hourly rate was \$18.57 (up 0.1

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

Job Vacancies

Job vacancies advertised in newspapers around the country are monitored by the Department of Labour.

In Taranaki, for the 12 months to December 2006:

- The occupation with the highest number of advertised vacancies was 'dairy farmers/workers'.
- The occupation which reflected the highest growth in advertised vacancies in terms of percentage change (top percentage growth occupations) was 'waiters'.
- Vacancies reflecting the greatest numerical change (top numeric growth occupations) were 'courier drivers/deliverers'.

Further details in relation to Taranaki's advertised job vacancies are listed in the table below.

In comparison, for New Zealand, in the 12 months to December 2006:

- The occupation with the highest number of advertised vacancies was 'sales assistants'.
- The occupation which has shown the highest growth in advertised vacancies in terms of percentage change (top percentage growth occupations) was 'weighting and tally clerks'.
- Vacancies reflecting the greatest numerical change (top numeric growth occupations) were 'fruit growers and workers'.

Taranaki: Total vacancies and growth in all occupations (December 2005 - December 2006)						
Rank	High vacancy Occupations	No. of vacancies	Top Percentage Growth Occupations	% Growth	Top Numeric Growth Occupations	Numeric Growth
1	Dairy Farmer, Dairy Farm Worker	138	Waiter	82%	Courier and Deliverer	33
2	Sales Assistant	98	Builder (Including Contractor)	38%	Waiter	27
3	Care Giver	82	Heavy Truck or Tanker Driver	26%	Telephone Switchboard Operator	21
4	Registered Nurse	62	Carpenter and/or Joiner	25%	Retail Manager	17
5	Waiter	60	Care Giver	22%	Care Giver	15
6	Courier and Deliverer	55	Registered Nurse	11%	Child Care Worker	13
7	General Clerk	54	Sales Representative	10%	Kitchenhand	12
8	Information Clerk and Other receptionist	36			Checkout Operator	11
9	Builder (including Contractor)	36			Painter, Decorator and/or Paperhanger	11
10	Cleaner	35			Real Estate Agent/Property Consultant	10

(Source: Department of Labour)

Note: The monthly total vacancy counts are each based on analysis of job advertisements from a single edition of 25 major newspapers around New Zealand. The analysis of job ads occurs once per month on the main advertising day for each newspaper (usually a Saturday). Duplicate ads are removed from the counts. The total vacancy counts are, therefore, effectively a sample of at most a quarter of all advertisements placed in newspapers each month around the country.

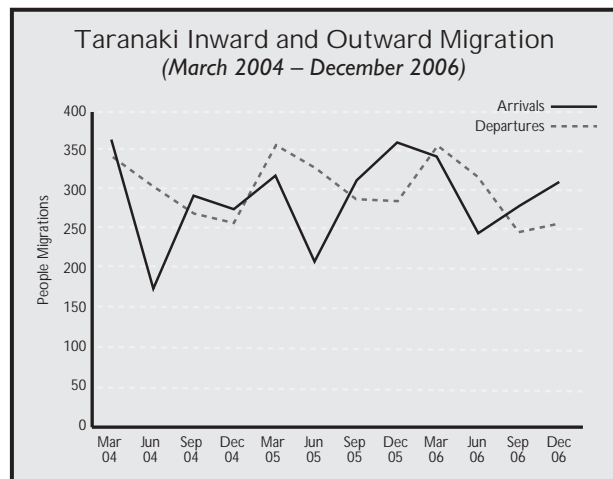
All job advertisements are coded to detailed occupational categories using the New Zealand Standard Classification of Occupations 1999 (Statistics New Zealand). The data published are trend data based on a 3-month moving average. Data are not seasonally adjusted.

External Migration

Permanent Long term International Arrivals and Departures to Taranaki

Taranaki Arrivals - 2006

- During 2006, there were 1,180 permanent and long-term arrivals in Taranaki during the year.
- This represented 1.4 percent of all immigrants who arrived in New Zealand during 2006.
- Arrivals were down 1.9 percent in Taranaki, relative to 2005. Nationally, there was an increase of 4.8 percent.



Taranaki Departures - 2006

- There were 1,185 permanent and long term departures from the Taranaki region during 2006.

District Immigrant Movements - 2006

New Plymouth District

- There were 922 permanent and long term arrivals during 2006.
- There were 841 departures.
- The net change for the New Plymouth District in terms of immigrant movement resulted in 81 more people.

Stratford

- There were 58 permanent and long term arrivals during 2006.
- There were 89 departures.
- The net change for Stratford was a loss of 31 people.

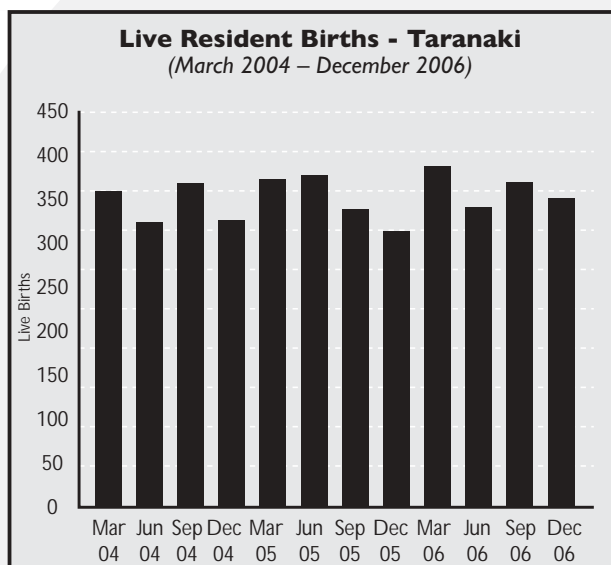
South Taranaki District

- There were 200 permanent and long term arrivals during 2006.
- There were 255 departures.
- The net change for South Taranaki was a loss of 55 people.

Births and Deaths

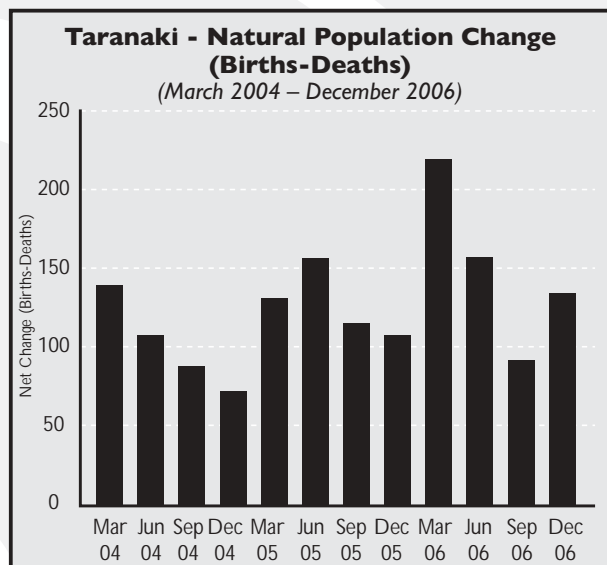
Births

- There were 352 live births recorded in Taranaki for the December 2006 quarter.
- In total, 1,453 births were recorded in the region for the 2006 year – an increase of 3 percent on 2005.



Deaths

- There were 220 deaths recorded in Taranaki for the December 2006 quarter.
- A total of 860 deaths were recorded for the 2006 year – a decline of 5.5 percent.
- This has led to a natural population increase of 132 for the December 2006 quarter, and 593 for the year. The natural population increase reflects the situation where resident births exceed deaths.



New Zealand Births

- The Auckland region had the highest number of births in the December 2006 year (21,330), accounting for 36 percent of all live births registered in New Zealand.
- This was followed by Canterbury (6,780), Wellington (6,440) and Waikato (5,590).
- Together, these four regions accounted for about two-thirds of all live births registered in the December 2006 year. This is consistent with their share of New Zealand's population.

New Zealand Deaths

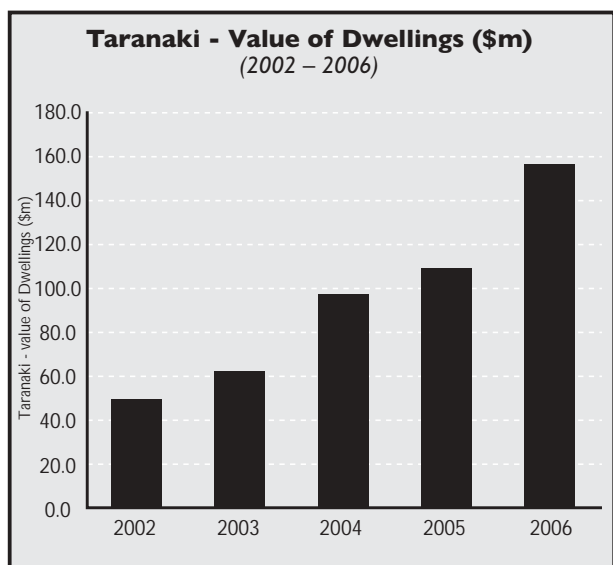
- There were 7,150 deaths of residents in the Auckland region during the December 2006 year.
- Although the Auckland region is home to approximately one-third of New Zealand's population, it only accounted for one-quarter of New Zealand's deaths. This is due to the region's relatively young population age structure.
- Only 10 percent of the Auckland region's population is aged 65 years and over, compared with 12 percent for the national population.

(Source: Statistics New Zealand)

Construction

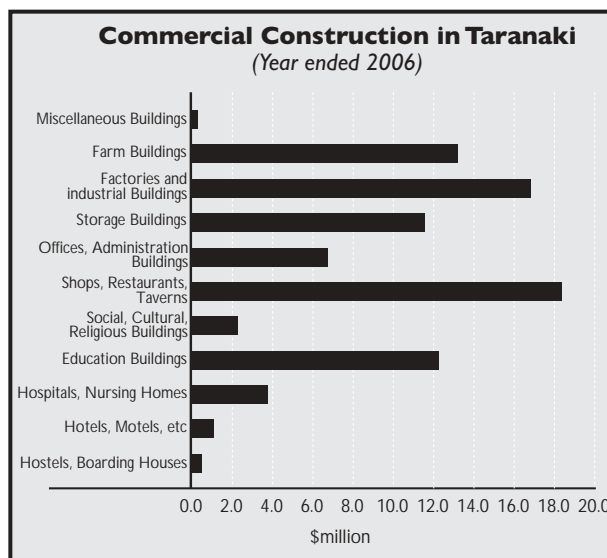
Residential Construction

- There were 648 new dwelling units worth \$154.9 million authorised for construction within the Taranaki region during 2006.
- This reflects a 23.4 percent increase on 2005 in terms of number of dwelling units, and an increase of 42.6 percent in terms of value.



Non-Residential Construction

- There were 738 building consents issued for the construction and alteration of non-residential buildings in Taranaki during 2006.
- This is an increase of 10.8 percent on 2005 and compares with a 6.1 percent national increase.
- The value of non-residential consents for 2006 was \$88.1 million – up 3.3 percent over 2005.



- A high proportion of the dollar value in terms of commercial construction was authorised for shops, factories and farm construction in Taranaki.
- The following table highlights regional comparisons in relation to the value of non-residential/commercial construction approved in 2006.

Value of Non-residential Building Consents
(Year Ended December)
Value \$ million

Location	2005	2006	% Change
Taranaki Region	85.3	88.1	3.3
Auckland City	604.1	573.6	-5.0
Taupo District	38.3	53.2	38.7
Rotorua District	66.6	46.2	-30.6
Napier City	38.3	43.7	13.9
New Plymouth District	51.8	62.0	19.7
Stratford District	3.9	3.2	-17.0
South Taranaki District	29.7	22.9	-22.9
Wanganui District	35.2	35.8	1.6
Palmerston North City	67.2	93.0	38.5
Wellington City	344.3	199.9	-41.9
Christchurch City	266.9	388.8	45.6
Invercargill City	46.9	30.9	-34.2
New Zealand	4,104.6	3,930.5	-4.5

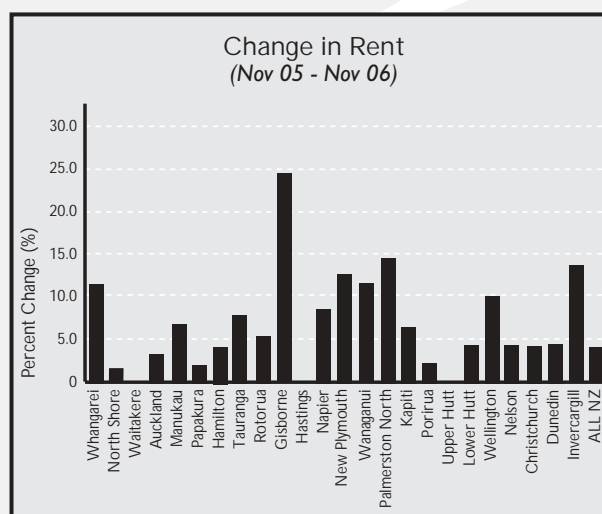
(Source: Statistics New Zealand)

Real Estate and Rental

Household Rental Accommodation

- Between the period November 2005 and November 2006, the national median rent for private sector rental accommodation increased by 3.8 percent - marginally ahead of the consumer price index.
- The median rent, as shown in the following table, was \$270.
- The median rent in New Plymouth was \$242 per week – which is an increase from the \$240 per week recorded in August 2006 and \$215 per week in November 2005.
- The following table displays median rental levels in regional locations across the country.
- The highest median rental accommodation is in North Shore City (\$350 per week) whilst Invercargill has the lowest at \$170 per week.
- The highest rental increases in the past 12 months have come from:
 - Gisborne (24.7 percent)
 - Palmerston North (14.2 percent)
 - New Plymouth (12.5 percent)
 - Wanganui (11.1 percent)
 - Wellington (10 percent)
- No cities recorded a decline in rent.

Region	Median Rent - November 2006
Whangarei	245
North Shore	350
Waitakere	300
Auckland	330
Manukau	320
Papakura	285
Hamilton	265
Tauranga	280
Rotorua	200
Gisborne	212
Hastings	220
Napier	260
New Plymouth	242
Wanganui	180
Palmerston North	240
Kapiti	250
Porirua	240
Upper Hutt	210
Lower Hutt	250
Wellington	330
Nelson	250
Christchurch	260
Dunedin	245
Invercargill	170
ALL NZ	270



(Source: Massey University Real Estate Unit Analysis and Real Estate Institute of New Zealand)

Residential House Sales

The following table reflects the median house sales price for the December 2006 quarter for Taranaki, as reported via REINZ sales

It also provides comparisons of this result with the same period in 2005 for Taranaki, as well as a comparison of the current quarter with New Zealand's median sales figures.

The results highlight:

- The median sales price in the December 2006 quarter has ended on a positive upward trend. At \$270,000, it was higher than the \$230,000 recorded in December 2005.
- Taranaki's median sales price is circa \$60,000 beneath the New Zealand median sales price.

Period	Taranaki 2006	Taranaki 2005	New Zealand 2006
October	\$255,000	\$211,000	\$324,000
November	\$265,000	\$205,000	\$330,000
December	\$270,000	\$230,000	\$330,000

Number of sales:

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

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

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

In summary:

- Real estate sales in the Taranaki region for the December 2006 quarter were up almost 9 percent on the December 2005 quarterly sales.
- This compares with a 9.3 percent increase in sales experienced nationally.

Change in Number of Sales (December 2005 - September 2006)

December 2006 sale numbers compared with:	Taranaki Percentage change in no. of sales	New Zealand Percentage change in no. of sales
December 2005 Quarter	8.9%	9.3%
September 2006 Quarter	4.5%	8.5%

Source: REINZ

Farm Sales

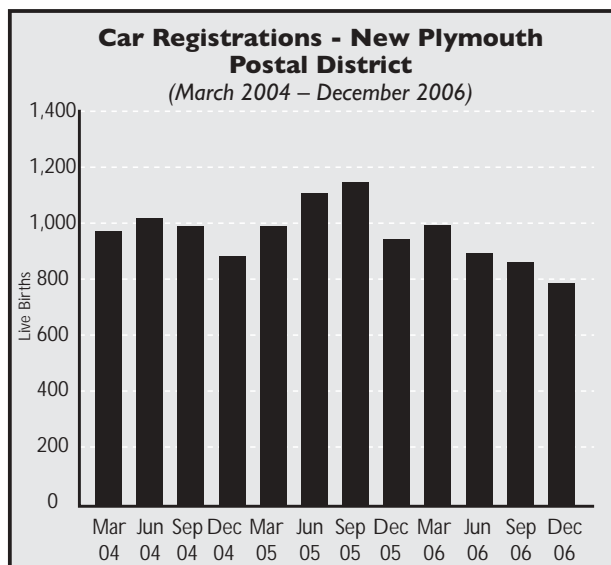
The REINZ reports that the median price for farms sold in January 2007 in Taranaki was \$1.27 million, which was down on the same time last year, when the median price was \$2 million.

- The median price for lifestyle blocks sold in January 2007 in Taranaki was \$306,250.
- In total twelve farms were sold and eighteen lifestyle blocks during January.
- The twelve farms consisted of six grazing, four dairy and one each of arable and special farms.
- Nationally rural sales have begun on a cautious note. The national median price in January 2007 for farms was \$1,160,000 which was up on the January 2006 figure but down on the strong December monthly figure of \$1,425,000.

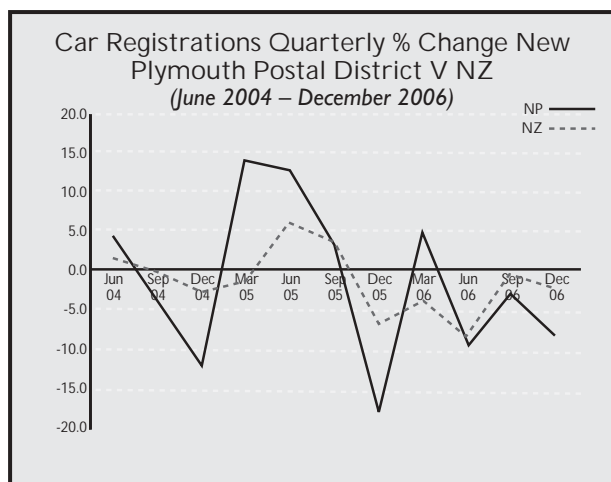
Car Registrations

Comparison with last quarter

- New and ex-overseas car registrations have declined regionally and nationally.
- The total number of new and ex-overseas car registrations for the December 2006 quarter in the New Plymouth Postal District was 791, compared with 863 for the previous quarter (September 2006).
- This was a decrease of 8.3 percent.



- Nationally car registrations have decreased 2.4 percent relative to the previous quarter.



(Source: Statistics New Zealand & Land Transport Safety Authority)

Comparison With The Same Period in 2005

- The number of new and ex-overseas car registrations in the New Plymouth Postal District decreased 15.9 percent compared with the same quarter the previous year (December quarter 2005).
- In comparison, car registrations for New Zealand decreased 15.1 percent relative to this period.

Regional Comparisons

- All regions reported a decline in car registrations in the December 2006 quarter, relative to the same period in 2005. This result is highlighted in the following table.

Postal District	2006	% Change
Whangarei	948	-18.1
Auckland	20,933	-14.2
Hamilton	2,943	-31.9
Thames	319	-23.5
Tauranga	1,767	-16.8
Rotorua	469	-44.5
Gisborne	250	-21.6
Napier	1,273	-19.4
New Plymouth	791	-15.9
Wanganui	343	-33.8
Palmerston North	1,454	-15.9
Masterton	248	-30.1
Wellington	4,236	-8.2
Nelson	775	-8.1
Blenheim	340	-11.9
Greymouth	182	-27.2
Westport	43	-20.4
Christchurch	7,813	-4.0
Timaru	449	-24.7
Oamaru	111	-20.7
Dunedin	1,463	-16.1
Invercargill	686	-21.5
New Zealand	47,827	-15.1

Retail Trade

National retail sales – overview

- For the December 2006 quarter (on a seasonally adjusted basis) total retail sales in New Zealand increased by 1.1 percent (\$168 million).

Of particular note:

- Motor vehicle retailing was up 4.2 percent during this period and;
- Automotive fuel retailing was down 4.9 percent.

Price Changes

Prices increased in 16 of the 24 retail industries in the December 2006 quarter.

Major Price Increases:

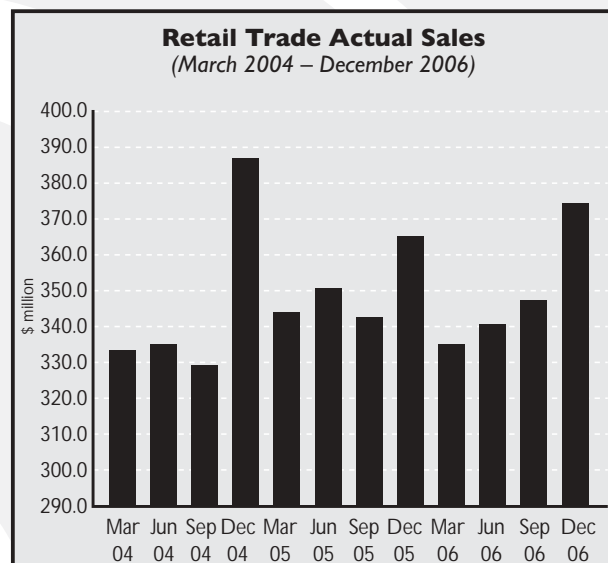
- Household equipment and repair services (up 3.5 percent), and accommodation (up 3.0 percent).

Price Decreases:

- Prices in automotive fuel retailing decreased 12.4 percent.

Taranaki Region - Actual Sales

- Retail sales in the Taranaki region during the December 2006 quarter totalled \$373.7 million.
- Retail sales in New Plymouth city/urban area totalled \$237.6 million (ie they represented 64 percent of total regional sales).



- Relative to the previous quarter ie September 2006, the December 2006 quarter retail sales figures in Taranaki reflected a 14 percent increase.
- Retail sales figures for New Plymouth in the December 2006 quarter were up 7 percent on the previous 3-month period.
- The December 2006 quarter retail sales compared favourably with same time last year.
- On a regional basis, the December 2006 quarterly result was 6 percent higher than the December 2005 quarterly period.
- In New Plymouth retail sales were 2 percent higher during the December 2006 quarter relative to the same period in 2005.

Tourism¹

December 2006 Quarter

Guest Nights

- Number of guest nights in Taranaki for the December 2006 quarter was 133,539.
- A comparison of guest nights recorded in the December 2006 quarter with the same period in 2005, shows a decrease of 2.6 percent.
- New Zealand guest nights in the December 2006 quarter, relative to 2005, have increased by 4.4 percent.

Visitor Arrivals

- The number of visitors who came to Taranaki for the December 2006 quarter and stayed in commercial accommodation, totalled 67,227.
- A comparison of visitor numbers with same time last year, shows a decline of 1.1 percent.
- In comparison, New Zealand visitor numbers in the December 2006 quarter, relative to same time last year, reflect a 3.3 percent increase.

Occupancy Rates

- The occupancy rate in December 2006 for Taranaki was 30.5 percent, relative to the national average of 38.4 percent.
- The following graph displays occupancy rates for selected regions.

Area	Occupancy Rate (December 2006 Quarter)	
	2006	Annual Change
Taranaki Region	30.5	-2.6
Auckland City	62.1	2.7
Taupo District	41.3	3.8
Rotorua District	48.7	1.3
Napier City	49.6	2.1
New Plymouth District	35.2	-3.4
Stratford District	18.7	-5.9
South Taranaki District	18.0	1.6
Wanganui District	29.3	-3.0
Palmerston North City	45.1	-0.3
Wellington City	64.5	4.8
Christchurch City	57.7	-0.5
Invercargill City	35.0	0.2
New Zealand	38.4	1.6

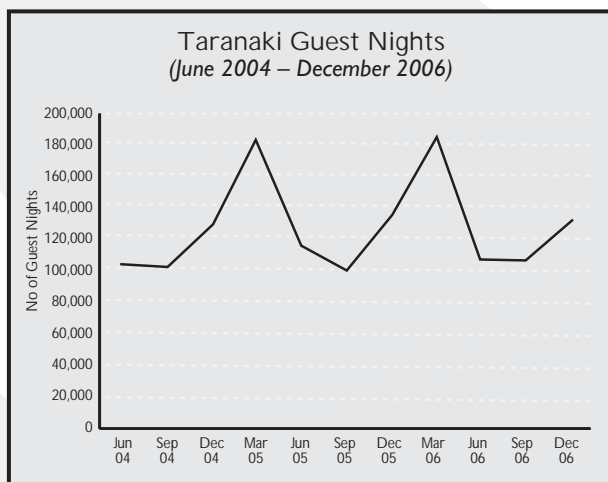
¹ Figures in this analysis only include visitors staying in short term commercial accommodation establishments such as hotels, backpackers, camping grounds etc.

2006 Taranaki Tourism Summary

- Relative to 2005, commercial accommodation in 2006 in Taranaki was slightly down in numbers – both in terms of guest nights and visitor numbers.
- Taranaki's annual performance, relative to changes experienced nationally, are highlighted on the following table.

Percentage Change (2005 - 2006 Year)		
Locality	Guest Nights	Visitors
Taranaki	-0.4	-1.3
New Zealand	1.0	0.5

- The following graph displays quarterly guest nights for Taranaki which have been experienced since June 2004.
- They also highlight the seasonal fluctuations which occur. The December to March period typically being a more buoyant period for tourism.



Analysis by Taranaki District - 2006

New Plymouth District

- There were 212,072 visitors to the New Plymouth district during 2006. This is a decline of 0.5 percent on 2005.
- However, although there were fewer visitors, guest nights for 2006 were 0.5 percent up on 2005.

Visitors by District (2006)		
District	2006	% change from 2005
New Plymouth	212,072	-0.5
Stratford	17,655	-15.0
South Taranaki	30,407	2.7
Taranaki	260,134	-1.3

Stratford

- It was a tighter year for Stratford, with visitors to the District in 2006 down 15 percent over 2005.
- Guest nights were similarly down, by 14.7 percent.

South Taranaki

- There were 30,407 visitors to South Taranaki during 2006 that stayed in commercial tourism accommodation. This is an increase of 2.7 percent on 2005.
- Guest nights were also up 2.2 percent.

(Source: Statistics New Zealand)

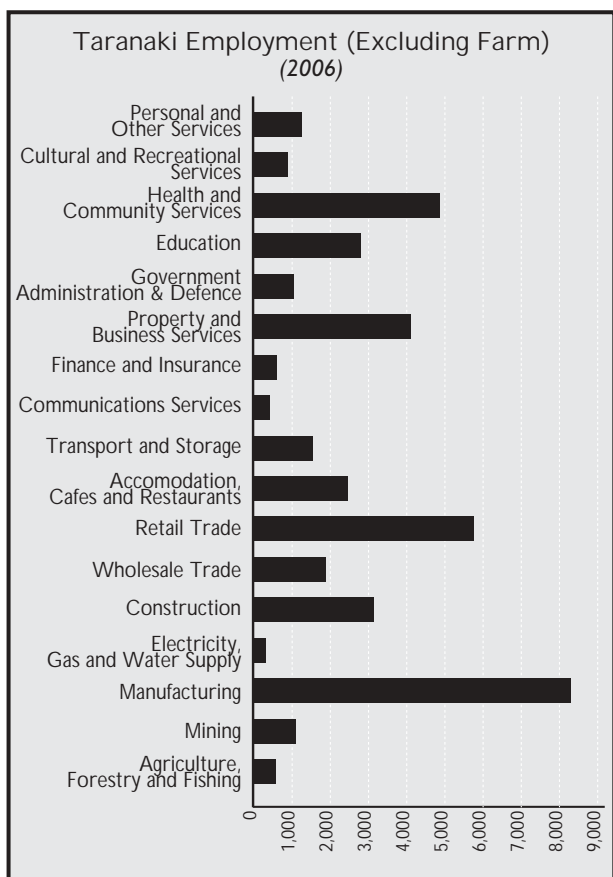
Special Feature

2006 Taranaki Business and Employment Overview

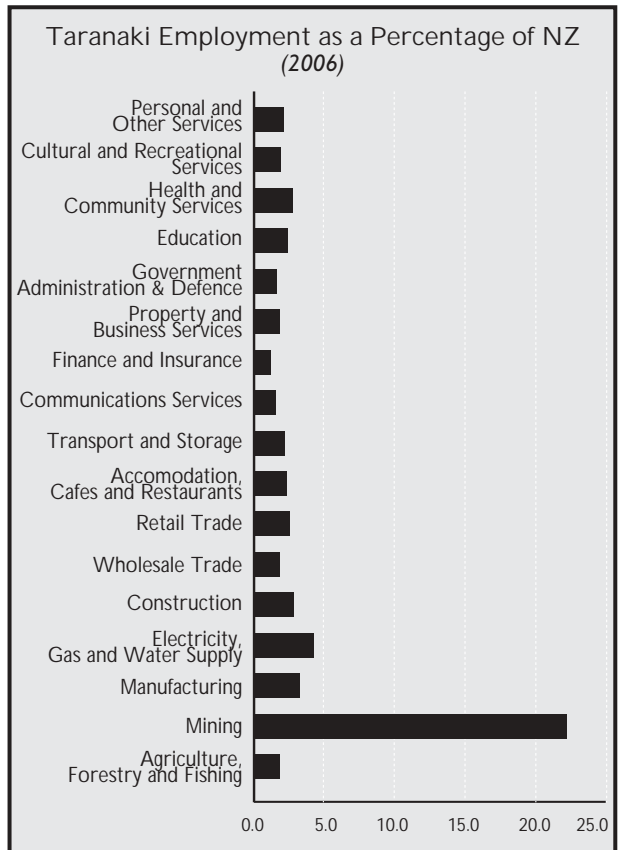
The Taranaki 2006 Synopsis:

Employment

- Excluding employment on farms, there were a total of 41,320 employees in Taranaki as at February 2006.
- This represented 2.3 percent of all employees in New Zealand.
- Taranaki's largest industry in terms of employment was manufacturing – which employed 20.2 percent of the region's employees.
- A total of 14.0 percent worked in retail – another significant employer.



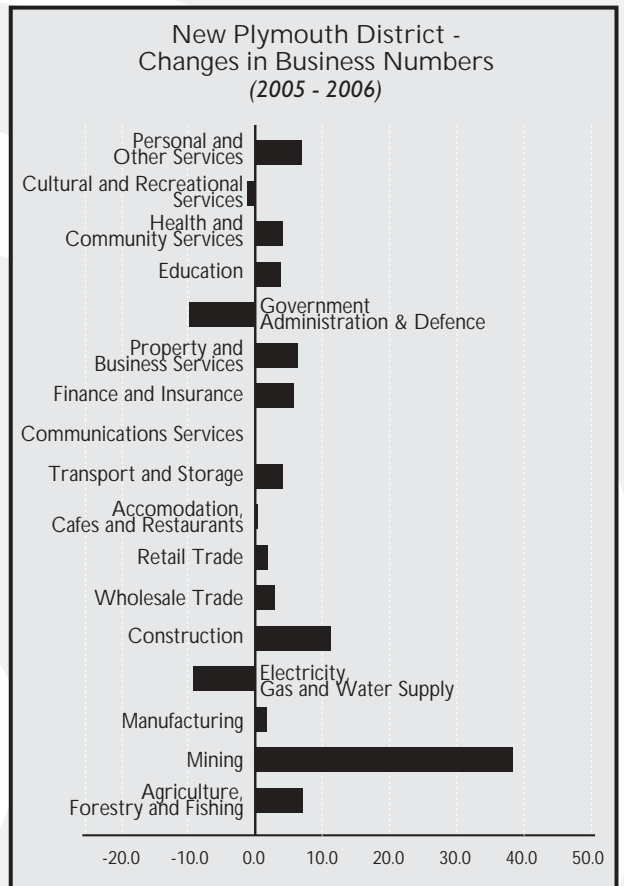
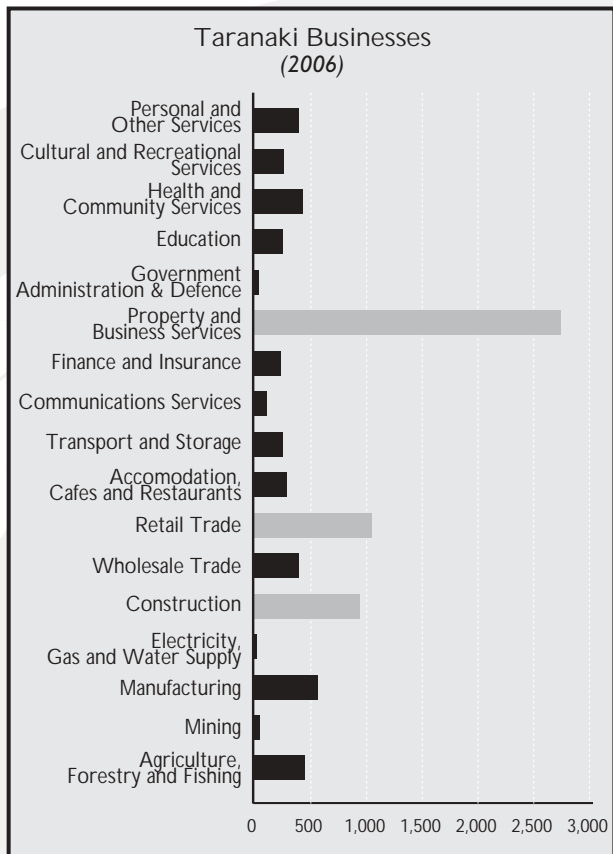
- The following graph highlights the percentage of people employed in Taranaki within certain industries, relative to New Zealand.
- Of particular note, the graph highlights that more than 22 percent of people working in the New Zealand mining industry (which includes the oil/gas sector) are based in Taranaki.



Number of businesses

- A total of 8,609 businesses were located in Taranaki as at February 2006.
- This represented 2.3 percent of all businesses in New Zealand.
- The biggest industry, in terms of number of businesses, was the property and business services industry. This industry grouping includes the multitude of financial advisory services, consultancy, property, insurance as well as technical and engineering consultants.
- The next most significant industry was retail followed by construction.
- Farms are excluded from this analysis.

(Source: Statistics New Zealand)



New Plymouth District – Changes since 2005

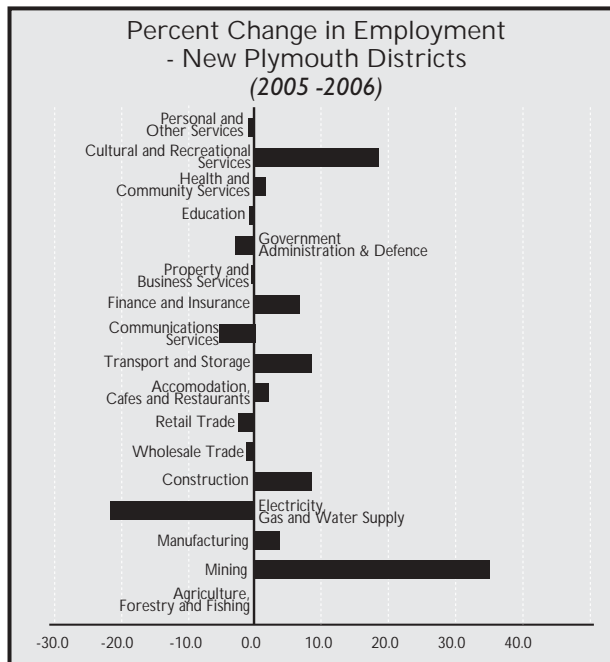
What has changed in terms of business in the New Plymouth District between 2005 and 2006?

- The numbers of businesses has increased 5.2 percent in the New Plymouth District between February 2005 and February 2006.
- The biggest percentage increase has occurred in the mining/oil and gas industry. This sector has increased almost 39 percent, as shown in the following graph.
- The construction industry has also increased significantly - almost 10.4 percent.
- However in absolute numbers, the most significant increase in business numbers has been in the business and property industry – where there were 115 more businesses recorded in 2006 than in 2005.

What has changed in terms of employment in the New Plymouth District between 2005 and 2006?

- Employment in the New Plymouth District has increased 2 percent between February 2005 and February 2006.
- The biggest percentage increase has been within the mining/oil/gas industry, which has increased almost 35 percent.
- This industry also reflects the highest absolute change, with an increase of 220 employees.
- The biggest fall in absolute terms was in wholesale trade. There were 110 less employees recorded in 2006 – a decline of 2.5 percent from 2005.

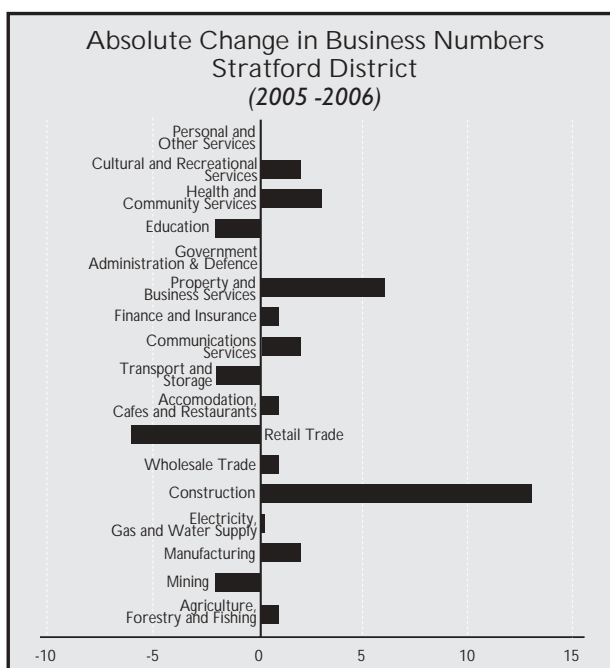
(Source: Statistics New Zealand)



Stratford District – Changes since 2005

What has changed in terms of business and employment in the Stratford District between 2005 and 2006?

- Numbers of business have increased 2.7 percent.
- The biggest percentage increase in business numbers occurred in the communication services industry (up 25 percent).
- However in absolute numbers, the most significant increase in business numbers has been in the construction industry – where there were 13 more businesses recorded in 2006 than in 2005.

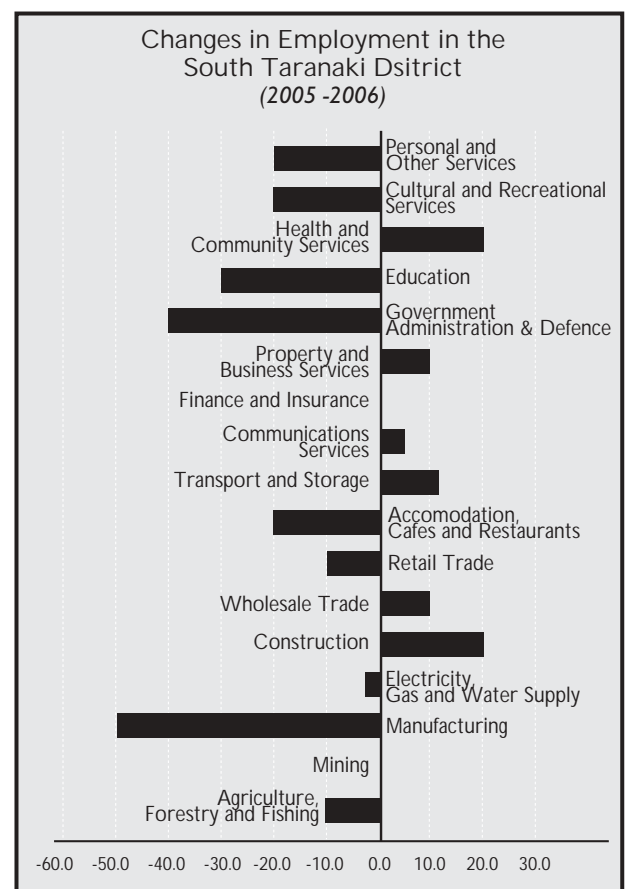


This is shown in the following graph.

- Employment in Stratford between 2005 and 2006 has increased 1.3 percent.
- Wholesale trade provided the biggest increase in employment (in absolute terms). There were 20 more jobs in this sector than 2005. Education reflected the biggest decrease.

South Taranaki District – Changes since 2005

- Business numbers in South Taranaki have increased 0.7 percent between February 2005 and February 2006.
- In absolute terms, the biggest growth in business numbers came from property and business services, construction and manufacturing.
- Employment declined 1.4 percent between 2005 and 2006 in the South.
- Key areas of contraction in employment included manufacturing as well as some Government/community services. This is displayed in the graph below.
- Construction and health services reflected the





Thank you...

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

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

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Venture Taranaki

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

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