

TARANAKI TRENDS



Venture  Taranaki

TARANAKI ECONOMIC REPORT

2004
THIRD QUARTER

www.taranaki.info

Welcome...

An interesting feature of this publication is an analysis of business "survival" rates.

Statistics New Zealand data indicates that 40% of Taranaki businesses trading in 1998 are still operating today.

To place this in some form of perspective Taranaki's "performance" is "on-par" or slightly better than the national average of 39%.

Such words are used advisedly however, as businesses may cease to operate for a range of reasons - only one of which may include "failure". To the contrary, smart, successful businesses often plan their own "demise", just as they would market entry or expansion.

It should be noted that Venture Taranaki offers a business advisory service for entrepreneurs keen to evaluate their propositions against a checklist prior to setting up a business. As a result of this process, some clients make a conscious decision not to proceed, thus avoiding the potential cost and pain of a business failure.

The Statistics New Zealand information contained within this report highlights that businesses operating in the energy and agricultural services, although subject to market volatility, appear to have a reasonable survival rate in Taranaki relative to the national average. Conversely, health and community services have a lower survival rate - potentially reflecting the impact of central government rationalisation on provincial locations such as ours.

Towns such as Stratford can also take heart that despite having a smaller economic base than New Plymouth or Hawera, those that are in business are more likely to stay operating.



Anne Probert
Venture Taranaki

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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, twelve regions recorded a rise in economic activity during the first three months of the year. For the first time since 2000 Taranaki recorded the highest growth (2.8%) across the country.



CPI

- The national Consumer Price Index (CPI) rose 0.4% over the March 2004 quarter while New Plymouth Urban Area increased 0.5%.



GDP

- Economic activity increased by 0.6% over the December 2003 quarter.



Labour Force

- The unemployment rate for Taranaki during the March 2004 quarter was 5.1%, compared to 4.3% for the previous quarter.



Situations Vacant

- During the quarter there were 1,394 jobs advertised in The Daily News. This is an increase of 29.8% on the previous quarter.



Retail Trade

- Retail Expenditure in the Taranaki Region totaled \$333.6 million for the March 2004 quarter. The New Plymouth Urban Area accounted for 58% of retail expenditure throughout the region.



Rental Accommodation

- An increase of 11.1% from \$180 to \$200 was experienced in the New Plymouth Urban Area over the March quarter. Annually an increase of 5.3% was reported.



Real Estate

- During the March 2004 quarter there were 779 dwelling sales, an increase of 5.6% on the previous quarter and an 18.8% increase on the same time last year.



Tourism

- 162,721 people stayed in short-term commercial accommodation throughout Taranaki during the first three months of 2004. Compared to the same quarter last year an increase of 5.7% is apparent.



Exports

- 645,889 tonnes of coastal and international cargo were unloaded at Port Taranaki over the 12 months ending March 2004. This equates to an increase of 4.8% on the year ended December 2003.



Construction

- During the quarter Taranaki was granted 85 new residential building consents valued at \$25.1 million; down 11 consents compared to the previous quarter.



Value of the Construction Industry

- The construction industry in Taranaki generates an estimated \$142 million in value added to the regional economy (regional GDP).



Economic Impact of Hurricanes v Sharks Super 12 Rugby

- It is estimated that \$830,000 was spent in Taranaki by spectators and other groups before, during and after the Hurricanes v Sharks Super 12 Rugby game.



Taranaki Business Survival Rates

- As at February 2003 39% of New Zealand businesses initiated in 1998 were still trading; comparatively 40% of Taranaki businesses are still trading.



Taranaki Business Outlook

- Survey results indicate that the Taranaki business community predicts New Zealand wide business conditions are set to remain the same for the year ahead.



Taranaki Work/ Leisure Balance

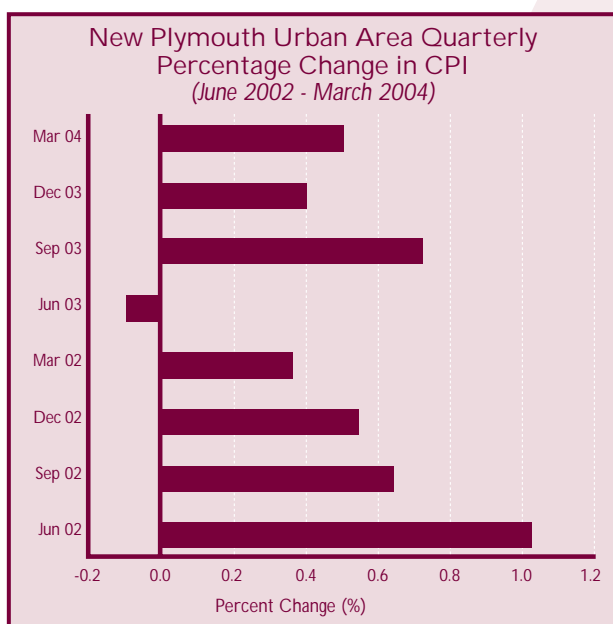
- Results suggest that the majority of Taranaki business owners/ operators work more than full-time hours (40 hours) and have less than ten hours of leisure time per week.

What's happening in the National Economy?

Consumer Price Index

Quarterly Change:

- The Consumer Price Index (CPI) for New Plymouth Urban Area rose by 0.5% compared to a national increase of 0.4% between the December 2004 and March 2004 quarters.
- Housing prices made the largest upward contribution to rises.



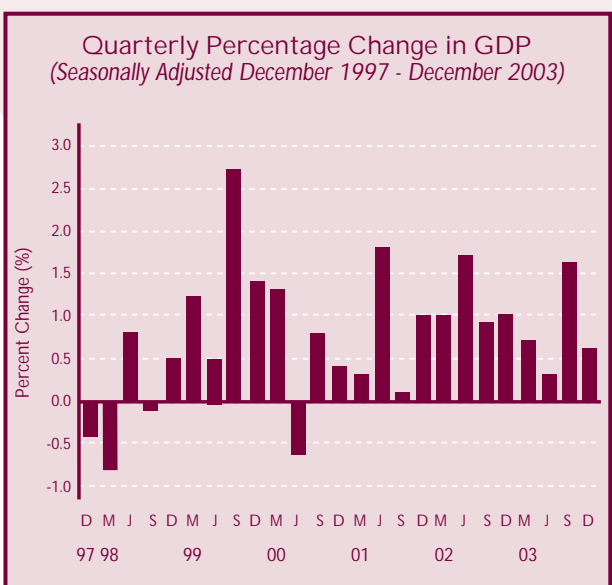
Annual Change:

- Nationally CPI rose 1.5% from the March 2003 to March 2004 quarter.
- New Plymouth Urban Area also experienced a rise of 1.5% in consumer prices on the same quarter last year.
- Across the country the largest annual increase was evident in the Invercargill and Rotorua Regions.
- Christchurch and Whangarei recorded the lowest increase in CPI between March 2003 and March 2004 quarters.



Gross Domestic Product

- Economic activity increased 0.6% in the December 2003 quarter following a rise of 1.6% in the previous quarter.
- Annual growth in gross domestic product was 3.5% for the year ended December 2003.
- Significant contributions to growth were from the household spending, exporting, importing and service industries.



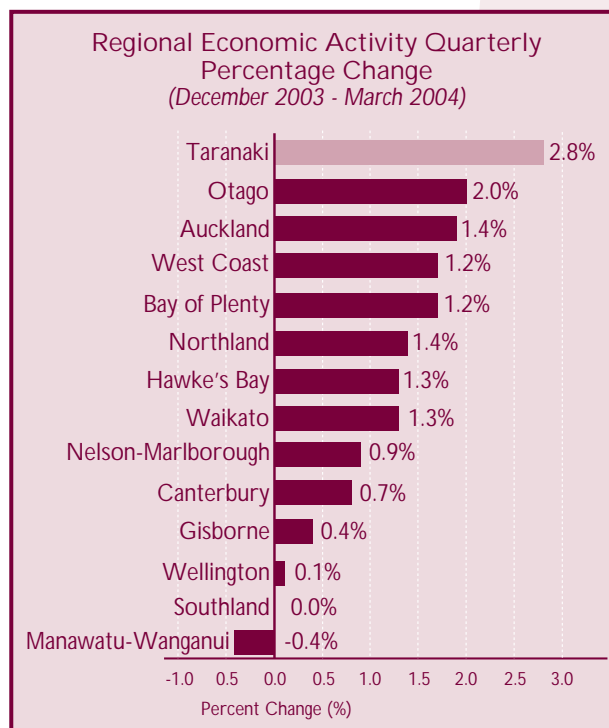
(Source: Statistics New Zealand)

What's happening in the Taranaki Economy?

Growth

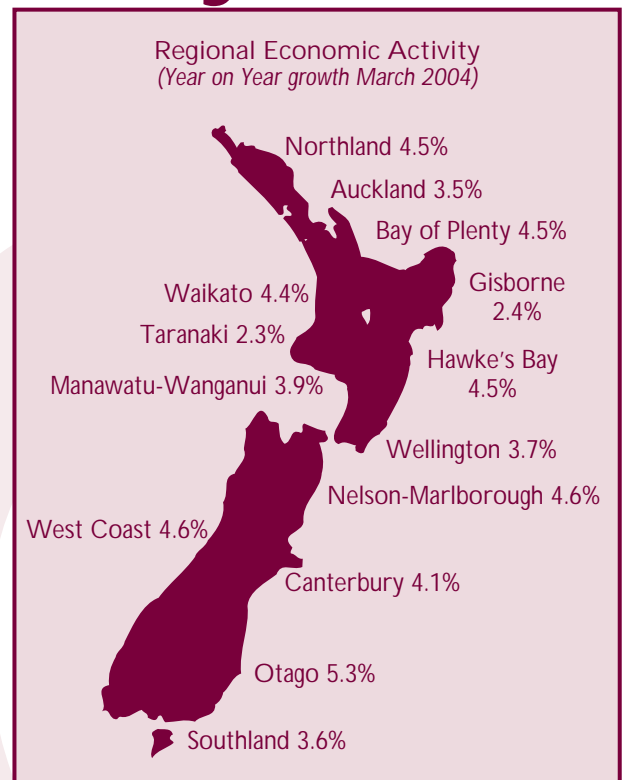
Quarterly Change:

- According to the National Bank Regional Trends Report, twelve regions recorded a rise in economic activity during the first three months of the year.
- For the first time since 2000 Taranaki recorded the highest quarterly growth (2.8%) across the country.
- The flood-damaged Manawatu-Wanganui was the only region to record a decline in activity during the quarter.
- Nationally economic activity rose 1.2% over the quarter.



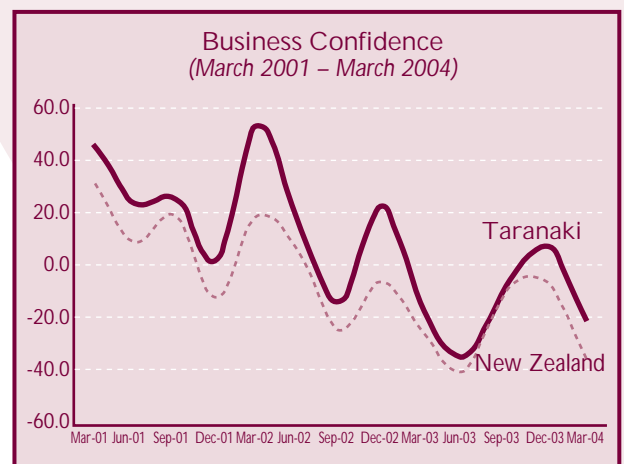
Annual Change:

- Taranaki recorded 2.3% year-on-year growth; the lowest across the country.
- Nation wide growth of 3.9% was evident.
- Otago, Nelson-Marlborough and West Coast Regions recorded the largest year-on-year rise in economic activity.



Business Confidence

- Confidence fell in every region; the largest drop evident in Nelson-Marlborough followed by Hawke's Bay.
- Although a decline on last quarter, Taranaki confidence remains above the national average.



(Source: National Bank Regional Trends Report)

What's happening in Taranaki Business?

- Venture Taranaki has launched a free job advertisement website, www.taranakijobsnz.com. For further information contact Venture Taranaki.
- The annual ASB Bank Top Shop competition is underway. The awards are designed to recognise the Taranaki retailers who get it right with their service, presentation and image. Awards will be presented at a function held at The Plymouth Hotel on 30th June.
- John Young has been named the chairman of Taranaki's new Super Trust. The trust is replacing Venture Taranaki, Destination Taranaki, Event Venues Taranaki and the New Plymouth District Council's marketing department.
- Six Taranaki companies were awarded funding for business development or R&D during the quarter. Amounts awarded ranged from \$3,000 to \$97,000.
- The New Plymouth Bus Station is estimated to cost around \$600,000 and is expected to be finished in August this year. Located in central New Plymouth on Ariki Street, the station will have space for five buses at any one time.
- New Plymouth is poised to become the base of a new inter-island ferry service. Discussions are being held between Port Taranaki operator Westgate Transport, Port Nelson and Wellington-based ferry operator Strait Shipping.
- The New Plymouth Coastal Walkway is to be extended. The New Plymouth District Council has completed negotiations with Port Taranaki to take the walkway through port land to the base of Paritutu Rock.
- Plastic Box has expanded premises into the former Psycho Scene ship on Devon Street.
- Arnold White Interiors is soon to become Karen Hayward Interior Design. The shop has moved upstairs from the previous location on Devon Street. The retail side of the business will be closed.
- Goodyear Auto Service Centre in Fitzroy is under new ownership. Aaron and Kerry Warner took over operations during February.
- A founding city relationship agreement has been formed between New Plymouth and Plymouth, England. New Plymouth is set to host a 'Plymouths of the World' convention next year.
- New Plymouth motel 'The Flamingo' has recently been sold to Max and Julie Woodley.
- Mainland's Ferndale Raclette, a French-style semi-soft cheese produced by Eltham's factory, has been named the 'Champion of Champions' at the Champions of Cheese Competition.
- After 13 years in business Bowlarama has undergone renovations. The latest 'Cubica System' now allows bowlers to enjoy automatic scoring and specialised bumper lanes to help children hit the target.
- MCK Metals Pacific in Bell Block has been sold. The business will re-name as MCK Metals Pacific Ltd.
- Devon Sweets has re-opened in Stratford with new and enthusiastic owners. Maureen Burnard and Allie Mishefski opened for business just in time for Easter.
- Croucher & Crowder Engineering recently celebrated 75 years in business.
- Mainland Products Ltd has recently decided to operate the Collingwood Road plant 24 hours a day, seven days a week. An additional 40 staff will be required to accommodate the extra operations.
- Quality Bakers located in Strandon has closed operations.
- Tutor Chris Albers from the Practical Education Institute is one of four finalists up for the 'Tutor of the Year' award in the Hospitality Standards Institute 2004 Excellence in Training Awards.

- Honda Cars in New Plymouth has become a privately owned Honda franchise. The business is now known as Taranaki Honda.
- Hawera based Price Chopper has been re-branded as Countdown. The change is part of a move to offer shoppers a better range of products at lower prices.
- Pizza Haven has relocated from Devon Street East to Eliot Street in New Plymouth. The new location provides customers with more parking.
- The owner of Whopping Big Carrot in New Plymouth has closed the retail section of the business, however they will continue to operate in the wholesale sector.
- The Taranaki Health Foundation – the fundraising arm of the Taranaki District Health Board – has recently received \$300,000 from the TSB Bank Community Trust. The money will go towards renovating the children's ward of the Taranaki Base Hospital.
- 13 gold-level and nine silver-level sponsors of the Taranaki Chamber of Commerce were honored at an event recently held at the Nice Hotel. The event was to also mark the official launch of the 2004 Westpac Taranaki Chamber of Commerce Business Awards, to be held in New Plymouth on the 27th August.
- Fonterra recently announced plans to cut 700 staff due to effects of the high New Zealand dollar and falling farmer incomes. Very few, if any, jobs are expected to be lost in Taranaki.
- WITT has announced it is expanding operations in China by opening a new office in Beijing. Employing more than 20 people from both New Zealand and China the office is anticipated to increase revenue by 500%.
- New Plymouth real estate agent Steve Beaven, of the Professionals, has retained his role as the Taranaki branch president of the Real Estate Institute of New Zealand.
- The New Zealand Qualifications Authority launched a website profiling New Zealand's secondary schools during May. Results found the majority of Taranaki secondary schools are above the national average for the first stage of 'National Certificate of Education Achievement'.
- The multi-award winning Elysium Day Spa in Centre City has received yet another award. The head office of Clarins in Paris has recently awarded the spa gold salon status.
- New Plymouth firm Boon Goldsmith Bhaskar Team Architecture recently won a \$16 million contract to revamp the Rotorua Sportsdrome.
- The Tasman View Resthome in inner-city New Plymouth has been sold to the Lombard Group, a large New Zealand Finance Company.
- The National Radio programme can now be heard on FM in Taranaki. A transmitter has been installed on Mt Taranaki and listeners can now hear the programme on 101.2FM.
- The Government recently detailed how the \$26 million growth and innovation budget would be distributed in May. \$6 million each year for the next three years and \$8 million in the fourth year will be distributed to support companies taking up "significant international market opportunities".
- Broadway Motel in Stratford has changed hands. New owners Hilary and Richard De Groot took over at the beginning of April.
- Pioneer Village Café has been leased to new proprietors and is trading under a new name. It is now known as Café Deborah May Epicurean.
- Taranaki Fresh has new owners operating the Broadway store in Stratford.
- New Plymouth's Pouakai Zoo is up for sale. Current owners Rex and Rosemary Bloor have operated the exotic zoo for three years.

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

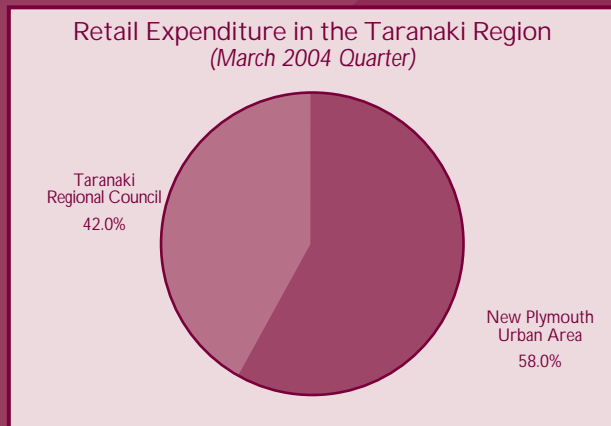
- Workwise, an employment agency, has recently established in Taranaki. Operating in Auckland, Waikato and Taranaki regions, the agency specialises in placing individuals who have a mental illness.
- Karen and Jamie Hodson, founders of Ozone Coffee, have now opened Empire Café. Operating from Devon Street West in New Plymouth, the café has a menu of over 100 exotic teas.
- Owners of Fitzroy Village Shoes, John and Anna Brbich, have expanded to open La Moda. The shop is operating from the former Browns shoe shop on Devon Street.
- Inamindseye Gallery has opened on Carrington Street, New Plymouth. The gallery features the photographic work of owner Sharon Stewart among other artists.
- Steve Looney and Brenda Frampton are planning to set up a tepee camp later in the year on their picturesque 8.5 ha lifestyle block in Oakura.
- Emotions gift shop has recently opened on the corner of New Plymouth's Devon and Liardet Streets.
- Anton's Chill Café and Bar has opened on Devon Street East, New Plymouth. The café offers relaxed dining style and internet facilities.
- Bronwyn Jones has launched a new Taranaki clothing label. Four designs are available to cater to a range of markets. The clothing is available in selected stores throughout Taranaki.
- The Western Institute of Technology at Taranaki (WITT) has opened a new campus in Stratford. Located in the Municipal Building on Broadway Street, the facility will offer a range of full and part-time courses.
- Located on 32 Kowhai Street Inglewood, the Community Early Childhood Centre has recently undergone renovations, providing a new car park and greater space for children to play.
- Friday 14th May marked the opening of the new Taranaki Hospice on David Street, New Plymouth.
- Plumbing World has opened on the corner of Gill and High Streets, New Plymouth.
- A new nail salon, Executive Nails, has been established in New Plymouth. The business, situated opposite the Clock Tower on Devon Street West, is owned and operated by Kirsty Green.
- 37 Gover Street, New Plymouth is now BellaVita - a restaurant specialising in authentic Italian cuisine. Owners Malcolm & Cherie Bourgoise and Pamela Young aim to recreate the special feeling that comes with eating out in Italy.
- PRODO, a newly established Mobile Data Communications business, is operating from Leach Street in New Plymouth. The business offers advice, implementation services, training and support for mobile data communications.
- The Shampoo Shop has expanded to incorporate a hair salon into the business. Located on Devon Street in New Plymouth, the salon provides a range of hair services to men, woman and children.
- Goldpine has opened for business on the corner of Monmouth Road and State Highway 3 in Stratford. The business offers a range of fencing and outdoor timber products.
- Pumpkin Patch, Australasia's largest specialty children's wear retailer, is expected to open in New Plymouth during July this year.
- Marie and Tony Smart have founded Country Fresh Fruit and Vege in Inglewood.

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

Retail Trade

This Quarter...

- Taranaki spent \$333.6 million on retail goods over the first three months of 2004.
- Compared to last quarter, expenditure dropped 2.7% from \$342.8 million.



- The majority of expenditure (58.0%) took place in the New Plymouth Urban Area.
- Nationwide \$13,364.1 million was spent on retail goods; a decrease of 5.8% on last quarter.
- Taranaki accounted for 2.5% of national expenditure over the quarter.

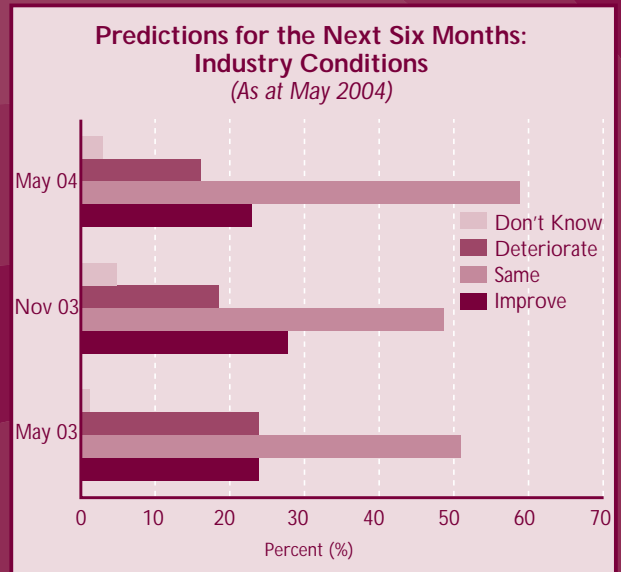
(Source: Statistics New Zealand)

Future Forecasts

Based on Venture Taranaki's recent business survey carried out in May 2004, the following predictions were made by business owners/ managers from the regions retail/ wholesale industry:

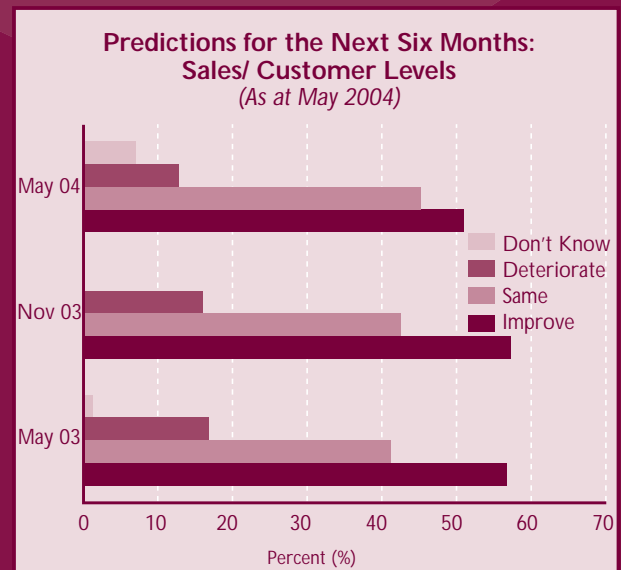
Industry Conditions:

- Industry conditions are expected to remain the same or improve over the coming six months.
- Optimism has remained consistently high over the past three surveys. The majority of retail/ wholesale respondents predicting conditions will remain the same or improve over the coming six months.



Sales/ Customer Levels:

- Overall optimism remains high with the majority of businesses predicting sales/ customer levels will improve over the next six months.
- For the past three surveys a feeling of general optimism has prevailed with almost fifty percent of businesses operating in the retail/ wholesale industry predicting levels will improve.



Visit www.taranaki.info to download a full copy of the May 2004 Business Survey Report.

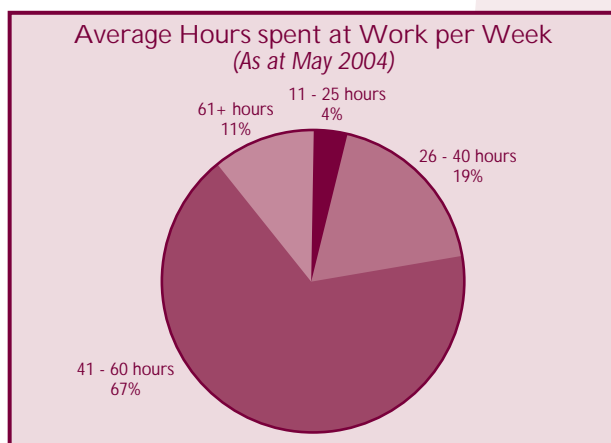
Taranaki Work / Leisure Balance

Venture Taranaki conducted the tenth Business Survey in May 2004. The survey was sent out to 1,000 Taranaki businesses. For a full report, visit www.taranaki.info. A summary of the special topic results are as follows:

Work and Leisure

Work is defined as activities relating to day-to-day business operations while leisure is defined as activities individuals engage in for recreational purposes.

- Results suggest that the majority of Taranaki business owners/ operators work more than full-time hours (40 hours) and have less than ten hours of leisure time per week.
- Collectively 78% of respondents reported working on average over 40 hours per week in their business.



- Just less than one quarter of respondents reported working part-time hours in their business (under 40 hours per week).
- 33% of respondents reported enjoying on average 11 – 25 hours of leisure per week while 6% reported on average over 26 hours. The large majority (60%) spent ten hours or less engaged in leisure activities.

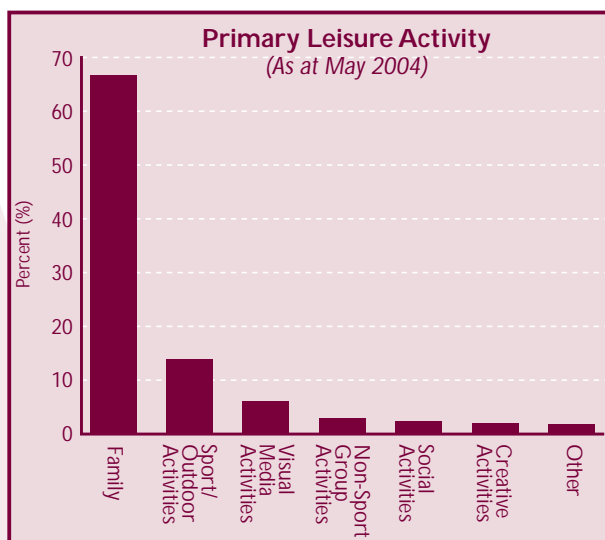


Leisure Activities

Respondents were asked to rank the top three leisure activities they spent most of their quality leisure time on.

1st Choice:

- The most frequently reported leisure activity was spending time with family members. 69% of respondents selected this option as their primary leisure activity.



2nd Choice:

- 41% selected sport and outdoor activities as their second leisure activity.
- Typical sporting and outdoor activities included walking, playing sport and gardening.

3rd choice:

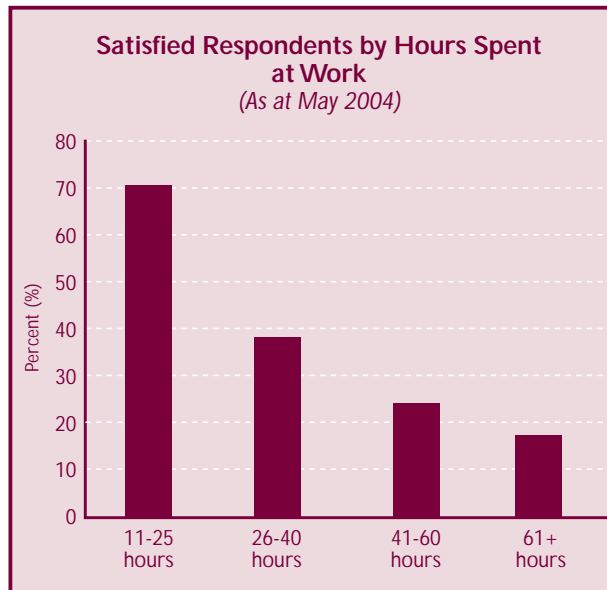
- Finally 27% of respondents selected visual media activities.
- Common activities reported included visits to the cinema, watching television and reading.

A wider variation of preference occurred as the rank increased. Due to the strong initial response, it can be concluded that spending time with family members is a common priority for the Taranaki business community.

Work / Leisure Satisfaction

Respondents were asked to rank how satisfied they were with the balance between the time they spend at work and leisure.

- Results indicated that the longer respondents worked, the lower their work/leisure satisfaction rating became.
- 70% of respondents who worked part-time hours reported higher levels of satisfaction (a rating of 4/5 or higher) compared to only 17% for those who work on average 61 hours or more per week.



Comments made by respondents in this section can generally be categorised into three types:

1. Satisfied respondents

"I am the boss with a reasonably good team; I can take it a little easy"

2. Respondents who are not satisfied but recognise the imbalance and intend to alter circumstance

"I need to take on more staff to alleviate the imbalance in work/leisure hours – there is plenty of work available to cater for more staff"

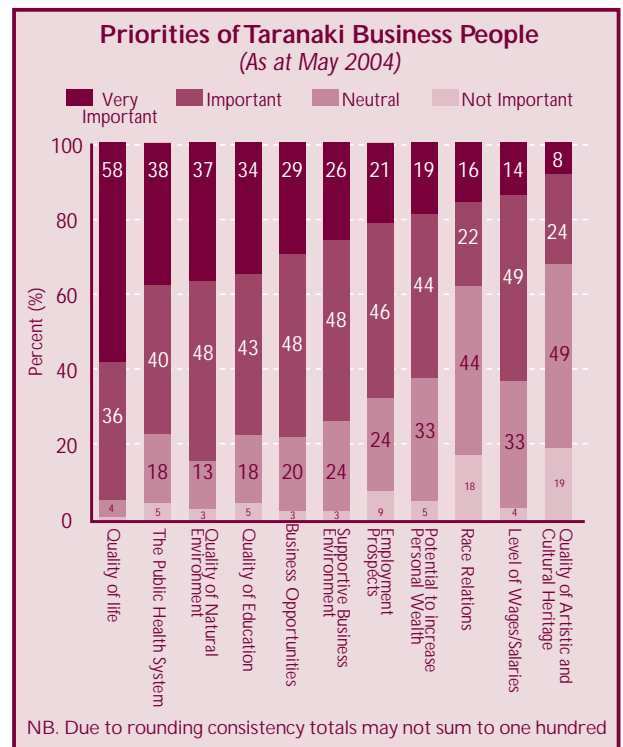
3. Respondents who recognise an imbalance however are unable to alter circumstances at this time

"Being manager/ accountant/ secretary and chief bottle washer business comes first"

Priorities

On a scale from zero to ten (0 = 'not important at all' and 10 = 'very important') respondents were asked to rate how important various aspects of Taranaki were to them personally.

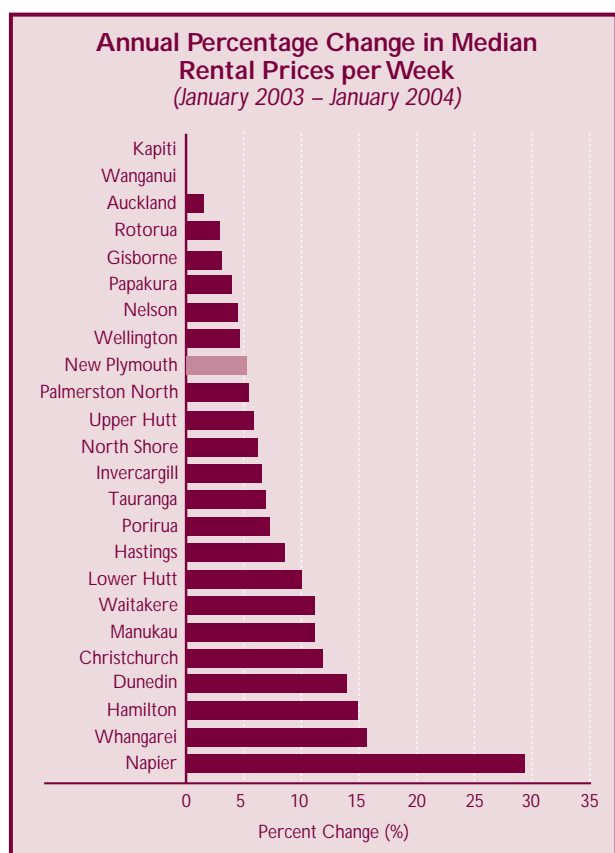
- Analysis revealed that the following four options were seen as most important to respondents:
 1. Quality of life
 2. The public health system
 3. Quality of the natural environment
 4. Quality of education
- **Quality of life** was **very important** to Taranaki with 58% of respondents rating it very important (10/10). A nationwide survey commissioned by the Growth and Innovation Advisory Board revealed 46% of New Zealanders rated quality of life as very important.
- Compared to national results, the Taranaki business community rated **economic issues** (business opportunities, providing a supportive business environment and employment prospects) as **more important**.
- **Race relations and quality of artistic and cultural heritage** were issues viewed as **less important** than others by Taranaki respondents.



Real Estate and Rental Accommodation

Household Rental Accommodation

- Over the three months ending January 2004 the national level of median rent for private sector accommodation increased by 4.3% to \$240 per week. This is a new high for New Zealand rental accommodation.
- New Plymouth experienced an increase of 11.1% in the median price for rental accommodation on the previous quarter, the largest across the country.
- An annual increase of 5.3% from \$190 to \$200 was recorded in New Plymouth.
- The largest annual increase over the year ending January 2004 was in Napier, increasing 29.4% from \$170 to \$220.
- Two areas, Kapiti and Wanganui, both recorded no increase over the period.



(Source: Massey University Real Estate Analysis Unit)

Residential House Sales

- There were 779 residential dwelling sales in Taranaki over the March 2004 quarter. This is a 5.6% increase on the previous quarter and an 18.8% increase on the same time last year.
- The average dwelling price for the quarter was \$168,200 compared to \$159,700 last quarter.
- The total value of dwelling sales for the period was \$131 million; an increase of \$46.9 million on the December 2003 quarter.
- 29,715 dwellings were sold nationwide over the quarter.
- Across the country Auckland accounted for the largest portion, 33.9%, of dwellings sold over the period.
- New Plymouth City accounted for almost half of dwelling sales throughout Taranaki.

Taranaki Area	Number of Sales	Percent of Total
Bell Block	36	4.6
Hawera	101	13.0
New Plymouth City	365	46.9
Stratford	101	13.0
Taranaki Country	124	15.9
Waitara	52	6.7
Total Taranaki	779	100.0

- Compared to 12 months ago, sales in Stratford have increased by 119.6% from 46 to 101.
- Sales in Taranaki Country, Waitara and Bell Block areas have also recorded increases of over 25%.

(Source: Statistics New Zealand/REINZ)

Section Sales

- 41 sections valued at \$2.5 million were sold throughout Taranaki during the March 2004 quarter.
- This is a decrease of 25.5% on the December quarter and a 30.5% decrease on same quarter last year.
- The average section price in Taranaki was \$60,000 during the March 2004 quarter. This is a 15.4% decline on the previous quarter.
- Nationally 3,057 sections were sold across the country of which 1.3% came from Taranaki.
- Comparitavely 18.7% of sections were sold in the Auckland region.

Taranaki Section Sales (March 2004 Quarter)		
Taranaki Area	Number of Sales	Percent of Total
Bell Block	3	7.3
Hawera	4	9.8
New Plymouth City	27	65.9
Stratford	2	4.9
Taranaki Country	5	12.2
Waitara	0	0.0
Total Taranaki	41	100.0

- The majority of sales, 65.9%, took place in the New Plymouth City Area.
- Compared to the previous quarter, the number of section sales in the New Plymouth City Area decreased 35.7% from 42 to 27.
- Waitara and Hawera both experienced declines in the number of sections sold compared to the previous quarter.

Lifestyle Blocks

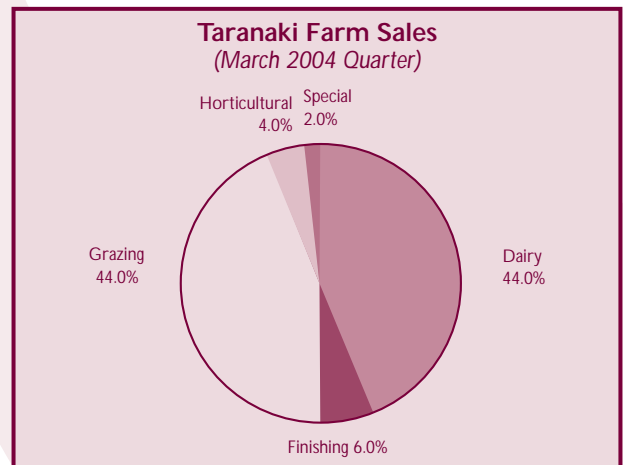
- 72 lifestyle properties were sold in Taranaki over the three months ending March 2004.
- February was the most popular month for purchasing properties over the quarter, accounting for 52.8% of Taranaki sales.

Farm Sales

- 50 farms were sold over the quarter throughout Taranaki; an increase of 8 sales compared to the December quarter.
- The majority of sales in the region took place during January.

Taranaki Farm Sales (March 2004 Quarter)		
Month	Median Price (\$)	No. of Sales
January	676,000	19
February	1,055,000	14
March	530,000	17

- A total of 692 farms were sold nation wide over the quarter; the majority of which were sold in the Canterbury Region.
- Compared to the December quarter, national farm sales decreased 14.6% from 810 to 692.
- Dairy and Grazing farms comprised 88.0% of farm sales throughout Taranaki.
- Nationally Grazing farms accounted for 50.1% of sales.



Taranaki Lifestyle Sales (March 2004 Quarter)		
Month	Median Price (\$)	No. of Sales
January	267,500	16
February	205,000	38
March	288,750	18

(Source: Statistics New Zealand/REINZ)

Economic Impact of Hurricanes v Sharks Super 12 Rugby

Venture Taranaki in partnership with the Taranaki Rugby Football Union (TRFU) conducted a survey to evaluate the impact the Hurricanes v Sharks Super 12 Rugby game (the game) had on the Taranaki economy. The game was held on 19th March 2004 at New Plymouth's Yarrow Stadium.

Background

- On 19th March 2004 an estimated 12,500 people attended the Hurricanes v Sharks Super 12 Rugby game at Yarrow Stadium, New Plymouth. Of these an estimated 10.3% (1,288) people were from outside of the Taranaki Region.
- Over 300 Taranaki and out-of-region spectators were surveyed after the event to gain expenditure patterns. Expenditure estimates for other groups were provided to Venture Taranaki by the Taranaki Rugby Football Union (TRFU).

Expenditure

- Only ADDITIONAL expenditure that occurred in Taranaki as a result of the game was included in analysis.
- It is estimated that an additional \$562,922 was spent in Taranaki by spectators and other groups before, during and after the game.
- The greatest benefit comes from out-of-region spectators as it can be assumed their expenditure may not have occurred in the region if the game had not been on.
- A portion of Taranaki spectator expenditure was also included in analysis as the event may have led them to spend more in the region than they otherwise would have.
- Other expenditure (e.g. corporate boxes, Sky film crew) was included based on the portion of out-of-region attendees.

Economic Impact

- Total expenditure estimates were entered into an economic impact model (developed for Venture Taranaki by the Waikato University's Department of Economics) to calculate final impacts.
- The total impact for the game is estimated at \$830,000.

- This is additional money that changed hands as a result of the game. It does NOT include money that would have been spent in the region by spectators anyway. For example, had the game not occurred Joe Bloggs (Taranaki resident) may have gone out for dinner in town (therefore spending money in the economy anyway).
- An equivalent of 8.23 full time jobs could have been created as a result of money spent by spectators and other groups.
- Value Added (also known as regional GDP) measures the value of goods and services generated by the economy as a result of the game. For example, a hot dog vendor sells a hotdog worth \$1.60. After expenses only \$0.20 is counted as Value Added by this transaction. The other \$1.40 accrues to the region where the hotdog was manufactured and the freight from etc. The Value Added to Taranaki as a result of the game is estimated at \$350,000.

Spectator Analysis

In addition to economic information the survey identified a number of other key points:

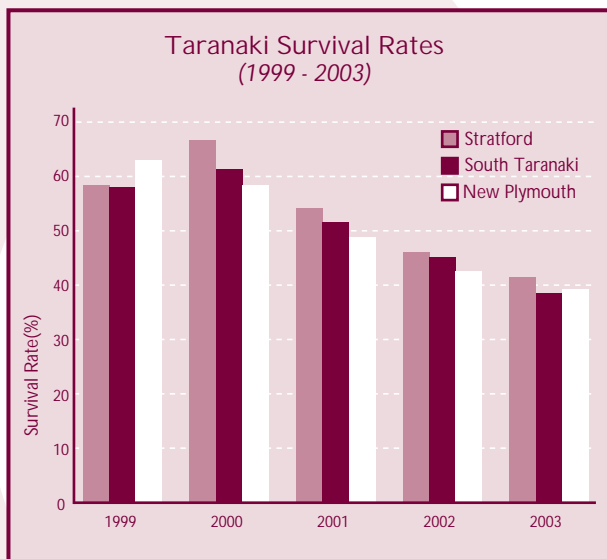
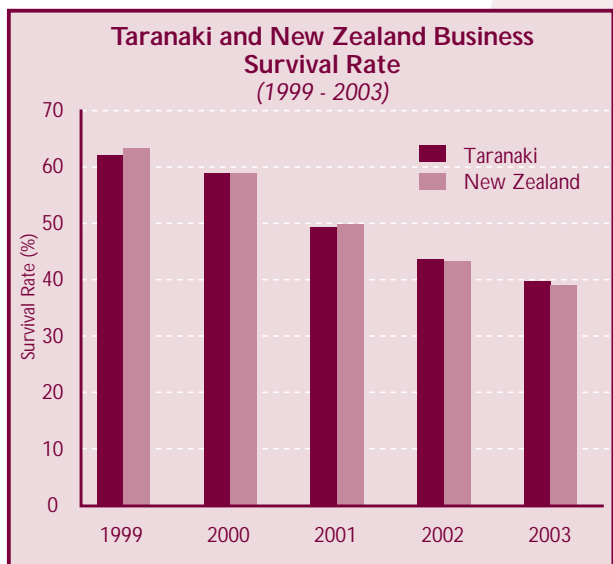
- Saturday at 7.35 pm was the most favoured time for future games.
- The majority of spectators attended the game with family members.
- The majority of respondents reported current ticketing methods were meeting their needs.
- Out-of-region spectators are generally coming from Wellington and Manawatu-Wanganui Regions.
- Almost half of out-of-region spectators stayed in hotel/ motel accommodation while visiting the region.
- On average, visitors stayed 1.74 nights in Taranaki.

Taranaki Business Survival Rates

The summary below analyses Business Survival Rates for New Zealand and Taranaki. Estimates are calculated by tracking businesses that started operating in 1998, and establishing whether they were still trading in subsequent years. The information in this summary is supplied by Statistics New Zealand. For further information contact Venture Taranaki.

- 58,220 business enterprises started trading throughout New Zealand in 1998. As at February 2003 39% of these businesses remained in operation.
- 1,260 of the businesses initiated nationwide during 1998 were based in the Taranaki Region.
- Five years on, 500 of the 1,260 Taranaki businesses (40%) are still trading. This is in alignment with the national level of 39%.

- Since 2000 Stratford has consistently reported the highest survival rate across Taranaki.



- When comparing Taranaki to National industry survival rates, a number of sectors stand out as surviving exceptionally well in the region's economy.
- Industries in Taranaki that have a survival rate exceeding that National level by ten percentage units or more include the 'Mining, Cultural and Recreational Services', 'Finance and Insurance', 'Communication Services' and 'Agriculture, Forestry and Fishing' industries.
- Conversely, the 'Health and Community Services' industry survival rate in Taranaki is down ten percentage units on the National level.



Construction

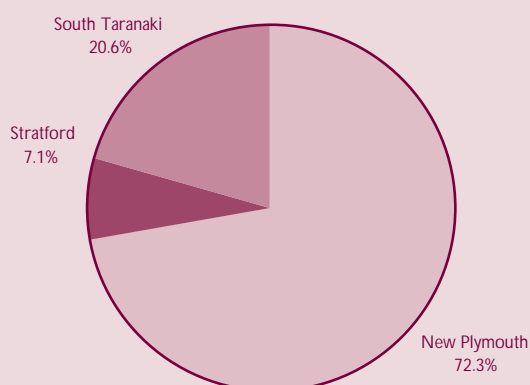
Residential Construction

- For the quarter ending March 2004 a total of 379 new and alteration residential building consents were issued throughout Taranaki. Valued at \$32.6 million the consents comprise 1.9% of the national value for the period.
- During the quarter Taranaki was granted 85 new residential building consents valued at \$25.1 million. Compared to the previous quarter the number of consents issued decreased by 11 units.
- Alteration building consents also declined on last quarter from 316 to 294. Valued at \$7.5 million the consents accounted for 2.8% of the national value.
- Within the region, 72.3% of residential consents issued were within the New Plymouth District.
- Nationally there were 13,879 residential building consents issued; a decline of 6.3% on the previous quarter.

Taranaki Residential Building Consents
(March 2004 Quarter)

District	Count		Value (\$m)	
	New	Altered	New	Altered
New Plymouth	66	208	20.8	5.8
Stratford	10	17	2.2	0.3
South Taranaki	9	69	2.1	1.5
Taranaki Total	85	294	25.1	7.5

Number of Residential Building Consents Issued in Taranaki
(March 2004 Quarter)



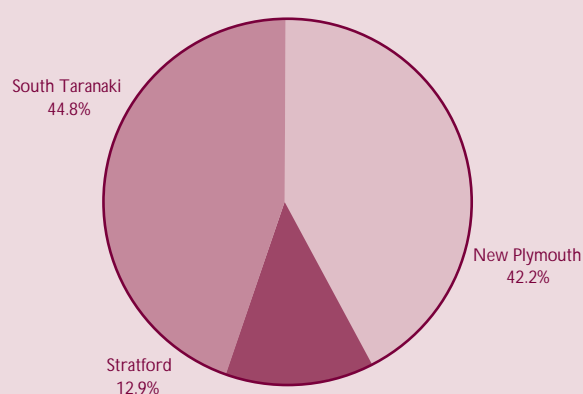
Non-Residential Construction

- Nationally 3,461 non-residential consents were granted over the March 2004 quarter. Taranaki was issued 116 consents valued at \$14.8 for the period.
- The number of new non-residential consents increased from 60 to 75 over the December to March quarters.
- 41 alteration non-residential consents valued at \$4.9 were issued throughout the region over the March 2004 quarter; a unit decrease of 25 consents and a dollar decrease of 46.1% on the previous quarter.
- South Taranaki accounted for almost half of the consents issued in Taranaki over the quarter; a unit increase of 30.0% on the previous quarter.
- Conversely Stratford and New Plymouth Districts experienced a decline in the number of consents issued compared to last quarter.

Taranaki Non-Residential Building Consents
(March 2004 Quarter)

District	Count		Value (\$m)	
	New	Altered	New	Altered
New Plymouth	26	23	5.6	1.4
Stratford	13	2	1.0	0.03
South Taranaki	36	16	3.3	3.5
Taranaki Total	75	41	9.9	4.9

Number of Non-Residential Building Consents Issued in Taranaki
(March 2004 Quarter)



(Source: Statistics New Zealand)

Construction Industry

The following section has been derived from the economic model of the Taranaki Regional Economy constructed for Venture Taranaki by the University of Waikato's Department of Economics. The model comprises an analysis of 114 industry sectors for the 2003 year. The construction summary below includes four industry sectors.

Construction Industry Statistics (2003)			
Sector	FTE	VA (\$m)	VA per FTE (\$)
Residential Building Construction	520	17	32,613
Non-Residential Building Construction	220	17	76,221
Non-Building Construction	320	34	107,006
Services to Construction	1,830	74	40,698
TOTAL	2,890	142	256,538

Full Time Equivalents (FTE)

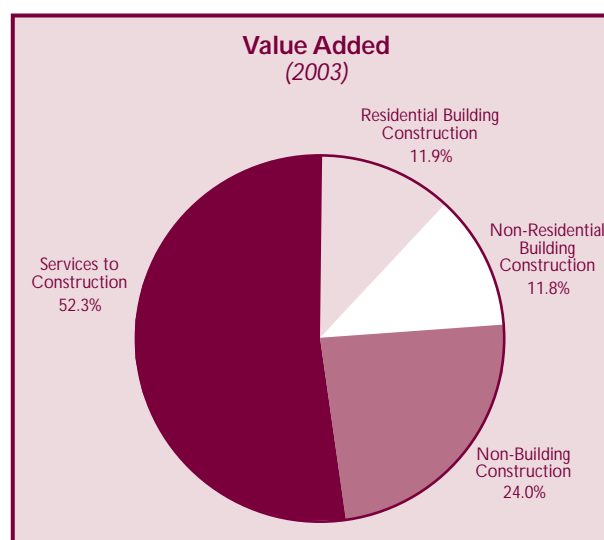
- The FTE statistic provides an estimate of how many full-time employment positions there are within an industry.
- Collectively there are an estimated 2,890 FTE positions in the Construction industry in Taranaki. Of these the majority (63.3%), are within the 'Services to Construction' sector.
- The smallest contribution to Construction employment is the 'Non-Residential Building Construction' sector with 220 FTEs; 7.6% of the industries total FTEs.

Value Added per FTE (VA per FTE)

- The VA per FTE statistic indicates the true value an industry contributes to the economy per FTE employee.
- On average, the Construction industry contributes \$256,538 per FTE to the Taranaki economy.
- 'Non-Building Construction' is the single largest contributing sector accounting for 41.7% of the VA per FTE for the industry.
- Conversely, the smallest contributor is the Residential Building Construction sector with 12.7%.

Value Added (VA)

- Value added for an industry comprises gross wages/ salaries, gross operating profit and all taxes paid to the government by that sector. VA is also known as regional GDP (GRP).
- The Construction industry in Taranaki contributes an estimated \$142 million to the local economy annually.
- Of this, over fifty percent is generated from the 'Services to Construction' sector.
- Collectively 'Building Construction' (residential and non-residential) contributes \$34 million to the Taranaki economy in GRP.

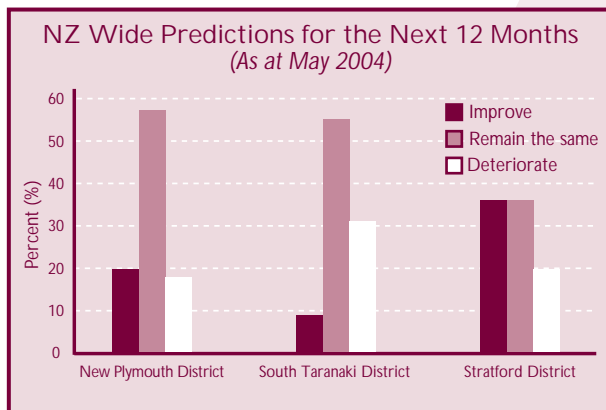


Taranaki Businesses Outlook

Venture Taranaki conducted the tenth Business Survey in May 2004. The survey was sent out to 1,000 Taranaki businesses. For a full report, visit www.taranaki.info. A summary of the results are as follows:

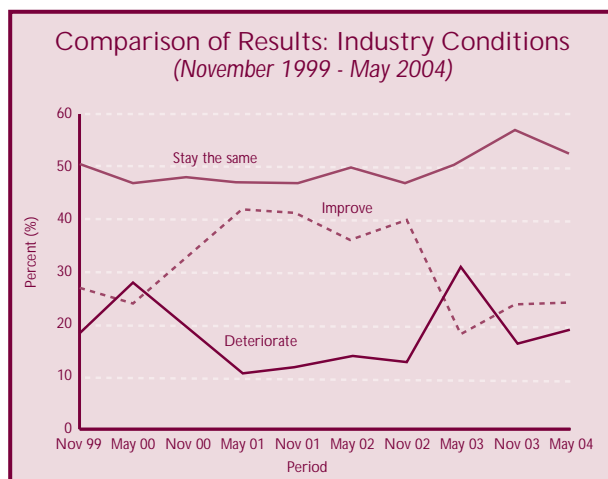
NZ Wide Conditions

- Survey results indicate that Taranaki businesses predict New Zealand wide business conditions are set to remain the same for the year ahead.
- Stratford based businesses tend to be more optimistic in outlook than South Taranaki and New Plymouth based businesses.



Industry Conditions

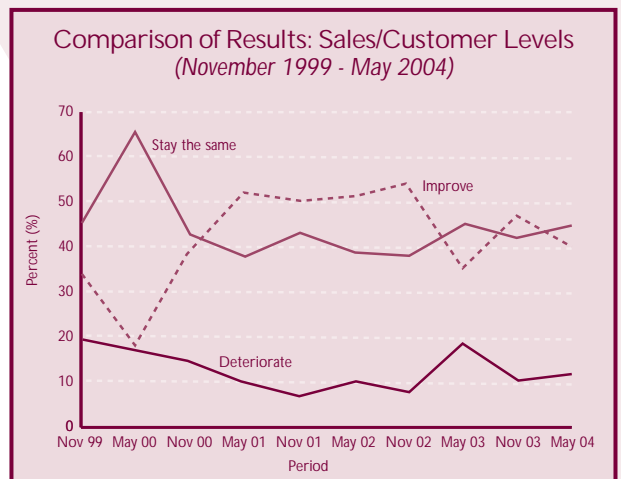
- Over half of businesses surveyed reported industry conditions are likely to remain the same over the coming 12 months, while 24% indicated conditions are likely to improve.
- Overall there has been little change in predictions since the previous survey carried out in November last year.



- Broken down by district, results suggest businesses based in Stratford are significantly less pessimistic than other Taranaki areas.
- 4% of Stratford business respondents reported feeling that industry conditions will deteriorate over the next year. This compares to New Plymouth and South Taranaki based businesses reporting 17% and 31% respectively.

Sales Trends

- Although a decline on the November 2003 survey results, sales predictions for the coming six months are confident with the large majority of businesses predicting sales levels either staying the same or improving.
- Again Stratford based businesses are particularly confident with over half of the businesses in this district indicating an increase in sales is likely over the next six months.
- Cashflow predictions follow a similar trend with 40% of Stratford and 41% of New Plymouth businesses indicating an improvement is likely.
- When compared to the same time last year, an increase in optimism and a decrease in pessimism is apparent.
- The portion of respondents predicting deteriorating conditions has remained consistently low since the survey began in 1999.

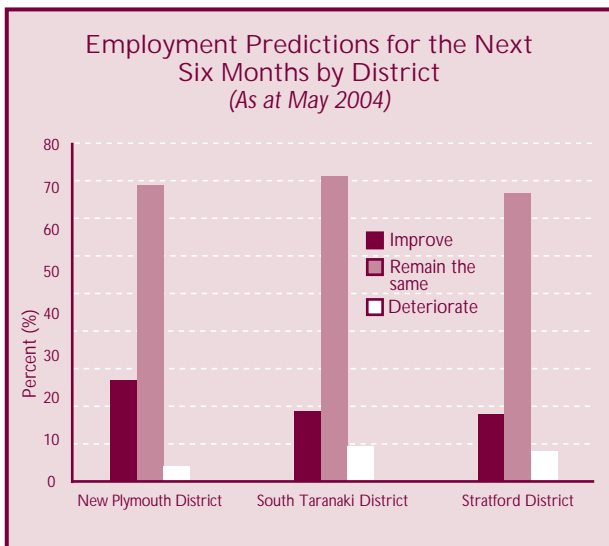


Employment Trends

- Employment levels are stable with 70% of business respondents predicting they will not require any additional staff over the coming six months.
- Over time the majority of respondents have consistently indicated that they believe their staff requirements for the coming period are likely to remain the same.
- Of those businesses indicating that an increase in employee levels is likely over the coming six months (22%), 'skilled manual/ technical' and 'semi-skilled' workers were among the most requested employee types.
- 'Other', 'clerical' and 'graduate' employees were the least requested types.

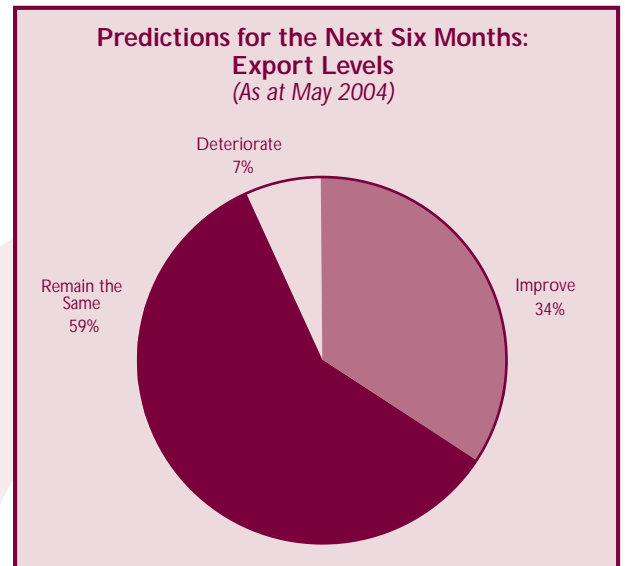


- When analysed by Taranaki District, it is evident that New Plymouth businesses are more likely to take on additional employees than Stratford or South Taranaki.



Export Trends

- Confidence in the market is strong that export levels will either improve or remain the same in the months ahead.



- The strong New Zealand dollar influencing export prices is an issue currently of concern to exporting businesses.



Maori Economic Development

This Quarter...

- During the first three months of the year 14* Maori individuals enquired with Venture Taranaki regarding establishing a new business.
- The most prominent industries of interest among this group were the 'Cultural and Recreational Services' and 'Business and Financial Services' industries.
- Collectively these two industries accounted for 64% of Maori enquires for the quarter.

Industry Of Start up	Percent of Total
Agriculture, Hunting, Forestry, Fishing	-
Mining and Quarrying	-
Manufacturing	7%
Electricity, Gas and Water	-
Construction	7%
Wholesale and Retail Trade	7%
Accommodation, Cafes, Restaurants	7%
Transport, Storage and Communication	-
Business and Financial Services	21%
Cultural and Recreational	43%
Community, Social and Personal Services	7%
Education	-
Total	100%



* These statistics were collated from Venture Taranaki Trust. This is not an exhaustive list of all Maori business enquiries.

Matariki Entrepreneurial Scholarship

The Matariki Charity Ball held recently in Taranaki celebrated the establishment of the Matariki Entrepreneurial Scholarship. Proceeds raised at the event went towards the initiation of the fund.

The purpose of the scholarship is to strengthen the business and management capability of local Whanau, Hapu and Iwi.

Scholarship funding will have criteria that are specific to the following areas:

- **Financial Management**
 - banking
 - off-shore and on-shore investment
 - e-commerce
 - accounting
- **Information Technology for Maori Woman**
 - hardware and software development
 - innovation
- **Entrepreneurialism**

The scholarship is associated with Te Pikinga AIO Society Inc (Taranaki). Established in Taranaki over a year ago, the association acts as a regional branch of the parent body, Te Pikinga AIO Society Inc. Nationally the society has been operating since 1929.

Some of the primary aims of Te Pikinga AIO are to:

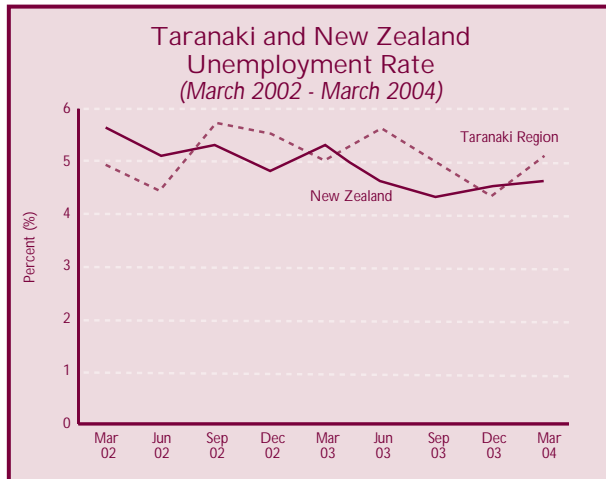
- To help educate young people, particularly to be self-sufficient, and if desired, self employed.
- To uphold families by providing practical education programmes (including Maori conservational practices and utilization of the land if the branch is in New Zealand).
- To celebrate and uphold the indigenous language and culture.

For further information on the Matariki Entrepreneurial Scholarship please contact the Taranaki branch of Te Pikinga AIO, Colleen Tuuta on 0274 456 362.

Labour Force

Unemployment Rate

- The unemployment rate for Taranaki during the March 2004 quarter was 5.1% compared to 4.3% for the previous quarter.
- Unemployment has remained stable compared to the same time last year increasing mildly from 5.0% to 5.1%.



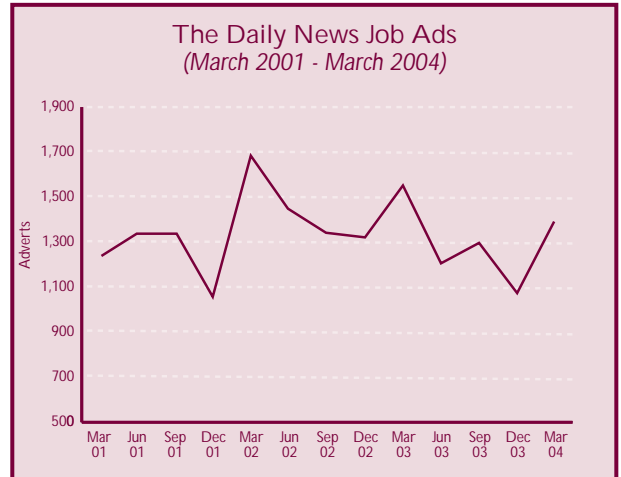
- Nationally the unemployment rate for the quarter was lower than Taranaki at 4.6%.
- Nelson/ Tasman/ Marlborough/ West Coast Regions reported the lowest unemployment rate across the country while Bay of Plenty recorded the highest.

Regional Unemployment Rates (Percent)			
Region	Mar 2003	Mar 2004	04 Ranking
Nelson/ Tasman/ Marlborough/ West Coast	3.5	2.7	1
Southland	3.3	2.9	2
Waikato	5.5	3.9	3
Northland	9.6	4.2	4
Auckland	4.6	4.4	5
Canterbury	4.5	4.4	5
Otago	5.9	4.4	5
Wellington	6.3	4.7	8
Taranaki	5.0	5.1	9
Gisborne/ Hawkes Bay	5.9	5.7	10
Manawatu/ Wanganui	4.7	5.9	11
Bay of Plenty	7.5	6.7	12
New Zealand	5.3	4.6	

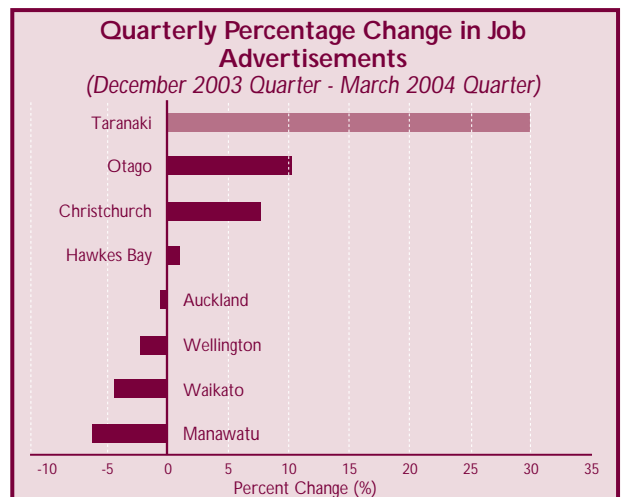
(Source: Statistics New Zealand)

Situations Vacant

- Between January 1st 2004 and March 31st 2004 there were 1,394 jobs advertised in The Daily News; a 29.8% increase on the previous last and a 9.9% decrease on the same time last year.



- Throughout the quarter there were 98,976 jobs advertised in newspapers across the country; an increase of 5.9% on last quarter.
- In contrast to last quarter, Taranaki reported the largest percentage increase (29.8%) in the number of jobs advertised across the country.
- Auckland, Wellington, Waikato and Manawatu regions all reported a decline in the number of jobs advertised over the quarter.



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

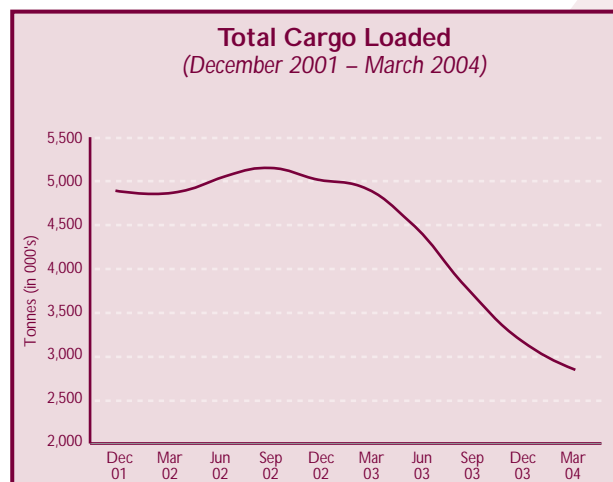
(Source: ANZ New Zealand / The Daily News)

Export Trade

Port Taranaki

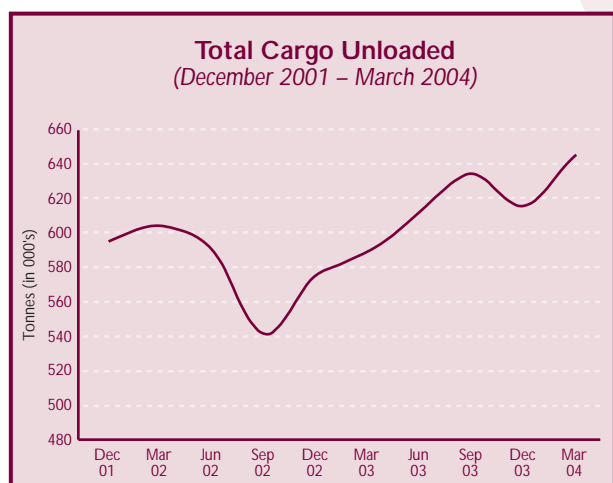
Cargo Loaded:

- For the year ended March 2004 a total of 2.9 million tonnes of coastal and international cargo was loaded at Port Taranaki. Compared to the year ended December 2003, this is a decrease of 10.0%.
- Over time the volume of cargo loaded has declined steadily since March 2003.



Cargo Unloaded:

- 645,889 tonnes of coastal and international cargo was unloaded at Port Taranaki over the 12 months ending March 2004. This equates to an increase of 4.8% on the year ended December 2003.



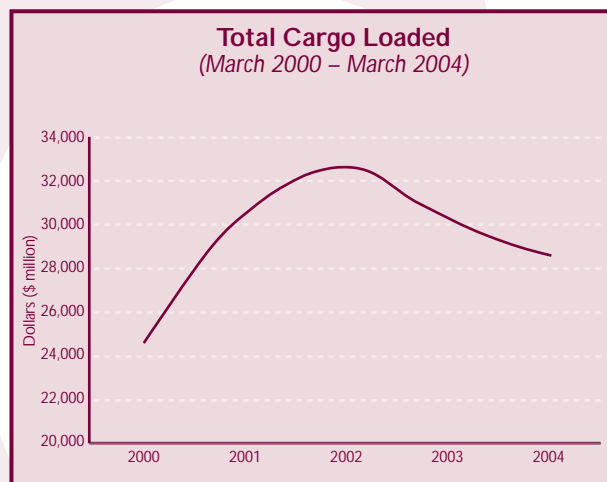
- An increasing trend in the volume of cargo unloaded has been evident in Taranaki since September 2002.

(Source: Port Taranaki)

New Zealand

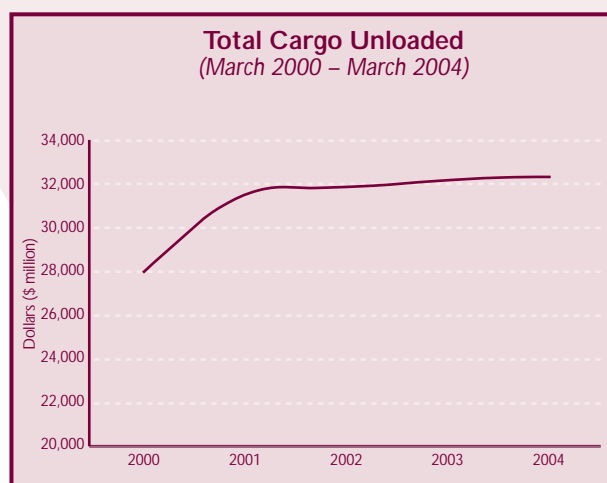
Cargo Loaded:

- \$28,616 million of cargo was loaded throughout New Zealand over the 12 months ending March 2004. Export value has declined 5.5% compared to the year ending March 2002.
- The value of New Zealand exports experienced a declining trend since March 2002.



Cargo Unloaded:

- For the year ended March 2004 \$32,357 million worth of imported goods was unloaded throughout New Zealand.



- Nationally the value of cargo unloaded has remained constant for the past three years.

(Source: Statistics New Zealand)

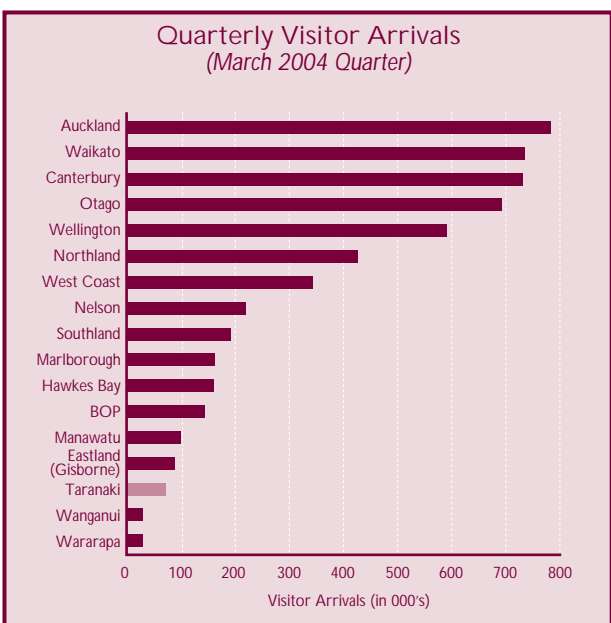
Tourism

Visitor Arrivals

- The March quarter has consistently been Taranaki's busiest month for visitor arrivals.



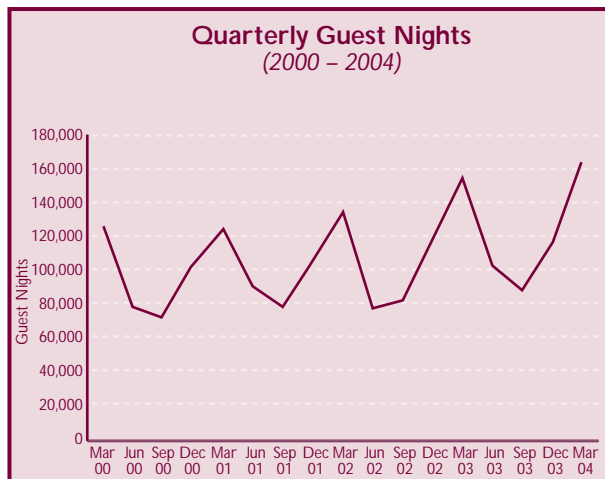
- Over the March quarter there were 74,935 visitor arrivals to the Taranaki Region; a 16.9% increase on the same time last year.
- New Plymouth District was the most popular Taranaki destination, accounting for 81.3% of total visitors to the region over the quarter.
- Across New Zealand Auckland, Waikato and Canterbury Regions experienced the largest number of visitor arrivals during the March 2004 quarter.



NOTE: In some cases district/city arrival numbers have been summed to regional level. Visit 'www.stats.govt.nz' for further information.

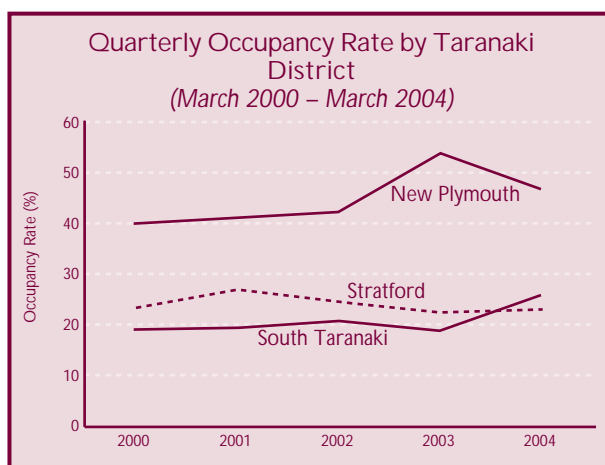
Guest Nights

- 162,721 people stayed in short-term commercial accommodation throughout Taranaki during the first three months of 2004.
- Compared to the same quarter last year an increase of 5.7% is apparent.



Occupancy Rate

- The average Taranaki occupancy rate for the March 2004 quarter was 40.5%, a decline of 3.1% on the same quarter last year.
- New Plymouth District experienced the highest occupancy rate across Taranaki with 46.9%.
- Stratford reported the lowest occupancy rate for the quarter with 23.1%.



(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 to its success.

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

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

Venture Taranaki

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