

Venture
TARANAKI



TARANAKI TRENDS

TARANAKI ECONOMIC REPORT

STATISTICS TO JUNE

2005

(Document current until March 2006)

Welcome...

Taranaki has fizzed with activity in the past 12 months...and nowhere is that thriving momentum more pronounced than in this latest edition of Taranaki Trends. In all the major indicators – economic growth, housing, tourism and construction – our region has been running hot; unemployment is at a record low; we've experienced more births and deaths. Even the numbers of sheep, beef and dairy cattle have soared in the past year!

This region has ridden on the coat-tails of a 5% year-on-year growth in regional economic activity – substantially topping other New Zealand regions. It has achieved a healthy 14.6% increase in 2004 tourism numbers; attracted nearly \$6.5 million in income from an unprecedented 'Mad March' events calendar; and a new Taranaki regional identity has been launched.

In all the euphoria of a successful year, it is prudent to note that signs are emerging of that growth reaching maturity, not only in Taranaki but nationally. House sales have slowed, regional economic activity has eased, and the latest National Bank business confidence survey highlights a more conservative level of business confidence. Rising costs, such as fuel, have begun to bite.

In the next 12 months, Venture Taranaki will be challenged to launch more exciting initiatives which will challenge and confront the region's industry and commerce. Our region's growth is reliant on a sophisticated transport infrastructure and a well educated workforce, and this growth will be hindered if we fail to attract and retain a world-class workforce. The continued investment in our road, rail, sea and air links is also critical to that success.

Despite being tempered by this more cautious approach, Taranaki's economy remains in great shape. The buoyant period has generated positive spin-offs, and there is much to be positive about for some time yet. The region is rapidly heading towards warmer days, summer tourism, events such as Taranaki's ITU World Cup Triathlon in November, and impending new business developments such as production from the new Anzco plant in Waitara.

If our new regional brand defines Taranaki as 'like no other', then what we as a community achieve in the next 12 months should be uniquely 'like no other'. Whatever the economic future holds, we are looking forward in anticipation to what the region can achieve.

Stuart Jurdle

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Taranaki

Economic Trends

The Economy

What's hot & what's not?

Regional Growth

- According to the National Bank Regional Trends Report, Taranaki recorded a decline in growth for the June quarter of -0.4%. However year-on-year growth of 5.0% saw the region retain national top spot for the twelve month period.

CPI

- Between the March and June 2005 quarters the New Plymouth Urban Area Consumer Price Index (CPI) rose 1% compared with a national increase of 0.9%.

GDP

- Economic activity increased 0.6% in the March quarter, following a rise of 0.3% in the December quarter. Annual GDP was 4.2%.

Unemployment

- The unemployment rate declined in Taranaki to 2.7% – the lowest for several years and below the national average.

Retail Trade

- During the June 2005 quarter non-seasonally adjusted retail sales in Taranaki increased 2.03% over the March 2005 quarter.

Rental Accommodation

- The median price for private sector rental accommodation in New Plymouth remained unchanged at \$220 per week.

Real Estate

- During the June 2005 quarter 657 residential dwellings were sold throughout Taranaki; a decrease on the 701 sold the previous quarter.

Tourism

- Taranaki hosted 59,390 visitors in short term commercial accommodation during the June 2005 quarter; an increase of 6.1% compared to the corresponding quarter last year.

Exports

- 2.68 million tonnes of coastal and international cargo was loaded at Port Taranaki during the 12 months to June 2005; a decline of 7.2% on the previous 12 months; however levels of cargo unloaded have increased.

Dairy Cattle

- Numbers of dairy cattle in Taranaki have increased 6.7% between June 2003 and June 2004. This is a turnaround from the previous year, when numbers declined 4.3%.

Sheep Numbers

- Numbers of sheep in the province has increased 3.4% between June 2003 and June 2004.

Beef Cattle

- Taranaki was one of only two regions to record a rise in numbers of beef cattle between June 2003 and June 2004. Numbers in the province increased 2%.

Births

- Live births increased 7.2% in Taranaki to 1,419 for the year ending June 2005.

Deaths

- Deaths also increased in Taranaki. 980 were recorded for the year ended June 2005, up 5.6%.

Construction

- Residential consents have increased 11.8% in number and 13.9% in value over the past 12 months in Taranaki.

GST

- Net GST for the year ended March 2005 in Taranaki, has declined 10.8% relative to the previous 12 months.

What's happening in the National Economy?

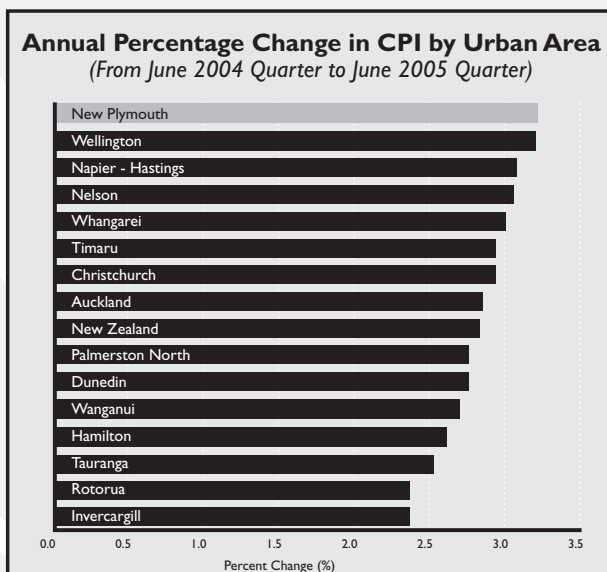
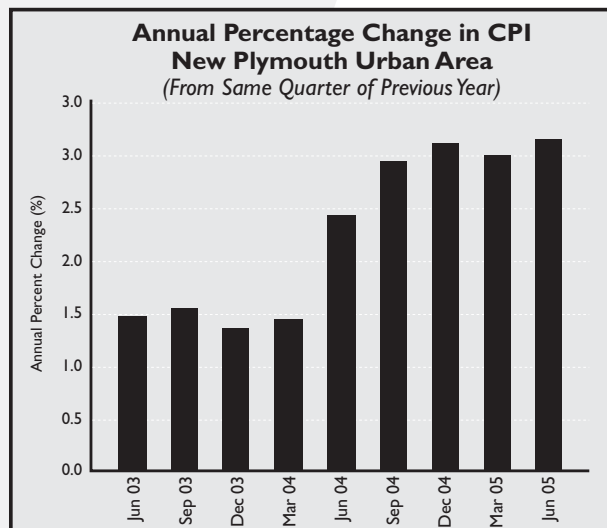
Consumer Price Index

Quarterly Change:

- Between the March 2005 quarter and the June 2005 quarter, the Consumer Price Index (CPI) for the New Plymouth Urban Area increased by 1.0% compared with a national increase of 0.9%.

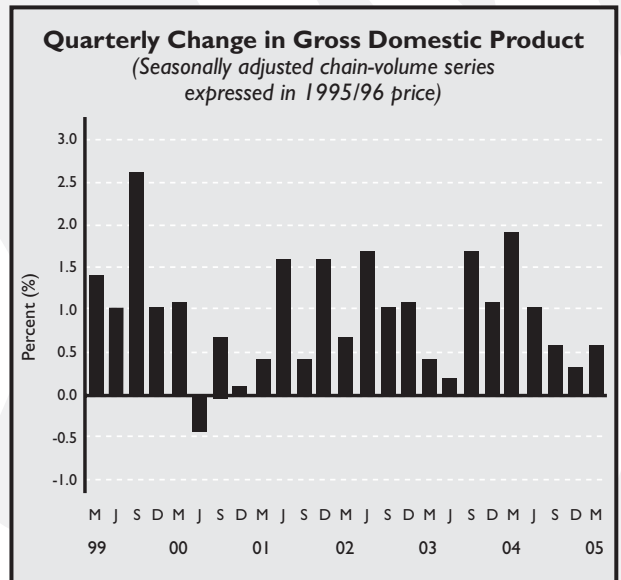
Annual Change:

- The New Plymouth Urban Area experienced an annual rise of 3.2% in consumer prices from the June 2004 quarter to the June 2005 quarter, compared with a national annual rise of 2.8%.



Gross Domestic Product

- Economic activity increased 0.6% in the March 2005 quarter, following a rise of 0.3% in the December 2004 quarter.



- Annual growth in Gross Domestic Product (GDP) was 4.2% for the March 2005 year.
- Contributory factors to this growth included a lift in internal demand, with buoyant household spending and strong business investment.
- However, export volumes fell this quarter, with marked declines in exports of wood and wood products, and other manufactured exports.

Household Spending

- Household spending continued to be buoyant this quarter (up 1.8%), following a 1.1% rise in the previous quarter.
- Expenditure on non-durable goods were up (1.3%) with retail food the main contributor; Expenditure on services and durables were also both up 0.9%. Spending on household appliances, clothing and footwear was particularly strong.
- In contrast, there was a fall in new vehicle purchases.

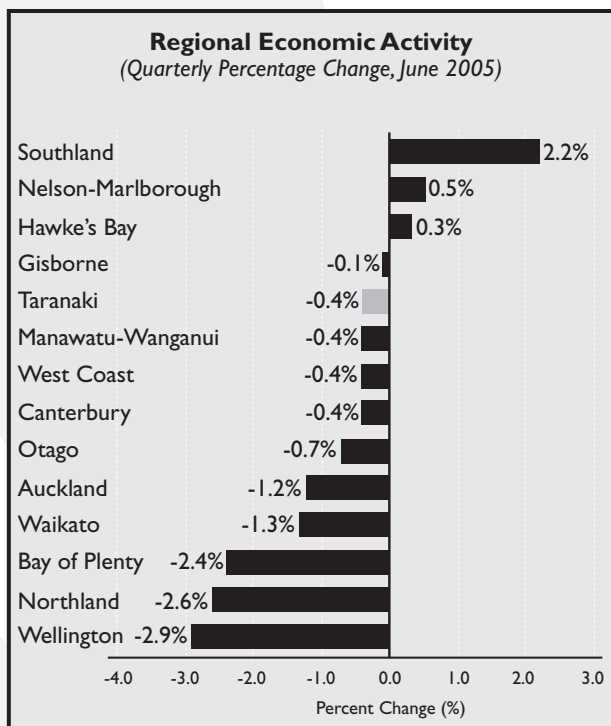
(Source: Statistics New Zealand)

What's happening in the Taranaki Economy?

Growth

Quarterly Change in Growth:

- According to the National Bank Regional Trends Report, 11 regions recorded a drop in economic activity in the June quarter – representing the weakest quarterly result since June 2000.
- Although Taranaki reported a quarterly decline of -0.4%, this outcome reflected the fourth best performance in the country.
- Wellington led the decline, dropping 2.9 percent.
- Southland recorded the strongest increase of 2.2 percent.
- Underpinning Taranaki's performance were improvements in employment and new car registrations (the strongest of the regions). However business and consumer confidence experienced a fall, as did house sales.

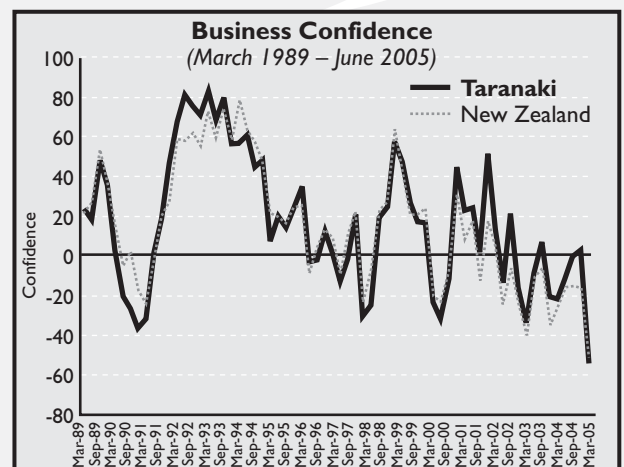
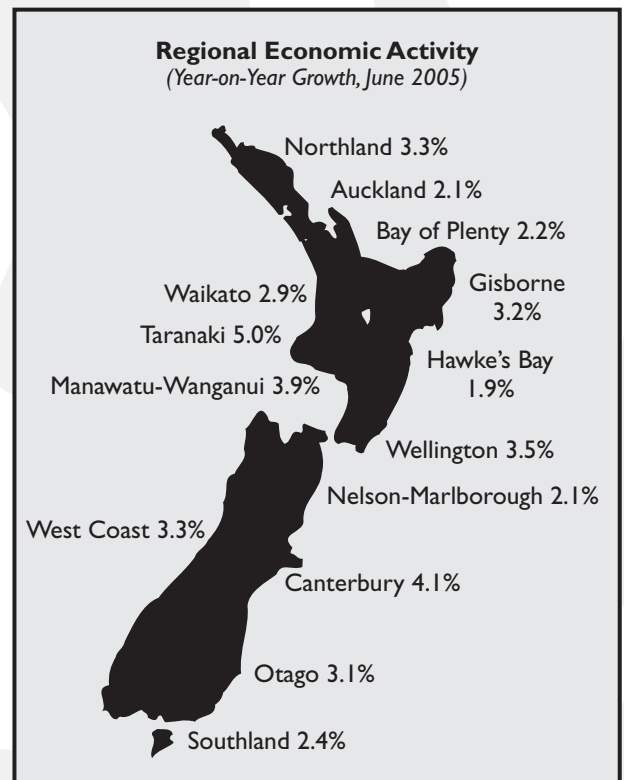


Business Confidence

- Business confidence regionally and nationally has declined in the last six months.
- In the June quarter it fell in every region – with Hawke's Bay and the Bay of Plenty hardest hit.

Annual Change in Growth:

- Taranaki recorded 5.0% year-on-year growth for the year June 2005, the highest level of regional growth in the country.
- The South Island continues to out-perform its neighbour, with 3.4% in the Mainland versus 2.8% in the North Island.



(Source: National Bank Trends Report)

What's happening in Taranaki Business?

- The Taranaki Festival of the Arts was a great success. Held for the first time over the winter months, it staged 82 performances at the TSB Showplace in New Plymouth and throughout Taranaki. More than one-third of performances were sold out. During the three-week period, nearly 21,000 people attended performances by 243 artists from Canada, Britain, Africa, Europe, Australia, New Zealand and Taranaki.
- Air Nelson's new Bombardier Q300 aircraft arrived at New Plymouth airport as a demonstration flight. The 50-seater craft offers more room and seats than the aging Saabs. The region's Q300 will go into service this coming January.
- Port Taranaki is vying for a potential new export coal venture from the proposed \$100m Pike River coal field development on the West Coast.
- Taranaki's two export beef works were among those de-listed for halal slaughter in a surprise move by the Malaysian Government. Government and industry representatives are exploring the reasons for plant de-listings.
- The New Plymouth District Council has won three Creative Places Awards, including the Premier title. The top award went to the Council for the realisation of its Govett-Brewster Art Gallery strategy, which also won the Arts provision award. The TSB Bank Festival of Lights took out the Cultural Festival and Arts Events Category.
- The Stratford District Council is preparing the district's next 10-year plan, anticipating the next census may indicate an increase in population. To encourage public input, the Council is releasing a series of consultation papers.
- The Westpac Taranaki Chamber of Commerce Awards recognised successful local businesses at its annual ceremony on September 30.
- A certificate for small business entrepreneurs is being offered to Taranaki employers and employees in an approved NZQA course being jointly run by Venture Taranaki and the Western Institute of Technology at Taranaki (WITT). Designed as "on-the-job learning" coupled with business mentoring, the qualification consists of eight modules and takes 12-15 months to complete.
- New Plymouth Boys High School is to build a \$5.5 million development beginning next year. It will house new classrooms and teaching facilities, including meeting rooms and a staff room, and the design will enable additional car parking to be created. The Alexander Wing will be refurbished and the Cramond Wing demolished in the process.
- Oakura's coastal theme will be enhanced by a \$500,000 upgrade of the town's main street. The New Plymouth District Council has worked with a group of community representatives to develop a streetscape design to develop Oakura's identity and improve safety for pedestrians and motorists. The project is due to be completed in May 2006.
- North Taranaki iwi Ngati Mutunga has signed a \$14.9m treaty settlement with the Crown. The deed provides for the comprehensive settlement of all Ngati Mutunga's historical Treaty of Waitangi claims in Taranaki. It is the fourth Taranaki iwi to settle.
- More than 400 people have signalled they want a job at Waitara's \$22 million processing plant. Anzco Foods Ltd announced that processing at the former freezing works, which closed in 1992, would start soon. Initially 40 jobs are available.
- International credit rating agency Standard & Poors has upgraded its outlook for the longterm credit rating of Taranaki's TSB Bank from stable to positive.
- The latest New Plymouth CBD pedestrian survey indicated high pedestrian numbers are experienced between Centre City and the route along Currie St and up the hill to The Warehouse – highlighting the impact of the two draw-card retail locations.

- The “average” farmer producing 86,850kg of milk solids in the past season will receive a total of \$398,641 in milk payments from Fonterra, in the wake of its second biggest payout since its creation in 2001. The payout is worth \$5.3 billion to the nation, mainly over dairy regions such as Waikato, Taranaki, Southland and Canterbury. But Fonterra is warning that the strong Kiwi dollar will constrain next year’s payout.
- The possibility of using Council funding for a feasibility study to evaluate a proposal to build an airport at Hawera was subject to much debate but ultimately defeated at an August meeting of the South Taranaki District Council.
- A multi-million dollar revamp of New Plymouth airport is proposed. The redevelopment plan includes changes to airport parking, the introduction of security cameras and lighting in parking areas, covered walkways from the car parks to terminal, improvements to the area immediately in front of the terminal and a redesign of the departure gates.
- Venture Taranaki won the Local Government section of the Vero Business Excellence Awards.
- Maida Vale’s planned multi-million dollar expansion for its retirement complex has been granted planning permission from the New Plymouth District Council. Work is expected to be staged over six years and will comprise 24 luxury apartments on the north-eastern corner of the 6.2ha site formerly occupied by the Bell Block Hotel.
- Taranaki is being targeted as the prime region for a series of coal-field power stations likely to be needed to meet New Zealand’s electricity needs by the year 2015. The main reason for interest in Taranaki is the presence of the Maui gas-field as somewhere to pump the unwanted carbon dioxide emissions from the burning coal. The concept is outlined in a report by the Parliamentary Commissioner for the Environment, titled Future Currents.
- Mt Taranaki featured in the Freedom Air in-flight magazine Freebie.
- The developers of the Pohokura gas-field may utilise the existing Methanex pipeline instead of laying a new pipeline from Motunui to Port Taranaki – impacting on potential work for Taranaki engineering firms.
- South Taranaki District Council has signed a sister city link with the northern Chinese city of Harbin. It will formalise a relationship between the two areas which began a little over two years ago. Harbin has significant petrochemical and engineering industries and a growing dairy industry, thus sharing much in common with South Taranaki.
- Three suburban New Plymouth shopping centres are getting a revamp. Shopping areas on Coronation and Govett Avenues, and at Blagdon will be upgraded in the next few months.
- A windsurfing board designed and made by Taranaki company Carbon Art was used by the winner of a slalom race in the 2005 United States Windsurfing Nationals. The Okato company has been evolving new technology to develop fast boards.
- The coastal walkway concept is expanding with a new coastal and river walkway planned for Waitara, with work starting next year. The walkway will run 140m from the Waitara rivermouth toward the town centre and west 150m from the rivermouth towards New Plymouth.
- Fitzroy Engineering has won a \$25 million contract to supply flash tanks to Australian aluminium company Comalco.



New Plymouth... a thriving hub.

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

- A major supermarket development is being proposed (but not yet confirmed) for Hawera. Currently progressing through the relevant Council planning processes, the proposal is for a Pak'nSave outlet plus fuel outlet located between Albion and Princes St. It includes a 4370m² building with 183 carparks.
- A new café-bar has opened in Top Town, New Plymouth, called Cinema Express. The refurbished outlet plans to offer quick meals for cinema guests.
- Lisa England has opened Verge Gallery on Devon St West. The gallery will feature exhibitions by two different artists each month as well as her own work.
- Black Rock – a new designer jewellery shop has opened on Liardet St. The shop sells unique jewellery as well as a selection from owner Isobel Tamiti's children, who are both goldsmiths.
- McDonald Real Estate has opened a branch in Bell Block.
- A new television station is in the pipeline for Taranaki. Owner-director Jon McCartie hopes Up TV will be on air by the start of 2007. Music and dance will play a large role, comprising an estimated 30% of content.
- Another Snappers fish and chip shop has opened in New Plymouth, in the former Sams Takeaways premises in Strandon.
- Offshore Marine Services – one of the world's leading providers of marine and drilling personnel – is setting up operations in Taranaki. Its arrival will see the development of a \$1m-plus office block in central New Plymouth and employment of up to 200 staff.
- Waitara has been experiencing a lift in business optimism stemming from the town's new meat processing facilities. New shops include a surf shop (Waitara Beach Surf Shop), a sports shop (Taranaki Sportzone) and a proposed new art gallery (The Green Door Art Gallery).
- Milfos Stratford situated at 370 Broadway in Stratford, opened its doors in February. The store offers a range of dairy system products and milking systems.
- In Inglewood, "Hair Sensation" and "Jackies for Scrapbooking" are two new shops on Rata St.
- In Stratford, Two's Company has changed its name to Gift & Giggles, and "Jude's Clothing" has opened.
- New businesses which have recently started up in New Plymouth include:
 - Emily Harrowfield's wedding planning service.
 - Heather Sorenson has opened a massage business called Bodease Massage.
 - Crafty Beads owned by Ian Hitch has opened in the Metro Plaza.
 - Paula Newton's graphic design business, Bait.
 - Therapy Works - a business that offers rehabilitation to individuals within the work place, occupational health assessments and return-to-work programmes.
 - Back in Balance – providing massage therapy for general health, stress, pain and injury.
 - Catherine Lawn's new business - Sophisticake Cake Decorating.
 - Primow – a total section care and lawn maintenance service provided by Robert Sweeney.
 - Seaside Practice – a natural therapy practice dealing in life coaching, nutrition, reiki, and neuro linguistics, run by Dianne Wood.
 - Suspect Originals – owned by artist Philip Jones.
 - Undercover roofing – a roofing business established by Dawson Tamiki and brother, Mitch.
 - Straight 'N' Up Panel Beaters owned by Garth Thompson.
 - TheChristmasCardCompany.co.nz has just been launched, offering the ease of ordering your cards online.
- In Hawera:
 - Powell Auto's are closing down after 30 years in the car sales business. Mike Powell is starting a property management company.
 - Excel Refrigeration Airconditioning Ltd has opened in new premises in Regent St. Although the company services a wide range of equipment, it specialises in heavy industrial-commercial air-conditioning.
 - TGM Design Ltd opened an office in Camberwell Street, giving clients in Hawera the same services that their NP clients already enjoy.

* Sources: Taranaki Daily News, Venture Taranaki, South Taranaki District Council, Stratford District Council. This is not an exhaustive list of 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.

Labour Force

New Zealand Labour Market Overview

- New Zealand continues to reflect tight labour market conditions.
- The number of people employed rose and unemployment decreased to 3.6% in the June 2005 quarter.
- While both male and female employment rose, most of the overall movement was due to an increase in female employment and this in turn was driven by a rise in female full-time employment.
- The increase in full-time employment is reflected in the 2.9% increase in actual hours worked, following a fall in actual hours worked in the previous quarter. There was very little movement in part-time employment levels.
- Employment levels in New Zealand are at the highest recorded by the Household Labour Force Survey and the unemployment rate is the second lowest ever recorded.

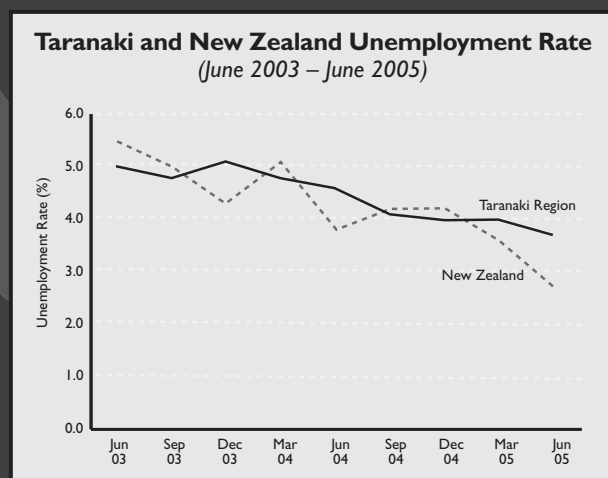
Taranaki Labour Market

- Unemployment in Taranaki declined to 2.7% in the June 2005 quarter – its lowest for several years and below the national rate. This compares to an unemployment rate of 3.8% for the equivalent period last year.

Regional Comparison

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

Region	Unemployment Rate	Rank
Northland	6.8	12
Auckland	3.4	6
Waikato	4.7	10
Bay of Plenty	3.1	5
Gisborne/HB	4.7	10
Taranaki	2.7	4
Manawatu/Wang	4.0	7
Wellington	4.1	8
Tasm/Nels/Marl/West	2.3	1
Canterbury	2.5	3
Otago	4.2	9
Southland	2.3	1
New Zealand	3.7	-



Average Hourly Earnings

- Taranaki region employees earned an average of \$19.86 per hour in June 2005, \$0.59 or 3.1% higher than in March 2005.
- This increase compares with a 2.0% increase for the whole of New Zealand.
- In June 2005, males and females in the Taranaki region earned an hourly rate of \$21.87 and \$17.23 respectively, representing an increase of 5.2% for males and an increase of 1.1% for females from March 2005.

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

Retail Trade

Regional Sales

- For the quarter ending June 2005 retail expenditure in Taranaki totalled \$350.9 million (actual sales ie non-seasonally adjusted).
- Sales in the New Plymouth urban area totalled \$204.1 million for the June 2005 quarter, representing approximately 58% of regional retail sales.
- Compared to the March 2005 quarter, regional retail sales increased 2.03%, and 4.7% compared with the same period last year.
- Retail sales within the New Plymouth urban area increased 4.09% from the previous quarter.
- Almost one third (31.8%) of business units operating in Taranaki classify their main activity as 'Property and Business Services'.

Retail Sales by Region June 2005 Quarter Comparison			
Region	Retail Sales \$ (millions)		% Change
	June 2004	June 2005	
Northland	370.3	453.8	22.5
Auckland	4,537.2	4,807.6	6.0
Waikato	1,188.4	1,240.5	4.4
Bay of Plenty	927.6	982.8	6.0
Gisborne	108.6	104.5	-3.8
Hawke's Bay	483.5	549.7	13.7
Taranaki	335.1	350.9	4.7
Manawatu/ Wanganui	700.9	751.3	7.2
Wellington	1,397.9	1,493.4	6.8
Tasman	134.2	143.1	6.6
Nelson	150.2	128.9	-14.2
Marlborough	140.0	138.5	-1.1
West Coast	75.5	77.2	2.2
Canterbury	1599.1	1,753.4	9.6
Otago	699.4	777.3	11.1
Southland	316.8	334.4	5.6
New Zealand	13,166.2	14,089.1	7.0

(Source: Statistics New Zealand, Retail Trade Survey)

Note: This data is subject to sample, non-sample and modelling errors and is indicative only. Figures are exclusive of GST.

National Sales

- National retail sales (non-seasonally adjusted) totalled \$14,089.06 million in June 2005 - a decline from the March quarter of -0.48%.
- Taranaki accounted for 2.5% of non-seasonally adjusted national retail sales.
- Once seasonally adjusted however, national retail sales reflected an increase of 1.5% over the March quarter.
- Nineteen of the 24 industries recorded higher seasonally adjusted sales in the June 2005 quarter, compared with the March quarter.

Accounting for Pricing Effects

- The retail trade deflators show there was a mix of price increases and decreases on a national basis, during the June quarter.
- The largest price increases came from fuel (up 5.9%) and household equipment repair services (up 2.8%).
- The largest price decreases came from accommodation (down 3.8%) and fresh produce retailing (down 3.5%).



Café life... on the rise.

Sales, Purchases and GST

Employees

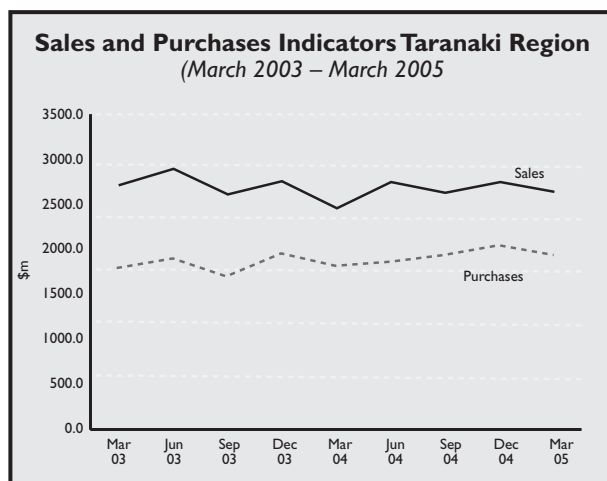
- This experimental information provided by Statistics NZ allocates Goods and Services Tax (GST) to regions and industries. This is undertaken by matching GST returns from the IRD to the Statistics NZ business frame.
- Net GST is similar to GDP; however it excludes some of its critical elements. Never-the-less the following information provides a useful indicator of “regional GDP”.

Sales

- The total Goods and Services Tax (GST) sales in the Taranaki region for the March 2005 quarter was \$2,634.4 million, representing an increase of \$162.6 million or 6.6% from the same quarter of the previous year.
- This compares with a national increase of 7.1%.

Purchases

- During the same period, the total GST purchases increased by \$101.8 million or 5.6% to \$1,932.0 million, compared with a 7.5% increase for New Zealand.



(Source: Statistics New Zealand, Economic Indicators - experimental)

Net GST Indicator

Quarterly Result

- During the March 2005 quarter the total net GST (sales - purchases) in the Taranaki Region was \$702.4 million.
- This represented 2.1% of the total net GST in New Zealand.

Net GST Indicator \$(million)			
Comparative March Quarter Results			
Region	2003	2004	2005
Northland	594.0	650.5	685.9
Auckland	10,929.8	12,099.6	13,057.7
Waikato	2,132.6	2,239.3	2,645.4
Bay of Plenty	1,156.9	1,298.6	1,357.7
Gisborne	219.7	247.1	264.9
Hawke's Bay	746.2	822.8	857.0
Taranaki	909.6	641.5	702.4
Manawatu/Wanganui	1,208.9	1,224.1	1,359.0
Wellington	4,719.9	5,112.7	4,921.0
Tasman	154.6	157.5	195.9
Nelson	244.9	310.6	310.7
Marlborough	227.9	257.3	271.0
West Coast	119.7	143.7	137.5
Canterbury	3,183.2	3,560.9	3,889.4
Otago	1,110.7	1,309.6	1,438.0
Southland	397.6	439.4	670.9
New Zealand	29,428.7	31,374.6	33,267.3

Annual Result

- For the year ended March 2005, the total net GST in the Taranaki region decreased by \$361.7 million or 10.8% from the previous year, compared with a 6.5% increase nationally during the same period.

Real Estate and Rental Accommodation

Household Rental Accommodation

- Between the period Jan 05 – April 05, the national level of median rent for private sector rental accommodation remained unchanged at \$250 per week.
- In a similar vein, the median rent in New Plymouth remained unchanged during this period, remaining stable at \$220 per week.
- Median weekly rental has increased 22% in New Plymouth, between April 04 and April 05.

Residential House Sales

- During the June 2005 quarter 657 residential dwellings were sold throughout the Taranaki region; a decrease on the 701 sold the previous quarter.
- The New Plymouth median rent price also increased to \$190 from \$180 last year. Compared to the previous quarter however, the median price decreased from \$200.

Taranaki Dwelling Sales (December 2005 Quarter)		
Taranaki Area	Number of Sales	Percent of Total
Bell Block	30	4.57
Hawera	126	19.18
New Plymouth City	287	43.68
Stratford	51	7.76
Taranaki Country	118	17.96
Waitara	45	6.85
Total Taranaki	657	100.00

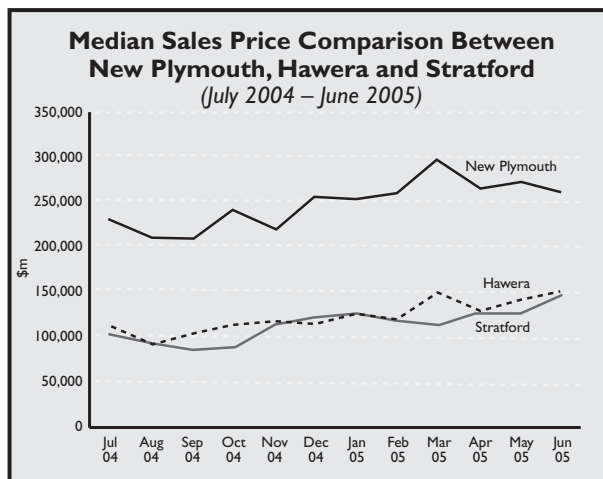
House Sale Price Comparison: New Plymouth, Stratford and Hawera

- The following table summarises median house sales prices for the June 2005 Quarter:

- New Plymouth has remained relatively stable, whilst median prices in Stratford and Hawera have increased.

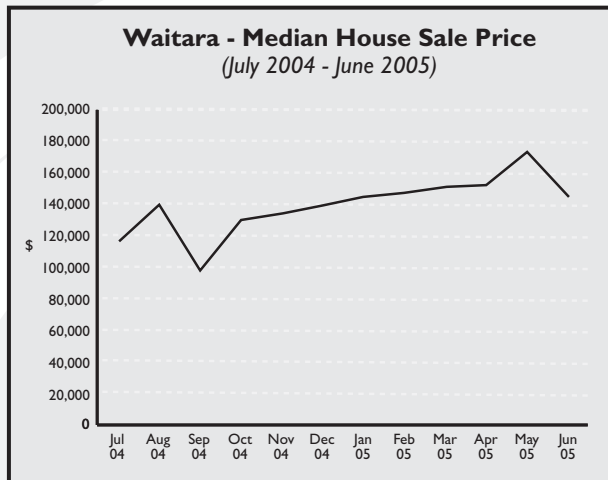
Median Price	New Plymouth	Stratford	Hawera
April 05	\$265,000	\$126,000	\$127,750
May 05	\$270,600	\$125,000	\$140,000
June 05	\$260,000	\$145,000	\$150,000

- A review of median sales prices over the past 12 months highlights the increasing sales prices experienced in the region.



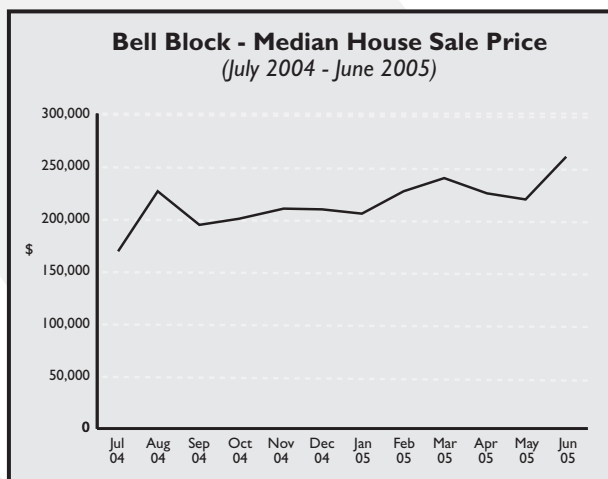
Market Activity in Waitara

- Median sales prices in Waitara over the past 12 months have been subject to varying movements, beginning in July 2004 at \$116,500 and ending June 2005 at \$145,000.
- Overall the trend is upward.



Market Activity in Bell Block

- Median prices in Bell Block have also been subject to movement over the past 12 months.
- In July 2004, the median sales price was \$170,000.
- In June 2005, it peaked at \$260,000.
- Overall, median house prices in the Bell Block area have shown an upward trend.



Farm Sales

- ^a Throughout the region 33 farms were sold over the three months ending June 2005.
- The median price for Taranaki farms over the period ranged from \$745,000 to \$1.88 million.
 - The median sales price for farms in New Zealand for the month of June 2005 was \$937,500. Farm Sales

Taranaki Farm Sales (June 2004 Quarter)		
Month	Median Price (\$)	No. of Sales
April 2005	1,882,500	6
May 2005	1,100,000	21
June 2005	745,000	6

Lifestyle Block Sales

- Sixty-two lifestyle blocks were sold throughout Taranaki during the three months ending June 2005.
- The median price for farms over the period ranged between \$179,000 and \$260,000.
- The median sales price for lifestyle blocks in New Zealand for the month of June 2005 was \$355,000.

Taranaki Lifestyle Block Sales (June 2005 Quarter)		
Month	Median Price (\$)	No. of Sales
April 2005	100,000	19
May 2005	240,000	29
June 2005	179,000	49

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

Tourism¹

Visitor Arrivals

- Approximately 59,390 people visited the Taranaki region and stayed in short-term commercial accommodation during the three months ending June 2005.
- Although less than the March quarter of 82,412 guest arrivals (traditionally a more active visitor period), June 2005 still reflects a 6.1% increase over the June 2004 quarter.
- Visitor numbers in 'Mad March' led to a 10% increase over the same period in 2004.
- For the 12 month period ending June 2005, visitor numbers have increased 11% in Taranaki compared to the previous 12 month period.

Guest Nights

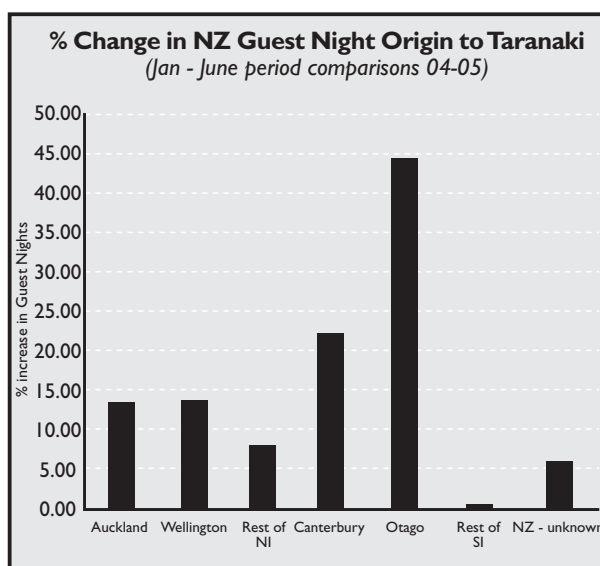
- Taranaki hosted 117,065 guest nights in short-term commercial accommodation during the June 2005 quarter. Guest nights have increased 9.9% compared with the corresponding quarter last year.
- 'Mad March' generated a 12.8% increase in guest nights relative to the March 2004 period.
- Overall, guest nights for the 12 months ending June 2005 have increased 13.2% relative to the previous 12 months.

The Origin of Visitor Guest Nights

- The majority of guest nights experienced in Taranaki stemmed from New Zealand visitors, predominantly North Island locations.

Number and Origin of Visitor Guest Nights in Taranaki (January - June 2005)	
Auckland	51,860
Wellington	38,200
Rest of NI	139,950
Canterbury	4,510
Otago	1,270
Rest of SI	4,340
NZ - unknown	18,310
Total Guest Nights	258,440

- Relative to the North Island, the South Island does not reflect a major source of tourism guest nights for Taranaki. However guest nights stemming from such locations increased in the six-month period (Jan-June 2005) when compared with the same period in 2004.



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

(Source: Statistics New Zealand)

Analysis by Taranaki District

New Plymouth

- There were 48,953 visitors to the New Plymouth District during the June 2005 quarter.
- The occupancy rate for the district in the March quarter was an impressive 51.3%, whilst 37% was recorded for the June 2005 quarter (an increase over March - June 2004 of 36.3%).
- Overall, the New Plymouth District experienced a more buoyant year, with visitor numbers up 10.8% for the 12 month period ending June 2005.

Visitors by District (2005)		
District	March Quarter	June Quarter
New Plymouth	64,985	48,953
Stratford	7,382	4,228
South Taranaki	10,047	6,209
Taranaki Total	82,414	59,390

Stratford

- Stratford also experienced the benefits of a more eventful March period, with an increase in visitors arrivals of 38.9% (compared with March 2004) and a continued growth of 24.4% in visitor arrivals for the June 2005 quarter (relative to the same period in 2004).
- For the 12 months ending June 2005, visitors to Stratford increased 26.1% over the previous 12 month period, and guest nights were up 17.8%.

South Taranaki

- Visitors to South Taranaki during the March 2005 quarter indicated an increase of 15.6% over the same period in 2004.
- Whilst the June quarter highlighted a decline in visitor numbers (-6.0% relative to the same period in 2004), guests stayed longer and as a result there was an increase in guest nights of 3.8%.

- Overall, for the 12 month period ending June 2005, South Taranaki experienced a growth in visitor arrivals of 3.5% coupled with an increase in total guest nights of 4.4%.

The 'Lion's Effect'

- On a national basis, total guest nights in short-term commercial accommodation totalled 1.8 million in June 2005, a 7% increase compared with June 2004 and a 23% increase compared with June 2003.
- The British and Irish Lions Rugby Tour, which included 11 matches between June 4 and July 9, contributed to this increase.
- Nine of the 12 regions recorded more guest nights in June 2005 than in June 2004. Canterbury (up 47,000 or 18%) recorded the largest absolute increase, followed by Wellington (up 21,000 or 15%) and Otago (up 20,000 or 10%). These three regions all hosted Lions matches during June, with Canterbury hosting the first test match on June 25.
- The Lions played in Taranaki on June 8. Guest nights in Taranaki for the month of June reflected an increase of 7% over June 2004.

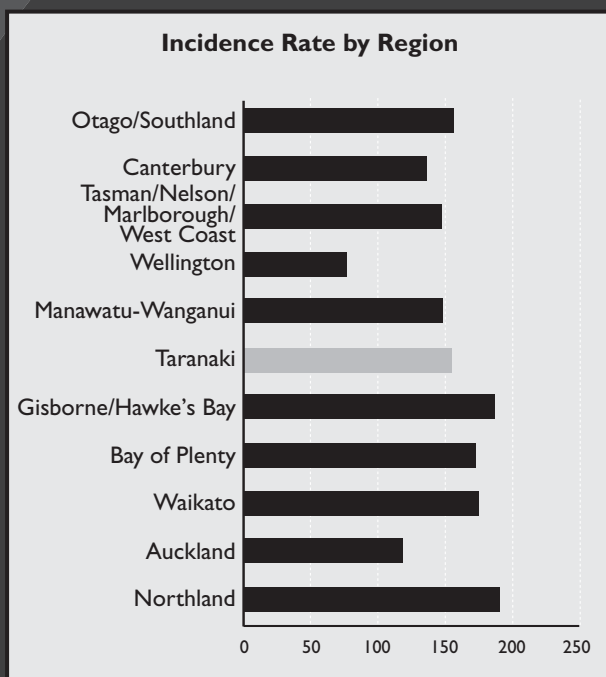


Rugby... the Lions came to town.

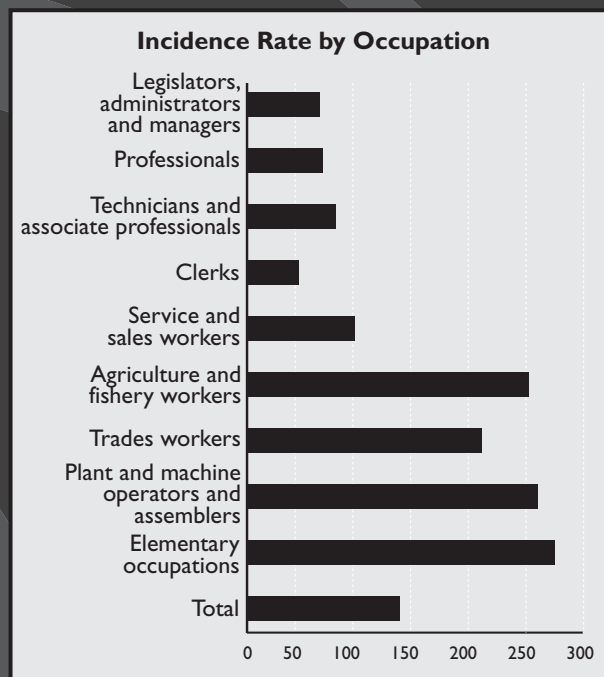
(Source: Statistics New Zealand)

Work Related Injuries

- There were 245,200 national claims for work-related injury in 2004.
- In Taranaki there were 7,100 claims.
- Taranaki's incidence rate (ie number of claims per 1000 FTEs) was 155.
- The highest incidence rates occurred in Northland and Gisborne/Hawke's Bay and the lowest rate occurred in Wellington.

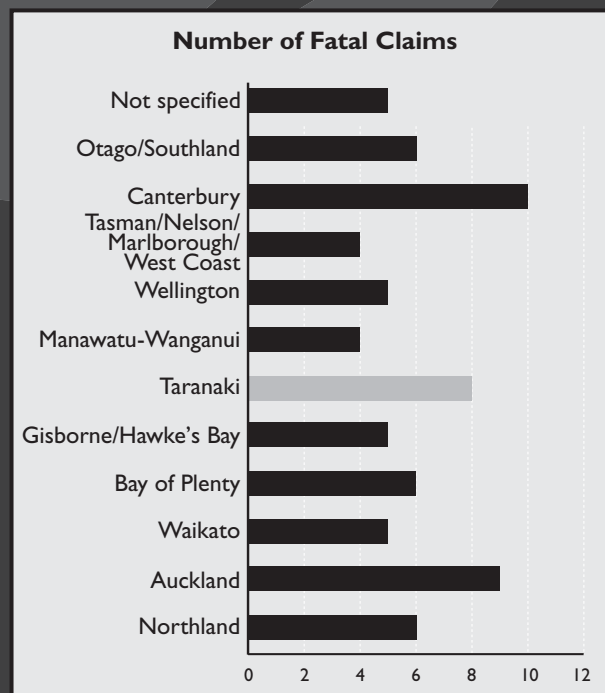


- These figures are reflective of the main occupations undertaken in the regions.
- The highest rate of national work-related claims related to workers in the elementary occupations group which includes labourers with 275 claims per 1,000 full-time equivalent employees (FTEs).
- The occupation group with the highest number of claims for work-related injuries proved to be plant and machine operators and assemblers, which comprised 18% of all claims.
- Clerks were the safest occupation group, with an incidence rate of 46 claims per 1,000 FTEs.



Fatal Claims

- There were 73 fatal claims in New Zealand during 2004.
- Taranaki experienced eight fatal claims during this period.



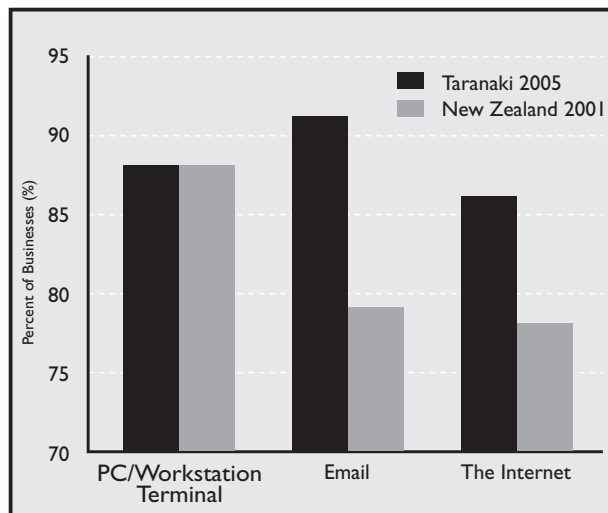
(Source: Statistics New Zealand)

IT Use By Taranaki

- Venture Taranaki's recent business survey highlighted local trends in Information Technology usage. Its results were also compared with a similar study undertaken by Statistic NZ in 2001 (The Business Practices Study)

Computer Use

- 93% of surveyed Taranaki businesses reported the use of computers in their business operations.
- Key usage included:
Email: 91%
Workstation/terminal for employees: 88%
Internet: 86%
- Taranaki's results appear favourable, relative to the national study - ranking higher than average for email and Internet use; although the time variance between surveys is noted.



- A further 14% of Taranaki businesses stated they used computers for special purposes e.g. Lotto, databases, artwork/design, Intranet, till operation, diagnostic services.

Stand Alone verses Connected System

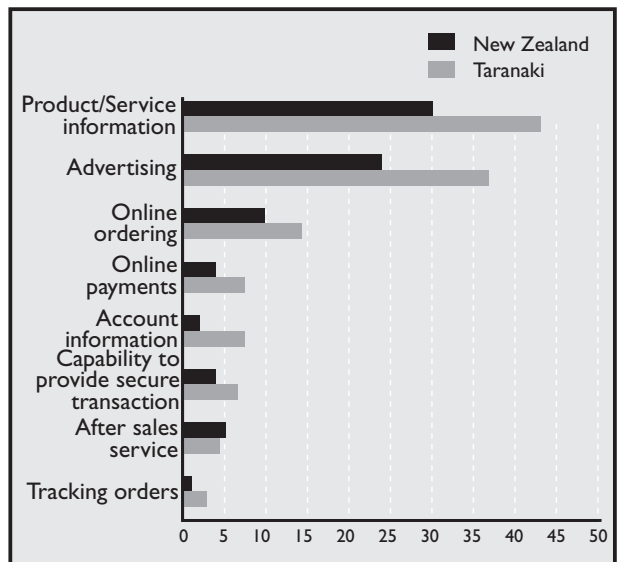
- 42% of Taranaki businesses utilised their computer in a stand-alone capacity - not connected to a local or wide area network.
- This compares to 46% from the national study.

Broadband

- 50% of survey respondents used broadband/jetstream.
- 32% had dial-up connections.
- 4% reported they did not know their connection type.

Website Usage

- 56% of Taranaki businesses reported they had a website.
- The most reported uses of their website were for:
Product/service information provision (43%)
Advertising (37%)
On-line ordering (14%)
- The national IT study highlighted similar trends.



Internet Service Provider Survey Results 2005

A recent national survey undertaken by Statistics NZ highlighted:

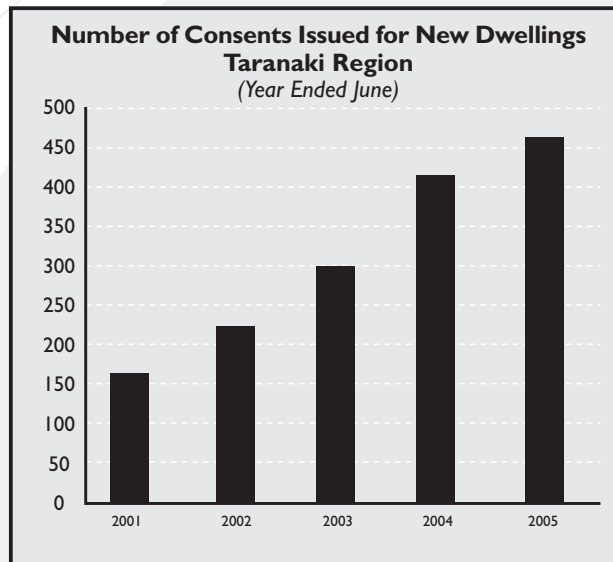
- There were 66 ISPs (Internet Service Providers) in New Zealand, with a total of 1.24 million active subscribers.
- Residential (household) subscribers accounted for 80% of subscribers and 63% of revenue.
- Business/government subscribers comprised the 20% balance (and accounted for 37% of revenue).

(Source: Venture Taranaki Business Survey & Statistics NZ)

Construction

Residential Construction

- During the year ended June 2005, a total of 463 new dwelling units worth \$97.9 million were authorised for construction within Taranaki region.



- This represented a rise of 11.8% in number and a rise of 13.9% in value from the previous year.
- Building consents for new dwellings were issued for a total floor area of 105,835 square metres during the year ended June 2005, an increase of 3.6% from the previous year.
- This compares with a national decrease of 14.4%.

Non-Residential Construction

- There were 684 building consents issued for the construction and alteration of non-residential buildings in Taranaki. This is an increase of 20.6% from the year ended June 2004, compared with a 4.3% increase nationally during the same period.
- Taranaki's non-residential building consents were valued at \$74 million, up 18.3% from the previous year.

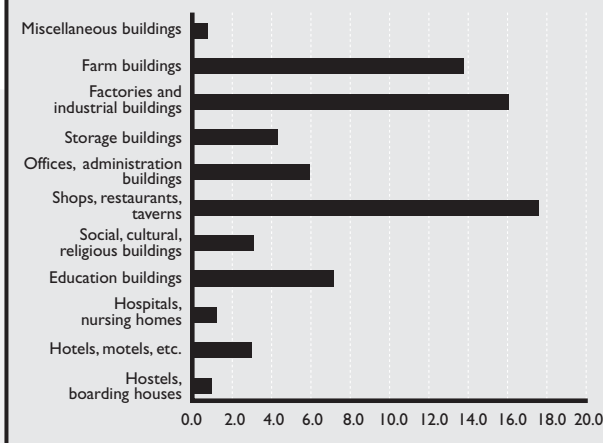
Value of Non-residential Building Consents (Year Ended June)

Value \$ million

Location	2004	2005	% Change
Taranaki Region	62.5	74.0	18.3
Auckland City	542.6	556.2	2.5
Taupo District	25.5	37.2	46.1
Rotorua District	43.2	62.5	44.6
Napier City	42.5	42.1	-0.8
New Plymouth District	24.9	48.4	94.6
Stratford District	4.2	3.1	-26.8
South Taranaki District	33.4	22.5	-32.6
Wanganui District	29.2	28.7	-1.7
Palmerston North City	52.7	73.8	40.1
Wellington City	170.4	298.1	74.9
Christchurch City	256.5	280.4	9.3
Invercargill City	68.2	48.1	-29.4
New Zealand	3,132.9	4,062.5	29.7

- Shops, factories and farm construction reflected the major value of non-residential consents in Taranaki.

\$ million Value of Taranaki Non-Residential Building Consents by Type (Year Ended June 05)



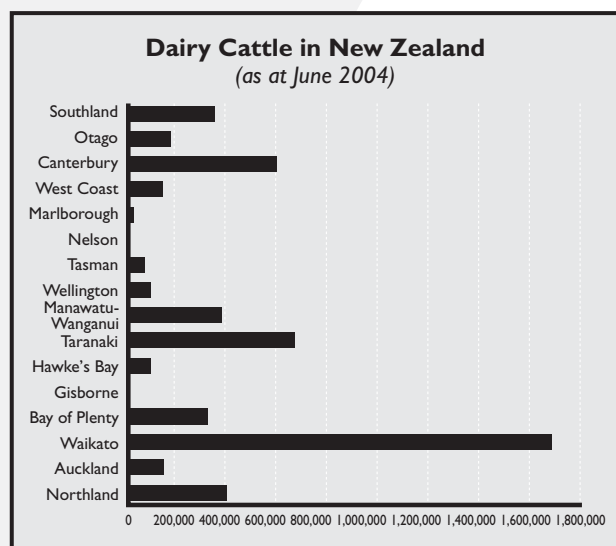
(Source: Statistics New Zealand)

Agricultural Production Review 2004

The information in this summary is compiled from the Statistic's New Zealand 2004 Agricultural Production Census.

Dairy Cattle

- Nationally there were 5,154,092 dairy cattle in New Zealand as at June 2004. Taranaki was home to 12.1% of the national dairy cattle population.
- Almost three-quarters of New Zealand's dairy cattle are in the North Island. Waikato is the largest dairying region, with one-third (1.7 million) of New Zealand's dairy cattle. Taranaki is the second largest region, followed by Canterbury.



- 664,922 dairy cattle were located in Taranaki in 2004. Compared to the same period in 2003, numbers have increased 6.7%.
- This development reflects a turnaround from the decline experienced between 2002 and 2003 when dairy cattle numbers in the province declined 4.3%.

The following table provides an indication of the relative size and growth of Taranaki, Southland and the Waikato in 2004.

Region	Dairy Numbers (2004)	% Change 2002-03	% Change 2003-04
Southland	350,621	-2.37	0.81
Waikato	1,685,661	0.99	0.34
Taranaki	664,922	-4.33	6.65

Sheep

- The national sheep flock was recorded at 39.3 million at June 30 2004. At the same time the previous year the flock numbered 39.6 million.
- The Canterbury region recorded the largest decrease, down 6% to 7.5 million. The Hawke's Bay region had the largest increase in sheep numbers, up by 383,000 to 4.3 million.
- Within Taranaki sheep numbers increased 3.4% to 687,436; accounting for 1.76% of the national flock.



Beef Cattle

- New Zealand's beef cattle numbers at June 30 2004 were recorded at 4.4 million, a decrease of 4% on the previous year.
- Taranaki was one of only two North Island regions which recorded an increase (2%).

2005 Social Report

The Social Report is an annual publication that monitors the wellbeing of New Zealanders. Undertaken by the Ministry of Social Development, the document reports on a range of indicators pertaining to health, knowledge and skills, work, economic standard of living, civil and political rights, cultural identity, leisure and recreation, safety and social connectivity.

The following table provides an overview of the 2005 Social Report, and provides an analysis of how Taranaki ranked against a cross-section of national outcomes where such figures were available.

It is noted that relative to the national average:

People in the Taranaki region:

- Experience less household crowding
- Vote more at local body elections
- Vote less at national elections
- Have more road injuries but less deaths on the road.

Furthermore:

- Taranaki men and women do not live as long as the national average.

Taranaki Youth:

- Participate more in sport and active leisure
- Maintain acceptable levels of parental contact, especially teenage boys.

However, people in the Taranaki region also:

- Smoke slightly more
- Participate slightly less in early childhood education
- Have lower levels of adult educational attainment
- Experience more workplace injuries.

Summary of Outcomes from the 2005 Social Report				
Social Report Indicator	Measure	Taranaki	NZ	Source & Reference Period.
Life expectancy	Number of years a person could expect to live from birth.	Male: 75.9 yrs Female: 80.6 yrs	Male: 77 yrs Female: 81.3 yrs	Statistics NZ NZ Life Tables 2000-2002
Cigarette smoking	Proportion of population aged 15yrs+ who currently smoke cigarettes	25.8%	25%	Ministry of Health 2002
Participation in early childhood education	Previous early childhood education attendance by Year One students.	94.3%	95%	Ministry Of Education July 2004
School leavers with higher qualifications	Proportion of school leavers with NCEA Level 2 with at least 14 credits, or with Sixth Form Certificate in at least one subject or a higher qualification.	63.4%	67%	Ministry of Education 2003
Educational attainment of the adult population.	Proportion of 25-64 year olds with at least upper secondary school education.	72.7%	79%	Statistics NZ Census 2001

(Source: Ministry of Social Development)

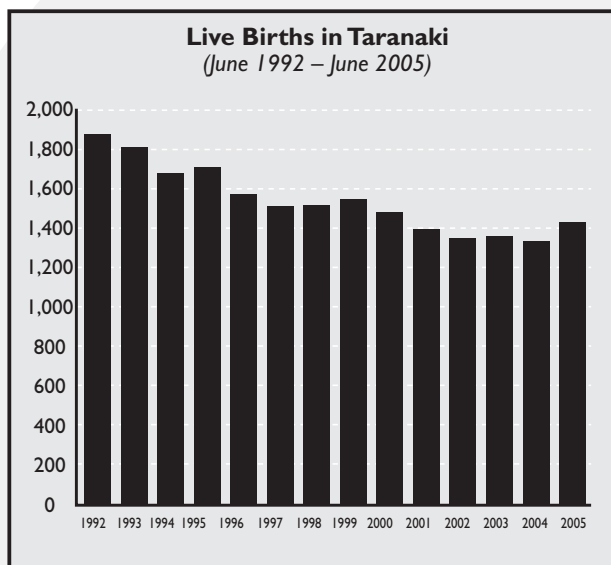
Summary of Outcomes from the 2005 Social Report				
Social Report Indicator	Measure	Taranaki	NZ	Source & Reference Period
Unemployment	Number of people 15yrs+, who are not employed and actively seeking work, as a percentage of the total labour force.	4.3%	3.9%	Statistics NZ Household Labour Force Survey, (annual average Dec 2004)
Employment	Proportion of population 15-64yrs in paid employment for at least one hour per week.	74.2%	73.5%	Statistics NZ Household Labour Force Survey, (annual average Dec 2004)
Median hourly earnings	Median hourly earnings from all wages and salaries for employees earning income from wage and salary jobs.	\$14.80	\$15.34	Statistics NZ Income Survey, June 2004.
Workplace injury claims	Number of workplace accident insurance claims reported to ACC per 1000 full-time equivalent (FTE) employees, excluding those who received accident & emergency treatment only. Rate per 1000 FTEs	163	146	Statistics NZ Injury Statistics Work-related Claims, 2003
Population with low incomes	Proportion of families with gross income less than 60% of the median, equivalised according to relative living costs for each type of family.	22.6%	19%	NZIER estimates derived from customised data from the 2001 Census.
Household crowding	Proportion of population living in "crowded housing" with one or two fewer bedrooms than required (given household size and composition), measured against the Canadian National Occupancy Standard.	% wanting one additional room: 9% % requiring two additional rooms: 2.1%	% wanting one additional room: 10% % requiring two additional rooms: 3.2%	Statistics NZ customised data from the 2001 Census Data analysed using the Canadian Occupancy Standard (CNOS)
Voter Turnout – Local Government Elections (regional)	Proportion of all enrolled electors who cast a vote in the 2001 local body elections.	61%	49%	Department of Internal Affairs 2001
Voter Turnout – General Elections	Proportion of all estimated voting-age population who cast a vote in general electorates in 2002 general elections.	68.5%	72.5%	NZIER calculations based on Department of Internal Affairs data 2002
Maori language speakers	The percentage of Maori reported they could hold a conversation about everyday things in Maori, as a proportion of the Maori population.	23.5%	25%	Statistics NZ Customised data from the Census, 2001
Participation in sport and active leisure	Percentage of people "physically active".	5-17 yrs: 69% 18+ yrs: 69%	5-17yrs: 66% 18+ yrs: 70%	Sport and Recreation NZ (SPARC) 2001
Road casualties	Road traffic injury rate and death rate per 100,000 population.	Injury rate: 419 Death rate: 9.7	Injury rate: 340.1 Death rate: 10.7	Land Transport NZ 2003
Telephone access	Proportion of population with telephone and internet access.	Telephone access: 96.4% Internet access: 39.8%	Telephone access: 97% Internet access: 41%	Statistics NZ Customised data from the 2001 Census
Contact between young people and their parents	Proportion of secondary school students (12-18yrs) reporting most weeks they spend enough time with their parents.	Males: 66.5	Males: 63%	Adolescent Health Research Group June 2003

(Source: Ministry of Social Development)

Births & Deaths to June 2005

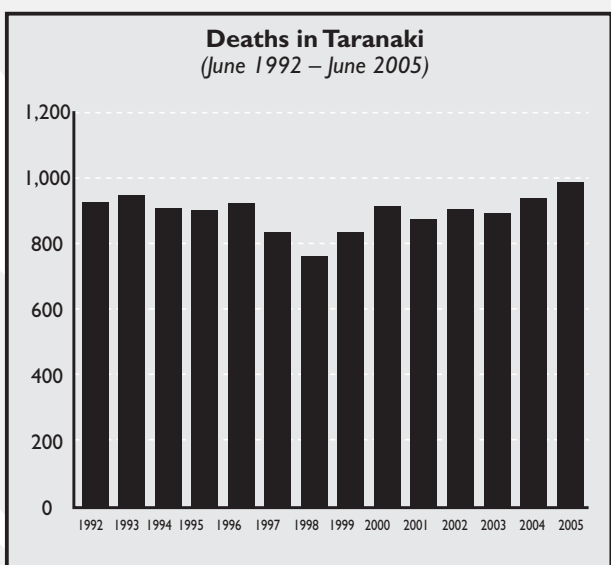
Births

- For the year ended June 2005 a total of 1,419 live resident births were registered in the Taranaki region; an increase of 7.2% over the year ending June 2004.
- Throughout New Zealand, 57,986 live births were registered during the year, an increase of 0.2% on June 2004.



Deaths

- 980 resident deaths were registered in Taranaki for the year ending June 2005. This compares with 928 for the previous year.
- Across New Zealand 28,437 registered deaths were registered, up from 28,134 during 2003.



Trend toward later childbearing

- The trend towards later marriages, delayed motherhood and smaller families is consolidating.
- Fewer New Zealand women in their teens and early twenties are having children. However, a growing proportion of births are to women in their thirties.
- In the June 2005 year, 48% of all newborn babies had a mother aged in her thirties, compared with 39% in the June 1995 year.
- In contrast, the number of newborn babies with a mother in her twenties dropped from 53% in 1995, to 41% in 2005.
- In the June 2005 year, women aged 30–34 years had the highest fertility rate (120 births per 1000), followed by those aged 25–29 years (108 per 1000).
- This is a significant departure from the early 1970s, when early marriage and early childbearing were the norm, and 20–24 years was the most common age group for childbearing (about 200 per 1000). At that time, the fertility rate for women aged 25–29 years (about 190 per 1000) was twice that for women aged 30–34 years (about 95 per 1000).



Taranaki... more births, more deaths.

(Source: Statistics New Zealand)

Export Trade

Imports/Exports Through Port Taranaki

Cargo Exported:

- 2,684,290 tonnes of cargo was exported through Port Taranaki for the 12 months to June 2005.
- This is a decline on the previous 12 months of 7.2%.

Cargo Imported:

- 765,337 tonnes of cargo was imported via Port Taranaki during the year ended June 2005.
- This reflects a 30% increase on the previous 12 month period.

(Source: Port Taranaki)

New Zealand

Cargo Exported:

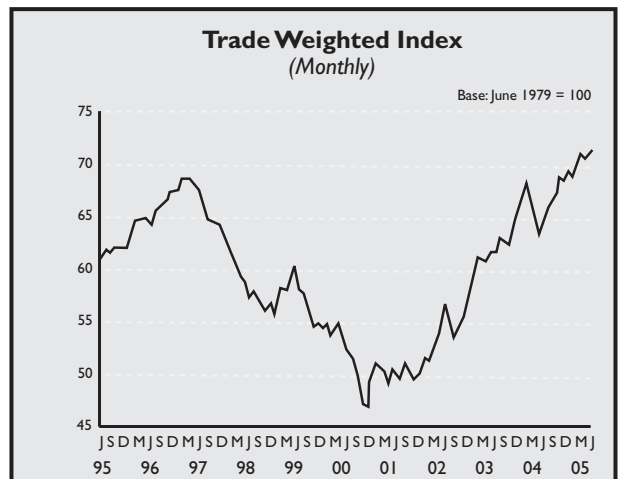
- Exports for the year ending June 2005 totalled \$30,637 million for New Zealand, up \$773 million (2.6%) from the previous June year.
- The largest increases were for preparations of cereals, flour and starch, aircraft and parts, and mechanical machinery and equipment.
- The largest decreases were for milk powder, butter and cheese, casein and caseinates, and ships, boats and floating structures.
- The export destinations showing the largest increases were Australia, Japan and Saudi Arabia. The main decrease was for exports to Belgium.

Cargo Imports:

- Imports for the year ending June 2005 for New Zealand totalled \$35,813 million, up \$2,435 million (7.3%) from the previous June year.
- The largest increases were for crude oil and petroleum products, mechanical machinery and equipment, and iron and steel articles, while the largest decrease was for aircraft and parts.

Exchange Rate

- The New Zealand dollar rose 1.8% in the June 2005 quarter, according to the Reserve Bank's Trade Weighted Index.
- The following graph highlights exchange rate movements over the past few years.



Port Taranaki... a 30% increase in imported cargo.

(Source: Statistics New Zealand)

Thank you...

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

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

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Venture Taranaki

As Taranaki's Regional Development Agency, we're committed to making Taranaki grow.

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If you need advice and assistance or access to information and knowledge to support your business aspirations, we offer a single point of contact to provide the help you require.

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- Trying to grow your business
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