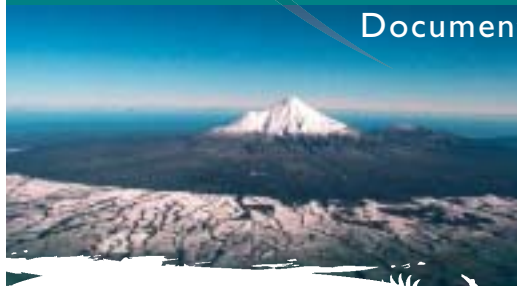


# TARANAKI TRENDS

TARANAKI ECONOMIC REPORT

Document Current Until December 31 2006



**TARANAKI**

like no other

Venture  
**TARANAKI**



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

# Welcome...

Since the year 2000, the Taranaki region has enjoyed unprecedented growth that has been the envy of other regions within New Zealand. This has seen Taranaki's unemployment rate decline to 2.4% against the national average of 3.5%, and has resulted in employers now seeing their growth constrained by an inability to attract and retain key talent within the Taranaki region.

Venture Taranaki has undertaken a long-term strategy targeting the national and international labour force with its investment in the regional jobs website [www.taranakijobs](http://www.taranakijobs). The tangible results as a consequence of this investment were the 1263 permanent and long-term arrivals into Taranaki for the year to June 2006, a 15% increase year-on-year against the national increase of 1.2%.

There has been significant activity in the Taranaki residential building market, with numbers of consents increasing 32.6% and the values of those consents by 44.1%. Our regional net GST for the year to March 2006 increased by 27.3%. Investment in the oil and gas sector – highlighted by further exploration and production from Pohokura and the Kupe oilfield – is a strong indicator of the importance of the energy sector to the regional economy. The recent selection of Port Taranaki as the preferred New Zealand location by Contact and Genesis Energy for the construction of an LNG plant is another sign of the long-term future of Taranaki as the nation's energy centre.

Taranaki has always been seen nationally and internationally as the heart of the New Zealand dairy industry, and the importance to the regional economy of the farming sector must never be underestimated. The 7% decrease in dairy cattle in 2005, coupled with the 7% decline in beef cattle and a 1% decline in sheep numbers, are indications of the continuing pressure caused by the growth in lifestyle blocks and industrial activity moving beyond conventional urban boundaries.

The challenges for our region are to continue to promote our core competencies and capacities in the applied engineering and manufacturing sectors, and to ensure that the region boasts sufficient wealth creators to sustain the exploding growth in the service sectors across the region. There has been exceptionally strong growth in the number of companies located in the region, and the corresponding number of fulltime equivalent employees over the past five years.

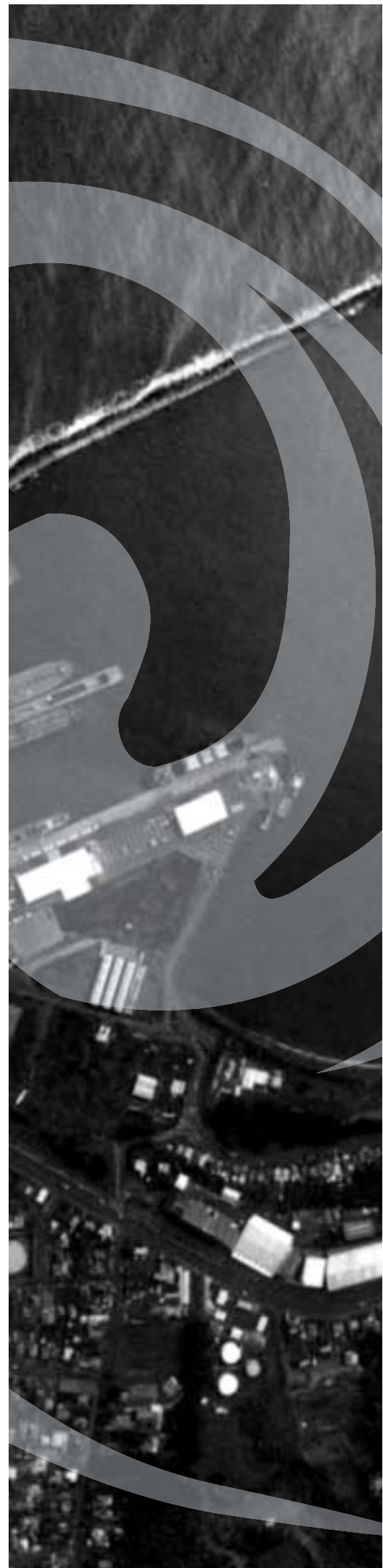
This growth in itself has been a key driver in the overall economic development of the region. That momentum must be maintained, with a focus on working smarter whilst maintaining the benefits of the provincial lifestyle which remains the envy of many in urban conurbations both in New Zealand and the world.

The outlook continues to indicate that Taranaki both literally and figuratively will be the powerhouse of the New Zealand economy.



# Contents

Economic Trends .....	2
The Economy – What’s Hot and What’s Not? .....	3
What’s happening in the National Economy? .....	4
What’s happening in the Taranaki Economy? .....	6
What’s happening in Taranaki Business? .....	7
Sales, Purchases and GST .....	9
Labour Force .....	10
Average Hourly Earnings .....	11
External Migration .....	12
Births and Deaths .....	14
Construction .....	15
Real Estate and Rental Accommodation .....	16
Car Registrations .....	18
Retail Trade .....	19
Tourism .....	20
Agriculture .....	22
Exporting .....	23
Thank you .....	24
Venture Taranaki .....	inside back cover



# Taranaki

## Economic Trends

# The Economy

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

### Regional Growth

- According to the National Bank Regional Trends Report, Taranaki recorded a 0.2 percent growth for the June quarter, compared to the New Zealand average of 0.5 percent. However year-on-year growth for the region lies at 3.2 percent, compared with a national average of 1.9 percent.

### CPI

- Between the March and June 2006 quarters the New Plymouth Urban Area Consumer Price Index (CPI) rose 1.4 percent compared with a national increase of 1.5 percent.

### GDP

- Economic activity increased 0.7 percent in the March quarter, following a decrease of 0.1 percent in the December quarter. Annual GDP was 2.2 percent for the March 2006 year.

### Unemployment

- The unemployment rate declined in Taranaki to 2.4 percent, compared with 2.7 percent for the same time last year. This is below the national average of 3.5 percent.

### Retail Trade

- During the June 2006 quarter non-seasonally adjusted retail sales in Taranaki decreased 3.0 percent relative to the same time last year.

### Rental Accommodation

- The median price for private sector rental accommodation in New Plymouth increased between April 2005 and April 2006 by 4.5 percent, to \$230.00 per week.

### Real Estate

- For the year ending June 2006, there were 2486 house sales recorded by the Taranaki REINZ. This is less than the previous 12 month period when 2734 were recorded. Median sales prices however, have remained relatively strong.

### Home Affordability

- Taranaki recorded a 10.6 percent decline in home affordability in the last 12 months (year ending May 2006). The NZ average was 11.2 percent.

### Tourism

- There was a decline in short term visitors to Taranaki (staying in commercial accommodation) for the 12 month period ending June 2006, of 0.4 percent.

### International Cargo

- 1.3 million tonnes of international cargo was loaded at Port Taranaki during the 12 months to June 2006; a decline of 31 percent on the previous 12 months. International cargo unloaded has decreased 25 percent.

### Births

- Live births decreased by 2.3 percent in Taranaki for the year ended June 2006, to 1,386.

### Deaths

- Deaths also decreased in Taranaki for the June 2006 year. A fall of 18.6 percent was recorded.

### Residential Construction

- Taranaki residential building consents have increased 32.6 percent for the June 2006 year and by 44.1 percent in terms of value.

### Commercial Construction

- Non-residential consents for the construction and alteration of buildings, have increased in Taranaki 3.8 percent and 18.7 percent in value for the June 2006 year.

### GST

- Net GST for the year ended March 2006 has increased by 27.3 percent relative to the previous 12 months.

### Car Registrations

- Car registrations for the New Plymouth postal district have declined by 9.5 percent in the June 2006 quarter relative to the March 2006 quarter, and are down 19.6 percent on the June 2005 quarter result.

# What's Happening in the National Economy?

## Consumers Price Index

### Consumers Price Index quarterly movement:

- The Consumers Price Index (CPI) recorded a 1.5 percent increase in the June 2006 quarter.
- This follows increases of 0.6 percent and 0.7 percent in the March 2006 and December 2005 quarters, respectively.
- The big CPI movers included:
  - Petrol (up 14.7 percent)
  - International air travel (up 7.1 percent)
  - The purchase and construction of new dwellings (up 1.4 percent)
  - Fresh vegetables (up 12.0 percent)
  - Electricity (up 3.0 percent)

### CPI Annual Movement:

- From the June 2005 quarter to the June 2006 quarter the CPI rose 4.0 percent.
- All nine groups in the CPI recorded annual increases from the June 2005 quarter. The most significant upward contributions came from the transportation group (up 10.0 percent) and the housing group (up 4.8 percent).
- The annual increase in the CPI was influenced by higher prices for petrol (up 32.2 percent) and the purchase and construction of new dwellings (up 5.0 percent).

## Regional CPI

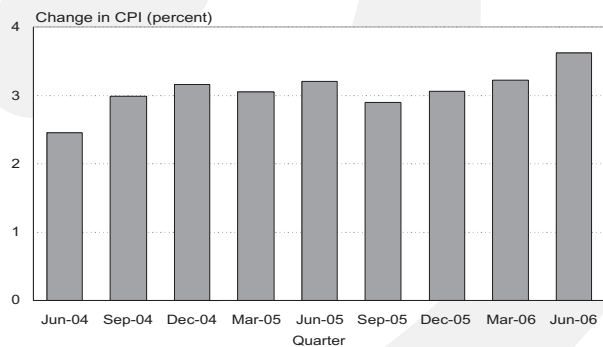
### Quarterly CPI:

Between the March 2006 quarter and the June 2006 quarter the Consumers Price Index for the New Plymouth urban area increased by 1.4 percent, compared with a national increase of 1.5 percent.

### Annual CPI:

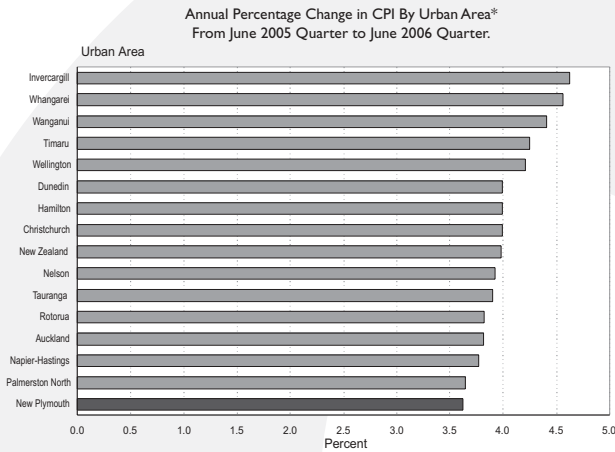
The New Plymouth urban area experienced an annual rise of 3.6 percent in consumer prices from the June 2005 quarter to the June 2006 quarter, compared with a national annual rise of 4.0 percent.

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



## CPI Regional Comparisons:

- Taranaki's annual CPI is lower than the national average and the majority of other urban areas.



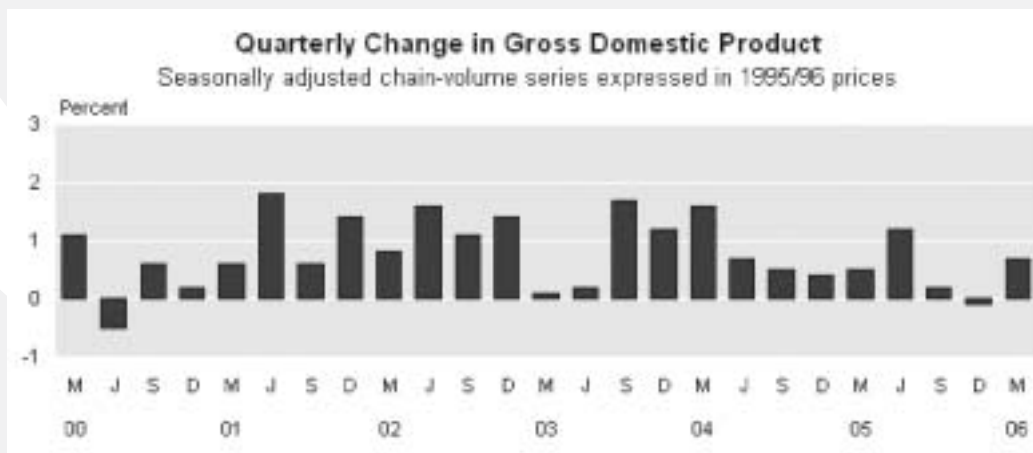
\*Prices are surveyed within the main urban areas.

## Gross Domestic Product:

- Economic activity increased 0.7 percent in the March 2006 quarter, following a decrease of 0.1 percent in the December 2005 quarter.
- Annual growth in gross domestic product was 2.2 percent for the March 2006 year.

## What contributed to the GDP Increase?

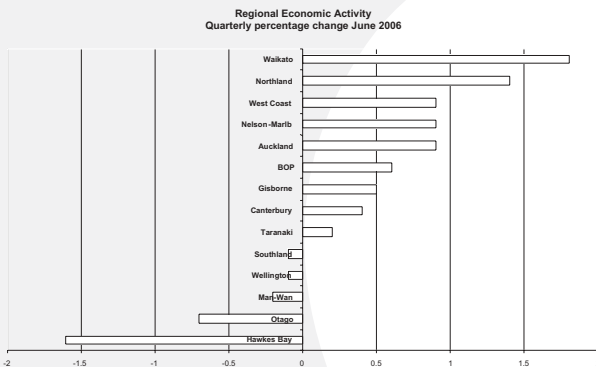
- Service industries continued to be the most significant contributors to growth, increasing 0.9 percent in the March 2006 quarter. Primary and goods-producing industries also recorded increases this quarter, up 1.3 percent and 0.5 percent respectively.
- The largest contributions to the increase in service industries this quarter came from the finance, insurance and business services group (up 0.7 percent), and personal and community services (up 1.5 percent). Government administration and defence recorded its 18th consecutive quarter of growth (up 3.2 percent), and was up 9.3 percent for the year ended March 2006.
- Within goods-producing industries, construction activity increased 1.7 percent, mainly driven by non-residential building construction. Manufacturing activity increased marginally this quarter (up 0.3 percent), following two consecutive quarterly decreases. In the year ended March 2006, manufacturing activity decreased 1.5 percent.



# What's happening in the Taranaki Economy?

## Quarterly Change in Growth

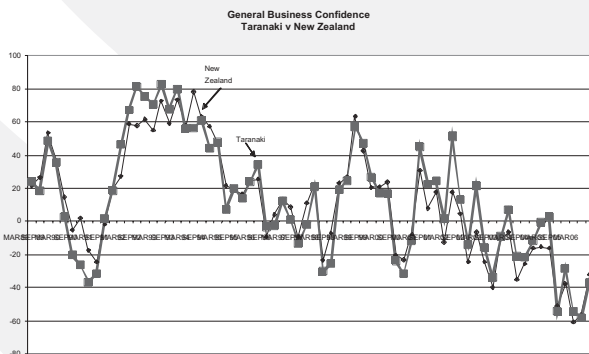
- The National Bank composite index of regional economic activity indicated that the New Zealand economy grew by 0.5 percent over the June 2006 quarter.
- Nine of the 14 regions grew in that quarter – one of which was the Taranaki region.
- Waikato recorded the strongest growth at 1.8 percent.



- Growth in Taranaki was modest at 0.2 percent, however it fared better than Wellington (-0.1%), Southland (-0.1%), Manawatu-Wanganui (-0.2%), Otago (-0.7%) and Hawkes Bay (-1.6%).

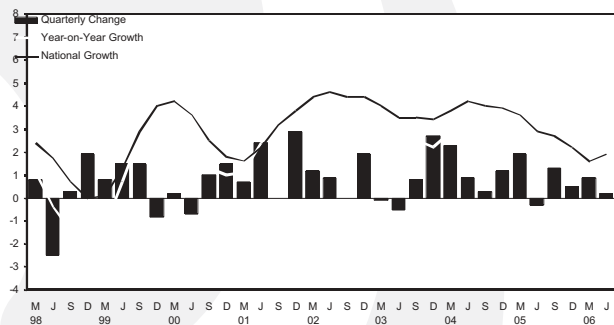
## Business Confidence

- Business confidence rebounded in the June quarter, after a pessimistic March result. Taranaki lies just beneath the national average.

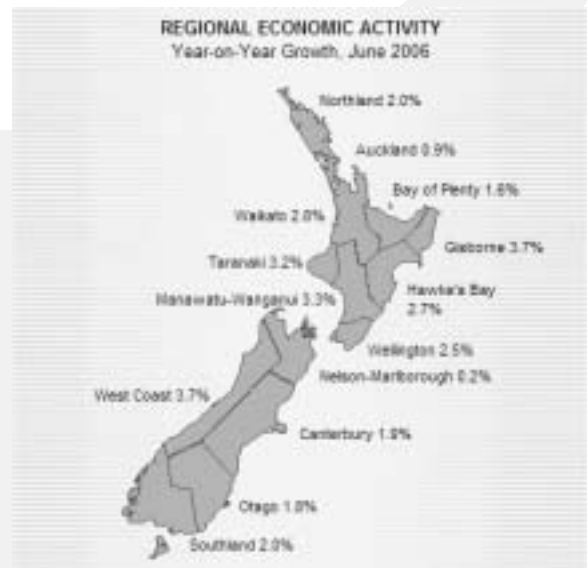


## Annual Change in Growth

- Year-on-year growth for New Zealand increased from 1.6 percent in March to 1.9 percent for June.
- Taranaki remains above the national average at 3.2 percent.



- Gisborne recorded the highest year-on-year growth figure at 3.7%, along with the West Coast.
- The Nelson-Marlborough region recorded the lowest year-on-year growth rate at 0.2 percent.





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

## Industry – General

- Fitzroy Yachts has started work on its ninth Super Yacht. The Inmocean is a 41 metre sloop, a single masted yacht worth about \$20 million.
- The first gas from the Pohokura field has started to flow.
- The untapped Kupe gasfield off South Taranaki is to be drilled in a billion-dollar venture which is anticipated to supply one-sixth of New Zealand's gas needs by 2009.
- Methanex is restarting the Waitara Valley methanol plant and expects to operate at full capacity until the end of the year.
- Port Taranaki hopes to continue its involvement with Maersk, despite the international shipping giant announcing four ports could lose their services.
- A Government-commissioned study has identified Taranaki as a potential venue for energy generation using renewable resources including wind, solar, hydro and waves.
- The Taranaki Pioneer Village in Stratford may be subject to a major feasibility and development study which addresses its future direction and tourism potential. A team of local, national and international experts hope to undertake the work, subject to financial support being successfully secured.
- Port Taranaki is becoming an attractive zone for food outlets, with four new restaurants and cafes opening in the near future.
- The layout of retailing is changing in New Plymouth with the opening of The Valley retail development in Waiwhakaiho, and the relocation of Pack N Save from Centre City to its new premises in central New Plymouth.

## Events

- WOMAD has been confirmed for March 16, 17 and 18 next year. This is the third time New Plymouth has hosted the World of Music, Arts and Dance and the biennial festival boasts hundreds of musicians from around the world. Last year the event brought more than \$3 million to the region.
- Parihaka International Peace Festival will be held on January 5-7 2007. Organisers believe this second festival will be even bigger and better than the inaugural event last year.
- Taranaki's Mountain to Surf marathon has a new sponsor, Robert Angus Real Estate. The Marathon was first run in 1980, and next year's race will double as the New Zealand Marathon championships.

---

Sources: Taranaki Daily News, Venture Taranaki, South Taranaki District Council, Stratford District Council.

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

# What's New?

## New Plymouth

- A new restaurant, the Lone Star Café & Bar, has opened on the ground floor of the Tasman Towers building on Gill Street.
- Soap-Alicious has opened on Egmont Road, next to Kauri Cottage Café Restaurant. It sells natural soaps and bath treats.
- Joseph Hareb (Guardians of the Forest Possum Hunting) is a new contractor who traps possums and sells the skins.
- Gavin Giles has established Creative Concepts which undertakes workplace assessments on work stations (i.e. monitor height, chair height to reduce overuse syndrome and RSI).
- Wayne Samson has established WC Samson Contracting Ltd.
- Kim Webby has formed a new adult entertainment business.
- Blue Heaven is a new B&B tourism business.
- One Burgess Hill is a new addition to the luxury accommodation sector in town.

## Hawera

- Williams & Kettle anticipate occupying their new premises on the corner of Glover Road & Union St, Hawera in the first week of September.
- Hirequip is establishing new premises in Hawera.
- Laser Electrical Hawera will move into their new premises on Glover Road, Hawera in mid-late September.
- Beccard Motors has relocated from Normanby to new premises in Princes Street, Hawera.
- Robertson's Unichem Pharmacy is doubling the size of its premises in High Street, Hawera.
- A new 36 section subdivision has been released onto the market in Hawera. The area is an extension to County Drive, near the Furlong Hotel and Turuturu School.
- Total Span Ltd is building a display shed and an 18 unit storage shed sited on Glover Road, Hawera.
- Transpacific Industrial Solutions are operating from new premises in Wallscourt Place, Normanby.

## - Businesses starting up & new developments in Taranaki\*

- Total Aluminium has recently opened for business at the former Beccard Motors site on Main Road Normanby.
- Jim Laird has opened a business in Egmont St, Patea for storage. He is also able to store boats and trailers, and service them as part of his business. Jim is a mechanic by trade.
- The Stage Gallery has opened in Union Street, Hawera. The gallery provides displays and sale of art works as well as workshops.
- The new café/restaurant called Maimai is now trading in Wereroa Street, Waverley
- Also in Waverley is a new gift shop recently opened called Indulge, sited on Wereroa Street.

## Stratford

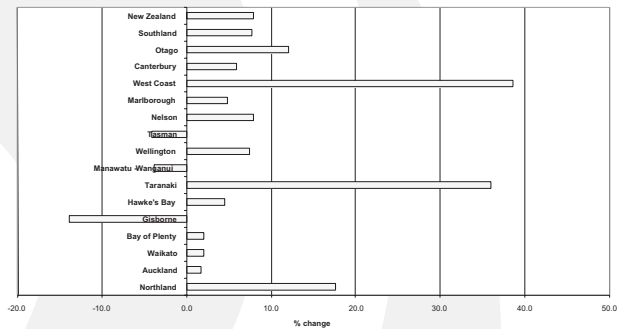
- John and Diana Woodward have opened a business called 02 Project. This bike shop not only stocks bicycles and equipment, but also attire, sport and nutrition supplements and bike repairs.
- RPM Technical Limited is a Toko motorcycle repair business owned and operated by Rowan Price.
- Amble In Motel is now owned by Elaine and Ern Radel.
- Paul and Lyn Hancock have purchased the lease of the Empire Hotel in Stratford.
- Harcourts, Taranaki Property Specialists Limited, has opened an office in Broadway, Stratford.
- Roy and Pauline James have purchased Bobcat Central, which will be incorporated into their existing business, Roy James Contractor Limited.
- Golden Tan Saddlery has a new owner, Victoria Aitken.
- Central Taranaki Employment Trust has purchased the Greenwaste Collection service for Stratford.
- Brian Darth Funeral Services is now available for the interment needs of families in Central Taranaki.
- Hilary Keift purchased and now operates the Metro Café situated at Taranaki Pioneer Village.
- Matt Walter Electrical is a new business offering services to the Toko community.

# Sales, Purchases and GST indicators

- This 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 to “regional GDP”.

- Taranaki’s net GST for the March 2006 quarter, was 36 percent higher than its net GST result for the same period last year.

March 2006 Quarter  
% Change Net GST



## Sales:

- The total Goods and Services Tax (GST) sales in the Taranaki region for the March 2006 quarter was \$2,796.5 million – an increase of 6 percent over the same period last year.

## Purchases:

- Purchases for the March 2006 quarter equated to \$1,840 million - compared with \$1,932.0 million for the March 2005 quarter.

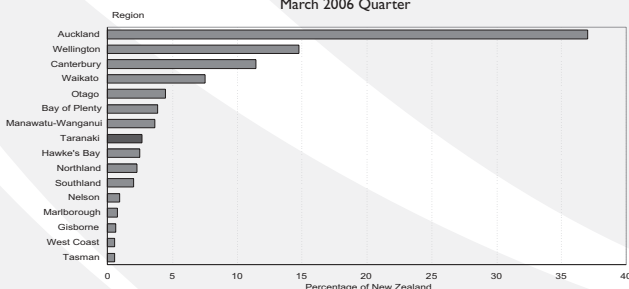
## Annual Result:

- For the year ended March 2006, the total net GST in the Taranaki region increased by \$815.2 million (or 27.3 percent from the previous year).
- This compares with a 7.8 percent increase nationally during the same period.

## Net GST Indicator: Quarterly Result

- During the March 2006 quarter, the total net GST (sales - purchases) in the Taranaki region was \$955.6 million.
- This represented 2.7 percent of the total net GST in New Zealand.
- Auckland, Wellington, Canterbury and Waikato comprise the majority of NZ’s net GST, as reflected in the following graph.

Net GST Indicator  
March 2006 Quarter



# Labour Force

## New Zealand Labour Market

### Overview:

- The June 2006 quarter Household Labour Force Survey (HLFS) shows that the labour market remained tight over the quarter, with employment growing by 22,000 (1.0 percent) to 2,129,000.
- The number of people unemployed fell by 7,000 in the June 2006 quarter to 79,000. This led to a decrease in the unemployment rate of 0.3 of a percentage point, to 3.6 percent.
- The labour force participation rate rose 0.3 of a percentage point over the June 2006 quarter to 68.8 percent. This is the highest participation rate recorded by the survey, and reflects the fact that the labour force is not only absorbing increases in the working-age population but is also drawing on those who were previously not in the labour force.
- In summary, the labour market remained tight over the June 2006 quarter, with continued demand for labour and low unemployment. The number of people employed and the labour force participation rate are both the highest recorded, while the unemployment rate is the equal lowest (with the June and December 2005 quarters) recorded by the survey.

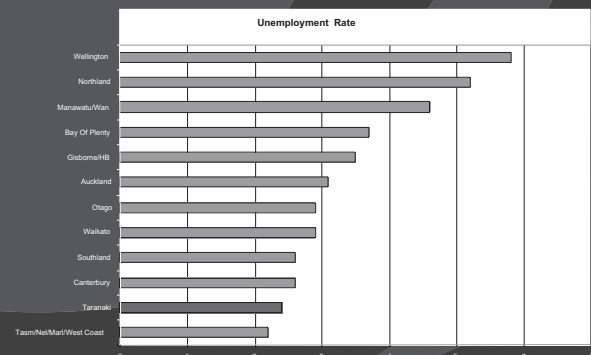
New Zealand	June 2006 Quarter	Quarterly Change	Annual Change
Unemployment Rate	3.6%	-0.3	0.0
Unemployed	79,000	-8.5%	+1.5%
Employed	2,129,000	+1.0%	+3.0%
Not In the Labour Force	1,002,000	-0.5%	+1.1%

## Taranaki Labour Market:

- Taranaki's regional labour force totalled 56,000 during the June 2006 quarter.
- The unemployment rate for the region was 2.4 percent compared with 2.7 percent for the June 2005 quarter.
- Unemployment in the Taranaki region totalled approximately 1,400 during the June 2006 quarter.

## Regional Comparison:

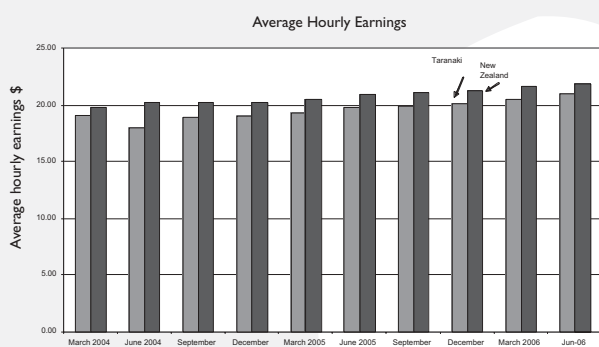
- Relative to other regions, Taranaki recorded the second-lowest unemployment rate in June 2006.
- Wellington recorded the highest unemployment rate of 5.8 percent.
- The lowest was in the Nelson/Tasman/Marlborough/West Coast region at 2.2 percent.



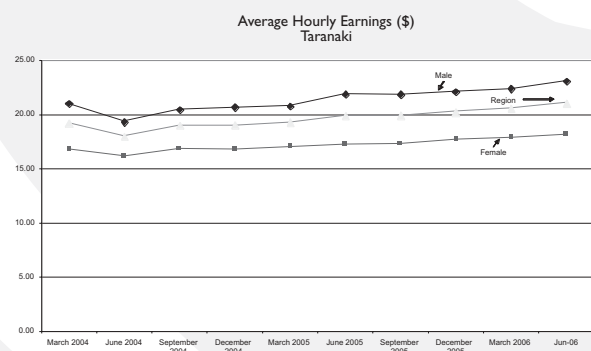
# Average Hourly Earnings

## Recent Changes:

- Employees in the Taranaki region earned an average of \$21.02 per hour in June 2006, \$0.47 or 2.3 percent higher than they did in March 2006.
- This increase compares with the New Zealand average of a 1.2 percent increase.



- In June 2006, males and females in the Taranaki region earned an hourly rate of \$23.07 and \$18.16 respectively.
- This represented an increase of 3.1 percent for males and an increase of 1.3 percent for females from the March 2006 quarter.



## Regional and Sub-Regional Comparisons:

- The following table provides a comparison of male and female hourly earnings between Taranaki and other selected regions, as well as results at a sub-regional level.

Average Hourly Earnings* (\$) June 2006		
Area	Male	Female
Taranaki Region	23.1	18.16
Auckland City	26.4	21.82
Taupo District	23.6	18.72
Rotorua District	20.2	20.39
Napier City	21.8	18.13
New Plymouth District	22.3	18.51
Stratford District	..s	..s
South Taranaki District	24.7	17.89
Wanganui District	19.2	17.95
Palmerston North City	22.4	19.84
Wellington City	31	24.3
Christchurch City	22.6	19.9
Invercargill City	..s	..s
New Zealand	23.4	20.08

## How is this information collected?

Quarterly Employment Survey (QES) statistics are derived quarterly from approximately 19,000 surveyed business locations in a range of industries and regions throughout New Zealand. Information relates to the payweek ending on, or immediately before, the 20th of the middle month of the quarter (that is February, May, August and November).

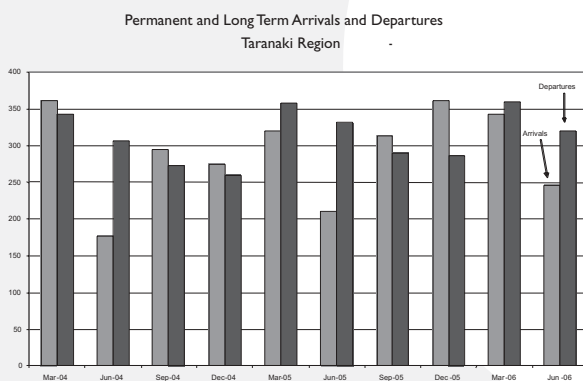
\*Average hourly earnings equals the gross total payout to all employees divided by the number of paid hours.

# External Migration

## Permanent Long Term Arrivals and Departures to Taranaki:

### June 2006 Quarter – Taranaki Region

- For the June 2006 quarter there were 246 long term arrivals to the Taranaki region and 319 departures.
- This reflects an increase in arrivals relative to the same period last year (when there were 210 arrivals) and a decrease in departures (331 were recorded).
- It does however, reflect a net external migration loss of 73.



## What is External Migration?

External migration data - Permanent and long-term Arrivals and Departures (PLT):

- Excludes the movement of people from one region within New Zealand to another (i.e which is internal migration)
- Includes statistics compiled from individual migration forms completed by passengers arriving in and departing from New Zealand, and forwarded to Statistics New Zealand by the New Zealand Customs Service.

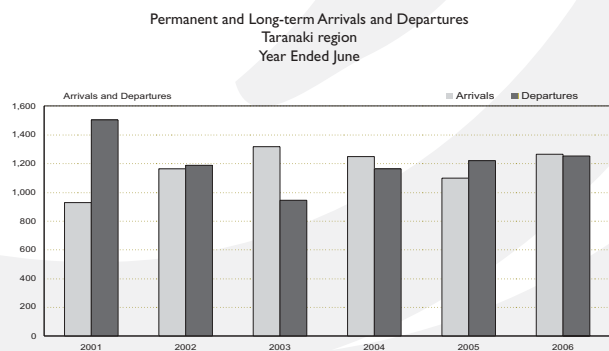
PLT Arrivals reflect overseas migrants who arrive in New Zealand intending to stay for a period of 12 months or more (or permanently), plus New Zealand residents returning after an absence of 12 months or more.

PLT departures include New Zealand residents departing for an intended period of 12 months or more (or permanently), plus overseas visitors departing from New Zealand after a stay of 12 months or more.

The difference between arrivals and departures is known as net (external) migration.

## Annual Result – Year ended June 2006:

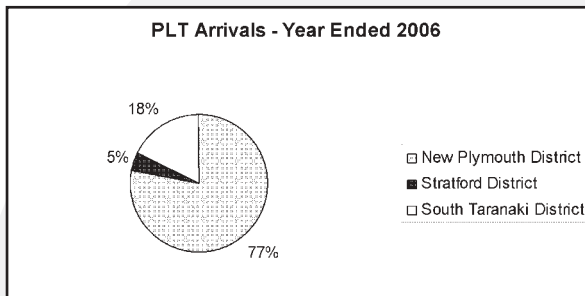
- For the year ended June 2006 there were 1,263 permanent and long-term arrivals in Taranaki.
- This represented 1.6 percent of all immigrants who arrived in New Zealand during that time.
- It reflected a 15.0 percent increase in arrivals relative to the year ended June 2005.
- There was a national increase of 1.2 percent during the same period.



- There were 1,254 permanent and long-term departures from Taranaki region during the year ended June 2006.
- The arrival and departure of migrants during the year ended June 2006 resulted in a net increase of nine people to the region.

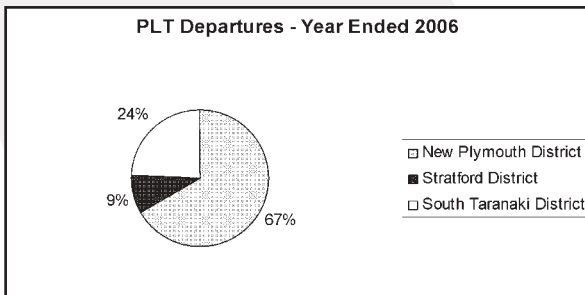
Of Taranaki's permanent and long term arrivals:

- 77.7 percent reflected PLT arrivals for New Plymouth District.
- 4 percent related to Stratford.
- 18.3 percent were South Taranaki District PLT arrivals.



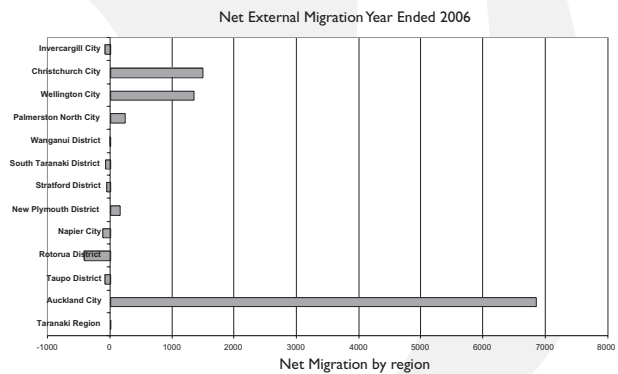
Of the PTL departures, the following regional breakdown was reflected:

- 66.4 percent - New Plymouth District.
- 9.1 percent - Stratford.
- 24.5 percent - South Taranaki.



## Net Migration – Regional Comparisons for Year Ended June 2006:

- In total there was a net migration increase in New Zealand of 10,688 people.
- The following graph highlights how Taranaki (regionally and sub-regionally) compares with selected New Zealand locations in relation to net external migration outcomes.



## Net Migration for Taranaki's Districts:

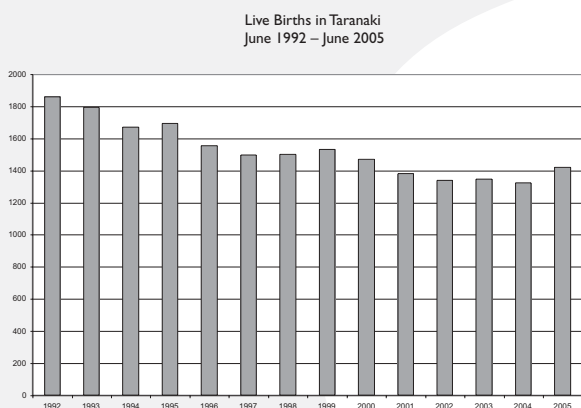
For the year ended June 2006, Taranaki's net (external) migration of nine people occurred due to the following sub regional difference between arrivals and departures:

- New Plymouth District - A net increase of 148 people.
- Stratford – a net loss of 57.
- South Taranaki – a net loss of 82.

# Births and Deaths

## Births:

- There were 341 live resident births in the Taranaki region, during the June 2006 quarter.
- For the year ended June 2006, a total of 1,386 live resident births were registered in the region, compared with 1,419 for the previous June year - a decrease of 2.3 percent.
- Taranaki accounted for 2.4 percent of all live births in New Zealand during the year ended June 2006.



## Births; Some National Facts and Figures:

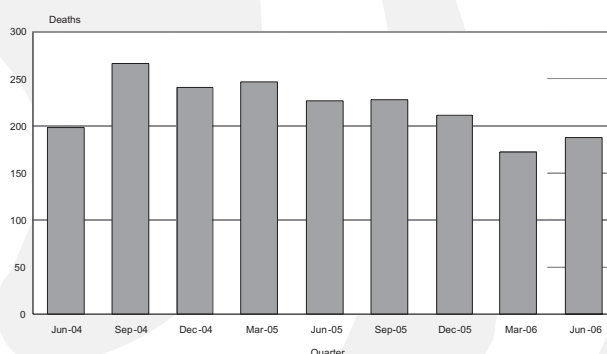
For the Year Ending June 2006:

- There were 58,250 births registered in New Zealand.
- New Zealand women averaged 2.02 births per woman.
- The median age of women giving birth was 30.4 years.
- The median age of women giving birth to their first child was 28.4 years.

## Deaths:

- The number of resident deaths in Taranaki region totalled 187 during the June 2006 quarter.
- For the year ended June 2006, a total of 798 resident deaths were registered in the region compared with 980 for the previous June year, a fall of 18.6 percent.

Resident Deaths Taranaki Region



- In New Zealand, there were 27,300 deaths registered during the June 2006 year.
- Births exceeded deaths by 30,950.

## Sex differences in mortality:

- Because more males are born than females (105:100), and females live longer than males, there have traditionally been more male deaths registered each year than female. On average, in the 1970s, there were around 2,400 more male than female deaths each year.
- However, since 1980 this gap has been slowly closing, dropping to 1900 in the mid 1980s, and further to 1000 in the mid 1990s.
- Finally, in recent years, there have been slightly more female deaths than male. In the June 2006 year, there were 300 more female deaths than male.

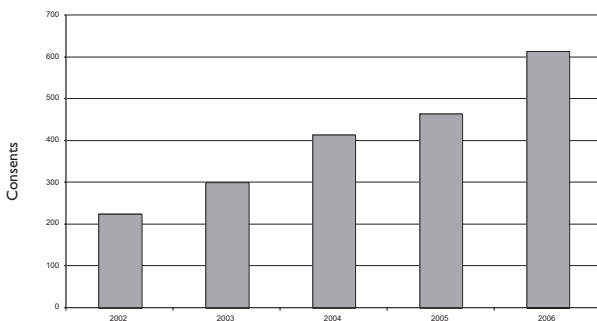


# Construction

## Residential Construction:

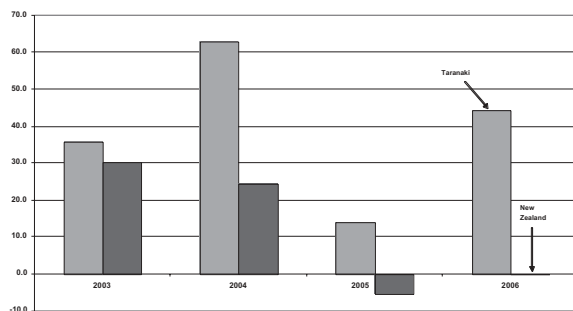
- For the year ending June 2006, 614 new dwelling units worth \$141.1 million were approved in Taranaki.
- This reflected an increase of 32.6 percent in the number of consents, and a 44.1 percent increase in total value of new dwellings approved.

New Dwellings Authorised - Number of Consents



- Growth in the value of new dwellings approved in the Taranaki region (44.1 percent) was significantly higher than the national average which recorded a slight decline of 0.2 percent.

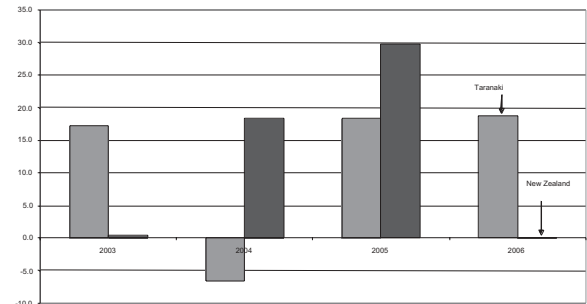
\$m Percentage Growth in Value of New Dwelling Consents Year Ended June



## Non-Residential Construction:

- For the year ending June 2006, there were 710 building consents issued for the construction and alteration of non-residential buildings in Taranaki. This is an increase of 3.8 percent from the year ended June 2005, compared with a 2.9 percent increase nationally during the same period.
- Taranaki's non-residential building consents were valued at \$87.8 million, up 18.7 percent from the previous year.

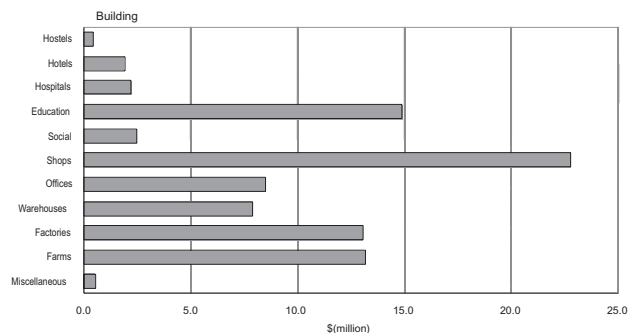
Value of Non-Residential Building Consents % Growth YE June



## What was built?

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

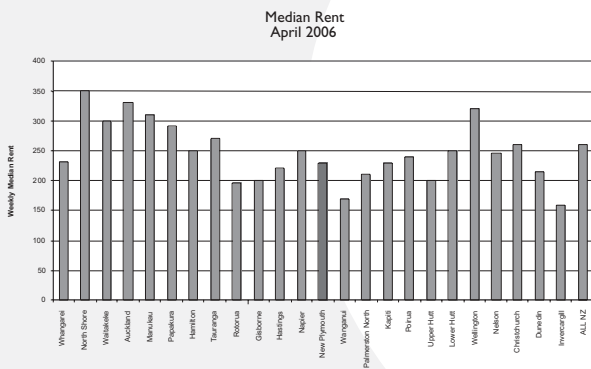
Value of Non-Residential Building Consents by Type Taranaki Region Year Ended June 2006



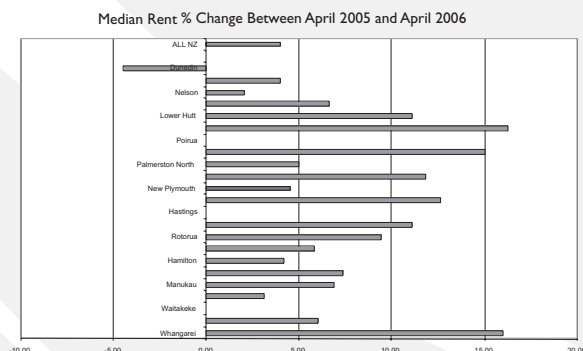
# Real Estate, Rental Accommodation & Home Affordability

## Household Rental Accommodation:

- Between the period April 2005 and April 2006, the national level of median rent for private sector rental accommodation increased from \$250.00 per week to \$260.00.



- The median rent in New Plymouth also increased from \$220.00 to \$230.00 per week.
- Median weekly rental has increased 4.5 percent in New Plymouth, between April 2005 and April 2006.
- This was higher than the national median rent rise of 4 percent but less than the massive jump of 22 percent which New Plymouth experienced between April 2004 and April 2005.



## Median Weekly Rental Levels (\$)

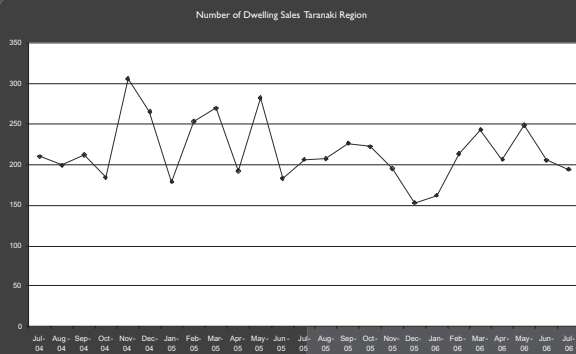
April 2006

Whangarei	232
North Shore	350
Waitakeke	300
Auckland	330
Manukau	310
Papakura	290
Hamilton	250
Tauranga	270
Rotorua	197
Gisborne	200
Hastings	220
Napier	250
New Plymouth	230
Wanganui	170
Palmerston North	210
Kapiti	230
Poirua	240
Upper Hutt	200
Lower Hutt	250
Wellington	320
Nelson	245
Christchurch	260
Dunedin	215
Invercargill	160
ALL NZ	260

# Residential House Sales

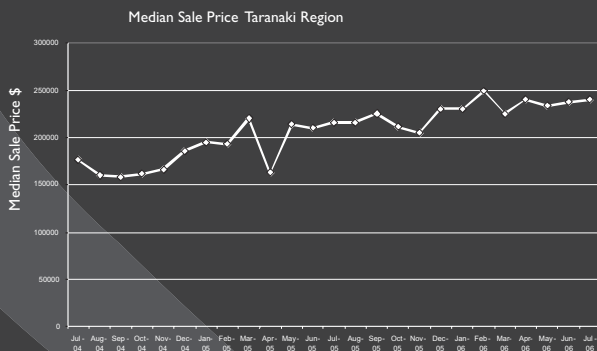
## Number of sales:

- For the year ending June 2006 there were 2486 house sales recorded for the Taranaki region by the REINZ.
- This is less than the previous 12 month period when 2734 houses were sold.



## Value of sales:

- Median dwelling sale prices however, have remained relatively strong.
- In July 2006 the median sale price in Taranaki was \$240,000. In July 2005 it was \$216,000 and in July 2004 it was \$176,500.



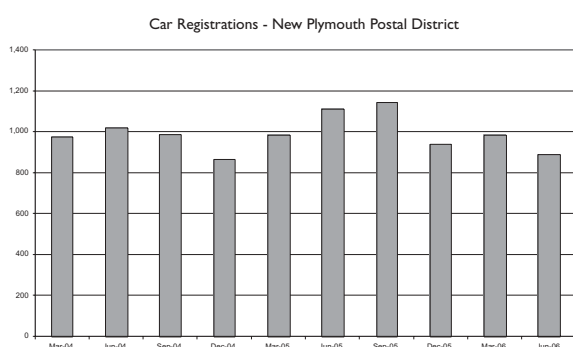
## Home Affordability:

- Housing affordability is assessed by comparing the average weekly earnings with the median dwelling price and the mortgage interest rate. The earnings figure represents the money availability to the family, or household unit, and the median dwelling price combined with the mortgage interest rate provides an indicator of the expense involved.
- The May 2006 index reflected a decline in home affordability (11.2 percent) for New Zealand.
- On a regional basis, all regions, (with the exception of Hawkes Bay), reflected a 12-month decline in home affordability.
- Taranaki recorded a 10.6 percent decline in Home Affordability for this period.
- Declines in other regions were recorded as follows: Manawatu-Wanganui (19.6%); Waikato/Bay of Plenty/Gisborne (17.6%); Otago (16.3%); Northland (15.3%); Nelson/Marlborough (12.8%); Wellington (12.1%); Canterbury/Westland (9.9%); Auckland (7.9%); Central Otago Lakes (6%); Southland (0.5%).

# Car Registrations

## Comparison with last quarter:

- New and ex-overseas car registrations have declined regionally and nationally.
- The total number of new and ex-overseas car registrations for the June 2006 quarter in the New Plymouth Postal District was 892 compared with 986 for the previous quarter (March 2006).
- This was a decrease of 9.5 percent.



## Comparison With The Same Period in 2005:

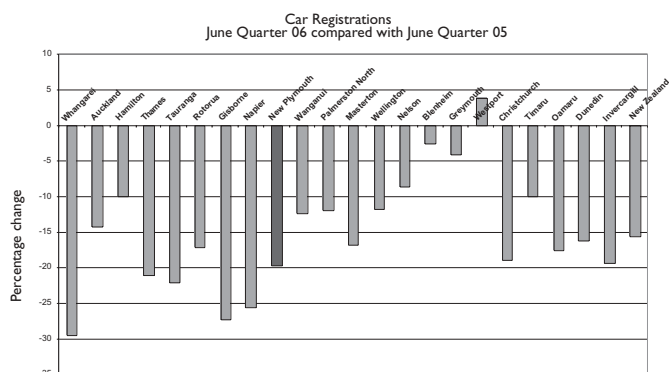
- The number of new and ex-overseas car registrations in the New Plymouth Postal District decreased by 218, or 19.6 percent, compared with the same quarter of the previous year (June 2005).
- In comparison, car registrations for New Zealand decreased 15.5 percent during this period.

## Regional Comparisons:

- With the exception of Westport, most regions reported a decline in car registrations in the June quarter, relative to the same period in 2005. This result is highlighted in the following graph and table.

New and Ex-Overseas Cars Registered by Postal District  
June Quarter

Postal District	2005	2006	% Change
Whangarei	1,419	1,001	-29.5
Auckland	25,209	21,627	-14.2
Hamilton	4,357	3,924	- 9.9
Thames	447	353	-21.0
Tauranga	2,537	1,980	-22.0
Rotorua	828	687	-17.0
Gisborne	401	292	-27.2
Napier	1,852	1,377	-25.6
New Plymouth	1,110	892	-19.6
Wanganui	466	408	-12.4
Palmerston North	1,852	1,631	-11.9
Masterton	383	319	-16.7
Wellington	5,005	4,414	-11.8
Nelson	888	812	- 8.6
Blenheim	350	341	- 2.6
Greymouth	221	212	- 4.1
Westport	53	55	3.8
Christchurch	7,419	6,016	-18.9
Timaru	601	541	-10.0
Oamaru	160	132	-17.5
Dunedin	1,960	1,642	-16.2
Invercargill	893	720	-19.4
New Zealand	58,411	49,376	-15.5



# Retail Trade

## National retail sales – Overview:

For the June 2006 quarter, compared with the March 2006 quarter (on a seasonally adjusted basis):

- Total retail sales increased 0.9 percent (\$136 million).
- Fuel retailing sales rose 8.7 percent (\$122 million).
- Supermarket and grocery store sales rose 2.9 percent (\$88 million).
- Sales volumes fell 0.5 percent.

However, with price effects removed,

- Total retail sales decreased 0.5 percent (\$63 million) in the June 2006 quarter compared with the previous quarter (this follows an increase of 1.1 percent in the March 2006 quarter).
- Sales for the core retailing group (which excludes vehicle-related industries) increased 0.7 percent (\$67 million).

Decreases in volume were experienced in:

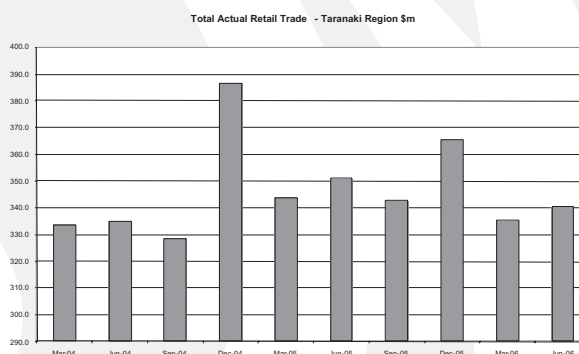
- The motor vehicle retailing industry, down 4.0 percent (\$97 million).
- Automotive fuel retailing down 3.4 percent (\$28 million).

The largest increase came from supermarket and grocery stores, which rose 3.3 percent (\$78 million).

## Taranaki Region - Actual Sales:

- Retail sales in the Taranaki region during the June 2006 quarter totalled \$340.4 million.
- This is a decrease of \$10.5 million, or 3.0 percent from the June 2005 quarter.
- Nationally, actual retail sales (i.e non-seasonally adjusted) totalled \$14,655.5 million, up 4.0 percent from the June 2005 quarter.
- Retail sales in the New Plymouth urban area totalled an estimated \$206.2 million (i.e. an estimated 60.6 percent of the value of total actual retail sales in the region occur in New Plymouth).

- New Plymouth's total actual retail sales were up slightly from the June 2005 quarter, when an estimated \$204 million of retail sales were recorded.



## Regional Comparison:

- Taranaki experienced greater contraction in retail sales, relative to other regions in New Zealand, for the June 2006 quarter (relative to the same period for the previous year).

### Retail Sales by Region / June Quarter

Region	Retail Sales \$(million)		% Change	Sample Error(%)*
	2005	2006		
Northland	453.8	457.6	0.8	14.0
Auckland	4,807.6	4,940.0	2.8	4.0
Waikato	1,240.5	1,307.3	5.4	9.0
Bay of Plenty	982.8	1,021.8	4.0	14.0
Gisborne	104.5	118.0	12.9	28.0
Hawke's Bay	549.7	552.4	0.5	16.0
Manawatu-Wang	751.3	818.5	8.9	17.0
Wellington	1,493.4	1,591.3	6.6	8.0
Tasman	143.1	154.3	7.9	54.0
Nelson	128.9	146.0	13.3	13.0
Marlborough	138.5	166.2	20.0	25.0
West Coast	77.2	83.3	7.9	31.0
Canterbury	1,753.4	1,821.9	3.9	7.0
Otago	777.3	794.6	2.2	15.0
Southland	334.4	341.8	2.2	23.0
New Zealand	14,089.1	14,655.5	4.0	1.9

\*Due to the high sample error rate, care should also be taken in interpreting such retail data – particularly at a regional level.

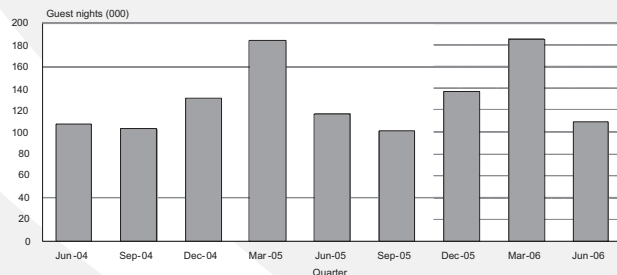
# Tourism

## Visitor Arrivals:

- A total of 57,349 people visited the Taranaki region and stayed in short term commercial accommodation during the three months ending June 2006.
- Although less than the March quarter of 82,385 guest arrivals (traditionally a more active visitor period), the June quarter reflects a quieter period for tourism.
- To highlight comparisons with the same period in previous years, in the June 2005 quarter 59,390 visitors were recorded and for the June 2004 quarter there were 55,955 visitors.
- For the 12 month period ending June 2006, there were 261,458 visitors to Taranaki who stayed in short term commercial accommodation. This reflects a -0.4 percent decrease when compared to the previous 12 month period.

## Guest Nights:

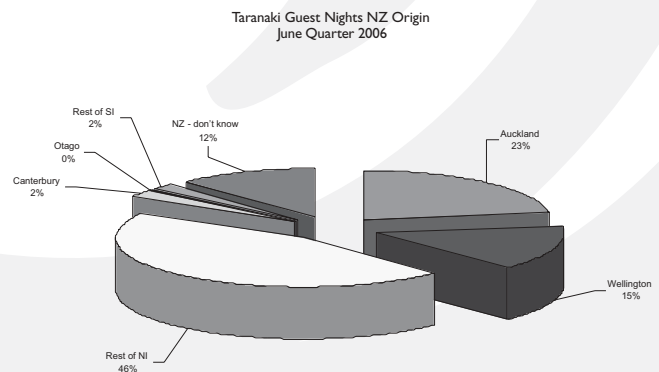
- Taranaki hosted 109,266 guest nights in short term commercial accommodation during the June 2006 quarter.
- This reflects a 6.7 percent decrease in guest nights over the same period last year, when 117,065 guest nights were recorded.
- Overall, guest nights for the 12 months ending June 2006 were 531,676 – down slightly on the June 2005 year result of 533,750 guest nights.



## Origin of Visitor Guest Nights:

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

Origin	Number of Guest Nights
Auckland	21,190
Wellington	14,170
Rest of NI	42,890
Canterbury	1,870
Otago	335
Rest of SI	1,930
NZ - don't know	11,070
<b>Total Guest Nights – NZ Origin</b>	<b>93,455</b>



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

## Analysis by Taranaki District

### New Plymouth

- There were 46,665 visitors to the New Plymouth District during the June 2006 quarter. This reflects a -4.7 percent decrease from the same period last year.

### Visitors By District 2006

District	June 2005 Quarter	June 2006 Quarter
New Plymouth	48,953	46,665
Stratford	4,228	3,774
South Taranaki	6,209	6,910
Taranaki Total	59,390	57,349

- Overall, for the 12 months period ending June 2006, New Plymouth District experienced a minor growth in visitor arrivals of 0.2 percent coupled with a slight increase in total guest nights of 0.1 percent.

### Stratford

- Stratford visitors decreased 10.7 percent in the June 2006 quarter relative to June 2005.
- Guest nights decreased 5.8 percent.
- Overall, for the 12 months period ending June 2006, Stratford District experienced a decline in visitor arrivals of 5.2 percent coupled with a decline in total guest nights of 1.6 percent.

### South Taranaki

- Visitors to South Taranaki during the June 2006 quarter indicated an increase of 11.3 percent over the same period in 2005. However guest nights reflected a decline of 4.9 percent.
- Overall, for the 12 month period ending June 2006, South Taranaki experienced a growth in visitor arrivals of 2.6 percent and a decrease in total guest nights of 3.1 percent.

## Occupancy Rates

- The occupancy rate for the Taranaki region at 27.6 percent was 3.7 percentage points lower for the June 2006 quarter, when compared to the June 2005 quarter.
- The national occupancy rate during the June 2006 quarter was 31.3 percent compared with 32.0 percent during the June 2005 quarter.
- Occupancy rates for the Taranaki region and districts are highlighted below, as well as comparisons with the national average and selected regions.

Occupancy Rate (Percent) June Quarter			
Area	2005	2006	Change
Taranaki Region	31.3	27.6	-3.7
Auckland City	55.7	52.1	-3.6
Taupo District	31.2	31.1	-0.1
Rotorua District	40.8	38.5	-2.3
Napier City	39.8	38.8	-1.0
New Plymouth District	37.0	31.8	-5.2
Stratford District	19.0	17.0	-2.0
South Taranaki District	17.3	16.0	-1.3
Wanganui District	28.7	27.8	-0.9
Palmerston North City	49.9	47.6	-2.3
Wellington City	62.4	58.7	-3.7
Christchurch City	52.6	46.9	-5.7
Invercargill City	34.9	29.6	-5.3
New Zealand	32.0	31.3	-0.7

# Agriculture Update

## Sheep:

Taranaki total 2005	% change from 04	NZ % change from 04	Taranaki % of NZ total livestock
679,000	-1%	2%	1.7%

- Total NZ sheep numbers were estimated at 39.9 million at 30 June 2005, up 2 percent on the 2004 figure. This is the first increase in total sheep numbers since the 1980s.
- From a peak in 1982 (70.3 million), sheep numbers have been trending downward before stabilising from 2002.
- Taranaki sheep numbers declined by 1 percent.

## Dairy Cattle:

Taranaki total 2005	% change from 04	NZ % change from 04	Taranaki % of NZ total livestock
616,000	-7%	-2%	12.1%

- Total dairy cattle numbers were estimated at 5.1 million in 2005.
- Waikato is the main dairying region in the North Island, with 1.7 million dairy cattle, and Canterbury is the main dairying region in the South Island, with 605,000. The North Island has 73 percent of all dairy cattle.

## Beef Cattle:

- At 30 June 2005 beef cattle numbers remained stable at 4.4 million.
- Beef numbers in Taranaki declined during this period by 7 percent.
- Major regions for beef cattle include Manawatu-Wanganui and Waikato, with 697,000 and 679,000 head, respectively.

Taranaki total 2005	% change from 04	NZ % change from 04	Taranaki % of NZ total livestock
131,000	-7%	0%	3%

## Deer:

Taranaki total 2005	% change from 04	NZ % change from 04	Taranaki % of NZ total livestock
5,000	-29%	-3%	0.3%

- Deer numbers at 30 June 2005 were estimated at 1.7 million, down 3 percent on the previous year.
- Canterbury, with 28 percent of New Zealand's total deer, was up 7 percent from 2004.
- The South Island now has 68 percent of the national deer herd, up from 50 percent in 1994.

## Pigs:

Taranaki total 2005	% change from 04	NZ % change from 04	Taranaki % of NZ total livestock
16,000	-20%	-12%	4.7%

- Pig numbers decreased to 341,000 in 2005, down 12 percent on the 2004 figure. North Island numbers fell 23 percent to 130,000.
- Contributing factors for the decline mentioned in the survey included outbreaks of post-weaning multi-systemic wasting syndrome (PMWS) in the North Island, and record volumes of pork imports in 2005.
- A total of 55 percent of the national pig population is domiciled in Canterbury.

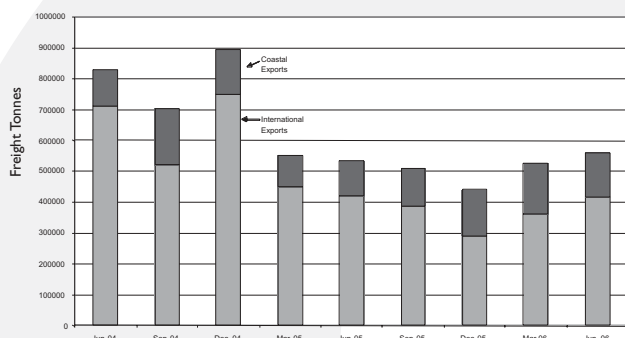


# Port Trade

## Cargo Exported:

- 561,150 freight tonnes of cargo were exported through Port Taranaki during the June 2006 quarter.
- This reflects an increase of 5.2 percent over the June 2005 quarter.

Exports Through Port Taranaki

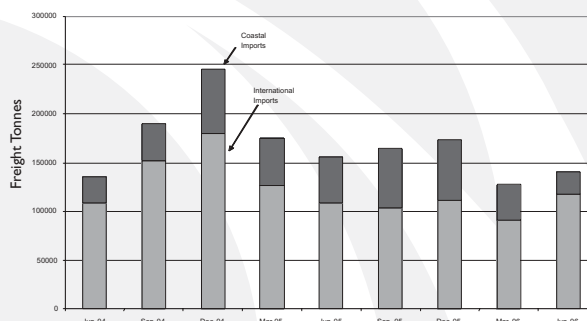


- The outgoing cargo (561,150 tonnes) was comprised of 417,174 tonnes of overseas cargo and 143,976 tonnes of coastal trade.
- A total of 2,039,618 tonnes of cargo were exported through Port Taranaki during the 12 months ending June 2006.
- This is a decline on the previous 12 months of 24.0 percent.

## Cargo Imported:

- 141,039 tonnes of cargo were imported via Port Taranaki during the June 2006 quarter.
- This reflects a decline of 9.5 percent over the June 2005 quarter.
- The inward cargo was comprised of 117,858 tonnes of international imports and 23,181 tonnes of coastal trade.

Imports Through Port Taranaki

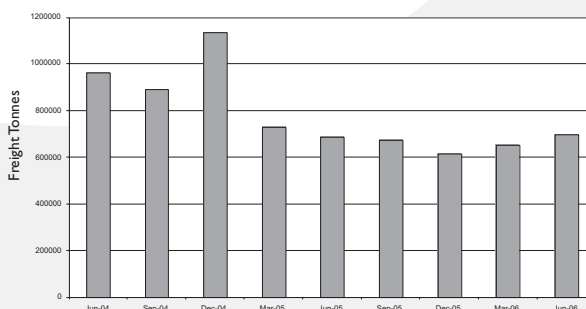


- 606,168 tonnes of cargo were imported via Port Taranaki during the 12 months ending June 2006.
- This reflects a 20.8 percent decrease on the previous 12-month period.

## Total Cargo:

- Port Taranaki handled, in total, 702,189 tonnes of cargo during the June 2006 quarter (i.e. imports and exports).
- This reflects an increase of 1.9 percent over the June 2005 quarter.

Total Cargo Through Port Taranaki (Imports & Exports)



- Total cargo for the year ending June 2006 (imports and exports) equated to 2,645,786 freight tonnes; a decline of 23.3 percent over the previous 12-month period.



# Thank you...

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

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

This document was designed in Taranaki by TGM Design Ltd.

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

# Venture Taranaki

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

That's why we're interested in helping to make your business a success.

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

If you are:

- Thinking of starting up a business;
- Trying to grow your business;
- Considering relocating or investing in Taranaki...

We have a range of products and services designed to meet your business needs.

Why not call us today!

Venture Taranaki  
41-43 Molesworth Street  
PO Box 670  
NEW PLYMOUTH

Telephone: (06) 759 5150  
Freephone: 0800 4 VENTURE  
Fax: (06) 759 5154

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



41-43 Molesworth Street PO Box 670  
New Plymouth New Zealand  
Phone: (06) 759 5150 Fax: (06) 759 5154  
FREEPHONE: 0800 4 VENTURE (0800 483688)

*Our services and opinions are of a general nature and should be used as a guide only. They are not a substitute for commercial judgement or independent professional advice which should be obtained prior to acting in relation to any business matter.*