

# Taranaki Business Survey

RESULTS OF THE DECEMBER 2018 SURVEY



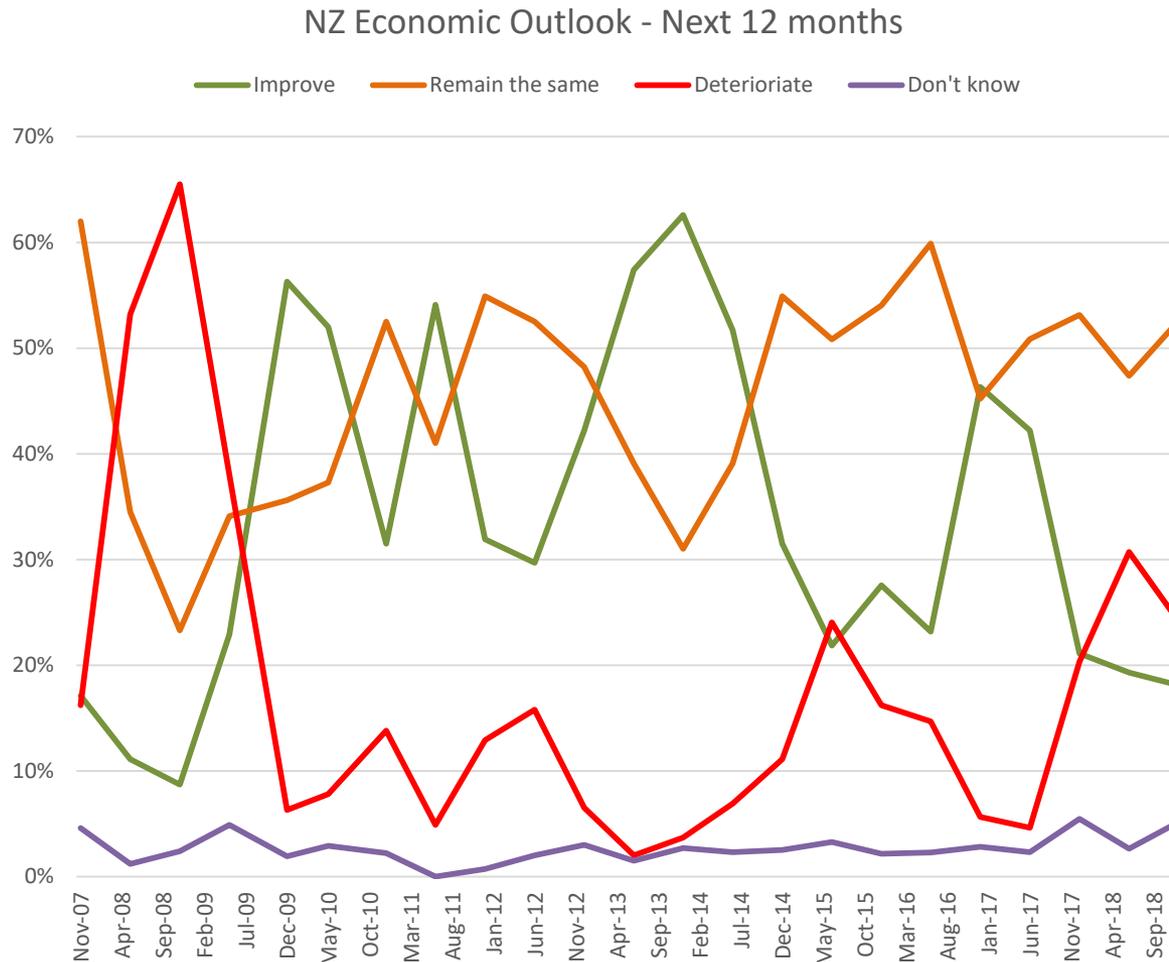
Te Kaunihera-ā-Rohe o Ngāmotu  
NEW PLYMOUTH  
DISTRICT COUNCIL  
[newplymouthnz.com](http://newplymouthnz.com)



# Taranaki Business Survey

- Monitors economic confidence by Taranaki businesses and their views on key business issues.
- Undertaken by Venture Taranaki 6-monthly since 1999.
- Survey sent to 1500 Taranaki businesses.
- Cross section of industry type, location and size.
- Spans a number of **standard economic questions**.
- **Plus special topics:**
  - 2018 – highlights; challenge
  - Change and transition
  - Future regional economy and lifestyle

# NZ Economic Conditions: next 12 months



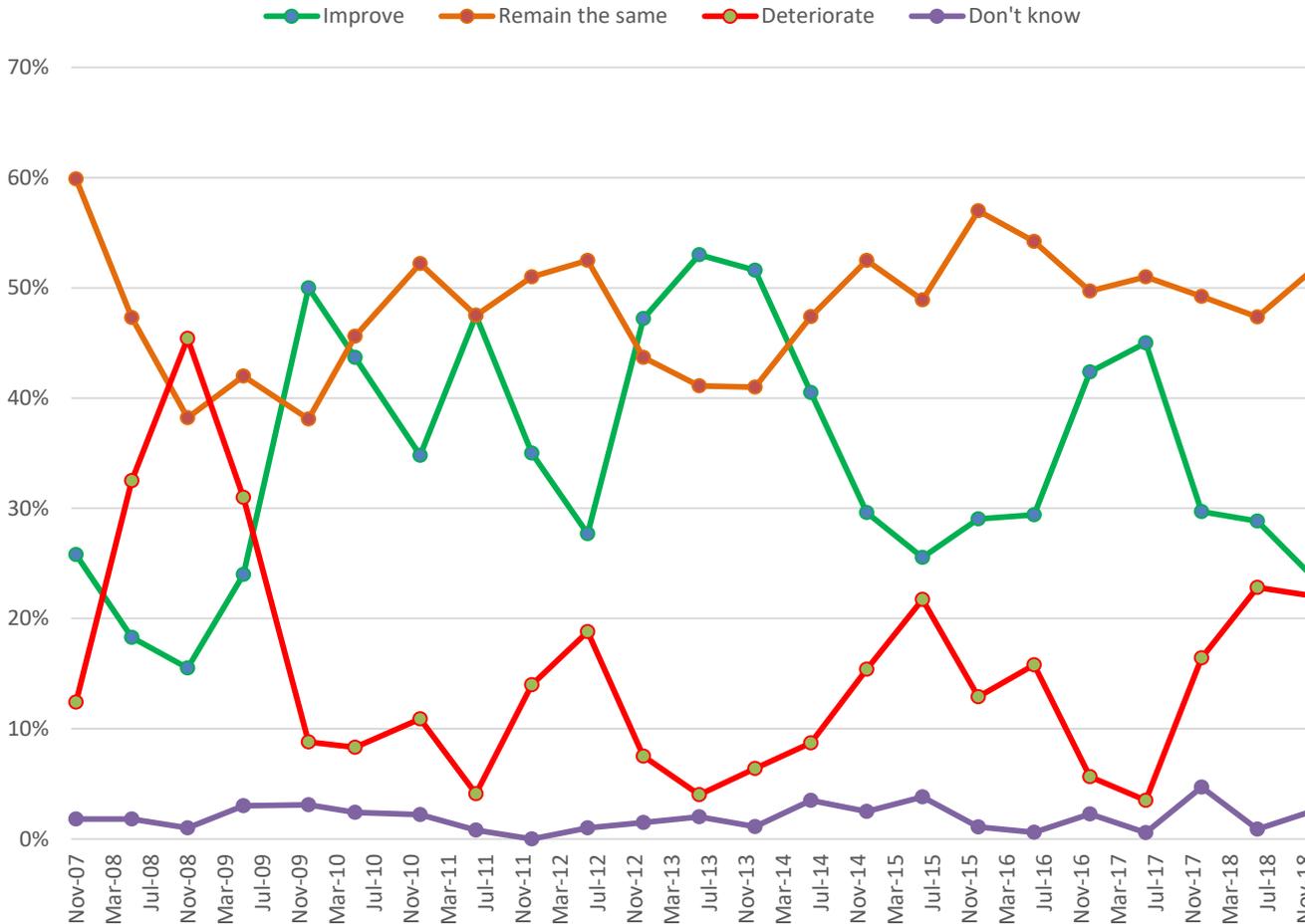
**Downturn ebbs from peak?**

**But confidence remains weak**

- **Same: 53%** up from 47%
- **Improve: 18%** down from 20%
- **Deteriorate: 24%** was 31%
- **Don't know: 5%**

# Industry conditions: next 12 months

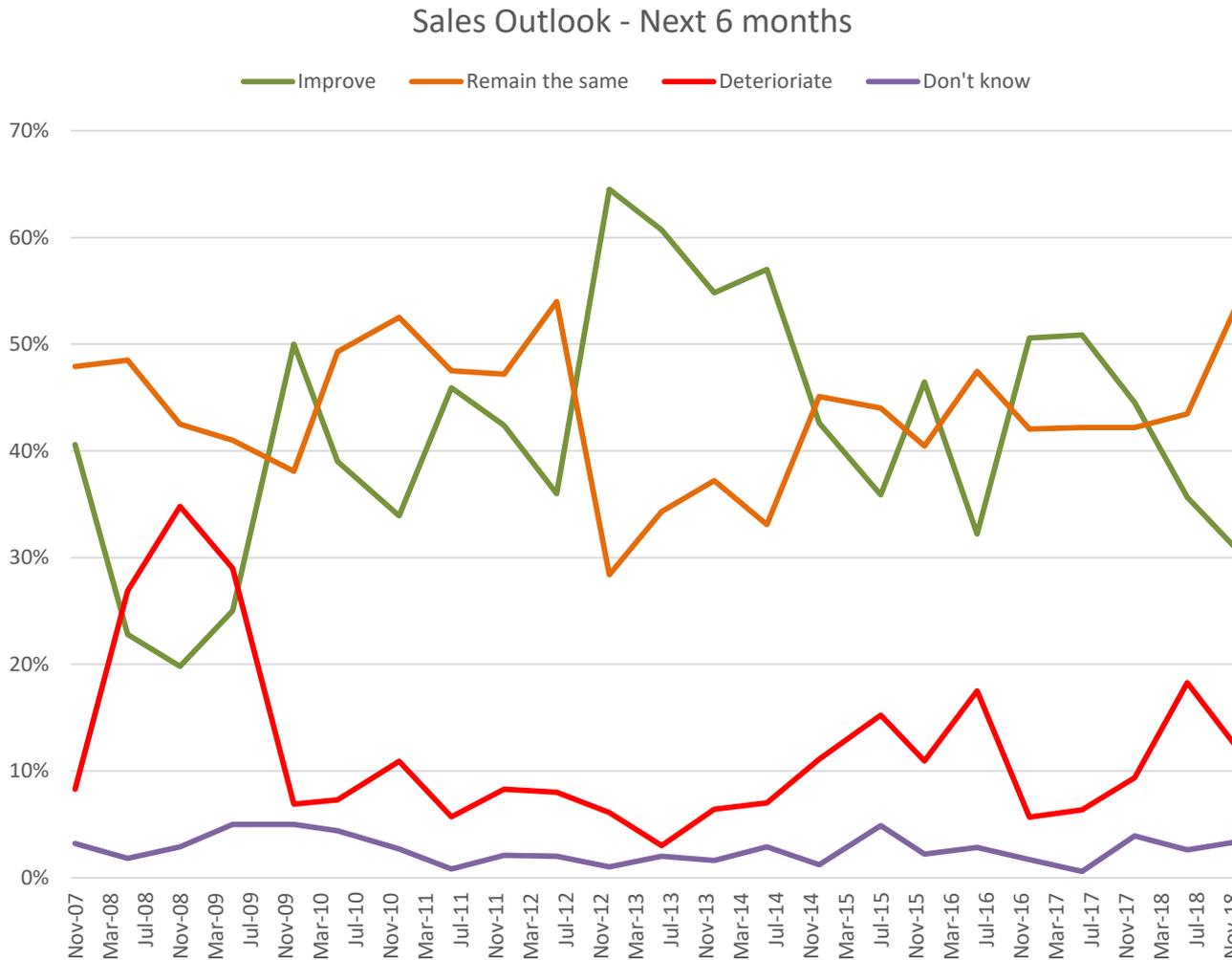
Industry Outlook - Next 12 months



**Downturn ebbs.  
Confidence ebbs.  
The status quo of  
change now the  
new normal?**

- **Remain same: 52%**  
up from 47%
- **Improve: 24%**  
down from 29%
- **Deteriorate: 22%**  
was 23%
- **Don't know: 3%**

# Sales: next 6 months



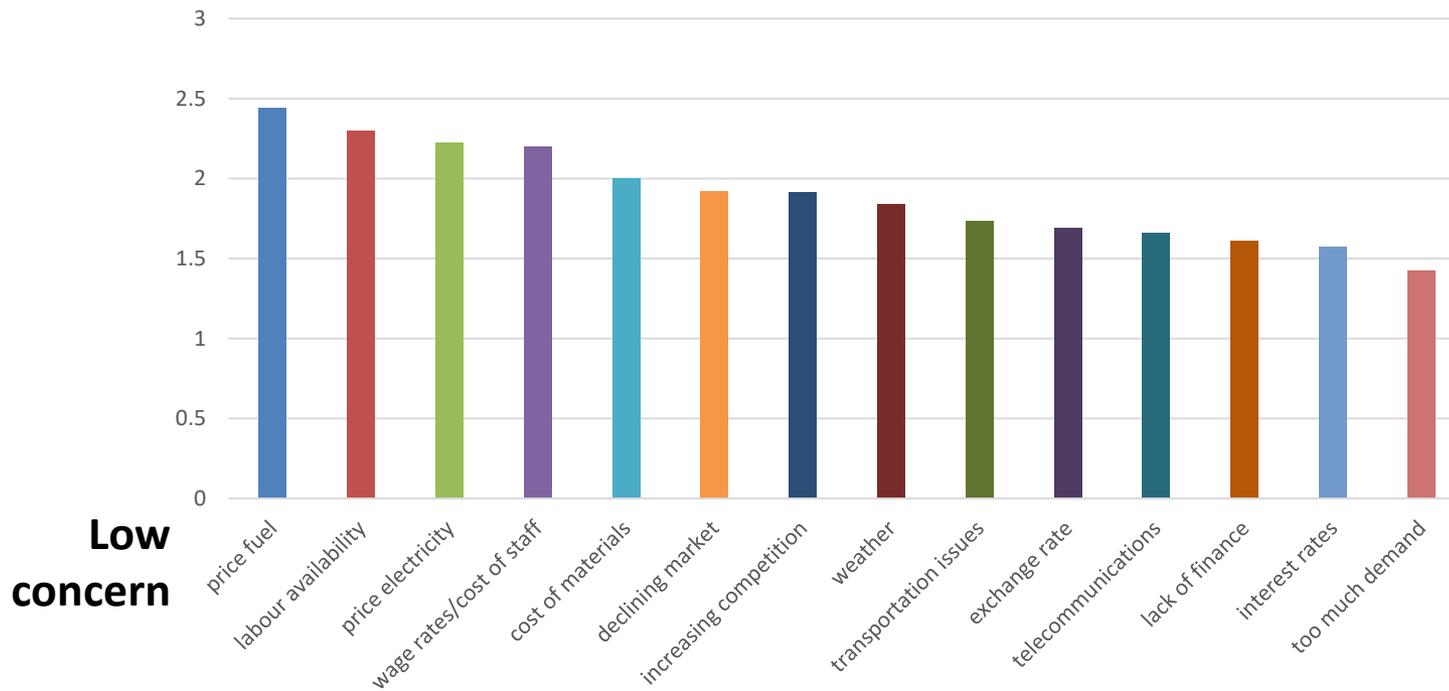
**Sales following similar pattern of market readjustment?**

- **Improve: 36%**  
down from 45%
- **Remain same: 54%**  
43% previously
- **Deteriorate: 12%**  
down from 18%
- **Don't know: 3%**

# Taranaki business: concerns

High  
concern

Factors impacting on business



Low  
concern

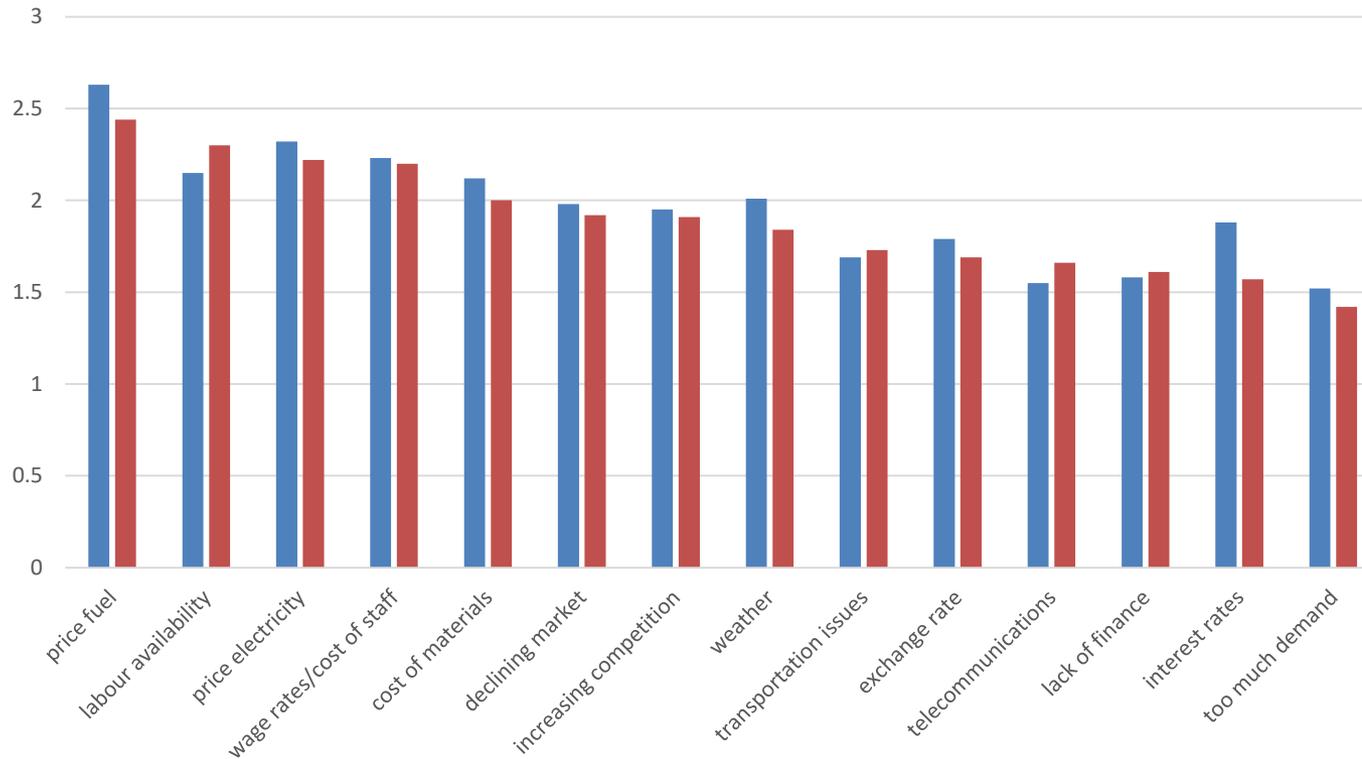
Cost of  
business and  
securing  
good staff  
are key  
concerns



# What's changed?

What's changed since the last survey

■ June 2018 ■ Dec 2018



## Petrol/Fuel

Priorities and concerns remain largely unchanged.

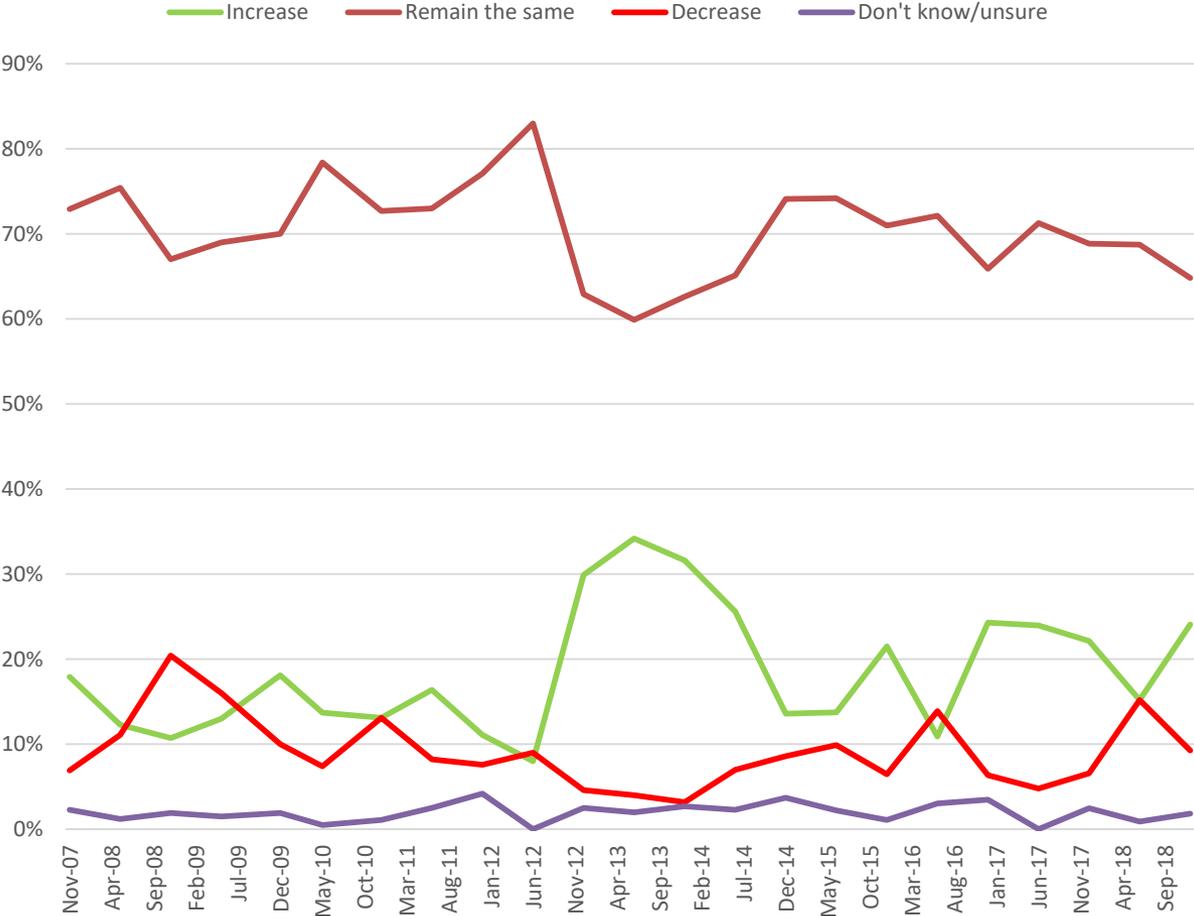
## Other Factors

# Impacting on Business

- **“Govt policies** impacting O&G, reducing high earners & spending”
- **“General market uncertainty** is destroying confidence, delaying decisions”
- **“Declining confidence** in dairy. Finance getting tighter”
- **“All costs going up**, including price of water”
- **“The increase in the minimum wage** - gap between that and our lower paid jobs is smaller, harder to attract staff”
- **“Demographics of clients** – too many retirees still in business”
- **“Transport** – domestic flight options decreasing, and bus links to Auckland/Wellington are limited – difficult to expand tourism”
- **“Increasing Govt regulation”**

# Employee numbers – next 6 months

Employment Outlook



**Employment holding firm – with possibilities of some short term growth?**

**65% anticipate employment levels to remain the same.**

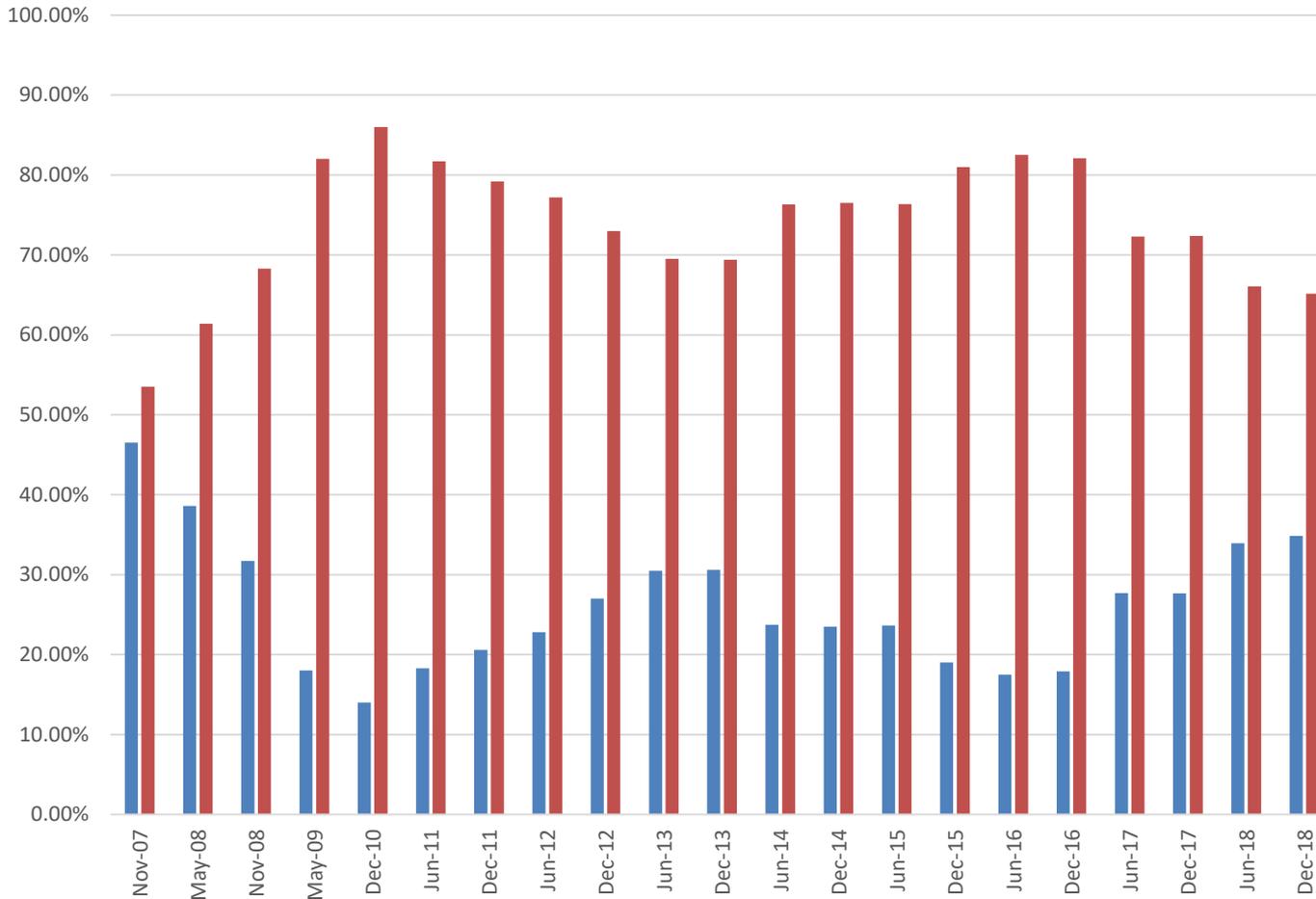
24% expect staff to increase

9% expect staff to decrease

# Skill shortages or difficulty hiring?

Skill Shortages

■ Yes ■ No



**65%** - no skill shortages

**35%** of Taranaki businesses report skill shortages or difficulties recruiting appropriate staff.

# Skills shortages mentioned

**“Staff that turn up consistently with a good attitude to work”**

## **Health:**

- Clinical staff, doctors, nursing, health care staff

## **Hospitality:**

- Food & beverage; kitchen staff
- Good hospitality staff, along with limitations on working visas

## **Trades**

- Qualified auto machinists
- IT engineers
- Software developer
- Permit issuers
- Mechanical technicians
- Plumbers, gas fitters, drain layers
- Skilled drivers
- Forklift drivers
- Diesel mechanics
- Qualified trades staff



Special Topic:  
Change and transition in  
the regional economy

# Context

- 2018 – reflections
- Pivotal time of change?
- Looking ahead:
  - Taranaki in 10 years
  - Sectors facing change
  - New possibilities
- Taranaki in 2050

# 2018 – Economic Challenges

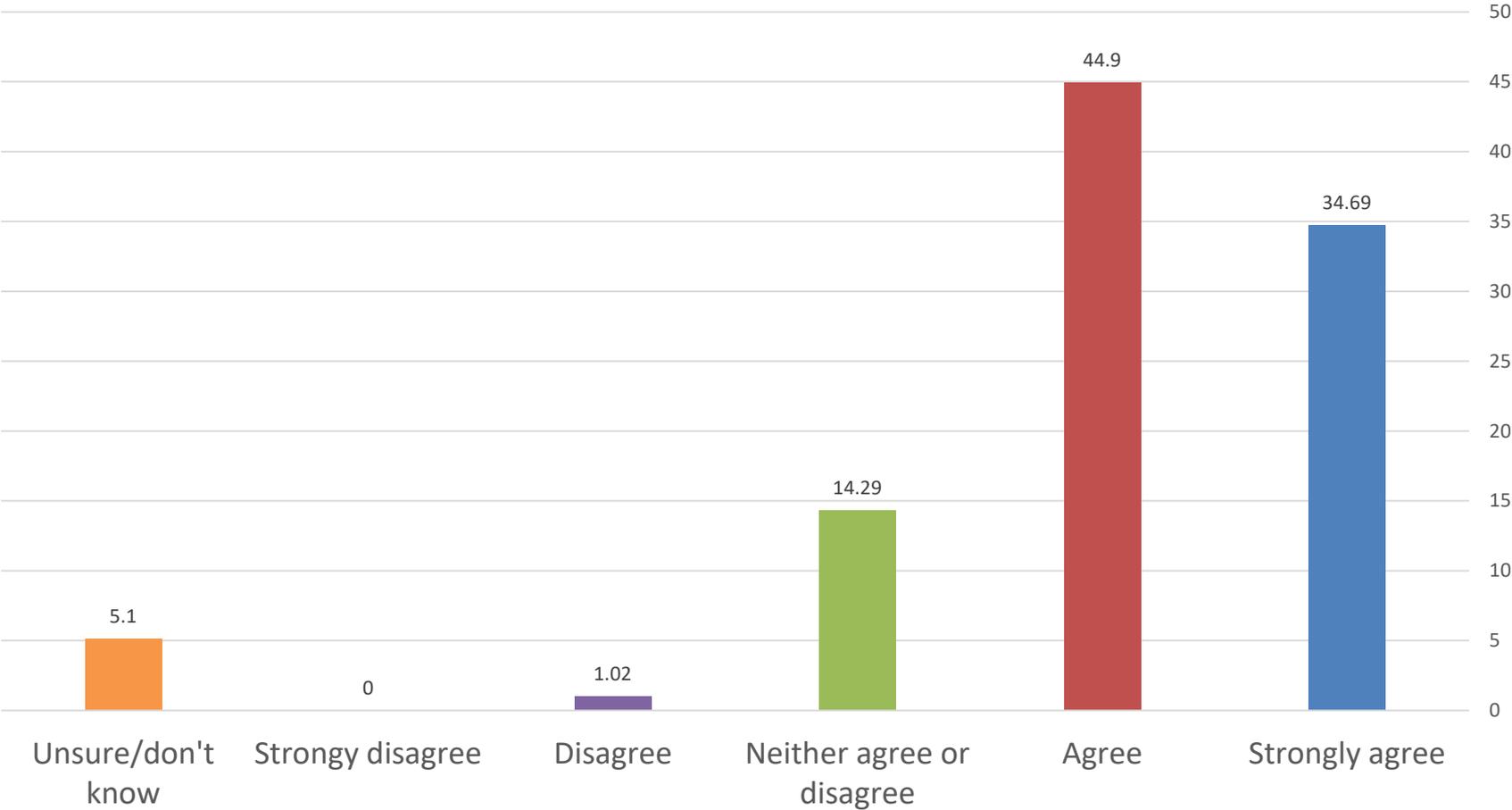
- **Govt stopping issuing new oil and gas permits**
  - “Oil/gas impacts across the board re: spending”
  - “O&G ban without a viable alternative”
  - “Diversifying away from the oil industry”
- **“Adjusting to the new coalition policies”**
- “Govt commitment to the regions – mixed messages”
- **Agriculture**
  - “Fonterra/Dairy payout/being down – reduced confidence”
  - “Stopping the environmental impact of farming on our rivers”
  - “Risk of M. bovis hitting our farmers”
  - Weather-related challenges to agricultural sector
- **Yarrows stadium**
- Employment, ageing workforce
- **“Hawera/Taranaki voted an unattractive place to live”**
- Roading impact on transportation of goods

# 2018 – Economic Highlights

- **Infrastructure:**
  - Mount Messenger/SH3 improvements announced
  - Major roading funding
- **Primary sector** - dairy production is up 5-10%
- **Taranaki lifestyle and attractions**
  - People relocating to Taranaki
  - Attracting tourists
  - Events such as garden festival
- **Investments/projects**
  - Methanex turnaround investments
  - 8 Rivers potential
  - Airport extension/expansion
- **New and emerging businesses developing**

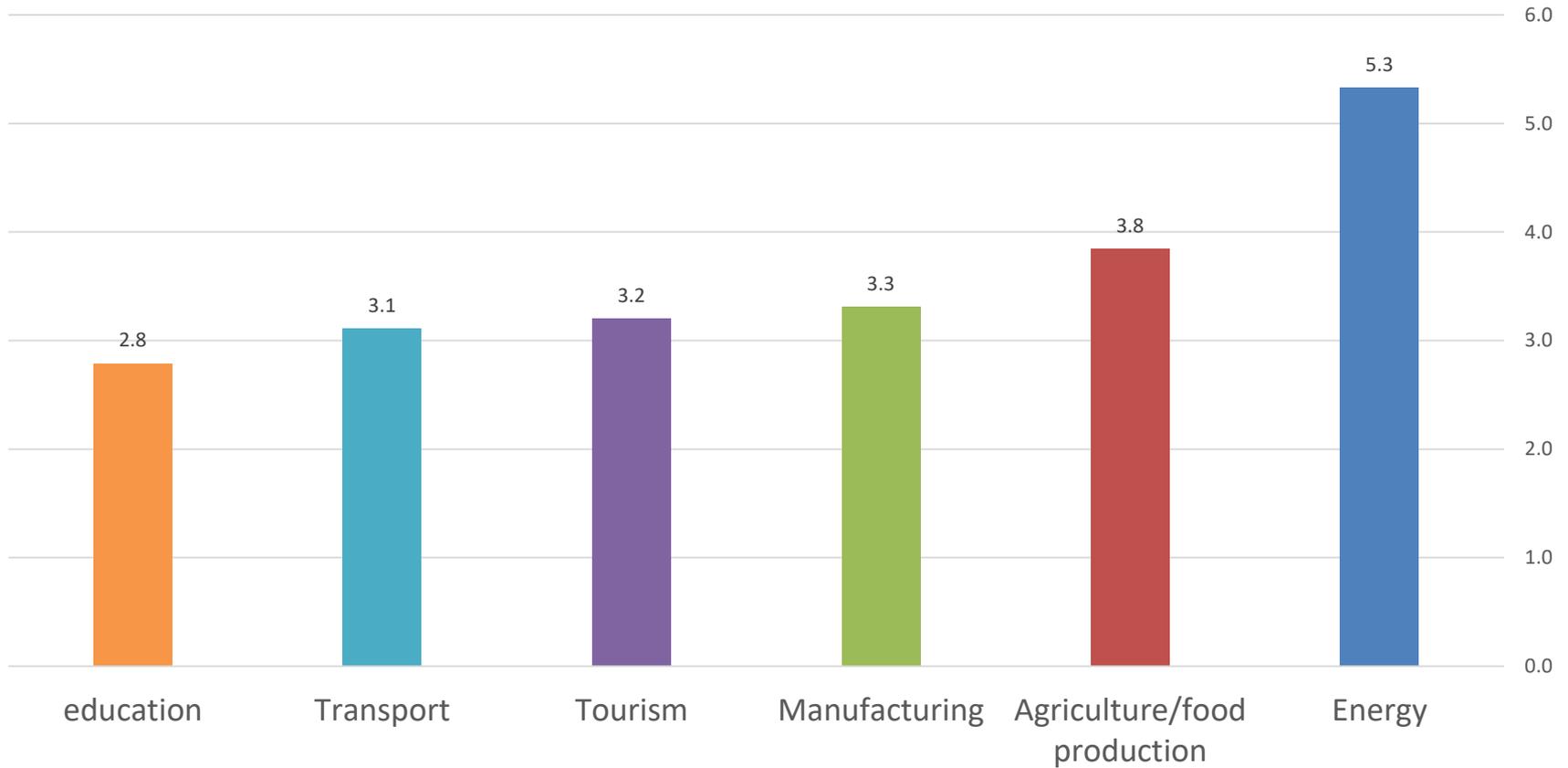
# Is the region at a pivotal time of change?

How strongly do you believe that the region is at a pivotal time of change?



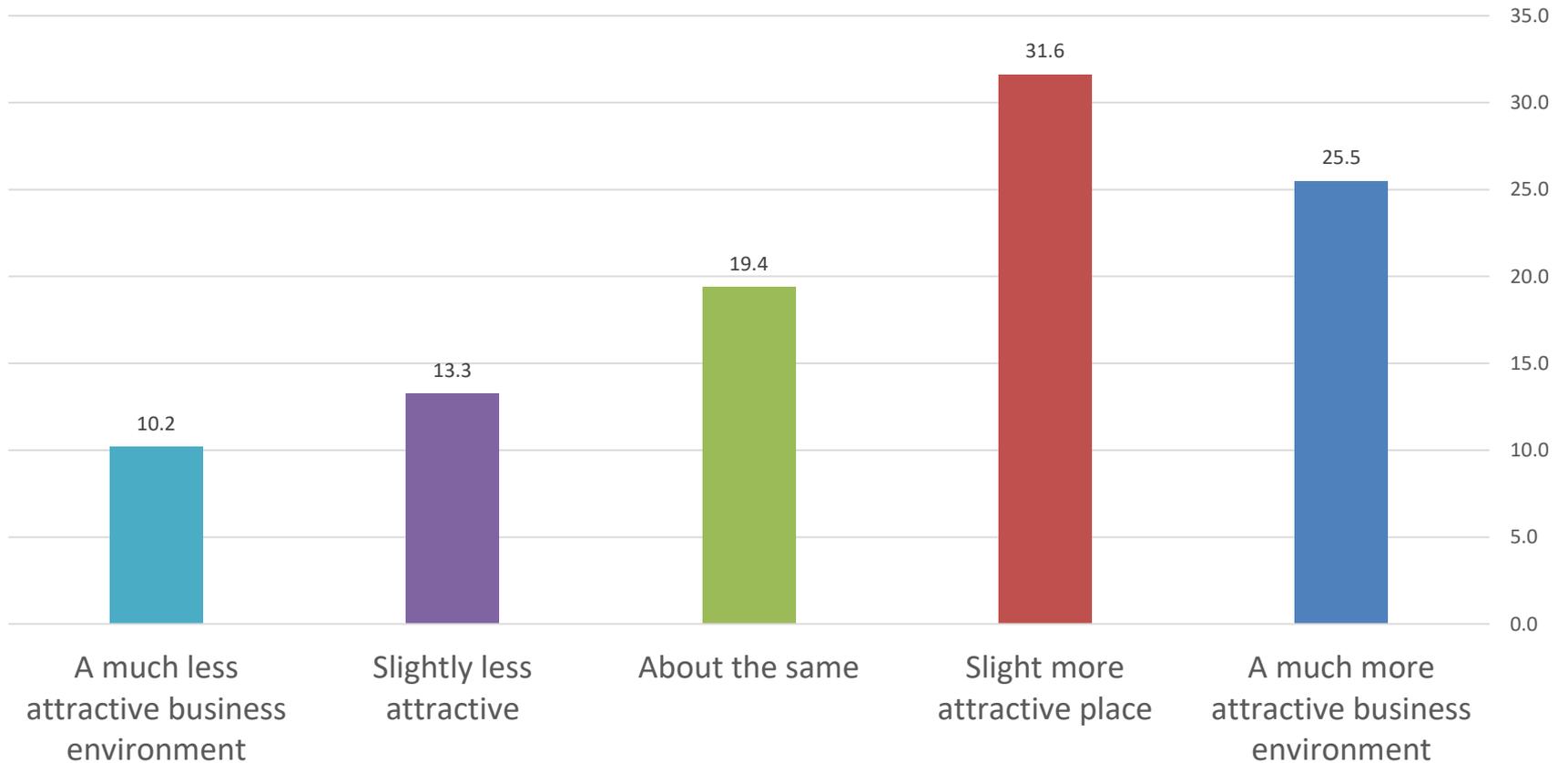
# Industries facing biggest change in next 10 years

Industries facing the greatest challenges over the next 10 years



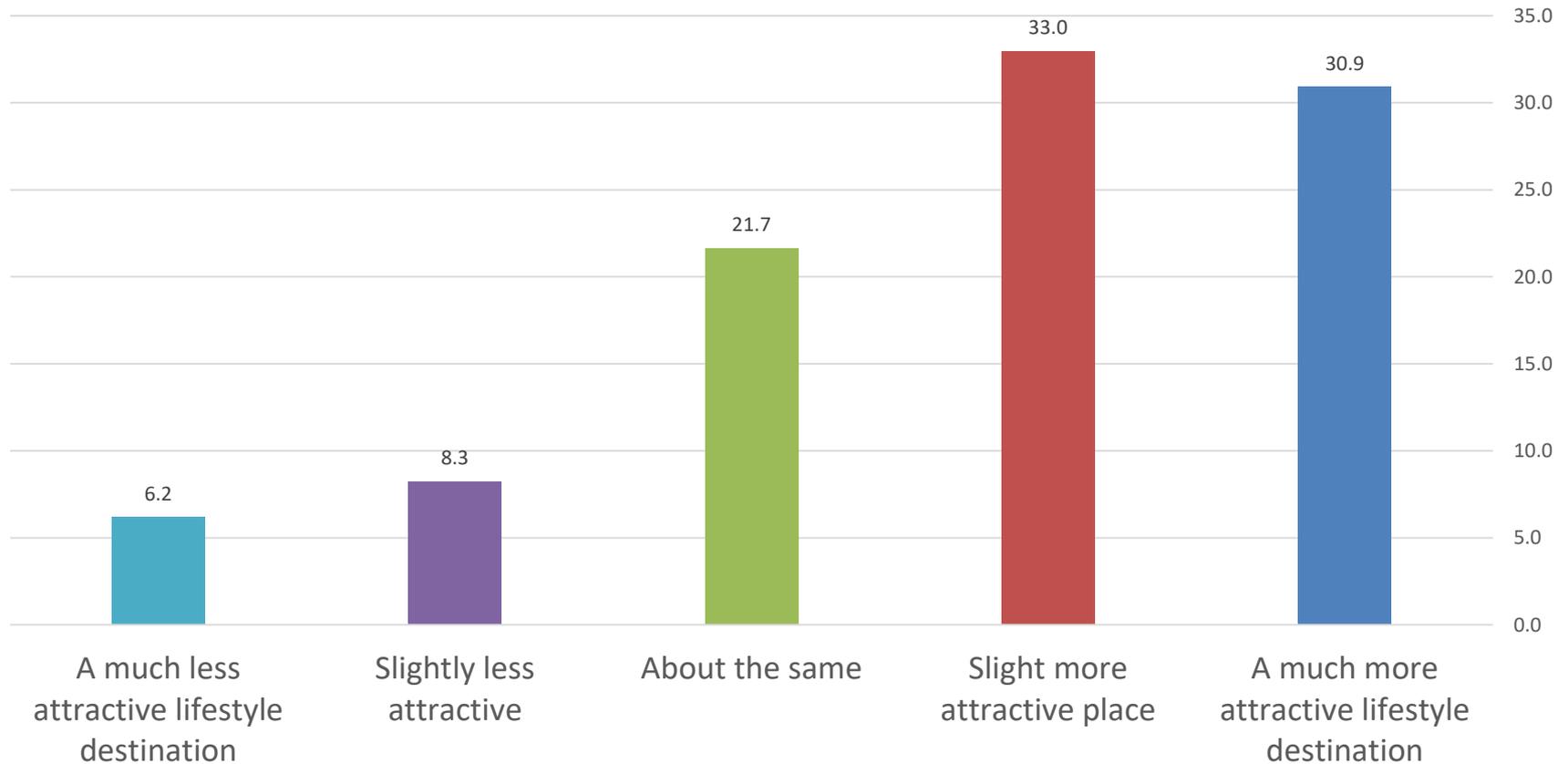
# Taranaki **business** environment in 10 years

Taranaki business environment - in 10 years time



# Taranaki's **lifestyle** destination in 10 years

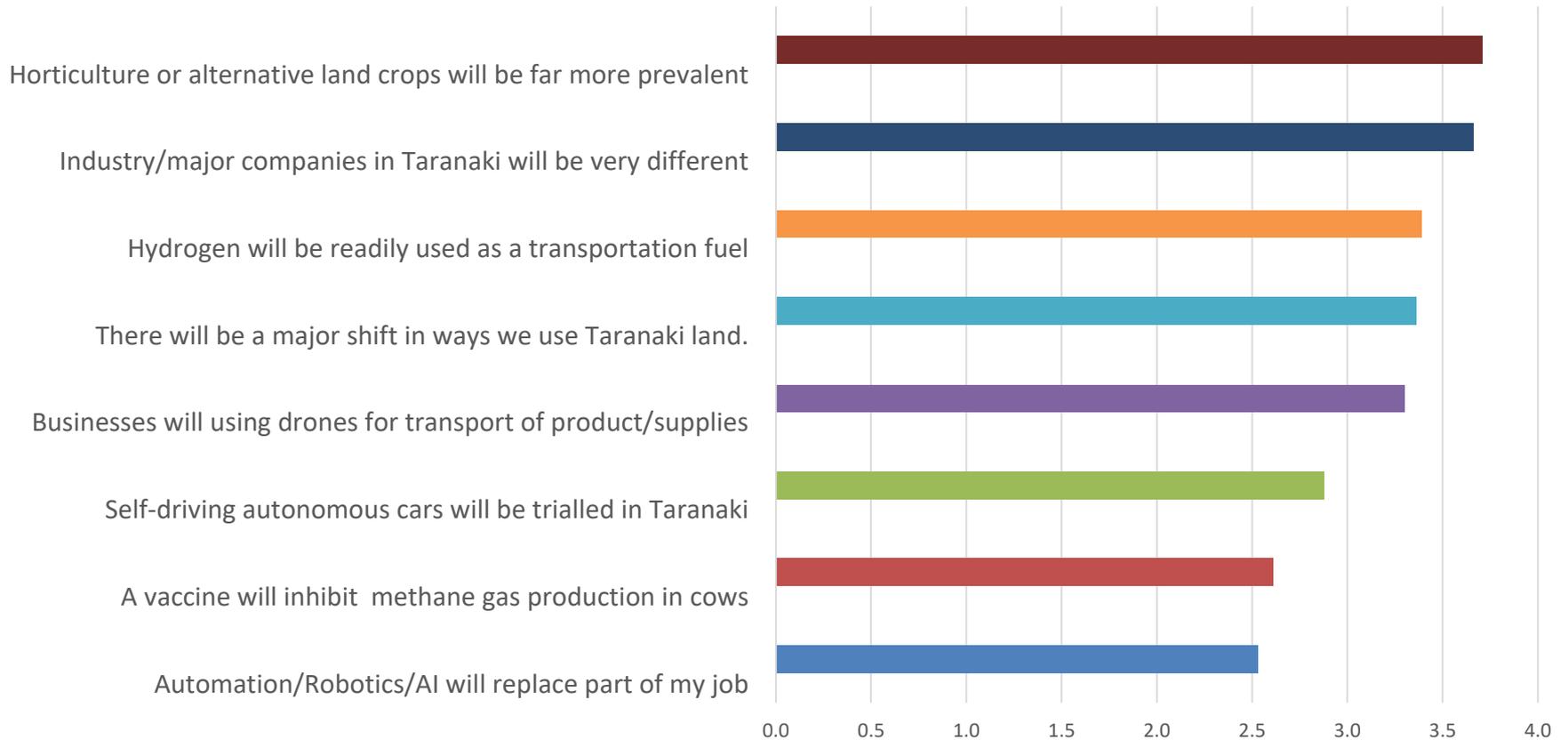
Taranaki lifestyle destination - in 10 years



# Taranaki in 10 years time

## will there be life as we know it?

Within the next 10 years, do you believe the following will occur in Taranaki



# Other changes that may happen...

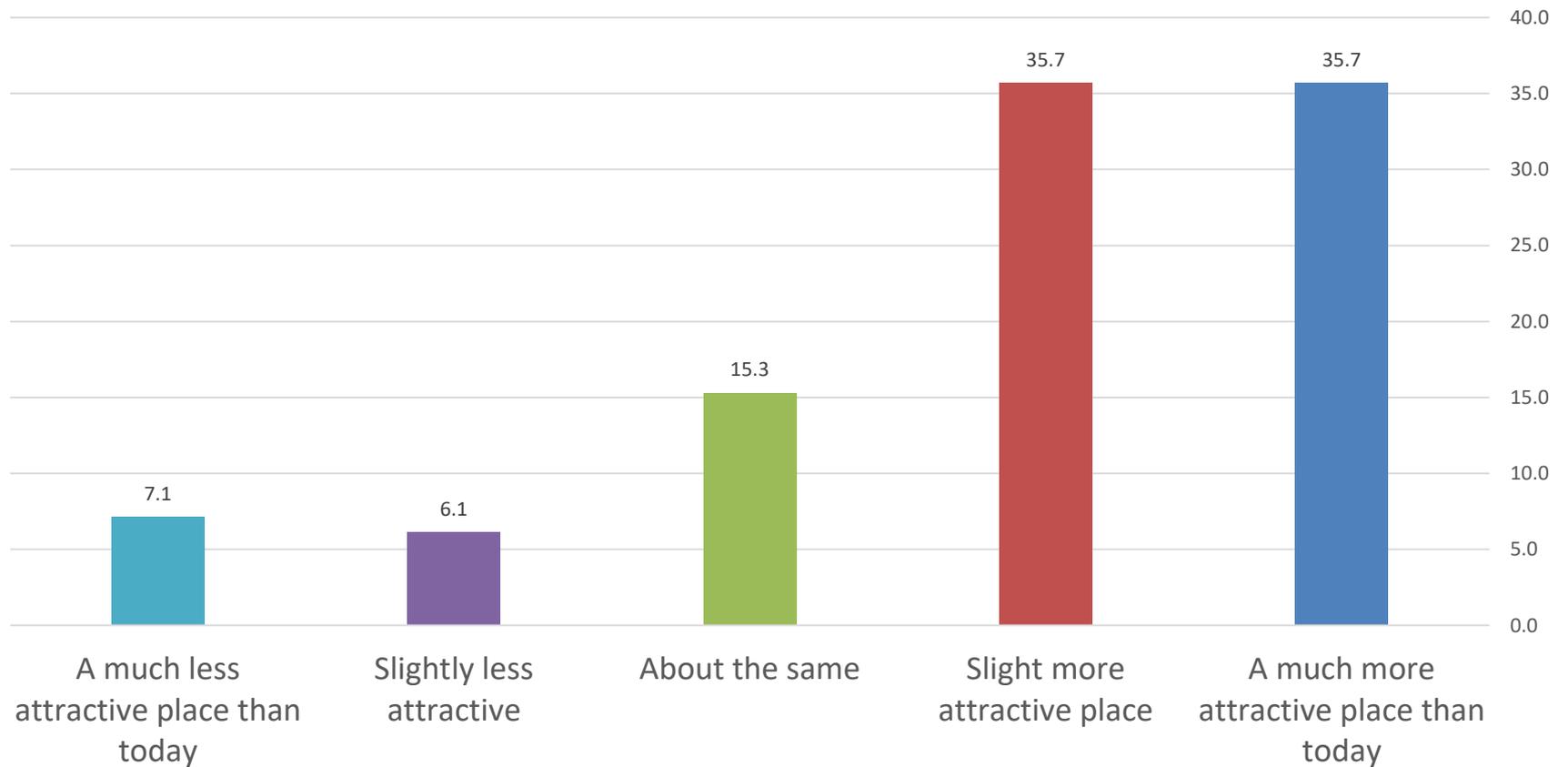
- “Taranaki will either not have a tertiary education provider or we will have a significantly improved and more relevant one”
- **Population**
  - Increased population
  - Static population growth relative to rest of NZ
  - May revert to rural obscurity
- **Shift in finance and transport to rely heavily on blockchain** technology for payment solution, product tracking and product authentication.
- **Infrastructure:** Roading, runway extension
- **Technology:** “People will need more support to navigate the proliferation of online services”
- **Energy**
  - Greater focus on renewable energy production
  - Shortages of gas for industry

# Other changes that may happen...

- **“Social expectations of sustainability will grow markedly”**
- **Climate:**
  - “Dramatic weather events
  - With sea level rising, most of Taranaki’s beaches will disappear
  - More cropping on land
  - Climate change will have a significant impact on all sectors through extreme weather events, coastal erosion, agricultural practices, dislocation of populations and security”
- **“Greater appreciation for cultural aspects of Taranaki – to attract and enrich visitor and resident experience”.**
- **Work and business**
  - Move to 4-day work week
  - High unemployment
  - More business diversity
- **More pressure on welfare state e.g. geing/superannuation**

# In 2050 Taranaki will be ....

Taranaki in 2050 will be:



Back, before the future

# **Tourism up 70%**

**from**

**389,129 guest nights for YE Sept 2002**

**to**

**665,429 guest nights YE Sept 2018**

# Net migration

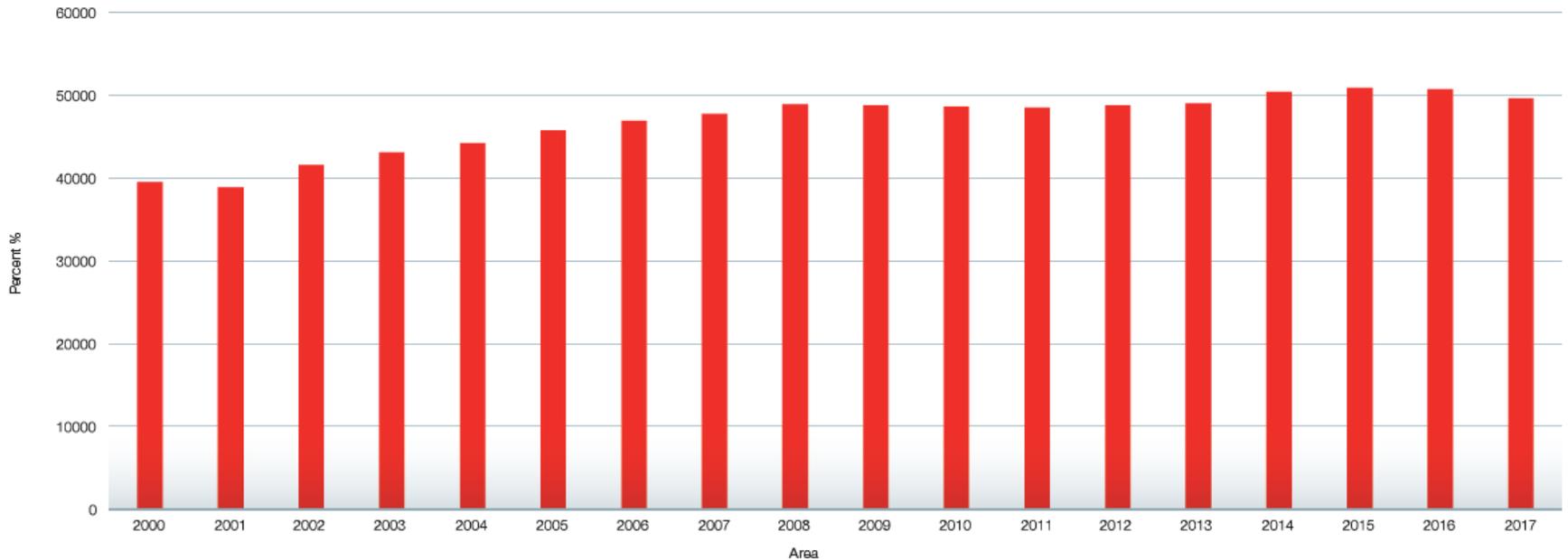
from a **net loss** of **576** in **2001**  
to a **net gain** of almost **550** in **2018**

TARANAKI - NET MIGRATION 2001 - 2018: YEAR TO JUNE



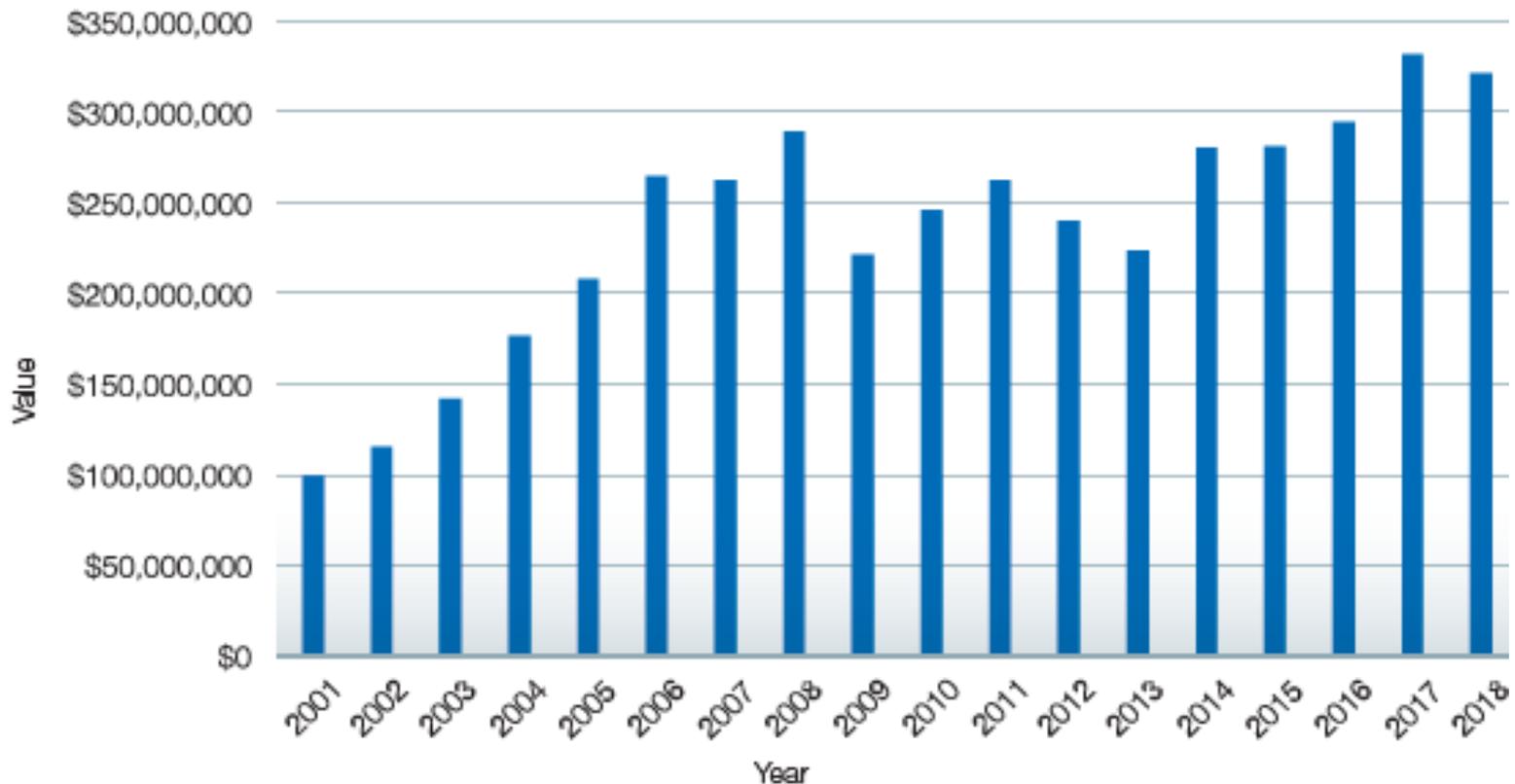
# 25% more employees and 20% more businesses since 2000

TARANAKI EMPLOYEE COUNT 2000-2017



# Construction up 200% from 2001

TARANAKI BUILDING CONSENTS (NEW AND ALTERATIONS, RESIDENTIAL AND COMMERCIAL) BY VALUE YEAR ENDING JUNE



# The last words...

- “This is new territory for all”
- “Stop the media reporting doom and gloom”
- “This is a long term global meltdown. The power base is changing”
- “The new Government should change things”
- “We are lucky. It could be a lot worse”
- “To all New Zealanders - "chin up" - don't look back or grumble - move ahead”
- “Keep up the good work”!



**MAKE**  
TAPUAE ROA  
**WAY**  
**FOR TARANAKI**

# The Action Plan

*In brief*

# Futures and Foundations

**The Action Plan is about the 'how'**

**How** we will achieve the future we want for Taranaki?

Each of the **"Four Futures"** and **"Four Foundations"** have developed action plans.

The Four Foundations are vital to achieve the Futures.

ACCELERATION OF THE FOUR FUTURES		
Food Futures	Visitor Sector Futures	
Energy Futures	Maori Economy Futures	
ACCELERATION OF THE FOUR FOUNDATIONS		
Talent, enterprise and innovation	Vibrancy and liveability	
Accessibility and connectivity	Investment	
INCREMENTAL SECTOR GROWTH		
Dairy	Energy	Engineering
Food Processing	Meat & Poultry	Forestry & Processing



Thank you!

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



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