

# Taranaki Business Survey

RESULTS OF THE May/June 2018 SURVEY



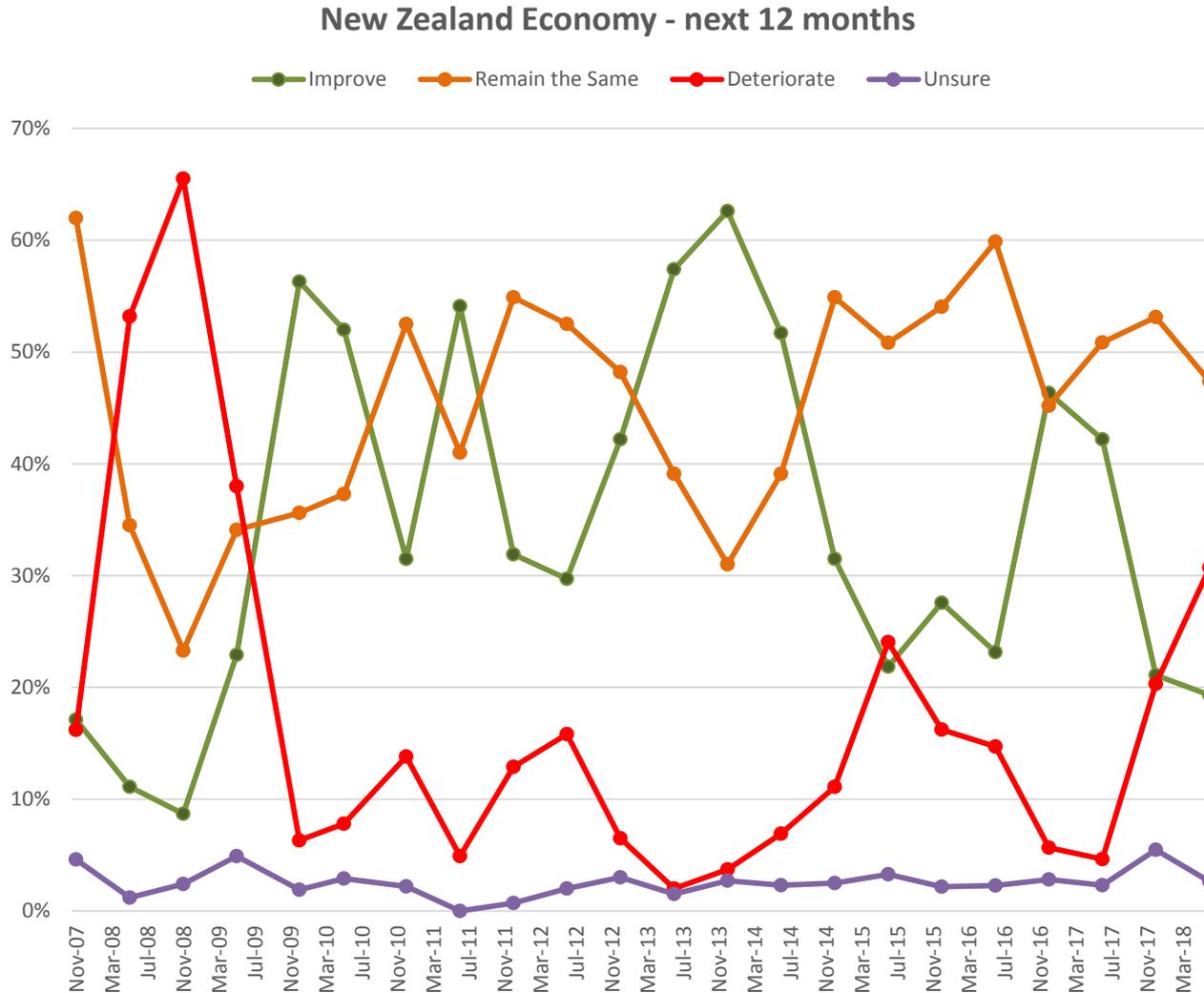
Te Kaunihera-ā-Rohe o Ngāmotu  
NEW PLYMOUTH  
DISTRICT COUNCIL  
[newplymouthnz.com](http://newplymouthnz.com)



# 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 over 1500 Taranaki businesses.
- Cross section of industry type, location and size.
- Spans a number of **standard economic questions**.
- **Plus special topics:**
  - Lower carbon economy future;
  - O&G off shore exploration – policy shift
  - Budget 2018

# NZ Economic Conditions: next 12 months



**May 2018 -  
Continual  
fall in  
business  
confidence**

- **Same: 47%** (down from 53%)
- **Improve 19%** (down from 21%)
- **Deteriorate – 31%** (was 20%)
- **Don't know: 3%**

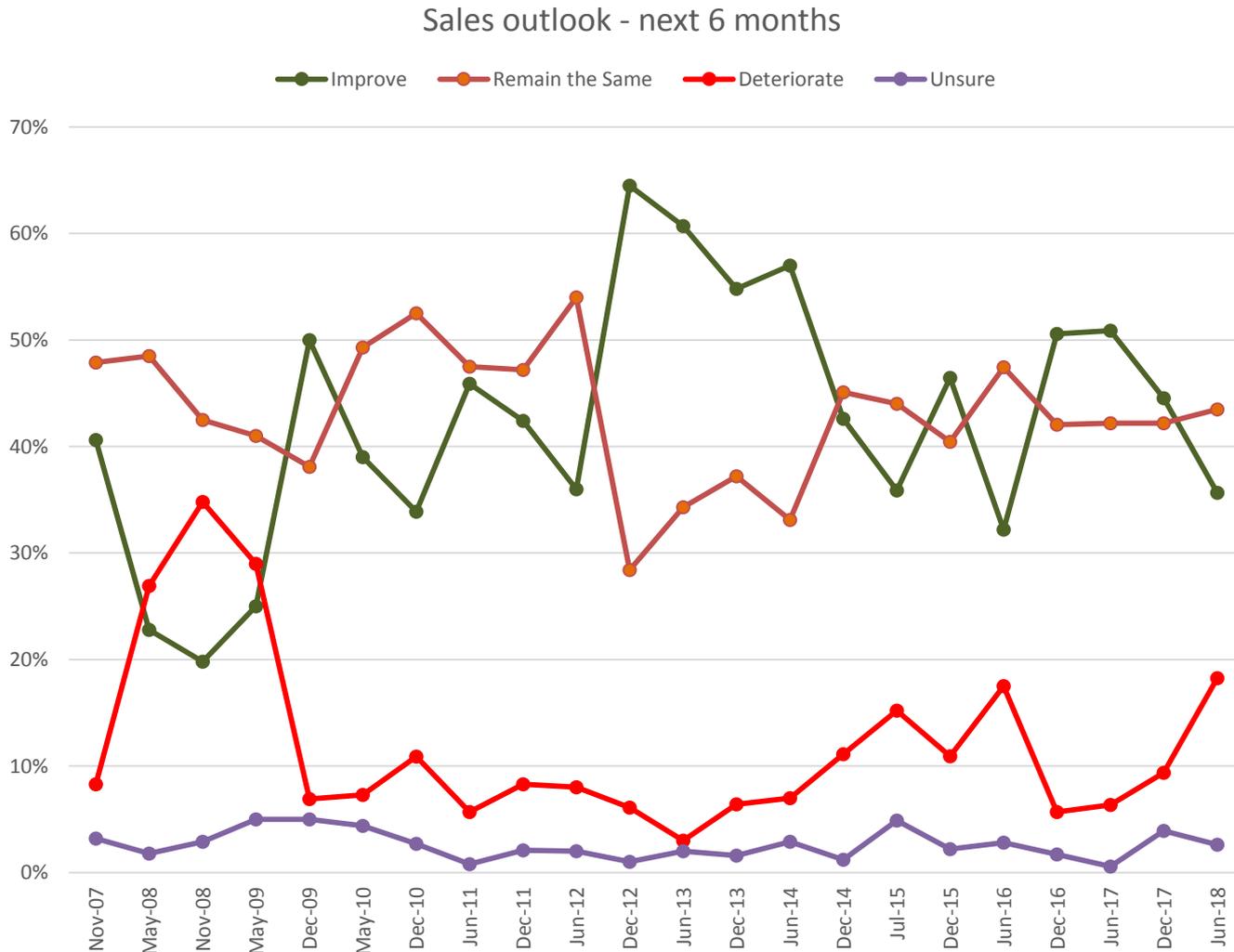
# Industry conditions: next 12 months



## Confidence in industry outlook also declines

- **Remain same 47%** (down from 49%)
- **Improve 29%** (down from 30%)
- **Deteriorate 23%** (was 16%)
- **Don't know: 1%**

# Sales: next 6 months



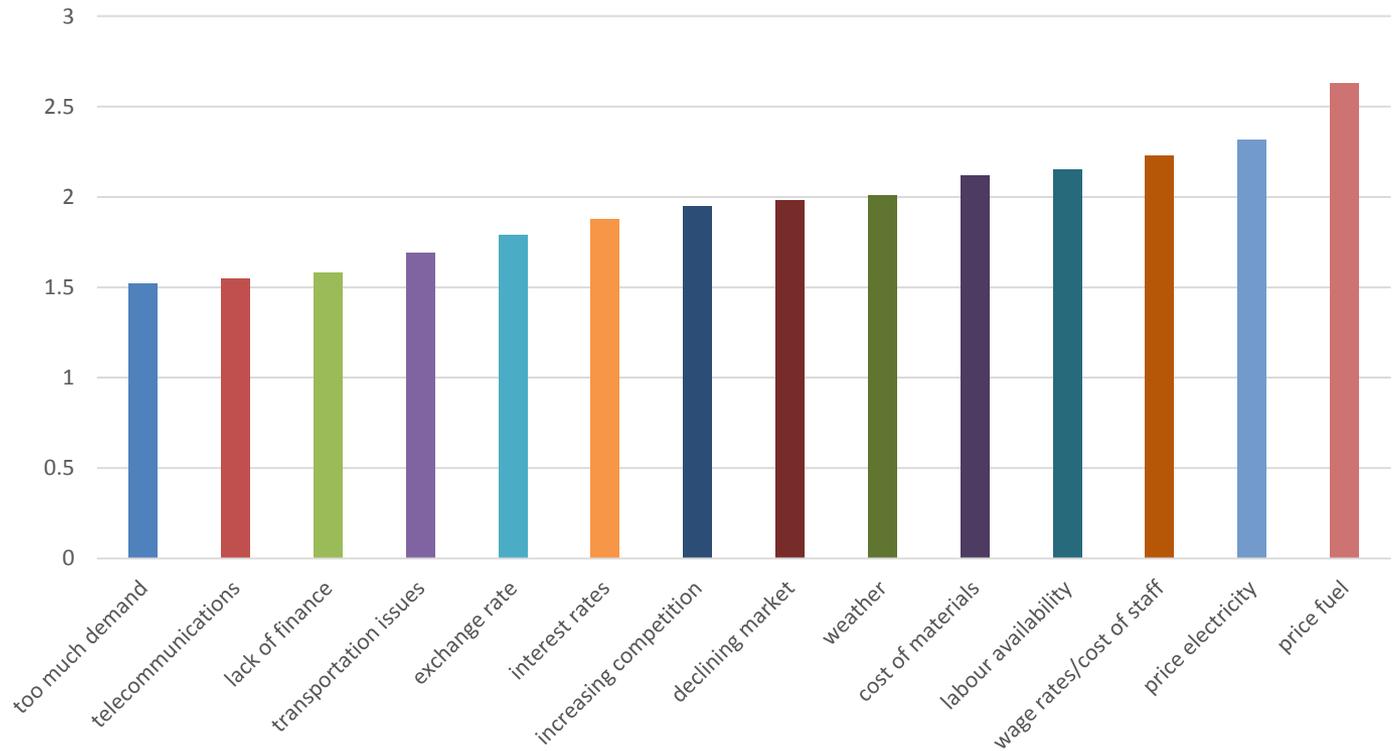
## Head winds anticipated for sales next 6 months?

- **Improve: 36%** (was 45% last time)
- **Remain same: 43%** (42% previously)
- **Deteriorate: 18%** (up from 9%)
- **Don't know: 3%**

# Taranaki business: concerns

High  
concern

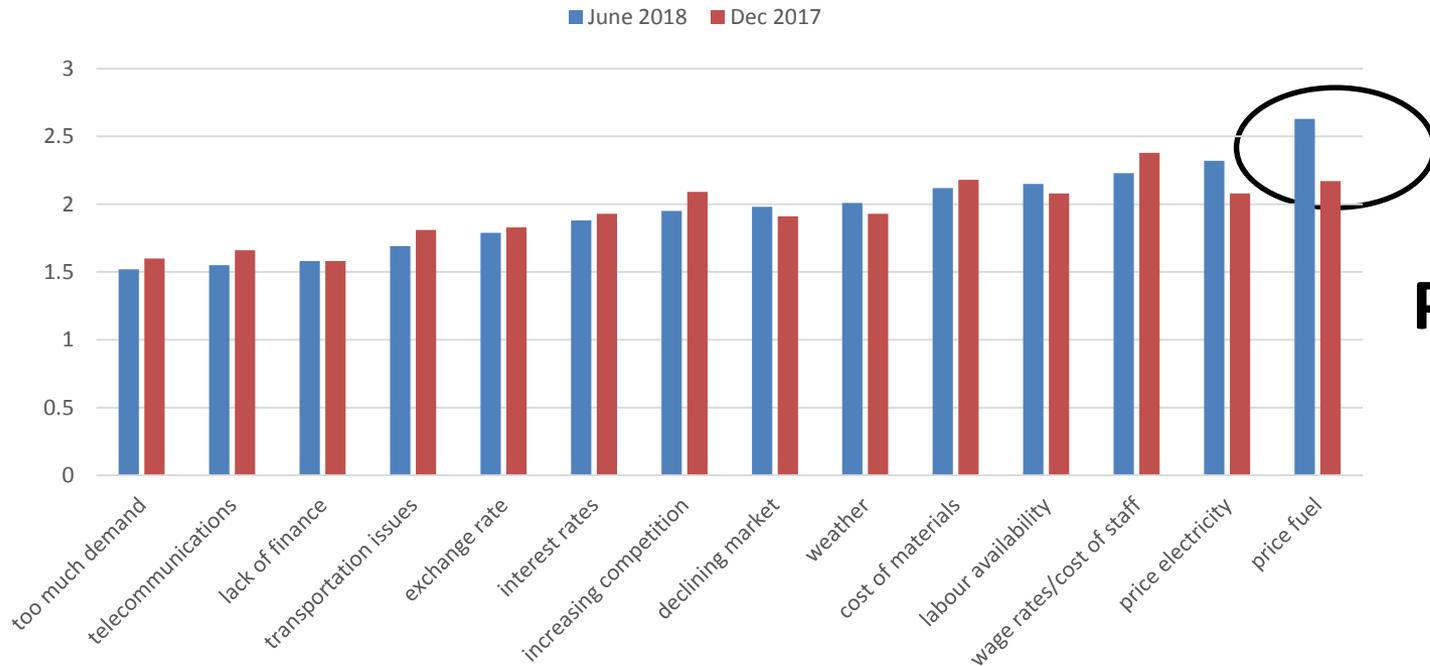
Factors Impacting growth June 2018



Low  
concern

# What's changed?

What's changed since December 2017

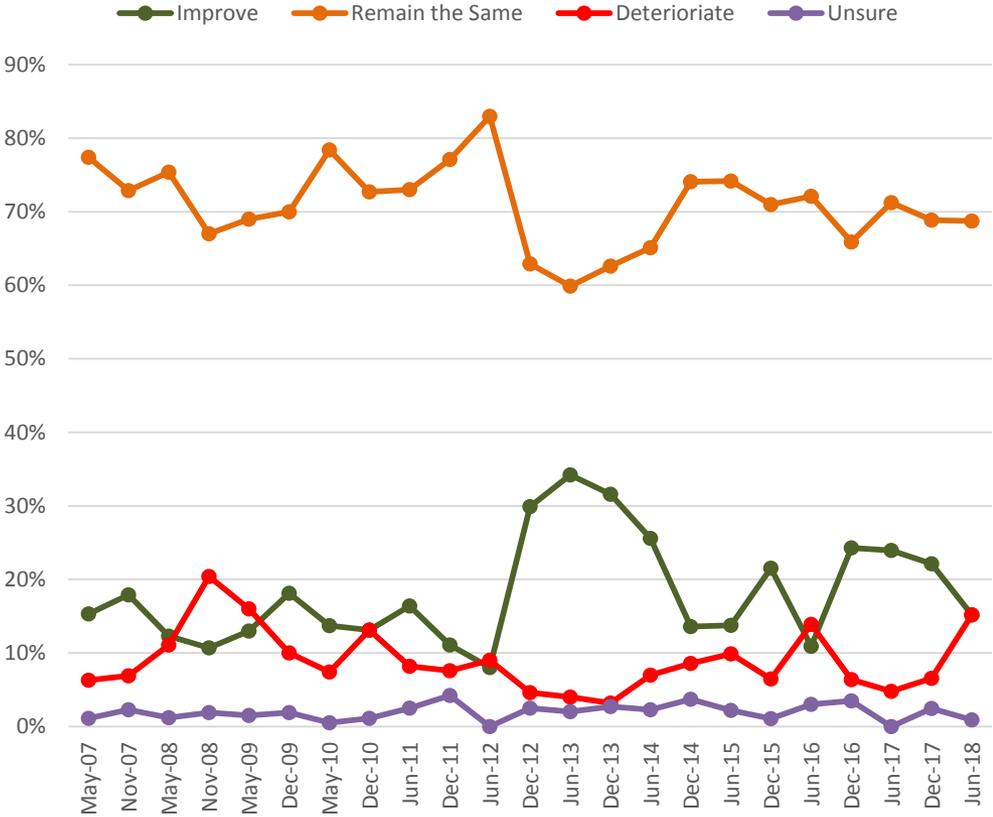


**Petrol/Fuel**

# Factors impacting on business

- **“Higher prices for stock with lower returns”**
- **Wages**
  - “Minimum wage is too high for school leavers wanting a job and unskilled workers”.
  - “Pay equity for care staff increase”
- **Political**
  - “The Government will run out of money and Taranaki will be one of the region’s to suffer”
- **Oil/Gas and Dairy**
  - “Oil and gas industry slow down and low dairy pay outs seem to affect retail trends”
  - “Oil and gas decision has made an immediate negative impact – and will already be influencing decision makers around staffing, investment etc. Alternatives are by no means clear cut, nor a silver bullet”
- **Transportation costs increasing** – due to increasing fuel/reducing service providers – increasing cost of exporting.

# Employee numbers – next 6 months



**Potential head winds ... leading to potential employment challenges?**

**69% anticipate employment levels to remain the same.**

15% - increase.

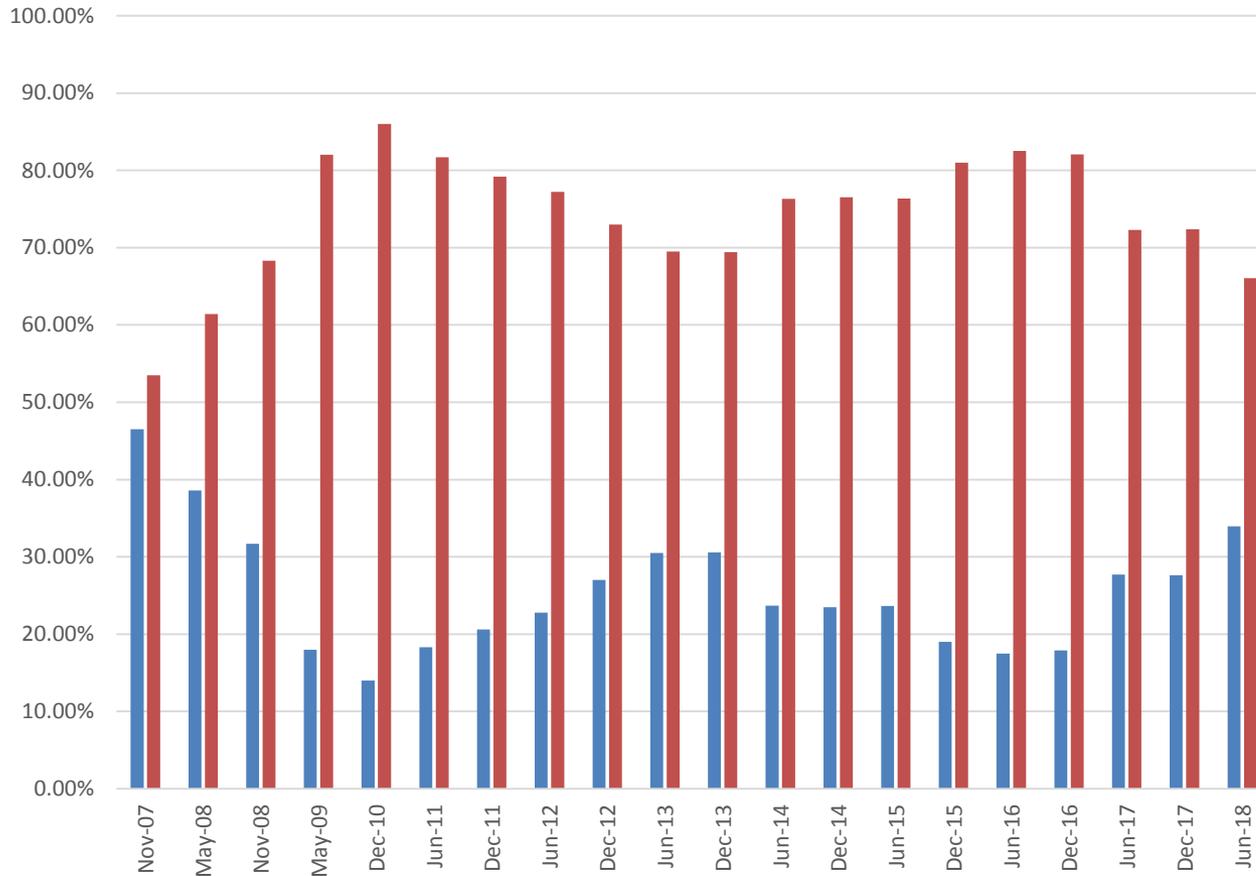
*Now on par ....*

15% expect staff numbers to decrease

# Skill shortages or difficulty hiring?

Skill Shortages

■ Yes ■ No



**66%** - no skill shortages

**34%** of Taranaki businesses report skill shortages or difficulties recruiting appropriate staff.

# Skills shortages mentioned

## Agriculture

- *“agribusiness sector has been struggling to attract people resources for a number of years so not a new problem”.*
- Suitable sales people for agriculture area.

## Hospitality

- Experienced wait staff
- Bar staff with liquor licence

## Health

- Senior doctors and clinical staff
- Specialist rehabilitation professionals

- Experienced, qualified valuers
- Specialist engineers

## Trades

- Gas fitters
- AC Technician
- Truck drivers
- Mechanics

## IT

- Graphic designers
- Hardware specialist



# Special Topic: Taranaki and the transition to a lower carbon economy

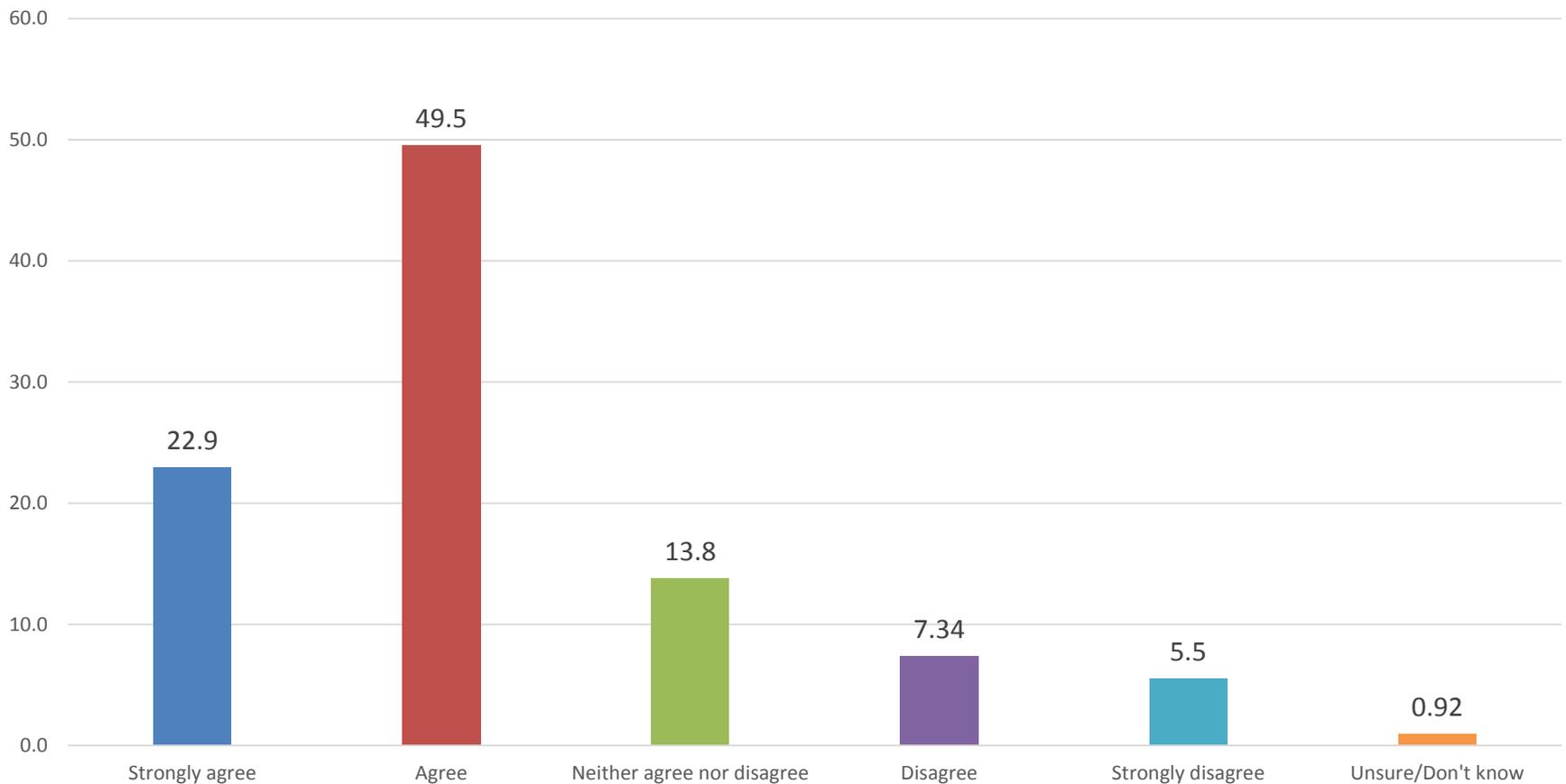
# Context

- Concern for climate change
- Need to reduce greenhouse gas emissions
- Transition toward a low emission economy
- Productivity Commission Report
- Zero Carbon Bill

Should New Zealand be actively seeking ways to:  
**reduce its greenhouse gas emissions**  
and  
**transition towards a**  
**lower-emission economic future,**  
while  
preserving/growing incomes and wellbeing?

# Support for the shift to low emission future

Should NZ be actively seeking ways to transition to a low emission future, while preserving/growing incomes and wealth?



What do you believe is  
the most important step that could be taken for  
**Taranaki to reduce overall  
greenhouse gas emissions?**

# to reduce overall greenhouse gas emissions

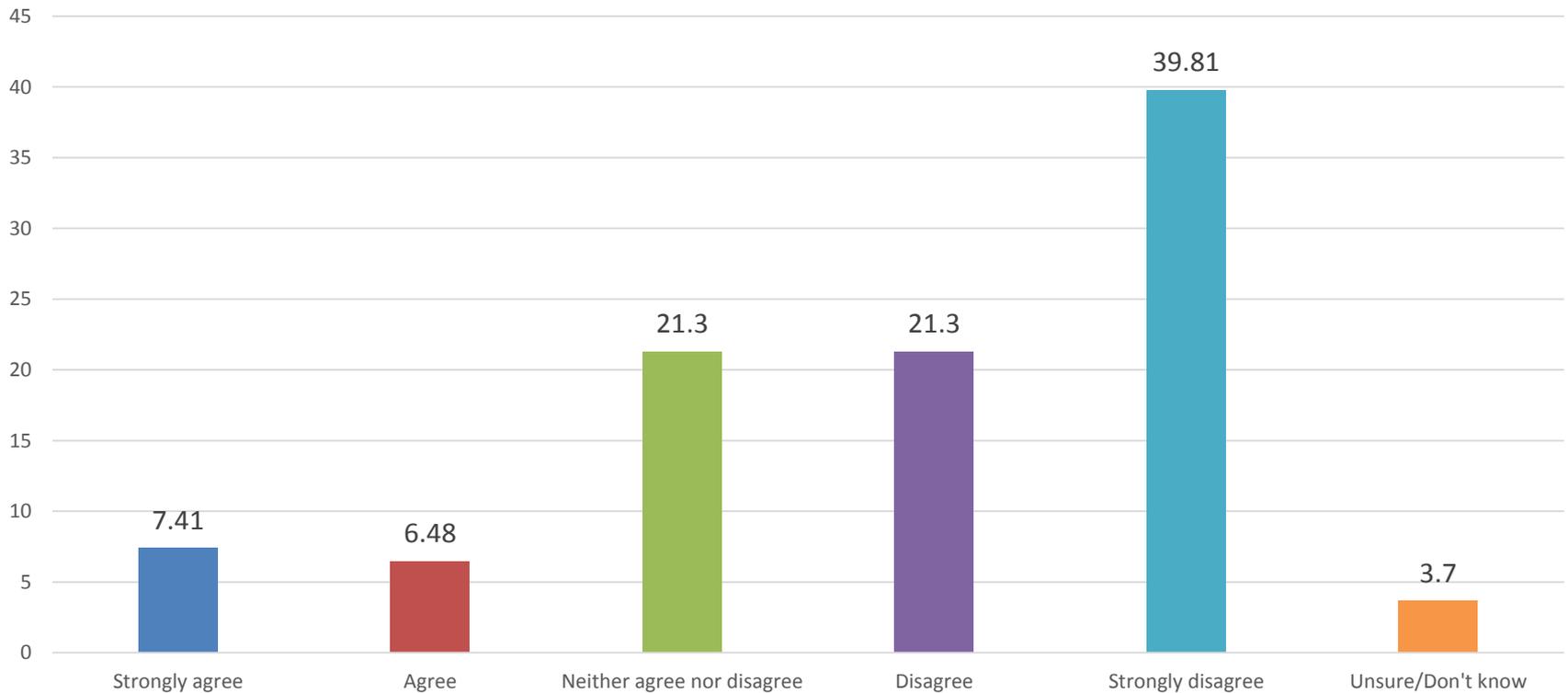
- ***“Develop a plan, start giving thought”***
- *“Ensure a strong consultative process between local stakeholders and Govt – this hasn’t happened and is a major error by current coalition”*
- ***“Look at alternative power, solar”***
- *“Electric cars”, “remove old cars not up to standard”, “public transport”*
- ***“More trees”, riparian planting***
- *“Reduce waste”,*
- ***“Consumers need to take responsibility”***
- *“Change farming practices”, “reduce stock numbers”,*
- ***“Gas to replace coal”***

**The Government recently announced  
no new permits will be awarded for  
off shore oil and gas exploration.**

**Do you think this policy is a step in  
the right direction for lowering  
greenhouse gas emissions?**

# Over 60% Disagreed/strongly disagreed

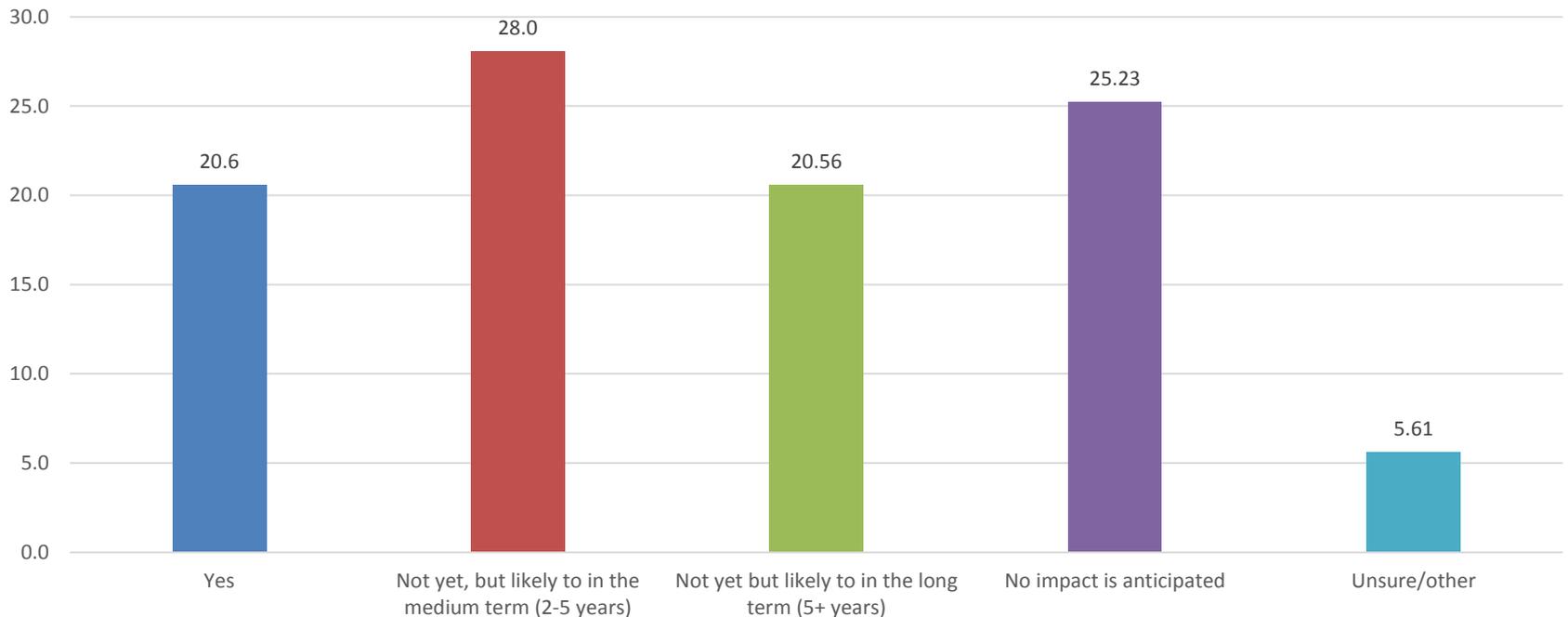
The Government recently announced that no new permits will be awarded for off shore O&G exploration. Is this a step in the right direction for lowering greenhouse gas emissions?



**Has the Government's announcement  
to grant no new offshore exploration  
licences impacted your business?**

**25% - no impact**  
**21% - already impacted**  
**Circa 50% anticipate impact**

Has the change in off shore O&G policy impacted your business?



# Comment

- **“Less high paying jobs or reduced growth will result in top end property and housing market becoming weak at some point”.**
- “There will be a loss of confidence with clients purchasing gas appliances”.
- **“We provide accommodation for a lot of those workers but with no new licences issued there will be less and less workers making use of our services”.**
- “Loss of business confident is apparent”.
- **“The decision is likely to have an immediate impact on staffing and investment decisions”.**
- “No impact as long as the region focuses on new areas of growth”.
- **“Doesn’t have to be negative. What about positive impact?”**

**New Zealand's emissions profile differs markedly from other developed countries due to our high level of agricultural emissions.**

**What changes, if any, do you think will be necessary for the agricultural sector to reduce greenhouse gas emissions?**

# Agriculture

- **“Research into how emissions change with genetics, diet, pasture management”**
- “Technology development so less methane is produced by animals, sell it to the world (but not the IP!)”
- **“Less cows and sheep, more forest, lower stock numbers”**
- “Move to mixed farming e.g. other land use options”
- **“Move to barn raising animals – allowing for capture of gasses and waste, which could be used for electricity/energy generation”**
- “No change required”
- **“Agriculture is not to blame as much as other businesses”.**

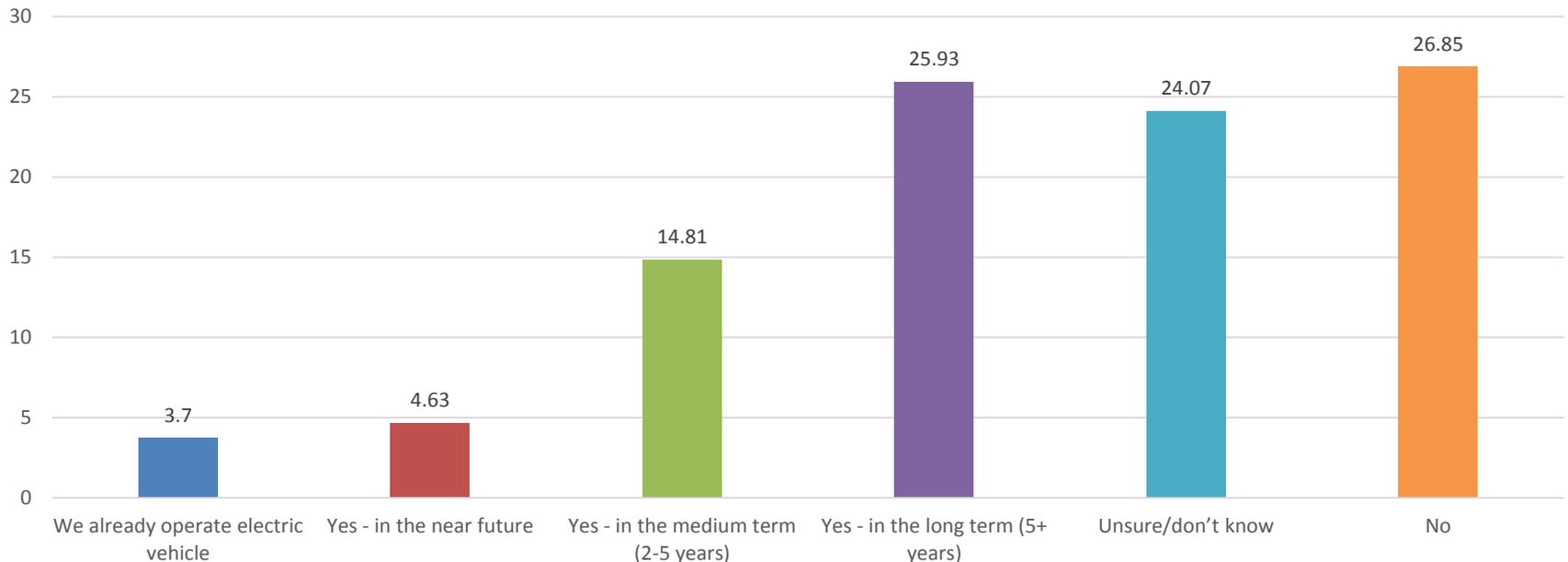
**The transport sector is also an important contributor to New Zealand's greenhouse gas emissions.**

**Widespread adoption of electric powered vehicles may be an important step in reducing greenhouse gas emissions.**

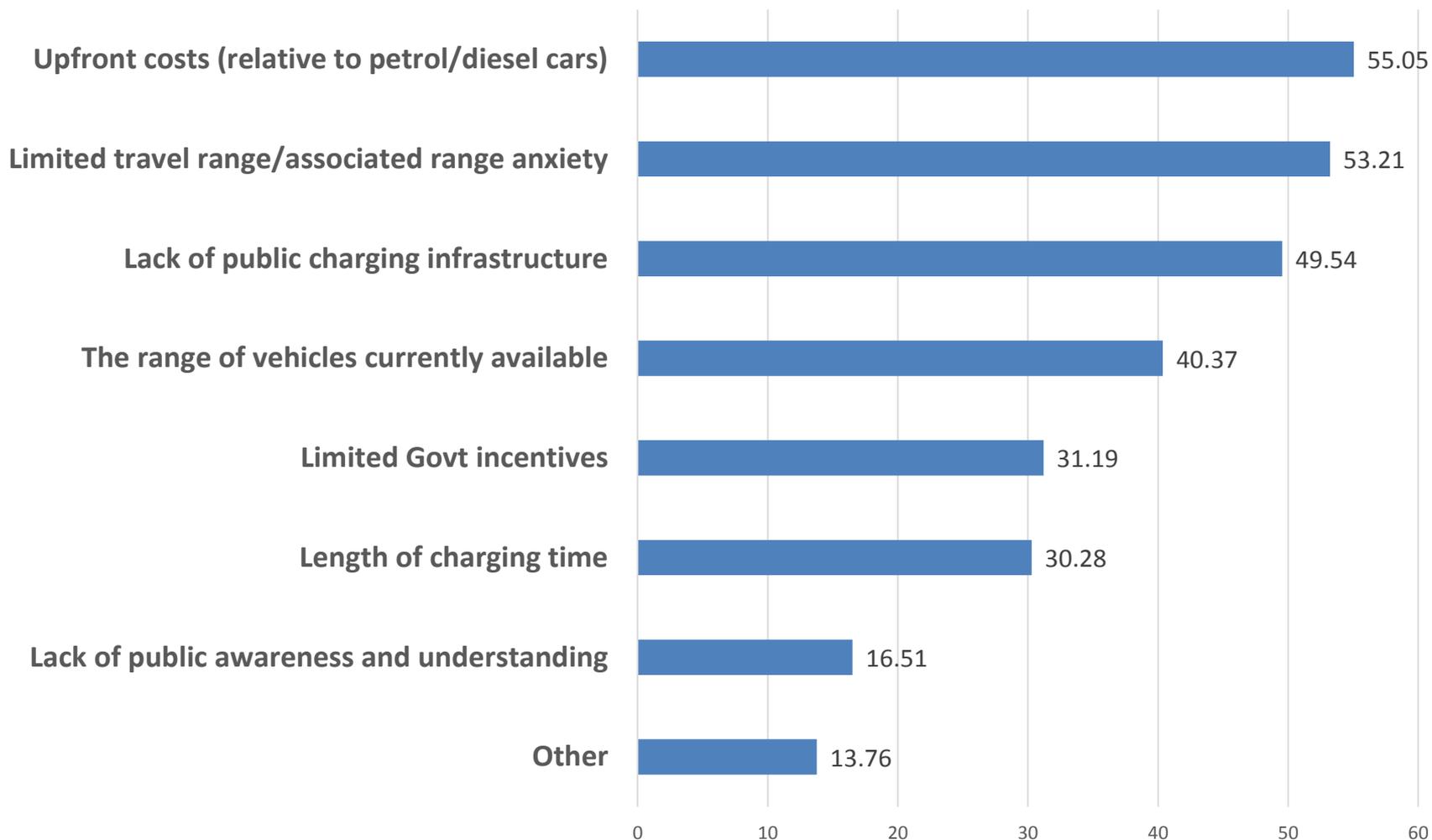
**Do you see you/your company shifting to electric vehicles in the future?**

**4%** - have electric vehicles  
**27%** - no  
**24%** - unsure  
**49%** - Yes  
but only **5%** in the near term

Do you see you/your company shifting to electric vehicles in the future?



# Biggest barriers to more electric vehicles being used in NZ?



# Electric cars: comments

- **“What about disposal of all the used batteries”?**
- “What about the production of power to run these cars? And overloading of electrical supply”?
- **“The carbon footprint to produce these electric vehicles FAR out ways the emissions from fossil fuels. Weakens the reasoning to push for a switch”.**
- “True cost of electric vehicles taking into account battery recycling, exploiting child labour in the mining of minerals, larger requirements for electric infrastructure, fake marketing”!
- **“Seems convenient to overlook what EVC’s are made of? Steel, rubber, glass – all fossil fuel reliant”.**
- “Can you lease them”?
- **“Technology is still in its infancy”**

# Comments: Transitioning to a low-emissions economy

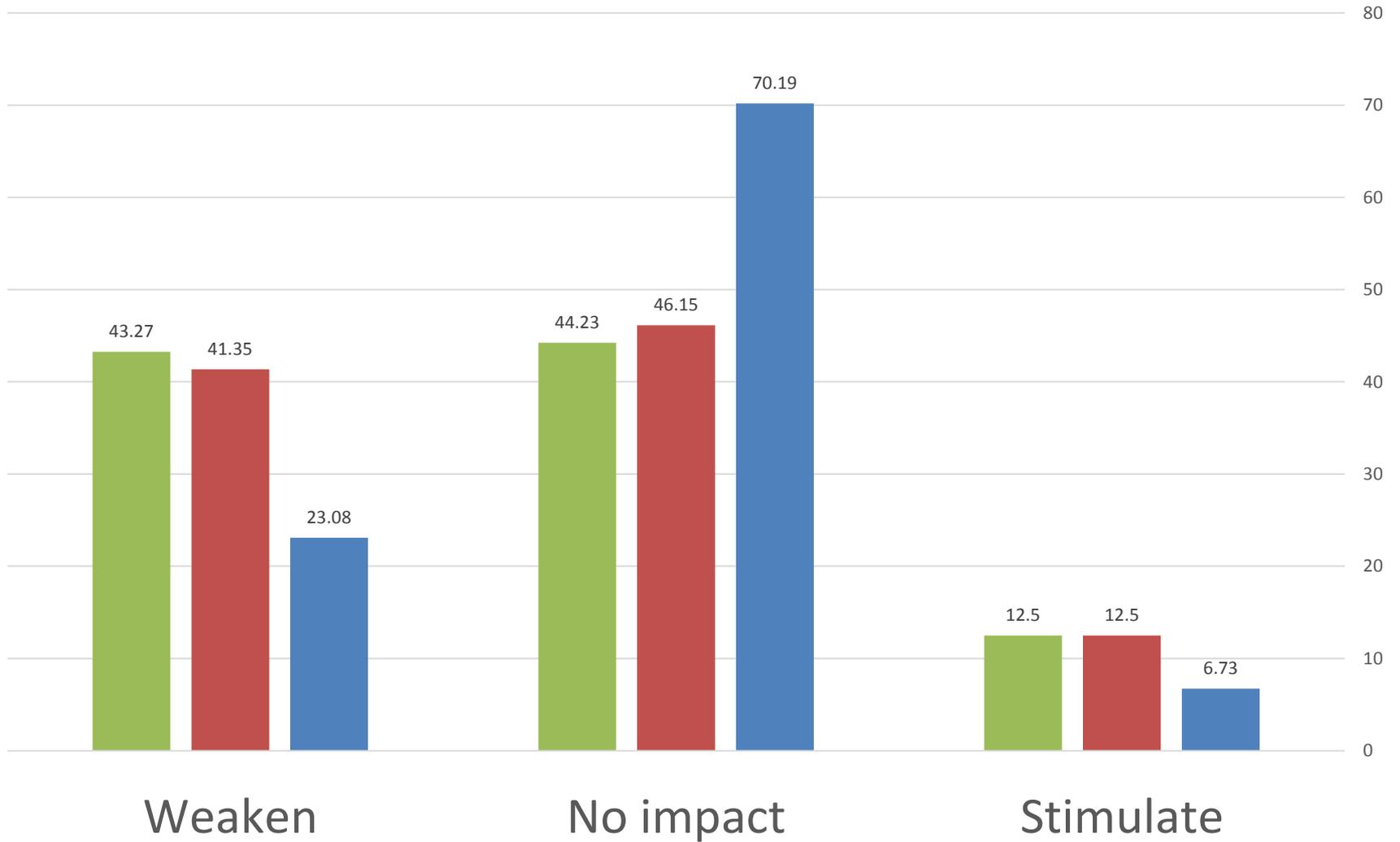
- “NZ is such a small part of the global picture, that making rash decisions to look good internationally is not worth wrecking our economy over”.
- **“It is vital we accept what has done the damage and immediately start of journey to improve all areas where this has happened”**
- “Somehow this needs to be depoliticized if we are to make genuine process, all points of the political spectrum need to be involved. All parts of the community need to realise the challenge is real and potentially look to the opportunities that might evolve”

# 2018 Budget

- **Your views:**
  - Will the budget help:
    - Your Business?
    - Regional economy?
    - NZ economy?
  - Likes? and Dislikes?
  - Rating (out of 5)

# Impact of Budget on Business, Regional Economy and National Economy

■ Business ■ Region ■ NZ



# Feedback:

## Likes:

- **Health**
- Education
- **Infrastructure**
- Housing
- **Social issues**
- Policies e.g. reduce waste
- **Low emission**

## Dislikes:

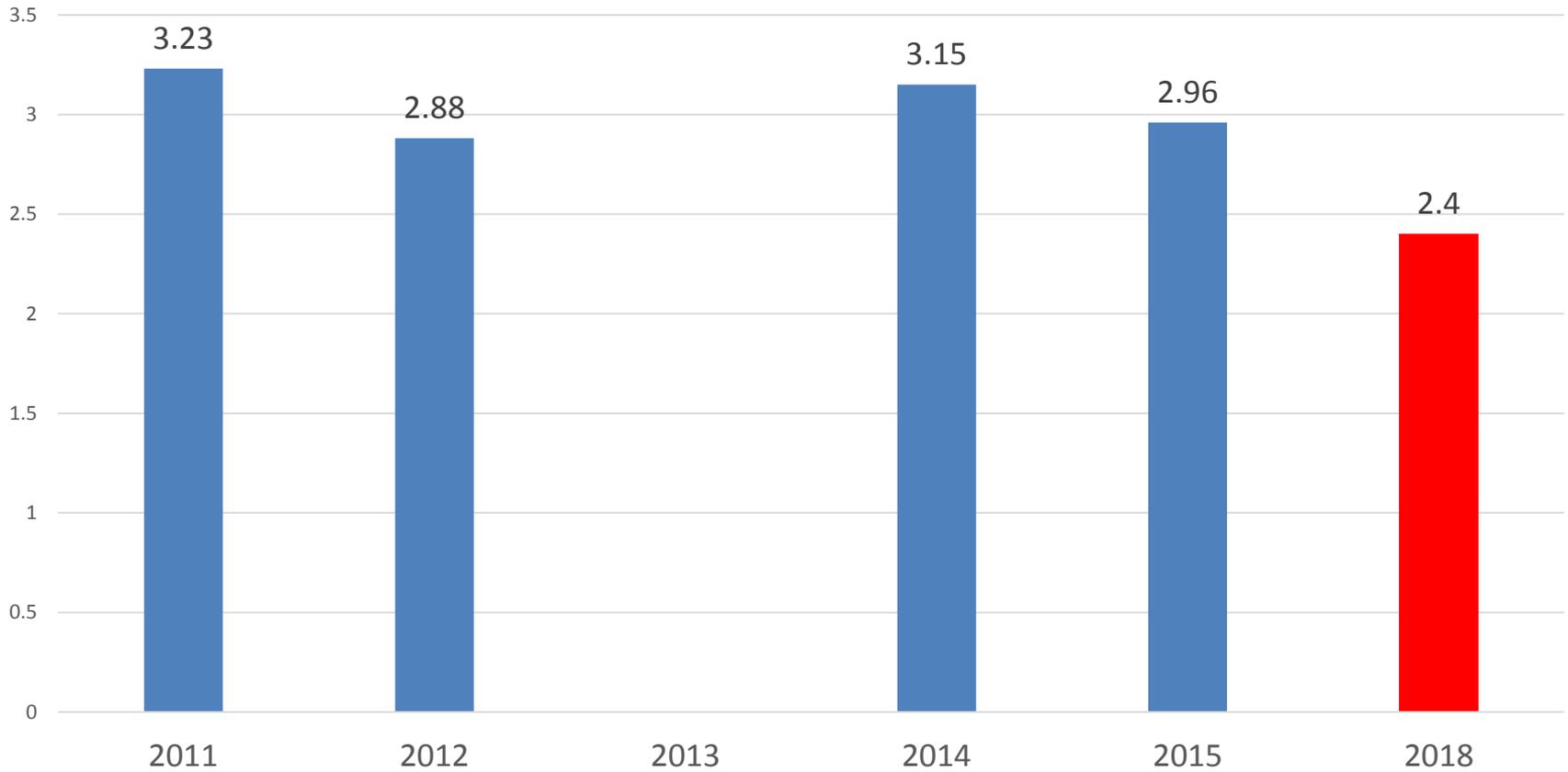
- **Disjointed, no real focus; just fighting fires.**
- Nothing ground-breaking
- **Rate of change and lack of planning**
- Teachers and nurses underpaid
- **Will need more taxes to fund everything**
- Window dressing, taking existing programmes and policy- repackaging them as new initiatives.
- **Amount of aid given overseas**
- Building incentives – builders windfall not first home buyers
- **Not much to help business growth**
- R&D tax incentives - limited benefit to SME's
- Oil and dairy demise
- **Minimal support for Māori**

# Your Rating

2.4/5

# Benchmark on previous years

Rating of budget



# Implications for Taranaki

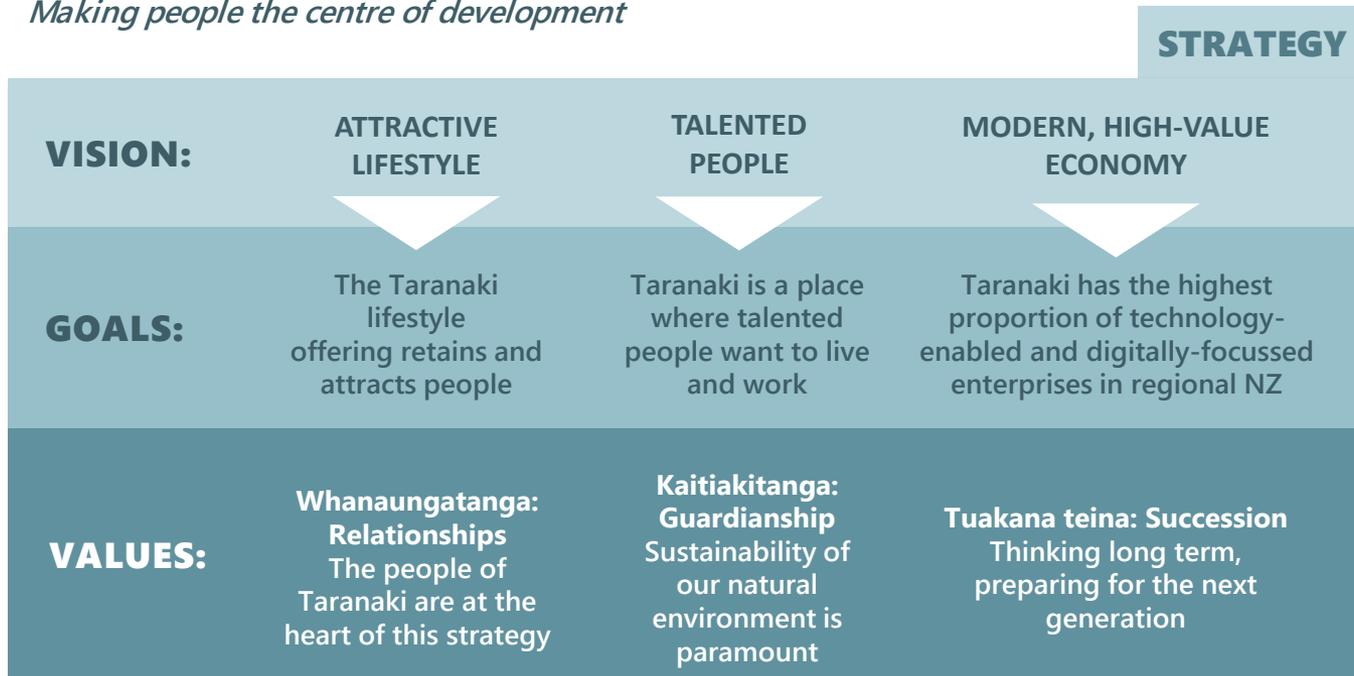
- Headwinds
- Transition and change
- Future prospects

# The Mission

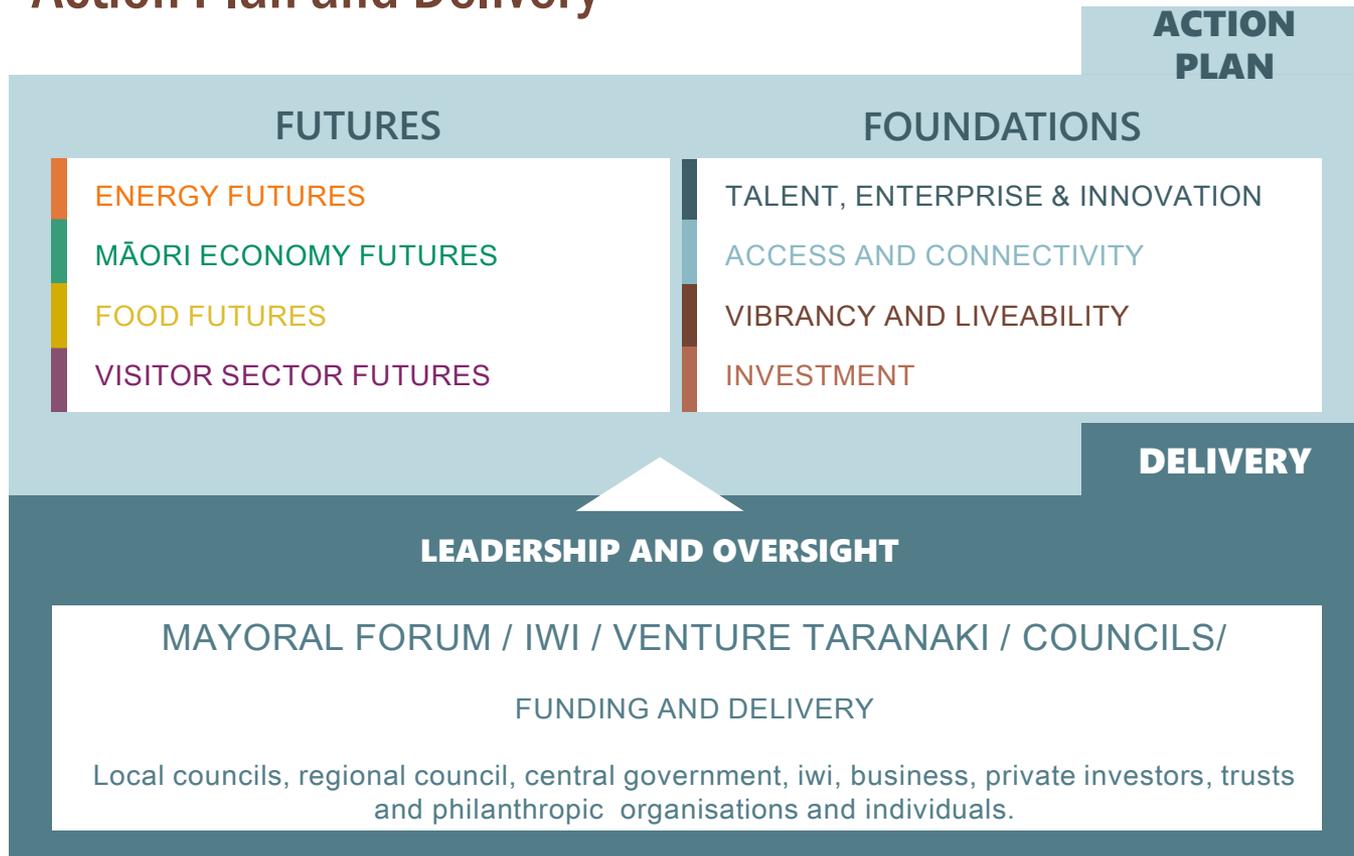
*“Taranaki - where talent becomes enterprise”*

*‘Kia eke panuku’*

*Making people the centre of development*



# Action Plan and Delivery





Thank you!

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



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