

Taranaki Business Survey

RESULTS OF THE DECEMBER 2017 SURVEY



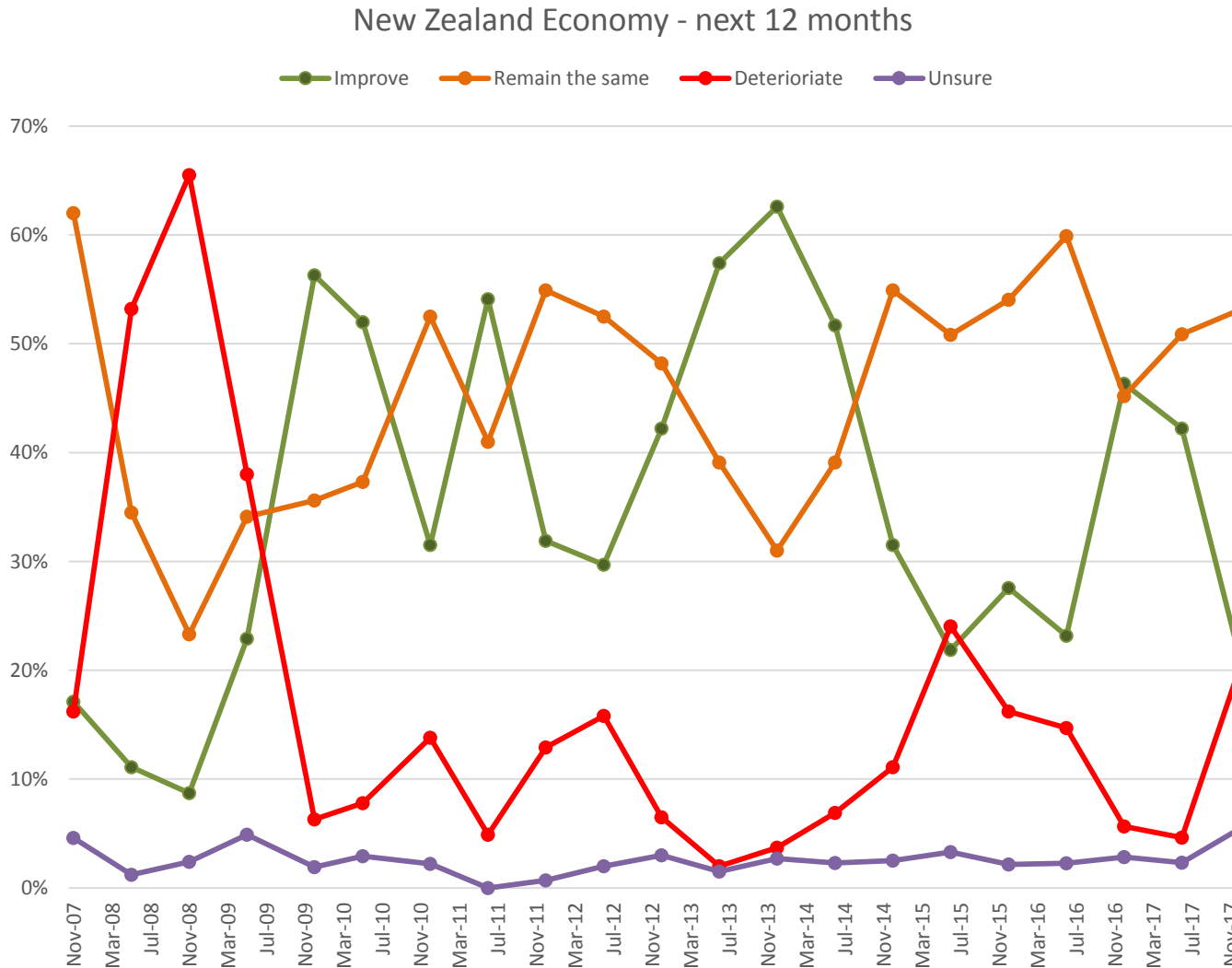
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Taranaki Business Survey

- 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 a special topic: Taranaki – a high-tech region**

NZ Economic Conditions: next 12 months

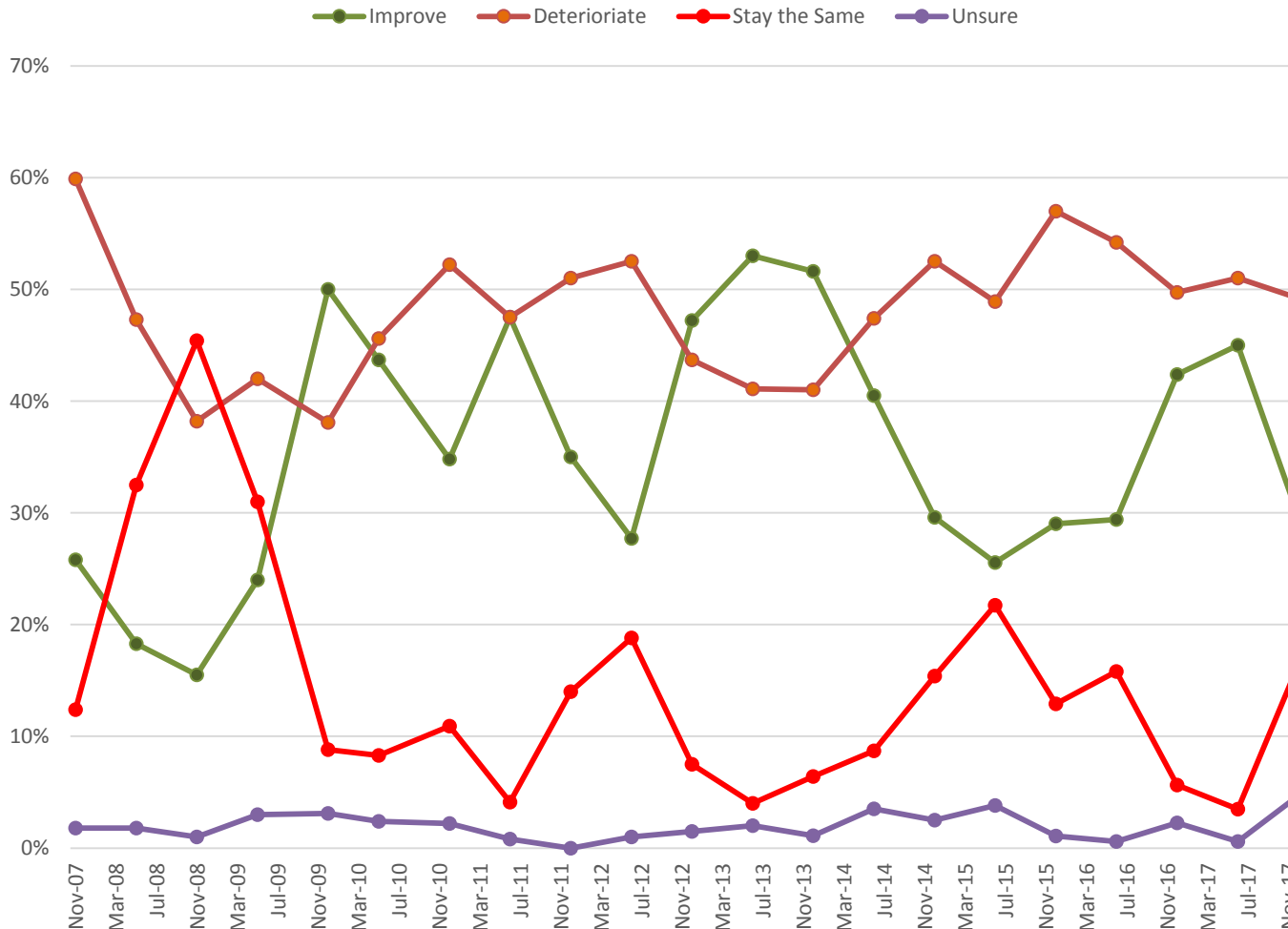


**Nov 2017 -
Significant
fall in
business
confidence**

- **Same: 53%** (up from 51%)
- **Improve 21%** (down from 42%)
- **Deteriorate – 20%** (was 5%)
- **Don't know: 5%**

Industry conditions: next 12 months

Industry conditions - next 12 months



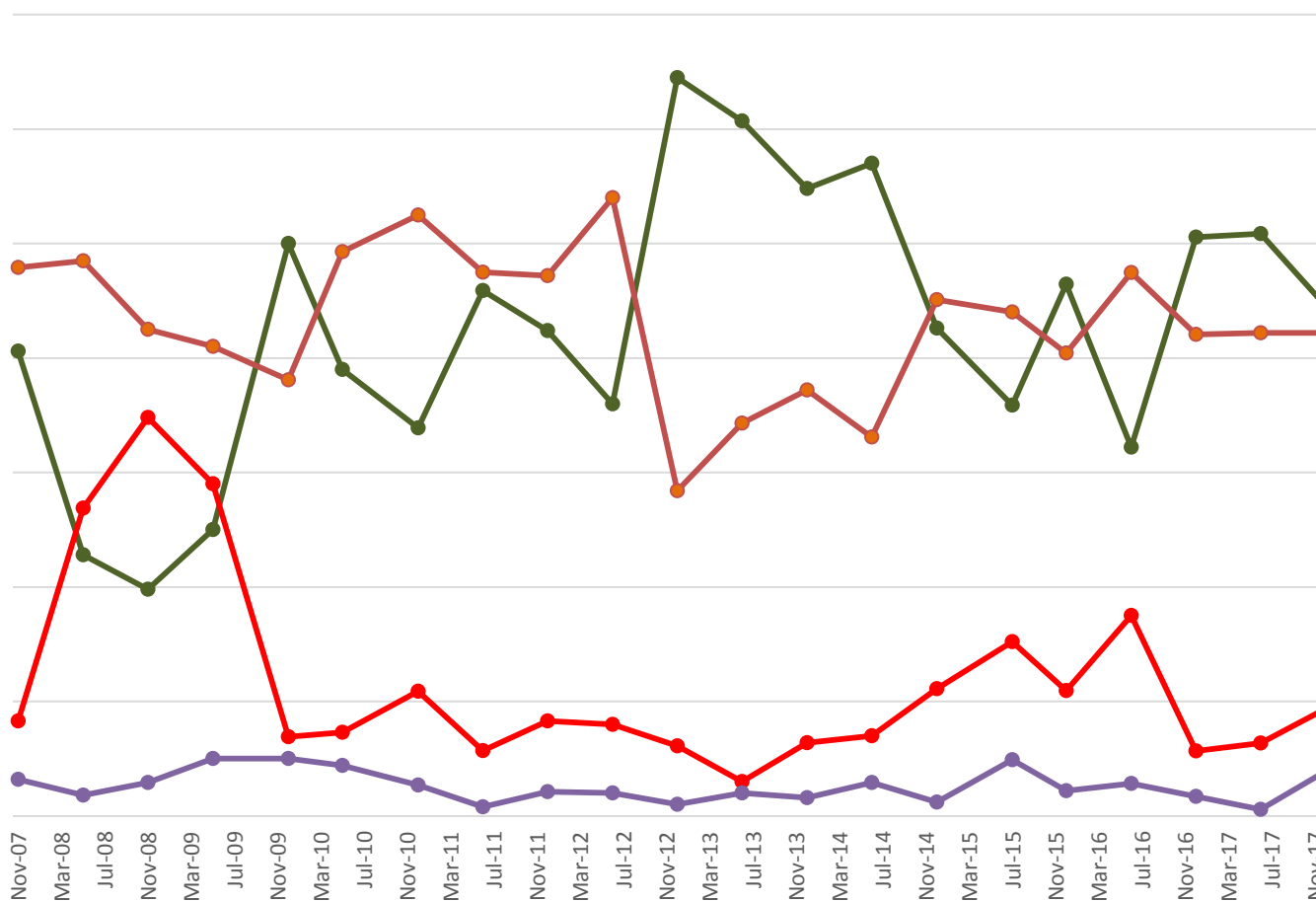
Confidence in industry outlook also declines

- **Remain same 49%** (down from 51%)
- **Improve 30%** (down from 45%)
- **Deteriorate 16%** (was 6%)
- **Don't know: 5%**

Sales: next 6 months

Sales outlook - next 6 months

Improve Remain The Same Deteriorate Unsure



Stability and positivity injected by uncertainty and pessimism

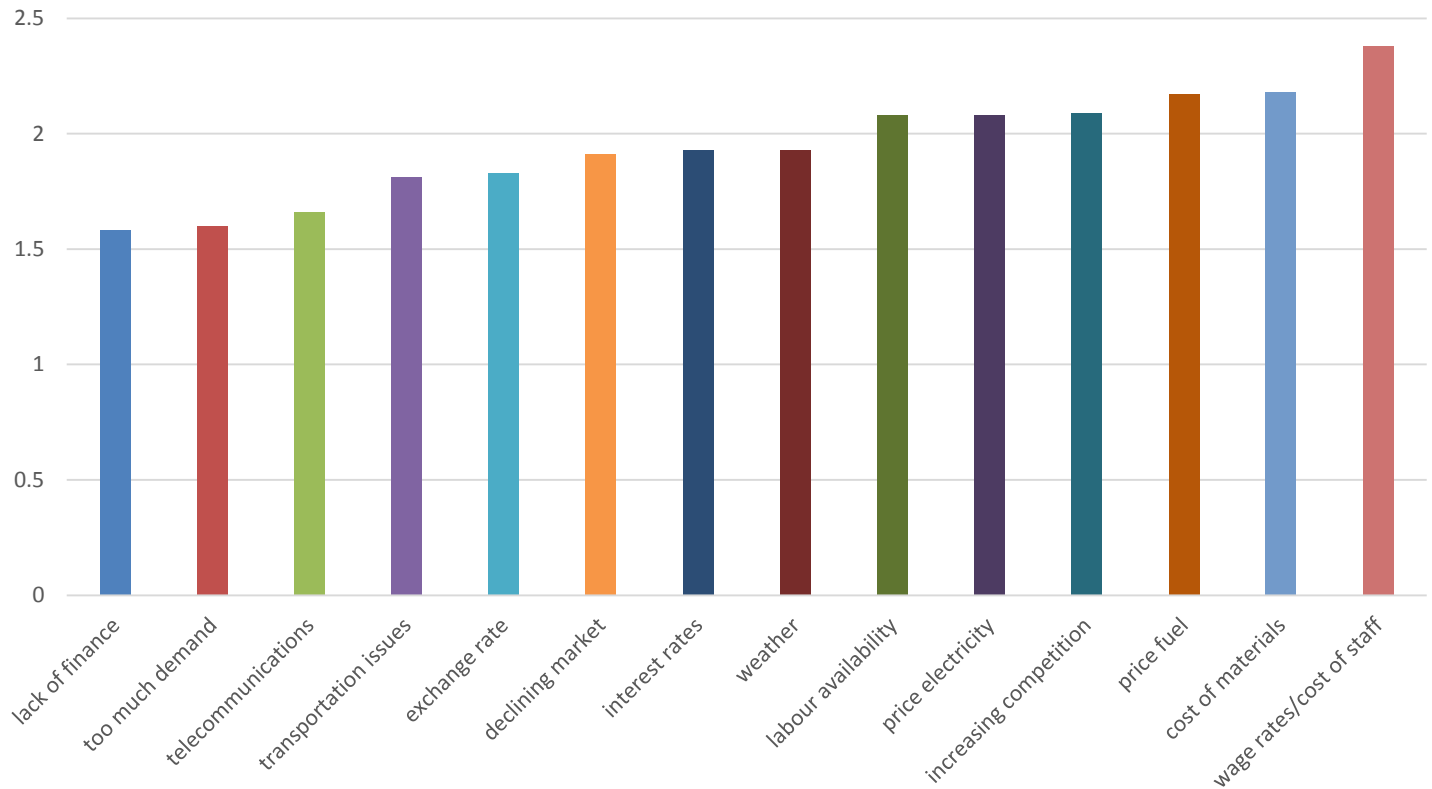
- **Improve: 45%** (was 51% last time)
- **Remain same: 42%** (the same)
- **Deteriorate: 9%** (up from 6%)
- **Don't know: 4%**

Taranaki business: concerns

High
concern

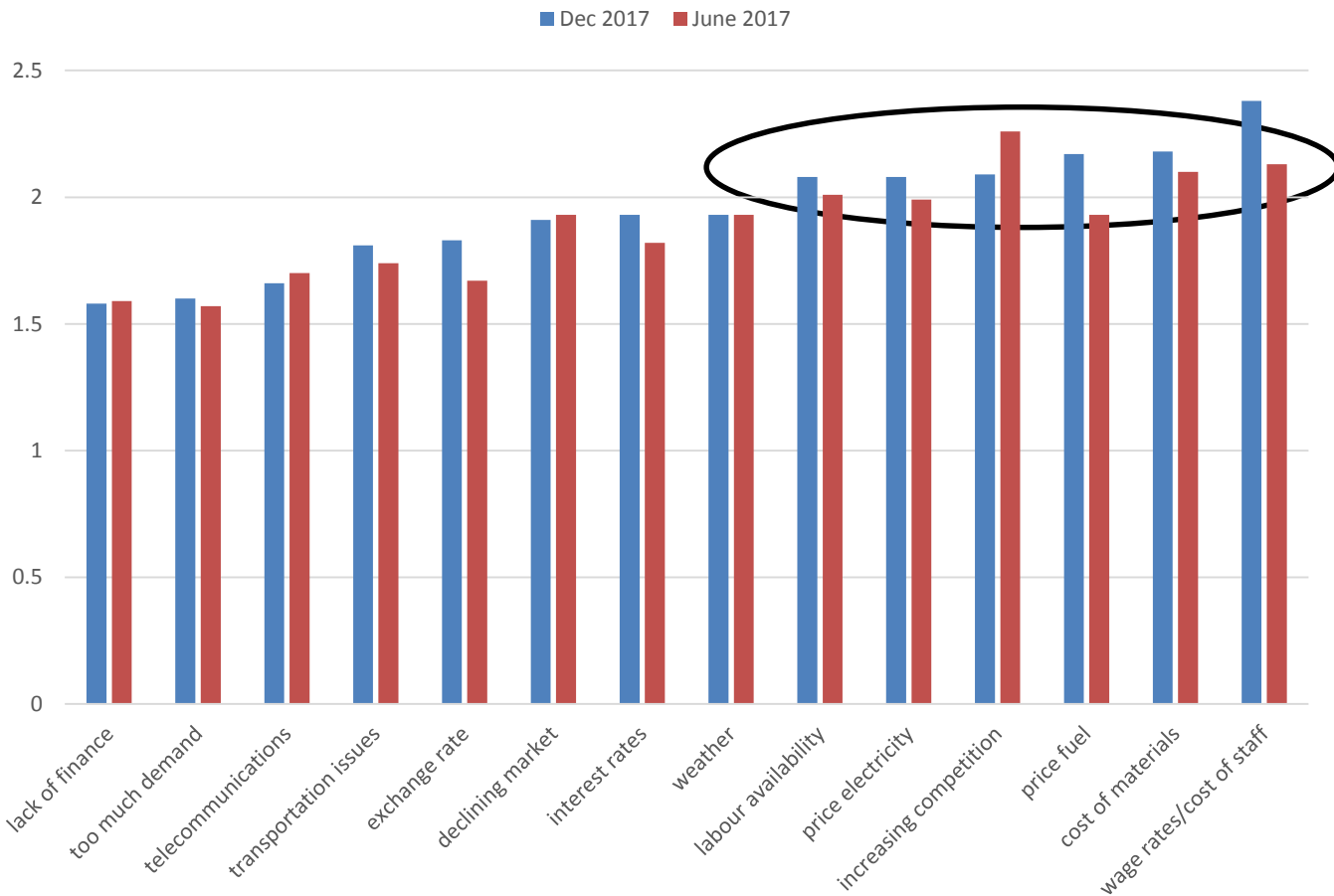
Factors Impacting growth November 2017

Low
concern



What's changed?

What's changed since June 2017?



Cost of staff/wages

Other cost items

Interest rates

Exchange rates

Factors

impacting on business

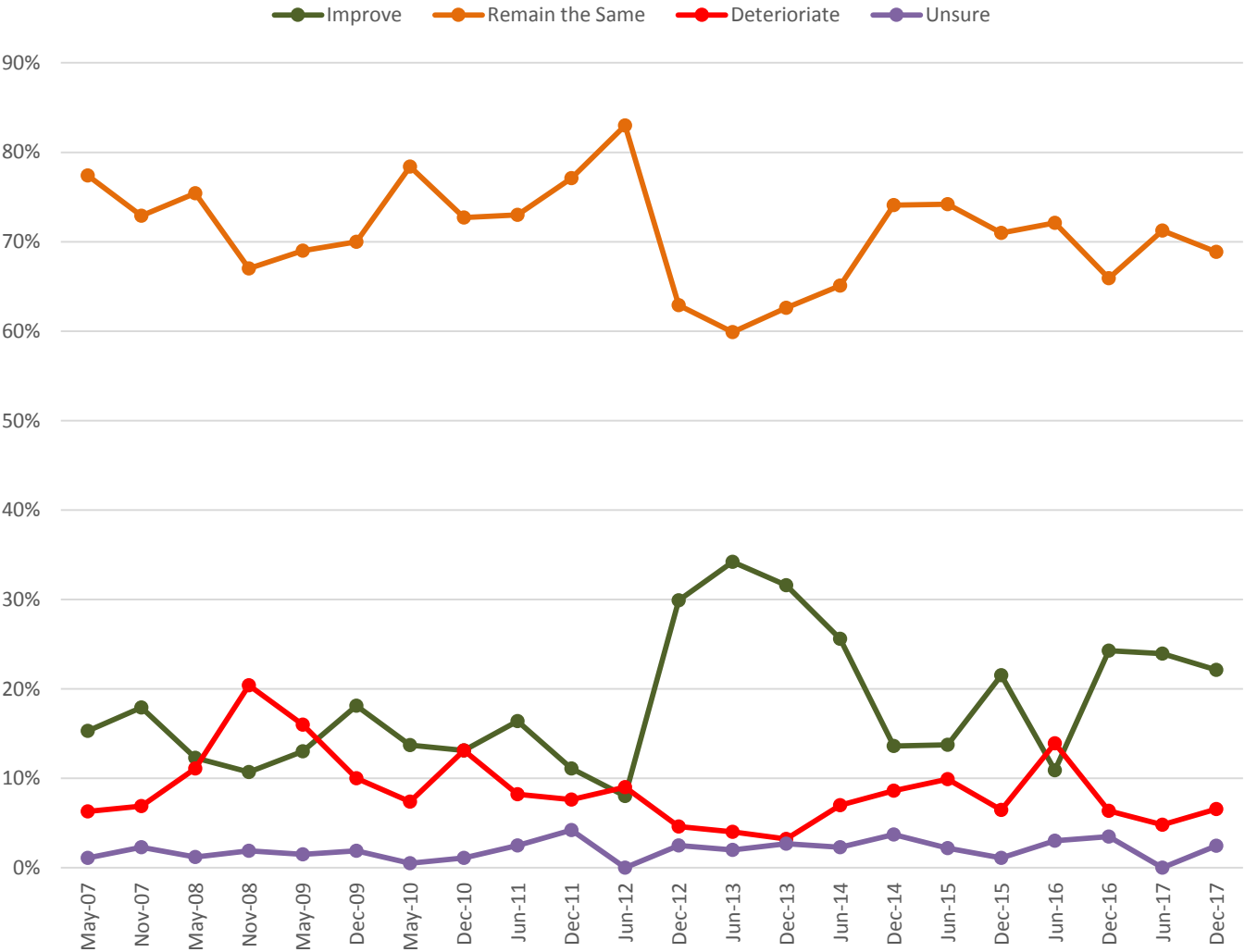
- **Government Change – uncertainty and implications**
 - “Concern around changes the Government plans to implement and what this will mean for business”
 - “Change in government and associated policies are increasing the demand for our services”
 - “Proposed water tax which is now off the cards but who knows what will happen”

impacting on business

- **Minimum Wage**
 - “The increasing cost of the minimum wage”
 - “uncertainty for SME’s re: accelerated increasing min wage and no govt info on assistance to help mitigate”
- **“Milk payout”**
- **“internet shopping”**
 - “Parallel importing and private purchases from international web-based retail outlets”
- **“Digital disruption/pace of change”**

Employee numbers – next 6 months

Employee numbers - next 6 months



Holding

69% anticipate employment levels to remain the same.

22% - increase.

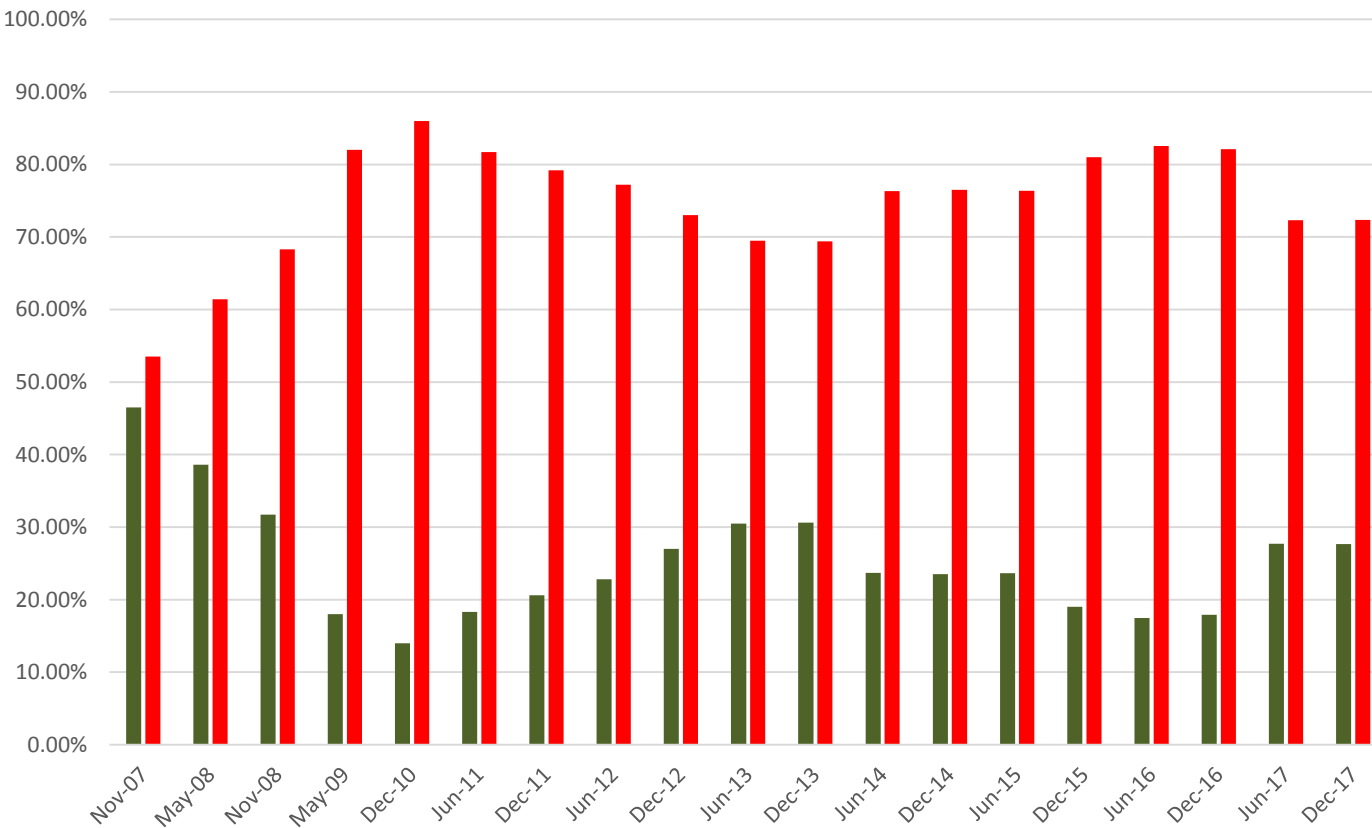
outweighs

7% expect staff numbers to decrease

Skill shortages or difficulty hiring?

Experiencing Skill Shortages

■ Yes ■ No



72% - no skill shortages

28% of Taranaki businesses report skill shortages or difficulties recruiting appropriate staff.

Skills shortages mentioned

- **Truck drivers**
- **Drivers & plant operators**
- **Machine operators and drain-layers**
- **Tradesmen, builders**
- **No trained carpenter available**
- **Plumbers**
- **Teachers in specialist areas**
- **Clinical/health staff to work in rural areas within the region**
- **NZ Licensed surveyors, NZ chartered engineers**
- **Qualified/experienced accountants/business advisers**

Special Topic: Taranaki as a High-Tech Region

Questions

- What is high-tech?
- Examples of local companies/industries?
- Is Taranaki a high-tech region? (Ranking)
- Which industries will be transformed the most in next 5 years?
- Biggest Technological break-through ever
- Importance of technology to business success

How would you define a 'high-tech' or technologically advanced business?

- **More IT/ICT in focus**
 - High use of ICT technology in its operations
 - **Smart operating systems**
 - Full use of social media, electronic booking and invoicing with sometimes no human contact
 - **3D GPS systems, online HSE systems**
 - Drones, internet businesses, APPS etc
- **Engineering design**

'high-tech' definition continued ...

- **Focus on efficiency, automation, systems, creative solutions and impacts to people (labour/customers)**
 - Automation, robotics, drones, labour minimisation, cost-effectiveness, manufacturing efficiency
 - Using technology everyday to ...make it easy for customers to self-serve, delivery faster, cheaper, quality products and services, lessen the harm to people, be a step ahead of their competitors

'high-tech' definition continued ...

- **Innovation, leading edge focus:**
 - Something that is leading edge, reliant on technology rather than staff, innovative
 - An organisation that refuses to accept the industry norm, status quo but rather seeks to adopt lean philosophies and to develop enabling and/or disruptive solutions for their customers
 - World first, unique, ground-breaking, life changing, high-value, efficient, scaleable

Taranaki 'high-tech' company and industry examples ...

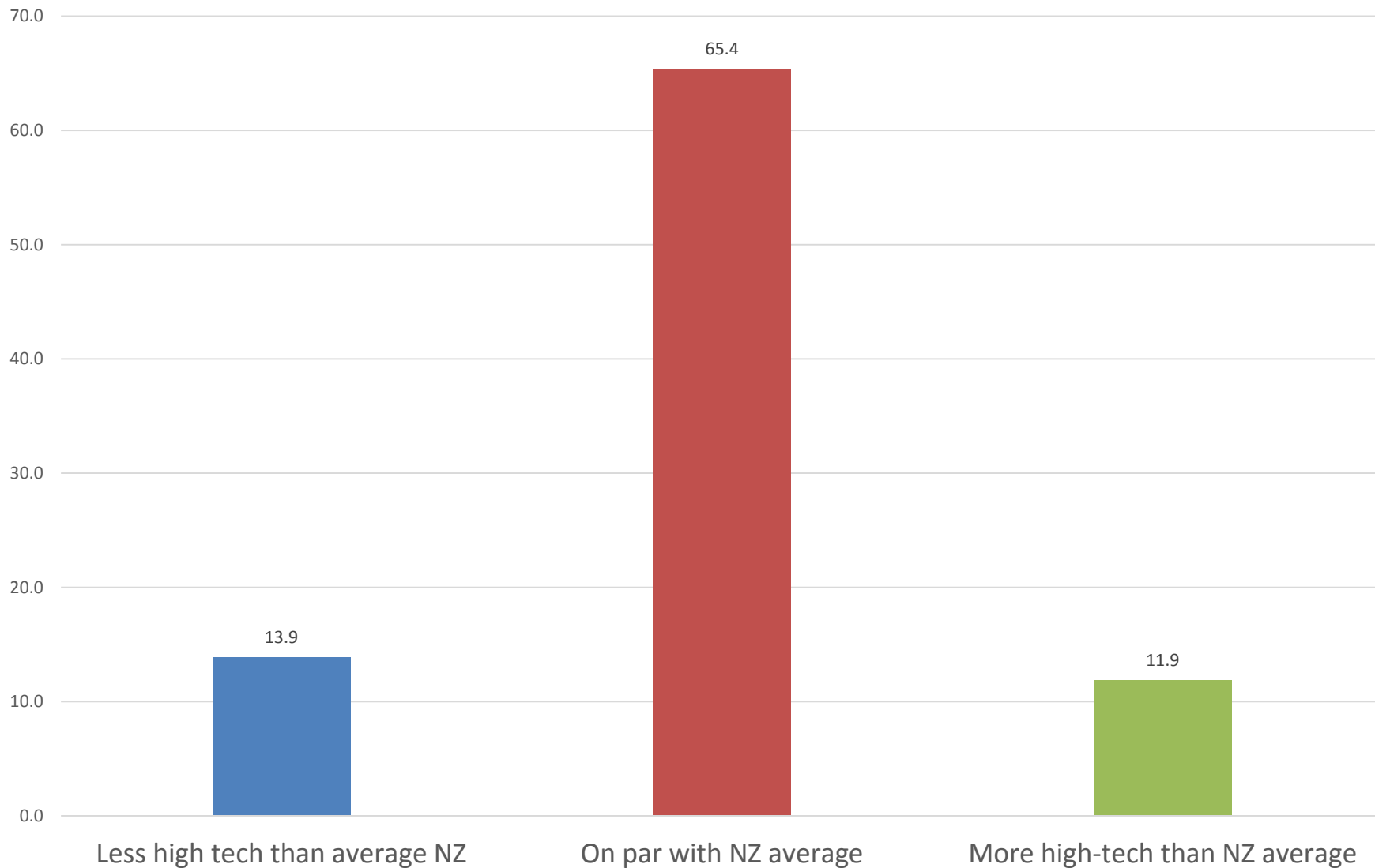
- Powerco, Chorus, Primo wireless, Datatalk, Proformac technologies
- Powerco with electric cars
- Digital marketing firms, Effinity
- Methanex, oil and gas industry
- Mechanical & design engineering
- Fitzroy Engineering e.g. underwater restaurant
- Fonterra, dairy industry

Taranaki 'high-tech' company and industry examples ...

- Banks, TSB
- Manufacturing, transportation and logistics
- Architecture, chartered accounting
- Health industry

- Howard Wright, BTW, Hotter engineering, Carac
- Hivetech,
- Timberco
- Kaitake Farms,
- IVHQ
- And many more

How would you rank Taranaki as a high-tech region (%)?



Importance of technology to economic success (1 to 10)

Importance to

Region

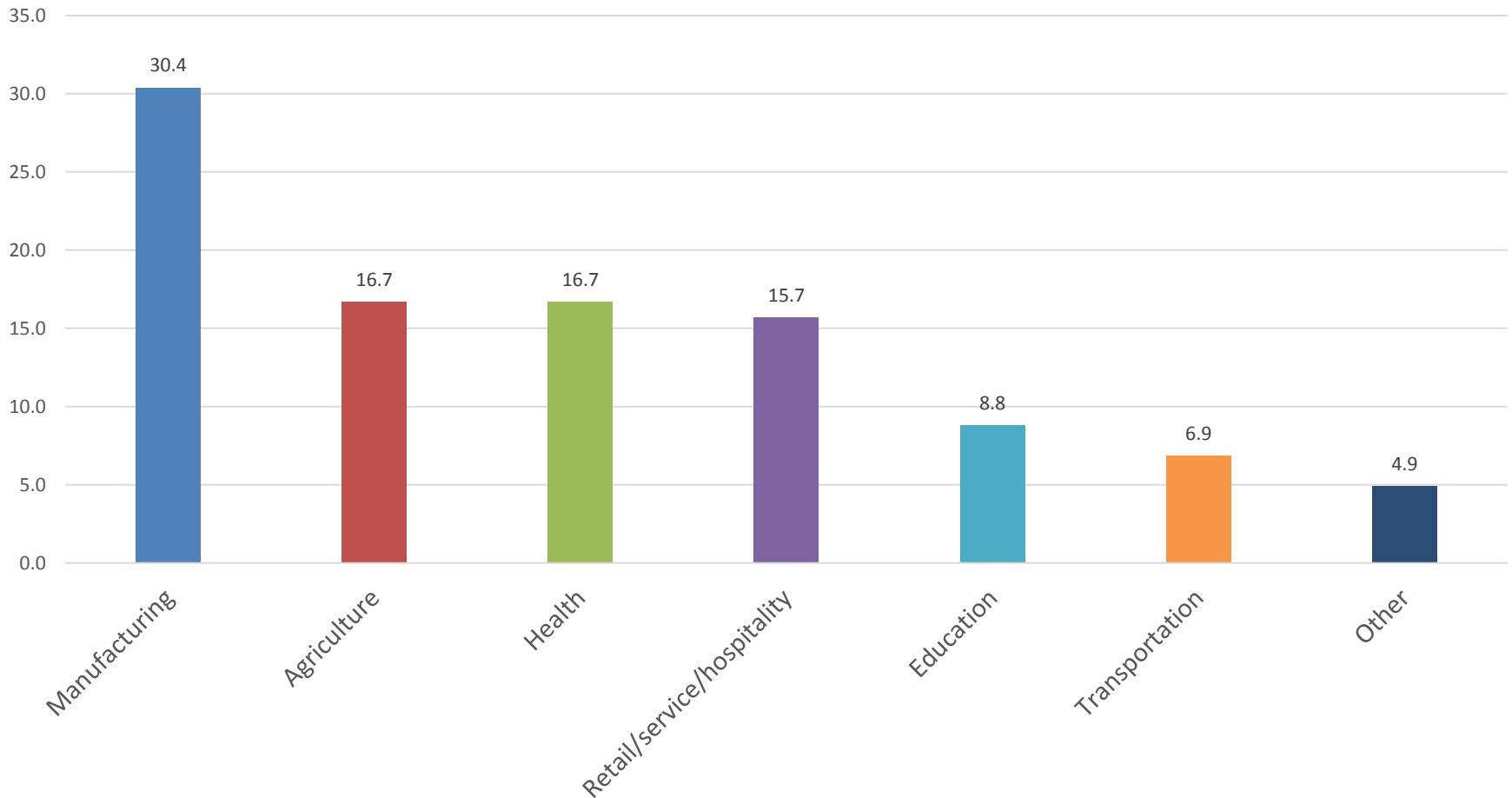
7.1/10

Importance to

Individual Business

6.7/10

Next Five Years - Anticipated industry transformation due to technology (%)



Biggest Technological Breakthrough Ever

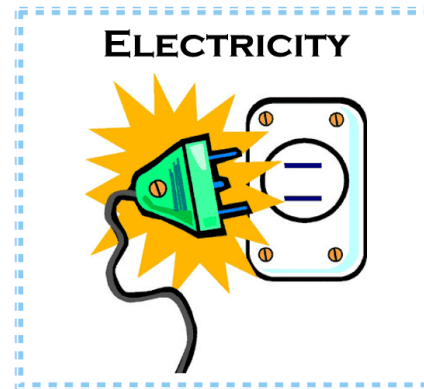
– something that has made a difference to industry or human lives

- Internet
- Computers/IT
- Digital/email
- Information and communications technology
- Google/web browsing
- Mobile phones, smart phones, associated apps
- Internet shopping



Biggest Technological breakthrough (cont ...)

- Electricity
- The wheel
- Mechanisation
- Health/Science
 - Penicillin and the development of vaccines
 - Discovering yeast and pasteurisation
 - Discovery of bacteria
- Automobile
- Flush toilets
- Sliced bread
- A2 milk
- The telescope



Regional Development Priorities

Regional Development Priorities

- **Roading infrastructure**
- **Tourism**
 - Facilities e.g. toilets, walkways, mountain tracks
 - Leveraging recreation opportunities e.g. mountain biking, walking, cycling
 - Commissionable product
- **Business growth** e.g. generating employment, attracting industry, fostering diversification
- **Sustainability** e.g. agriculture, eco-tourism, energy

Regional Development Priorities

cont...

- **Internet access/connectivity/communication**
- Education/tertiary education/WITT
- **Health, Arts/music**
- Port/other connectivity/airport/rail
- **Innovation/inventors funding**

tech- week

Coming:

19-27 May 2018

- A week-long event-filled festival/platform
- Occurs across New Zealand
- Seeks to amplify, inspire and build the innovation/technology eco-system
- Regions can design their own 'tech-week'
- Venture Taranaki – Taranaki's TechWeek curator

tech - week

How can you get involved?

- **Events:** can include e.g. workshops, breakfasts, hands-on displays, factory tours, niche topics, hackathons etc
- How to stay informed or register your event:
 - **Register:** on the Techweek discovery forum
<https://discovery.techweek.co.nz>
 - **Contact:** Natacha@venture.org.nz

Thank you!

www.taranaki.info for more



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