

Trends

Summer 2020

Taranaki Facts & Figures



venture
TARANAKI

Te Puna Umanga

An initiative of
New Plymouth
District Council.

Total Taranaki
Retail spend down
15.2% since April
2020 – while NZ's
is down 21.6% for
the same period

Real estate market
is busy. Taranaki
experiencing
lowest 'time to
sell' for residential
properties for
over 10 years.

Impacts of border
closures not as
widely felt in
Taranaki
compared to
other regions

22% increase in
Taranaki residents
on 'Jobseeker
support' since
March 2020

Welcome

Taranaki Trends is produced by Venture Taranaki as a 6-monthly economic snapshot of our region's performance. As such, it provides a range of metrics, represented as digestible charts and graphs, to help inform the region's leadership, enterprises and investors.

The dynamic situation over recent months – the result of the global COVID-19 pandemic – is played out in this data set (the first since New Zealand saw the pandemic reaching our shores). This edition of *Taranaki Trends* therefore presents a valuable 'post-COVID' snapshot of the region's economy six months on.

This edition is important as we look at the immediate impacts of the COVID lockdowns and restrictions, and how our 'return to better' is being achieved.

This edition explores changes to our economy, consumer spending and other notable changes that Taranaki has been required to address in the face of change and crisis.

Data is up-to-date as available at the time of publication. Please see notes in content and Notes page at the end of the document for further detail on sources.



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Population



New Zealand population:
4,699,755

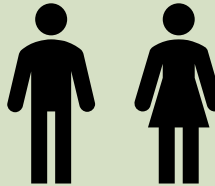


Taranaki population:
117,561



Māori population: 23,298
(19.8% of Taranaki population)

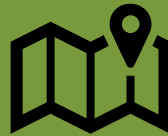
Males: 58,251



Females: 59,310



New Plymouth District
population: 80,679

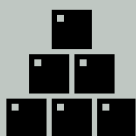


Stratford District
population: 9,474



South Taranaki District
population: 27,534

Economy



New Zealand GDP:
\$298B



Taranaki GDP:
\$9.3B



Taranaki export GDP:
\$4.6B

Taranaki's largest industry categories by business units:



**Agriculture,
Forestry & Fishing:**
4020 business
units



**Rental, Hiring &
Real Estate:**
2907 business
units



Construction:
1434 business
units



Forestry:
\$456m

Taranaki's Top 3 exports:



Dairy:
\$1.9B



Meat:
\$793m

Greenhouse gas emissions and intensity

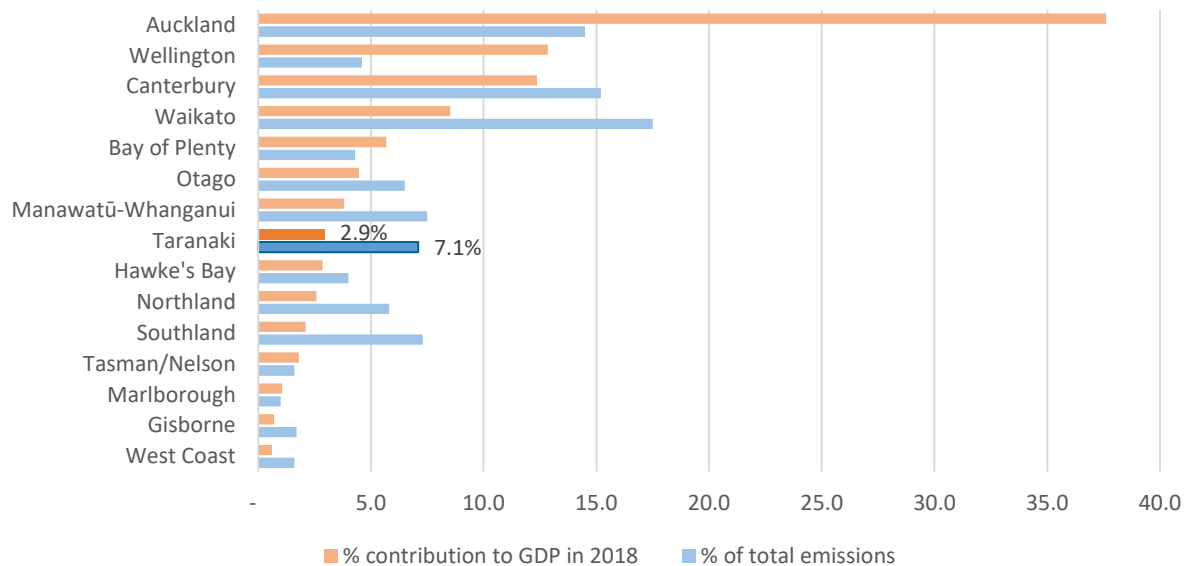
Estimates of Taranaki's greenhouse gas emissions were published in July 2020 for the first time by Statistics New Zealand and create a baseline of our regional emissions.

Regions differ in terms of the amount of greenhouse gases they produce, due to the structure and size of their respective economies, their population size and structure, and their use of different technologies.

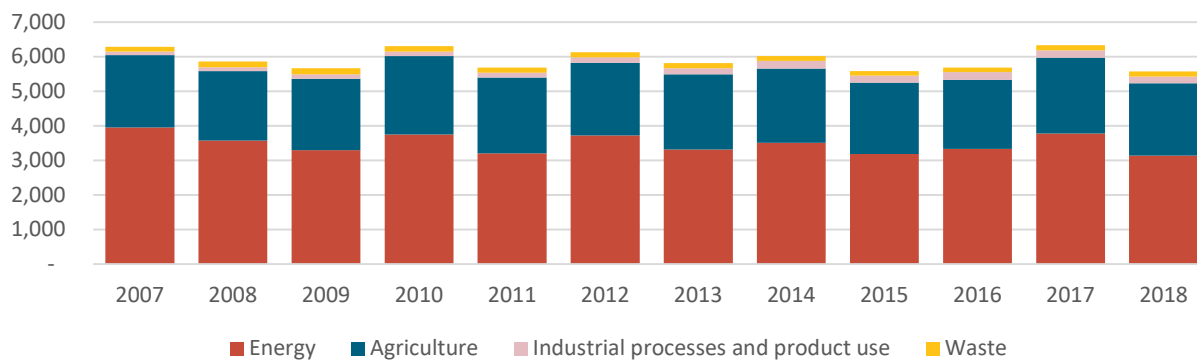
Emissions were allocated to a particular region where the industry or household is resident. This means that a production perspective has been used in allocating emissions (i.e. the point at which the emission is generated from economic activity and flows through to the environment, not the end user).

In 2018, energy was the largest contributor to Taranaki's carbon dioxide emissions, with agriculture being the next highest contributor. It is worth noting that all New Zealand's gas use is attributed to Taranaki.

Percentage contribution to greenhouse gas emissions and GDP, by region in 2018



Taranaki kilotonnes of carbon dioxide equivalent emissions by source (2007-2018)



Regional Spotlight: Waitara East



Population: 2,907
Median age: 40.5 years
Māori median age: 26.2 years



Most popular occupation: Labourers (24.9%)
Median income*: \$24,500
Employed full-time: 43.9%
Unemployed: 6.6%



Born in New Zealand: 93.4%
Māori ethnic group: 44.1%
Te reo Māori speakers: 12.1%
NZ Sign Language: 0.5%



No qualifications held*: 34%
Studying full-time: 19.7%
Studying part-time: 2.8%



Occupied private dwellings: 1,080
Live in owned or partly owned home: 59.3%
Median weekly rent: \$250

* Median income received is the total before-tax income of a person (aged 15 years and over), in the 12 months ended 31 March 2018.

** This data set only includes those aged 15 years and over

Regional Spotlight: Whangamomona



Population: 126
Median age: 49.7 years
Māori median age: 37.5 years



Most popular occupation: Managers (51.7%)
Median income*: \$26,000
Employed full-time: 60%
Unemployed: 2.9%



Born in New Zealand: 92.9%
Māori ethnic group: 14.3%
Te reo Māori speakers: 4.8%
NZ Sign Language: 0%



No qualifications held:** 32.4%
Studying full-time: 14.3%
Studying part-time: 0%



Occupied private dwellings: 57
Live in owned or partly owned home: 38.9%
Median weekly rent: \$180

* Median income received is the total before-tax income of a person (aged 15 years and over), in the 12 months ended 31 March 2018.

** This data set only includes those aged 15 years and over

Regional Spotlight: Ōpunakē



Population: 1,401
Median age: 44.2 years
Māori median age: 28.7 years



Most popular occupation: Managers (19.9%)
Median income*: \$23,000
Employed full-time: 37.3%
Unemployed: 4.8%



Born in New Zealand: 88.3%
Māori ethnic group: 37.7%
Te reo Māori speakers: 8.1%
NZ Sign Language: 0.6%



No qualifications held:** 33.3%
Studying full-time: 18%
Studying part-time: 3%

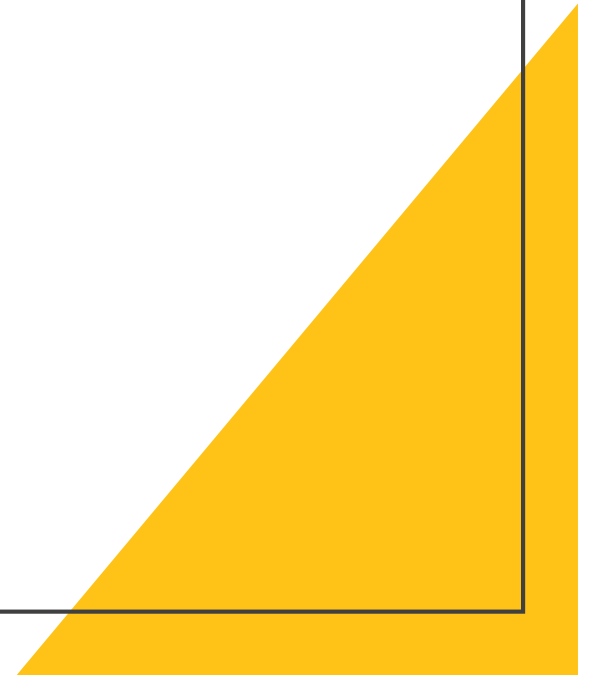


Occupied private dwellings: 573
Live in owned or partly owned home: 55.8%
Median weekly rent: \$200

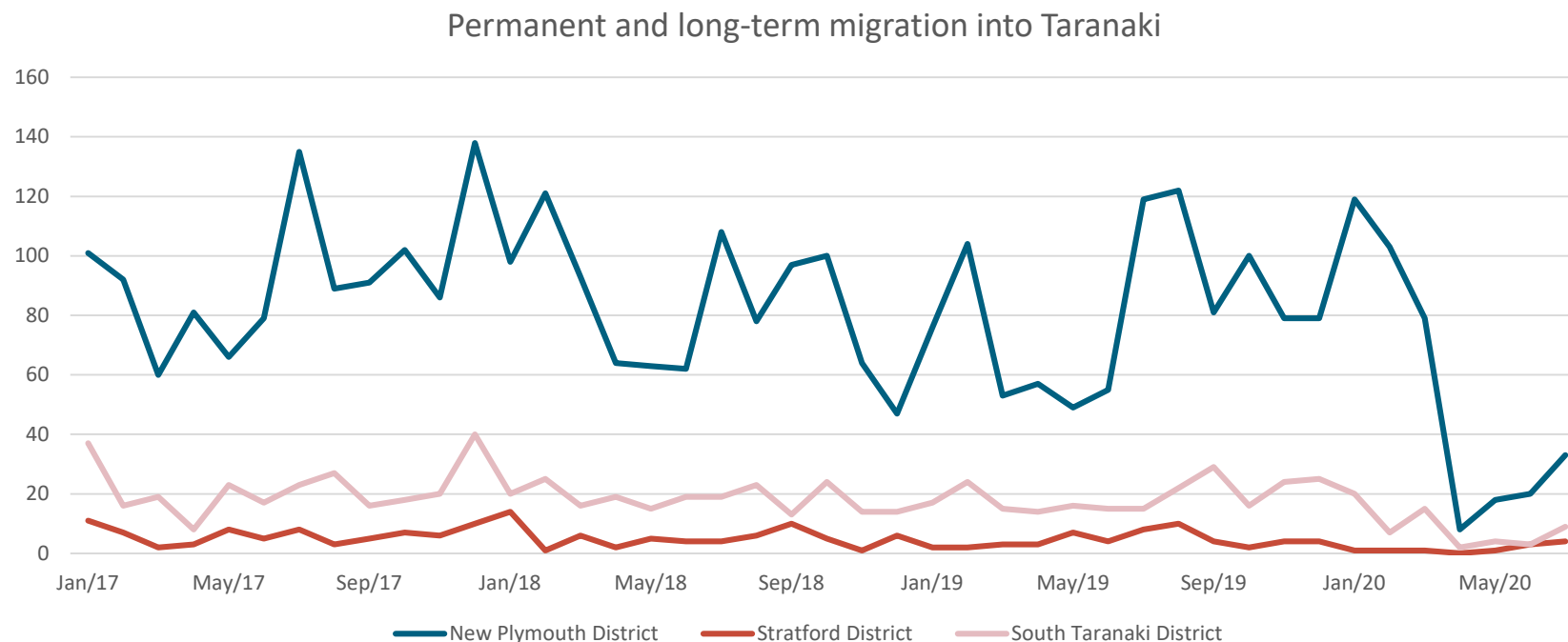
* Median income received is the total before-tax income of a person (aged 15 years and over), in the 12 months ended 31 March 2018.

** This data set only includes those aged 15 years and over

COVID-19 regional impacts



Permanent and long-term migration to Taranaki



This graph indicates permanent and long-term international arrivals into Taranaki. To be counted in this data set people must be arriving for a stay of 12 months or more, or be New Zealanders returning after an absence of 12 months or more.

From April 2020 there has been a sharp decline in the number of people migrating/returning to Taranaki, although the numbers for the Stratford and South Taranaki Districts remain relatively unchanged.

For the six months preceding June 2020, Taranaki had only received 451 permanent and long-term migrants/returnees, compared to a total of 1259 in the 2019 calendar year.



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Employment

Taranaki Jobseeker support

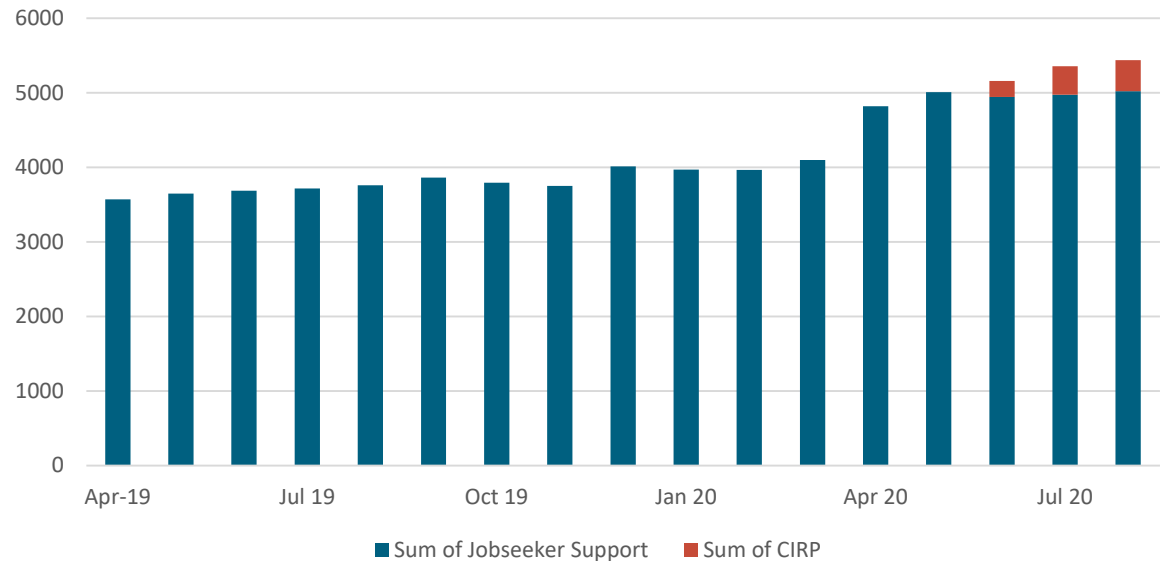
There has been a 96% increase in the number of people on the COVID-19 Income Relief Payment (CIRP) support from June to August (212 people to 416 people).

The number of people on CIRP support has increased as this relief payment became available.

There were 1,261 more people on Jobseeker support in August 2020 (5022 people), compared to August 2019 (3761 people). This represents a 33.5% increase.

In August 2020, there were 5,022 people in Taranaki on Jobseeker support and 416 on CIRP support.

Taranaki Jobseeker and COVID-19 Income Relief Payment (CIRP) Recipients



COVID-19 Income Relief Payment (CIRP) - People who lose their job between 1 March 2020 and 30 October 2020 can apply for CIRP from 8 June until 13 November 2020 and receive payments for up to 12 weeks. The numbers reported are of those eligible, aged 16 years and older.¹

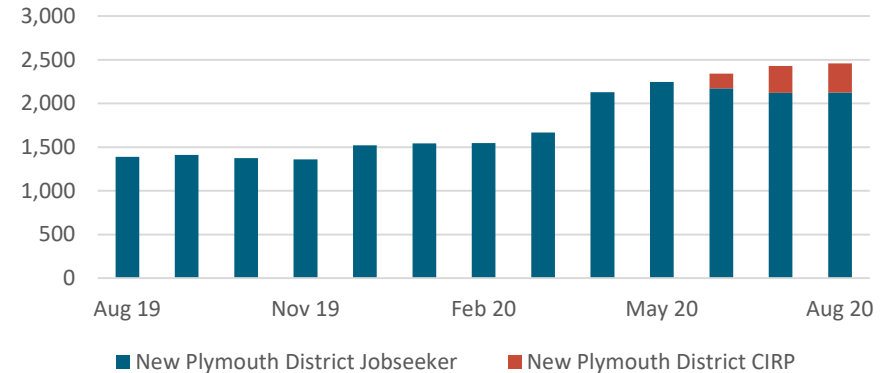
Taranaki Jobseeker support – by district

In August 2020 there were 7,149 CIRP grants nationally, 416 of these were within Taranaki. It is reported by the Ministry of Social Development that those on CIRP payments are "relatively younger, have a proportionately low benefit history and have comparatively higher incomes than most who seek support".

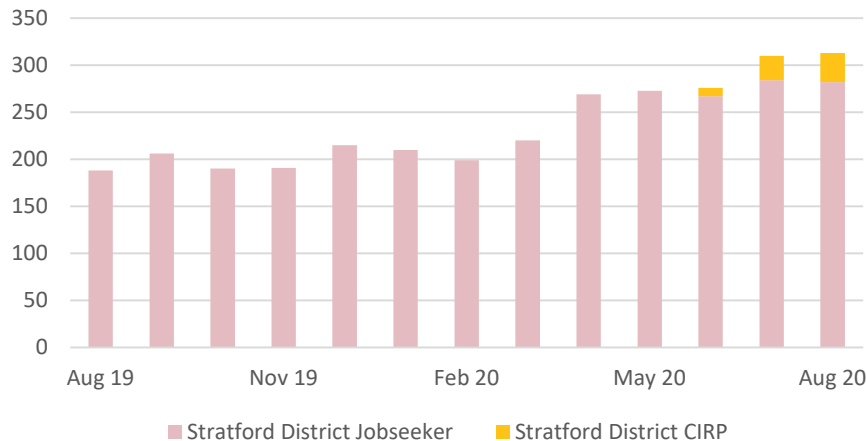
Nationally, 6.6% of the population received Jobseeker support. In Taranaki, 6.7% of the population received this support.

Throughout the region, the number of people on Jobseeker support is up 53% in the New Plymouth district, 50% in Stratford district and 34.6% in the South Taranaki district, on the last 12 months. This excludes those on the CIRP.

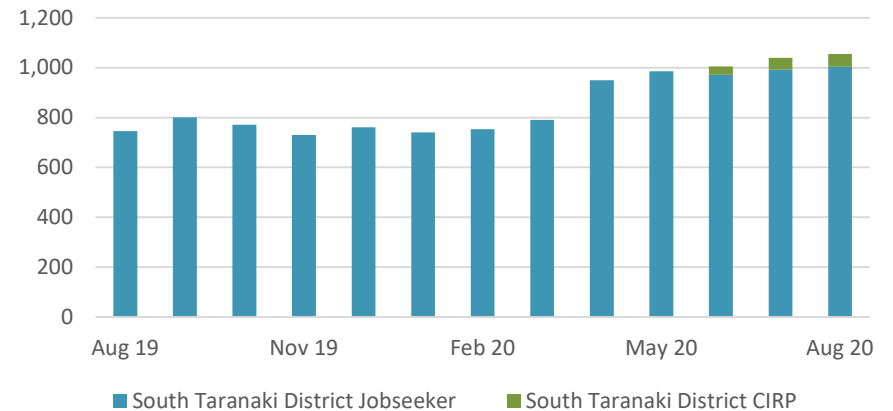
New Plymouth District



Stratford District



South Taranaki District

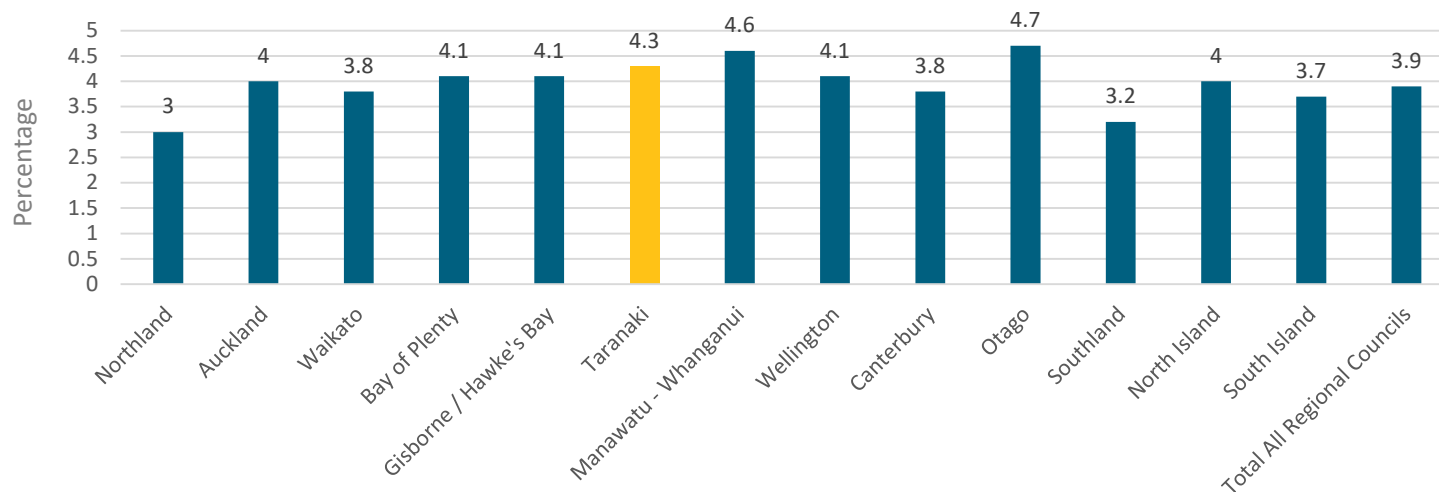


Unemployment within Taranaki

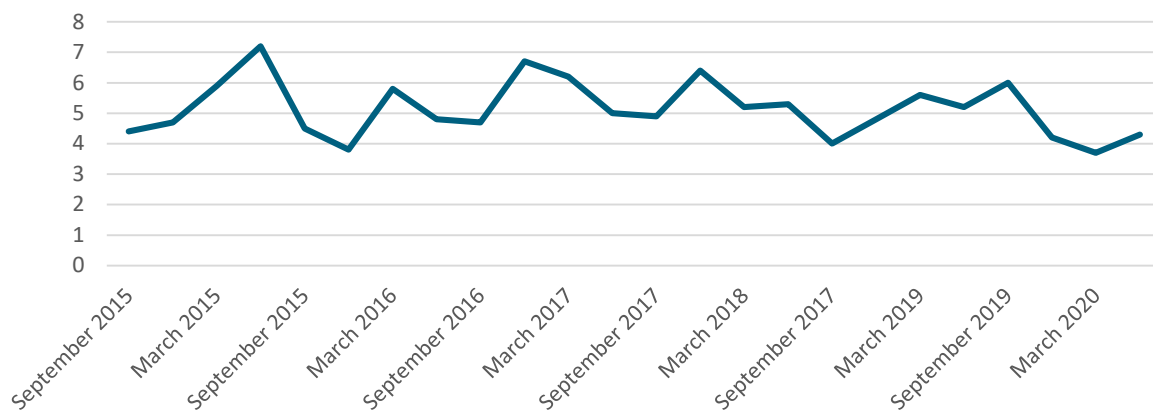
Regional unemployment rates (YE June 2020)

Taranaki's unemployment rate at 30 June was 4.3%

Regional unemployment rate



Unemployment rates in Taranaki



At the end of March 2020, unemployment in Taranaki was at 3.7%, and this had increased to 4.3% for the year ending June 2020. The national unemployment rate was 4.2% and is now down to 4%.

Nationally, the unemployment rate for men declined (7,000 additional men into jobs), while for women the rate increased (1,000 additional women unemployed) – for the quarter ending June 2020.

Taranaki NEET Rates

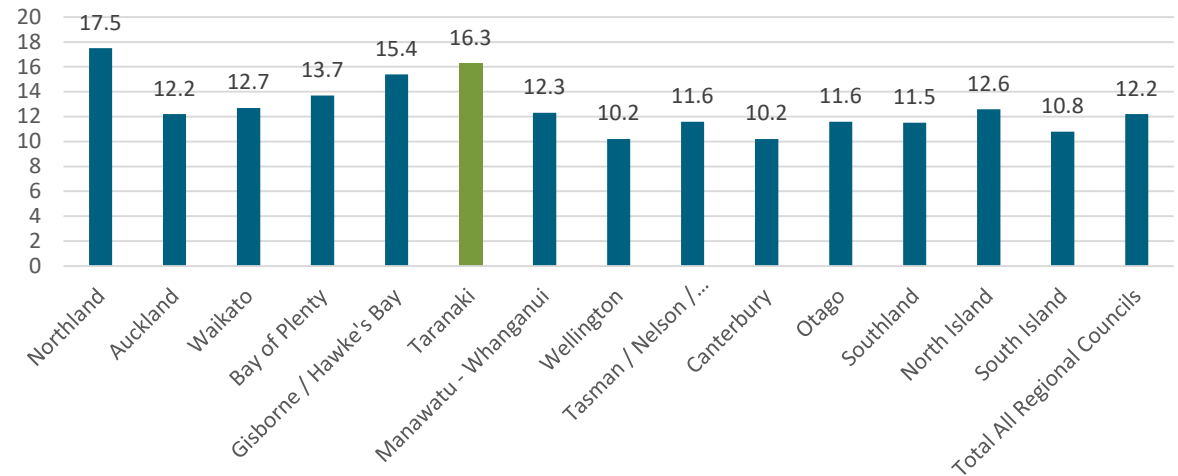
Youth (15-24 years) not in employment, education or training

Taranaki had been experiencing a decline in the NEET* rate from 2017–2019; however, 2020 has seen the NEET rate increase to 16.3%. This rate is still well above the national NEET rate of 12.4%.

The Taranaki NEET rate for people aged 15-19 years is 13.8% and those 20-24 years is 19.1%. There are significantly more young women not in employment, education or training, compared to young men.

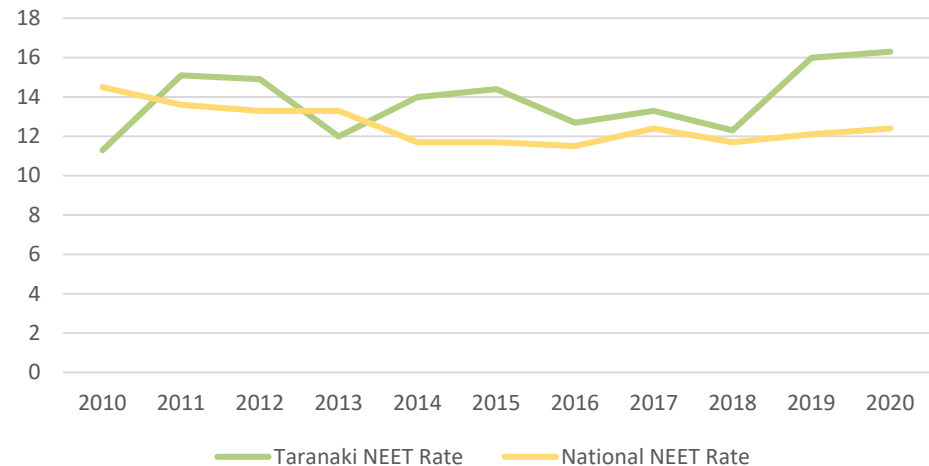
*Not in Education, Employment or Training

Youth NEET Rates (YE-June)



Taranaki vs NZ NEET rates

Taranaki and National NEET Rate (YE-June)

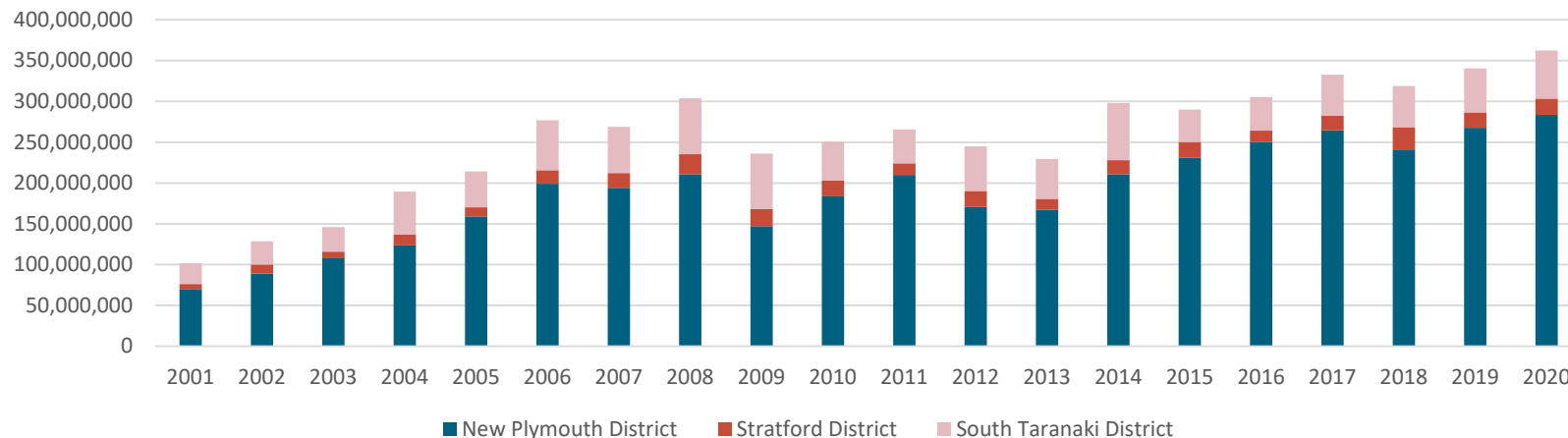




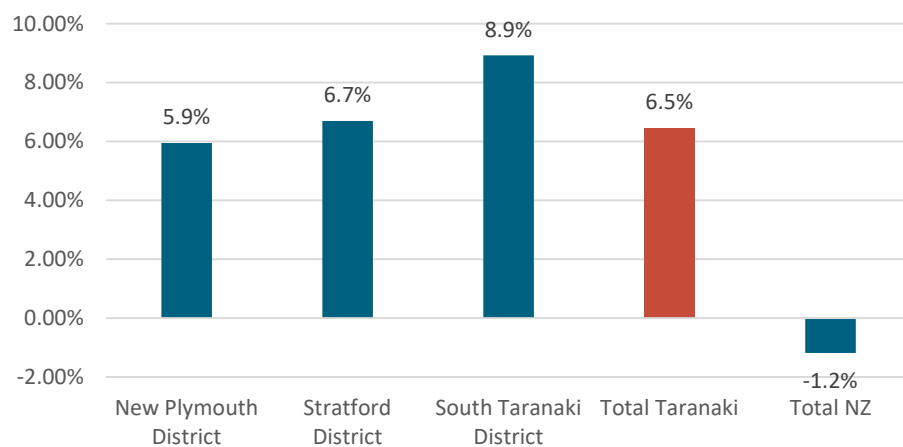
Construction

Construction in Taranaki

Total value of building consents issued in Taranaki: \$362,169,799 YE July 2020



Percentage change in total consents value YE July 2020 vs July 2019



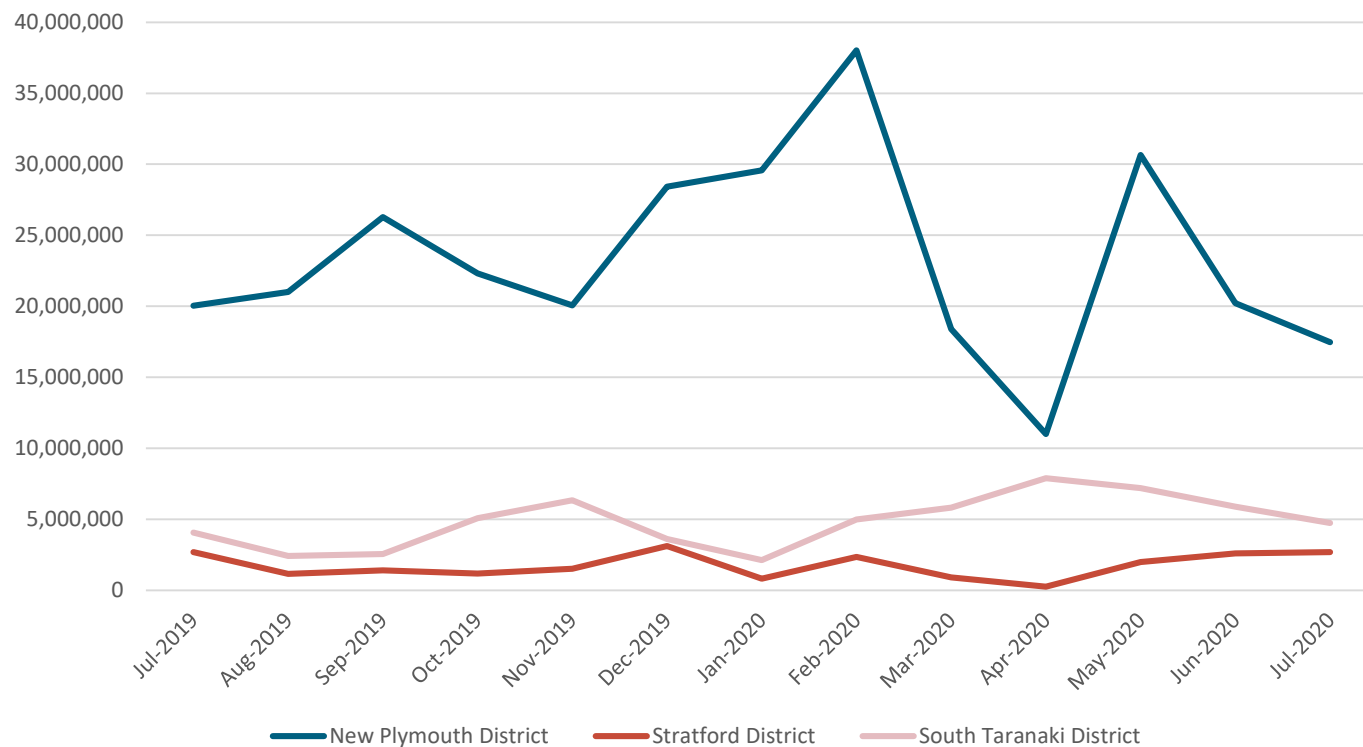
The total value of all building consents processed in Taranaki in the 12 months ending July 2020 (\$362,169,799) is up **6.5%** compared to the 12 months ending July 2019 (\$340,185,435).

Total value of consents for the whole of New Zealand decreased by **1.2%** over the same period.

Value of building consents in Taranaki

Taranaki region: \$362,169,799 (YE July 2020)

Total building consents, monthly value



New Plymouth district accounts for 79% of all building consents processed in the region, Stratford district accounts for 5% and the remaining 16% were processed in the South Taranaki district.

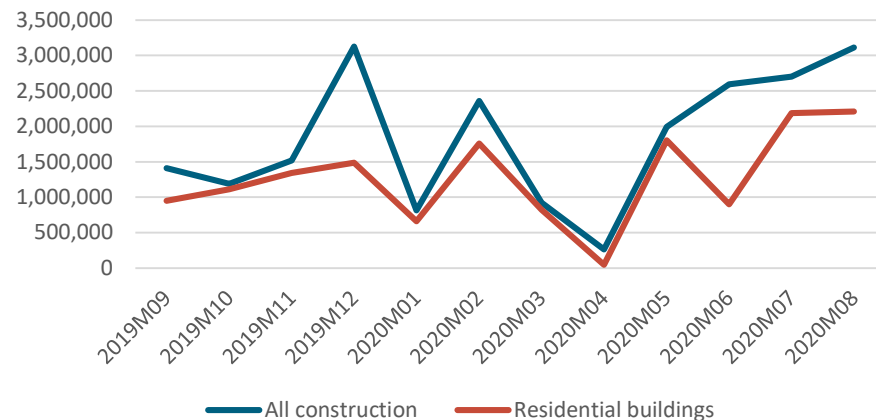
Value of residential vs all construction YE August 2020

By Territorial Authority

New Plymouth District Building Consents



Stratford District Building Consents



South Taranaki District Building Consents



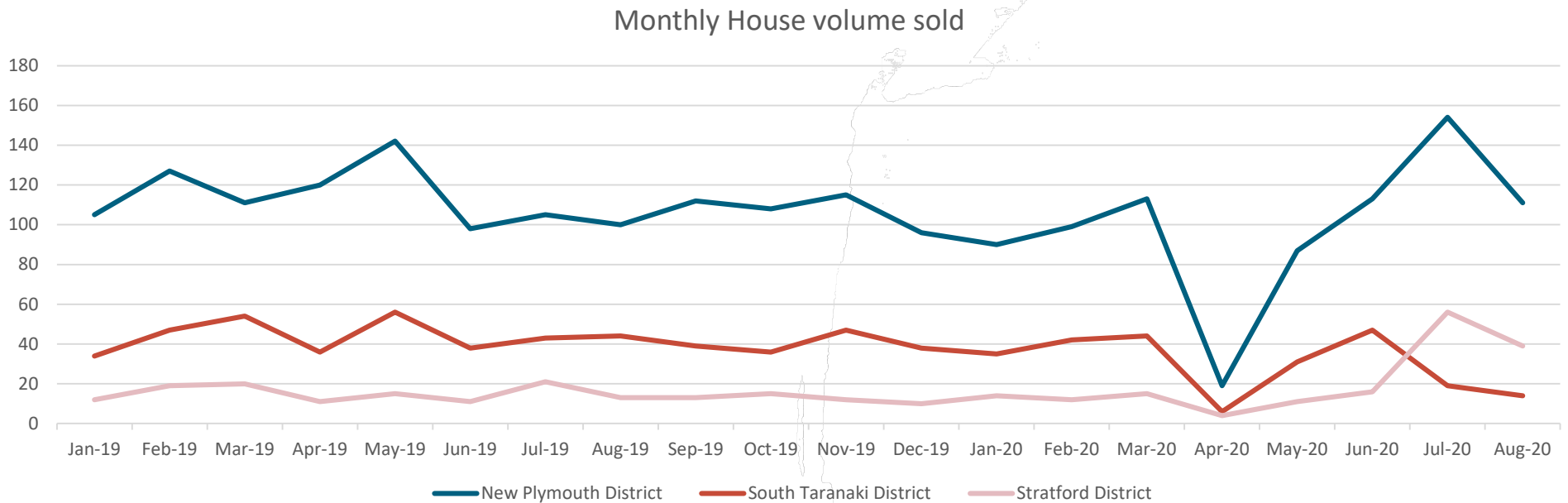
Both New Plymouth and Stratford districts experienced a dip in building activity over lockdown; however, in South Taranaki, the lockdown decline affected residential consents only.

Source: Statistics NZ

Housing



House volumes sold in Taranaki



Taranaki experienced a drop in the number of houses sold in April and May 2020, coinciding with the COVID-19 lockdown; however, by June sales figures had returned to 178 homes sold. South Taranaki district experienced an earlier rebound of housing sales, with the New Plymouth and Stratford districts not peaking in sales until July, although both of these peaks were higher than typically experienced by each respective district.

Taranaki had the lowest August 'days to sell' since records began, down 11 days from 35 days in August 2019 to 24 days in August 2020. Inventory levels in the region are also at their lowest since records began, with a total of only 284 properties. REINZ identifies that with limited properties for sale, first home buyers remain very active, but many are missing out due to multi-offers on most properties. Low interest rates are attracting potential

investors who are competing with first home buyers. Many potential vendors are renovating their existing homes rather than moving due to the lack of choice or availability on the market. REINZ expects that the market should remain 'reasonably steady' for the region.

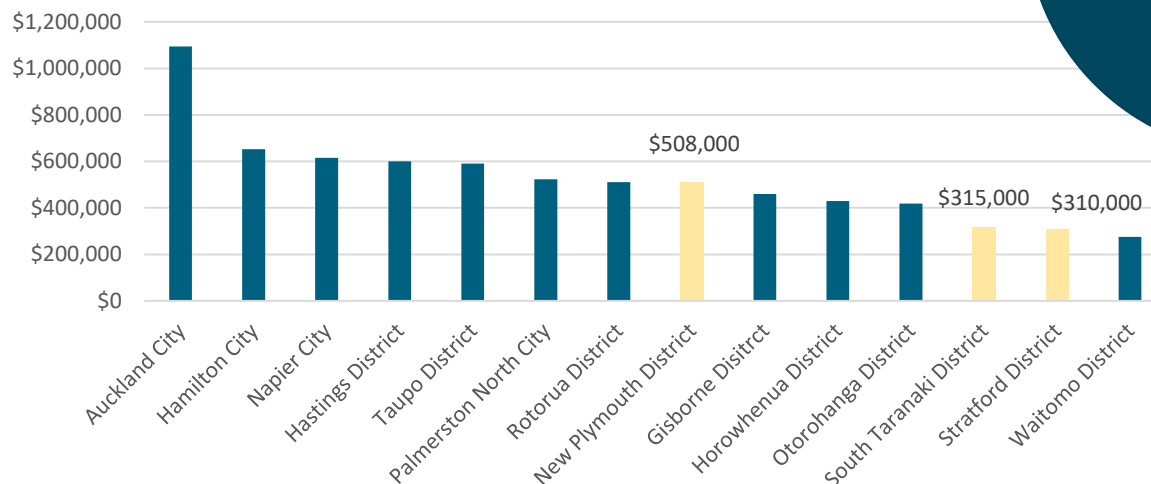
Median price of houses sold in Taranaki

House prices have also remained buoyant. The region saw median house prices reach a new record high of \$451,000 with South Taranaki district achieving a new record median price of \$315,000.

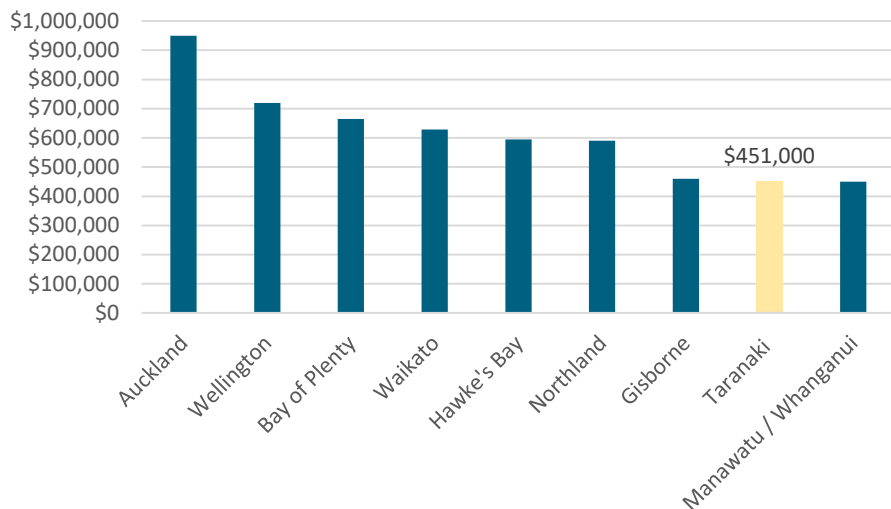
The value of houses in Taranaki increased across the board in 2020. House prices increased by 20.8% in Stratford, 13.9% in South Taranaki and 9.6% in New Plymouth district.

The national median house price for the month of August 2020 was \$675,000 – up 16.4% on August 2019

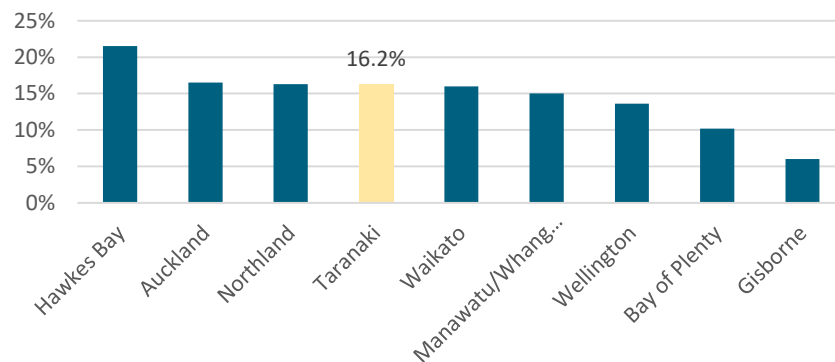
Median price - August 2020



Median price per region - August 2020



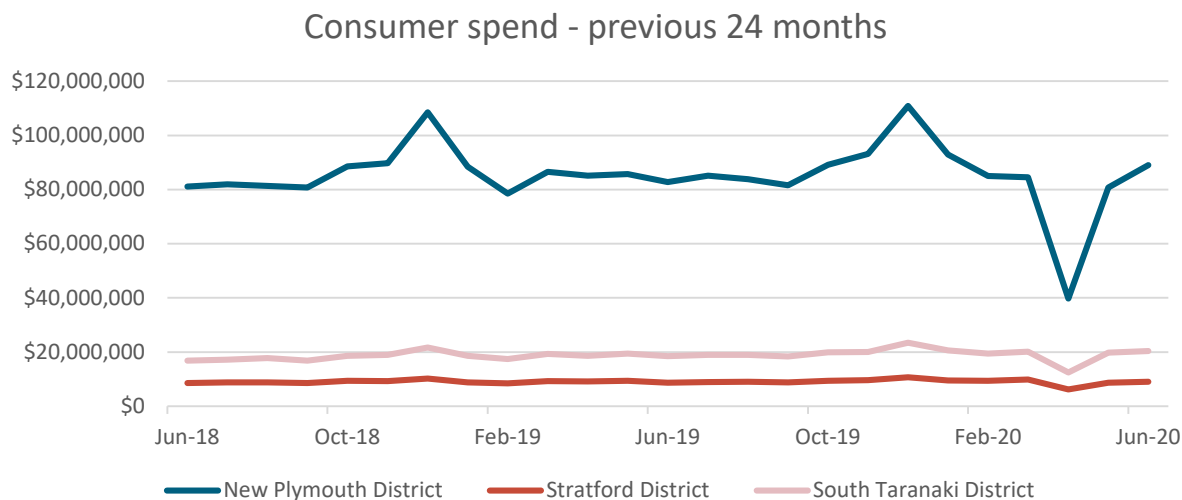
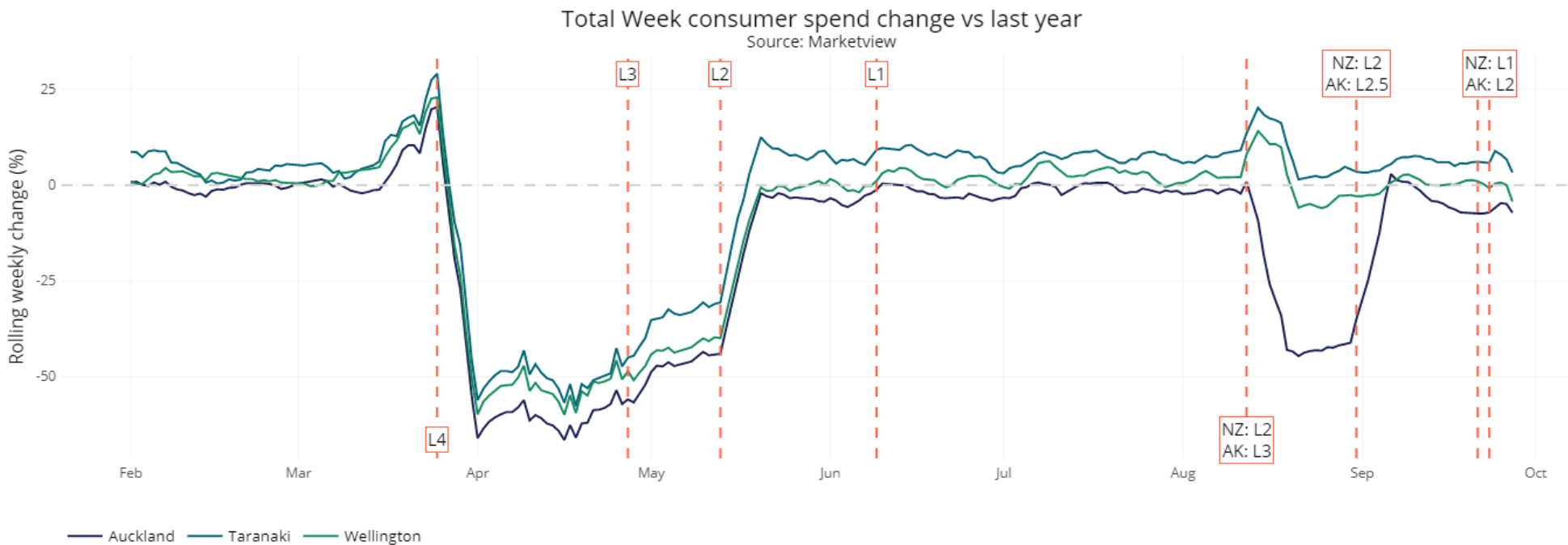
Median price percentage change - Aug 2020 vs. Aug 2019





Retail

Retail: Taranaki regional barometer



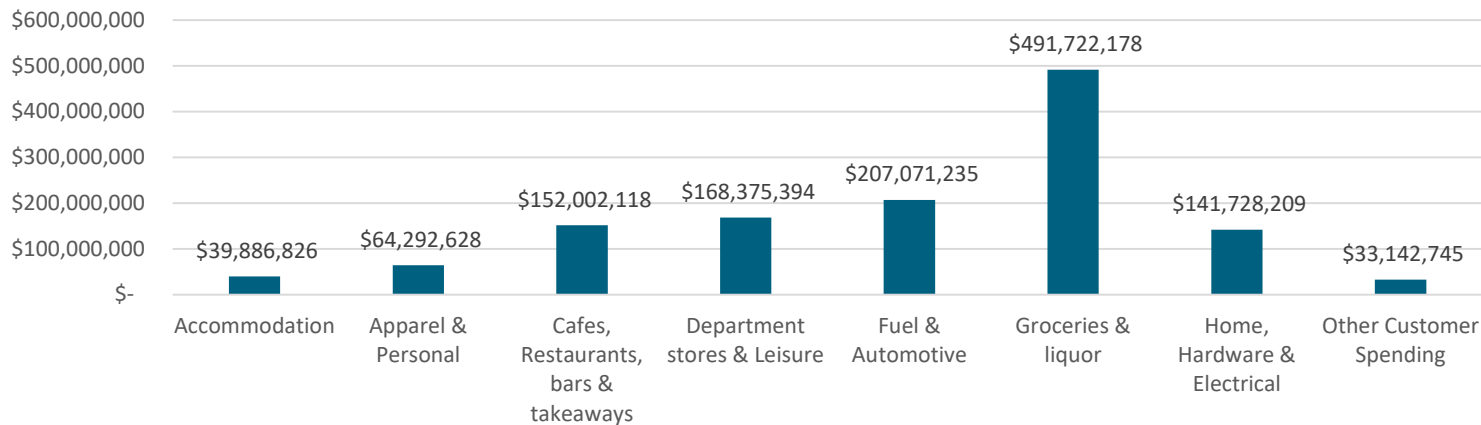
The downturn in retail spend during the first Alert Level 4 lockdown is very noticeable across New Zealand in the chart above. Taranaki had a stronger recovery once restrictions eased in June and has maintained a higher baseline than the main cities. It is also apparent in the chart the decline in activity in Auckland during the regional Alert Level 3 lockdown, and the upswing in spend over the rest of the country in early August. Taranaki continued to maintain strong consumer spending through the recent Alert Level 2 restrictions.²

Retail: Taranaki regional barometer

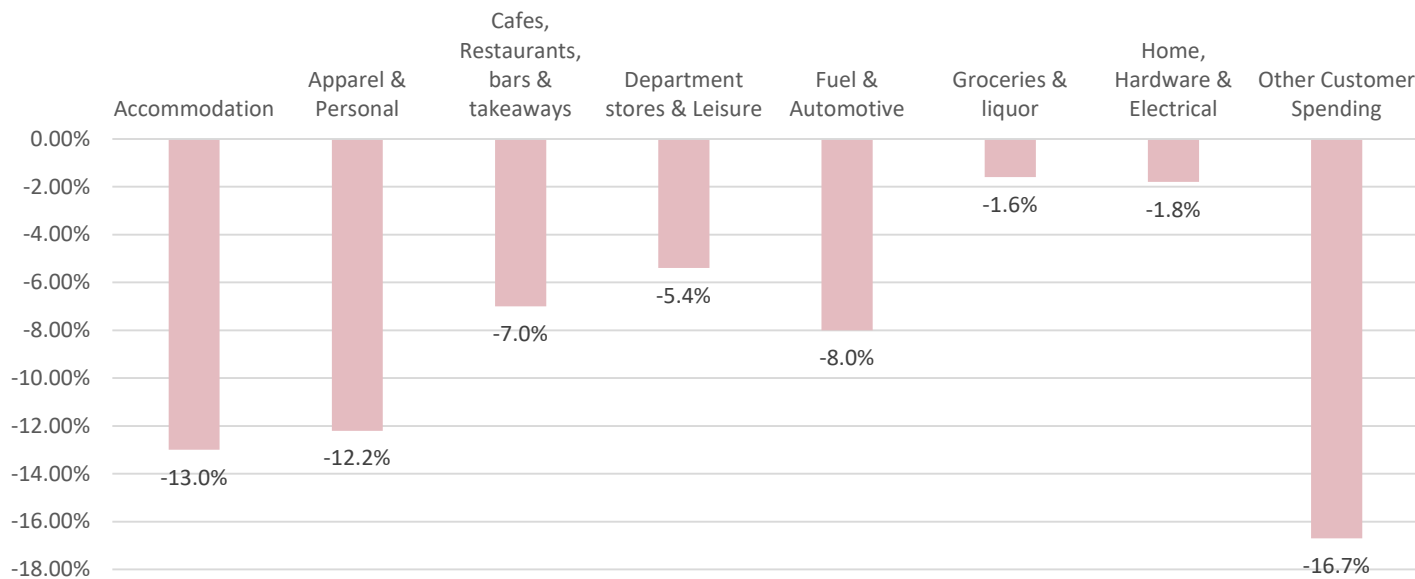
12 months ending June 2020 compared to June 2019

Total retail spend within Taranaki for the year ending June: \$1,356,480,267

Total Regional Spend YE June 2020



Percentage change in regional spend YE June 2020

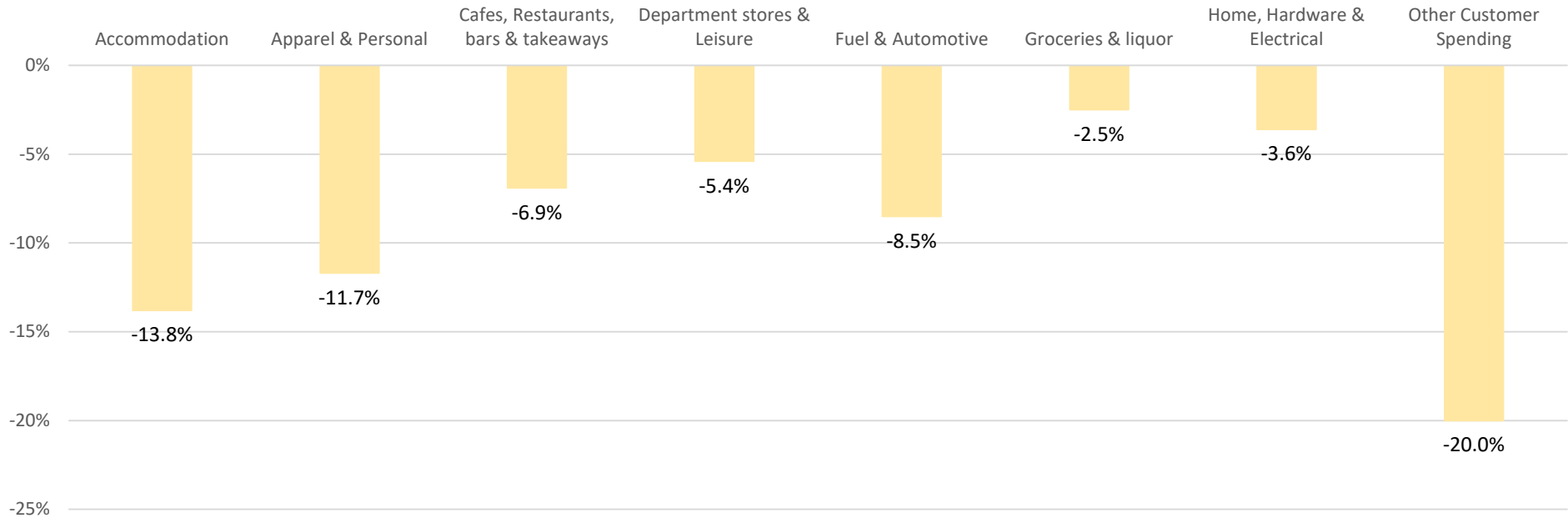


NB: total spend includes a COVID aggregation which is not reflected in the categories analysed.2

Retail: New Plymouth district barometer

12 months ending June 2020 compared to June 2019

New Plymouth district percentage change in district spend **year-ending** to June 2020



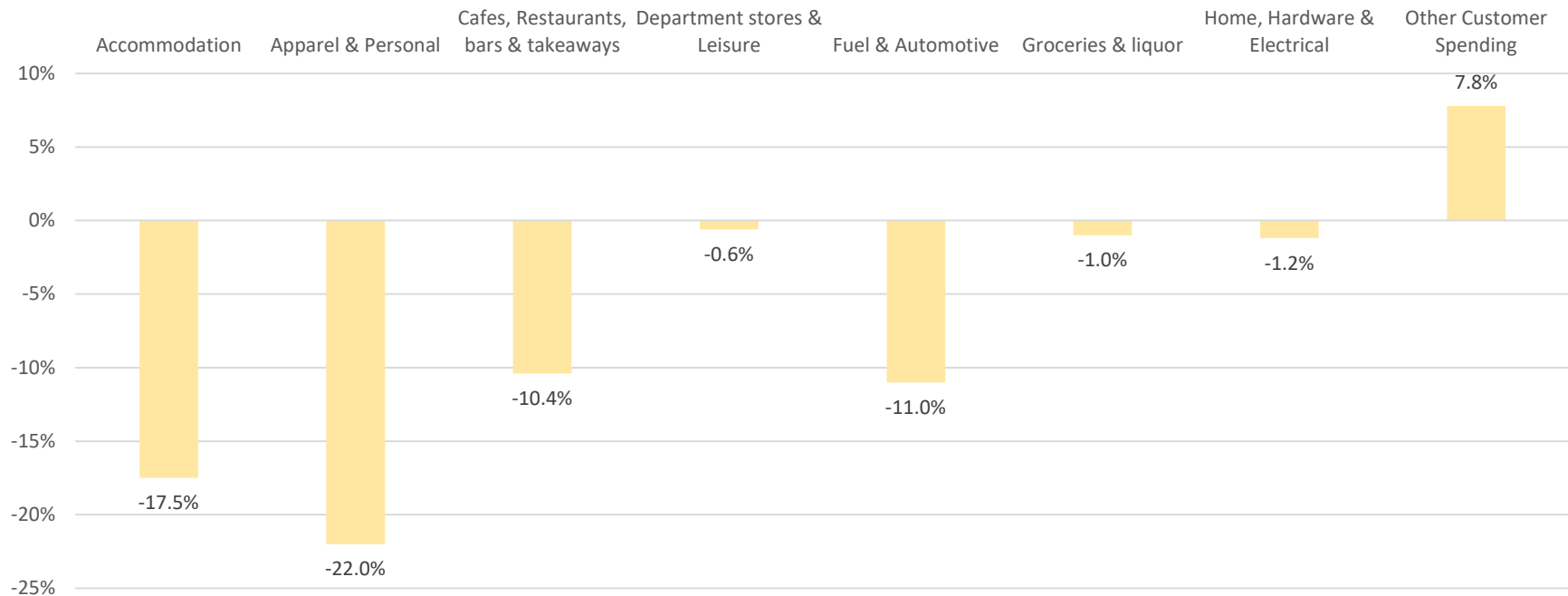
Retail spend
within district:
\$1,015,624,351

-2.2%: Change in spend
-6.1%: Change in number of transactions
4.1%: Change in average transaction value
\$44.48: Average transaction value

Retail: Stratford district barometer

12 months ending June 2020 compared to June 2019

Stratford district percentage change in spend **year-ending June 2020**



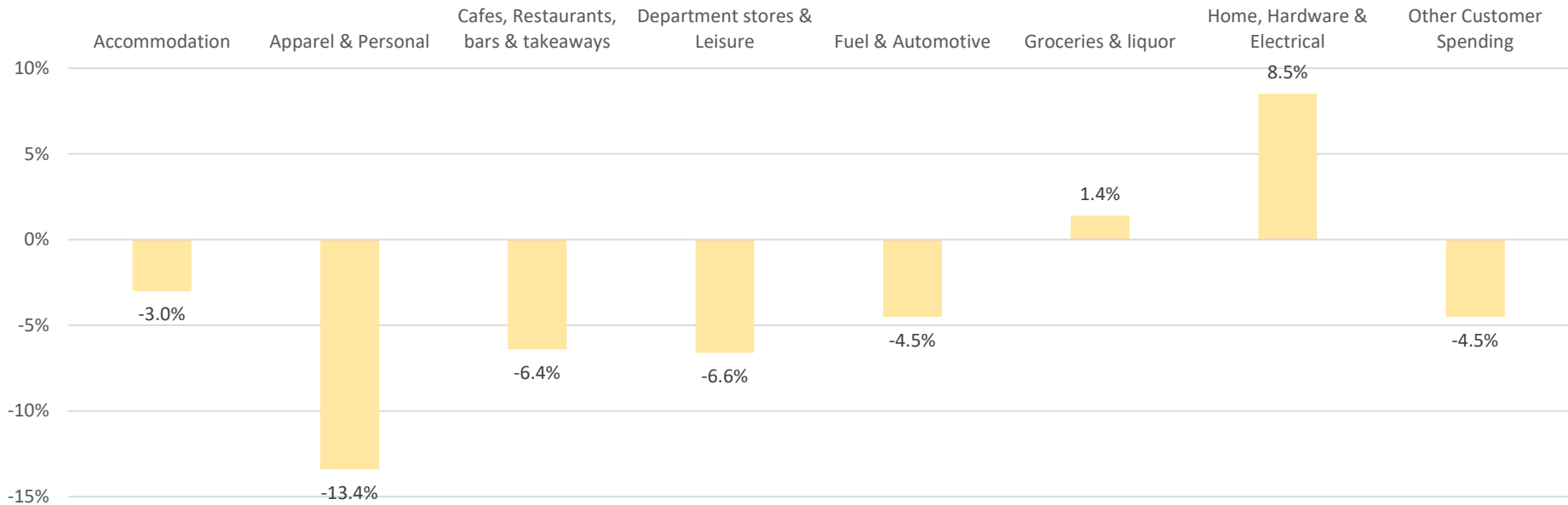
Retail spend
within district:
\$108,754,173

0.3%: Change in spend
-7.1%: Change in number of transactions
8.0%: Change in average transaction value
\$45.37: Average transaction value

Retail: South Taranaki district barometer

12 months ending June 2020 compared to June 2019

South Taranaki district percentage change in district spend **year-ending** June 2020

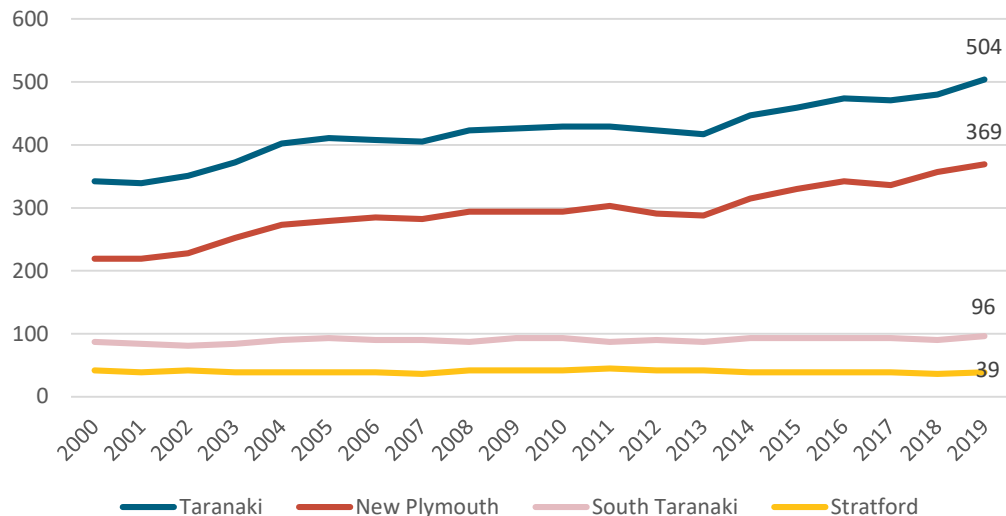


Retail spend within district:
\$232,101,744

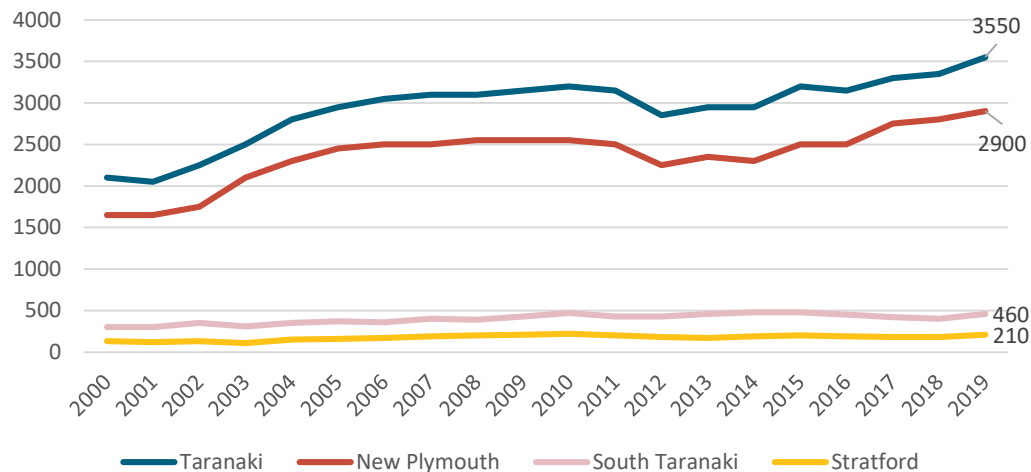
4.2%: Change in spend
-2.9%: Change in number of transactions
7.4%: Change in average transaction value
\$40.50: Average transaction value

Hospitality in Taranaki

Number of hospitality businesses in Taranaki



Number of people employed by hospitality businesses in Taranaki



Total guest nights in commercial accommodation in Taranaki during August 2020
34,700



Average nights stayed per guest in Taranaki
2.4

Accommodation and food sector businesses in Taranaki have been significantly impacted from COVID-19 restrictions. We look at the value of the sector to the region since 2000 within these charts.4



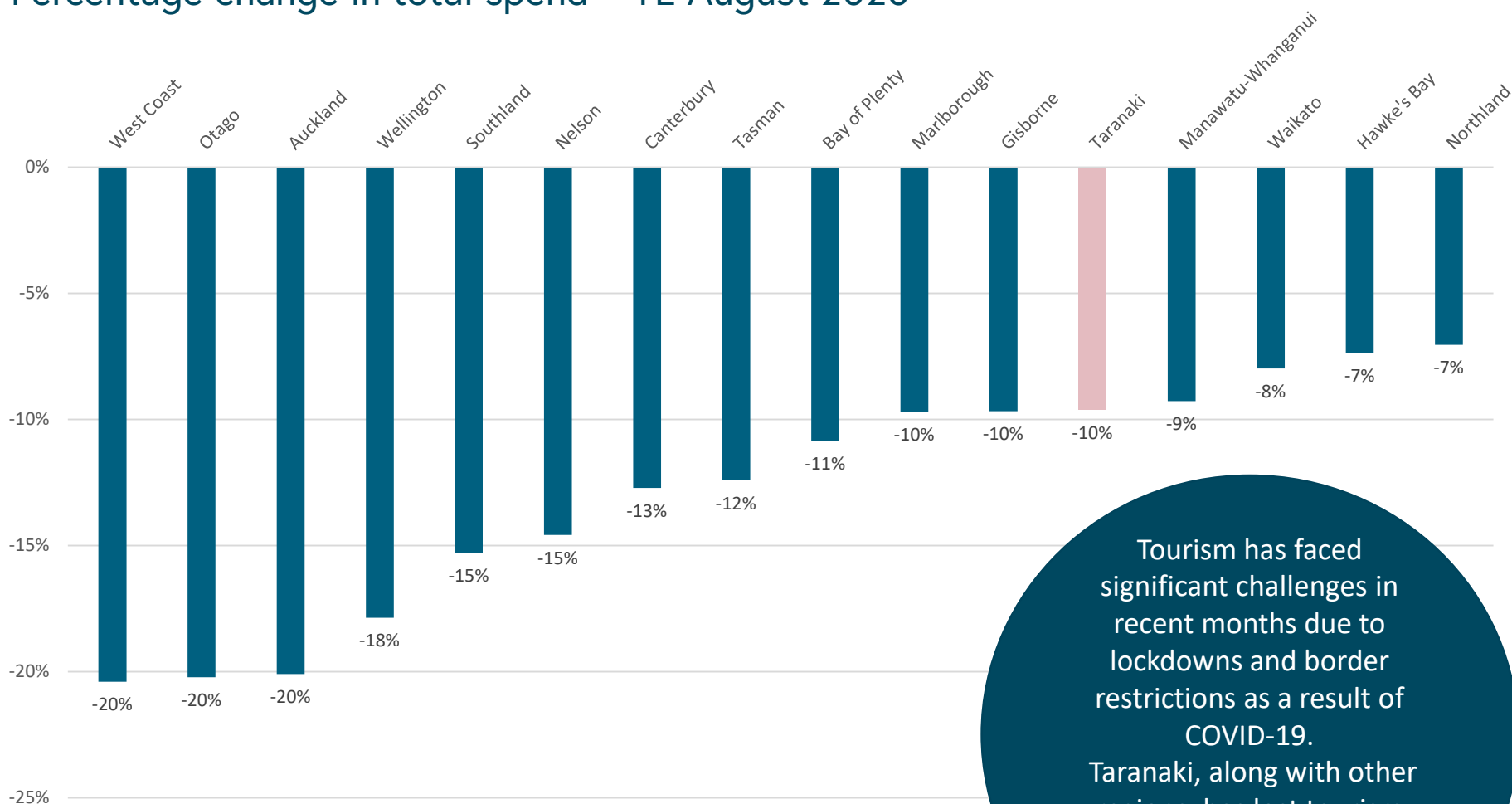
Contribution to regional GDP in 2019 **\$106.2m**
(1.1%)



Tourism

Tourism spend by region

Percentage change in total spend – YE August 2020

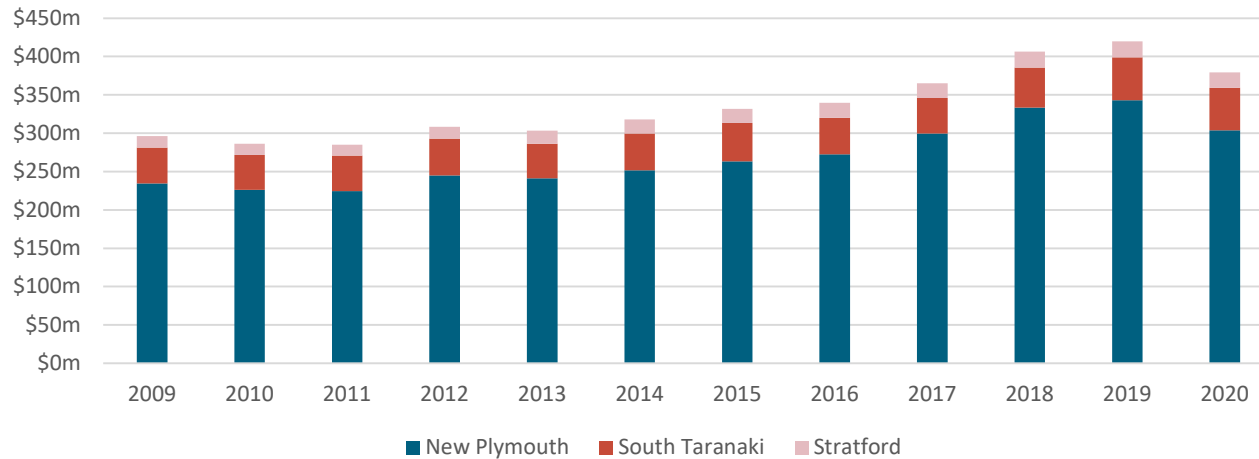


Tourism has faced significant challenges in recent months due to lockdowns and border restrictions as a result of COVID-19.

Taranaki, along with other regions, has lost tourism spend, however, has fared better than some other regions.

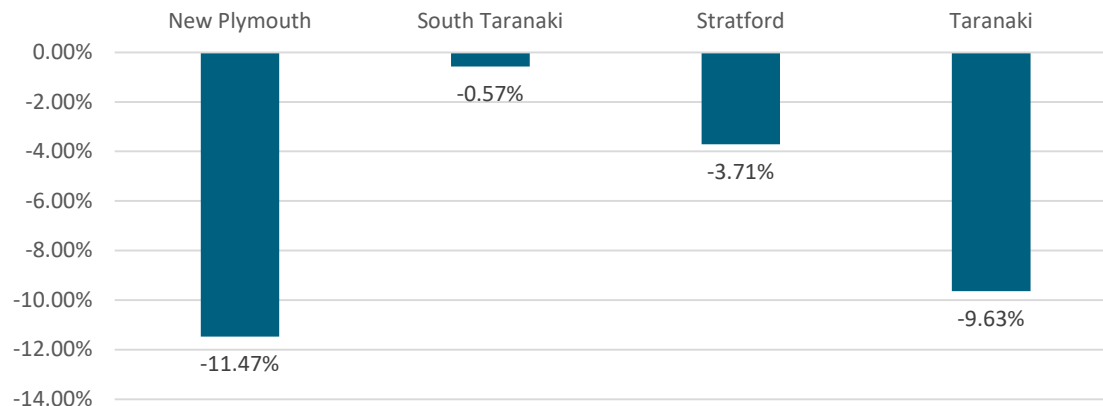
Tourism spend by district

Annual tourism spend in Taranaki – Year ending August 2020



Tourism spend within Taranaki totaled \$380m in the year ending August 2020, of which 80% came from domestic tourists

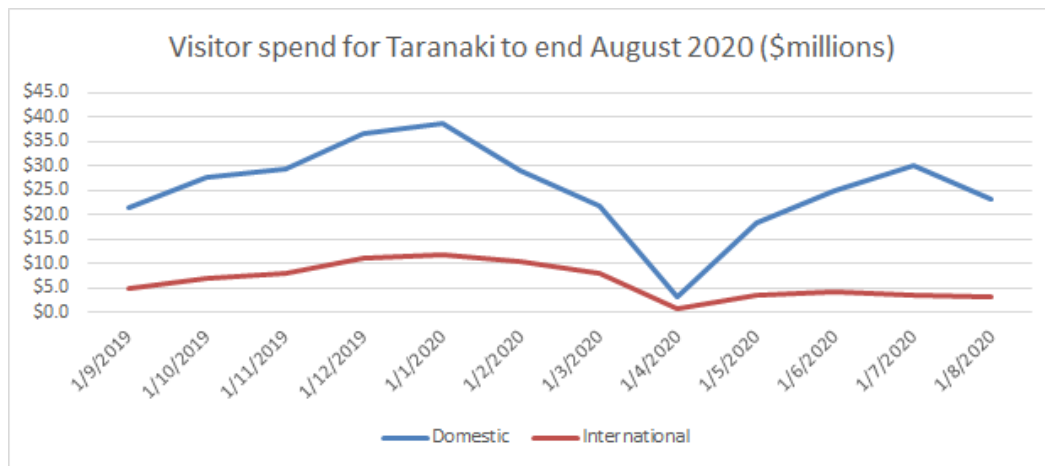
Tourism spend percentage change – Year ending August 2020



Visitor spend declined 0.57% in South Taranaki compared with 3.71% in Stratford and 11.47% in New Plymouth district over the 12-month period.

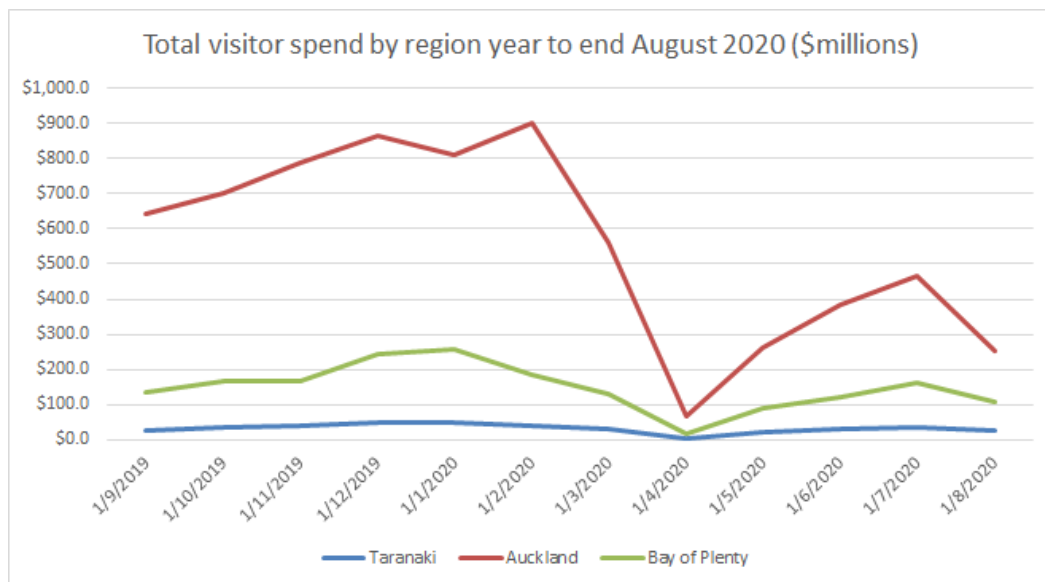
Tourism spend by product

International and domestic visitor spend – Year ending August 2020



By examining visitor spend in terms of actual dollars, it becomes apparent why Taranaki is experiencing a faster recovery from COVID-19 and is able to maintain greater resilience against the effects of the ongoing border closure. Taranaki does not rely on international tourism to the same extent as some other New Zealand regions.

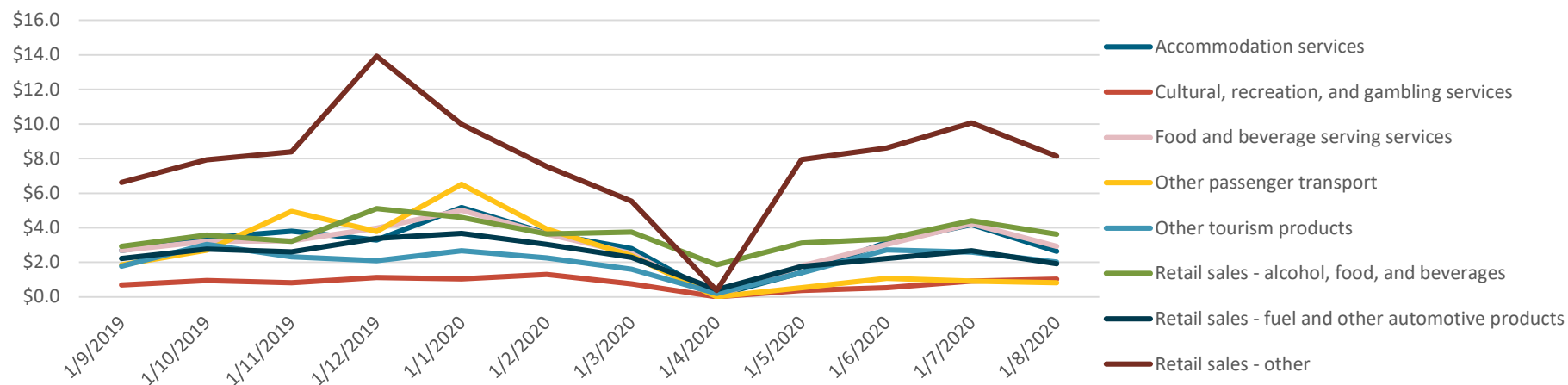
The strength of the region's baseline domestic tourism trade provides a solid template for a modest but sustainable tourism sector in Taranaki.



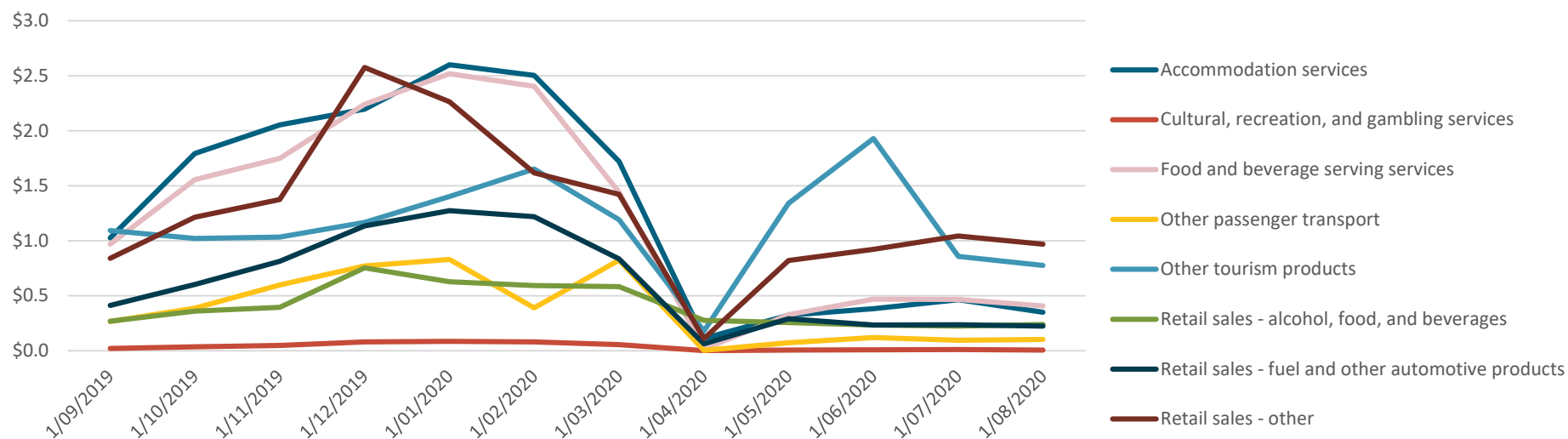
Tourism spend by product

International and domestic visitor spend – YE August 2020

Domestic visitor spend for Taranaki by product year to end August 2020 (\$millions)



International visitor spend for Taranaki by product year to end August 2020 (\$millions)



Traffic Movements

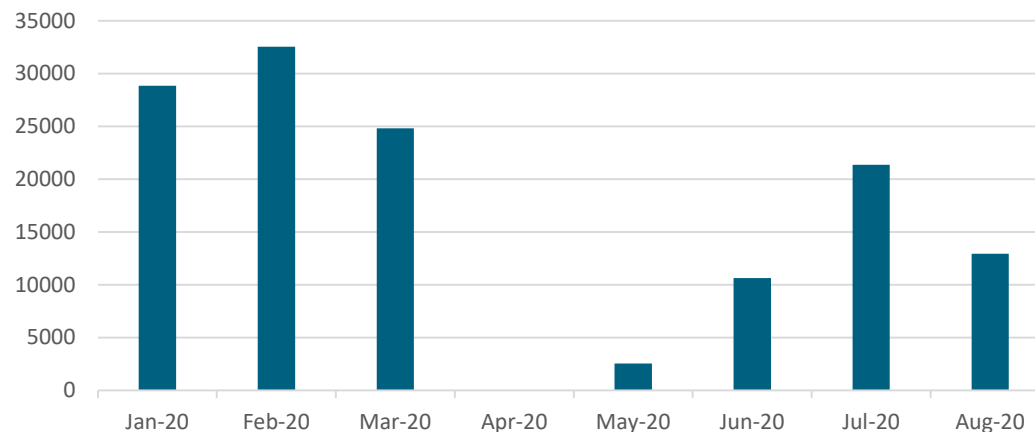


Passenger movements

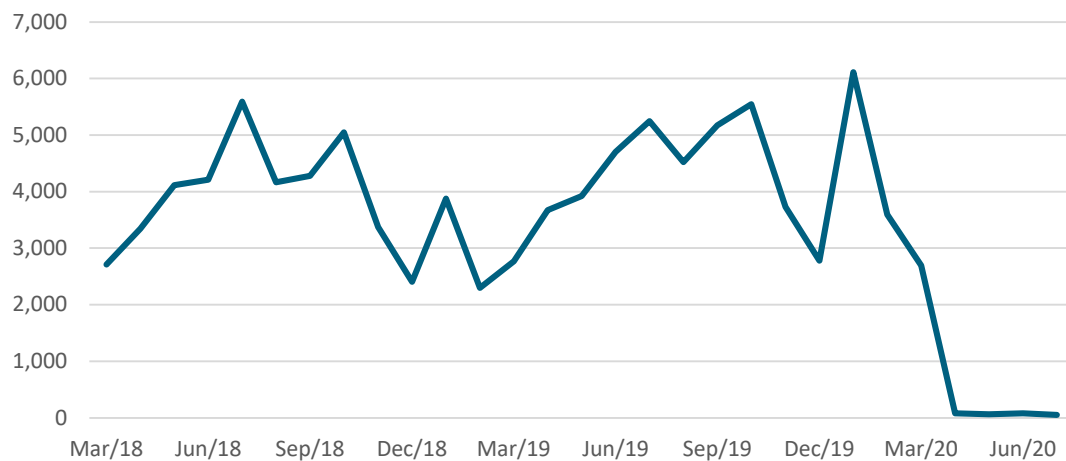
COVID-19 restrictions on movement saw a significant drop in passenger levels at New Plymouth airport. As Taranaki moved through the lower COVID-19 alert levels, higher rates of passenger movements ensued.

The New Plymouth Airport is forecasting that passenger movements will continue to climb from September onward, although still at lower levels than historically enjoyed. Total passenger movements are forecast to be near 206,000 people, with 2019 movement numbers at 448,016 people.

Monthly passenger movements through New Plymouth Airport

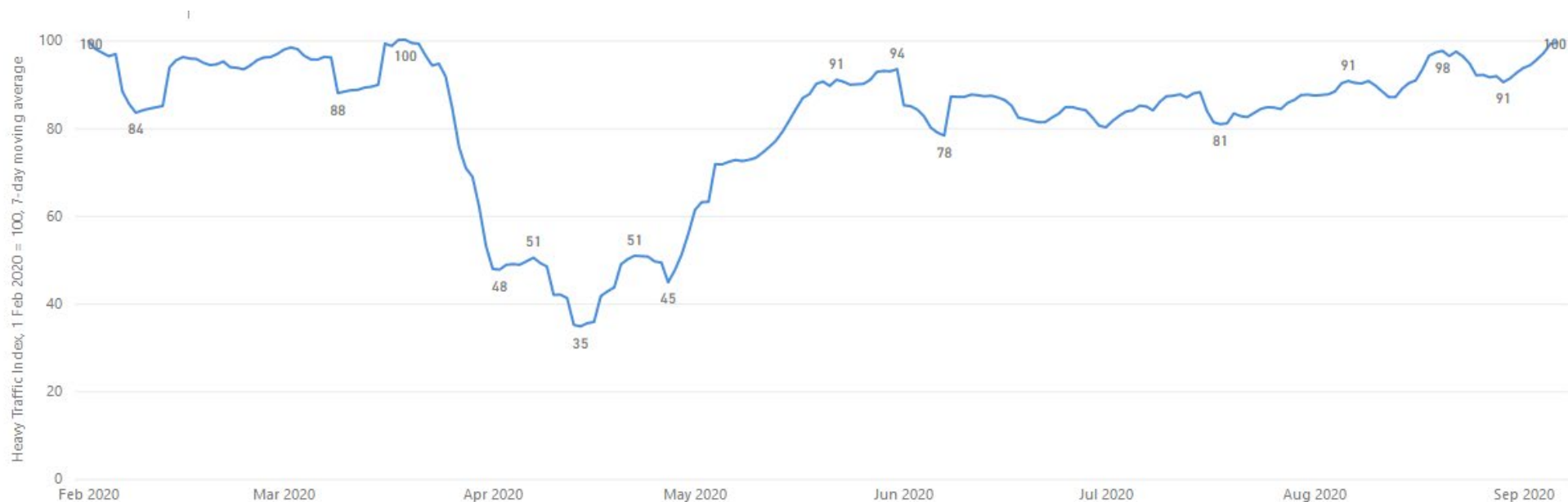


International NZ Resident arrivals to Taranaki



NZ-resident arrivals to Taranaki dropped significantly from April 2020 onward. This indicates that either residents returned in March when initially advised by the government or have chosen to remain abroad (as at July 2020).

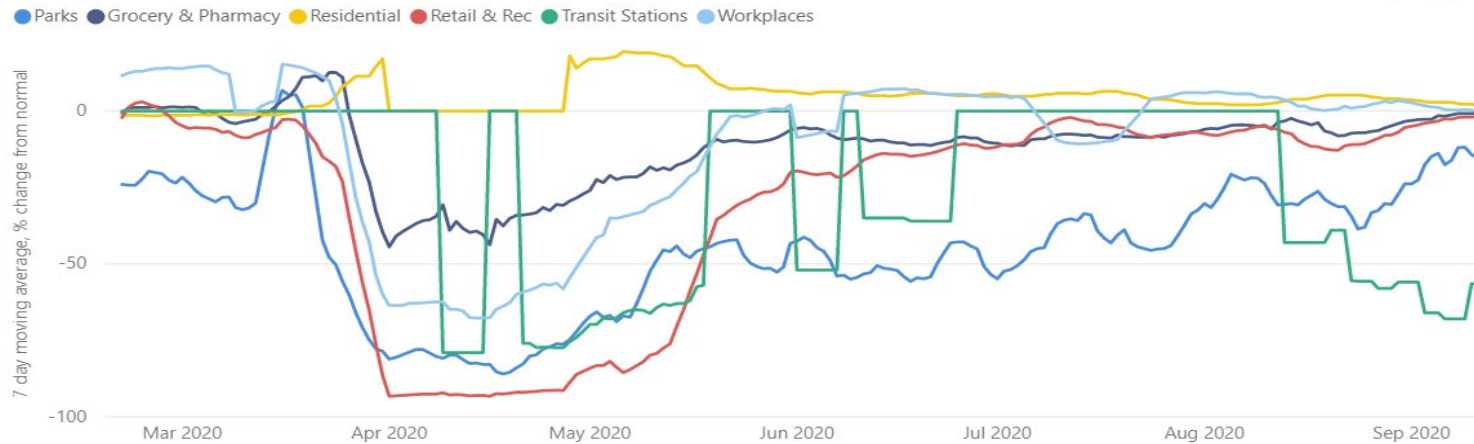
Heavy traffic flows – Taranaki region



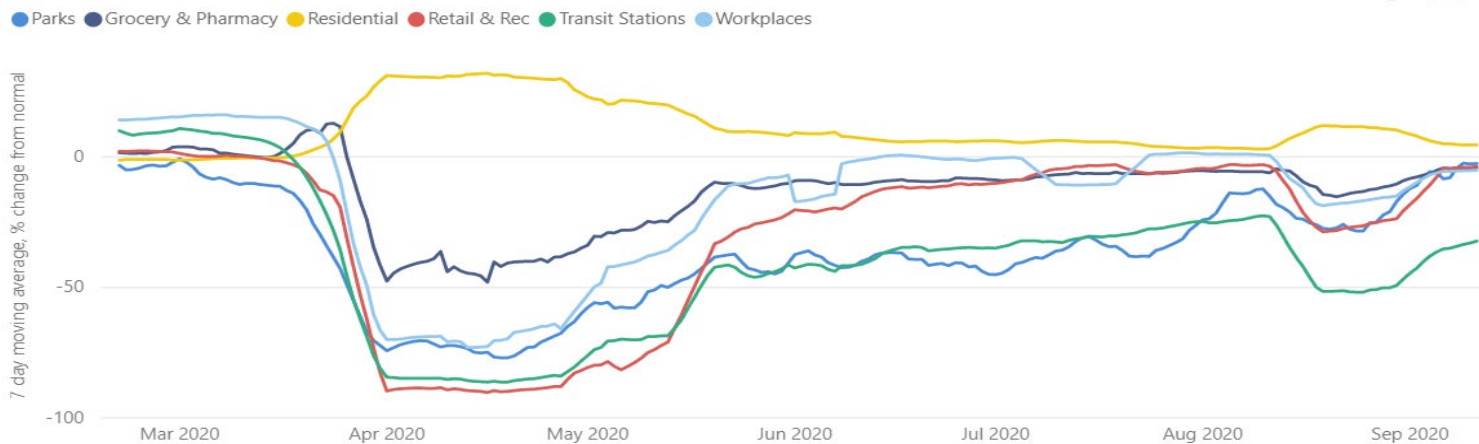
The impacts of COVID-19 on the Taranaki regional economy have also extended to transportation as seen in the reduction in truck and heavy vehicle movements to/from the region during the lockdown phase, in the chart above.

Heavy traffic flows source: NZTA and Infometrics: an index of heavy traffic flows passing monitored sites within a defined location/area, averaged over 7 days and indexed to 1 February 2020.

Google location and mobility



Taranaki



New Zealand

Changes in movement by people within Taranaki pre, during and post the key lockdown period can be viewed in the above chart with noticeably more people

staying at home and away from retail outlets and workplaces during this phase. The intensity of grocery and pharmacy movement pre-lockdown is also

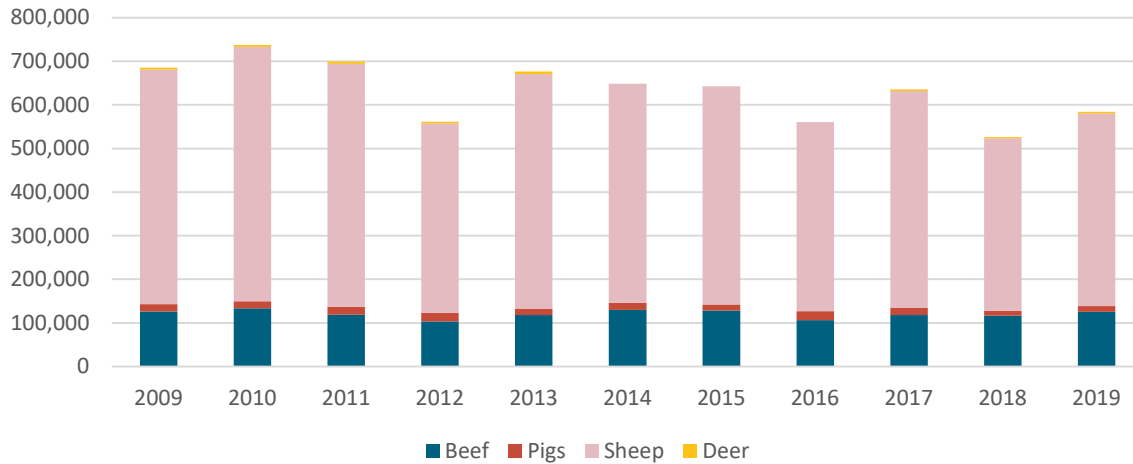
noticeable. There are gaps in the data for Taranaki, but when compared to the equivalent data for the whole of New Zealand, the trend lines are clear.³



Meat in Taranaki

Meat products and processing in Taranaki

Non-dairy livestock in Taranaki



Meat and meat product manufacturing/processing is Taranaki's second largest export (behind dairy), and accounts for 17% of regional GDP. Taranaki is home to some key red meat and poultry processing

plants. The food production and processing industries have been less affected than other sectors by COVID-19, and we consider the value that this important industry and its value chain bring to the region.⁵

Total jobs in the Taranaki meat sector in 2019 (including poultry)
3,862


Sheep in Taranaki in 2019 **0.44m**

Top 5 jobs in the meat sector by employment number:



1. Mixed crop and livestock farmer



2. Meat process worker



3. Labourer



4. Beef cattle farmer



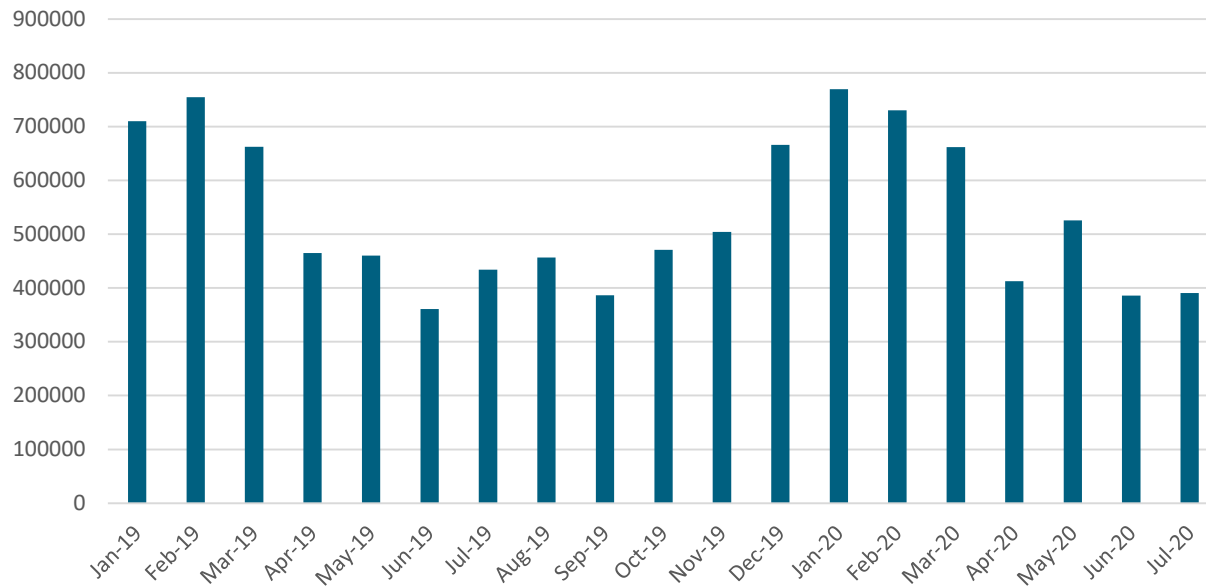
5. Mixed crop and livestock farmer

Monthly Livestock Kills

Within New Zealand and in Taranaki meat processing facilities operated as essential businesses during COVID-19 lockdown levels, although they made significant adjustments to ensure safety and protection of product and person. These are listed below as well as some of the challenges and changes they experienced:

- Labour within meat processing plants - e.g. reduced/altered due to social distancing.
- Reduction in production capacity at plants – especially as a result of the above under lockdown 4.
- Decreased demand for export – although retail demand for product within New Zealand increased.
- Increased market access complexity – given international nature of the supply chain and considerations.
- Longer lead times and some logistical challenges e.g. product transportation.

Monthly livestock kills in Taranaki



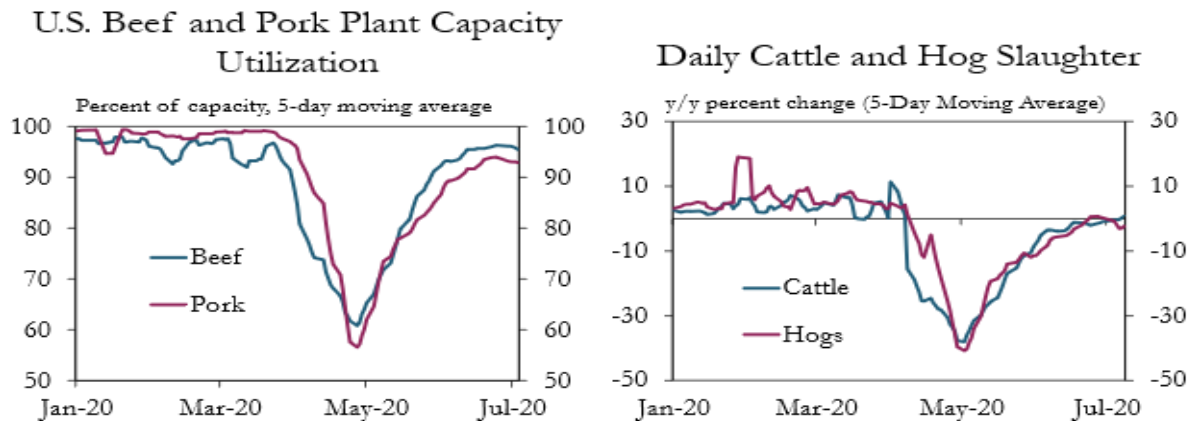
Livestock continued

The experiences of the meat processing industry in New Zealand/Taranaki compare favourably to those events which occurred in the United States, where the meat industry experienced a dramatic fall in production capacity in April and May 2020 due to COVID-19 impacts.

- Beginning in April 2020, outbreaks of COVID-19 at meatpacking plants led to significant disruptions which created issues of oversupply and low prices for livestock producers in the US.
- Plants became idled or limited in operations - daily capacity at U.S. cattle and hog facilities declined as much as 45% (Chart 1, left panel).
- Reduced capacity at meatpacking plants led to notable reductions in cattle and hog slaughter compared with previous years - by mid-May, meat production was 40% below 2019 levels (Chart 1, right panel).
- These disruptions, which temporarily reduced meat production, have led to higher prices for consumers in the US purchasing meat at grocery outlets.

Their loss has been our gain, with an increase of meat exports from New Zealand to the US, although this may well be a temporary spike.⁵

Chart 1: U.S. Beef and Pork Plant Capacity Utilization



Note: Excludes weekend operations.
Sources: USDA, National Pork Board, and KC Fed Calculations.

Looking ahead

Taranaki appears to be settling into a 'new normal', as COVID-19 continues to shift the landscape of human health and economies worldwide. New Zealand is fairing better than most, certainly on the human health front. Our outbreaks have been largely contained, and our citizens are enjoying a lot more freedom and peace of mind than those elsewhere in the world. However, we are not immune. Jobseeker numbers in Taranaki topped 5,000 in August, a 33.5% increase on August 2019. Our unemployment rate rose from 3.7% in March to 4.3% by June. Economists are suggesting that the worst is likely still to come.

Our Taranaki economy remains resilient, and this is largely due to our strong food and fibre sector, which is our biggest GDP earner and to date largely unaffected by COVID-19.

Our heavy reliance on dairy and red meat for GDP is a potential vulnerability; as a developed nation, New Zealand's reliance on the primary food sector is unusual but as we have been reminded recently, it's a safe option. Identifying what markets have done well during a time of crisis is important. Although COVID-19 has shut many doors, others have opened, it's just a matter of finding them.

The world still needs to eat, and New Zealand's food exports mean that we still have a large connection to the outside world. Revenue from these exports is putting food on the table for many families in Taranaki. Our region, with its strong dairy and red meat sectors, is well placed to take advantage of increases in global demand, as well as high-value sectors such as Mānuka honey and specialty foods.

Our citizens have answered the call to 'Go Local', and we are holding on to our share of domestic tourism. The hard-hit retail sector is regenerating income, and the spectre of boarded-up streets that loomed during lockdown seems unlikely now. Taranaki remains a great place to live, work, play, create, invest and do business. There is plenty to be grateful for.



Notes

1. COVID-19 Income Relief Payment (CIRP) - People who lose their job between 1 March 2020 and 30 October 2020 can apply for CIRP from 8 June until 13 November 2020 and receive payments for up to 12 weeks. The numbers reported are of those eligible, aged 16 years and older.
2. Retail data reflects spend by EFTPOS and credit cards in Taranaki retail outlets. Retail outlets reflect the defined categories displayed in these charts. The analysis, commissioned by Venture Taranaki, excludes cash and non-retail outlets.
3. Google location and mobility data: Location tracking data showing where people are travelling to or from, is based on Google Services Data showing the percentage change from “normal” (prior to COVID-19) based on the median value from 3 Jan 2020 to 6 Feb 2020. Data is averaged over seven days to smooth trends. Data sourced from Google. With latest data for 11 Sep 2020.
4. Hospitality businesses include accommodation, cafes and restaurants, takeaway food services, catering services, pubs, taverns, bars and clubs (hospitality).
5. Meat and meat products: Official employment data sources are typically divided by either industry or occupation but by themselves neither is satisfactory for defining the Meat and meat products sector. We have consequently used a combination of industries and occupations to define the sector. These include; sheep farming, beef cattle farming, beef cattle feedlots, sheep-beef cattle farming, grain-sheep and grain-beef farming, poultry farming, deer farming, pig farming, meat processing, poultry processing, cured meat and smallgoods manufacturing. Occupations include; beef cattle farmer, deer farmer, goat farmer, mixed livestock farmer, pig farmer, poultry farmer, sheep farmer, livestock farmer, mixed crop and livestock farmer.





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