

Welcome to the April edition of Strictly Business



Greetings all

I thought I would take this opportunity to highlight the work being done by the BrightEconomy advisory board in setting a strategic direction and vision for the future of the Rotorua economy.

That vision is the continued adding of value to the three primary areas of the Rotorua economy namely forestry, farming and tourism, with six new key areas of focus; bio materials, water, energy generation, land use optimisation, immigration/lifestyle investment and research and development.

The board is working to gain a greater understanding of these opportunities and the drivers that will see these come to fruition.

Next time someone asks you "Has the Rotorua Economy got a vision for the future?" These nine points above would be an excellent place to start.

Finally the board relies on your continued support and input so if you have any relevant key issues or opportunities please make contact with myself or the board members.

On the business front the dwelling construction market boomed in Rotorua in February 2006. Annual average growth in the number of car registrations and the volume of residential house sales recorded in Rotorua for the year ended February 2006 has slowed compared to that for the year ended January 2006 but is nevertheless very robust. Annual average growth in the APR index showed that the local economy has grown at a slightly faster rate than the national economy between the year ended January 2005 and the year ended January 2006.

Regards: **Mark Rawson** Destination Rotorua Economic Development

Development Contributions Policy proposed



There has been unprecedented growth in the city and district over the past 2 to 3 years. This growth has been in residential subdivisions and new home buildings, increases in new commercial subdivisions, expansion of existing businesses and start-up of new businesses. This has all been great for our economy and the overall wellbeing of the district. The growth is projected to continue.

I must reinforce that the policy is a draft and Council wishes to receive your submissions either in support of the policy, against the policy, or on areas that need to be altered. A copy of the policy is available on www.rdc.govt.nz at page 298 of the Draft Ten Year Plan.



With this growth comes the need to ensure infrastructure is developed to match the needs of the future. Estimated new infrastructure over the next 10 years amounts to \$217million of which \$28.5million relates to growth. In other words, these projects will have an element of backlog or renewal and capacity for future growth.



Submissions close on the 5th of May and we look forward to receiving your submission.

In order to assist with the funding of this growth, Council has developed a draft Development Contributions Policy. The draft policy provides the mechanisms for assessing development contribution charges, the time of payment, levels of service, funding models, remissions, etc.

Should you require any further explanations on the policy, please do not hesitate to contact :

This approach to funding growth is a conventional approach used by many local authorities including Taupo, Tauranga, Western Bay, and Whakatane of the Bay of Plenty.

Nico Claassen, District Engineer or Peter Guerin Chief Executive Officer

e-mail: info@rdc.govt.nz

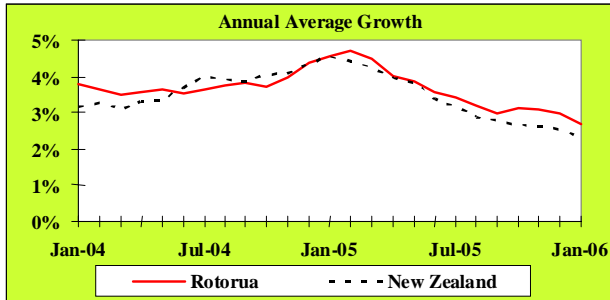
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Local Monitor

Economic Growth



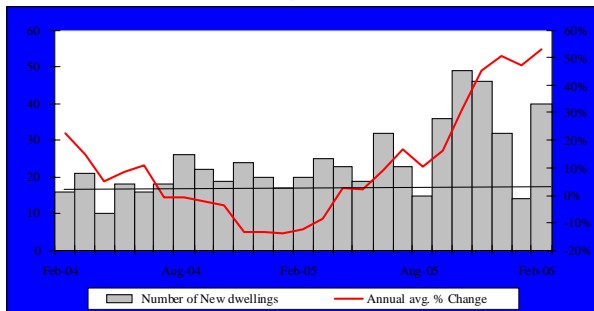
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in the index showed that the local economy has grown at a slightly faster rate than the national economy between the year ended January 2005 and the year ended January 2006.

Key Indicator Trends

This section of "Strictly Business" examines trends in key indicators of Rotorua's economic activity.

Building Consents

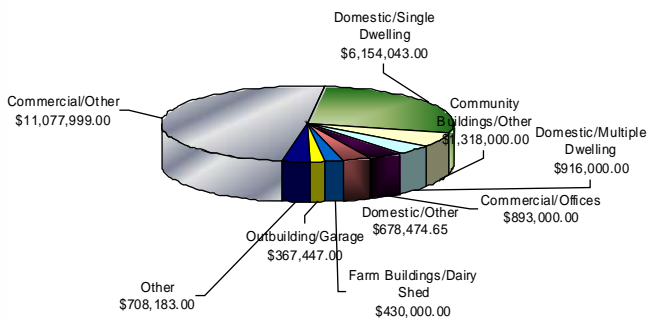


Source: Rotorua District Council

There were 40 consents issued for new dwellings during the month, worth around \$7.2 million. This was the third time over the past five months that the number of consents issued exceeded 40. The annual average growth rate in the number of new building consents issued in Rotorua was 53.3% for the year to February 2006.

Value of Building Consents Passed

March 2006

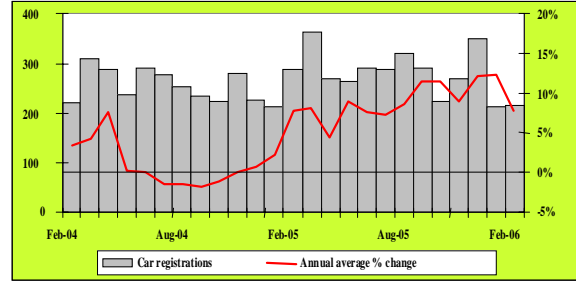


Source: Application Status Report, Rotorua District Council

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Local Monitor

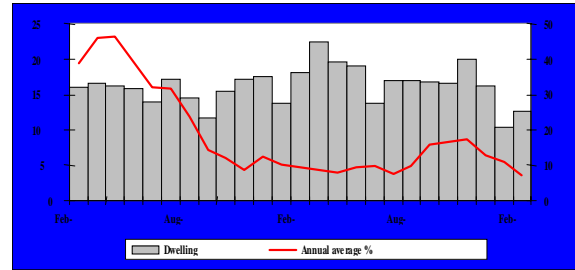
Car Registrations



Source: Land Transport Safety Authority

Around 216 cars (including both new and ex-overseas car types) were registered during February 2006, only marginally above the 212 recorded in January 2006, but below the 286 recorded in February 2006. The annual average growth rate in the number of cars registered in Rotorua has fallen from 12.4% for the year ended January 2006 to 7.8% for the year ended February 2006.

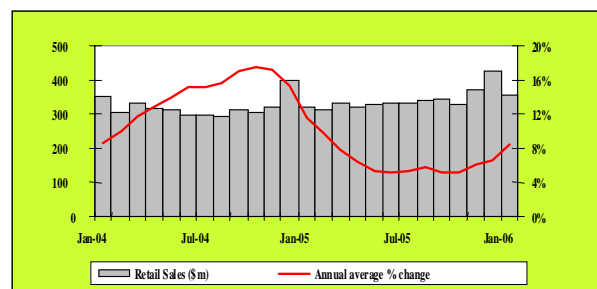
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

There were 127 residential properties sold during February 2006 in Rotorua. This number was up by 22 on the number sold in January 2006, but down by 54 compared to number sold in February 2005. The median house sale price in Rotorua in February 2006 was \$206,000. The annual average growth rate in residential house sales in Rotorua has fallen from 11.1% for the year ended January 2006 to 7.0% for the year ended February 2006.

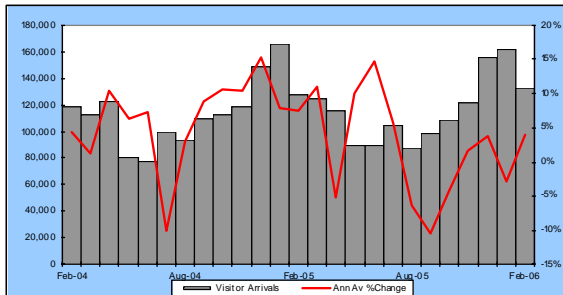
Retail Sales



Source: Statistics New Zealand

Following a boom in December 2005, retail sales levelled off in Bay of Plenty region in January 2006. Bay of Plenty retail sales were valued at \$320 million in January 2005 and \$357.4 million in January 2006. The annual average growth rate in the value of retail sales in Bay of Plenty region was 8.4% for the year ended January 2006.

Rotorua Visitor Arrivals



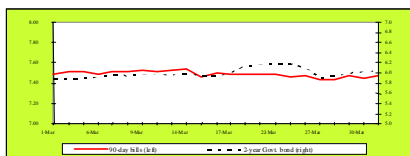
Source: Statistics New Zealand – Commercial Accommodation Monitor, and APR Consultants – Rotorua Private Accommodation Monitor

There were 132,669 overnight visitor arrivals to Rotorua's commercial and private accommodation during the month of February 2006 – an increase of 5,181 visitors or 4.1% over February 2005. On average they each stayed 2.4 nights for a collective 320,052 nights. For the year ending February 2006 there were 3,340,714 visitor nights spent in Rotorua a 0.8% increase over the previous year.

Full report available at:
http://www.rotoruaNZ.com/information/research_statistics/rotorua-

National Monitor

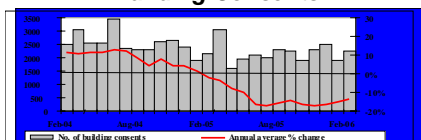
Interest Rates



Source: Reserve Bank of New Zealand

The wholesale interest rate market started to wane in March, suggesting that the Reserve Bank of New Zealand (RBNZ) may cut the Official Cash Rate (OCR) as early as mid 2006. At the end of March 90-day bill rates stood at 7.47%.

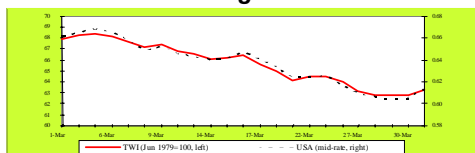
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

The national dwelling construction industry improved in February 2006. The annual average growth rate in the number of new building consents issued in New Zealand was -13.6% for the year to February 2006.

Exchange Rates

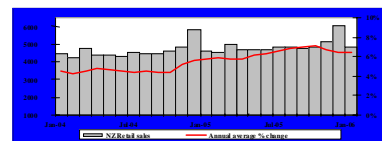


Source: Reserve Bank of New Zealand

New Zealand's currency sharply depreciated in March 2006. This was in line with market expectations that took into account the dismal December quarter GDP growth statistics and the huge current account deficit.

National Monitor

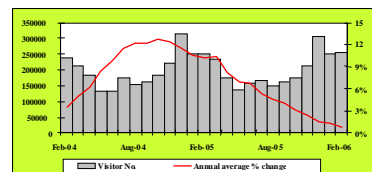
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

Growth in the value of retail sales has slowed. The monthly value of sales totalled \$4,849.8 million in January 2006, down from a high of \$6,059.8 million recorded in December 2005. Comparatively, the value of national retail sales in January 2005 was \$4,624.8 million. The annual average growth rate in the value of national retail sales was 6.4% for the year to January 2006.

International Arrivals



Source: Statistics New Zealand

A total of 252,431 overseas visitors entered New Zealand during February 2006. This number was slightly above the 250,554 visitor arrivals recorded a month earlier and the 250,070 arrivals recorded in February 2005. The annual average growth rate in the number of international visitor arrivals to New Zealand was 0.9%. This result was the combination of increases in the number of Australian arrivals and a decrease in the number of short-term Asian visitors.

Summary

Recent developments in the New Zealand economy are a worsening of the current account deficit, an easing in the labour market, and the depreciation of the Kiwi dollar.

According to the National Bank's (NB) monthly business confidence survey, the majority of firms were pessimistic about the economy's outlook for the 12 months ahead. For March 2006 business confidence remained subdued, with a net 51% of firms expecting general business conditions to deteriorate in 12 months time. While this result was an improvement from a net 62% of firms who took a gloomy view in the NB's February survey, pessimism was widespread. Farmers were the most pessimistic, with a net 74% expecting business conditions to worsen. A net 53% of manufacturers expected that general business conditions will have deteriorated in 12 months time. A net 51% of retailers were pessimistic about conditions ahead while the construction sector was the least pessimistic group with a net 36% of firms possessing a negative opinion.

Firms outlook about their own business was less negative in the latest NB survey. A net 5% of firms expected to increase their own business activity over the next 12 months. This figure was up from a net 4.4% who took a contrary viewpoint in the previous NB confidence survey.

The Westpac McDermott confidence survey revealed that consumer confidence has fallen over the past quarter. The Confidence Index fell from 110.1 in the December quarter to 109 in the first quarter of 2006 (>100 indicates more optimists than pessimists).

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Fresh Cut Flowers USA

A multi-tiered company selling to mass market, wholesale florist, and traditional retail florist. Based in Colorado with distribution centers in Miami, Florida and southern California. From the Miami and California centers they primarily distribute to other wholesalers via truck or air transportation.

Radiata Pine wanted by a furniture component manufacturer

This Chinese company is currently importing timber from Russia and Malaysia but the quality is not always of a good enough standard. They are interested in finding a supplier of Radiata Pine from New Zealand. REF 34051

Natural and Organic products to Canada

An ex-Pat Kiwi has started a wellness centre in Canada. As well as the centre they have a retail shop and a food outlet. They are seeking native plant or Maori medicinal herbal products, no chemicals, eco friendly etc. Also seeking earth based jewellery- paua, stone etc. They might be a smallish importer and not certain they are large enough to be a distributor but they could be a great starting point or additional retail outlet. REF 34050

Food and Beverage franchises for India

The New Zealand Trade Centre have had many dealing with this company in India who have asked them to source food and beverage franchise opportunities. With the middle class growing in India demand is increasing for slightly more expensive consumer products and own your own business opportunities. Examples of interest were coffee houses, ice cream etc.

opportunities in China

1. A garment processing company wanting to import baby lamb skins from New Zealand (white), any size.
2. A company is wanting to import bark and mulch, used for the protection of plant bases and roots to stop weeds from growing.

Chris Heywood
e-mail: chris.heywood@rdc.govt.nz
Tel 07 348 4199
Fax 3500182



One of the core concepts of the Chamber of Commerce is the encouragement of members to do business with members. Towards achieving this outcome, the Chamber organises regular networking sessions called BA5s.

These popular events are held twice a month and are hosted by a member of the Chamber with complimentary beverages and finger food provided. They commence at 5.30 pm and normally last for two hours, most of the time allocated to networking and interaction between the members. Each host gives a 15 minute presentation on aspects of their business that they consider are of interest to other members.

Attendance at these events varies but is normally between 80 to 100 members, a great opportunity to get to know other members of the Chamber and do a little business in the process.

Phone: 07 349 8365
Fax: 07 349 1388
Email: Info@RotChamber.co.nz
web www.RotChamber.co.nz
Address: The Business Hub
1209 Hinemaru St.

Rotorua



Export New Zealand BOP

Rotorua Innovation Seminar:
Thursday, 11th May 2006

Presented by Nigel Banks
Including case study from Bluelab Ltd.

DON'T MISS THIS EVENT!

Nigel will communicate and explore a framework for understanding how innovation works within businesses and outline key factors that determine levels of success of innovation initiatives. Using the analogy of product supply chains he will discuss issues that constrain levels of innovation within businesses and consider how they can be overcome. Participants will take away a checklist with which they can identify ways to strengthen innovation culture within their own businesses.

For more information, please visit our web site:
<http://www.exportbop.org.nz/events.html>

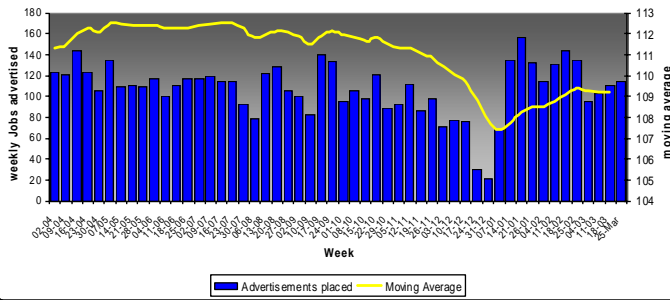
or to register for this event, please e-mail:
bop@exportnewzealand.org.nz please enter **Rotorua: Innovation 11 May** in the subject line

or contact
Joanne Buxton
Ph: 07 571 0600 Fax: 07 577 0364
Email: bop@exportnewzealand.org.nz



Employment Advertisements

Jobs Advertised



Source: Economic Development monitoring of Saturday Daily Post

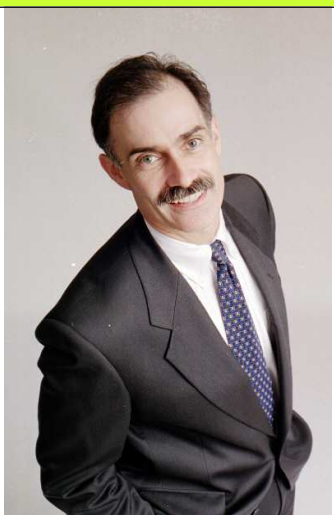
From these figures one can see that the number of jobs advertised has flattened off at generally lower levels than last year. This is attributed to a lower demand for jobs on the lower end of the scale there still is a shortage of skilled workers in spite of this trend. The agricultural sector is still the top sector followed by retail accommodation and health.

	Mar-05	Mar-06	12 mth06
Agriculture	23	20	15
Retail	15	12	14
Accommodation	16	14	13
Health	7	15	12
Other	58	45	56
Total	119	106	110

Average jobs advertised weekly in the Saturday Daily Post

Business Swap
Rotorua Business SWAP
 Big Breakfast- Morgan McArthur

Rotorua Chamber of Commerce
 BUSINESS Awards Entries
 ROTORUA CHAMBER OF COMMERCE
 Business Vitality



Morgan McArthur

'Chicken Wire.'

It's about achieving reward through risk.

It's about Vitamin C as the super supplement to success.

It's about meeting the world's finest teacher.

"I'm an American Import, moved to New Zealand from the cowboy culture of the American West ten years ago. I'm the R&D veterinarian with New Zealand's most exciting animal remedies company, a Kiwi success story called Ancare NZ Ltd. Morgan captures ordinary events and gives them extraordinary meaning. He possesses a talent for weaving stories and creating presentations that are truly unforgettable. He did it alone. That is, his approach to public speaking is...unconventional, inimitable, and unforgettable. He'll ask you to ask yourself: "What's the worst that can happen? They'll remember you?!"

We'll have some fun and your group will go away with some things to think about."

Wednesday
 10th May 7am - 9am Matariki Room
 Famous Novotel Breakfast - HOT
 \$20 members - \$30 non members
 Enquiries: Raewyn
 telephone: 07 348 0234
Registration@businessswap.biz

Entries are now invited for the 2006 Westpac Rotorua Business Awards as the search begins to find Rotorua's top business.

The Chamber has already received interest from business operators to compete for the various categories. "I believe that interest is at an all time high," according to Roger Gordon, CEO of the Chamber of Commerce." Recognition of excellence as reflected in selection as a finalist has now become something an organisation strives for. It is great to see many of the winners and finalists featuring with pride their achievements on their marketing material."

Entrants and finalists have consistently commented that participating in the awards preparation and judging process has had considerable benefit for their organisation. Reviewing business methods and systems to put together the entry and the subsequent feedback from the judges have prompted positive changes.

"The recognition of employees by nominating them for an excellence award is a great way to reward staff who make an outstanding contribution to your organisation," says Roger Gordon. "It adds a personal dimension to these awards and acknowledges the tremendous value of a company's most important asset."

The Chamber encourages all Rotorua businesses to consider entering the awards. "This annual celebration of excellence represents a great opportunity for your business" said Roger Gordon. Entry is open to any business or organisation. Last year, a new category, the Newstalk ZB Community Organisation Business Award, attracted the largest number of entries. The closing date for the Award entries for 2006 is Friday 07 July.

Phone: 07 349 8365
 Fax: 07 349 1388
 Email: Info@RotChamber.co.nz
 web www.RotChamber.co.nz
 Address: The Business Hub
 1209 Hinemaru St.
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Rick Dunn

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E-mail: rick.dunn@rdc.govt.nz



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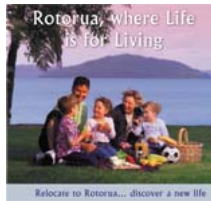
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Tel 348 4199 Ext 8055 or e-mail info@rotorua-business.com

Rotorua Events Calendar

Swap BIG Breakfast

Wednesday

10th May 7am - 9am Matariki Room
Famous Novotel Breakfast - HOT
\$20 members - \$30 non members

Enquiries: Raewyn
telephone: 07 348 0234
Registration@businessswap.biz



BA5 - The 'Great' Way To Network

Venue: Wairiki Institute of Technology
Tuesday 2nd May
Time: 17:30 - 19:30

Venue: St Chad's Comm. Centre
BA5 - Tuesday 16th May
Time: 17:30 - 19:30

Venue: Davy's Burton
BA5 - Tuesday 30th May
Time: 17:30 - 19:30

Venue: PhotoArts
BA5 - Tuesday 13th June
Time: 17:30 - 19:30

Email: Info@RotChamber.co.nz

Web: www.RotChamber.co.nz

Address: The Business Hub
1209 Hinemaru St.
Rotorua

R O T O R U A
CHAMBER OF COMMERCE
Business Vitality

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Business Vitality

Export New Zealand

Rotorua Innovation Seminar:
Thursday, 11th May 2006

Contact: Joanne Buxton Executive Officer
Export New Zealand, Bay of Plenty
PO Box 13 202, Tauranga
Ph: 07 571 0600 Fax: 07 577 0364
Email: bop@exportnewzealand.org.nz
www.exportbop.org.nz
www.exportnewzealand.org.nz



Feedback

If you have anything to contribute please let us have your news, views or stories, as well as any business events you have coming up by contacting us:

Chris Heywood (Destination Rotorua Economic Development Project Officer)
Tel (+64) 7 348 4199
Fax (+64) 7 350 0182
E-mail: Chris.Heywood@rdc.govt.nz

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Supplementary Building Information

ROTORUA March 2006

Type of Consent	Value of Consents	Number of Consents
Commercial/Retail Shop	\$28,000.00	1
Commercial/Offices	\$893,000.00	3
Commercial/Supermarket	\$1,000.00	1
Commercial/P & D	\$3,500.00	1
Commercial/Other	\$11,077,999.00	6
Community Buildings/Sports Facility	\$10,000.00	1
Community Buildings/Other	\$1,318,000.00	2
Domestic/Single Dwelling	\$6,154,043.00	21
Domestic/Multiple Dwelling	\$916,000.00	2
Domestic/Other Structure	\$20,600.00	4
Domestic/Other	\$678,474.65	25
Domestic/Re-site	\$119,000.00	4
Domestic/Conservatory	\$16,500.00	1
Domestic/Demolition	\$1,000.00	1
Education/School	\$14,450.00	1
Education/Other	\$13,001.00	2
Farm Buildings/Dairy Shed	\$430,000.00	1
Farm Buildings/Hay Barn	\$5,000.00	1
Farm Buildings/Other	\$57,000.00	2
Industrial/Wood Processing	\$1,000.00	1
Industrial/Other	\$160,000.00	2
Minor Work/Heater	\$123,939.00	45
Minor Work/Plumbing	\$11,393.00	3
Minor Work/Other	\$24,600.00	7
Outbuilding/Garage	\$367,447.00	31
Outbuilding/Carport	\$18,200.00	5
Outbuilding/Other	\$80,000.00	3
Total	\$22,543,146.65	177

SOURCE: Application Status Report, 01 March 2006 to 31 March 2006, Rotorua District Council.