

Welcome to the August edition of Strictly Business

Greetings all; well things are really bubbling along for our unit currently with the announcement of the new BrightEconomy Advisory board, the development of the Nanjing Rotorua town project and the New Zealand opportunities Expo to be held in London in early October. Can I just take this chance to thank you all for your support of the various projects?

On the business front, in contrast to the low activity nationwide, Rotorua's residential building sector remained strong in June 2005. The residential real estate market ebbed down in Rotorua in June 2005, following a boom over the past few months. Nevertheless, the annual average growth rate in the volume of residential real estate sales was a strong 9.7% for the year to June 2005. The retail sales market improved in the Bay of Plenty region in May 2005. The annual average growth rate in the number of visitor arrivals to Rotorua was steady at 1.8% for the year to May 2005. Overall the Rotorua economy has operated at a slightly higher level of business activity than the national economy for the year to May 2005.



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

BrightEconomy advisory board members announced

Rotorua has a new economic advisory board to assist in driving future economic growth and to oversee implementation of the district's recently developed economic development strategy known as the 'BrightEconomy' project.



Mayor Kevin Winters recently announced the names of the members appointed to the inaugural 'BrightEconomy' advisory board, including recently appointed board chair, Bryce Heard.

"This is a very impressive group of people by anyone's standards," said Mayor Winters speaking on behalf of the appointment panel that considered

all the nominations submitted. "It has been a tough job to whittle down all the names we had, to just eleven people in all. However we now have a group which represents an enormous breadth of experience and skills, and a wide cross-section of backgrounds and interests. "Despite those varied backgrounds, they certainly have one key element in common – an absolute belief in the future of Rotorua as a great place to live, work, invest and do business. The Rotorua District Council, and indeed the people of Rotorua, are indebted to these eleven people for being prepared to put their hands up to play a vital part in ensuring Rotorua's has a sound economic future."



(L-R) Bryce Heard –Chairman, Ray Cook, Sandra Kai Fong, Lachlan MacKenzie, Lidi Schiefelbusch, Michelle Rendall, Neville Nicholson, Dr Margriet Theron, Tupara Morrison, Mayor Kevin Winters
 Kneeling in front Left CEO RDC Peter Guerin Right Mark Rawson G.M. Destination Rotorua Economic Development

Board members Not present for the photo: Harvey James, Malcolm Short

Incoming advisory board chair Bryce Heard says he's delighted with the board selections made and looking forward to getting down to work with the new team.

"They are all successful community leaders with enviable track records. It is a great mix of talents to work with."

"We've got a huge amount of work ahead of us as we set out to implement the innovative 'BrightEconomy' strategy. This new advisory board is going to play a pivotal role in planning the future direction of Rotorua's economy."



Cllr Mike McVicker and CEO of Rotorua District Council, Peter Guerin attending the board announcement function



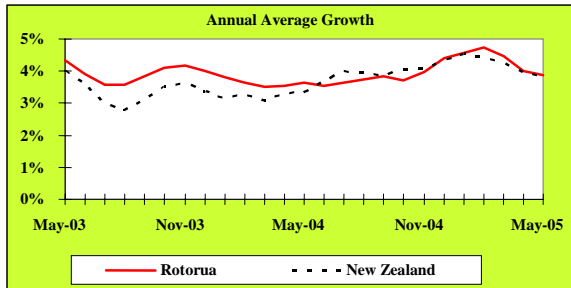
Deputy Mayor Trevor Maxwell, Mr Mau Kingi and Deryck Shaw were also in attendance at the board announcement function

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Local Monitor

Economic Growth



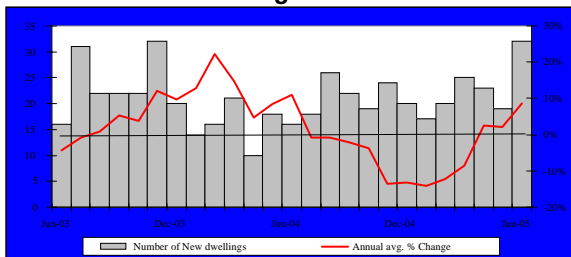
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The latest growth index shows that the Rotorua economy has operated at a slightly higher level of business activity than the national economy for the year to May 2005.

Key Indicator Trends

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

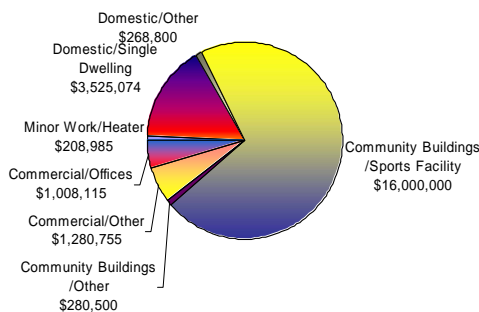
Building Consents



Source: Rotorua District Council

In contrast to the low activity nationwide, Rotorua's residential building sector remained strong in June 2005. June 2005 saw a total of 32 permits issued for new dwellings, valued at around \$5.9 million. This was up from 19 issued in May, and represents a doubling of the number issued in June 2004. The annual average growth rate in the number of building consents issued was a strong 8.6% for the year to June 2005.

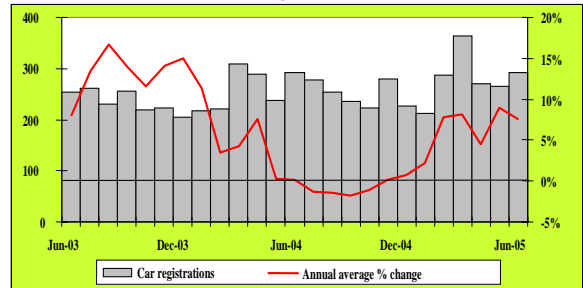
Value of Building Consents passed



Source: Application Status Report, 01 July 2005 to 31 July 2005, Rotorua District Council

Local Monitor

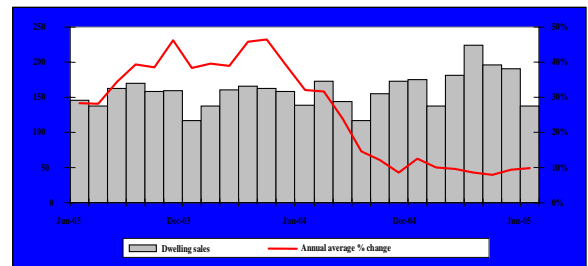
Car Registrations



Source: Land Transport Safety Authority

There were 293 cars (including new and ex-overseas types) registered in local postal offices during June 2005. This was the second highest level recorded over the past 12 months. The annual average growth rate in the number of new and ex-overseas car registrations was 7.5% for the year to June 2005.

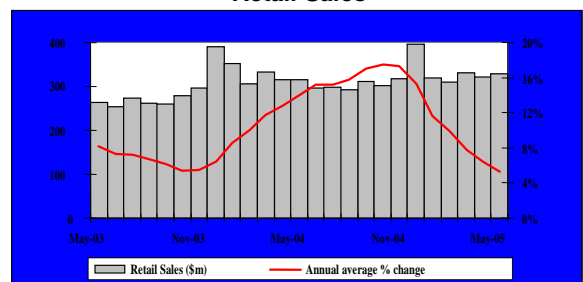
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

The residential real estate market ebbed down in Rotorua in June 2005, following a boom over the past few months. Only 137 homes changed hands during the month, down from 191 sold in May, but only two behind the sales recorded in June 2004. The median sale price also fell slightly from \$182,000 recorded in May to \$180,000 in June. The annual average growth rate in the volume of residential real estate sales was a strong 9.7% for the year to June 2005.

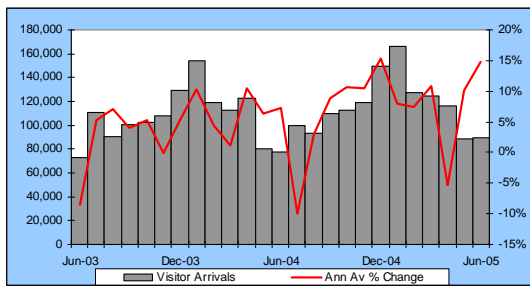
Retail Sales



Source: Statistics New Zealand

The retail sales market improved in the Bay of Plenty region in May 2005. Led by food retailing, total sales reached \$329.2 million during the month, up from \$322.1 million recorded in April 2005. The annual average growth rate in the value of retail sales was a very robust 5.3% for the year to May 2005.

Visitor Arrivals



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

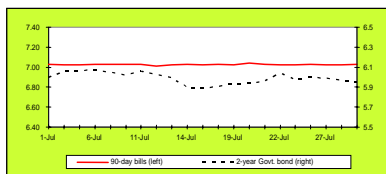
There were 89,536 overnight visitor arrivals to Rotorua's commercial and private accommodation during the month of June 2005 - an increase of 11,543 visitors or 14.8% over June 2004. On average they each stayed 2.1 nights for a collective 190,504 nights. For the year ending June 2005 there were 3,387,981 visitor nights spent in Rotorua - a 10.1% increase over the previous year.

Full report available at:

http://www.rotoruanz.com/information/research_statistics/rotorua-tourism.asp

National Monitor

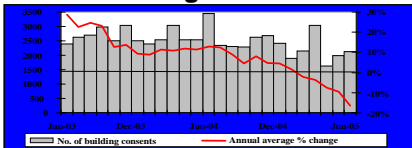
Interest Rates



Source: Reserve Bank of New Zealand

New Zealand's wholesale interest rates remained stable for the month of July 2005, while two-year government bonds showed some volatility over the same period. By the end of July, 90-day bill rates settled at 7.03%.

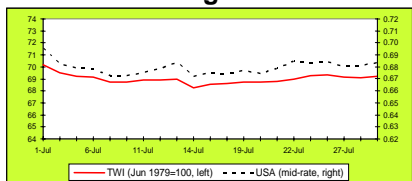
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

Compared with 1,977 recorded in May 2005, the number of permits issued for new dwellings rose by 152 to reach 2,129 in June. However, this was much lower than the 3,447 issued 12 months ago. The annual average growth rate in the number of permits issued for new dwellings was -16.4% for the year ended June 2005.

Exchange Rates



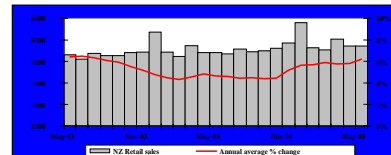
Source: Reserve Bank of New Zealand

The Kiwi dollar fluctuated against its major trading partners' currencies in July 2005. By the end of the month, the New Zealand dollar appreciated slightly, with \$1.0 trading against US\$ 0.68, and the trade-weighted index [TWI] standing at 69.1 points.

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National Monitor

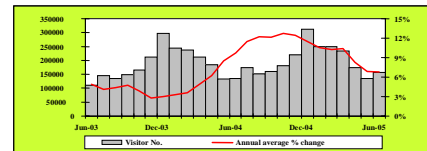
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

National retail sales have stabilised over the past few months. The value of sales totalled \$4,716.4 million during May 2005.

International Arrivals



Source: Statistics New Zealand

Thanks to the Lion's rugby tour, short-term international arrivals increased from 135,708 recorded in May to 157,547 in June. There were 28,234 arrivals from the United Kingdom and Ireland in June 2005. Annual average growth in the number of international arrivals was 6.8% for the year ended in June 2005.

Summary

Two key business indicators were published in July 2005, the June 2005 Quarterly Survey of Business Opinion [QSBO] written by NZIER and the June business confidence survey written by the National Bank [NB].

According to the QSBO, a net 34% of firms expected general business conditions to become worse over the next six months. This was one of the most pessimistic results since the early 1990s according to the NZIER.

The fall in confidence was widespread. A net 34% of manufacturers and also builders felt gloomy. Capacity utilisation has remained high, only easing slightly from 92.3% in the previous survey to 91.9% in the current survey.

Investment intentions also improved, with a net 5% of firms preparing to invest more in fixed assets over the coming year. With regard to cost pressures, a net 35% of respondents reported cost increases over the past three months, and a net 38% are expecting a rise in costs in the next three months.

The NB's survey showed that a net 43% of enterprises remained pessimistic about the overall economic situation for the coming year. This was an improvement from a net 49% who were pessimistic in May.

According to the NB, a net 15% of respondents expected their own business activity to improve over the next 12 months. This was more than double the figure of 7% reported in May 2005. In addition, an improved capacity utilisation was reported (rising from a net 4% to a net 16%). This result was consistent with the QSBO survey results.

In short, there is evidence that the economy is slowing down. Inflation pressures remain persistent with high capacity utilisation and firm household spending and housing market activity. Increasing costs in labour, energy and freight continue to exert considerable pressure on margins and prices.

Rotorua delegation to visit Nanjing, China to explore "Nanjing Rotorua" themed real estate opportunity

Artist's impression Rotorua Nanjing



A small delegation from the Rotorua District Council will be guests of Nanjing Mingyue Construction Group in Nanjing, China, next month, September 5-11. The delegation is going to China to investigate the opportunities presented by a proposal to build a 2000 lot residential subdivision called Nanjing Rotorua Town.

Set in the Jiangning district of Nanjing, the development will also feature a kindergarten, school, main shopping and commercial area as well as an iconic town centre building modelled on the Rotorua Convention Centre and council building. This building will also display Rotorua art and culture in the form of a sculpture that represents the spirit of Rotorua.

Rotorua's beautiful natural environment and relaxed lifestyle led to this opportunity following a visit to Rotorua by the Mingyue Construction Group in May. The group visited real estate developments, community facilities and tourism operations in the region. They also meet with local Rotorua companies looking for opportunities to assist them with development within the Chinese market.

Rotorua Mayor Kevin Winters said "The development offers many opportunities for Rotorua to promote itself as a destination. Because the cost of a trip to Rotorua is included in the purchase price of the properties, the development is expected to bring around 5000 visitors to the region over the next couple of years.

"There will be also be an opportunity for the promotion of Rotorua companies and products looking at breaking into the Chinese market through a significant space that has been made available for us in the main central city building specifically for the promotion of Rotorua as a destination as well as our products and services."

During their visit the delegation, Rotorua District CEO Peter Guerin, GM Economic Development Mark Rawson and Assistant GM Tourism Marketing Ruth McIntyre and Mayor Winters, will be securing a memorandum of understanding with the construction company, which is linked to the local government. The MOU will focus on the key areas already outlined as well as educational and cultural exchange opportunities to ensure that Rotorua will gain as much as possible from the project.

The delegation's itinerary includes a large amount of media and promotional work designed to raise the profile of Rotorua across all media. Good coverage is also expected of a formal ceremony with Jiangning District Government officials and the Mayor.

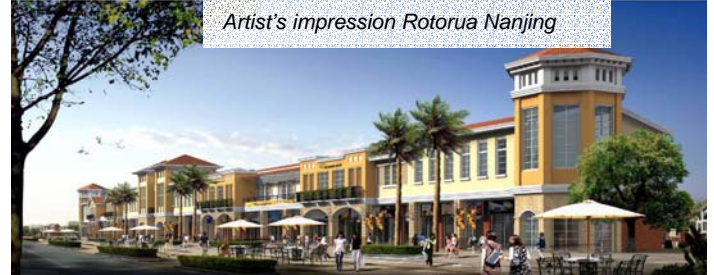
Mayor Winters says "this is a significant opportunity for Rotorua to position itself in the fast growing well educated and wealthier Chinese and Chinese migrant market.

"Nanjing is famous as the ancient capital of China with a legacy of 10 dynasties; it has a population of around 6.4 million and is only 300km from Shanghai.

Nanjing city China



Artist's impression Rotorua Nanjing



Electronic permits and visas for Working Holiday Makers

In July 2005 a number of changes were made to Working Holiday Schemes; increasing the numbers of working holiday makers able to come into New Zealand each year and removing the work restrictions (no more than three months with any one employer) from some schemes. Immigration have also increased the time that UK holiday makers can stay in NZ to 23 months and introduced new schemes for Thailand and Norway.

At the same time as these changes were being introduced they also developed an online Working Holiday application process to allow working holiday makers to lodge their applications online.

The new online Working Holiday application service is being introduced in phases starting with Germany, Ireland and the USA. Other countries will be added to the online system later in the year and we will be providing updates to you as this occurs.

What does this mean for employers?

For employers, the introduction of the online processing service will mean that you may now start to see Electronic Work Permits or Electronic Work Visa documents presented by some employees as proof that they have permission to work in NZ.

What does the electronic visa or permit look like?

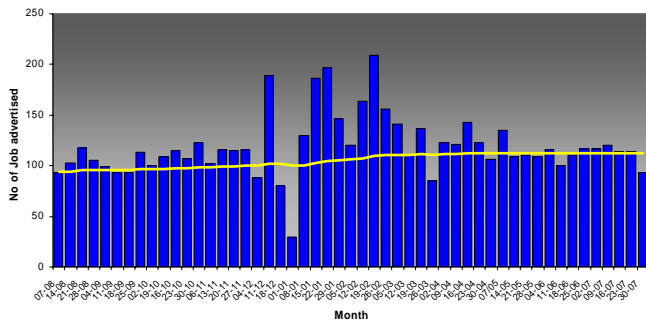
The electronic visa or permit looks like a letter and it contains all of the same information as a passport label; the conditions under which the applicant is in New Zealand and whether there are any employment restrictions. People that enter with an electronic visa from offshore will also have a permit stamp in their passport. This is issued as they enter the country and states that the person has permission to work. It also confirms the person's arrival date and the expiry date of the permit.

For any queries on Working Holiday Schemes

If you have any queries relating to Working Holiday Schemes Online please contact their National Contact Centre on 0508 558855



Employment Advertisements – Trend still 9.8% up on last year



Employment opportunities advertised in the "Daily Post" are 9.8% up on the same period last year with an average of 112 jobs advertised compared to 102 last year. The top sectors were Retail, Agriculture, Accommodation and Health. The 12 month moving average is still high at an average of 120 jobs advertised.

	Jul 04	Jul 05	12 mths
Retail	8	14	17
Agriculture	13	17	17
Accommodation	12	12	14
Health	10	9	11
Other	59	60	61
Total	102	112	120

Average jobs advertised weekly in the Saturday Daily Post

Source: Economic Development Monitoring of Saturday Daily Post



Rotorua Chamber of Commerce

2005 Business Award finalists announced

The Rotorua Chamber of Commerce has announced the companies and organizations that have been selected as finalists for this year's Westpac Rotorua Business Excellence Awards.

"We are particularly impressed with the wide cross section of businesses represented in this year's finalists," comments Roger Gordon, CEO of the Chamber of Commerce. "The introduction of two new award categories has resulted in opening up the Awards to a whole new group of organisations. It's pleasing to see a number of companies building on their entries from previous years as well as a raft of new entrants obviously striving for excellence in their business performance. It really shows that the Rotorua Business Community is in great heart."

The finalists were selected by an independent panel of twelve judges. Convenor of Judges, Christa George, said that the standard of entries was high, making the selection process particularly challenging. The judges would like to acknowledge the high level of business excellence and congratulate all those organisations who have achieved the accolade of being announced as a finalist".

Gala Awards Presentation the Business Event of the Year

Chamber CEO Roger Gordon has confirmed that the Gala Presentation Dinner, to be held on Friday 30 September, will again be held in the Southern Trust Sportsdrome. "Last year the demand for tickets was considerable and justified our move from the Convention Centre. The evening was an incredible occasion reflecting the theme of the acknowledgment of excellence. The feeling of anticipation and then joy as winners were announced created a great atmosphere. The tables of winners and finalists alike all joined the celebration."

"We are pleased to have arranged Gary McCormick to be our Master of Ceremonies this year. His professionalism and unique brand of humour will add that 'extra' touch to the evening. Tickets for the gala event are on sale with ticket registration available through the Chamber of Commerce web-site www.rotchamber.co.nz or the organizing management company Event Impressions.

For more information:

Roger Gordon, CEO, 07 349 6126 or 0275 381228

Dr Margriet Theron, President, 07 3477211 or 021 1729697

Visit their Web page for the full list of 2005 Finalists

<http://www.rotchamber.co.nz/businessawards/default.asp>



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Rotorua Business SWAP

Big Breakfast-

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WHO WILL IT BE?

Your opportunity to hear them in real life - the candidates for the Rotorua seat.

- Each Candidate will have 8 minutes to convince you to vote for them.
- At the end of the Breakfast you will have an opportunity to vote for who you feel is the best.
- The result of this straw pole will be announced on **MORE FM** at 12noon.

Wednesday 14 September 2005

Royal Lakeside Novotel

6.50am for a 7am - 9am

\$20.00 members

\$30 non members

Enquiries: Raewyn

telephone: 07 348 0234

Registration@businessswap.biz

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Business Mentors New Zealand in Rotorua

Business Mentors New Zealand provides free business mentoring to businesses that have been operating for at least six months and have fewer than 25 staff. This service is provided in Rotorua under the umbrella of Destination Rotorua Economic Development.

Topics covered include:

- strategic planning,
- finance and accounting,
- marketing, human resources,
- legal compliance,
- process management and more.



Business Mentors
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Take advantage of this opportunity and follow the simple instructions to request a mentor on the website <http://www.businessmentor.org>, or phone 0800 103400.

Become involved !!!

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Strictly Business

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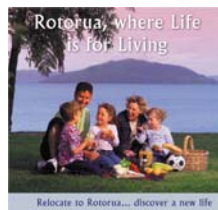
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Rotorua "where life is for living" publication

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For more information : Visit our Web Site www.rotorua-business.com or contact us
Tel 348 4199 Ext 8055 or e-mail info@rotorua-business.com

Rotorua Events Calendar

Rotorua Kennel Association Championships Show

Starts: Saturday, September 03, 2005

Finishes: Sunday, September 04, 2005

Venue: Rotorua International Stadium

The Rotorua International Stadium will be host to hounds from all over the North Island when the Rotorua Kennel Association run their annual event.

Rotorua Chamber of Commerce Business after 5 6-Sep-05

Venue - Grand Tiara

(note - Gallery Lounge - adjacent restaurant and bar)

Host- Olphert Sandford

Enquiries: Camber of Commerce - Cathy 07 349 26126



Rotorua Business Swap Big Breakfast

Choosing the MP for Rotorua

Wednesday 14 September 2005

Royal Lakeside Novotel

6.50am for a 7am - 9am

\$20.00 members

\$30 non members

Enquiries: Raewyn

telephone: 07 348 0234

Registration@businessswap.biz



Irish Rovers

When: Friday, September 16, 2005

Venue: Rotorua Civic Theatre

Internationally celebrated group The Irish Rovers are celebrating their 40th anniversary with a spectacular party tour of New Zealand.

Rotorua Chamber of Commerce Business after 5 20-Sep-05

Hosts Realm of Tane - Tamaki Maori

Enquiries: Camber of Commerce - Cathy 07 349

26126



Legends Unleashed

When: Wednesday, September 21, 2005

Venue: Rotorua Civic Theatre

Legends Unleashed features New Zealand's International legends, Eddie Low, Suzanne Prentice & John Grenell combining their vast talents to perform the songs of their own together with the songs & music of legends Roy Orbison, Conway Twitty & many more.

For more information on events :

<http://www.rotoruanz.com/eventvenues/calendars.asp>

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 (Economic Development Unit Project Officer)

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E-mail; Chris.Heywood@rdc.govt.nz

Supplementary Building Information

ROTORUA July 2005

Type of Consent	Total Value of Consents	Number of Consents
Commercial/Retail Shop	55,000	2
Commercial/Offices	193,000	2
Commercial/Other	1,280,755	9
Community Buildings /Sports Facility	16,000,000	1
Community Buildings /Other	280,500	4
Domestic/Single Dwelling	3,525,074	19
Domestic/Other Structure	68,000	7
Domestic/Other	268,800	9
Domestic/Resite	109,000	4
Domestic/Conservatory	60,000	3
Domestic/Demolition	12,100	3
Education/Other	43,000	2
Farm Buildings/Implement Shed	20,700	1
Farm Buildings/Hay Barn	49,895	1
Farm Buildings/Other	34,000	3
Industrial/Other	30,000	1
Minor Work/Heater	208,985	92
Minor Work/Plumbing	54,800	12
Minor Work/Other	45,600	12
Outbuilding/Garage	158,015	12
Outbuilding/Carport	16,500	5
Outbuilding/Other	58,505	6
Total	22,572,229	210

SOURCE: Application Status Report, 01 July 2005 to 31 July 2005, Rotorua District Council.