

strictly Business

December 2004

Welcome

Welcome to the December issue of Strictly Business, the last one for 2004.

It has been a very exciting and busy year for us at Destination Rotorua Economic Development, and we thank those of you who have played a part in assisting us to progress a number of different projects over the 12 months such as; the Rotorua Employment Skills Project, the Retail Strategy, the Bright Economy project, the Film Volcanic initiative, the redevelopment of this newsletter and many more, finishing the year off with our most recent addition our exciting new website – please take the opportunity to visit us at www.rotorua-business.com

We will be taking a break over the Christmas, New Year period with the unit closed from the 24th of December until Wednesday 5th of January 2005.

On the economic front there are mixed signals coming from the local economy with tourism, retail and housing buoyant, while forestry, new dwelling construction and car registrations remain slow. Overall, there is still more upside for the Rotorua District economy as the outlook for forestry improves and the seasonal effects of tourism and retail take effect.

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

Rotorua-business.com Time to register your business ?

We have added more functionality to our website package, to assist Rotorua businesses in a number of innovative ways.

One of the major features of this site is to promote and substantially enhance the business communication capabilities of the region while also promoting Rotorua as a place to work, live, invest and do business in.

If you have position vacancies which you wish to advertise or you may simply wish to promote your business/organisation through the powerful medium of the World Wide Web, then we welcome your addition to this resource - you do not need to have a web site to have a listing on this facility, but may find it easier to have an email address, so that interested parties can contact you. We are offering your Rotorua based business the opportunity to promote products and services through our Web site, there are no costs to you. As this is one of the services to back up our commitment to the Rotorua business community.

Some advantages of registering your business on our web site:

1. We are listed with all major search engines, try this for yourself. Enter the phrase " *Rotorua Business*" in any search engine and see which site appears first. The same applies if you look for Rotorua living, working or investing.

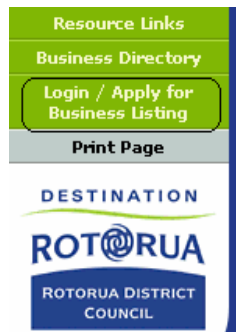


2. We are promoting our Web site nationally and internationally over a broad base of marketing strategies currently generating around 60-80 000 hits per month.

3. We are a Rotorua "business generic" site meaning that people looking for your business can progressively be directed to your site, as part of the total Rotorua business package.

4. If you already have a Web site, you can link, through our business directory, straight into your business. In this way you will ensure that your site will be more visible on the Web.

- 5. If you do not yet have a web site of your own this is a great opportunity for your business to gain exposure from a new resource, and a great opportunity to become seen in the world of electronic communications.
- 6. This is a site sponsored by Destination Rotorua Economic Development and thus will always be available and maintained by trained and professional operators at no cost to you.
- 7. You can increase your opportunity to be included in all communications on business issues and networking opportunities within the region.



To register is really very Simple:

- Simply get onto the internet and log onto www.rotorua-business.com
- Go to the Green Menu panel on the left of the screen
- Select "Login/Apply for business Listing"
- Follow the on screen instructions
- We will send you your log in details and assist if further assistance is needed
- Our help desk is available between 8:00 am and 4:30 pm daily
- Tel: 348 4199

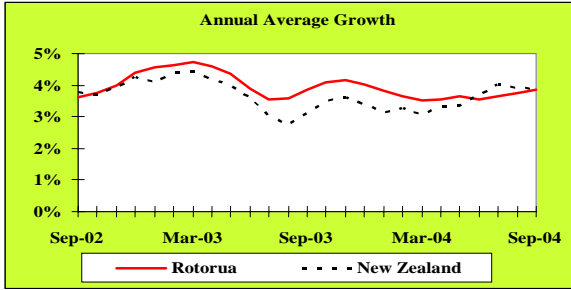
For more information please contact Chris Heywood at Chris.Heywood@rdc.govt.nz or phone: 348 4199

As this is one of the services to back up our commitment to the Rotorua business community, there are no costs.



Local Monitor

Economic Growth



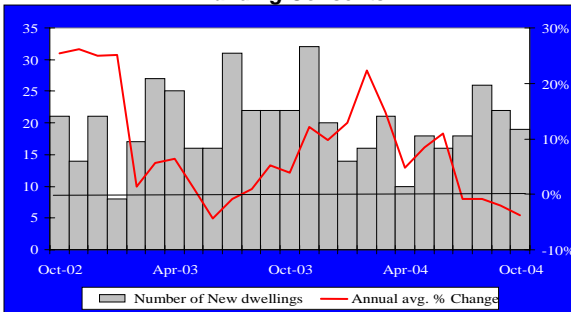
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The latest growth index data shows that Rotorua's economy has caught up with the national average for the year to September 2004.

Key Indicator Trends

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

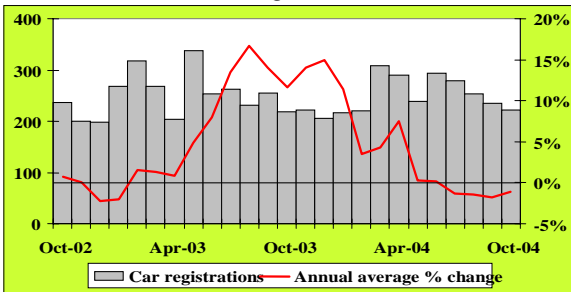
Building Consents



Source: Rotorua District Council

The local dwelling construction sector edged lower in October 2004. Compared with 22 and 26 permits issued for new dwellings in September and August, building permits fell to 19 in October. This was also below the 22 issued 12 months ago and took year-on-year growth down to negative 3.7% for the current October year.

Car Registrations

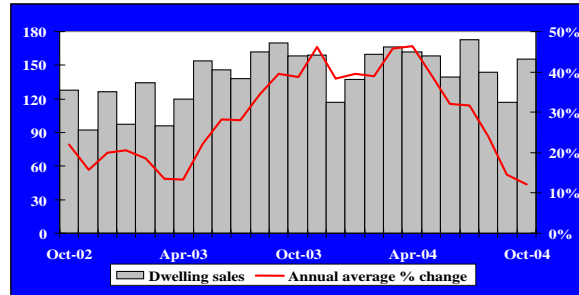


Source: Land Transport Safety Authority

Rotorua's car registrations have decreased over the past 5 months. In October there were a total of 222 motor vehicles (including new and ex-overseas types) registered in local postal offices, down from 235 registered in September, but slightly better than the 219 registered 12 months ago. This took annual average growth to negative 1.1% for the year ended October 2004.

Local Monitor

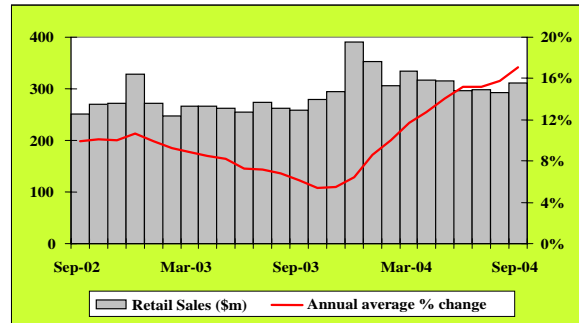
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

The housing market rebounded strongly in Rotorua in October 2004. The number of house sales rose from 117 in September to 155, which was only slightly below the level of 158 recorded in October of last year. While the median sales price eased by \$2,000 on September to \$150,000, the volume of sales grew by 12.2% for the latest 12-month period.

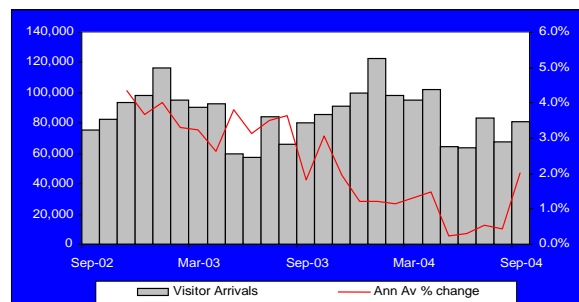
Retail Sales



Source: Statistics New Zealand

Led by food retailing, total retail sales reached \$311 million in the BOP Region in September 2004. This was up from sales of \$293.1 million in the previous month and was well above the \$259.2 million sold in September 2003. This pushed year-on-year growth to a new high, with a rise of 17.1% for the year ended September 2004.

Visitor Arrivals

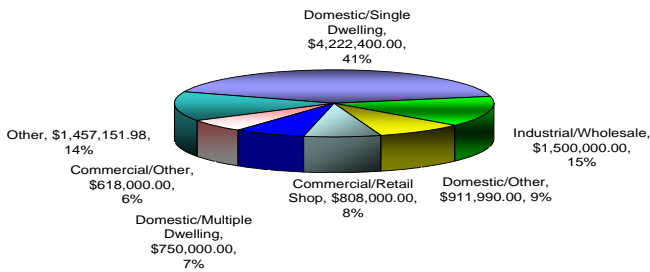


Source: Statistics New Zealand

There were a total of 80,727 tourists who came to Rotorua during September 2004, which was higher than both the 67,823 and the 80,433 recorded in August 2004 and September 2003, respectively. Accordingly, annual visitor arrivals have grown by 3.6% for the year ended October 2004.

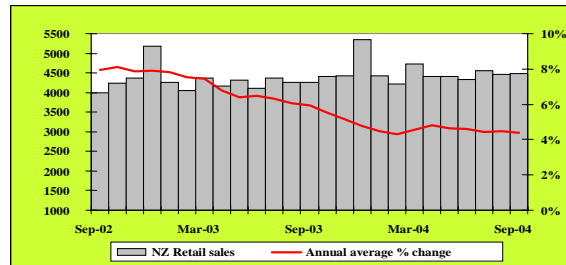
Building Consents

Value of Building Consents Passed



National Monitor

Retail Sales

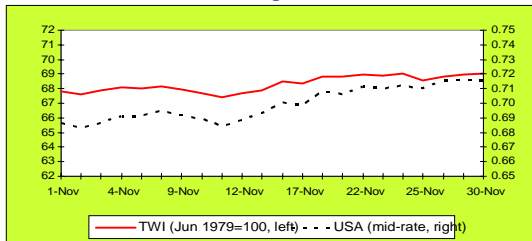


Source: Business Statistics Section, Statistics New Zealand

National Monitor

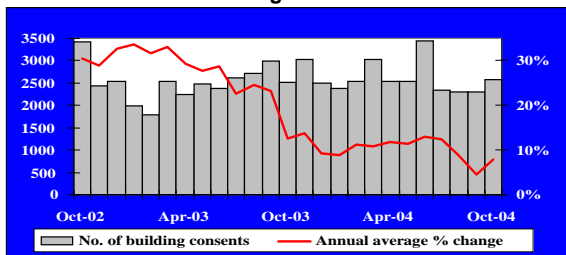
The weakness of the US dollar, along with some poor Aussie statistics (eg, widening current deficit, flat GDP activity) pushed up the NZ exchange rate in November 2004. By the end of the month, one NZ dollar has traded at around 71.56 US cents, and the trade-weighted index (TWI) had climbed to 69 points.

Exchange Rates



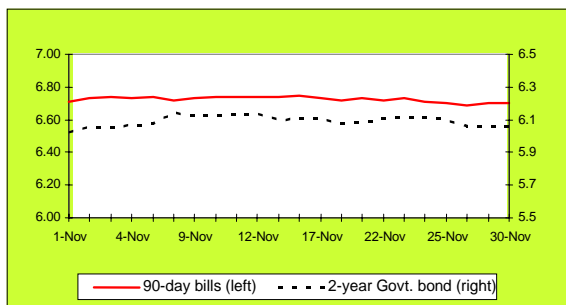
Source: Reserve Bank of New Zealand

Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section
After stabilising for 3 months the NZ residential building market rebounded. A total of 2,578 permits were issued for new dwellings during October, with a combined value of around \$510.2 million. This was a strong lift from 2,291 permits issued in September, and was better than the 2,508 permits recorded 12 months ago. This has also helped year-on-year growth to increase by 7.9% for the year ended October 2004.

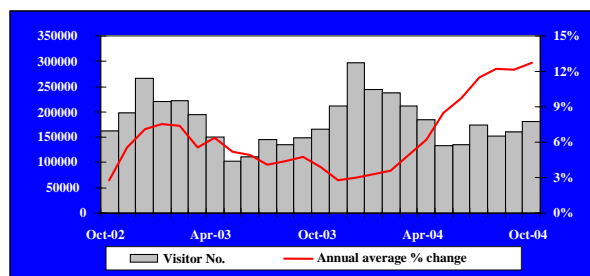
Interest Rates



In contrast to the escalation of the foreign exchange market, NZ's wholesale interest rate market remained stable throughout November. By the end of the month, 90-day bill rates were 6.7%.

The retail sales market remained in a good shape. The value of sales totalled \$4,488.4 million nationwide in September, up from \$4,475.5 million in August, and a rise of \$226.3 million or 5.3% compared to September of last year. This has led annual average growth to lift by 4.4% for the latest 12-month period.

International Arrivals



Source: Statistics New Zealand

With a total of 181,400 short-term international arrivals in October, this was higher than the 161,182 recorded in September. The latest statistics also showed an increase of 15,179 or 9.4% on October of last year and took year-on-year growth to increase by 12.7% for the year ended October 2004.

Summary

While the 3rd quarter HLFS results revealed that NZ's unemployment rate hit a record low of 3.8% (indicating that business activity remained strong), consensus forecasts suggest that the NZ economy will lose some momentum (still in a positive regime, though) over the next 2 years. In particular, NZIER just released its latest forecast - the December Quarterly Predictions. It shows that GDP growth will whittle down from 4.9% for the March 05 year to 2.4% for the March 05 year, before crawling back to 2.9% over the following 3 years. Slowing domestic demand and little spare capacity utilisation in supply have been identified as the major driving forces cooling the economy. Household expenditure will be constrained by price increases and higher debt costs such as mortgage payments. Businesses are facing pressure on capacity utilisation and raising costs, which will trim off fixed investment growth from 11.9% for the March 04 year to only 1.0% afterwards. Meanwhile, the dwelling construction sector will likely fall by around 14.3% for the year ended March 05, triggered by less immigrants and higher interest rates. However, NZ's exchange rates will start to depreciate from mid 2005, as the current account deficit deteriorates and GDP loses some pace. This in turn, will gradually help the recovery in exports. The NZIER also points out the co-existence of some risks, including potential falls in world commodity prices, a lift in oil prices (external risks), higher than expected business investment and household savings (internal risks). In spite of these conditions the short term outlook is still bright - that is why the November National Bank's survey showed a net 25% of firms expected a rise in their own business activity over the next 12 months.



Lakes FM in Rotorua will become 95.9 More FM on January 14th next year, as RadioWorks moves to re-brand its network of local radio stations.

More FM, one of RadioWorks' key national brands, will now be broadcasting in a further 15 markets, on top of its current operations in Auckland, Waikato, Wellington, Christchurch and Dunedin.

"This is a significant development in the progression of our radio business," said RadioWorks COO, Sussan Turner.

"This development gives listeners and advertisers the best of both worlds. The stations will remain local, committed to their various communities, with local announcers, local news and information. However they also have the strength and profile of a very strong national brand behind them in the form of More FM," said Ms Turner.

More FM's format has broad appeal, and will work well in all the markets the change is occurring in.

"More plays popular, contemporary music, with plenty of variety. It's success in its existing markets, particularly Auckland and Christchurch auger well for the new stations coming on board," said Ms Turner.

"Aside from the name change, listeners will notice minimal differences, except they will have greater opportunities to participate in even better contests and see their local station involved in national sponsorships such as the Super 12," she said.

Another development with the change sees NZ Idol's Dominic Bowden coming on board as nighttime host for More FM, nationwide.

"Dominic is a first class broadcaster, and we are delighted to have secured his services for More FM," said Ms Turner.

The change will take place between late December and mid January, depending on the individual market.

There will be no redundancies in this market, as a result of what is essentially a re-branding exercise.

District Plan Review

Our Customer Service focus has been given a boost by the introduction of a new position, **Team Leader, Customer Services**. The role is to develop excellent customer relationships and networks for Planning Services. Rick Dunn has been appointed, and he is happy to assist with any ideas or queries.

Contact: 07 350 0209 ext 8046
E-mail: rick.dunn@rdc.govt.nz

An action plan addressing the issue of skills shortages in Rotorua was presented 08 December by Destination Rotorua Economic Development to a group representing the district's construction, engineering, manufacturing and transport sectors. Employment skills co-ordinator, Joanna Gargiulo said this followed a meeting in November looking at ways to address skills shortages and ways to identify practical solutions for the short, medium and long term for those industry sectors.

"From there the information was pulled together and an action plan established.

The action plan focuses on six key areas:

- Communication and marketing
- Industry-education partnerships
- Industry best practice
- Career planning and support
- Youth transitions
- Destination marketing

"This is real progress for the construction, engineering, manufacturing and transport sector's group which now has an action plan identifying what needs to be done, how it's going to be achieved and by when. The plan provides a way of moving forward and shows the commitment that Rotorua District Council, New Zealand Trade and Enterprise and Work and Income have towards this project."

"Industry has given us their initial thoughts on the project and their feedback has been extremely pleasing with over 85% giving a "very satisfactory" rating," says Ms Gargiulo.

"From here we plan to continue the networking breakfasts every two months for this sector group, issue a regular bi-monthly newsletter, present Destination Rotorua Economic Development's marketing strategy in February and start to open up communication around curriculum alignment between industry and tertiary providers, and other key stakeholders,"

The next scheduled meeting for the sector group is on Wednesday 2nd February 2005."

Jo Gargiulo extends an invitation to anyone involved in construction, engineering, manufacturing or transport who would like to be part of this initiative, or wants a copy of the action plan, to contact her on 348-4199 ext 8543, or by email to jo.gargiulo@rdc.govt.nz.

Rotorua Business SWAP

Business SWAP will not be holding a breakfast event in January 2005 due to the festive holiday season. Our next breakfast will be the Big Breakfast Meeting on 09 February 2005 at Royal Lakeside Novotel Hotel. \$20 members - \$30 non-members. On-line booking at :

<http://www.businessswap.biz/registration.asp>

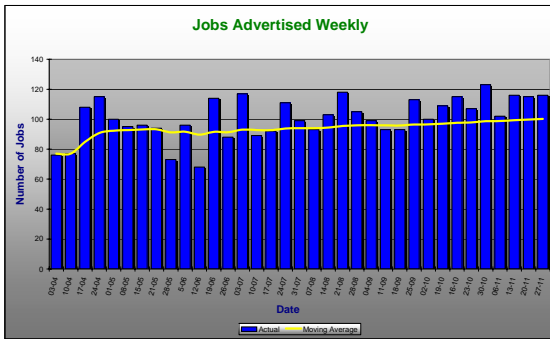
February Big Breakfast.

It is Important to arrive at the venue before 6.55.am. The meeting starts at 7.00am. Programme includes a breakfast service - cold entree, plus full hot breakfast. There will be a Guest speaker for at least one hour to provide a very comprehensive presentation on the subject.

- Fun items include a raffle - prize - Dinner for Two at the Royal Lakeside Novotel. Business card-draw for a range of valuable prizes.
- Excellent networking opportunities - usually in excess of 130 guests.

Merry Christmas and a happy New Year !

Market Briefs Employment Opportunities



The Number of Jobs advertised in the Saturday "Daily Post" continues to rise and the moving Average number of Positions advertised is now at 102 jobs per week up from 99 of the previous month. The average for the month of November was 113 positions, of these the top advertisers were in the Agriculture /Forestry sectors with accommodation/café/restaurant and the retail sector in a close second place.

On the 27 November 117 positions were advertised, the top advertisers were Agriculture /Forestry; Manufacturing and the Retail Sector.

New Ibis Hotel Opens its doors



As the Rotorua tourism & hospitality market looks forward with excitement and optimism to a record-breaking summer, the brand new Hotel Ibis Rotorua has opened its doors on 1st December 2004 on the shores of Lake Rotorua adjacent to the Royal Lakeside Novotel.

The 145 room, 3 star hotel was built by locally owned and operated R & B Consultants Ltd, using local builders and trades people and has created 35 new positions. Accor Hotels will manage the hotel as the Ibis Rotorua. It will join Ibis hotels in Auckland and Wellington and will become part of a global network of over 650 hotels, located in the world's most important business and tourism centres.

Local entrepreneur Ray Cook of Rotorua Lakeside Resorts Ltd believes the Rotorua market is booming and that the whole city will continue to enjoy increased demand from international and domestic visitors, "The city has experienced a massive image change – we've certainly gone beyond the "geyser and mud" image, with the emphasis now on adventure and cultural tourism, sporting and recreational facilities, quality foods and wines and the convenience of being so close to gateway cities such as Auckland. Believe me, I would not have built this hotel if I did not have the utmost confidence in the long-term prospects for Rotorua's tourism growth."

The building of the hotel presents further opportunities for growth in the local area through the sponsorship of new initiatives, such as The Ibis Rotorua Bike the Lake cycle ride on 6th November, and by providing an even more attractive conference and incentive accommodation to potential organisers.

According to Rod Munro, General Manager of Hotel Ibis and Royal Lakeside Novotel Rotorua, "For our clients it provides a much greater range of options at the same location. A conference or incentive group might require a combination of three-star rooms, four-star rooms and suites and we will now be able to satisfy all these requirements, while all the guests can utilise the restaurants, bars and conference facilities with the complex."

Mark Rawson, General Manager for Destination Rotorua Economic Development would like to extend his congratulations to everyone involved in the Hotel Ibis Rotorua. "This investment shows a real commitment to the city and its future growth. The tourism sector is especially buoyant at the moment, with a number of exciting new investments and the opening of the new Ibis will also provide a large opportunity for development of the retail sector, adding another 145 rooms in extremely close proximity to the central shopping thoroughfare." This self-proclaimed "best value international hotel" prides itself on providing excellent quality at an affordable price – rooms will cost \$109 + GST per night and can accommodate 2 adults & 1 child as standard, the absence of luxuries such as porters and room service means costs can be kept low, but quality is still high with all rooms being fully air-conditioned with Sky TV and ensuite facilities.

Key Facts

- 145 rooms, all containing individually controlled air-conditioning, Sky TV, working desk, and hi speed internet connections
- State of the art security with electronic key card entry throughout the hotel and all rooms have in-room safes
- Breakfast, lunch & dinner daily
- 24 hour reception
- Bookings can be taken now – reservations@ibisrotorua.co.nz or phone reservation on 0800 44 44 22
- Hotel Ibis Rotorua is part of the Accor Group, with 3,833 hotels in 90 countries, including over 100 hotels and resorts in Australia and New Zealand under the brands Sofitel, Novotel, Mercure, All Seasons, Ibis and Formula 1.



Business in the Community 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.

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.

Destination Rotorua Economic Development

Who are we?

Destination Rotorua Economic Development is a business unit of Rotorua District Council.

What do we do?

"Destination Rotorua Economic Development actively works together with the wider Rotorua business and government community aimed at creating an environment that encourages and stimulates economic growth."

What does the organisation do?

Four areas of operation:

1. Provision of relevant Rotorua **economic and business information**
2. **Facilitation** of business to business and business to government (local & national) interaction.
3. **Marketing** of the region as a place to: www.rotorua-business.com
 - a. Do business in
 - b. Live in
 - c. Work in
 - d. Invest in
4. **Project Management** of Strategic Level Economic Development Projects
 1. Rotorua Economic Development Strategy – BrightEconomy
 2. Rotorua Employment Skills Strategy
 3. Regional Film Initiative- Film Volcanic
 4. Implementation of Retail Strategy
 5. Infrastructure development particularly industrial land.

Who we are

Mark Rawson – General Manager
 Chris Heywood – Projects Officer
 Joanna (Jo) Gargiulo – Employment Skills Coordinator

Visit our Web page for more ...

www.rotorua-business.com



Junior Kids Holiday Camp! 20-24 December 2004

Starts: Monday, December 20, 2004

Finishes: Friday, December 24, 2004

For all 9-12 year olds! Camp fee \$120 p/p Closing date 13 December 2004. Activities may include: High Ropes, Camping, Team challenges, orienteering and much more! Camp starts 2pm Monday - 20 December 2004 Camp finish 10:30am - 24 December 2004 This holiday's theme is "Survivor"

2004/ 2005 Track Season Event

Brought to you by Cycling Rotorua INC. When: **Thursday, December 23, 2004**

Venue: **Rotorua Velodrome**

Speedway Racing at Paradise Valley Raceway

Starts: Sunday, December 26, 2004

Finishes: Monday, December 27, 2004

Venue: **Paradise Valley Raceway, 105 Paradise Valley Rd, Rotorua**

Two nights of Speedway action. Night one NI Streetstocks, BOP Minisprints and House of Travel Std Stock series. Night 2 NI Streetstocks, A Grade Bashurst, House of Travel Std Stocks series and the popular DEMO DERBY. Racing starts at 7 pm both nights.

Softball New Zealand Men's National Provincial Cup

Starts: Monday, December 27, 2004

Finishes: Thursday, December 30, 2004

Venue: Rotorua International Stadium

Come along and see New Zealand's best men's provincial Softball teams compete for the National Provincial Title.

Mardi Gras

When: Friday, December 31, 2004

Venue: Rotorua Soundshell, Rotorua Lakefront

The annual Mardi Gras Concert is back for an impressive 50th time!

There is entertainment for the young children from 5.00pm with the main concert starting at 8.00pm. The concert ends just after midnight when the fireworks finale signals the beginning of the New Year.

World Invitation Stockcar Championship

Starts: Friday, January 14, 2005

Finishes: Saturday, January 15, 2005

Venue: Paradise Valley Raceway, 105 Paradise Valley Rd, ROTORUA

Competitors from England, Holland and Australia, plus over 60 drivers from New Zealand. The winner of the event then be eligible to enter in the F1 Stockcar World Final in England.

Feedback

Our aim through this publication is to add as much value as possible to your business.

In the following issues of Strictly Business we would like to include much more local business content, so 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)

Tel (+64) 7 348 4199

Fax (+64) 7 350 0182

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

Supplementary Building Information

ROTORUA

November 2004

Type of Consent	Value of Consents	No. of Consents
Commercial/Retail Shop	\$808,000.00	3
Commercial/Offices	\$110,000.00	3
Commercial/Other	\$618,000.00	12
Domestic/Single Dwelling	\$4,222,400.00	21
Domestic/Multiple Dwelling	\$750,000.00	1
Domestic/Other Structure	\$22,300.00	6
Domestic/Other	\$911,990.00	23
Domestic/Resite	\$93,000.00	5
Domestic/Conservator	\$62,108.15	4
Domestic/Demolition	\$24,000.00	3
Education/Other	\$77,222.00	4
Farm Buildings/Implement Shed	\$6,500.00	1
Farm Buildings/Other	\$10,000.00	1
Industrial/Wholesale	\$1,500,000.00	1
Industrial/Manufacturing	\$360,000.00	1
Industrial/Wood Processing	\$280,000.00	1
Minor Work/Heater	\$30,812.00	15
Minor Work/Plumbing	\$69,332.46	14
Outbuilding/Garage	\$200,999.00	19
Outbuilding/Sleepout	\$37,999.00	2
Outbuilding/Carport	\$36,850.00	8
Outbuilding/Other	\$36,029.37	2
Total	\$10,267,541.98	150

SOURCE: Application Status Report, 01 November 2004 to 30 November 2004, Rotorua District Council