

strictly Business

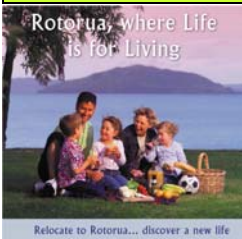
January 2005

Welcome to 2005

I am pleased to report that the Rotorua District economy has been sustaining its momentum through a combination of strong domestic demand, ongoing growth in the tourism industry and favourable activity in the dairy industry. Overall recent changes in the forest industry may see further consolidation and a more stable period in 2005. This is all backed up by the recent Business Confidence survey reporting Rotorua businesses and consumers are relatively upbeat about the future.

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

Rotorua promotional package launched



“Why not relocate to Rotorua? It’s a great place to live, work, invest and do business”. That’s the message the district council’s economic development arm, Destination Rotorua Economic Development, is spreading with the launch of a new promotional package designed to boost the image of Rotorua as a top place to relocate to. The package includes a high

quality publication celebrating some of Rotorua’s key points of difference - such as geographical location, great value real estate, excellent health and education services, and exceptional relaxed lifestyle with the convenience of city living. The promotional package points out that lifestyle in Rotorua is enhanced by access to a multitude of leisure pursuits and events available as a result of living in the country’s visitor Mecca.

On the business side, the publication profiles some of Rotorua’s top companies in a diverse range of established and emerging industries, current high levels of business and consumer confidence, key infrastructure such as the recent airport and CBD development, and the very competitive cost of doing business in Rotorua.

The publication is backed up by a newly redeveloped website - www.rotorua-business.com - which builds on the introduction to Rotorua outlined in the publication. Destination Rotorua Economic Development general manager, Mark Rawson, says the website helps to further develop their already very successful web presence, generating 60,000 – 80,000 hits monthly.



“The site has a Rotorua branded look and feel and covers four key sections - working, living, investing and doing business. The content and functionality of the website has been updated.

“Included in the site upgrade are two areas designed to add immediate value to Rotorua’s business and job seeking community, with a work placement area where job vacancies can be posted for free, and a Rotorua business directory. Both of these features can provide companies with the chance to sell their recruitment, investment, product and service sales needs, and expose them to a broad audience.”

Mr Rawson says the promotional package is part of a wider Rotorua marketing strategy focusing on enhancing perceptions of Rotorua as a great a place to live, work, invest and do business “The strategy has come from research which indicates that this sort of approach is critical to the future economic development of the region. One key area driving the strategy has been the Rotorua employment skills project where employers in the region have been requesting a package such as this to assist in recruiting highly skilled people. Another driver has been the Bright Economy strategy which has seen investors, developers and business leaders asking for something along these lines to help them in selling the merits of investing or doing business in this region.

“The package is not a one stop fix-all solution, but is designed to complement other activity in selling Rotorua as a place for people to develop their career, business, investment portfolio, or to enhance their lifestyle,” says Mr Rawson.

“It’s to be used by the Rotorua business community to help them provide information about opportunities available here and to assist them in addressing their more immediate business needs, such as product sales or sourcing, filling vacancies, securing investment or developing businesses.

“Companies can also profile themselves, their developments, or their recruitment needs through a tailored company insert within the new publication. Eastgate Developments are currently taking advantage of this opportunity to promote their business park on the outskirts of the city”.

Mark Rawson, said the strategy has been developed from needs identified by the Rotorua business community, and will only be successful if it is well utilised by local companies. “It’s a great opportunity for organisations to add value to their business needs, especially in the recruitment area.”

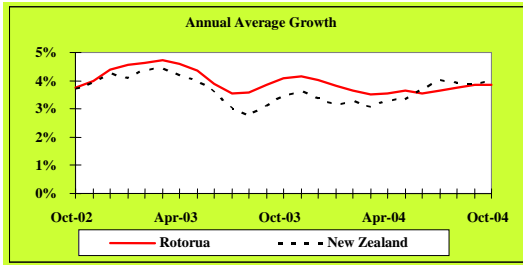
“One of the most important aims of the new package is to assist in enhancing awareness and changing negative perceptions about Rotorua. However this is clearly only part of that process and we will be relying on our locals to embrace the messages and communicate them to their respective target markets.”

The publication is available as a PDF To download from the website www.rotorua-business.com or in hard copy format for \$2.00 (+ gst) per copy from Destination Rotorua Economic Development offices at district council headquarters.



Local Monitor

Economic Growth



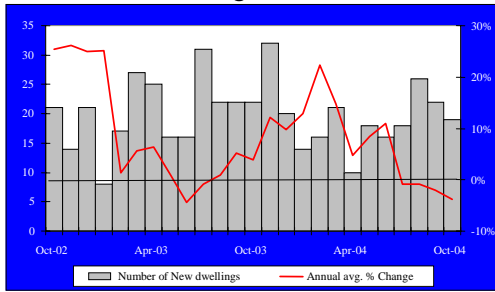
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The provisional growth index showed that local business activity has stabilised over the past few months.

Key Indicator Trends

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

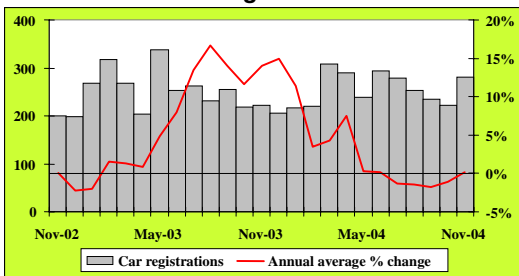
Building Consents



Source: Rotorua District Council

The local dwelling construction sector edged lower in October 2004. Compared with the 22 and 26 permits issued for new dwellings in September and August, the number fell to 19 in October. This was below the 22 issued 12 months ago and took year-on-year growth down to negative 3.7% for the current October year. (Updated data will be available in mid January 2005.)

Car Registrations

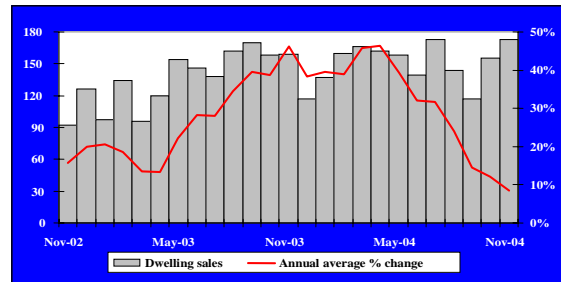


Source: Land Transport Safety Authority

Rotorua's car registrations rebounded strongly in November 2004. There were a total of 280 motor vehicles (including new and ex-overseas types) registered in local postal offices during the month, the highest level recorded over the past five months. This also grew by 58 or 26.1% compared with November 2003. As a result, this has helped year-on-year growth emerge from negative territory, with an increase of 0.1% for the year ended November 2004.

Local Monitor

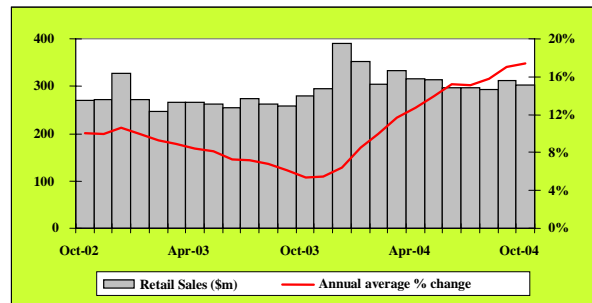
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

The real estate market boomed in Rotorua in November 2004. There were a total of 173 houses sold during the month, with a median sales price of around \$147,000. The volume of sales was on a par with the historical high of 173 recorded in July 2004, and pushed annual average growth up by 8.5% for the year ended November 2004.

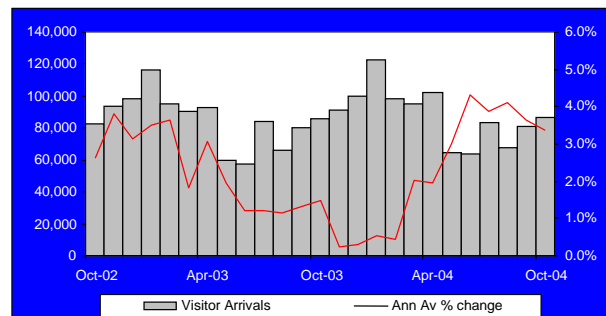
Retail Sales



Source: Statistics New Zealand

Retail sales edged lower in the Bay of Plenty Region in October 2004. Compared with sales of \$311.0 million in September, October's sales dipped by \$8.1 million to \$302.9 million. However, this was still well above the \$279.1 million recorded in October 2003, which took annual average growth to 17.5% for the year ended October 2004.

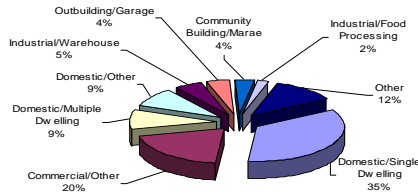
Visitor Arrivals



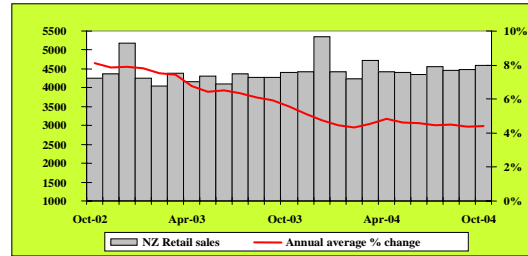
Source: Statistics New Zealand

Compared with 80,727 visitor arrivals recorded in October 2004, there were a total of 86,367 visitors who came to Rotorua in November 2004. This was higher than the 85,674 recorded in November 2003 and brought year-on-year growth to 3.4% for the year ended November 2004.

% of Value Passed
December 2004



Retail Sales

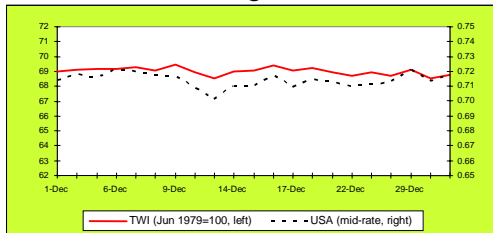


Source: Business Statistics Section, Statistics New Zealand

New Zealand's retail sales rose from \$4,488.4 million recorded in September to \$4,600.1 million in October, which were also higher than the \$4407.4 million worth of sales 12 months ago. This has helped year-on-year growth stabilise at 4.4% for the year ended October 2004.

National Monitor

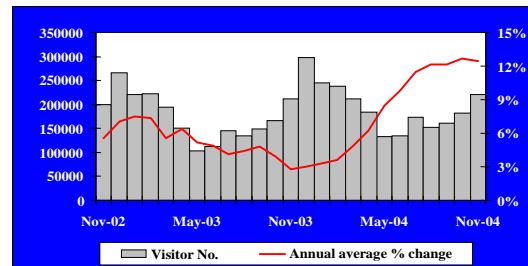
Exchange Rates



Source: Reserve Bank of New Zealand

While there was some fluctuation in December 2004, the New Zealand foreign exchange rate market showed a stable-to-downward trend throughout the month. This saw one New Zealand dollar trade against 71.85 US cents, and the trade-weighted index (TWI) anchor at 68.8 points at the end of 2004.

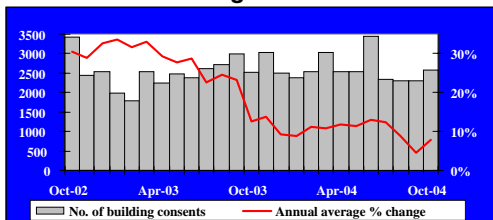
International Arrivals



Source: Statistics New Zealand

As the summer season began, New Zealand's international tourism market started to heat up. There were a total of 220,610 short-term overseas arrivals during November 2004, up from 181,400 recorded in October and 211,735 in the same month of the previous year. This has brought annual average growth to 12.4% for the year ended November 2004.

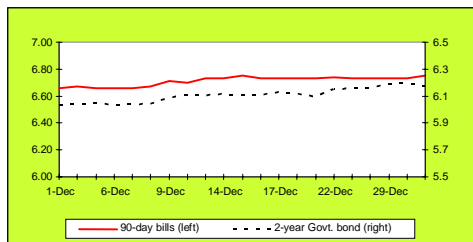
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

After stabilising for three months, the New Zealand residential building market has 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 the 2,291 permits issued in September, and was better than the 2,508 recorded 12 months ago. It has also helped year-on-year growth trend up by 7.9% for the year ended October 2004. (Updated data will be available in mid January 2005.)

Interest Rates



Source: Reserve Bank of New Zealand

The New Zealand wholesale interest rate market was largely stable during December 2004, and the short-term government bond lifted slightly. By the end of the month, 90-day bill rates settled at 6.75%.

Summary

Overall 2004 was a good year for New Zealanders. Strong internal demand, especially in the retailing, housing, and construction sectors helped to boost GDP to 4.6% for the year ended September 2004. The NZIER forecast also showed that GDP would grow by 4.9% for the year to March 2005 (see the November Issue for details). Meanwhile, the labour market was in good shape, with the unemployment rate hitting a record low of 3.8% by the end of September 2004. Although the continuing appreciation of the New Zealand exchange rates hurt the export sector, the increase in global commodity prices has partly offset the decline. Consequently, business confidence has improved significantly over recent months. According to the National Bank's December survey, a net 8% of businesses expected the general economic environment to become worse over the next year; an improvement from the net 17% who took a gloomy view in the previous survey. Interestingly, the construction industry showed more optimism than pessimists (with a net 3% anticipating an improvement). A second indicator reported that a net 27% of respondents expected to increase their own business over the coming year. There was optimism across most industries, with manufacturers being the most optimistic among the surveyed group (with a net 32% expecting a good run ahead). Optimists in other sectors all exceeded pessimists by a margin of between 21% and 27%. Even exporters felt more confident (with a net 25% expecting stronger exports in 2005), suggesting the limitation of the strong Kiwi dollar scenario.

Latest business confidence survey

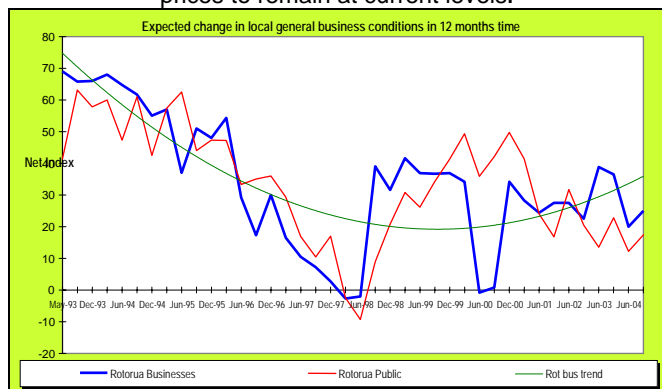
Good news for Rotorua's economy..

Local business people and consumers are increasingly optimistic about local business conditions in Rotorua over the next 12 months, according to the latest APR National and Rotorua Business and Public Confidence Survey just released.

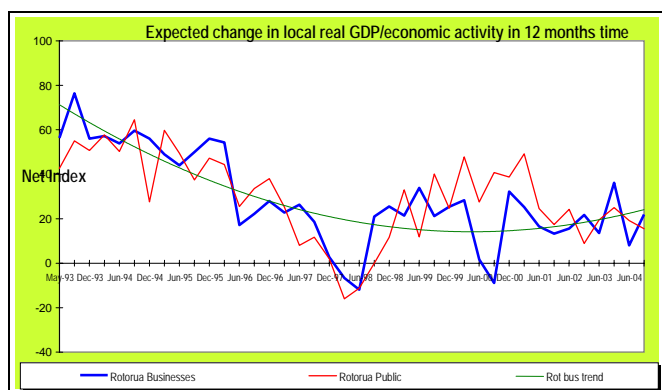
The survey, carried out every six months to identify confidence levels, shows that most local indices have positive expectations. The survey shows that in Rotorua there is confidence that:

- local general business conditions will improve,
- economic activity will increase,
- personal income will go up,
- business profits will rise,
- business employment will remain stable,
- local unemployment will stabilise,
- business investment will be at increased levels,
- promotional budgets will remain steady.
- export volumes will increase, and
- building construction levels will increase.

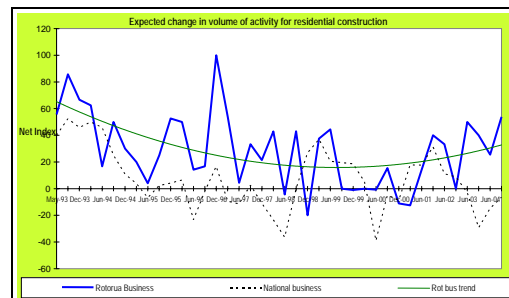
However nationally, inflation is likely to increase, and interest rates and prices to rise, although Rotorua households expect prices to remain at current levels.



Local indices, both public and business, show an expectation that Rotorua general business conditions will continue to develop well over the next 12 months.



Rotorua businesses reported an increase in confidence of 13.9 points over the past six months, taking the index to 21.9. This indicates that a majority of local businesses expect economic activity to increase over the next year



Rotorua businesses involved in residential construction reported an increase in confidence with regard to their upcoming volume of work. The Rotorua business index increased by 28.3 points taking it to 53.8. This indicates that the majority of construction businesses expect the volume of their residential construction to increase.

Destination Rotorua Economic Development's General Manager, Mark Rawson, said the encouraging outlook from both sectors of the community is critical for the development of a positive investment and strong business growth environment in the district.

"These figures are very good news for Rotorua. The survey results are well backed up with news of the December Rotorua economic growth monitor (from the key indicators in the region) indicating business activity has stabilised over the past few months with a solid growth rate of around 4% up with the national average, record low unemployment with 2174 registered unemployed representing a 29 % decrease from 2003 levels. This is further supported by the recently released September quarter Economic Monitoring Report indicating that in Rotorua, new consents for non-residential buildings were up by 58.8% over the same quarter of last year, while the value of these consents was up a massive 339 % over the September 2003 quarter.

"This is capped off by the latest tourism statistics which show both visitor arrivals and visitor nights were up for the year ended November 04."

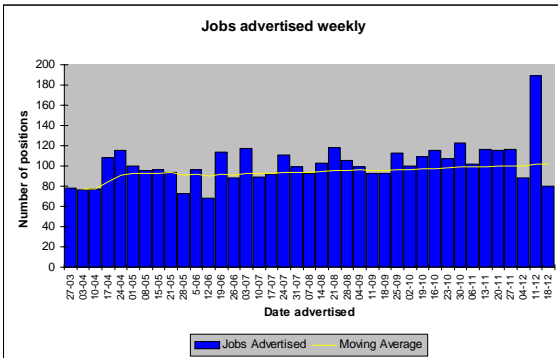
Mr Rawson says Rotorua District's economy has been sustaining its momentum through a combination of strong domestic demand, ongoing growth in the tourism industry and favourable activity in the dairy and other agriculture based industries.

"While there are some very positive signs for the immediate future of the Rotorua economy, the strongest job market in New Zealand in 20 years could put the brakes on the current period of economic growth both locally and nationally.

"However we've every reason right now to feel really upbeat about Rotorua's immediate economic future," says Mr Rawson.

For more details on the latest APR National and Rotorua Business and Public Confidence Survey, plus other Rotorua economic information, visit the 'publications' section of Destination Rotorua Economic Development's website at www.rotorua-business.com

Employment Advertisements Posted December 2004



Over December, jobs were only advertised over a three week period because of the holidays. On 11 December a record of 189 positions were advertised. However on either side of this day under 80 positions were advertised meaning that an average of 116 jobs were advertised for the month. The average number of advertisements over the whole period remains constant at 102.

The top three sectors for the December period were predictably in the Agricultural/Forestry, Retail Trade and Accommodation/Café sectors.

Rotorua Business SWAP

Tracey Richardson has an inspirational and amazing story to tell



Tracey has an inspirational and amazing story to tell – a story of success despite ongoing adversity and seemingly insurmountable odds, a story of how focus, passion and the “power of one” can change lives.

Tracey spent 10 years working in Human Resources and Training & Development roles in both New Zealand and Sydney. After a short break to have her children Tracey returned to the workforce, but this time self employed and went on to win the prestigious supreme award from the Franchising Association of New Zealand - Franchisee of the Year - for her inspiring efforts in business.

But the continuous pressures of running a business and intensively caring for her 4 children, 2 of whom have the terminal genetic condition, Cystic Fibrosis, finally took its toll on Tracey. Morbidly obese and clinically depressed she was overwhelmed by her eldest children’s increasing medical issues, feeling powerless to stop its ultimate course. At this low point, Tracey nearly opted out of life, but instead she set about radically changing her life, embarking on a daunting physical and mental journey to find some value and purpose in her life.

Tracey’s journey is a two-year odyssey, one that took her from 25 kilos overweight and feeling worthless and powerless about her life, to training for and completing the grueling Iron man NZ triathlon, a 3.8km swim, 180km cycle and 42km run. Tracey did this whilst simultaneously raising the profile of Cystic Fibrosis by running the first official charity campaign in the races 20-year history. Her endeavors where so successful that Tracey received a personal invitation to compete at the Iron man World Championships in Hawaii in Oct 2004, considered the toughest endurance event in the world. The event producers asked her to feature in their multi Emmy award winning race coverage as the first non-American athlete to be featured in this NBC documentary, a programme viewed by a worldwide audience of 50 million viewers. Such is the power of Tracey and her story.

Tracey has TWICE been profiled on TVNZ’s Sunday programme, (March 04 and Oct 04), she has featured in 5 different national magazines, and also been highlighted twice in Air NZ’s in-flight magazine as a main story. Currently she is also the face of TV2’s series of promotional commercials for the Special K Women’s triathlon.

BUT remember, Tracey is NOT an elite athlete; she is just like everyone else, a woman who juggles her hectic life to stretch her limits and find what she is



made of Her focus, passion and determination clearly demonstrate how one person can make a difference! As a result of her successes, Vodafone NZ Foundation selected her as the 2005 winner of its World of Difference award, and she was awarded the New Zealand Order of Merit (MNZM) in the 2005 New Years Honors list.

Amazing what an ordinary person can do when they set their minds to it!

Tracey will inspire and motivate your audience, getting them to look at how they improve their own lives, to step outside their comfort zones and to aim higher with their own lives. A natural and incredibly passionate speaker, she delivers from the heart to draw audiences in and prove to them without a shadow of a doubt, that indeed anything is possible. Enquiries to :

Telephone: 3480234

[Registration@businesswap.biz](mailto:Registration@businessswap.biz)

Royal Lakeside Novotel Wednesday 09 February 2005
6.50am for a 7am - 9am Meeting

Details on : <http://www.bayofplenty.co.nz/swap>



Rotorua Business in the Community

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 resource
- 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



Rotorua Events Calendar

Dame Malvina Major - A Night To Remember

When: **Tuesday, February 01, 2005**

Venue: **Rotorua Civic Theatre**

The beautiful and brilliant voice of Dame Malvina Major with the winner of the 2004 Lockwood Aria

Cakesucker

When: **Wednesday, February 02, 2005**

Venue: **Rotorua Soundshell**

Cakesucker is Slick, Poignant, Unique Harmonic Cabaret

Evodrive Softball Series:

Starts: **Thursday, February 03, 2005**

Finishes: **Sunday, February 06, 2005**

Venue: **Rotorua International Stadium**

The Rotorua International Stadium is home to the new annual Evodrive Series. The tournament, designed to keep Pacific teams at the top of the softball world, follows on from the Black Sox win at the Men's World Championships in Christchurch in 2004.



Elena

When: **Friday, February 04, 2005**

Venue: **Rotorua Concert Chamber**

Music is my Passion!



The Kenny Dale show

When: **Thursday, March 17, 2005**

Venue: **Rotorua Civic Theatre**

Direct from Texas, 1970's singing sensation KENNY DALE presents for the first time ever to NZ audiences, a dynamic stage show featuring a full band & performances from Top Comedian GUY CATER and Country Singer/Songwriter JOY ADAMS

Jambalaya - NZ Festival of Rhythm and dance.

Starts: **Thursday, March 24, 2005**

Finishes: **Sunday, March 27, 2005**

Venue: **Rotorua Convention Centre**

Salsa, Samba, Capoeira, Congas, Brass, Batucada, Pacific Island Drumming and dance, Kapa Haka Hip Hop and more!



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

December 2004

Type of Consent	Value of Consents	No. of Consents
Commercial/Retail Shop	\$101,000.00	2
Commercial/Offices	\$102,500.00	2
Commercial/Restaurant	\$9,000.00	1
Commercial/Tavern/Bar	\$40,000.00	1
Commercial/Resite	\$20,000.00	1
Commercial/Other	\$1,788,500.00	10
Community Building/Marae	\$315,000.00	1
Community Building/Other	\$14,000.00	2
Domestic/Single Dwelling	\$3,075,874.00	19
Domestic/Multiple Dwelling	\$800,000.00	1
Domestic/Other Structure	\$63,500.00	7
Domestic/Other	\$786,400.00	24
Domestic/Resite	\$18,000.00	1
Domestic/Pools	\$34,500.00	1
Domestic/Conservator	\$19,000.00	2
Domestic/Demolition	\$23,500.00	5
Education/Other	\$110,400.00	5
Education/Playgrounds	\$110,250.00	4
Farm Buildings/Implement Shed	\$61,427.00	4
Farm Building/Hay Barn	\$10,000.00	1
Farm Buildings/Other	\$9,850.00	1
Industrial/Warehouse	\$450,000.00	2
Industrial/Wood Processing	\$100,000.00	1
Industrial/Food Processing	\$160,000.00	1
Minor Work/Heater	\$34,889.00	18
Minor Work/Plumbing	\$63,700.00	11
Outbuilding/Garage	\$381,904.00	19
Outbuilding/Carport	\$19,220.00	5
Outbuilding/Other	\$100,350.00	7
Total	\$8,822,764.00	159

SOURCE: Application Status Report, 01 December 2004 to 31 December 2004, Rotorua District Council