

Welcome to the January edition of Strictly Business



Greetings all

Welcome to the New Year !!

On the Business front the level of activity in the residential real estate market has maintained a high level in Rotorua both by volume and by value for the year to November 2005. The dwelling construction industry has also maintained a high level of activity in Rotorua over the last three months. The value of retail sales in Bay of Plenty region as for New Zealand as a whole was robust for the year to October 2005. The annual average growth rate in the number of new and ex-overseas car registrations in Rotorua was very high at 8.9% for the year to November 2005. Overall the level of business activity in Rotorua is above the level of activity in the national economy for the year to October 2005.

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



The Forest Industries On Show In Rotorua



Somewhere between 15,000-20,000 visitors and over 200 exhibiting companies from all over New Zealand and around the world will be descending on Rotorua from **8-12 March** for the New Zealand Forest Industries Exhibition FI2006, the biggest exhibition of its kind in the Southern Hemisphere.

A week of forestry-focused activity will make Rotorua an exciting place to be for forestry folk, reaffirming the industry's important role in the regional and national economy.

Despite recent tough times forest products are still New Zealand's third biggest export earner, earning more than \$3 billion annually, says FI2006 General Manager Dell Bawden, with exports of innovative New Zealand technology and services also growing in volume.

"Forestry is a global industry and every four years the Forest Industries Exhibition plays a vital role in bringing the latest international – and home-grown – technology and knowledge to the New Zealand industry," she says.

FI2006 kicks off with an international conference, *Global Vision 2006*, on Wednesday 8 March. The Exhibition opens on 9 March at the Arawa Park Racecourse, with Thursday and Friday reserved for industry and the general public welcome on the final day, Saturday.

The Rotorua District Council is supporting FI2006 in recognition of the event's – and forestry's - contribution to the local economy, and is encouraging the hospitality sector, retailers and other local businesses to help make visitors to the events feel welcome to the city.

"Let's show the world that Rotorua is truly proud to be the hub of New Zealand's forest industries!" says General Manager of Destination Rotorua Economic Development, Mark Rawson.

"We want them to enjoy their stay when the day's business is done – to experience Rotorua's scenic attractions, restaurants, bars, shopping and entertainment – and above all, Rotorua's friendly people."

As well as showcasing the latest in forest growing, harvest and processing machinery and expertise, the Exhibition will also be the hub of a variety of activities during the week, ranging from technical and marketing seminars to a dinner cruise on the Lakeland Queen and a New Zealand Trade and Enterprise-sponsored exporter-visitor breakfast.

Events such as chainsaw carving, loggers sports, woodchopping and sawing and fire fighting demonstrations will showcase the skills, speed and stamina of the men and women competitors, adding a carnival atmosphere to the racecourse venue.

There'll also be an extra edge to woodchopping events this year, with a group of Canadians taking on the New Zealanders as a warm-up for their appearance at the Sydney Royal Easter Show.

Thursday night will be a particularly big night at City Focus - in an international test of woodchopping and sawing skill the World Champion Challenge will see the best of Canada take on New Zealand's Jason Wynyard, six times winner of the Stihl Timbersport Series.

"We're hoping to create a carnival atmosphere in the Rotorua CBD," says Mark Rawson.



For more information contact:

FI2006 Forest Industries Exhibition Dell Bawden, Tel: 362 7865, Email: office@bawden.co.nz or visit www.forestevents.co.nz



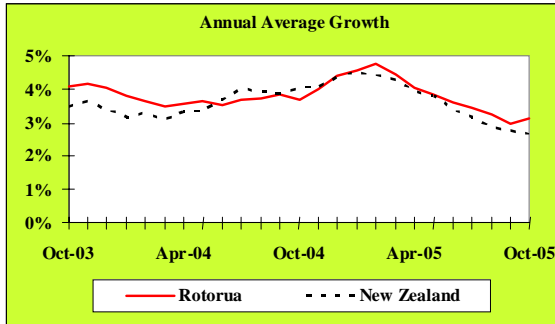
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ROTORUA
 feel the spirit
 of the South Island

Local Monitor

Economic Growth



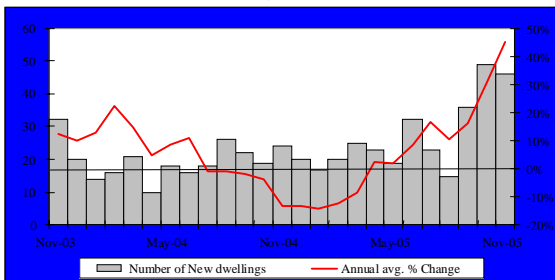
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The provisional growth index shows that business activity in Rotorua has grown by 3.1% for the year to October 2005 and is above the level of business activity in the national economy over the same time period.

Key Indicator Trends

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

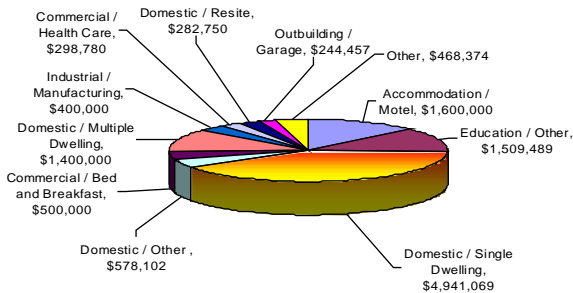
Building Consents



Source: Rotorua District Council

The dwelling construction industry has maintained a high level in Rotorua over the last three months. There were 46 permits issued for new residential dwellings during November 2005, down slightly from a high of 49 permits issued in October 2005, but nearly doubling the number of permits issued 12 months ago. The annual average growth rate in the number of new building permits issued for residential dwellings in Rotorua was 45.1% for the year ended November 2005.

Value of Building consents passed December 2005

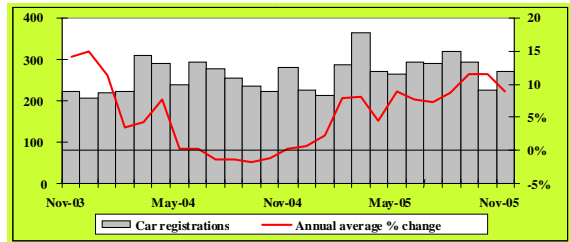


Source: Application Status Report, Rotorua District Council

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Local Monitor

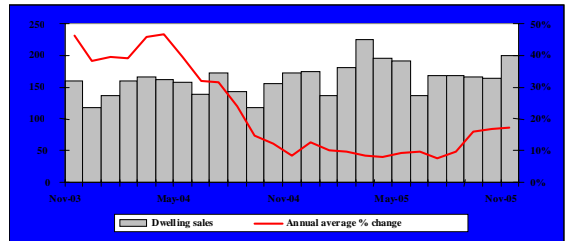
Car Registrations



Source: Land Transport Safety Authority

A fall in car registrations that occurred in October 2005 turned out to be short-lived. The number of new and ex-overseas car registrations rebounded from 225 in October 2005 to 270 in November. Comparatively, there were 280 cars registered in November 2004. The annual growth rate in the number of new and ex-overseas car registrations in Rotorua Postal District was 8.9% for the year ended November 2005.

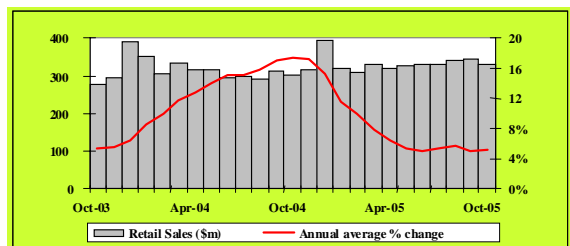
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

A total of 200 homes changed hands in Rotorua during November 2005, the second highest level over the last few years. The median sale price also reached a new high of \$210,000 over the same time period. The annual average growth rate in the volume of residential real November 2005 estate sales in Rotorua was 17.3% for the year ended

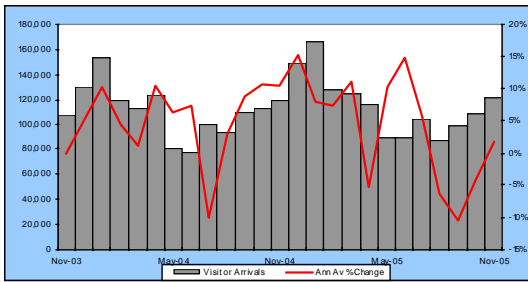
Retail Sales



Source: Statistics New Zealand

The value of retail sales in the Bay of Plenty region decreased from \$343.6 million in September 2005 to \$330.3 million in October 2005. Comparatively, the value of retail sales in October 2005 were 9.1% higher than the value recorded in October 2004. The annual average growth rate in the value retail sales in Bay of Plenty was 5.2% for the year ended October 2005.

Visitor Arrivals



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

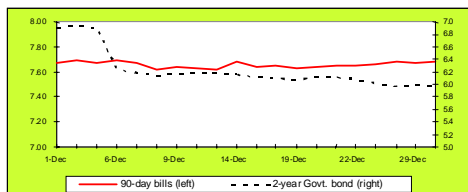
There were 121,117 overnight visitor arrivals to Rotorua's commercial accommodation and private homes during the month of November 2005 – an increase of 1,915 visitors or 1.6% over November 2004. On average, each visitor stayed 2.1 nights for a collective 251,564 nights. For the year ending November 2005 there were 3,312,167 visitor nights spent in Rotorua - a 5.6% increase over the previous year.

Full report available at:

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

National Monitor

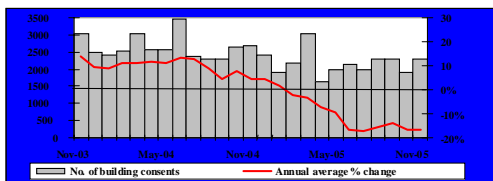
Interest Rates



Source: Reserve Bank of New Zealand

After a 25 percentage point hike in the OCR implemented by the RBNZ in early December, the New Zealand wholesale interest rate market was stable for the rest of the month. By the end of the December, 90-day bill rates stood at around 7.68%.

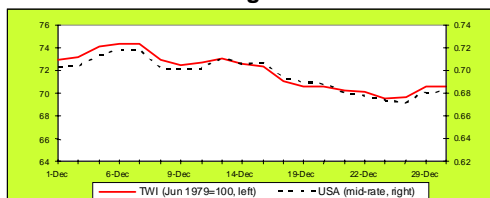
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

New Zealand's residential building industry improved in November 2005. A total of 2,295 new building consents were issued for residential dwellings during the month.

Exchange Rates



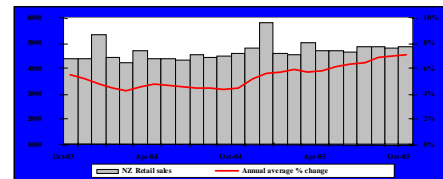
Source: Reserve Bank of New Zealand

A downward trend showed in the value of the New Zealand dollar for most of December 2005. This result was due to weak GDP data and a large current account deficit.

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National Monitor

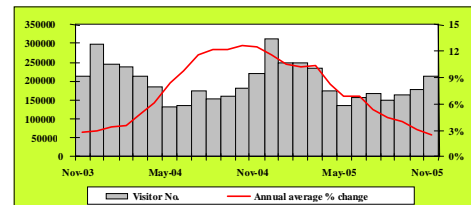
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

Compared with \$4,791.3 million of retail sales in September 2005, the national value of retail sales increased to \$4,859.5 million in October 2005. This figure was a 5.6% increase on the value of national retail sales recorded in October 2004. The annual average growth rate in the value of retail sales was 7.1% for the year ended October 2005.

International Arrivals



Source: Statistics New Zealand

A total of 214,700 short-term overseas visitors entered New Zealand during November 2005. This figure was an increase from the 176,200 visitors in October 2005, but down from 220,610 (or 2.7%) on visitor numbers recorded in November of 2004. Notably, this result was partly due to a fall in Japanese and Korean arrivals. The annual average growth rate in visitor arrivals to New Zealand was 2.4% for the year to November 2005.

Summary

It is no surprise that both business and consumer confidence have fallen in recent months. According to the National Bank's monthly survey, business confidence was low in December 2005. A net 61.7% of respondents expect that general business conditions will deteriorate in 2006. This survey result was only marginally better than November's result when a net 66.2% took a similar view.

The pessimistic attitude was spread across all sectors, with agriculture the most affected. A net 84.8% of farmers expect the overall economic situation to become worse in 2006. Firms' expectations of their own activity, a key business indicator, has fallen into negative territory for the first time in five and half years. A net 2.4% of firms anticipate their business activity in 2006 to decrease. A net 23.6% of firms also expect a drop in profit, while a net 3.4% thought employment would decline in 2006.

Economic Overview Looking Ahead

Exporters will likely have to wait till 2007/2008 for relief in the form of exchange rate depreciation. In the meantime export volume growth is reasonable. As exchange rate depreciation occurs investment will slow as imported capital equipment prices start to increase. Businesses face slowing activity in 2006 as costs increase and domestic demand eases due to rising interest rates. Government will maintain an expansionary fiscal stance with the delivery of social and investment expenditure whilst the Reserve Bank will continue with a reasonably tight monetary policy stance.

Rotorua Business Confidence still up on New Zealand levels Latest Survey Results now available

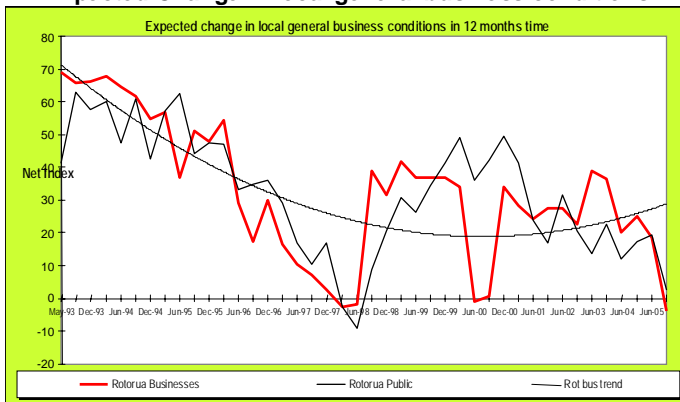
The local business confidence indexes, while showing higher levels of confidence than the national indexes, are showing signs of reducing confidence levels.

On a negative note, local unemployment is expected to increase and prices are expected to rise. Local general business conditions are expected to remain at current levels, as is local economic activity.

On a positive note, real business activity/personal income is expected to increase profits are expected to rise and employment for business to increase. Businesses are planning to invest more into themselves and spend more on advertising and promotion.

Local construction businesses surveyed are reporting a likelihood, if increasing volumes of work and local exporters are reporting increased exports.

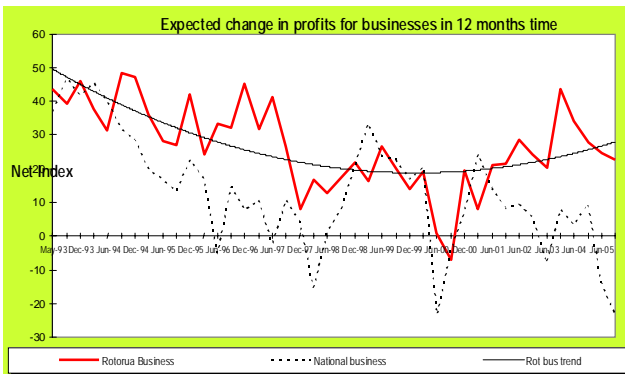
Expected Change in local general business conditions



Source APR consultants

The local indexes both show an expectation that local general business conditions will remain at current levels over the next 12 months.

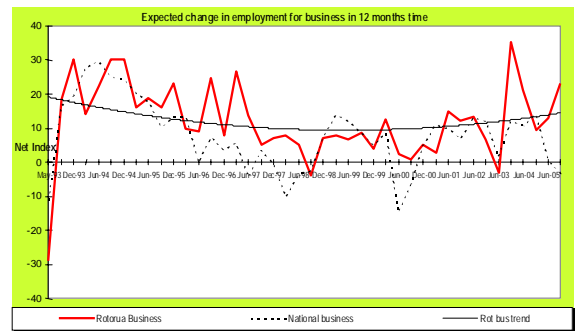
Profits For Businesses



Source APR consultants

Rotorua businesses reported a slight decrease in confidence with regard to their profit levels over the next 12 months. The Rotorua business index decreased by -2.1 points taking it to 22.7. Despite the drop in the index, the majority of local businesses expect increased profits over the upcoming year. Nationally, businesses reported a decrease in confidence of -9.8 points, taking the index to negative -23.6. This indicates that the majority of national businesses expect profits to decrease over the next 12-month period.

Employment For Businesses

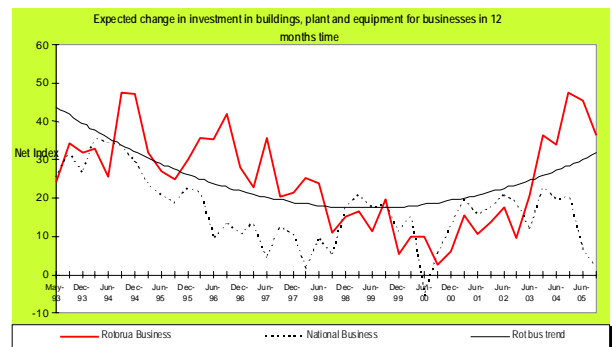


Source APR consultants

Rotorua businesses reported an increase in confidence regarding levels of employment over the next 12 months. The index increased by 10.3 points taking it to 23.2. This indicates that a majority of Rotorua businesses expect to employ the same amount or more workers over the upcoming year than they do currently.

Nationally, businesses reported a decrease in confidence of -3.9 points, taking the index to negative -3.4. Despite the drop in the index, national businesses expect to employ the same number of workers that they do currently.

Investment For Businesses



Source APR consultants

Rotorua businesses reported a decrease in confidence of -9.1 points this period, taking the index to 36.4. Despite the drop, the majority of Rotorua businesses expect to increase investment back into their businesses over the next 12 months.

Nationally, businesses reported a decrease in confidence of -4.4 points, taking the national business index to 2.2. Despite the drop, a majority of businesses nationally expect to keep investment into their businesses at current levels.

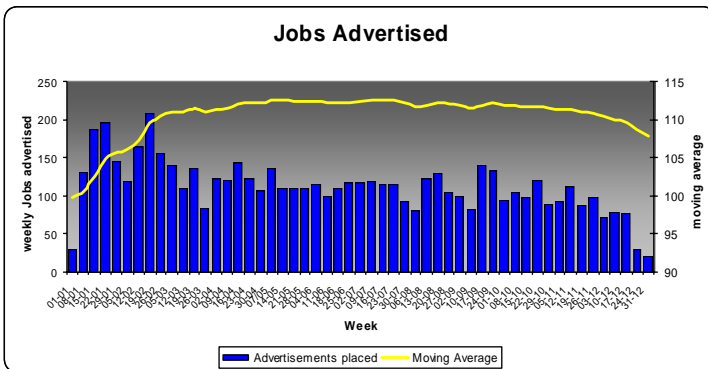
This information is supplied from extracts of the DECEMBER 2005 BUSINESS AND PUBLIC CONFIDENCE survey which is conducted Quarterly for Destination Rotorua Economic Development.

The full report is now available for download from the following Web link.

www.rotorua-business.com

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Looking for skilled staff? Advertise on www.rotorua-business.com/employment.asp

Employment Advertisements



Source: Economic Development monitoring of Saturday Daily Post

The Job Advertisements seem to have peaked and are showing decline for the first time since we started recording them in 2004, this might be an early indication of the start of a slowing business cycle and should not be seen as indication that the skills shortage has been resolved. In December there was a decrease across all sectors of jobs advertised.

	Dec 04	Dec-05	Avg 05
Agriculture	10	6	16
Retail	48	6	15
Accommodation	10	9	13
Health	7	7	11
Other	44	28	57
	119	55	112

Average jobs advertised weekly in the Saturday Daily Post

 **Rotorua Business SWAP**
Big Breakfast-

Sustainable Business Challenge comes to Rotorua



Breakfast with an inspirational Guy Paul Kirk

"Inspirational Speaker of the Year 2005"

National Speakers Assn of NZ

Once the stereotypical marketing man - busy, overweight, stressed. You name it, that was him! Then not long after his 40th Birthday - fast paced living caught up. Paul was diagnosed with terminal Bowel Cancer and given 6 months to live.

He has yet to find any words that could even come close to describe what it felt like to receive that diagnosis....., other than life seemed to flash past his eyes at a great rate of knots. *"I remember thinking what it would feel like to die."*

This message has been heard throughout Australasia with consistent feedback about the "inspiration" received.

Wednesday 01 February 2006

Royal Lakeside Novotel
6.50am for a 7am - 9am
\$20.00 members
\$30 non members
Enquiries: Raewyn
telephone: 07 348 0234

Registration@businesswap.biz



The 2006 Sustainable Business Challenge will be launched in Rotorua on February 24th, with entries opening on March 1st. Regional Manager for the Sustainable Business Network, Calum Revfem says that a lot of work has been done to make the entry process simpler and to maximize the business benefits and added value of taking part in the 'Challenge'.

"Businesses can commit as little as two hours of their time to enter on-line and to get started on improving their sustainable business performance". The event is free to enter for SBN members and it provides a great value point for non-member businesses to join the Network. For the businesses that took the Challenge in 2005 the entry process is even simpler, needing only to update there Sustainable Business Profile which is securely available to them on-line.

Get your diaries out and mark down June 1st. This is the night of the awards gala - to be held in the Pohutu Cultural Theatre at the Heritage Hotel. It promises to be the regional business networking event of the year with a strictly limited number of tickets and fantastic food, wine and entertainment.

Environment Bay of Plenty and Rotorua District Council have once again affirmed their commitment to Sustainable Business development by continuing their respective principal and category sponsorships of the event.

For more information you can visit the Rotorua Business Hub (1209 Hinemaru St), ring the Sustainable Business Network on 07 5759266 or visit the website www.sustainable.org.nz/bayofplenty.

RDC Planning Services

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For your planning enquiries contact:

Rick Dunn
Telephone 07 348 4199 or 350 0209 ext 8046
E-mail: rick.dunn@rdc.govt.nz

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



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 !!!

"Why not Live, Work, Invest and Do Business where the rest of the world comes to Play?"

Strictly Business

Subscribe to our free monthly newsletter containing a Rotorua economic monitor, business news & events.



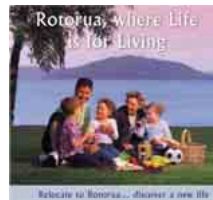
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Rotorua "where life is for living" publication

Call us to purchase a pack of 10 for \$20.00. 2000 copies have already been utilised this year in assisting local companies with their employee, investment and business attraction to Rotorua efforts.



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

Breakfast with an inspirational Guy
Paul Kirk



Wednesday 01 February 2006

Royal Lakeside Novotel
6.50am for a 7am - 9am
\$20.00 members
\$30 non members

Enquiries: Raewyn
telephone: 07 348 0234
[Regitration@businesswap.biz](mailto:Regitration@businessswap.biz)

N-ZO 24Hour

Starts: **Saturday, February 04, 2006**

Finishes: **Sunday, February 05, 2006**

Venue: **Whakarewarewa Forest**

The 2006 Sustainable Business Challenge will be launched in Rotorua on February 24th entries opening on March 1st.

For more information

you can visit the Rotorua Business Hub (1209 Hinemaru St), Phone Sustainable Business Network on 07 5759266 visit the website www.sustainable.org.nz/bayofplenty



UB40

When: **Sunday, February 26, 2006**

Rotorua International Stadium

UB40 "Who you fighting for Tour" 2006 at the Rotorua International Stadium. Listen to their great hits ranging from "Red Red Wine" to "Kingston Town" live!
Ticketek at : **07 350 2244** or Fax: **07 349 5142**

Forest Expo 2006
9-12 March 2006-01-26
Arawa Race Track

FI2006 Forest Industries Exhibition Dell Bawden,
Tel: 362 7865, Email: office@bawden.co.nz or visit www.forestevents.co.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 (Project Officer - Destination Rotorua Economic Development)
Tel (+64) 7 348 4199
Fax (+64) 7 350 0182

isting on www.rotorua-business.com
www.rotorua-business.com/employment.asp

Supplementary Building Information

ROTORUA

December 2005

Type of Consent	Value of Consents	Number of Consents
Accommodation / Motel	\$1,600,000	1
Commercial / Bed and Breakfast	\$500,000	1
Commercial / Health Care	\$298,780	1
Commercial / Other	\$14,500	3
Community Buildings / Other	\$500	1
Domestic / Single Dwelling	\$4,941,069	22
Domestic / Multiple Dwelling	\$1,400,000	1
Domestic / Other Structure	\$73,500	3
Domestic / Other	\$578,102	11
Domestic / Resite	\$282,750	8
Domestic/ Demolition	\$14,700	4
Education / Other	\$1,509,489	6
Education / Playgrounds	\$52,369.88	2
Farm Buildings / Dairy Shed	\$100,000	1
Farm Buildings / Other	\$120,900	4
Industrial / Manufacturing	\$400,000	1
Industrial / Wood Processing	\$20,000	1
Minor Work / Heater	\$31,744.30	11
Minor Work / Plumbing	\$17,900	5
Minor Work / Other	\$5,952.67	3
Outbuilding / Garage	\$244,457	17
Outbuilding / Carport	\$6,107	2
Outbuilding / Other	\$10,200	2
Total	\$12,223,020.85	111

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