

strictly Business

June 2005

Well done Rotorua what a month !

What an excellent month for Rotorua from the exciting kick off of the Lions tour to the success of the Rotorua International Rally well done to all involved, I think that Rotorua has come through this exciting period with a glowing pass mark. What a wonderful place to live, work, invest and do business in!

On the economic front compared to a sharp fall that occurred nationwide, Rotorua's residential building market remained in good shape in April. Following a boom in March, car registrations slowed in April. Dwelling property sales in April are the second highest on record for Rotorua. The value of retail sales in Rotorua were the second highest level recorded over the past twelve months. The local tourism industry remained strong in March 2005.



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

Rotorua heads for the U.K to address skills shortages.

Rotorua is vying to become the destination of choice for British immigrants and expats looking for new careers and lifestyles.

The city is to take part in the highly regarded 'Opportunities NZ Expo' in the UK in October, aimed at helping to ease the region's pressing skills shortage.



Destination Rotorua Economic Development, through its involvement with the Employment Skills Project, is working to help alleviate the local skilled labour shortage by coordinating participation of Rotorua Businesses at the expo.

Mark Rawson, general manager of Destination Rotorua Economic Development, said "the 'Opportunities NZ Expo' is the only event in the UK dedicated to attracting highly skilled people wanting to work and live in NZ - whether returning home or migrating." He says the expo has been running for five years and attracts more than 60 exhibitors and 8000 visitors over a 2 day period.

"Being part of this promotion is a real opportunity for any business wanting to recruit skilled staff from the UK and surrounding areas. We are now accepting registrations of interest from local

businesses keen to employ people from the UK by being part of this initiative. The proposal is one of partnership between Rotorua employers needing highly skilled staff, and the council's economic development arm, Destination Rotorua Economic Development," says Mr Rawson.



Employment Skills co-ordinator, Jo Gargiulo says there is a very real and immediate demand for middle management and other highly skilled people.

"Rotorua employers are struggling to fill these positions due to a lack of skills nationally. In these times of record low unemployment in New Zealand, employers are highly frustrated spending large amounts of money advertising vacant positions or working through recruitment companies, but having very little luck in finding people with the required skills.



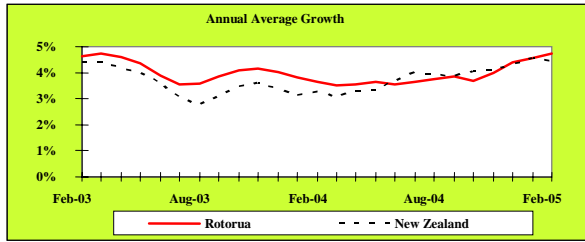
Scenes from Opportunities NZ Expo 2004

"Even though we can train and 'up skill' our young people and our new and existing staff, we have a pressing need right now to assist in growing the workforce capability for our core small to medium companies. We are getting involved in the Opportunities New Zealand Expo to provide the region's employers with another practical avenue for their staff recruitment campaigns," says Miss Gargiulo.

Expressions of interest close on July 15. Further information about the 'Opportunities NZ Expo' is available from the Employment Skills section of the website www.rotorua-business.com, or from Destination Rotorua Economic Development's employment skills co-ordinator, Jo Gargiulo, on 348-4199 extn 8543.

Local Monitor

Economic Growth



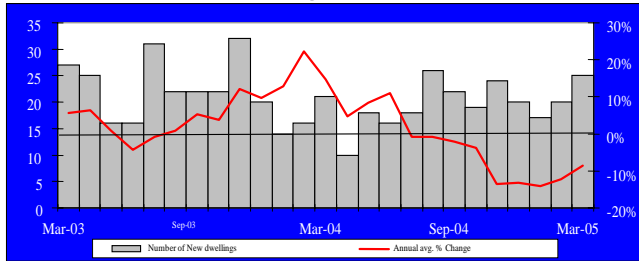
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The provisional growth index shows that Rotorua's economy is growing at a slightly faster average rate than the national economy for the year ended February 2005.

Key Indicator Trends

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

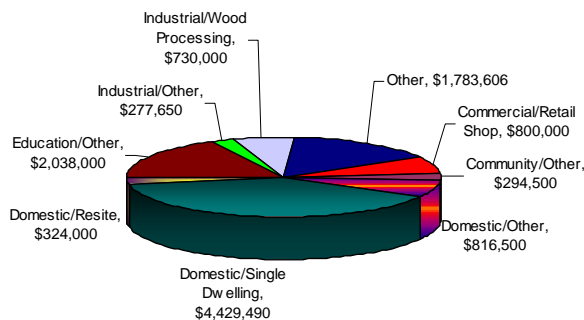
Building Consents



Source: Rotorua District Council

Rotorua's dwelling construction sector continued to improve in March 2005. There were a total of 25 permits issued for new dwellings during the month, up from 20 recorded in February and from 21 recorded in March 2004. This helped annual average growth improve from -12.2% for the February 2005 year to -8.6% for the March 2005 year.

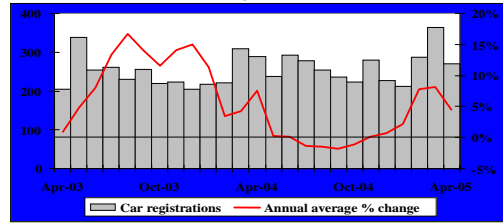
Value of Building Consents May 2005



Source: Rotorua District Council

Local Monitor

Car Registrations



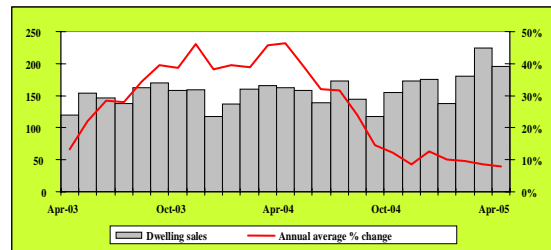
Source: Land Transport Safety Authority

The number of local car registrations boomed in March 2005. There were a total of 363 cars (including new and ex-overseas types) registered in local postal offices during the month. This is the highest recorded number of registrations ever recorded for Rotorua. Year-on-year growth grew by 8.2% for the year to March 2005.

Source: Real Estate Institute of New Zealand

Whilst dwelling property sales in April were down from a historical high of 224 (recorded in March) to 196, they are still the second highest sales on record. In addition, the median sales price rose by \$12,500 to \$178,500 over the same period. The year on year growth in the number of sales was 7.9% for the year ended April 2005.

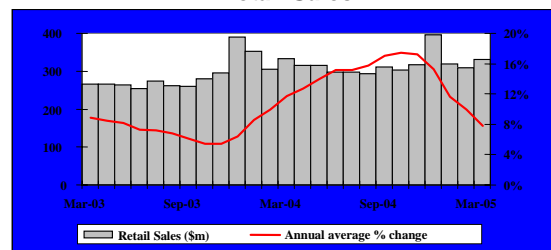
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

Whilst dwelling property sales in April were down from a historical high of 224 (recorded in March) to 196, they are still the second highest sales on record. In addition, the median sales price rose by \$12,500 to \$178,500 over the same period. The year on year growth in the number of sales was 7.9% for the year ended April 2005.

Retail Sales



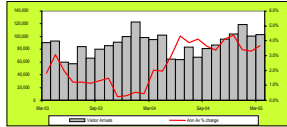
Source: Statistics New Zealand

The value of retail sales in the Bay Of Plenty region rose from \$310.1 million recorded in February to \$330.9 million in April. This was the second highest level recorded over the past 12 months (the first highest occurred in December 2004). Year-on-year growth was 7.8% for the year to March 2005.

April 2005

- Visitor arrivals in Rotorua were down from 101,953 in April 2004 to 93,584 in April 2005, an 8.21% decrease.
- The occupancy rate was down, decreasing from 52.1% in April 2004 to 48.7% in April 2005.
- Rotorua recorded a decrease in visitor nights for April 2005 compared to April 2004. Visitor nights decreased by 5,868 (or -3.31%). Average daily and monthly capacity each changed by 4.60%. (**Easter fell over April in 2004.**)

Commercial Visitor Arrivals



Source: Statistics New Zealand

Year ended April 2005

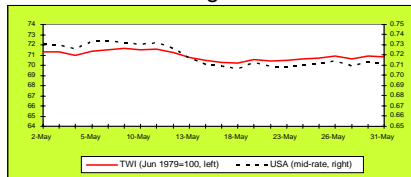
- Visitor arrivals in Rotorua for the year ended April 2005 increased by 1.97% (or 20,493 visitors) compared with the year ended April 2004.
- Visitor nights in Rotorua increased by 42,467 (or 2.23%) over the same period, to reach 1,944,886.
- Average daily and yearly commercial accommodation capacity both increased in Rotorua for the year ended April 2005. Compared with the year ended April 2004, they were up by 3.13% and 2.84% respectively.
- All of the selected RTOs recorded an increase in visitor nights for the year ended April 2005 compared to year ended April 2004. Christchurch recorded the highest growth at 8.83%. The national growth rate in visitor nights over this period was 4.59%.

Full report available at:

http://www.rotoruanz.com/information/research_statistics/rotorua_figures.htm

National Monitor

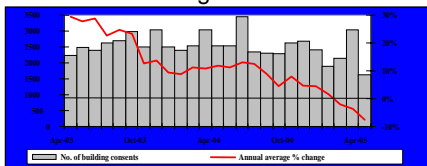
Exchange Rates



Source: Reserve Bank of New Zealand

After maintaining a high level for the first ten days in May 2005, New Zealand's currency lost some ground.

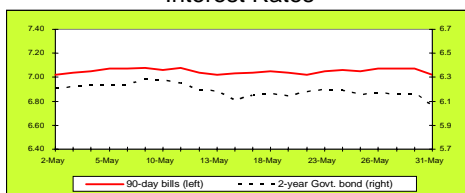
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

A free fall occurred in New Zealand's dwelling construction sector in April 2005. This was also the lowest level recorded since May 2001. Annual average was -7.5% for the year ended April 2005.

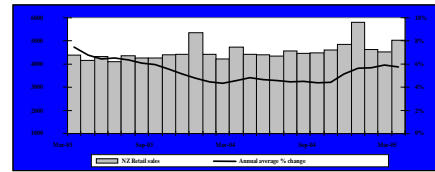
Interest Rates



Source: Reserve Bank of New Zealand

New Zealand's wholesale interest rates were mostly stable during May 2005. Two year government bonds fell slightly over the same period. By the end of the month, both 90-day bill rates and two-year bonds had dropped slightly.

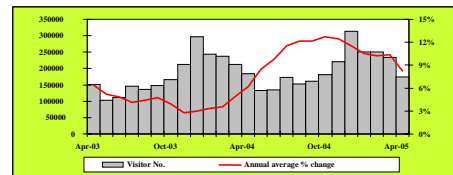
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

Retail sales activity strengthened throughout New Zealand in March 2005.

International Arrivals



Source: Statistics New Zealand

There are early signs showing that New Zealand's international tourism market has started to lose momentum. Short-term overseas arrivals fell from 234,101 recorded in March to 174,757 in April. There has also been a 5.2% drop in arrivals compared with April 2004 when 184,379 were recorded. Year-on-year growth has slowed from 10.4% for the March 2005 year to 8.2% for the April 2005 year

Summary

The latest HLFS results, along with modest inflation and subdued GDP released recently, confirmed that New Zealand economy has peaked. Consensus forecast suggested that annual GDP growth will slow from 4.4% for the March 2005 year to 2.2% around 2.5% for the following two years, but will accelerate again to around 3.4% in 2008.

The downward outlook was commensurate with the latest National Bank's (NB) latest confidence survey. According to the survey, business confidence reached a new low in May 2005. A net 57% of firms expected that the general business conditions will deteriorate over the next twelve months. This figure is down from a net 48% who took a gloomy view in April. This was the third lowest confidence level over the past 17 years.

All industries were deeply pessimistic. Retailers felt the least depressed. Farmers again, were the most pessimistic, with a net 70% taking a negative view. Other groups, including manufacturers (a net -63%), service businesses (a net -56%), and those in the construction group (a net -49%) were all pessimistic about the economic outlook one year ahead.

More importantly, firms also lost confidence about their own business activity. Only a net 9% (compared with a net 15% in April) of firms were still optimistic about their own business futures. However, given that the underlying economic fundamentals remain positive there is no strong reason for concern. These survey results are an indication that the economy is expected to slow down from its overheated state at present.

Hayes International reaches milestone 1000th Machine produced!!



From left to right
Dave Sanson
National Engineering
Manager, Naomi
Lloyd, National
Operations Manager,
Mike Lowe General
Manager Hayes Int
and Paul Twible
Northern Region
Operations Manager.

Hayes International, founded 40 years ago in Rotorua by local engineer Tom Hayes, this week celebrated their latest achievement.

As manufacturers of a large range of rollforming machinery for the global metal construction industry, Hayes have reached an Industry milestone with the production of their 1000th machine. The machine is being supplied to Stramit Building Products of Australia, a long standing 25 year customer of Hayes.

Hayes International is a past Export Award winner and Exporter of the Year, winner of the Rotorua Business of the Year, and has been a finalist in NZ Trade & Enterprise Awards and is listed as a Deloitte's fast 50 company. As part of the Bradbury group of companies, Hayes employs over 100 skilled staff at their Rotorua site as well as having factories in both Australia and China. Hayes exports to over 65 countries worldwide.

General Manager Mike Lowe said "This is a milestone for Hayes, for Rotorua and indeed for New Zealand with the completion of our 1000th export machine. We have a great Team both here in NZ and offshore and are rightly proud of our achievements. It is appropriate that the 1000th machine should be for Stramit Building Products, one of our largest and long standing customers."

Stramit Building Products, now part of the Fletcher's Group, employs 1200 people in 23 factories throughout Australia. Stramit is a leading supplier of metal building products and accessories to the rapidly-growing building market in Australia.

Naomi Lloyd, National Operations Manager, when asked why Stramit chose to purchase Hayes machinery had this to say: "Their reputation, quality engineering and excellent service have allowed us to deal with confidence. The metal building industry continues to grow in Australia and as we develop new products, for example steel house framing, we look to continue our strong alliance with Hayes as our preferred strategic supplier. "

Hayes' familiar motto has therefore never been more apt, as they are indeed: "FORMING THE FUTURE".



Stramit representatives
and Hayes International
Rotorua factory staff.

Young Enterprise Scheme Oral Presentations

Congratulations to our Young Enterprise winners b.e.s.R @ JPC who had the following to say about their clean sweep.

"A major component of the experiential approach we take at b.e.s.R @ JPC (biz-enterprise school Rotorua) is the Young Enterprise Scheme. We have six student enterprises running in 2005.

Our Students are incredibly motivated and determined to make the most of their opportunity to experience running their own business within the confines of YES.

The students spent the first part of this year formulating their business ideas, writing comprehensive business plans, sourcing start-up capital and moving into production. Our YES teams then approached the regional oral presentations with the same professionalism and motivation they have exhibited all year.

b.e.s.R's Young Enterprise businesses took away all the awards on the night, a testament to their passion and dedication to their businesses!"

Congratulations to the teams:

Overall Oral presentation winners



"Crimson Cookies" (Producing Gourmet cookies)
Christopher Lock, Casey Haumaha, Sara Schneller



Best Business Plan



"CJD Persona" (producing personalised cards)
Craig Trenberth, Jessica Clark, David O'Brien, Kirstine McLeod

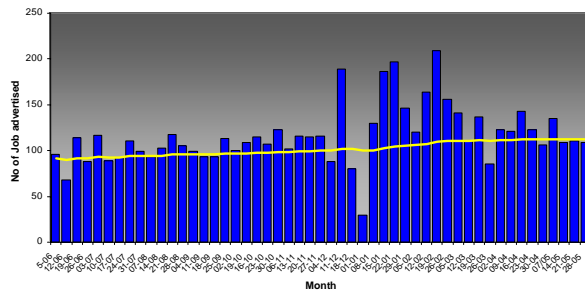
Best Product Launch



"Great New Zealand Travel Pack" (Producing Travel Toiletries)
Michelle Imling, Benjamin Murray, Ryan Chote

The Lion Foundation Young Enterprise Scheme is now coordinated by Destination Rotorua Economic Development with support from the Rotorua Energy Charitable Trust

Employment Advertisements – Up on last year



Against last years average of 93 jobs advertised weekly the number of jobs advertised are still up at an average of 112 jobs per week.

There is however still evidence that Job advertisements are slowing. Advertisements are down in the top 3 sectors.

Sector	Avg/wk	Apr	May
Retail	16	15	13
Agriculture	15	16	14
Accommodation	14	15	11

Source: Economic Development monitoring of Saturday Daily Post

Rotorua Business SWAP Big Breakfast-

Rotorua Chamber of Commerce Elects a new Board



Murray Thom left school at 15 with no qualifications. By the age of 23 he was Managing Director of CBS Records New Zealand, the youngest Managing Director of that group in the world. With a strong desire to be self-employed he left the corporate life 18 years ago to "have a go" on his own.

In 1987 he won the government tender to introduce personalised number plates into New Zealand and in 1997 sold that company to return to his real passion - the music business.

In 2002 Oprah Winfrey named his 'Together' 10 CD Collection her "Favourite Thing of the Year" and in October 2004 she featured his latest production, 'Miracle', a collaboration between Celine Dion and photographer Anne Geddes, on her show.

Murray was recently named as one of New Zealand's Top 10 Entrepreneurs of the Decade by NZ Business magazine.

Wednesday 06 July 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

The Annual General Meeting of the Chamber held at the Grand Tiara Hotel on 8 June, featured an election for the governing Executive Board for the first time in recent years. Eleven members had been nominated for the maximum of eight executive positions that can be elected at the Annual General Meeting. The successful members to guide the organisation for the next twelve months are Paul Dunlea (Sealed Air – Cryovac), Christa George (Waiariki Institute of Technology), Mike Johnson (Nicara Lakeside Lodge), Rebecca Johnson (RadioWorks), Jeremy Mihaka-Dyer (Boost Young Executives and Rotorua General Practitioners Group), Steve Pinder (Westpac Banking Corporation), Mark Rawson (Destination Rotorua Economic Development, and Jonathan Temm (Davys Burton). Margriet Theron was re-elected as President and Chief Executive Officer, Roger Gordon, make up the full executive.



Steve Pinder Jonathan Temm Mark Rawson Mike Johnson



Jeremy Mihaka-Dyer Rebecca Johnson Paul Dunlea Christa George

Contact: Roger Gordon at info@rotchamber.co.nz
Or Telephone 349 6126 for more information

RDC Planning Services

Our **Team Leader, Customer Services**, Rick Dunn's, role is to develop excellent customer relationships and networks for Planning Services.

Rick is happy to assist with any ideas or queries.

For your planning enquiries contact:

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

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 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.



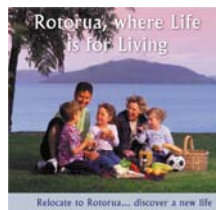
www.rotorua-business.com

Log on to www.rotorua-business.com and take a look at the official Rotorua living, working, investing and doing business site generating around 70,000 hits and 9,000 visits per month. Enhance your business communication strategy by registering on the Rotorua business database or list your latest job vacancy.



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

WOMEN'S LIFESTYLE EXPO

Starts: **Saturday, July 02, 2005**

Finishes: **Sunday, July 03, 2005**

Venue: **Rotorua Sportsdrome**

A Melting pot of business, home, gifts, health & beauty, education & much more.

South Salem American High School Band

When: **Saturday, July 02, 2005**

Venue: **Rotorua City Focus**

South Salem American High School Band

Ogen Trio

When: **Sunday, July 03, 2005**

Venue: **Rotorua Convention Centre**

Proudly brought to you by Rotorua Music Federation

Environmental Bay Of Plenty Promotion

Starts: **Monday, July 11, 2005**

Finishes: **Wednesday, July 13, 2005**

Venue: **Rotorua City Focus**

Employment Skills Update Meeting

Date: 13 July

Time 4:-600 pm

Venue 1st floor Committee Rooms 1&2 (Council Blds)

Employment Skills Tourism & Hospitality Networking Event

Date: 19 July

Time 4:-600 pm

Venue 1st floor Committee Room 2 (Council Blds)

Employment Skills Agriculture and Horticulture Networking Event.

Date: 21 July

Time 11:00 am:-1:00 pm

Venue 1st floor Committee Room 1 (Council Blds)

Life Education Trust Birthday Promotion

Starts: **Friday, July 22, 2005**

Finishes: **Saturday, July 23, 2005**

Venue: **Rotorua City Focus**

GEYSERLAND CAT SHOW

When: **Saturday, July 23, 2005**

Venue: **Rotorua Sportsdrome**

Cats of all breeds (pedigree and domestic) will be judged by overseas and local judges.

Ulysses Club Open Day In City Focus

When: **Saturday, July 30, 2005**

Venue: **Rotorua City Focus**

Ulysses Club Open Day In City Focus

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)

Tel (+64) 7 348 4199

Fax (+64) 7 350 0182

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

Supplementary Building Information

ROTORUA

May 2005

Type of Consent	Total Value of Consents	Number of Consents
Commercial/Retail Shop	\$800,000	1
Commercial/Offices	\$245,000	3
Commercial/Restaurant	\$185,000	1
Commercial/Other	\$92,500	5
Community/Other	\$294,500	4
Domestic/Single Dwelling	\$4,429,490	18
Domestic/Multiple Dwelling	\$180,000	1
Domestic/Other Structure	\$11,000	3
Domestic/Other	\$816,500	25
Domestic/Resite	\$324,000	6
Domestic/Pools	\$35,000	1
Domestic/Demolition	\$20,000	2
Education/Other	\$2,038,000	3
Education/Playgrounds	\$50,000	1
Farm Buildings/Implement Shed	\$53,000	2
Farm Buildings/Dairy Shed	\$275,000	1
Farm Buildings/Other	\$95,107	3
Industrial/Wood Processing	\$730,000	1
Industrial/Other	\$277,650	4
Minor Work/Heater	\$211,680	90
Minor Work/Plumbing	\$36,950	8
Minor Work/Other	\$66,956	16
Outbuilding/Garage	\$148,815	17
Outbuilding/Sleepout	\$40,000	1
Outbuilding/Carport	\$25,598	8
Outbuilding/Other	\$12,000	2
Total	\$11,493,746	227

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