

Welcome to the May edition of Strictly Business

Greetings all

Great news from the 2006 census confirms that Rotorua is growing in population again, please take the time to look at the wealth of information in this newsletter, and please take the time to fill out the enclosed petition.

And on the business front, while domestic focused sectors such as the residential building market have slowed, export activity has started to gain momentum. Although a slowdown in both the local and the national economies is unavoidable in the short-term, a gradual easing in monetary conditions will help the New Zealand economy rebound over the medium-term.

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



Your chance to participate **Opportunities New Zealand 2006**

Looking for highly skilled, experienced staff?

Join Destination Rotorua Economic Development at the 'Opportunities New Zealand Expo' in the United Kingdom later this year.

Destination Rotorua Economic Development's General Manager, Mark Rawson said this is a fantastic opportunity for local employers to engage with highly skilled workers from the United Kingdom looking at moving to New Zealand.

"We took part in the expo in London last year for the first time to help local businesses find highly skilled and experienced workers. The experience was invaluable and we had very good success. We expected to get between 150 – 250 enquiries and actually got more than 350," he said. "Most of the people had a wealth of experience in their chosen fields, with the average being more than 12 years."

The 10 businesses and organisations that came on board as partners last year were very pleased with the results they received. Mr Rawson said it was great to record that Rotorua's stand was the busiest during last year's show.

Most people cited lifestyle (98 per cent) as the main reason for wanting to move here. "People are keen to make the move to Rotorua because of our natural environment and the excellent quality of life that it offers. They are also looking for a safe environment and good educational opportunities for their children. Our central location and the tourism infrastructure are also appealing, plus houses are affordable and there's very little traffic congestion," he said.

Besides lifestyle, 92 per cent of those attending last year's event were seeking employment, with two-thirds planning to arrive within 12 months (75 per cent).

"We had such a great success rate that we want to build on that and have decided to attend two events this year, one in London on 13 – 15 October and another in Manchester on 21 – 22 October. This will give us access to far more potential workers, with a focus on professionals, middle to upper management and tradespeople."



The employment expos are the only ones of their type in the UK and are dedicated to attracting people specifically to New Zealand.

Economic Development is looking for partners to attend or represent at this year's shows. "We've already had interest from a number of groups, particularly those who were involved last year."

Mr Rawson said recruiting workers from abroad could be very expensive, you only have to think about what it costs to advertise outside of New Zealand, let alone actually engage with people who want to emigrate.

"It is far more effective for all of us to work together. We will have a stand at both events this year and partners also get to promote their businesses and the jobs they have available in a variety of ways. The promotional book we produced last year was very well received and we plan to do this again this year. We also use banners and other promotional material. But the real value is in the detailed enquiry database, which helps us to supply businesses with suitably matched potential candidates."

"Our greatest strength is coming together under a regional banner. This has proved to be far more effective than being involved in industry clusters," he said.

Anyone having problems finding highly skilled workers, with a wealth of experience, then this really is a fantastic opportunity not to be missed.

If you want to be involved in the Opportunities NZ Expo or would like to know more,

Contact

Jo at Destination Rotorua Economic Development,
telephone 348 4199 or visit www.rotorua-business.com.
email: jo.gargiulo@rdc.govt.nz

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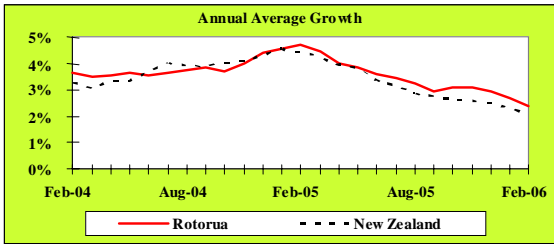
Unique



Central

Local Monitor

Economic Growth



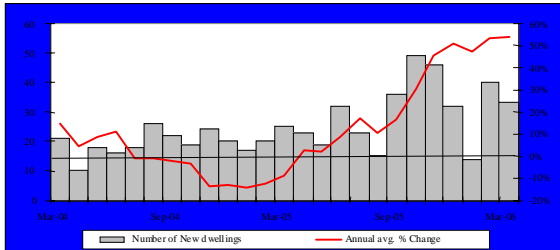
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The provisional growth index shows that Rotorua's economy has slowed 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

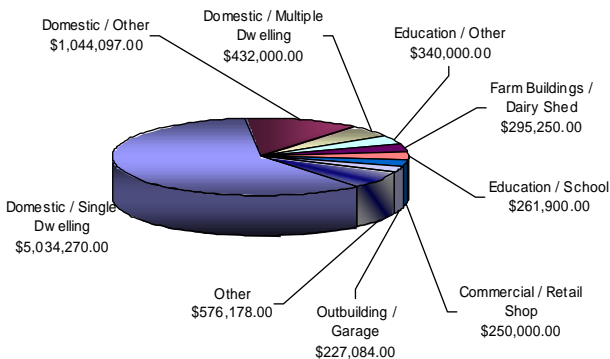


Source: Rotorua District Council

Local residential building activity remained strong in March 2006. There were 33 consents issued for new dwellings during the month, valued at around \$7.9 million. While the number of consents issued were below the 40 issued in February 2006, this number was above the 25 consents issued in March 2005. The annual average growth rate in the number of building consents issued in Rotorua was 54.0% for the year ended March 2006.

Value of Building Consents Passed

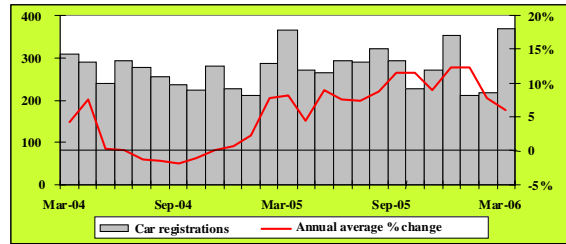
April 2006



Source: Application Status Report, Rotorua District Council

Local Monitor

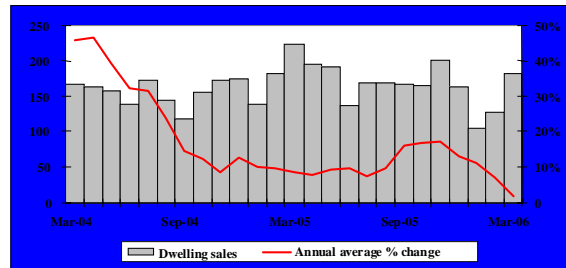
Car Registrations



Source: Land Transport Safety Authority

The number of car registrations recorded in Rotorua rebounded strongly in March 2006. A total of 367 cars (including both new and car ex-overseas types) were registered during the month, a new high. The annual average growth rate in the number cars registered in Rotorua was 6.1% for the year ended March 2006.

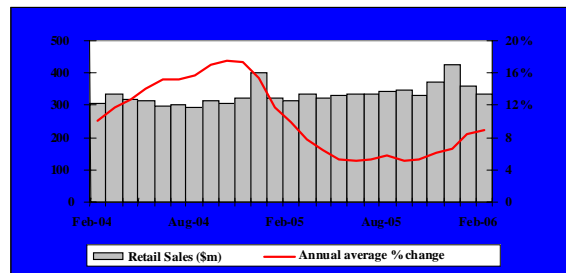
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

The level of housing market activity improved in Rotorua in March 2006, consistent with the national trend. A total of 181 homes were sold during the month, with a median sale price of \$210,000. The volume of sales recorded in March 2006 was the highest recorded over the past four months. The annual average growth rate in the number of house sales in Rotorua was 1.6% for the year ended March 2006.

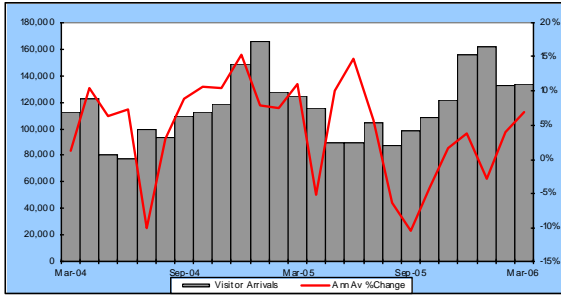
Retail Sales



Source: Statistics New Zealand

The retail sales market continued to ease in the BOP Region in February 2006. The value of sales recorded decreased from \$357.4 million recorded in January 2006 to \$334.9 million recorded in February 2006. Retail sales totalled \$310.1 million in February 2006. The annual average growth rate in the value of retail sales in BOP Region was a robust 8.9% for the year ended February 2006.

Rotorua Visitor Arrivals



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

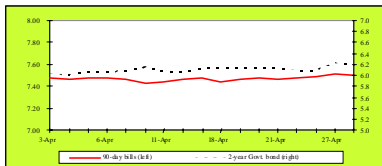
There were 133,318 overnight visitor arrivals to Rotorua's commercial and private accommodation during the month of March 2006 – an increase of 8,638 visitors or 6.9% over March 2005. On average they each stayed 2.1 nights for a collective 276,362 nights. For the year ending March 2006 there were 3,338,130 visitor nights spent in Rotorua - a 0.2% decline over the previous year.

Full report available at:

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

National Monitor

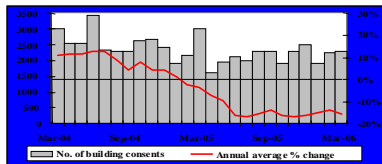
Interest Rates



Source: Reserve Bank of New Zealand

The New Zealand wholesale interest rate market was relatively stable in April 2006. By the end of the month, 90-day bill rates stood at 7.50%.

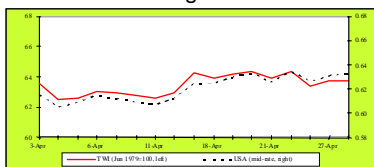
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

There were a total of 2,299 consents issued for new dwellings during March 2006 valued at \$510.6 million. This number of consents was above the 2,237 consents issued in February 2006 but below the 3,027 recorded in March 2005. The annual average growth rate in the number of building consents issued was -16.0% for the year to March 2006.

Exchange Rates



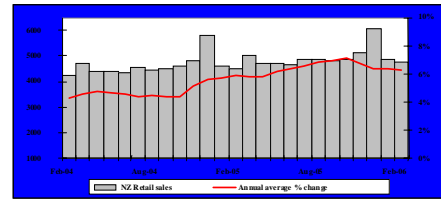
Source: Reserve Bank of New Zealand

After depreciating for the first ten trading days in April, the New Zealand dollar regained some ground against most of its trading partners. This was largely caused by a weaker US dollar. By the end of the month, NZ \$1.0 traded around US \$0.63 and the Trade-Weighted Index (TWI) stood at 63.7 points.

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National Monitor

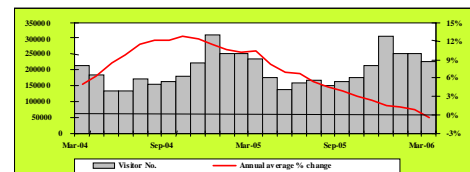
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

National retail sales continued to ease in February 2006. The value of sales was down from \$4,849.8 million recorded in January 2006 to \$4,748.9 million recorded in February 2006. However, the value of retail sales recorded in February 2006 was an increase of \$222.7 million (or 4.9%) compared to the value of sales recorded in February 2005. The annual average growth rate in the value of national retail sales was 6.2% for the year ended February 2006.

International Arrivals



A total of 226,966 visitors entered New Zealand during March 2006. This number was below the 252,431 visitor arrivals recorded for February 2006, and a decrease of 3.0% compared to the number of arrivals recorded in March 2005. The annual average growth rate in the number of visitor arrivals to New Zealand was -0.4% for the year to March 2006.

Summary

According to NZIER's March 2006 Quarterly Survey of Business Opinion (QSBO), a net 41% of firms expected general economic conditions to deteriorate over the next six months. This was an improvement from a net 68% who took a similar gloomy view in the previous survey. A net 7% (seasonally adjusted) of firms surveyed reported a decline in their own business activity over the past three months. These survey results are suggestive that the New Zealand economy is already in mild recession. Capacity utilisation has declined marginally and currently sits at 91.4%. The difficulty firms had in finding skilled and unskilled labour has eased (down from 33% in the December 2005 quarter to a net 26% in the March 2006 quarter for skilled labour, and a fall from a net 17% to a net 9% for unskilled labour over the same period).

The latest National Bank Business Confidence Survey showed that business confidence rebounded in April 2006. A net 32.4% of firms surveyed in April expected that business conditions will worsen over the next 12 months compared to a net 51.0% who were pessimistic in March. In addition, firms were optimistic about their business future with a net 14.5% in the April's survey anticipating that their level of business activity will increase over the coming year compared to a net 5.2% in March's survey.

Census stats reveal Rotorua population rising



New 2006 census figures released this week show Rotorua's population has increased to 70,400, a jump of 2.4% since the last census in 2001.

This reflects annual growth of 0.4% over the last five years and reverses the trend of the previous five years which saw negative annual growth of -0.06%. Rotorua's population in 2001 was 68,775, less than the previous 1996 census figure of 68,991.

Mayor Kevin Winters says the latest census statistics are not only good news for Rotorua but they are at a level that can be managed and built on. "The last thing Rotorua needs is rampant, unmanageable growth – simple economics show boom is invariably closely followed by bust."

"Improved roading and faster traffic access between Rotorua and Tauranga have undoubtedly played a part in population growth, and quality housing developments such as Baxendale and Brunswick Park are adding a new dimension to the image and reputation of Rotorua. People around New Zealand and overseas are sitting up and taking notice of Rotorua. Our profile has never been more positive."

"However it is also important to pay tribute to the businesses of our city for their innovation, their determination and their loyalty to Rotorua. They are an integral element in our future development and I hope they reap the rewards from the opportunities new growth can deliver. I think we've turned the corner and our local economy certainly looks very bright," said Mayor Winters.

BrightEconomy Advisory Board chair Bryce Heard said the growth in population is a welcome shift from the previous trend. He said the mix of unique lifestyle and higher quality jobs on offer means Rotorua is becoming increasingly attractive, and the BrightEconomy Advisory Board's immigration and lifestyle investment focus is clearly right on the money.

"This is about creating an environment to attract the right sort of population growth - growth that will add value and sustainable wealth right across the community. These new statistics are backed by some of our key economic indicators showing growth rates higher than the national average in areas such as building consents which are up 54%, car registrations up 6%, and a buoyant property market.

"Overall this is undoubtedly a very satisfying result but we can still do better by working smarter to create an environment that will encourage and stimulate the right type of population and residential development, for a sustainable and wealthier economic base. This will have significant business and socio-economic benefits for the whole community," said Mr Heard.

The Rotorua Chamber of Commerce is also upbeat about the new population figures. Chamber CEO Roger Gordon says the change in growth pattern between this census period and the previous census is very positive for the city.

"The most important factor is the turnaround in annual growth from negative to positive. Growth in the most recent year has probably been greater than the average and bodes well for continuing high growth into the next period. The chamber expects growth to be towards the higher end of that forecasted by the council for the next ten years.

"We are already on record as identifying projects that are underpinning this growth, such as the airport and events centre developments. This is very good for business. Increased population with associated growth in economic activity will provide improved retail and commercial opportunities for business in Rotorua. The chamber is looking forward to a great next five years through to the next census," Mr Gordon said.

The fastest growing area in Rotorua District was Owata West with 543 more people, an increase of 16.9%. Other fast growing areas were Pukehangi South (313, +12.7%), Hamurana (241, +10.5%), Fenton (169, +8.2%) and Pukehangi North (161, +8%).

Areas with declining population were headed by Kuirau with 180 fewer people, a decline of -5.9%, followed by Tarawera (-137, -7.9%), Tikitere (-119, -3.8%) and Victoria (-102, -4.8%).



Quality Regulation review



The minister of Commerce, Minister Lianne Dalziel, has announced the details of the government's Quality Regulation Review.

She is leading the review, which is designed to ensure that the regulatory environment promotes economic growth, business confidence, globally competitive companies and social wellbeing.

"The government is committed to a quality regulatory system which meets its objectives while minimising necessary costs and eliminating unnecessary costs." Says minister Dalziel.

"While the government has set out an ambitious and in depth work programme to progress the Review, the key to its ultimate success will lie in the way in which business and government work together to deliver real benefits." she stressed.

Minister Dalziel would like to hear directly from business about the regulatory issues being faced, and wishes to work with business to develop practical solutions.

"For this Review to be successful, we need the involvement of business" she said.

Have your say at the following web site
www.businessconsultation.govt.nz

EASTER SUNDAY SHOP TRADING PETITION

Rotorua shops cannot open on Easter Sunday - we want to change that.

Under the current law, only shops in certain towns and locations around New Zealand are able to open on Easter Sunday.

This is because they were granted exemptions by the Shop Trading Hours Commission between 1981 and 1989.

The Shop Trading Hours Commission no longer exists.

There is currently no legal mechanism to enable new towns or locations to be added to this list of exemptions. This petition asks Parliament to consider creating a legal mechanism so that new towns or locations such as Rotorua could be added to this list.

Please support our petition. It will be delivered to parliament by Rotorua Labour MP Steve Chadwick.

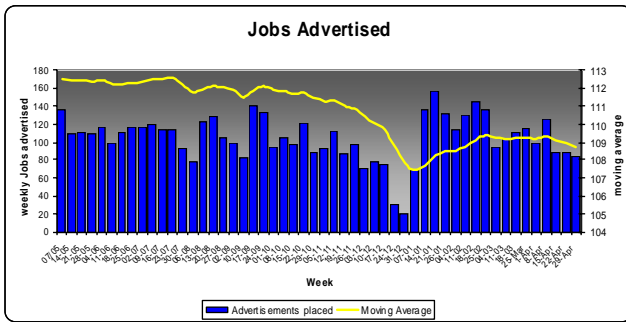
Please forward enquiries of support to:

The Daily Post, 1143 Hinemoa St or PO Box 1442, Rotorua, or City Focus, Tutanekei St, Rotorua.



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Employment Advertisements



Source: Economic Development monitoring of Saturday Daily Post

The number of Jobs advertised is still down on 2005, this can be an indication of reduced levels of trading. The retail sector shows the greatest decline in number of jobs advertised, however the jobs advertised seem to be down across the board, with transport and construction jobs advertised at a low over previous periods as well.

	Apr 05	Apr 06	12mth 06
Agriculture	16	16	14
Retail	15	12	13
Accommodation	15	14	12
Health	14	15	11
Other	63	46	54
Average Total	123	102	105

Average jobs advertised weekly in the Saturday Daily Post

Unprecedented interest in Business Awards

Interest in this year's Westpac Rotorua Business Excellence Awards has exceeded all expectations. Rotorua Chamber of Commerce CEO, Roger Gordon states: "Over 220 nominations were received from a wide variety of Rotorua organisations across all business categories. This has far exceeded our expectations. We are anticipating an increase in the number of entries this year as a result of this new phase of the award process."

All businesses are eligible to enter the Business Awards. Businesses do not need to have received a nomination in order to submit an entry. The 'Registration of Intent' forms have been distributed to every box holder in the Rotorua area. A copy can be obtained from the Chamber of Commerce office in Hinemaru Street or downloaded from the Chamber's website, www.rotchamber.co.nz.

This year the entry process has been standardised. The entry template may be downloaded from the Chamber's website and leads entrants step by step through the process. "This means that all entries will be judged on the information provided rather than on the presentation of the entry," according to Roger Gordon. "This levels out the playing field between the large and small companies placing emphasis on the quality of the organisation."

The closing date for entries is Friday 7 July.

The Convenor of Judges for the 2006 Awards, Melanie East, of East Consulting organised two seminars for prospective entrants. These seminars were held on Wednesday 24 May and on Wednesday 31 May. At the seminar members of the judging panel discussed their expectations and gave helpful tips on preparing the award entry.

CEO Roger Gordon, chair of the Business Excellence Awards Organising Committee states: "The Chamber has also made a change to the financial information review of the finalists. Organisations selected as finalists will now be allowed to have their accountant respond with a set of profitability and performance ratios rather than submit a complete set of financials. This addresses a previous concern of confidentiality expressed by some entrants."

The Gala Awards Presentation Event will be held in the Southern Trust Sportsdrome on Friday 6 October
For more information:

A one day event for Bay of Plenty, Taupo and South Waikato business people with the purpose of Educating, Motivating and offering Experience in business matters a programme worthy of being recognised as the event of the year for Business People.

A style and programme distinctly unique for this region. in short to have a **BLAST !**

Making a difference to business confidence in the region. To build a - we can do it attitude, that will have businesses planning to meet any down turn head on with a positive mind-set that difficulties bring opportunities.

The **must see business event** for Rotorua and the BOP for 2006

This is a Big Budget Event with the Best Speakers, Best Audio Visual, Best Theming and to top it off a great lunch. After a day of ideas and inspiration we will have drinks and networking.



Friday 23 rd June 7am – 5pm
Rotorua Conference Centre
Enquiries: Raewyn
telephone: 07 348 0234
www.blast.org.nz



Phone: 07 349 8365
Fax: 07 349 1388
Email: Info@RotChamber.co.nz
Web: www.RotChamber.co.nz

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Business Mentors New Zealand in Rotorua

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

Topics covered include:

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



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

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Strictly Business

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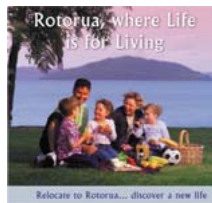
Log on to www.rotorua-business.com and take a look at the official Rotorua living, working, investing and doing business site generating around 70,000 hits and 9,000 visits per month. Enhance your business communication strategy by registering on the Rotorua business database or list your latest job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



Rotorua "where life is for living" publication

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2000 copies have already been utilised this year in assisting local companies with their employee, investment and business attraction to Rotorua efforts.



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Tel 348 4199 Ext 8055 or e-mail info@rotorua-business.com

Rotorua Events Calendar

Training Programme

Public Speaking skills

Time:17:30

Date:14/06/2006

Toschi International

Improving the Effectiveness of your

Time:17:30

Date:20/06/2006

Website

presenter Roy Bartholomew

BA5 - The 'Great' Way To Network

Venue: **PhotoArts**

BA5 - Tuesday 13th June

Time: 17:30 - 19:30

Venue: **Grand Tiara**

BA5 - Tuesday 27th June

Event Time:17:30- 19:30

Email: Info@RotChamber.co.nz

Web: www.RotChamber.co.nz

Address: **The Business Hub**
1209 Hinemaru St.
Rotorua



Rotorua Business SWAP

Blast 2006

Friday

23 rd June 7am – 5pm

Rotorua Conference Centre

Enquiries: Raewyn

telephone: 07 348 0234

www.blast.org.nz



Timber Design Seminar

SCION Campus Sala Str

29 June 2006

NZ Timber Design Society

Attention: Lois Ritchie

P O Box 14 604,

Panmure, Auckland

Fax to: 09 273 2880

Registrations close: Wednesday, 21st June, 2006



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 (Destination Rotorua Economic Development Project Officer)

Tel (+64) 7 348 4199

Fax (+64) 7 350 0182

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

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Supplementary Building Information

ROTORUA

April 2006

Type of Consent	Value of Consents	Number of Consents
Commercial / Retail Shop	250,000.00	1
Commercial / Other	110,900.00	3
Community Buildings / Other	40,000.00	1
Domestic / Single Dwelling	5,034,270.00	20
Domestic / Multiple Dwelling	432,000.00	1
Domestic / Other Structure	38,000.00	3
Domestic / Other	1,044,097.00	34
Domestic / Re-site	92,000.00	5
Domestic / Demolition	8,000.00	3
Education / School	261,900.00	4
Education / Other	340,000.00	1
Education / Re-site	7,500.00	1
Farm Buildings / Implement Shed	15,000.00	1
Farm Buildings / Dairy Shed	295,250.00	2
Farm Buildings / Hay Barn	9,956.00	1
Farm Buildings / Other	40,500.00	3
Minor Work / Heater	114,530.00	40
Minor Work / Plumbing	27,200.00	4
Minor Work / Other	31,000.00	6
Outbuilding / Garage	227,084.00	15
Outbuilding / Sleep-out	18,000.00	1
Outbuilding / Carport	8,082.00	2
Outbuilding / Other	15,510.00	4
Total	\$8,460,779.00	156

SOURCE: Application Status Report, 01 April 2006 to 30 April 2006, Rotorua District Council.