

Welcome

Welcome to the new season isn't it great to see the sun and heat of the summer season closing in on our slice of paradise. I hope that the emergence of summer bring renewed confidence and prosperity to your business.

A big thank you to all who contributed to our Rotorua BrightEconomy open day, the event was a great success, the 90 or so contributors provided us with a wide ranging array of feedback. The project now moves into the next stage of development which entails the production of the draft strategy and targeted workshop sessions with a number of Rotorua's key industry leaders. I would like to take this opportunity to thank the Vision Rotorua Group for their ongoing support in development of this strategy.

We welcome your input if you have positive business news on Rotorua we would love to hear from you, we are particularly interested in local business success stories that others may be able to learn from.

Regards: *Mark Rawson Manager Destination Rotorua Economic Development*

Congratulations Business Award Winners

Well done Rotorua Chamber of Commerce on running another successful Business Awards event. It was a great celebration of Rotorua business and congratulations to the winners, what a great crop of successful Rotorua businesses. A big well done to the other businesses who did not win, in my opinion you are all to be congratulated for taking up the challenge of entering the 2004 Community Internet Rotorua Business Awards.

To all of you who did not take up the challenge, previous winners and finalists received acquired increases in business activity through the exposure gained as well as benefits from the feedback from the judging process, all good reasons for you taking up the challenge of being involved in this great celebration of Rotorua business.

"Mission Possible"



Congratulations to the 2004 Community Internet Business Awards Winners

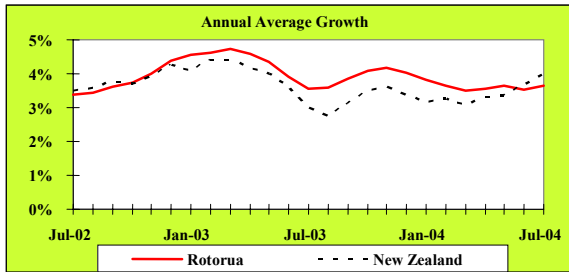
Rotorua Business of the Year
 - Brumby's Rotorua

Category Winners

- Manufacturing and Trade** - Materials Processing
- Media I.T. and Communications** - Tarawera Publishing
- Primary Industry** - Eastside Training
- Education**- Rotorua Boys High School Golf Academy
- Retail** - Brumby's Rotorua
- Service Provider** - Harcourts Blue Diamond Real Estate
- Hospitality and Attractions** - Buried Village
- Customer Choice** - Ngongataha Pharmacy
- Employee** - Gordon Bruning Princess of Wales Children's Health Camp.
- Social Responsibility** - Buried Village

The Brumby's Team (from left) Tina and Gerard Kennedy, Sian Francis, Gwenda Maynard, Emma Reichardt, Casey Taylor, Rene Jonker, Harriet Francis, Andrew an Etten
 Photo - Andrew Warner - Courtesy of the Daily Post

Economic Growth

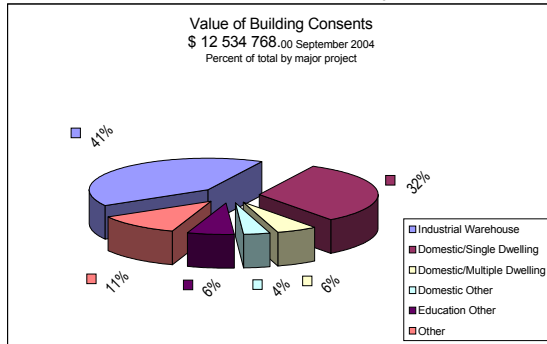


Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The latest growth index shows that local business activity is slightly behind the national average for the year ended July 2004.

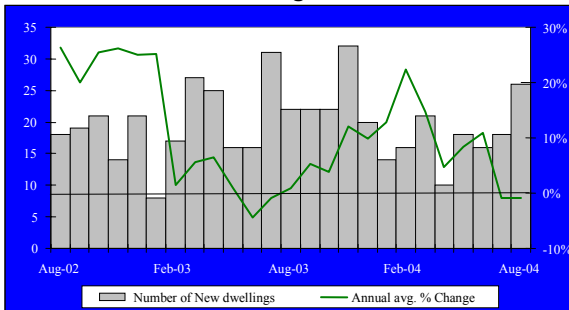
Key Indicator Trends

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



Source Planning: Rotorua District Council

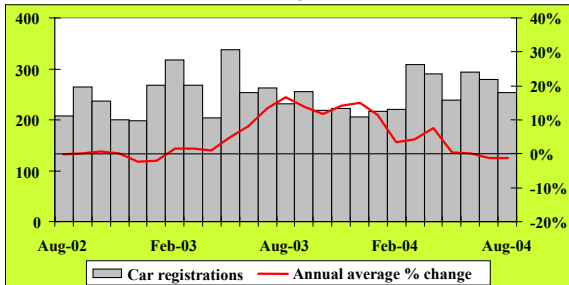
Building Consents



Source: Rotorua District Council

Residential building activity rebounded in Rotorua in August 2004 with a total of 26 permits issued for new dwellings during the month. This was an improvement from 18 issued a month earlier and 22 issued 12 months ago. However, weak activity over the past 6 months has dragged annual average growth down by 0.8% for the year ended August 2004.

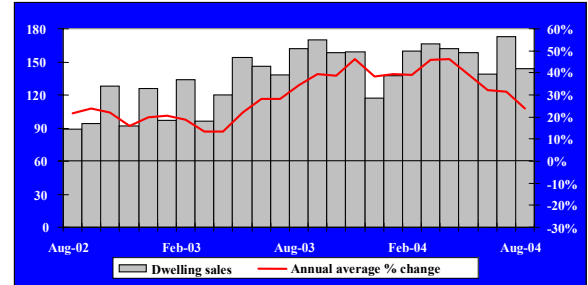
Car Registrations



Source: Land Transport Safety Authority

Rotorua's car registrations remained subdued in August 2004. There were a total of 253 cars (including new and ex-overseas types) registered in local postal offices during the month, down from 278 recorded in the previous month. While this improved from 231 registered in August of last year, a year-on-year comparison showed that annual registration numbers fell by 1.4% between the year ended August 2003 and August 2004.

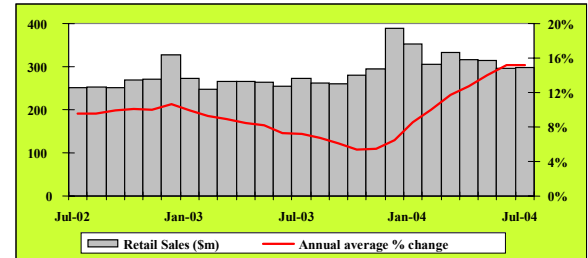
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

Although the volume of house sales in Rotorua decreased from a high of 173 recorded in July to 144 in August (which was also lower than the 162 sold in August 2003), the median sales price firmed by \$3,000 to \$138,000 between the months. Over the past year, annual sales volumes still grew by 23.9% for the year ended August 2004.

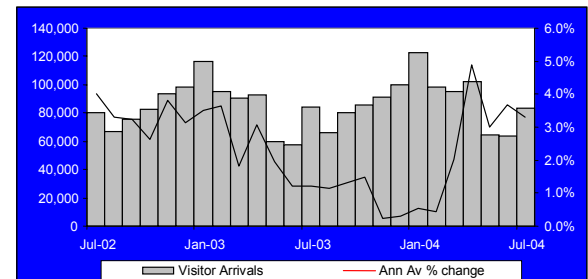
Retail Sales



Source: Statistics New Zealand

Regional retail sales have stabilised over the past 2 months in the BOP. Total sales reached \$297.5 million in July, which was slightly above sales of \$296.6 million recorded in June. However, sales rose by \$24.3 million or 8.9% on July of 2003, which lifted year-on-year growth to 15.2% for the year ended July 2004 (the same growth rate for the June 04 year).

Visitor Arrivals



Source: Statistics New Zealand

There were a total of 83,107 tourists who visited Rotorua during July 2004, an increase of 19,234 on June when 63,873 visitors arrived. While the monthly arrivals edged marginally lower compared with 83,790 recorded 12 months ago, year-on-year growth still rose by 3.3% for the year ended July 2004.

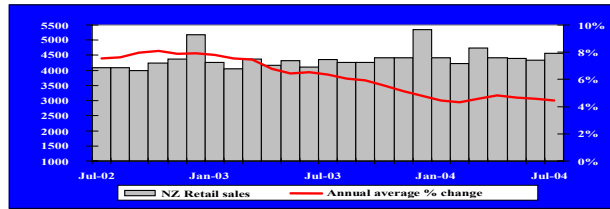
Local Monitor

Summary

The boost in dwelling permits will lead to additional demand in housing related sectors of the economy. Also while there is an overall slowing in the local economy due to a combination of factors such as low levels of demand for logs and lumber, strong national GDP growth in the 2nd quarter and the seasonal effects of summer (eg, increasing visitor numbers and improved growing conditions) will provide a fillip to the local economy for the balance of 2004.

National Monitor

Retail Sales

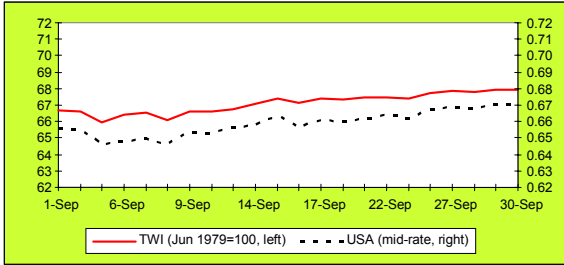


Source: Business Statistics Section, Statistics New Zealand

The retail sales market remained strong in July. Latest statistics showed total national sales of \$4,562.9 million for the month, an increase of \$221.5 million on June, and a rise of 4.6% compared to July 2003. This has pushed annual average growth to 4.4% for the year ended July 2004.

National Monitor

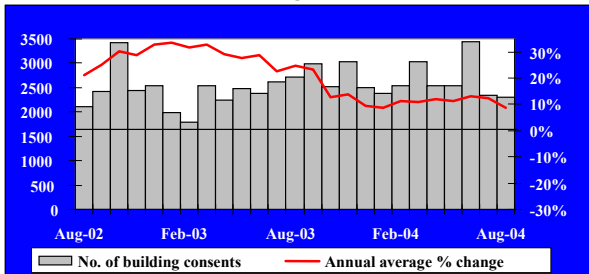
Exchange Rates



Source: Reserve Bank of New Zealand

New Zealand's exchange rates appreciated steadily against most of its trading partners' currencies in September 2004 reflecting the strong domestic economy, together with widening in interest rate gaps. By the end of the month, one NZ dollar traded at 67 US cents, and the trade-weighted index (TWI) had climbed to 67.9 points.

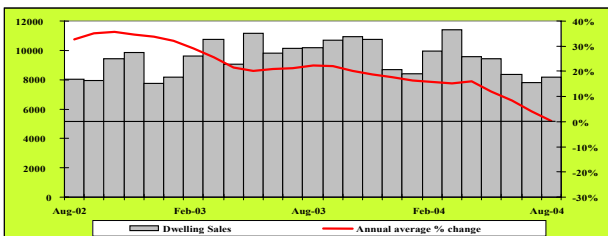
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

Dwelling construction activity is gradually slowing throughout NZ. In August 2004 there was a total of 2,296 permits issued for new dwellings, with a combined value of around \$438.2 million. This was down from 2,347 issued in the previous month, and well below the 2,704 recorded 12 months ago. This led year-on-year growth to 8.8% for the year ended August 2004.

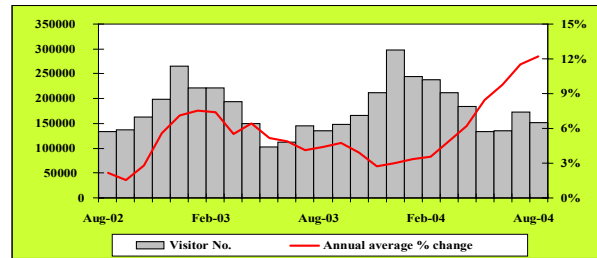
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

Compared with sales of 10,193 recorded in August of last year, monthly trading volumes have fallen sharply in recent months and saw year-on-year growth grow lift by 0.2% for the current August year.

International Arrivals



Source: Statistics New Zealand

A total of 152,104 international tourists visited NZ during August, among them 64,548 visitors from Australia. While this dipped from 173,328 recorded a month earlier, this represented growth of 12.3% on 135,400 arrivals recorded 12 months ago. This boosted year-on-year growth to 12.2% for the year ended August 2004.

Summary

While NZ's economy has maintained strong growth (eg, GDP grew by 4.4% for the June 2004 year), businesses still feel less confident about the overall economic outlook. The latest National Bank survey showed that business confidence was low in September 2004. A net 21% of respondents expected general business conditions to become worse for the coming year, down from a net 15% a month earlier. This pessimistic attitude was common in many sectors, with farmers showing the least confidence (a net -35%). Builders (a net -30%) and manufacturers (a net -28%) also felt gloomy about their future prospects, followed by services people (a net -15%) and retailers (a net -14%). However, a more reliable indicator told us a different story. A net 29% of firms expect their own business activity to improve over the next 12 months. Adding to this optimistic view were investment intentions, capacity utilisation and the outlook for exports, which were all positive. This positive view was also echoed by NZ consumers. As the Westpac McDermott Miller index showed, consumer confidence surged 4.3 points from June to 125 in September (>100 means optimists outnumber pessimists). A net 22% of consumers showed they felt confident about the NZ economy for the coming year, while a net 14.4% believed that they were better off financially compared to a year ago. This was consistent with the buoyant housing market (which pushed house values up), the record low unemployment rate (resulting in good job security and wage increases), and good returns for farmers (due to good weather and high world commodity prices) over the past 12 months.

New Employment Skill - Coordinator

Greetings

My name is Joanna (Jo) Gargiulo and I am the Employment Skills Co-ordinator with Destination Rotorua Economic Development.



My position was derived from the Rotorua Employment Skills Project commissioned in November 2002 by Work and Income Bay of Plenty, Tertiary Education Commission, Rotorua District Council and Waiariki Institute of Technology. The work highlighted skill shortages emerging at both local and national levels as New Zealand experienced a sustained period of economic growth and relatively low levels of unemployment. The aim of the project is to ensure that "the right people are in the right place with the right skills at the right time" for Rotorua employers.

The project gathered information on skill gaps at the time and those projected over the next five years. From this analysis a series of industry specific networking events were held resulting in the Rotorua Employment Skills Strategy. The key aspect of the strategy was developing a communication network between industry employers and local and central government departments. My new position is a result of this strategy and will play a pivotal role in its implementation over the next 2-3 years.

This project is about working with Rotorua employers to develop public and private partnerships to address skill shortages. Now I am onboard with Destination Rotorua Economic Development this will assist us to build strong linkages between employers and other key stakeholders such as Work and Income, public and private training educators, Tertiary Education Commission, industry training organisations, and NZ Trade and Enterprise (NZTE), in order to identify and implement practical solutions.

We also need to acknowledge the high level of financial support for my position from NZTE and Work and Income Bay of Plenty who, in partnership with Destination Rotorua and Rotorua District Council, have made the initiative possible. We also need to acknowledge our other partners who make up the Employment Skills Strategy Steering Group - TEC, Chamber of Commerce, Community Policy Department at Rotorua District Council and Waiariki Institute of Technology.

The first sectors in the project are to be construction, engineering, manufacturing and transport as the market indicates that these are the sectors with the highest priority needs.

The way forward for this project is to conduct research on these sectors to establish the main concerns within their industry. From here our aim is to get as many sectors as we can networking together to identify practical solutions to skill shortage issues.

This is an extremely exciting time as we are making every effort to help these sector groups identify their issues so we can move towards short, medium and long term results. It will be great to have them attend the meetings and share their views with us.

We have currently issued just under 400 surveys to the Construction, Engineering, Manufacturing and Transport sectors to ascertain their skill needs. If you are in this sector group and you have not received a survey from us please do not hesitate to contact me.

We invite all members of this sector to meet and attend a networking breakfast 03 November from 7:00 - 9:00am at the Rotorua District Council offices in Haupapa Str. 1st floor Galleria.

For Further Information refer to our web page www.rotorua-business.com or contact (Jo)Joanna Gargiulo (07) 348 4199 ext 8543 jo.gargiulo@rdc.govt.nz

Building and Planning

FREE LAND USE ADVICE

Are you planning a new project, development, business or tourism venture in Rotorua?

Avoid potential hidden costs and time delays. Check out whether the District Plan allows for the type of venture you are proposing, without the need for a land-use consent.

Rotorua District Council offers a free appointment service regarding district plan matters.

Help us to help you. Call for an appointment. Let us know the address of the property and the general nature of the project you are planning. We will then look up the property details and file prior to your appointment and ensure the right team of people are available for the meeting. Planning, engineering, building and environmental health staff are available depending on the nature of the enquiry.

Please phone (07) 348 4199 for an appointment.

A number of documents including the Rotorua District Plan, Rotorua City Design Principles, Lakes A Design Guide, and Rotorua Civil Engineering Industry Standard along with other planning information are available from our website www.rdc.govt.nz

RDC Planning Services

Eastern Growth Structure Planning

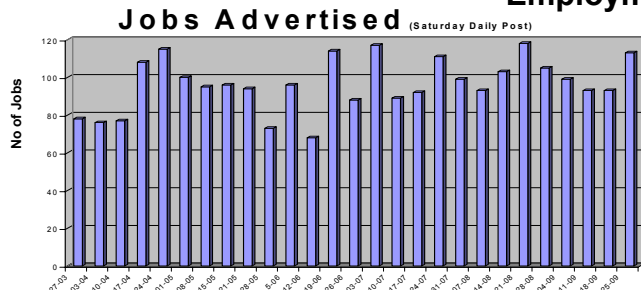
With the decision of Council to progress sewage reticulation in the Eastern Rotorua Basin a new strategic planning study is soon to be put out to tender. The final plan is timetabled to be delivered by June 2005. Public consultation will form a key element of the process that will result in the re-zoning of areas to cater for residential, industrial and commercial growth during the next 50 years.

Planned in tandem with the new sewage pipeline it will enable future development to be reticulated and reinforces Council's long term commitment to improve lake water quality.

For further information Contact - Rick Dunn rick.dunn@rdc.govt.nz Tel: 348 4199

Market Briefs

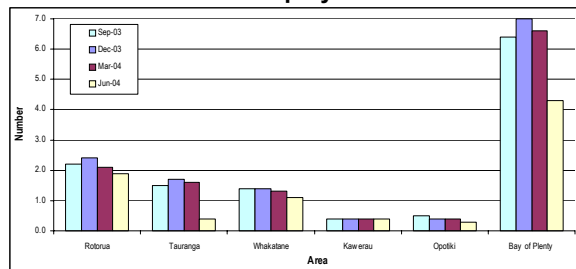
Employment Opportunities



For the month of September the average number of Jobs Advertised was 100 which is down by 5 on the August figure, however this is still up on the annual average of 96. The top sectors were once again

Accommodation, Cafes and Restaurants
Agriculture Forestry Fishing and Hunting
Health and Community Services

Unemployment



The number of registered unemployed in the Rotorua district has decreased by 672 since June 2003 to 2111 - *Source Work and Income*

SMEs in New Zealand: Structure and Dynamics

Report released by the Ministry of Economic Development

The following interesting information was recently released in a study done by the Ministry of Economic Development:

- 86% of enterprises employ 5 or fewer full-time equivalents (Full Time Employees).
- 96.8% of enterprises employ 19 or fewer FTEs.
- 20.3% of enterprises employ 0 FTEs.
- The number of SMEs (0-19 FTEs) increased 4.9% in 2003, following an increase of 2.7% in 2002.
- Between 2002 and 2003 the average number of full time employees per enterprise remained relatively stable at around 5.2.
- Small and medium enterprises accounted for 42.3% of all full time employees in 2003.
- Small firms accounted for 22.7% of all Full Time Employees in 2003.
- Using value added as a measure of output, SMEs accounted for 38.1% of the economy's output in 2002.
- Small firms contributed 21.1% of total output in 2002.
- In 2003, entries and exits of small firms on the Business Frame accounted for 93.2% and 92.4% respectively of total enterprise dynamic on the Business Frame.

For more information and a full report visit: [Website www.med.govt.nz](http://www.med.govt.nz)

Visit the Publications Section of our Web Page at www.rotorua-business.com

For more Statistics and business information about Rotorua

SWAP - Breakfast

This is a must attend event for all business people wanting to improve their sales and marketing opportunities. Email is a powerful tool used properly it can increase your sales while decreasing your costs. It is the most inexpensive form of communication, this is a great opportunity to bring your staff and be absolutely WOW'ed by the presentation.

The Cost for breakfast is \$25

Date/Place: 27th October Royal Lakeside Novotel

Time: 7am - 9am

Followed by a Seminar by internet guru Debbie Mayo - Smith: Featured in the last issue of (Strictly Business)

What's Covered (not a complete list)

Automatically getting rid of junk mail

Automatically sorting your incoming email

Automatically separating what's important and not

Automating responses

The Cost for seminar is \$125 (Free Breakfast)

Date/Place: 27th October Royal Lakeside Novotel

Time: 9:30 am - 12:30 pm

Phone Ph 348 0234 to register

Calling all Exporters Luncheon Invitation - Rotorua

Presented by Bill Watson, Director Access Asia Ltd. (Highly recommended by Export NZ National Office)

Asians play the game of business by a different set of rules. Negotiations and ongoing business dealings can be quite frustrating, particularly with Chinese companies. Cross-cultural negotiations that begin with no clear agreement about the rules can become a minefield for Westerners. In business dealings, it is vital to know the worldview of the "other," and understand the principles that govern changes in culturally-constructed rules. **We give you tools for developing both relationships and strategic flexibility in a rapidly changing business environment.**

This two hour seminar will cover trade matters throughout Asia with emphasis on China.

Course Content:

- Core Cultural Differences, examining both New Zealand and Chinese values, including a real case study.
- Significant difference in Asian and Western Business style
- What Chinese want from us
- Finer points of Protocol
- Key points of intercultural communications
- The Inner Game: Customs and traditions that influence Chinese behaviour.
- Implications for negotiations.
- Marketing, including points of leverage

Access Asia Ltd... is a highly qualified team of specialists in interpreting and navigating in the Asian business environment. They provide a personalised service which will be of great assistance in commencing an economic and cultural strategy for our region into China.

For further information on Access Asia: www.accessasiabiz.com/

Date & Time: Friday 29 October 11.45 am – 2.00 pm

Venue: Rotorua District Council, Council Chambers,
106 Haupapa St, Rotorua

Cost: Members \$55.00 pp Non members \$65.00 pp
Includes lunch and one complimentary glass of beverage

RSVP: bop@exportnewzealand.org.nz
Registrations are required by 27 October.
Cancellations will not be refunded if less than 24 hours notice is given.

Visit our Web page for more ...

www.rotorua-business.com



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For more Statistics and business information about Rotorua

Rotorua Events Calendar

Labour Weekend Antique Fair

Starts: **Saturday, October 23, 2004**

Finishes: **Monday, October 25, 2004**

Venue: **Rotorua Convention Centre**

Come along over Labour Weekend and have a look at some great antiques.

Street Entertainment, Flame & Sword Swallowing

When: **Friday, October 22, 2004**

Venue: **Rotorua City Focus**

National Paintball Tournament

Starts: **Saturday, October 23, 2004**

Finishes: **Monday, October 25, 2004**

Venue: **Rotorua International Stadium**

Now into its fourth year, the Rotorua Volcanic Paintball Tournament is regarded as the premier Australasian paintball tournament attracting top teams from both sides of the Tasman.

2004 New Zealand Street Rod Nationals

Starts: **Saturday, October 23, 2004**

Finishes: **Monday, October 25, 2004**

Venue: **Arawa Park Race Course**

Home and Garden Show

Starts: **Friday, October 29, 2004**

Finishes: **Sunday, October 31, 2004**

Venue: **Rotorua Sportsdrome**

It's all about ideas. Have you been inspired by DIY Rescue, Changing Rooms and Ground Force? Need some ideas, solutions and know-how for your home and garden?

YACHTING - Carson Taylor Ford Labour Weekend Regatta

Starts: **Saturday, October 23, 2004**

Finishes: **Sunday, October 24, 2004**

Venue: **Lake Rotorua**

The Rotorua Yacht Club will host its 66th Annual Regatta on Lake Rotorua at Labour Weekend.

Bike the Lake

When: **Saturday, November 06, 2004**

Venue: **Village Green, Rotorua Lake Front**

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

September 2004

Type of Consent	Value of Consents	No. of Consents
Commercial/Retail Shop	\$18,000.00	2
Commercial/Offices	\$65,000.00	2
Commercial/Restaurant	\$110,000.00	1
Commercial/Tavern/Bar	\$90,000.00	1
Commercial/Health Care	\$330,750.00	1
Commercial/Other	\$158,000.00	7
Community Building/Other	\$14,500.00	1
Domestic/Single Dwelling	\$3,983,000.00	19
Domestic/Multiple Dwelling	\$680,000.00	1
Domestic/Other Structure	\$32,500.00	5
Domestic/Other	\$440,500.00	15
Domestic/Resite	\$20,000.00	1
Domestic/Pools	\$500.00	1
Domestic/Demolition	\$2,020.00	1
Education/Other	\$790,000.00	3
Farm Buildings/Implement Shed	\$47,000.00	3
Farm Buildings/Hay Barn	\$21,000.00	1
Farm Buildings/Other	\$17,825.00	5
Industrial/Warehouse	\$5,048,000.00	2
Industrial/Manufacturing	\$150,000.00	1
Industrial/Other	\$25,000.00	1
Minor Work/Heater	\$49,147.00	26
Minor Work/Plumbing	\$61,950.00	15
Outbuilding/Garage	\$121,775.00	14
Outbuilding/Sleepout	\$30,000.00	1
Outbuilding/Carport	\$36,000.00	4
Outbuilding/Other	\$3,500.00	1
Total	\$12,345,967.00	135

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