

“Kia ora” welcome to the April edition of Strictly Business

Sitting on a Time Bomb of Opportunity

It was pointed out to me last week that Rotorua has the largest population in the world sitting on an active geothermal field. Whilst watching the ‘Sunday’ programme last week the reference to the sulphurous stench and the smoking mountains of Vanuatu bought home the reality of where we live not so much as being alarmist but more so opportunistic.

Hot springs and geothermal go hand in hand with wellness and revitalisation. The huge Spa markets of Europe are envious of our resource and our facilities boasting Top Ten in the World status as voted by the readers of Conde Nast Traveller Magazine for the Polynesian Spa and as of late New Zealand Tourism Award winning status for Waiora Lakeside Spa Resort.

Rotorua’s Spa is being eyed by other nations as a benchmark for developing both the amenity and the industry, a while ago we had a flying visit by delegates from China’s (Nanjing Tourism) who are taking the lead in developing both product and a global strategy for Hot Spring Spa and Wellness. The existing economic relationship we have with Nanjing can only be strengthened and I look forward to working with our operators here to develop this relationship at the next Global Hot Spring forum late this year.

Geothermal offers much more to Rotorua than we might first think. The relocation of Mighty River Power will cement us as a hot spot for both exploration and partnership for geothermal related research. The opportunity is real for future energy interdependency from the national grid giving both security of supply and certainty for business and ratepayers living in our region.

Rotorua could and should be seen as the epicentre for research and development for natural resources (bio-fuels, wind power, geothermal) furthering the fantastic work our CRI Scion is undertaking and enticing the best minds in the field of sustainable resources to Rotorua.



Grant Kilby,
 Destination
 Rotorua
 Economic
 Development

Plenty to brag about, Pass It On

Kiwi Expat Association (Kea) chairman Sir Stephen Tindall launched Pass It On last week, an initiative to turn the nearly million New Zealanders who live overseas into a network of virtual ambassadors.

Along with non-Kiwis who love New Zealand, our expats are being asked to tell their mates and business contacts about everything New Zealand has to offer, particularly when the eyes of the world are upon us before and during Rugby World Cup 2011.

“That is a huge overseas supporters club, both for the Men in Black and this country,” Sir Stephen said.

“The 2011 tournament is looming large on New Zealand’s horizon. Given how rare it is for this country to host a truly global event, it is the perfect opportunity for Kiwis abroad to reconnect with their homeland and tell people around the world what is going on.

“From our fashion designers, to musicians, yacht designers, and superb pinot noir, we have talent and products which our international supporters club can spread the word about - before, during and after the events of 2011.”

Kea has clicked on the childhood birthday party game of Chinese whispers and dragged it into the internet age. The message is: “New Zealand has plenty to brag about, Pass It On”.

There will be monthly prize draws for participants, with winners receiving outstanding Kiwi-centric prizes. A good example is the Expat Reconnaissance Tour, an opportunity for four Kiwis living overseas to bring their best non-Kiwi mates home for a week of money-can’t-buy experiences.

Kea Executive Director Ross McConnell says our musicians, film makers, fashion designers, and other business people can use the Pass It On to network to engage with Kiwis and other friends of New Zealand living overseas.

“Many Kiwis have done incredibly well overseas, and have fantastic international networks as a result. This is a great opportunity for New Zealand to make the most of those connections, as global interest in New Zealand peaks over the next 18 months.”

Hip hop star Savage, whose work will feature on Pass It On, also attended the launch event.

Recording artists heading overseas will have a much better chance to follow the successful path of Savage with a foot in the door from Pass It On, says Music Commission chief executive Cath Andersen.

“It is not easy to make it overseas. Pass It On is exactly the sort of initiative which can help our emerging talent break through on the world stage.”

“The project will give us a legacy and a lasting database of contacts well after the final whistle has blown at Eden Park.”

How Pass It On works

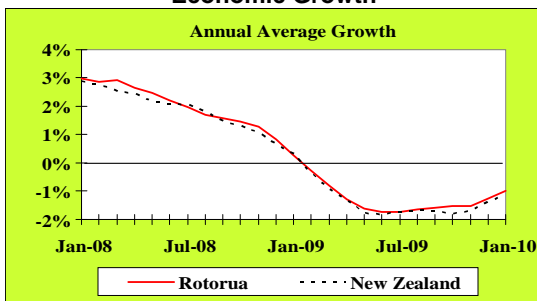
Visit the Pass It On website www.passiton.co.nz to try it out for yourself, find rotorua on this site.



Why not Live and Work, where the rest of the World comes to Play ? **ROTORUA** *Feel the spirit*

Affordable Relaxing www.rotorua-living.com Unique Central

Economic Growth



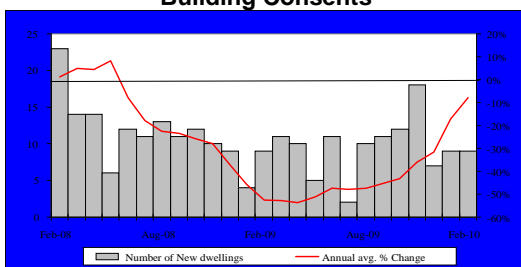
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in Rotorua's index was negative 1.0% for the year ended January 2010. This was slightly faster than the negative 1.1% annual average growth rate in New Zealand's index in the same period.

KEY INDICATOR TRENDS

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

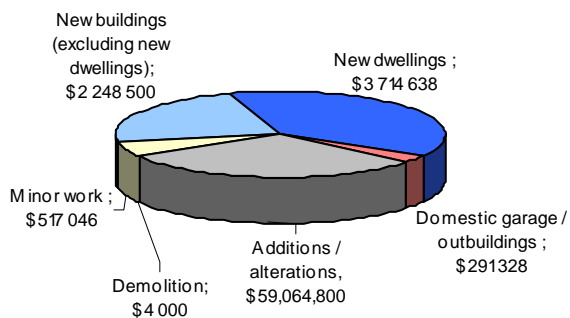
Building Consents



Source: Rotorua District Council

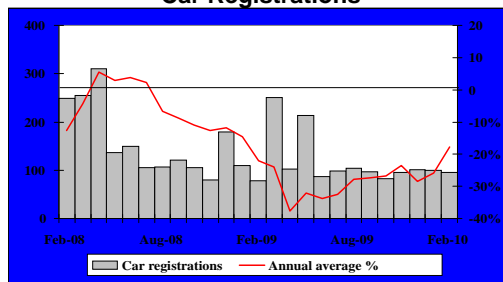
There were a total of nine new building consents valued at around \$2.0 million issued for residential dwellings in Rotorua during February 2010. This was the same number of consents as that issued in January 2010 and also February 2009. The annual average growth rate in the number of new building consents issued for residential dwellings in Rotorua was negative 8.0% for the year ended February 2010.

Value of RDC Consents Passed Mar-10



Source: Rotorua District Council

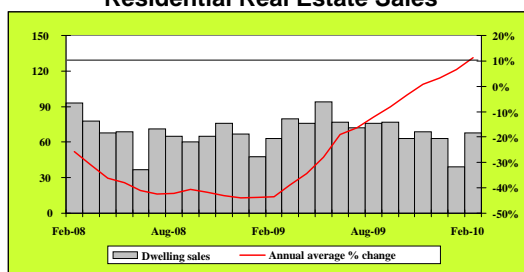
Car Registrations



Source: Land Transport Safety Authority

There were a total of 95 cars registered in Rotorua's postal offices during February 2010. This was marginally less than the 100 cars registered in January 2010, but an increase from the 79 cars registered in February 2009. The annual average growth rate in the number of new and ex-overseas cars registered in Rotorua was negative 17.8% for the year ended February 2010.

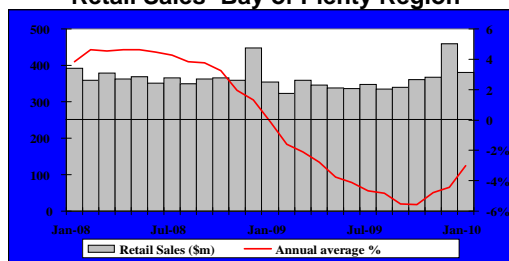
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

A total of 68 houses with a median sale price of around \$243,500 were sold in Rotorua during February 2010. The number of sales increased by 39 houses compared to the number recorded in January 2010 and was greater than the 63 houses sold in February 2009. The annual average growth rate in the number of houses sold in Rotorua was 11.3% for the year ended February 2010.

Retail Sales- Bay of Plenty Region

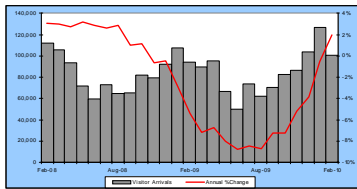


Source: Statistics New Zealand

Bay of Plenty Region's retail sales totalled \$380.3 million in January 2010, down from \$458.3 million recorded in December 2009, but an increase of \$26.2 million (7.4%) compared to the value recorded in January 2009. The annual average growth rate in the nominal value of Bay of Plenty Region's retail sales was negative 3.0% for the year ended January 2010.

SUMMARY.

The annual average growth rate in Rotorua's index was negative 1.0% for the year ended January 2010. This was slightly faster than the negative 1.1% annual average growth rate in New Zealand's index in the same period.



Source: Statistics New Zealand – Commercial Accommodation Monitor

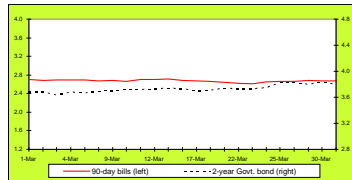
There is a seasonal pattern in guest arrivals to Rotorua's commercial accommodation premises where peaks occur in the summer months and troughs in the winter months. The estimated number of guest arrivals to Rotorua's commercial accommodation premises decreased from 126,555 in January 2010 to 100,888 in February 2010. When compared with the same period of the previous year this was a 7.4% increase over the 93,904 guest arrivals recorded for February 2009. For the year ending February 2010 there were 1.0 million guest arrivals to Rotorua commercial accommodation premises - a 2.0% decrease over the same period of the previous year.

Full report available at:

<http://www.rotoruanz.com/downloads/pdfs/RTIF.pdf>

National Monitor

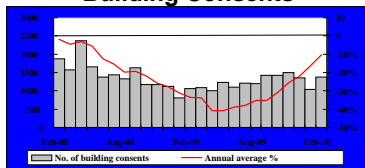
Interest Rates



Source: Reserve Bank of New Zealand

Despite stronger quarterly GDP data, the RBNZ is still expected to keep the OCR at its current level during the first half of 2010. Accordingly, the New Zealand wholesale interest rate market remained stable throughout March 2010. The 90-day bill rate stood at 2.67% by the end March 2010.

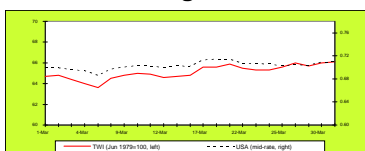
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

A total of 1,375 new building consents with a combined value of around \$381.6 million were issued for residential dwellings in New Zealand during February 2010. This was the highest level recorded over the past three months, and was greater than the 1,059 consents issued in February 2009. The annual average growth rate in the number of new building consents issued for residential dwellings in New Zealand was negative 10.4% for the year ended February 2010.

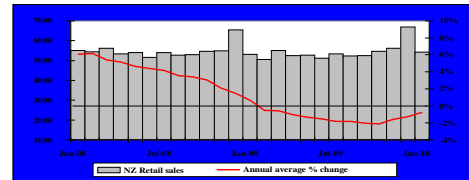
Exchange Rates



Source: Reserve Bank of New Zealand

New Zealand's exchange rates appreciated in March 2010, helped by strong GDP growth results and an improved CAD. By the end of the month, one NZ\$1.00 traded against US\$0.71 and the Trade-Weighted Index (TWI) reached 66.1 points.

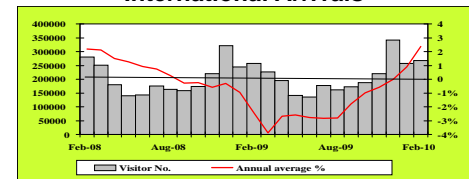
Retail Sales



Source: Statistics New Zealand

The nominal value of New Zealand's retail sales in January 2010 totalled \$5,431.3 million. This was a decrease from the \$6,681.9 million of sales recorded in December 2009, but was greater than the \$5,310.2 million of sales recorded in January 2009. The annual average growth rate in the nominal value of New Zealand's retail sales was negative 1.1% for the year ended January 2010.

International Arrivals



Source: Statistics New Zealand

There were a total of 267,855 international visitor arrivals to New Zealand in February 2010. This was an increase from the 256,652 visitors recorded in January 2010 and the 256,559 visitor arrivals recorded in February 2009. The annual average growth rate in the number of international visitor arrivals to New Zealand was 2.4% for the year ended February 2010.

SUMMARY AND COMMENTARY

Accelerated GDP growth and an improved CAD have boosted New Zealand firms' confidence levels. The March 2010 quarter edition of the Quarterly Survey of Business Opinion published by the New Zealand Institute of Economic Research (NZIER) in April 2010 showed that a net of 36% firms on a seasonally adjusted basis (s.a.) as at the March 2010 quarter expected the general business situation to improve over the next six months.

This was an increase from a net 23% who possesses an optimistic viewpoint as at the December 2009 quarter and was the most optimistic result recorded since the June 1999 quarter.

Firms' expectations of their businesses activity during the next three months doubled from a net 10% as at the December 2009 quarter to a net 20% as at the March 2009 quarter. Capacity utilisation declined marginally from 91.1% as at the December 2009 quarter to 90.5% as at the March 2010 quarter.

According to the National Bank's (NB) monthly Business Outlook Survey for March 2010, firms' confidence levels remained at a high level, with a net 43% of respondents expecting general economic conditions to improve in 12 months' time. This result was lower than a net 50% who possessed a positive viewpoint as at February 2010. Firms' expectations regarding their own level of business activity in 12 months' time declined slightly from a net 42% as at February 2010 to a net 39% as at March 2010.

Disclaimer: "Strictly Business" is produced monthly by APR Consultants for Rotorua District Council. Although the monitor incorporates the most recent information available, many of the figures are provisional. Accordingly, no liability can be accepted for the accuracy of the material contained herein. Businesses and individuals are advised to seek professional advice before making major business decisions. Any decisions based on the information

Rotorua Wood Expo date set for 2011

New Zealand's forestry and wood products sector is set to come to the fore during Rugby World Cup 2011, with a Forestry and Wood Industries Festival planned in to showcase the sector to Government officials, companies and visitors from around the world.

The Festival is planned to take place from 5 to 9 September in Rotorua and the Bay of Plenty. The Festival will include a range of activities, conferences, exhibitions, displays and competitions leading up to Rotorua's first Rugby World Cup game on Saturday 10 September.

Grant Kilby, General Manager of Destination Rotorua Economic Development says the Rugby World Cup offers enormous opportunities to industries across New Zealand – not just tourism – and the forestry sector also stands to significantly benefit from the high profile international rugby event.

"The latest estimates indicate that more than 85,000 visitors are expected to travel to New Zealand during the event, while we could expect to see a great majority of those visitors to Rotorua and the wider Bay of Plenty during the Rugby World Cup event.

"A number of those visitors will be business people and Government representatives from around the world who will combine their trip to Rugby World Cup with fact-finding missions looking at companies and sectors across New Zealand.

"This is the single biggest opportunity the New Zealand forestry and wood products sector will have in the next decade to reach potential targets and markets around the world, and we simply have to make the very most of that opportunity.

"It's absolutely vital that the forestry and wood products sector is positioned to maximise the opportunities that will come with Rugby World Cup 2011," says Mr Kilby.

The Forestry and Wood Industries Festival will include Forest Industries 2011 (FI2011) – the four yearly forest expo; a Wood Solutions Symposium, the National Wood Sector Conference with international delegates focusing on market-led wood applications.

It will involve input and support from the Rotorua District Council, New Zealand Trade and Enterprise and key groups from across the forestry sector.



Other festival activities include in-forest demonstrations of forestry and harvesting machinery, technical workshops, a high profile networking event, an open day at the Waiariki Polytechnic Forestry Centre of Excellence, as well as a fun festival in Kawerau the weekend before the opening of the Festival in Rotorua.

Mr Kilby says the festival will cover every aspect of the New Zealand Forestry and Wood Products sector, from plant to market and include everything from genetics and growing, to harvesting, processing, design, manufacturing and the links to domestic and international markets.

"Our goal is to showcase and demonstrate New Zealand's leading edge skills, products and technologies, drawing on our heritage and proven track record in the forestry sector.

"Ultimately we expect to provide the forum and opportunities for New Zealand forestry companies to reinforce existing partnerships and forge new connections in the international market.

"The year 2011 is going to be an exciting one for New Zealand and its economy – and this Festival will help ensure that same success for the forestry and wood products sector."

For more information contact :

grant.kilby@rdc.govt.nz

Are you ready??

Get ready to take the Sustainable Challenge!

This proven, practical programme will help you reduce costs, lift profits, boost staff morale and meet growing customer demand. Our Sustainability Improvement Report and user-friendly resources help you create a long-term business plan to guide you through your sustainability journey.

Focus on what's important to you, using our framework to target key sustainability areas including:

*Governance *Management *Resource Use *Staff *Community Involvement *Communications

By taking the Challenge, you are also eligible for free entry in the Sustainable Business Network Awards, which recognise and celebrate those setting a shining example in sustainable business.

Need to know more?

Contact us at gsc@sustainable.org.nz

or call 09 826 0735

Ready to take the Challenge?



The Department of Labour has produced a new resource called the Big Six. This resource assists small and medium businesses manage employment relations and health and safety.

WHY SHOULD I READ THIS?

The Big 6 covers areas which employers commonly seek information, and as well as checklists detailing the main things employers need to know, there are also links to information and areas of further support. The Big 6 is divided into the following key areas:

The Big 6 covers six areas employers have told us they would like further assistance with: health and safety, hiring new employees, pay, holidays and leave, performance management and ending employment relationships. The Big 6 contains checklists of the main things employers need to know and links to further information.

What you need to know about:

Health and Safety

A safe and healthy work environment is essential. Not only will it help avoid tragic and costly accidents, but good health and safety practices encourage staff retention. It also positively contributes to improved productivity, efficiency and profit.

Recruiting

Finding and retaining the right people is vital to every business. Recruiting can be expensive so it makes good business sense to get the people that are right for your enterprise, and keep them.

Pay

Everyone expects a fair day's pay for a fair day's work. Ensuring that your employees receive the right pay creates good morale, increased efficiency and helps you avoid damaging employment relationship problems.

Holidays and Leave

Employees having R&R and spending time with their families is vital to your business. It's also important to know how to assist employees who are sick or suffer a bereavement.

Performance Management

People work better when they have clear targets and perform to agreed standards. That's why it's critical for your employees to know what is expected of them. Managing their performance in a fair and clearly defined way also helps avoid problems later.

Ending Employment Relationships

If the time comes to end the relationship, it's important to understand and implement the correct procedures. It's the best way to avoid any costly mistakes which can also damage the reputation of your company.

For more information visit : <http://www.dol.govt.nz/big6/>



Bay of Connections, the region's economic development strategy, has been given the thumbs up in an independent report on its success to date.

The report by Wasley Knell Consultants, commissioned by Environment Bay of Plenty, strongly acknowledges that Bay of Connections has provided regional leadership in respect of economic development and is making great gains from having regional and sub-regional groups working together to maximise the opportunities the region has to offer.

Regional Governance Group Chair John Cronin was pleased with the findings in the report, which was based on feedback from representatives from local and city councils, the region's economic development agencies, and Environment Bay of Plenty.

"The report acknowledges and substantiates the work that has been done to date and provides recommendations for the future direction. It brings to life what can be achieved when agencies and organisations work together," Mr Cronin said.

"There are a range of projects and actions identified in the regional economic development strategy that apply across the region and to ensure we continue to build on our success to date we need some of these actions to be picked up and lead by the sub regions." Since its launch in 2008 Bay of Connections has developed an Aquaculture Strategy; a food strategy; is well underway with an energy strategy to capitalise on the opportunities for wealth and wellbeing through bio, solar and geothermal energy; and has completed a business case for the proposed Harbour Central Marine Precinct. The region is now looking at developing a forestry strategy, as well as working with the tourism and tertiary sectors on possible projects.

For further information go to:

www.bayofconnections.co.nz

For further media information please contact Andrew Coker, Priority One (07) 5711401,

Grant Kilby, Destination Rotorua Economic Development (027) 4904 4544

Mary Hermanson, Toi-EDA, (027)444 0765.



Business Mentors New Zealand in Rotorua

Business Mentors New Zealand provides 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?"

We have produced a Living in Rotorua Guide for newcomers which is aimed at assisting new migrants locate information and services in Rotorua if you would like this publication or any other information about settling in Rotorua

For more information:

heather.mcallister@rdc.govt.nz or visit our website www.rotorua-living.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 120,000 hits and 12,000 visits per month.

Enhance your business communication strategy by registering on the Rotorua business database or list your latest job vacancy.

Rotorua 2006 "Promotional DVD"

We have a few 9 minute promotional DVDs which showcases Rotorua as a living, working, investing, business and visiting location.

This DVD is designed to assist you with the attraction of staff and investment.

These DVD's are now available for purchase at just \$ 10.⁰⁰ excluding GST each. This is a great way to promote Rotorua.



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

HAVE YOU BOOKED FOR OUR FORTHCOMING EVENTS YET?

NEW 18 May 2010 - KikStart Triple 1 Five
21 May 2010 - Inspirational Business Lunch - Bill Payne

26 May 2010 - Breakfast with Bill English

9 June 2010 TrustPower Customer Service Seminar.

23 June - Focus on Business Breakfast - Paul Reynolds, CEO, Telecom

Don't forget to Enter the Westpac business awards at www.rotoruchamber.co.nz closing date for entries is 25 June 2010

WORKSHOP FOR PROSPECTIVE ENTRANTS

Wednesday 5 May, 4.00 pm to 5.00 pm

Thursday 13 May, 5.30 pm to 6.30 pm

To register contact the Chamber on 349 8365

For more information or if you would like to attend any of these contact:

Kathy Fisher : 07 349 8365

admin@rotoruchamber.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

A positive attitude may not solve all your problems, but it will annoy enough people to make it worth the effort.

Herm Albright (1876 - 1944)