

## Welcome to the August edition of Strictly Business

### Are you Backcasting?

Thanks firstly to all that provided feedback both written and verbal on last months article.

Most of us look forward and try to predict what's to come e.g Trans-Tasman Airport is going to bring us x number of tourists and provide a catalyst for x number of businesses to expand etc.

Business is forward looking..'forecasting'; what can we do better, how can we make more profit?...how about you take yourself forward to a point (say 10 years) where you then look back and assess **how you did it**, this is the art of 'Backcasting'.

Backcasting the economy of Rotorua for me was an enlightening experience. An International City, Rotorua the centre of excellence for Culture, Forestry, Farming and Tourism with a burgeoning highly skilled population that lived the work life balance mantra...how we got there is another story.

Today's CEO's, Boards, and senior managers often report that they feel stuck in a Catch 22 situation - they have no time to think about the future because of the pressing nature of today's problems. The pressure from market analysts for the next quarter's prospects creates a constant need to deliver short-term performance.

Looking through 'rose tinted lenses' back at where you were and how you managed your way to your new point in the future opens your eyes to new opportunities and diametrically different ways in which you would perceive your organisation would look should you have taken the reverse approach. In the famous words of de Bono:...

**"You can analyse the past but you need to design the future. That is the difference between suffering the future and enjoying it"** Edward de Bono

Grant

mailto: [grant.kilby@rdc.govt.nz](mailto:grant.kilby@rdc.govt.nz)



**Grant Kilby,**  
 Destination  
 Rotorua  
 Economic  
 Development

## Home Energy Savings Forum

On the evening of Wednesday 30 July the Home Energy Savings Forum was held in the Rotorua Convention Centre. This forum hosted by the Rotorua Energy Champion was attended by over 100 delegates with 10 local companies exhibiting their specific products aimed at reducing household energy consumption.

It was great to see all of the energy savings devices on display throughout the foyer of the Convention Centre including an operating pellet fire providing a warm welcome on such a stormy evening. Other stands included the latest in heat pump technology, solar and gas hot water and heating products, efficient wood burners, heat recovery ventilation systems, home insulation, along the latest developments in lighting technology. Other displays provided information regarding the Rotorua air quality issues, the Curtain Bank and you could even have your electricity bill checked on the PowerSwitch website to see if you are purchasing at the best rate.

The proceedings were officially opened by Cr Robin Ford of Environment Bay of Plenty followed by a short introduction by Dr Margriet Theron of the Bright Economy Advisory Board. Kevin McGrath the Energy Champion briefly explained about the role of the Energy Champion and gave a breakdown of where all the energy is used in a typical home. Interesting and informative presentations were then given by industry experts covering the following topics:-



- Home insulation and Solar – Dave Dobbin (Energy options)
- Solid Fuel Heating – George Estcourt , (Scion)
- Gas Industry – Stephen Parker(Gas Association of New Zealand)
- Heat Pumps – Jock McIntyre.
- Lighting – Kevin Brooksbank

Kevin McGrath made the closing statement after distributing a number of giveaways to lucky registered delegates.

This was truly a showcase of energy savings devices that not only save energy and money for the homeowner but also reduce carbon emissions.

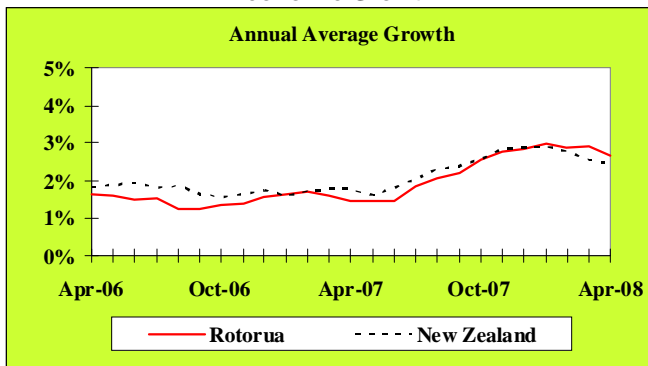
The Energy Champion role is an initiative of the BrightEconomy Advisory Board funded by Environment Bay of Plenty.

For more information on this forum visit [www.energychampion.co.nz](http://www.energychampion.co.nz) and follow the links.

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**Economic Growth**



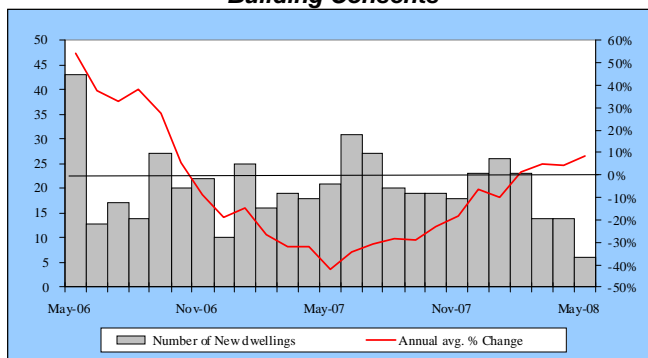
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in Rotorua's index was 2.7% for the year ended April 2008 in comparison to an annual average growth rate of 2.5% in New Zealand's index over the same period.

**KEY INDICATOR TRENDS**

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

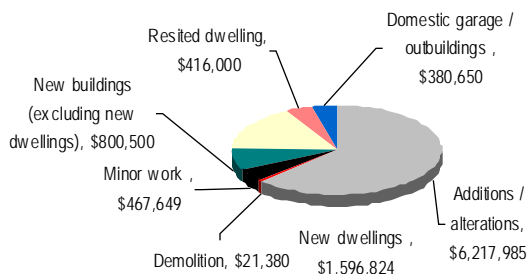
**Building Consents**



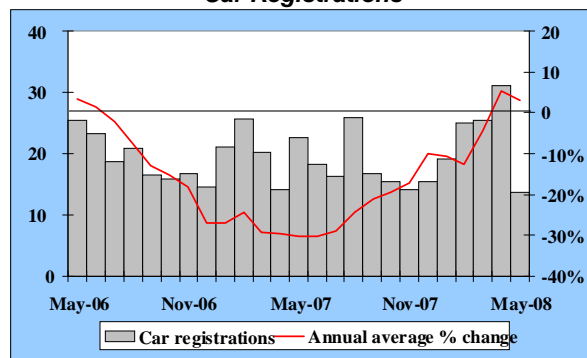
Source: Rotorua District Council

Only four new building consents with a combined value of approximately \$991,000 were issued for residential dwellings in Rotorua during May 2008. This was the lowest level recorded since February 1997. The annual average growth rate in the number of new building consents issued for residential dwellings was 8.1% for the year ended May 2008. This growth rate was the result of a strong level of activity that occurred between November 2007 and February 2008.

**Value of RDC Consents Passed, Jun-08**



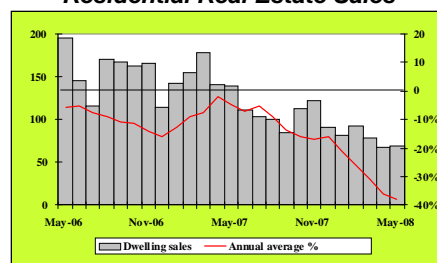
**Car Registrations**



Source: Land Transport Safety Authority

After reaching a high of 311 (including both new and ex-overseas car types) in April 2008, the number of cars registered in Rotorua declined to 137 in 2008 May, the lowest level recorded since June 1998. The annual average growth rate in the number of new and ex-overseas cars registered in Rotorua has slowed from 5.5% for the year ended April 2008 to 2.9% for the year ended May 2008.

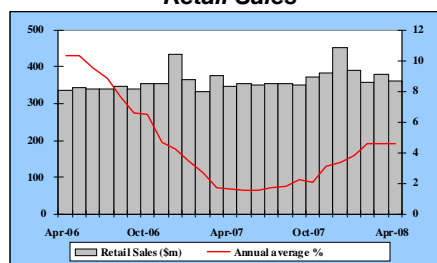
**Residential Real Estate Sales**



Source: Real Estate Institute of New Zealand

A total of 69 houses were sold in Rotorua during May 2008, with the median sale price standing at \$247,000. While the volume of sales edged marginally higher than the 68 houses sold in April 2008, May 2008's level was less than half of the 139 sales recorded in May 2007. The annual average growth rate in the number of houses sold in Rotorua was negative 38.0% for the year ended May 2008.

**Retail Sales**



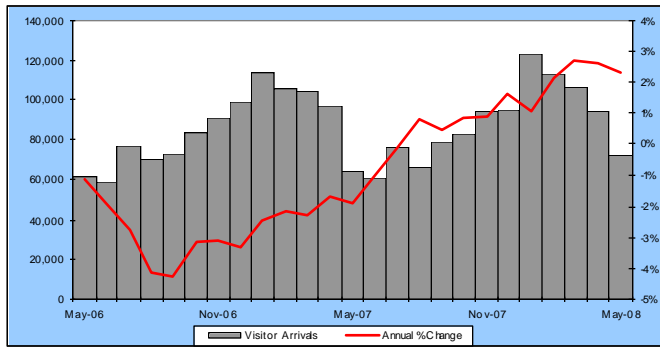
Source: Statistics New Zealand

The total nominal value of retail sales recorded in Bay of Plenty Region totalled \$362.8 million during April 2008, around \$16.4 million less than the sales recorded in the previous month. However, April 2008's level was greater than the \$348.5 million sold in April 2007. The annual average growth rate in the (total) nominal value of Bay of Plenty Region's retail sales was 4.6% for the year ended May 2008.

**Summary**

The annual average growth rate in Rotorua's index was 2.7% for the year ended April 2008 in comparison to an annual average growth rate of 2.5% in New Zealand's index over the same period.

# Rotorua Visitor Arrivals



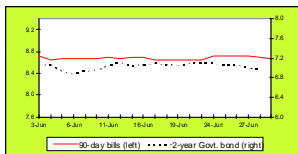
Source: Statistics New Zealand – Commercial Accommodation Monitor

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 93,886 in April 2008 to 71,931 in May 2008. When compared with the same period of the previous year this was an 11.7% increase over the 64,369 guest arrivals recorded for May 2007. For the year ending May 2008 there were 1.1 million guest arrivals to Rotorua commercial accommodation premises - a 2.7% increase over the same period of the previous year.

Full report available at:  
<http://www.rotoruanz.com/downloads/pdfs/RTIF.pdf>

# National Monitor

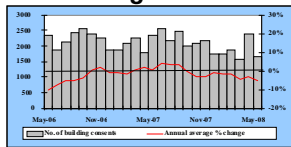
## Interest Rates



Source: Reserve Bank of New Zealand

Despite poor GDP growth, New Zealand's wholesale interest market showed little movement over June 20 suggesting that inflation pressures are very strong. By the end of June 2008 the 90-day bill rate stood at 8.67%.

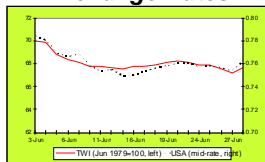
## Building Consents



Source: Business Statistics Section, Statistics New Zealand

The number of new building consents issued for residential dwellings declined from 2,373 consents in April 2008 to 1,653 consents in May 2008. The annual average growth rate in the number of new building consents issued for residential dwellings in New Zealand was negative 5.6% for the year ended May 2008.

## Exchange Rates



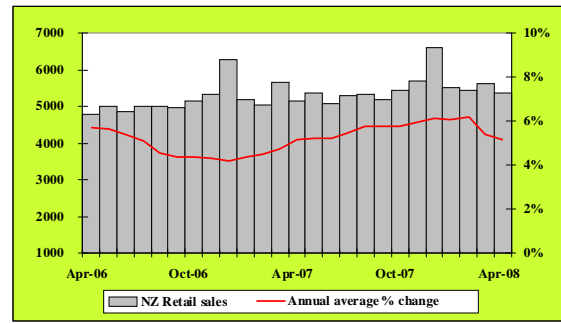
Source: Reserve Bank of New Zealand

The value of the Kiwi dollar trended down in June 2008, impacted negatively by both the weak GDP and CAD results. By the end of the month, NZ\$1.00 traded against US\$0.76 and the Trade-Weighted Index (TWI) eased to 67.7 points.

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 Looking for skilled staff? Advertise on [www.rotorua-business.com/employment.asp](http://www.rotorua-business.com/employment.asp)

# National Monitor

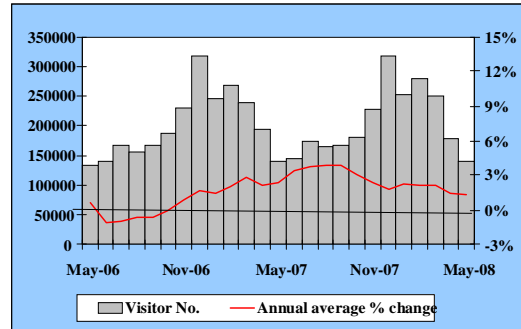
## Retail Sales



Source: Business Statistics Section, Statistics New Zealand

The nominal value of New Zealand's retail sales reached \$5,347 million in April 2008, a decrease of \$265 million from March 2008's level, but greater than the \$5,136.4 million recorded in April 2007. The annual average growth rate in the nominal value of New Zealand's (total) retail sales slowed from 6.2% for the year ended February 2008 to 5.2% for the year ended April 2008.

## International Arrivals



Source: Statistics New Zealand

May 2008 saw a total of 140,483 international visitor arrivals to New Zealand compared to 140,755 visitors recorded in May 2007. The annual average growth rate in the number of international visitor arrivals to New Zealand was 1.3% for the year ended May 2008.

## Summary

The Westpac McDermott Consumer Confidence (WMCC) Index fell sharply by 15 points from the March 2008 quarter's level to 81.7 points in the June 2008 quarter (an index value of greater than 100 indicates that the number of optimists exceeds the number of those who hold negative expectations). This was the third lowest level recorded over the past 20 years. A net 41% of survey respondents thought that their personal financial situation had worsened compared to a year earlier. This result was a decline by 22 points from the level recorded in the March 2008 quarter WMCC Survey. Regarding New Zealand's economic outlook, a net 51.6% of consumers surveyed expect the economy to slow over the next 12 months.

The National Bank's (NB) Business Outlook Survey for June 2008 showed that a net 39% of firms expect that New Zealand's general economic conditions will worsen in 12 months' time. This was an improvement from a net 50% of firms who were pessimistic in the May 2008 survey. Firms remained pessimistic about their own level of real business activity with a net 4% expecting their level of activity to decline in 12 months' time.

Two Rotorua firms have been honoured as top exporters in the Bank of NZ Bay of Plenty Export Awards 2008 held recently in Rotorua.

**Tatou International Limited: Winner of United Travel Emerging Exporter of the Year Award 2008** Rotorua based, Tatou International is the offshore arm of Hells Gate and Wai Ora Spa. Tatou International's domestic tourism and spa model has grown into an international franchise, proving the company's ability to deliver a unique product at a truly international standard. Their first international franchise established in Bangkok last year was voted in the Top 5 spas in Thailand



**FIL and Hayes International: Winners of World Class Capability Award 2008**

FIL and Hayes International both received silver commendation in this year's new World Class Capability Award. The award recognised the combination of leadership, systems and process management which has made both companies competitive in their global class markets

This was the first Bay of Plenty Export Awards event held in Rotorua.

<http://www.exportbop.org.nz/events/export-awards.html>

## Settlement NZ Update

### Immigration NZ - Essential Skills work policy

Essential Skills work policy is replacing General work policy on 28 July 2008. Many of the principles of General work policy have been carried over to the Essential Skills policy:

- there must be no NZ workers available before an employer is allowed to recruit an overseas worker; and
- terms and conditions of the employment, including the pay, meet those of the NZ market.

Where an occupation is not included in the Skill Shortage Lists Immigration NZ (INZ), employers must demonstrate they have made genuine attempts to recruit a New Zealander.

#### Skills Levels of Occupations

Skill level is primarily determined by the occupation's placement on the Australian and New Zealand Standard Classification of Occupations (ANZSCO). [www.immigration.govt.nz/anzsco](http://www.immigration.govt.nz/anzsco) Skill level 1 occupations are the highest skilled and with level 5 the lowest.

There are two provisions under Essential Skills work policy which relate to specific skill levels.

#### Highly Skilled

Overseas workers applying for a visa/permit on the basis of an offer of employment for a skill level 1 occupation can now apply for a 5 year permit, provided their base salary will be above \$55,000.

#### Lower Skilled

INZ will now seek advice from Work and Income (W&I) with every application for a visa/permit for lower skilled workers (ANZSCO skill levels 4 and 5) to find if there are unemployed New Zealanders available to take up the work. The only exception to this is where W&I has informed INZ of a regional labour shortage for a particular occupation or industry.

#### *What can employers do to make sure an application is processed smoothly?*

1. **Provide the ANZSCO code of the occupation.** Although it is not compulsory, it will assist INZ in processing the application.
2. **If you are an employer seeking a worker to fill a lower skilled position, approach W&I before supporting a work application for an overseas worker.** If W&I already knows it is unable to fill the position, it will be able to provide this advice to INZ sooner, reducing the processing time of the application.
3. **Ensure that all the application forms are completed and all relevant documents are provided.**

**Employers:** make sure you provide the employment agreement, the job description and evidence of attempts to recruit New Zealanders (eg details of contact with W & I, any advertising for the position in newspapers or websites, evidence that a recruitment company has been engaged, and, if necessary, evidence of why New Zealanders who applied were not able to be appointed).

**Workers:** provide evidence that you are suitably qualified and experienced for the role, and make sure any necessary police checks or medical certificates are included



**Heather McAllister**  
Settlement Support Co-ordinator  
Tel: 07 348 4199  
Email: [ssnzrotorua@rdc.govt.nz](mailto:ssnzrotorua@rdc.govt.nz)

As from 15 September new charges for Travellers on Air New Zealand's domestic services will come into effect. Occasional travellers will be allowed one bag free up to 25kgs, but will be charged \$15 for a second one, an extra \$50 for a third and \$150 for a fourth. Domestic luggage allowance will increase from 20kg to 25kg a passenger.

Frequent flyers who are Gold, Gold Elite or Koru Club members will get two free bags under the new regime. Some items, including wheelchairs and other medical equipment, will be exempt from the new charges. Items such as golf clubs will count as a second bag. No charges are to be made to hand luggage rules.

In comparison:

|                     |                            |
|---------------------|----------------------------|
| QANTAS              | 20kg free, then \$5 per kg |
| 1 bag (up to 20kg)  | free                       |
| 2 bags (up to 50kg) | \$150                      |
| 3 bags (up to 0kg)  | \$250                      |

PACIFIC BLUE – Paid when booking (from 18 August)

|                                  |       |
|----------------------------------|-------|
| 1 bag (up to 20kg)               | \$8   |
| 2 bags (up to 50kg)              | \$224 |
| 3 bags (up to 70kg)              | \$396 |
| Paid at airport from 1 September |       |
| 1 bag (up to 20kg)               | \$20  |
| 2 bags (up to 50kg)              | \$236 |
| 3 bags (up to 70kg)              | \$396 |

[www.airnewzealand.co.nz/travelinfo/baggageinformation](http://www.airnewzealand.co.nz/travelinfo/baggageinformation)

The NZI Sustainable Business Network awards are about recognising leadership in sustainable business here in New Zealand. The awards are an annual event held both regionally and nationally. The BOP awards will be held on 4 September at the Distinction Hotel. The winner automatically participates in the national NZI Sustainable Business Network Awards.

There are 7 categories which businesses are able to enter. Six of these categories are entered by participating in the Get Sustainable Challenge and cover sustainable business action across the business. The seventh category focuses on sustainable design and innovation, looking at products, services, and buildings.

Date: Thursday 4th September 2008

Time: 6pm - midnight

Venue: Distinction Hotel, 390 Fenton Street, Rotorua Black Tie, 3 course dinner celebration

Tickets: \$125 per person or \$1150 per table of ten

RSVP to Andrea [andrea@sustainable.org.nz](mailto:andrea@sustainable.org.nz) no later than Friday 22 August  
- tickets limited.



## Rotorua Forestry Show gears up

With 18 months to go, the NZ forest Industries 2010 Expo in Rotorua is gaining traction.

A number of leading forestry companies and organizations have already signed up to exhibit at the Show. Once again valve specialist MacValves Pacific is one of the first New Zealand companies to sign up, as in 2006, and has been joined by Komatsu Forest NZ and the Port of Tauranga, among others.

Forest Industries 2010 General Manager Dell Bawden says there is also strong interest from a number of Australian exhibitors, following the decision to take a stand at the Mt Gambier Show earlier this year and there is good interest from North American companies.

"We are well advanced with our planning, but we need to be because we are actually not that far away from the show in April 2010," says Mrs Bawden.

"Our Strategy Group has been working with us since the last event in 2006, assisting us to ensure FI2010 is the best and most relevant event for the forest industries sector."

All the exhibition sites at the Energy Events Centre venue in Rotorua have now been designed and will take up both the two large halls inside the centre, together with exterior sites in the main car park and an area by the mini golf course that will showcase machinery in action.

In addition to the exhibition, a full two days of focused FIEA and FICA technology workshops will be held in the seminar

rooms on the first floor of the impressive new Centre. This will enable attendees to move freely between the exhibition on the lower floor and the technology updates directly above the trade displays and exhibition.

Mrs Bawden says the 2010 show will be a "step up" from the one held in 2006.



**The Forest Industries 2010 Strategy Group** from left Grant Kilby, John Vaney, John Kosar, Dell Bawden, Chris Heywood, Debra Bell, Angela Wallace and Tony Jaques.

## Business Mentors New Zealand in Rotorua

Business Mentors New Zealand provides business mentoring to businesses that have been operating for at least twelve 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  
New Zealand

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 "Rotorua" Book which showcases Rotorua as a place to live, work, learn, invest and do business. It includes profiles of people who have relocated for the lifestyle as well it has a wealth of Rotorua information including some company and job profiles.

\$ 7.50 plus GST each

For more information:

[info@rotorua-business.com](mailto:info@rotorua-business.com)

Log on to [www.rotorua-business.com](http://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 "Promotional DVD"

We have produced a 9 minute promotional DVD 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.<sup>00</sup> excluding GST each. This is a great way to promote Rotorua.



For more information: Visit our Web Site [www.rotorua-business.com](http://www.rotorua-business.com) or contact us:  
Tel 348 4199 Ext 8055 or e-mail [info@rotorua-business.com](mailto:info@rotorua-business.com)

## Rotorua Events Calendar

### Business after Five

12 August > Skyline Skyrides  
26 August > Waiora Spa Resort

### Export Club

7 August > Millennium Hotel  
(Tatou International – Gerry Schumacher)

(Limited places available, early registration recommended)



### Award Entries (Close Friday 15 August)

- NZCU Employee of the Year
- Wairiki Institute of Technology Apprentice of the Year
- Rotorua Trust Social Responsibility Award

Entry forms can be downloaded from the Chamber's website

For More information

Email: [Info@rotoruchamber.co.nz](mailto:Info@rotoruchamber.co.nz)

Web: [www.rotoruchamber.co.nz](http://www.rotoruchamber.co.nz)

Address: The Business Hub  
1209 Hinemaru St  
Rotorua

### Programme

7 August > Workshops 3 & 4  
21 August > Workshops 5 & 6



14 August > Business Planning

Further information contact

**Empower Team Ltd**

0800 4387 267

Or (07) 578 7017

Contact: 0800 4ETPBOP (0800 387267)

email: [etpbop@xtra.co.nz](mailto:etpbop@xtra.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

*"Often the difference between a successful man and a failure is not one's better abilities or ideas – but the courage that one has to bet on his ideas, to take a calculated risk, and to act."  
[American surgeon and author, Maxwell Malt 1899-1975]*

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