

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

Last Friday, the 10th of September, the NZ Forestry and Wood Processing Festival was launched to attendees as part of a Tourism NZ showcase of NZ by a tour of the Giant Rugby Ball at Circular Quay and then a short presentation at the Cruise Bar next door.

Festival Manager Dell Bawden, Business Manager Angela Wallace (Export NZ), and I were in Sydney to talk to industry representatives about how they could engage with the NZ Festival for the week from the 5 September 2011 in Rotorua. A centre piece carving of a rugby ball was handed over at the launch as a symbolic gesture to an Australian representative to hold until the VIP launch night back in NZ at the start of the Festival on the 4th of September 2011.

The Forestry and Wood Processing Festival involves a national programme of wood and forestry related events, including the long-standing Kawerau Woodfest and National Woodskills Competition event and the massive Forest Industries Expo (FI2011). The Festival will also feature open days at SCION and Waiariki Institute of Technology Forestry School, as well as the FITEC awards and the national WoodCo/PMA Conference.

The NZ Forestry and Wood Processing Festival is going to be a real showcase of the Forestry industry in our region.



Grant Kilby,
 Destination
 Rotorua
 Economic
 Development



New appointment for Regional Governance Group

Rotorua has a new business representative on the Bay of Plenty's Regional Governance Group. Lockwood Chief Executive Bryce Heard has been appointed to the economic development Bay of Connections group following the passing of Rick Vallance last year.



“Forestry and wood processing is a key sector under Bay of Connections. Bryce’s experience in this industry will provide valuable input into the wood strategy currently being developed. Even before his appointment he was involved in the early stages of developing this strategy,” Mr Cronin said. Mr Heard, who is also a stud deer farm owner-operator and has held various positions including President of the Association of Crown Research Institutes, President of the NZ Forest Owners Association, and has sat on various boards including the Science Enterprise Group, New Zealand Forestry Industries, New Zealand Game Industry Board and school boards.

The Governance Group is made up of three business representatives, three economic development agency representatives and a government representative. The Group guides and implements the Bay of Plenty’s regional economic strategy, Bay of Connections.

“Bryce’s governance attributes and proven commercial achievements will add to the business-focused Governance Group. We are looking forward to his contribution as we progress work in a range of sectors, including supply chain and logistics, energy, aquaculture and forestry / wood processing. The fact that his application to the position was supported by a 30-strong group of Rotorua business leaders is testament to the confidence they have in him.”

Governance Group chairman John Cronin said Mr Heard brings a range of expertise and experience to the role. He has been Chief Executive of Lockwood for the past three years, and was Chair of the Rotorua Bright Economy Advisory Board, General Manager of Kaingaroa Logging Company, Chief Executive of the previous Forest Research for eight years, and Chief Executive of Tasman Forestry Limited for nine years.

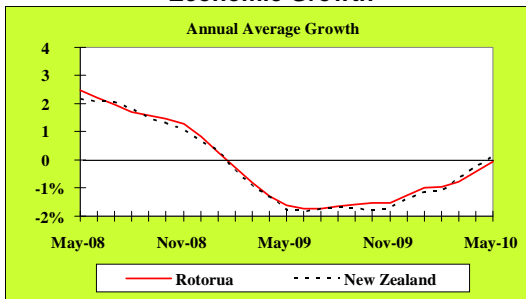
Mr Heard said he was delighted to have an opportunity to make a contribution toward the future growth and wellbeing of the region he has called home all his life.

For information contact Cheryl MacGregor
Cheryl.MacGregor@envbop.govt.nz

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Economic Growth



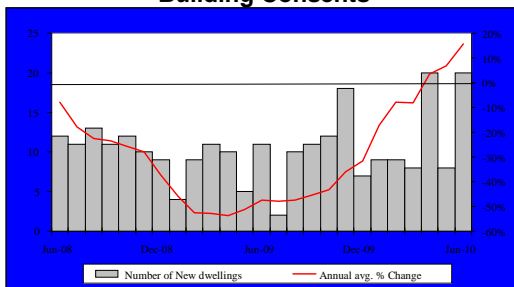
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in Rotorua's index was negative 0.1% for the year ended May 2010. This was the same as the annual average growth rate experienced 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.

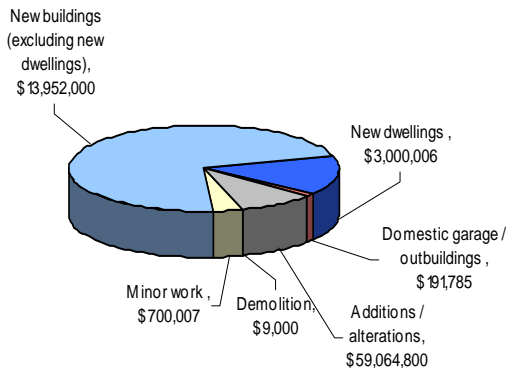
Building Consents



Source: Rotorua District Council

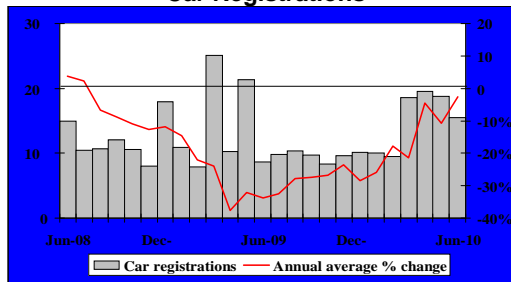
There was a total of 20 new building consents valued at around \$5.6 million issued for residential dwellings in Rotorua during June 2010. This was greater the eight consents issued in May 2010 and the eleven consents issued in June 2009. The annual average growth rate in the number of new building consents issued for residential dwellings in Rotorua was 15.5% for the year ended June 2010.

Value of RDC Consents Passed July-2010



Source: Rotorua District Council

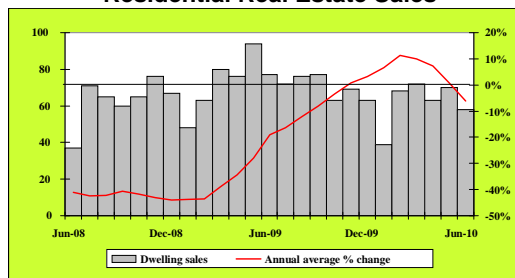
Car Registrations



Source: Land Transport Safety Authority

There was a total of 155 cars (including both new and ex-overseas car types) registered in local post offices in June 2010. This was less than the 188 cars registered in May 2010, but greater than the 87 cars registered in June 2009. The annual average growth rate in the number of new and ex-overseas cars registered in Rotorua was negative 2.7% for the year ended June 2010.

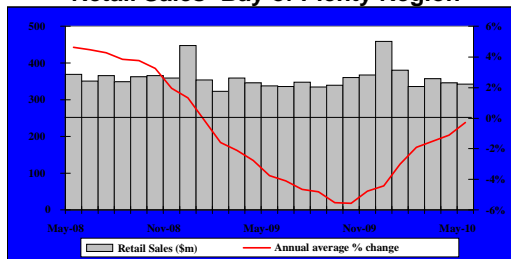
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

A total of 58 houses with a median sale price of around \$272,300 were sold in Rotorua during June 2010. This was less than the 77 houses sold in June 2009. The annual average growth rate in the number of houses sold in Rotorua was negative 6.2% for the year ended June 2010.

Retail Sales- Bay of Plenty Region



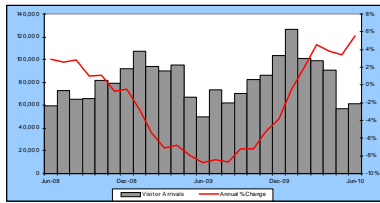
Source: Statistics New Zealand

The nominal value Bay of Plenty Region's retail sales were \$343.2 million during May 2010. This was \$2.9 million less than the nominal value of the Region's retail sales in April 2010. The annual average growth rate in the nominal value of Bay of Plenty's retail sales was negative 0.3% for the year ended May 2010.

SUMMARY.

The annual average growth rate in Rotorua's index was negative 0.1% for the year ended May 2010. This was the same as the annual average growth rate experienced in New Zealand's index over the same period.

Rotorua Visitor Arrivals



Source: Statistics New Zealand – Commercial Accommodation Monitor

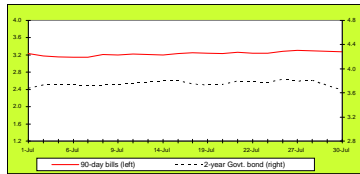
There is a seasonal pattern in guest arrivals to Rotorua's commercial accommodation premises where peaks occur in the summer months and troughs in the winter months. The estimated number of guest arrivals to Rotorua's commercial accommodation premises increased from 56,730 in May 2010 to 61,572 in June 2010. When compared with the same period of the previous year this was a 23.1% increase over the 50,026 guest arrivals recorded for June 2009. For the year ending June 2010 there were 1.0 million guest arrivals to Rotorua commercial accommodation premises - a 5.6% increase over the same period of the previous year.

Full report available at:

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

National Monitor

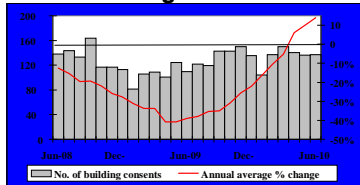
Interest Rates



Source: Reserve Bank of New Zealand

New Zealand's wholesale interest rates slowly trended up in July 2010 after the RBNZ raised the Official Cash Rate (OCR). However, the yield on short-term government bonds trended down over the month. By the end of July 2010 the 90-day bill rate was 3.27%.

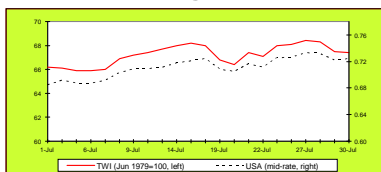
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

There was a total of 1,373 new building consents with a combined value of around \$382.9 million issued for residential dwellings in New Zealand during June 2010. There were 1,360 new building consents issued for residential dwellings in May and 1,400 in April 2010. These were greater numbers than the 1,100 consents issued in June 2009. The annual average growth rate in the number of new building consents issued for residential dwellings in New Zealand was 14.10% for the year ended June 2010.

Exchange Rates



Source: Reserve Bank of New Zealand

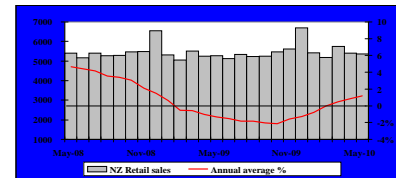
Helped by the OCR increase and a stronger Australian dollar, New Zealand's foreign exchange rates appreciated over July 2010. By the end of the July 2010, NZ\$1.00 traded against US\$0.72 US and the Trade-Weighted Index (TWI) was 67.4 points.

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National Monitor

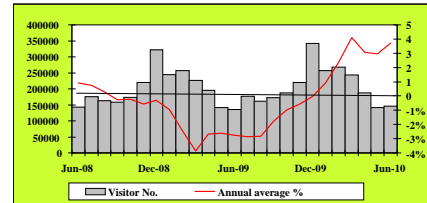
Retail Sales



Source: Statistics New Zealand

The value of New Zealand's retail sales reached \$5,365.6 million in May 2010 which was less than the \$5,398.9 million of sales recorded in April 2010. The annual average growth rate in the nominal value of New Zealand's retail sales was 1.2% for the year ended May 2010.

International Arrivals



Source: Statistics New Zealand

There was a total of 145,825 international visitor arrivals to New Zealand in June 2010. This was an increase from the 141,336 visitors recorded in May 2010 and an increase from the 135,162 visitors recorded in June 2009. The annual average growth rate in the number of international visitor arrivals to New Zealand was 3.7% for the year ended June 2010.

SUMMARY AND COMMENTARY

Headline inflation was soft during the June 2010 quarter which is beneficial for consumers. However soft inflation also indicates that the overall level of economic activity is relatively weak.

According to the June 2010 quarter edition of the New Zealand Institute Economic and Research's (NZIER) Quarterly Survey of Business Opinion (QBSO), firms' confidence in the general business situation in the next six months on a seasonally adjusted basis has eased from a net 34% as at the March 2010 quarter to a net 28% as at the June 2010 quarter. The reason for a less optimistic viewpoint among businesses appears to be that the economy has yet again failed to deliver on expectations of a strong recovery. Not surprisingly, investment intentions have stalled with manufacturers' and builders' capacity utilisation remaining largely unchanged. Capacity utilisation was 90.5% as at the March 2010 quarter and 90.8% as at the June 2010 quarter.

The National Bank's (NB) monthly Business Outlook Survey for July 2010 showed that a net 28% of firms expected the general economic conditions to improve in 12 months' time. This was a decrease from a net 40% who took an optimistic viewpoint in the NB's June 2010 Business Outlook survey. July 2010 was the third consecutive month that confidence has eased. Firms' expectations of their own level of business activity in 12 months' time also declined during July 2010 by seven points to a net 32%.

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 researchers have cracked what seems like modern-day alchemy, transforming one kiwifruit into 100 plastic spoons and Rotorua's sewage into electricity.

Scion, a Crown research institute in Rotorua, has developed technology to make many products out of organic materials and waste.

It has created compostable bioplastics from kiwifruit waste, which will be used to make combined spoon and knife utensils known as "spifes".

Researcher Martin Markotsis said the secret was a chemical process that made kiwifruit melt like plastic in standard factory equipment.

"We do a 'reactive transformation' - that sounds pretty magical, doesn't it? We're checking whether we can get a patent.

"If we say too much, we can't patent it," Dr Markotsis said.

Small batches of prototypes have been made, mixing different amounts of kiwifruit, corn and other secret, but organic, additives.

The project is now picking the best mixture - with the right strength and flexibility - and ramping up production to a commercial scale. One piece of fruit, about 90g, can make more than 100 of the utensils.

The utensils will be included in kiwifruit packages sold overseas by Zespri.

Dr Markotsis said other fruit could be put through the same process to make all sorts of plastics.

Scion Research this week also received a \$1 million government grant to transform sludge from Rotorua's sewers into marketable products.

A pilot plant will be built by the beginning of next year, turning biosolid waste headed for landfill into industrial chemicals and energy-rich gases such as methane. Heat and gases released by the process will generate electricity to help power the plant.

More than 20 tonnes of sludge pouring into landfill every day will be diverted, saving up to \$900,000 a year in costs - a total of \$4 million a year in benefits to the town.

The technology will transform up to 97 per cent of the sludge. Another innovation at the research centre is the "biopeg", tent pegs that can be left in the ground to eventually decompose into the soil.

The global market for bioplastics is expected to grow 20-fold in a decade, with overseas rivals building mobile phones from cashew nut shells and corn.

New Zealand Herald

A national and international line up of geographical information systems (GIS) experts will be punching Rotorua's coordinates into their sat-navs in October, as they converge on the city for a unique forestry event.

On 6 October, Crown Research Institute Scion is hosting a free conference to raise awareness of how GIS technology can be used to best advantage within the forestry sector.

Aimed at forest managers and GIS professionals who work within the forest industry, "Mapping out NZ Forestry's Future" has attracted a wide range of industry speakers, from New Zealand and overseas. Presenters include Peter Eredics, Forestry Industry Solutions Manager with ESRI, a global market leader in GIS software headquartered in the United States.

GIS technology allows users to capture multiple layers of geographic information relating to their land. This data can be interrogated, visualised and analysed to help identify and understand spatial relationships, patterns and trends, and how management decisions will impact on a variety of criteria, including economic and environmental.

Bob Forgan, Manager of Scion's ATLAS Technology, says while many within the forestry industry already use GIS technology, historically the range of its use has been limited.

"GIS has been used very effectively in forest management for many years, but primarily for mapping out land for operational purposes," Mr Forgan says.

"Used to its full potential, GIS is a hugely valuable tool for economic and business analysis, and ultimately for decision support. It is the analytical power of GIS that defines it from simple mapping tools. This is often overlooked, and that is what we hope to redress through this conference."

The conference, to be held at Waiariki Institute of Technology, will give delegates an insight into global GIS developments and trends, provide case studies on innovative use of the technology and successful applications in New Zealand forestry, and examine what the future holds.

In addition to Waiariki Institute of Technology and ESRI, the event is being supported by software developer Geographic Business Solutions (GBS) and systems integrators Eagle Technology.

For further information, contact:

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Conference Coordinator

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Email Bronwyn.Douglas@atlastech.co.nz
ATLAS Technology

Beginning of a new Era

Agroventures have announced the sale and purchase of Rotorua Bungy and Swoop. As of September 1, 2010 Rotorua Bungy and Swoop will be owned by the other three Agroventures activity owners - Shweeb, Agrojet and Freefall Xtreme.

This change of ownership sees the departure of both Paul Nahu and Kyle Kydd from Agroventures, as they move on to new and different business ventures. However it must be acknowledged the extreme passion and dedication that has been devoted to these operations over the past 12 years.

"It's been an amazing 12-year ride from the initial inception of Bungy and Swoop. To even imagine that we could turn this operation into what it is today is very gratifying. Time moves on, and there are more challenges that await, so with a tinge of sadness it is time to bid farewell. I know the team at Agroventures will continue the great work and standards we have left and I wish them all the best.

Thanks to all industry partners that we have worked with and supported Bungy over this time. It has been greatly appreciated," Paul said.

From modest beginnings in 1998, Paul and Kyle have grown and developed Rotorua Bungy and Swoop into internationally and nationally recognised adventure tourism operations. Innovative thinking, hard work and the eventual joint venture relationships with the other Agroventures operators have positioned Rotorua Bungy and Swoop as an industry leader in reputation, safety practices and exceptional customer service.

"This is an exciting time for Agroventures," general manager Melissa Mills said. "We are pleased to be able to retain the ownership of these iconic adventure activities within the Agroventures family and, while it is an end of an era and we are sad to see Paul and Kyle move on, it is also the beginning of new opportunities and direction for us."

Peter Cossey – Shweeb, Simon Short – Agrojet and Steve Hockley – Freefall Xtreme become the new board of directors that preside over Agroventures.

Source <http://www.rotoruanz.com/news/>



Clean Tech Challenge

The New Zealand Clean Tech Challenge a show case to the world

Sam Morgan patron of Global Entrepreneurship Week-NZ 2010 will launch the count down to the 'week' on the 24th September in Wellington. The GEW ' week' is 15th - 21st November

The first event of the year The New Zealand Clean Tech Challenge is well under way with a number of entries already received – the competition has approximately a month to go – closes on the 24th September.

Got a great Cleantech idea?

The New Zealand Cleantech Challenge is a hunt for the most promising clean technology ideas anywhere in New Zealand. Contestants will compete in local regions, then one New Zealand winning idea will compete, in November, against the winners from other countries at the global finals in California.

We are looking for anything from revolutionary ways to generate clean energy, to better ways to filter water, to ideas about how government policies on climate change can foster new

businesses. And we are not just looking for good ideas – we are looking for concepts and technologies that can become great businesses that will reward entrepreneurship and bolster our New Zealand's economy.

Why Enter?

Your involvement may help uncover solutions to some of the most critical environmental and economic issues of our day. Cleantech is also a major economic opportunity. Some clean technology solutions save money immediately by using resources more efficiently.

Over the coming decades, many billions of dollars will be spent by individuals, companies and governments in technologies that help reduce greenhouse gas emissions and cut pollution.

The New Zealand Clean Tech Challenge has been welcomed as the official arm of the Clean Tech Open, the world's biggest clean tech business plan competition

The Oscars of the Clean Tech world

The final will be held in San Francisco on the 17th November during Global Entrepreneurship Week. The finalist's ideas will be presented to

live a audience of over 2500 venture capitalist, angel investors, technologists and business supporters.

GEW Team Global Entrepreneurship Week-NZ
32 Salamanca Rd Kelburn, Wellington, 6011

+64-021-842-421
0064 4 9207640
info@gew.org.nz
www.unleashingideas.org



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 a instructions to request a mentor <http://www.businessmentor.org>, or phone 0800 103400.



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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.



Focus on Business Hon. Steven Joyce

15th September,
Wednesday— 6.30 pm to 8.30 pm

Focus on Business – Mayoral Candidate Election Breakfast

16th September,
Thursday, 7.00 am to 9.00 am

KikStart Speed Networking Breakfast–

21st September,
Tuesday , 7.00 am to 9.00 am

Focus on Business – Hon. David Cunliffe

22nd September,
Wednesday –, 12 noon to 1.30 pm

HOW2 Breakfast – Details to be finalised

20th October, Wednesday, 5.30 pm to 7.30 pm

HOW2 Breakfast – Details to be finalised

27th October, Wednesday –t, 5.30 pm to 7.30 pm

For further details contact

Kathy Fisher

Rotorua Chamber of Commerce

1209 Hinemaru Street, Rotorua

Tel. (07) 349 8365

Email 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

Quote of the Month:

I was always looking outside myself for strength and confidence, but it comes from within. It is there all the time.

Anna Freud (1895 - 1982)

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