

Welcome to the December/January edition of Strictly Business

Seasons greetings and welcome to the December issue of Strictly Business, the last one for 2006.

It has been a very exciting and busy year for us at Destination Rotorua Economic Development, and we thank those of you who have played a part in assisting us to progress a number of different projects over the 12 months.

On the business front a tight job market combined with a decline in fuel prices, and lower than expected inflation, together provide a solid basis for strengthening in the growth of Rotorua's economy over 2007. The current level of national economic growth might best be described as steady, however, given the recent appreciation of the Trade Weighted Index and notably the appreciation of the New Zealand dollar against the Greenback, an export led recovery appears some way off.



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

Database of skilled Brits now available to all local businesses needing skilled staff

A database of nearly a thousand British people who have registered an interest in relocating to work in Rotorua is now being made available to all local interested businesses, according to Rotorua District Council economic development head Mark Rawson.

A Rotorua group co-ordinated by council business unit Destination Rotorua Economic Development and comprising district council and business representatives, signed up 930 serious enquiries at the recent London and Manchester 'Opportunities NZ Expos'.

Mr Rawson says Rotorua's ten original business partners who helped fund participation in the expos have had exclusive access to the database until today but the information is now being made more widely available to help other businesses who are struggling to find skilled staff.

"Many of the candidates fit into highly skilled employment categories and we'd like to make them accessible to other Rotorua businesses. Local companies are finding it hard to recruit some skilled people and to grow their businesses to the next level. The candidates we have on our database have impressive skill levels, an average age of around 41, many have 15-20 years experience, and they're prepared to relocate with their families. For businesses struggling to fill vacancies, access to these candidates provides a huge opportunity."

"We're inviting good employers who have had difficulty recruiting skilled staff to contact the Destination Rotorua Economic Development team to see if we can help connect them with some of those candidates."

The table (below) indicates the categories that the people on the database fit into

Occupation	Number	Avg yrs experience
Accounting/Finance	36	26
Advertising/PR	4	6.5
Agriculture/Forestry	19	12
Arts/Entertainment/Publishing	14	11
Bio-Pharmaceutical/Science	11	11
Beauty and Fashion	10	12
Building & Trades	99	15
Clerical/Administrative	29	13
Education/Training	62	9
Engineering/Architecture	156	14
Government Sector	52	11
Healthcare	177	10
Hospitality/Travel & Tourism	25	9
Human Resources	10	18
Insurance	5	6
Internet New Media	2	13
Legal	8	12
Manufacturing/Operations	6	16
Marketing	7	8
Retail	11	12
Sales	25	10
Social Sciences	23	10
Technology	50	12
Telecommunications	9	10
Transport and Logistics	27	28
Other	53	20



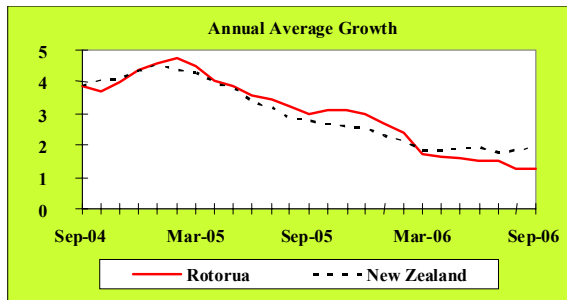
To register and get access to the database log on to www.rotorua-living.com, on the home page you will see the "register button", follow the link and read the instructions. We will supply you with your own exclusive login details to access a full database of the applicants. For assistance with this process you can phone Chris Heywood at 348 4199.

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Local Monitor

Economic Growth



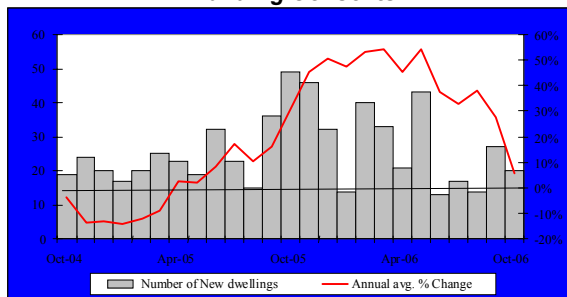
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in Rotorua's index for the year ended September 2006 implies that the rate of growth in the local economy was slightly less than that in the national economy over the same period and has stabilised over the past two months.

Key Indicator Trends

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

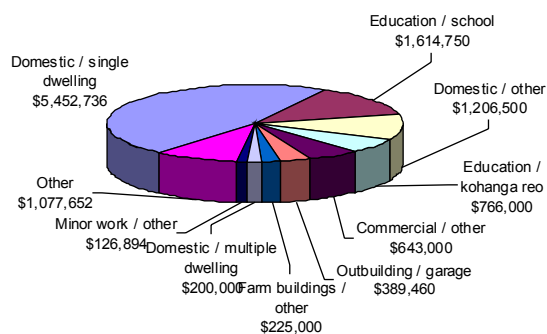
Building Consents



Source: Rotorua District Council

The level of activity in the local residential building sector eased in October 2006. There was a total of 20 consents issued for new dwellings during the month which was less than the 27 consents issued in September 2006. The annual average growth rate in the number of new building consents issued in Rotorua has decreased from 27.8% for the year ended September 2006 to 5.6% for the year ended October 2006.

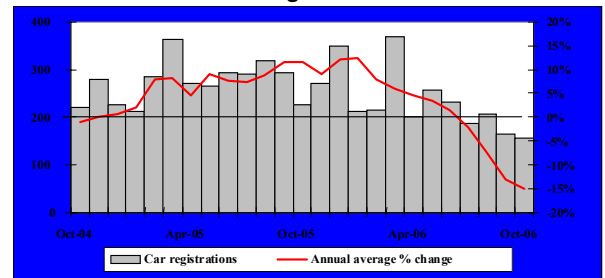
Building Consents Passed November 2006



Source: Rotorua District Council

Local Monitor

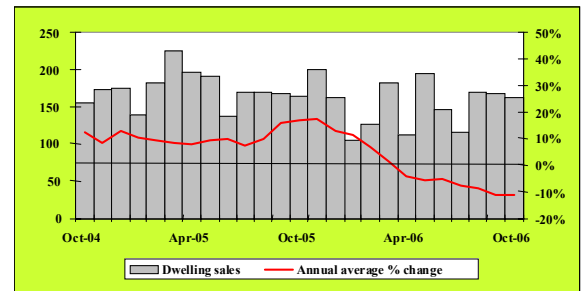
Car Registrations



Source: Land Transport Safety Authority

The number of car vehicle registrations recorded in Rotorua was relatively low in October 2006. The number of monthly registrations decreased from 164 (including both new and ex-overseas car types) recorded in September 2006 to 157 registrations recorded in October 2006. The annual average growth rate in the number of car registrations recorded in Rotorua was negative 15.2% for the year ended October 2006.

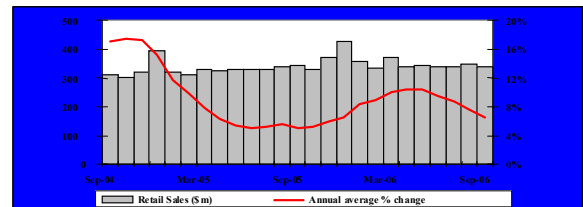
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

The level of activity in Rotorua's residential real estate market activity has been relatively stable over the past three months. There was a total of 167 houses sold during October 2006 which was marginally below the 167 and the 165 sales recorded in September 2006 and October 2005 respectively. The median sale price for a house located in Rotorua as at October 2006 was \$236,000. The annual average growth rate in the number of house sales recorded in Rotorua was negative 11.5% for the year ended October 2006.

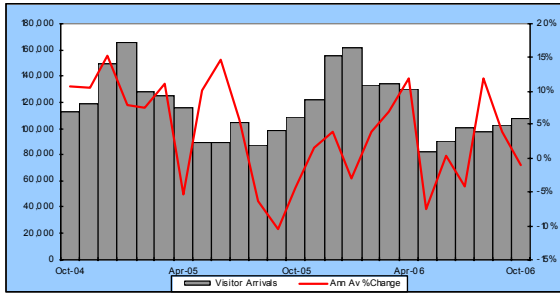
Retail Sales



Source: Statistics New Zealand

Total retail sales in Bay of Plenty (BOP) were valued at around \$338.9 million during September 2006, down from \$346.9 million recorded in August 2006 and \$343.6 million recorded in September 2005. The annual average growth rate in the value of Bay of Plenty's retail sales has decreased from 7.6% for the year ended August 2006 to 6.6% for the year ended September 2006.

Rotorua Visitor Arrivals



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

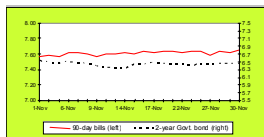
There were 107,179 overnight visitor arrivals to Rotorua's commercial and private accommodation during the month of October 2006 – a decrease of 904 visitors or 0.8% over October 2005. On average they each stayed 2.3 nights for a collective 245,977 nights. For the year ending October 2006 there were 3,381,614 visitor nights spent in Rotorua - a 2.0% increase over the previous year.

Full report available at:

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

National Monitor

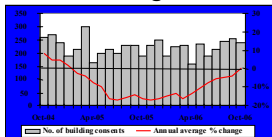
Interest Rates



Source: Reserve Bank of New Zealand

New Zealand's wholesale interest rates were mostly stable during November 2006. By the end of the month, the 90-day bill rate stood at 7.65%.

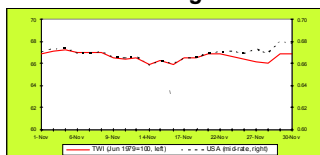
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

While the number of consents issued for new dwellings was down from 2,545 recorded in September 2006 to 2,377 recorded in October 2006, they were up strongly compared to the 1,901 consents issued in October 2005. For the first time since February 2005, the annual average growth rate in the number of new building consents issued in New Zealand was positive standing at 0.5% for the year ended October 2006.

Exchange Rates

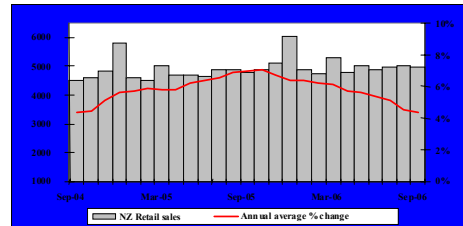


Source: Reserve Bank of New Zealand

New Zealand's exchange rates trended down for most of November 2006. However, worse than expected US manufacturing data triggered the Greenback to fall sharply in late November.

National Monitor

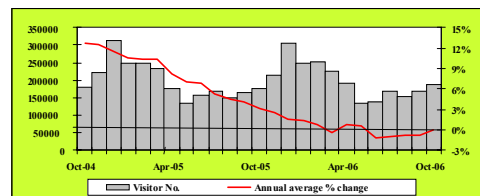
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

The level of retail sales activity weakened in September 2006. Total sales were worth around \$4,968.8 million during the month, down from \$5,014.4 million recorded in August 2006, but an increase of \$177.5 million (3.7%) compared to the value of sales recorded in September 2005. The annual average growth rate in the value of New Zealand's retail sales was 4.4% for the year ended September 2006.

International Arrivals



Source: Statistics New Zealand

After being sluggish over the past six months, New Zealand's monthly international visitor arrivals have finally started to increase. Data for October 2006 showed that there was a total of 186,639 visitor arrivals to New Zealand, which was greater than 166,531 visitors recorded in September 2006 and 176,200 visitors recorded in October 2005. The annual average growth rate in the number of visitor arrivals to New Zealand was 0.0% for the year ended October 2006

Summary

Overall, the job market remained very tight. In addition, a drop in fuel prices, lower than expected inflation, and stronger immigration, all bode well for the New Zealand economy going forward. According to the New Zealand Institute of Economic Research (NZIER), real gross domestic product will slow from 1.9% for the June 2006 year to 1.5% for the March 2007 year. The economy will then be largely dormant during the following March year, before re-gaining momentum at a growth rate of 3.5% from 2009 to 2011.

The National Bank's (NB) November 2006 Business Confidence Survey showed that a net 14% of firms expected the general economic conditions to worsen in 12 months' time. This was an improvement from a net 22% who took a pessimistic outlook in the NB's October 2006 Survey. While farmers were still the most pessimistic group (a net 47% expected a deterioration in the economy), builders felt optimistic, with a net 10% anticipating an improvement in the economy in 12 months' time. Firms' expectations of their own level of business activity (by volume) in 12 months' time improved, with those expecting an increase in their activity increasing from a net 18% in the October 2006 survey to a net 24% in November's survey.

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 contained in this report are made entirely at their own risk.

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Rotorua business confidence is continuing to trend upwards despite threats by the Reserve Bank to increase interest rates early next year and fall in the terms of trade.

There is also more optimism in Rotorua about the immediate prospects for the economy than in urban Auckland.

These are among findings of regular surveys of Chamber of Commerce members conducted in metropolitan Auckland and major provincial centres in the last fortnight on how they view business prospects in the period ahead.

Main findings for Rotorua:

- On the general business situation, 36% of Rotorua businesses expect the general situation to improve over the next six months – up from 8% last December - and compared to 23% in urban Auckland. The 36% compares with 23% in the last survey in September and is the fifth successive quarter that the level of business confidence has increased in regard to how Rotorua businesses view the economy's overall performance.
- In terms of individual business prospects, 61% of Rotorua businesses consider their prospects will improve over the next six months (58% in September and just 40% a year ago), compared with 53% in Auckland.
- Meanwhile just 11% of Rotorua businesses expect business conditions to deteriorate over the next six months, compared to 34% in June. In Auckland, 18% are of this view.
- Also, just 5% of individual Rotorua businesses believe their prospects will deteriorate over the next six months (11% last December), compared with 11% in Auckland.
- On interest rates, 37% of Rotorua businesses believe they will rise over the next 12 months compared to 37% in Auckland.

Widely reported claims by economic commentators last year predicting a fall in business optimism through 2006 have turned out to be 100% wrong. In fact, the exact opposite trend has occurred as business confidence has steadily improved throughout the year."

- Part of the explanation for the improved optimism could relate to a growing belief that the Government is serious in wanting to encourage business to improve productivity and address basic infrastructure issues such as transport and energy.
- With 80% of businesses small-medium enterprises, and almost half this group citing finance as the most limiting factor to the ability of the business to expand, an additional factor giving businesses greater optimism could be a perception that this constraint can now be addressed more easily through the Government's Kiwi saver scheme and the pool of money it is creating able to be invested in business growth.

According to Roger Gordon, CEO of the Rotorua Chamber of Commerce, "The rise in optimism shown in the results of this survey reflects the very strong activity that is going to influence Rotorua's GDP during 2007. The opening of the Energy Events Centre, the support for the trans-Tasman capability of the airport, the re-development of some of our iconic tourist attractions, and the further expansion of Red stag in the forestry sector will all have a positive influence on the economic activity of the city from which all businesses will benefit."

For more information:

Roger Gordon, CEO, (07) 349 6126 or 0275 381228

Prime Minister opens "Business Hub"



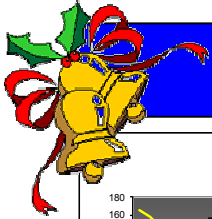
Prime Minister Helen Clark officially opened Rotorua's new Business Hub this week in front of some of the city's business leaders and representatives of local and central government.

The Business Hub which was the Sportsman Hotel in its heyday has been converted into a state of the art office block by APR consultants now owned by Principal Holdings. The concept of the Business Hub is to have a one stop business shop right here in Rotorua.

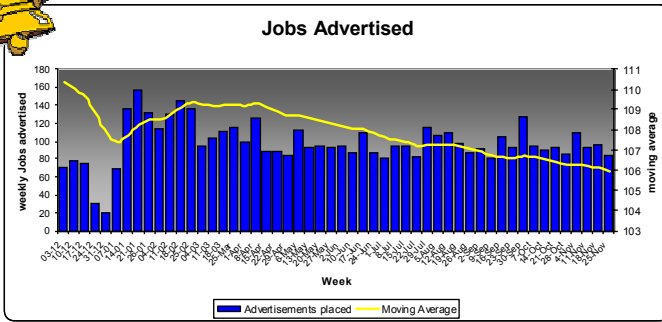
On the first floor of the building APR consultants are housed with Power Solutions. On the ground floor there are a number of business support organisations including the Rotorua Chamber of Commerce and Destination Rotorua Economic Development who also supply support services to New Zealand Trade and Enterprise, the Foundation for Research Science and Technology and Business Mentors New Zealand. Also housed in the Business hub is the Department of Labour's Settlement Support for new immigrants.

The one-stop shop will enable co-ordination of services, co-operation on development projects and be a central source for business information. It will enhance the support provided to both existing and start-up businesses in Rotorua, and facilitate ease of establishment for new businesses looking to relocate to Rotorua.

"The Business Hub" is located at 1209 Hinemaru Street, for more information e-mail info@rotorua-living.co.nz



Employment Advertisements



Source: Economic Development monitoring of Saturday Daily Post

The employment advertisements in the Daily Post were still down. The Accommodation and catering sector was down on last year with an average of 9 positions advertised weekly in November. The Agriculture/Forestry sector is still down against November 06 with 8 positions advertised. The number of advertisements has settled at 106 jobs per week.

	Nov 05	Nov 06	12mth 06
Accommodation	13	9	14
Agriculture	12	8	12
Retail	11	6	10
Health	10	11	10
Other	52	62	52
Average Total	98	96	98

Average jobs advertised weekly in the Saturday Daily Post



Bill Day Entrepreneur of the year

**Date: 07/02/2007
Venue : Novotel**

On behalf of President Christa George, the Executive Board of the Chamber (Mike, Margriet, Beks, Mark, Steve, Kelvin, Richard, Michelle, and Alan), our tireless but happy staff (Kathy, Sharee and Denise), and myself, we hope that you have a wonderful and joyous Christmas with your family and friends. We are looking forward to working with you in the New Year and hope that for you, personally, and for your business, 2007 will be a time of positive growth, success and happiness. Take care.

Roger

The Ernst and Young New Zealand Entrepreneur of the Year competition attracts several hundred leading businesses that have demonstrated flair and innovation in their products and services. In 2000 Bill Day, CEO of Seaworks Ltd was the winner and the judges stated, "as a result of Bill's unique entrepreneurial talent, he has infused his company with innovation and willingness to accept business risks"

On accepting the award, Bill commented, "I am indeed privileged to represent New Zealand and I feel very humble being awarded the title of New Zealand Entrepreneur of the Year. That award reflects the commitment, creativity and innovation that springs from Seaworks' people each and every day, be it out there in the vessels around the world, or those toiling away in our offices."

In 2001 Bill represented New Zealand at the world final competition held in Monte Carlo. In 2002 he returned to Monaco as one of the judges for the 2002 World Entrepreneur of the Year competition.

Enquiries: Raewyn
telephone: 07 348 0234

Online

<http://www.businessswap.biz/registration.asp>



Retail Rotorua

2007 will bring a new focus for retailers in Rotorua, promoting a CBD as a shopping destination is a very difficult thing to do. The main demands of our customers are consistent shopping hours, well presented shops and ease of finding your way around.

A shopping mall can do all that very easily, after all the mall owners have control over the opening hours and promotions so getting individual shops to open later or seven days a week is part of their lease conditions. CBD or downtown retailers are a different kettle of fish and at times are their own worst enemies. They mainly open to suit their lifestyle, don't work together and 7 day or late night shopping is a rarity. The challenge ahead is to join our Central Mall and downtown retailers together and make it one destination. This is currently being addressed through the CBD Revitalisation Strategy and I look forward to that gaining momentum over the coming year.

If we all work together and accept the challenges that these changes will require I believe we will be a retail area that is unequalled in New Zealand.

Merry Christmas and a fruitful new year.

Graham Brownrigg
Retail Rotorua

For a full copy of the Revitalisation Strategy >>

http://www.e-c.co.nz/rdc/myfiles/CBD_final_draft.pdf

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Business Mentors New Zealand in Rotorua

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

Topics covered include:

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



Business Mentors
New Zealand

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

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



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 "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 \$ 10.⁰⁰ 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



The Chamber of Commerce wishes the readers of Strictly Business a happy holiday.

For More information on the Chamber of Commerce

Email: Info@RotChamber.co.nz

Web: www.RotChamber.co.nz

Address: The Business Hub
1209 Hinemaru St.
Rotorua



Wishing you a very happy Christams and properous New Year

For more information on our programmes contact:

Empower Team Ltd
Enterprise Training Programme Provider
Bay of Plenty Region
Ph: 0800 4ETPBOP
(07) 578-7017
email: etpbop@xtra.co.nz

Big Breakfast

First speaker for 2007.

Bill Day - Entrepreneur of the year

Date:07/02/2007

Venue : Novotel

Time:07:00

\$20.00 members

\$30.00 non member

Enquiries: Raewyn
telephone: 07 348 0234

Online

<http://www.businessswap.biz/registration.asp>



Feedback

If you have anything to contribute please let us have your news, views or stories, as well as any business events you have coming up by contacting us:

Chris Heywood (Destination Rotorua Economic Development Project Officer)
Tel (+64) 7 348 4199
Fax (+64) 7 350 0182
E-mail: Chris.Heywood@rdc.govt.nz

Supplementary Building Information

ROTORUA November 2006

Type of Consent	Value of Consents	Number of Consents
Commercial / retail shop	\$105,000	2
Commercial / offices	\$100,000	2
Commercial / bank	\$95,000	1
Commercial / tavern / bar	\$18,375	3
Commercial / other	\$643,000	4
Commercial / health care	\$39,000	1
Community buildings / other	\$69,900	4
Domestic / single dwelling	\$5,452,736	20
Domestic / multiple dwelling	\$200,000	1
Domestic / garage	\$50,000	1
Domestic / other structure	\$30,000	2
Domestic / other	\$1,206,500	22
Domestic / re-site	\$15,000	1
Domestic / P & D	\$8,335	1
Domestic / conservatory	\$33,000	2
Domestic / demolition	\$1,000	1
Education / school	\$1,614,750	5
Education / kohanga reo	\$766,000	2
Education / other	\$108,000	2
Farm buildings / implement shed	\$15,000	1
Farm buildings / other	\$225,000	1
Industrial / wholesale	\$73,219	1
Industrial / warehouse	\$18,000	1
Industrial / manufacturing	\$25,000	1
Industrial / food processing	\$30,000	1
Industrial / other	\$37,000	2
Minor work / heater	\$67,702.72	22
Minor work / plumbing	\$29,500	10
Minor work / other	\$126,894	17
Outbuilding / garage	\$389,460	20
Outbuilding / sleep-out	\$42,800	2
Outbuilding / carport	\$48,820	6
Outbuilding / other	\$18,000	2
Total	\$11,701,991.72	164

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