

Welcome to the June edition of Strictly Business

What's in a brand?

We are soon about to embark on our biggest brand building exercise since the Pink and White terraces were in existence. Brands build desire, passion and loyalty, tarnish your brand and it is a battle to build brand allegiance back.

We need to identify, develop, own and harness both our own and support regional brand strengths and identify opportunities and capitalise on them with maximum impact in as many broader markets as possible.

We need 67,400 brand managers shouting to the heavens as to what we have to offer to both visitors and prospective migrants and businesses.

We need to take a hard line on perpetuating youth crime by engaging and offering a better challenge than just tagging walls and opportunistic thieving; we can't have the cream of generation Y being our best export.

We need to endear confidence to invest, support those businesses that can grow capacity, educate how productivity in the workplace is not thinning jobs.

Leadership of our brand is key and core to the sustainable future of 'Rotorua the brand'. Communities, business both private and public must be supported and work together, as those looking in will 'perceive us to be', not 'what we think we are'.

Lastly, in roughly four or five months at a stretch, the best brand will win the top prize and will either retain or take a 'leadership' role in New Zealand.

May the best brand win...

Grant



Grant Kilby
 Manager
 Destination
 Rotorua
 Economic
 Development

The Business of Biomass

Demand, location and access to product and raw materials has seen a South Island company move into the North Island and build a new mill in Rotorua.

Natures Flame is an innovative biomass business that produces pellets from waste pinewood for burning in virtually smokeless pellet fires. The pellets, predominately bound for domestic fires, comply with the most stringent clean air standards and are aimed at cleaning up the air around many of the countrys' cities and towns.

Steve Cunningham, Natures Flame general manager, says Rotorua was the ultimate destination for their fast growing business. Its all about forestry here and the local industry reflects this and was also eager to be involved in supporting a new business of this nature.

Cunningham says the forestry and ultimately sawmills and other timber-related businesses provide Natures Flame with the raw product needed to make their pellets. The advantage of our pellets is that they are produced from waste wood and are burnt in smokeless pellet fires. They are also cost effective and the heat output is very controllable with no ongoing fixed charges to worry about, he says.

The pellet fire industry began in Canada in the early 1980s. It is has experienced extensive growth in European countries such as Sweden, Austria and Finland and increasingly in New Zealand.

Natures Flame wood pellets are made from sawdust, shavings and wood fibre such as off-cuts. All material used is 100 per cent natural, with no additives used to form the pellets. They are sold in 20 kilogram bags that are fed into a specifically built fireplace.

While Natures Flame has been available in the South Island since 1997, it was only recently that the company decided to move into the North Island. There is currently one established Natures Flame pellet mill in Christchurch but demand for the product has necessitated the move north. Much of the South Island, as well as many North Island towns and cities, is affected by smog and pollution created from burning wood and coal in domestic fire places. Our business has found a way to make use of a natural product without it having a negative impact on the environment, says Cunningham.

GM Steve Cunningham left and MD Andy Matheson with a nature's Flame demonstration van



Article courtesy of



<http://www.nzbusiness.co.nz>

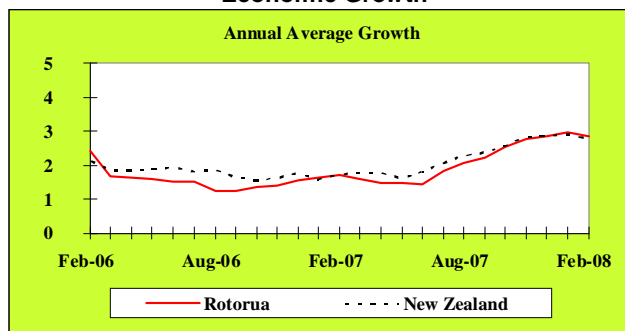
Why not Live and Work, where the rest of the World comes to Play ?

Affordable Relaxing Unique Central

www.rotorua-living.com

ROT@RUA
 feel the spirit
 Manatūhau

Economic Growth



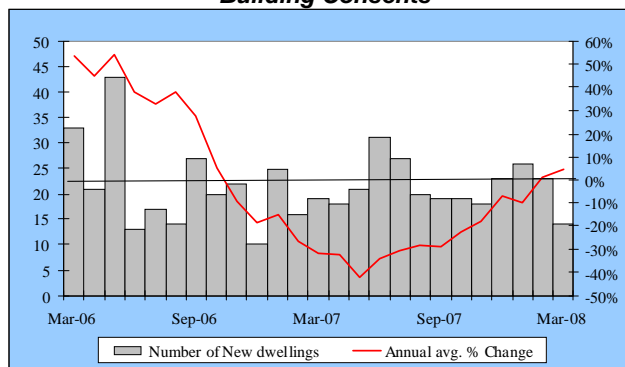
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in Rotorua's index was 2.9% for the year ended February 2008, which was slightly faster than the 2.8% 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.

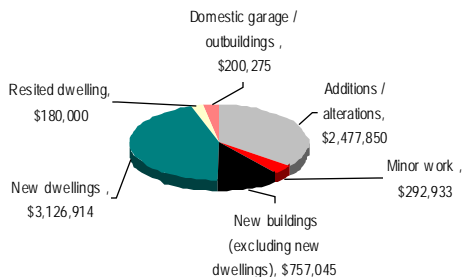
Building Consents



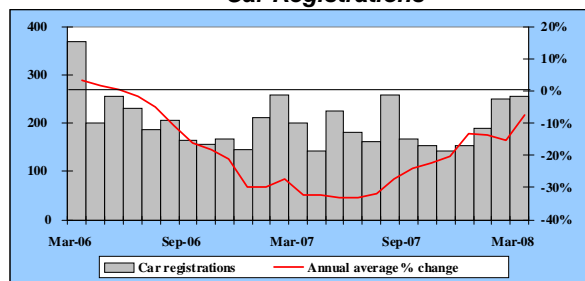
Source: Rotorua District Council

There was a total of 14 new building consents with a combined value of around \$3.0 million issued for residential dwellings in Rotorua during March 2008. Notably, this was the second lowest level recorded over the past 18 months. The lowest number recorded in this period was the ten consents issued in December 2006. The annual average growth rate in the number of new building consents issued for residential dwellings in Rotorua was 4.9% for the year ended March 2008.

Value of RDC Consents Passed, Apr-08



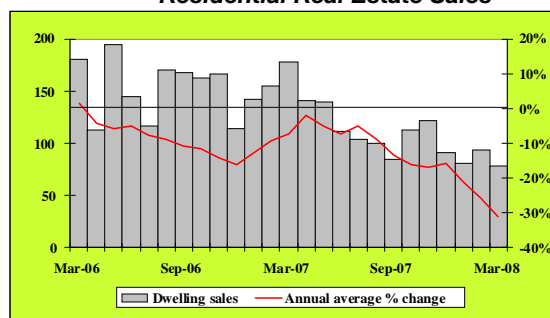
Car Registrations



Source: Land Transport Safety Authority

There was a total of 255 cars (including both new and ex-overseas car types) registered in local postal offices during March 2008. Notably, this was the second (consecutive) month that registration numbers have exceeded 200 cars. March 2008's level was greater than the 202 cars registered in March 2007. The annual average growth rate in the number of new and ex-overseas cars registered in Rotorua has accelerated from negative 12.6% for the year ended February 2008 to negative 4.3% for the year ended March 2008.

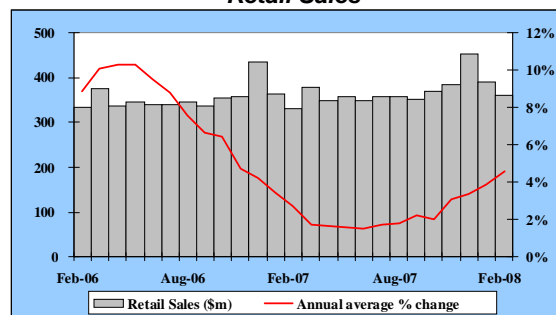
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

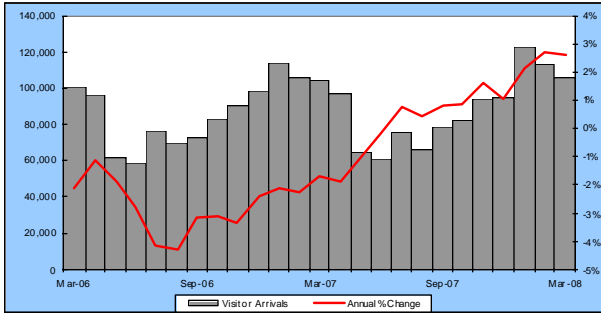
A total of 78 houses were sold in Rotorua during March 2008. This was the lowest level recorded since May 2001. The median sale price declined by \$12,000 from February 2008's level to \$254,000 as at March 2008. The annual average growth rate in the number of houses sold in Rotorua was negative 31.1% for the year ended March 2008.

Retail Sales



Source: Statistics New Zealand

The nominal value of retail sales recorded in Bay of Plenty Region totalled \$359.6 million during February 2008. This was less than the \$391.3 million of sales recorded in January 2008, but greater than the \$331.1 million recorded in February 2007. The annual average growth rate in the nominal value of Bay of Plenty Region's (total) retail sales

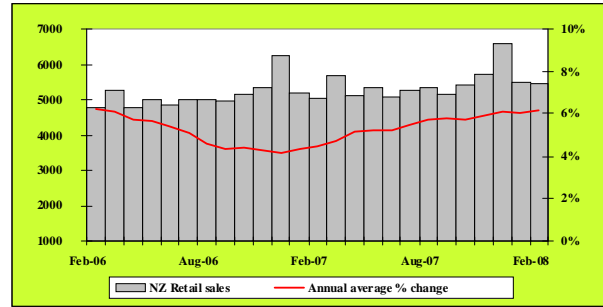


Source: Statistics New Zealand – Commercial Accommodation Monitor

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 113,238 in February 2008 to 106,480 in March 2008. When compared with the same period of the previous year this was a 2.4% increase over the 103,999 guest arrivals recorded for March 2007. For the year ending March 2008 there were 1.1 million guest arrivals to Rotorua commercial accommodation premises - a 2.6% increase over the same period of the previous year.

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

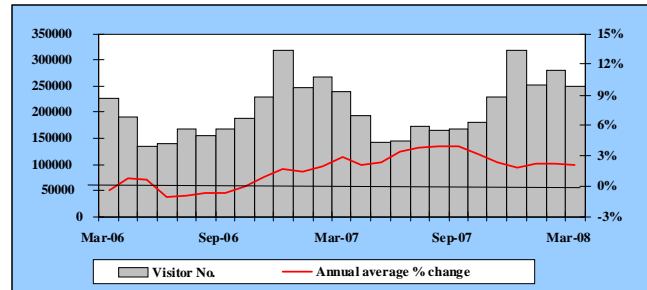
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

The nominal value of New Zealand's retail sales declined from \$5,513.3 million in January 2008 to \$5,441.8 million in February 2008. February 2008's level represented an increase by \$388.2 million (or 7.7%) compared to the value of sales recorded in February 2007. The annual average growth rate in the (total) nominal value of New Zealand's retail sales was 6.2% for the year ended February 2008

International Arrivals

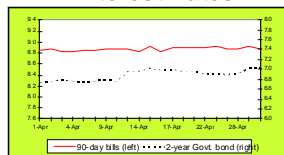


Source: Statistics New Zealand

There was a total of 250,806 international visitor arrivals to New Zealand during March 2008 which was less than the 280,513 visitors arrivals recorded in February 2008, but 11,603 visitors greater (or 4.9%) than the number recorded in March 2007. The annual average growth rate in the number of visitor arrivals to New Zealand was 2.1% for the year ended March 2008.

National Monitor

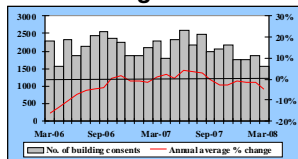
Interest Rates



Source: Reserve Bank of New Zealand

New Zealand's wholesale interest rates were stable for the first half of April 2008. However, the RBNZ's dovish comments made in its latest review of monetary policy resulted in a (small) degree of movement with rates initially moving upwards then downward towards the end of the month. By the end of April 2008 the 90-day bill rate stood at 8.86%.

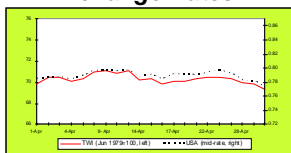
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

There was a total of 1,567 new building consents with a combined value of around \$431.1 million issued for residential dwellings in New Zealand during March 2008. This was the lowest level recorded since May 2006. The annual average growth rate in the number of new building consents issued for residential dwellings in New Zealand was negative 4.5% for the year ended March 2008.

Exchange Rates



Source: Reserve Bank of New Zealand

New Zealand's exchange rates were reasonably volatile in April 2008. This was the combined result of the flow-on effect of the US Federal Reserve's interest rate cut and the RBNZ adopting a less hawkish attitude. By the end of April 2008, NZ\$1.00 traded against US\$0.77 and the Trade-Weighted Index (TWI) stood at 69.3 points.

SUMMARY AND COMMENTARY

A net 64% (not seasonally adjusted) of firms believe that the general business situation will deteriorate over the next six months. This is much worse than the net 26% who took a negative viewpoint in the NZIER's previous quarterly survey. A net 8% (seasonally adjusted) of firms expect their (own) trading activity to decrease in the next three months compared to the level observed in the March 2008 quarter. This result represented an increase from a net 11% of businesses in the December 2007 quarter who expected an increase.

A net 30% of firms who were surveyed in the QSBO reported a decline in profitability in the March 2008 quarter while a net 33% expect a decline in profitability in the June 2008 quarter. Firms expectations of profitability in the next three months was the lowest surveyed since March 1983.

The April 2008 National Bank Business Outlook Survey indicated that a net 55% of firms surveyed believe that New Zealand's general business conditions will deteriorate in 12 months' time. Confidence about firms' (own) level of business activity in 12 months' time stood at a net negative 4%. A net 31% of firms expect that the price of their good or service will have increased in 12 months' time while a net 30% believe that their firm's inflation-adjusted profits will have decreased in this period.

The northwestern and eastern structure plans were released in early May, and are available on the Fresh-Ideas website www.fresh-ideas.co.nz. Comments and questions in relation to these plans are now pouring in, with a submissions deadline of end of May. These planning documents are essential to the district plan review process, as they will guide land planning for many years to come.

The council has been reviewing the effectiveness of the current district plan. This process involves exploring the current environmental situation in relation to anticipated change over the last 5 years driven by policies in the plan. The State of the Environment Report, released in February, provides many indicators of environmental impact and state and is a key resource for the review. An important consequence of the policy review process will be revision of some policies in the plan.

www.fresh-ideas.co.nz



Interested in GreenFleet and located in the Bay of Plenty? For a limited time, Environment Bay of Plenty's Environmental Enhancement fund is sponsoring new members first years subscription to GreenFleet. Join the growing numbers of GreenFleet members in the Bay who are making a difference to transport and climate change. Honda also offer up to \$1000 contribution towards the first years membership to anyone who purchases a Civic Hybrid. For more information on these offers, contact Mark Roberts on 09 826 0954 or mark@sustainable.org.nz. Go to www.greenfleet.org.nz



sample logo



A new SBN Member logo has been developed for use by all SBN members. Members use it on your website, as part of your email signature, on your stationery and business cards, and show that you are proud to be a member of the Sustainable Business Network! All SBN members will receive this logo for use emailed to them directly. Please contact Andrea Oliphant if you do not receive one on andrea@sustainable.org.nz or for more information regarding provision of the logo.

Another Rotorua Success

Rainbow Springs Nature Park and Kiwi Encounter has achieved the prestigious Green Globe Benchmarked status under the global Green Globe Benchmarking programme and becomes the first visitor attraction in Rotorua to do so. The Green Globe programme recognises the operation has taken the first step to improve their business or community's environmental, social and economic performance.

In achieving Bronze Benchmarked status, Rainbow Springs has committed to benchmarking its energy and water consumption, total waste production, community commitment, paper, cleaning products and pesticide usage; along with implementing an integrated environmental and social policy.

In particular it has achieved Best Practice results in energy consumption, waste recycling and vehicle management. These measures will ensure efficient practices, significant cost savings and secure a sustainable future for Rainbow Springs Nature Park.

Green Globe is a worldwide benchmarking, certification and improvement system assisting the international travel and tourism industry to attain sustainability. Green Globe provides a certification system that responds directly to the major environmental problems facing the planet, including the greenhouse effect, over-use of freshwater resources and the destruction of biodiversity.

Rick Brown, Business Development Manager of Green Globe New Zealand and the Pacific Islands says, "I am delighted that Rainbow Springs has achieved Bronze Benchmarked status. They are a prime example of being committed to environmentally sustainable tourism. They have demonstrated (through a variety of initiatives) that businesses and employees can make a difference by reducing their environmental impact. The commitment Rainbow Springs have shown by participating in the Green Globe programme set an example for other businesses to follow."

For more information: www.ec3global.com



Kiwi Saver

Major providers feel the bulk of people signed up to KiwiSaver have successfully side-stepped the sharemarket lows because of the conservative nature of their investment.

However, if savers want to cash in on the timing of the scheme's launch, they must break away from low-risk assets and choose higher growth options like shares and property. "Long term, people will be much worse off if they keep their money in those defensive asset classes," Tower Investments chief executive Sam Stubbs said.

Figures gathered by Business Day show much of the \$800 million thrown at KiwiSaver has settled in assets such as cash and bonds, although the defensive approach to investment is skewed somewhat by the large volumes of savers auto-enrolled into default funds.

The six default schemes are mandated in such a way that providers weight funds more than 20 per cent in growth assets. Despite this initial trend, the main providers are predicting a shift in scheme asset allocations and some have already started their move toward the higher end of the risk scale.

Andrew Gawith, manager of the Gareth Morgan KiwiSaver said: "We have been steadily increasing the share of funds allocated to stocks for balanced and growth portfolios." Balanced funds are middle-of-the-road options investing in a mix of shares, bonds, property and cash, while growth offerings invest predominantly in high-risk shares.

People using KiwiSaver can switch funds freely.

Fisher Funds client services manager Michael Raynes said its investment strategy was to be fully invested in shares and was stepping up its buying activity when the opportunities arose. Shares are commonly accepted as the asset class with the highest returns over the long term.

www.kiwisaver.govt.nz



Reporting from Australia

Lidi Schiefelbusch, member of the BrightEconomy Advisory Board till February 2008 is spending time with her partner Darren Hamilton in Australia travelling around the country and exploring the beauty as well as the "make" of this huge country for the remainder of 2008.

In 2007 they did the same in New Zealand and have found lots of similarities between the two countries are surfacing. Lidi believes that there are lots of easy tips and proven solutions which are being used in Australia which could be incorporated into NZ life.

On water, a lot of research has been done and is still being conducted. The results from the research shows we need to preserve water as well as seek "new" ways to clean water or "restock" our supply, which is not limitless.

There is no doubt that weather patterns are changing and that people are becoming increasingly conscious of water being a precious resource. Our main aim should be to educate the community about how to save water and encourage consumers to be water efficient in the house and garden.

Few people realise that only three percent of water on our planet is fresh and drinkable. Two percent of this amount is locked in polar ice caps which means only 1 percent is available for daily use. A key goal should be ensuring an adequate supply of water for a growing population. There needs to be a plan that ensures a sustainable basis for the Rotorua long term water supply.

The community can assist by conserving water at home and in the garden. In Australia when buying white goods you can buy appliances that are water efficient. There are household products like toilets and urinals, showerheads, dishwashers, taps and washing machines that have a WELS (Water Efficiency Labeling Standard) As well as a water rating the label also shows water consumption or water flow figure.

Refer to www.waterrating.gov.au for more information



Lidi
Schiefelbusch

New Local Spa Resort

A new culturally themed spa resort offering a range of natural therapies and treatments complemented by 4 star plus accommodation is set to open in Rotorua in July 2008.

Wai Ora Lakeside Spa Resort in Holden's Bay, on the shores of Lake Rotorua, will feature 20 superior rooms and 10 deluxe suites along with bar, restaurant and spa facilities.

Based on a trademarked New Zealand cultural spa regime, the new facility will offer eight treatment rooms, free-form private and public spa pools and saunas, and feature internationally-acclaimed Wai Ora spa products. Unique wellness and exclusive activities will be on offer within the two and a half acres of landscaped grounds showcasing native flora.

Other amenities will include the Mokoia Restaurant, specialising in seafood, spa cuisine and indigenous foods and flavours, Manary English-style bar, 24-hour room service, conference room, high-speed wireless internet and courtesy shuttle.

Undertaken by Tatou International Ltd, the operators of Hells Gate – Wai Ora, the resort project is a major redevelopment for what was formerly Manary Lodge.



Mobile Advertising

The platform powering multi-channel Mobile Advertising

Faced with declining voice revenues and having under-exploited the first SMS-based mobile marketing wave, Mobile Operators view mobile advertising as a key new revenue stream. However, the size of these revenues will depend on how much of the Mobile Advertising value chain the Operators manage to control and the extent to which they leverage their customer base through effective use of their CRM data.

Implementing an end-to-end Mobile Advertising platform with multi-channel delivery capabilities on their own network will enable the Mobile Operators to build a strong position in the Mobile Advertising ecosystem and to monetise their strategic assets. The Mobile Advertising Alliance, a collaboration of software vendors, each of whom has repeatedly delivered proven, leading-edge technology to mobile operators worldwide, has therefore developed the enablement platform that Mobile Operators need to implement in order to monetise the Mobile Advertising ecosystem. This end-to-end Mobile Advertising platform, based on pre-integrated market proven products, offers:

Effective advertising

- Deliver relevant non-intrusive advertising based on implicit profiling
- Use the most appropriate delivery channel for each subscriber
- Associate immediate Call to Actions for improved conversion rates
- Refine campaigns with extensive real time feedback reporting

Future proof architecture

- Category leading products with individual product roadmaps.
- Pick and mix options to match operator requirements
- Highly reliable and scalable 'out-of-the-box' solution
- Flexible Service Oriented Architecture
- Standard open interfaces for simple integration

Rapid return on investment

- Grow new advertising revenues across multiple delivery channels
- Centralised support for new ad funded business models
- Pre-integrated product for reduced CAPEX
- Automated advertiser management for reduced OPEX

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.nz> or phone 0800 103400.

Training

- 12 June> Tourism Internet Marketing Series Workshops 1&2
 - 22 June> Tourism Internet Marketing Series Workshops 3&4
- Further information contact
Empower Team Ltd
0800 4387 267 or
(07) 578 7017



Business after 5

- 10 June> Family TV Rotorua

Rotorua Export Club

- 5 June> Millennium Hotel
(Limited places available, early registration recommended)

- 13 June> Carson Taylor Ford Focus on Business



- 25 June> EMA Briefing
- 24 June> Green Drinks

- 19 June> Chamber of Commerce AGM

For More information

Email: info@rotorua-chamber.co.nz

Web: www.rotorua-chamber.co.nz

Address: **The Business Hub**
1209 Hinemaru St.
Rotorua



Debbie Mayo-Smith

- When:** 23 July 2008
- Where:** Novotel Hotel
- Time:** 7.00am
- Cost:** \$27.00



For more information

Web: www.rotorua-chamber.co.nz



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.

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 70,000 hits and 9,000 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 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 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

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 Project Officer)
Tel (+64) 7 348 4199
Fax (+64) 7 350 0182
E-mail; Chris.Heywood@rdc.govt.nz