

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

Kia ora,

Thursday (15th July) saw the inaugural certification presentation to the attendees of the Kiaoramai service level training program. Rotorua as many of you know was the first City in New Zealand to undertake the Kiaoramai training program and there has been some great coverage both in the press about the benefits of up skilling service levels for staff and even business owners.

Rotorua business is certainly lifting the bar in service and as an ‘evangelist of service’ I see no reason why Rotorua cannot be recognised as the “Service Centre” of New Zealand. I applaud ‘great service’ and admire inspirational business owners who recognise and reward customer service excellence.

I spoke with the Kiaoramai staff at the NZ Holiday Parks Association a week back about the launch of the NZ2011 Business Club. The 250 delegates were serious about customer service excellence so much so this is their number one mantra in their Strategy 2015 document, this I applaud.

The best measure of service excellence is repeat custom. Equally public recognition is hugely valuable to both staff and the business.

To recognise those who provide ‘excellence in customer service’ the MYOB Awesome Service Awards recognises on a weekly basis those Kiwis’s who provide...awesome service! The Awesome Service Award not only affords recognition but also comes with reward as the winners receive framed certification, NewsTalk ZB interview and entered into the hall of fame on the MYOB Awesome Service Awards website.

If you have received exceptional customer service from anyone from a tradesperson to your accountant, from your postie to your appliance salesperson then I encourage you to nominate them on www.awesome-service.co.nz.

To see a Rotorua name up in the shining lights of customer service excellence next week would be well...just awesome.



Grant Kilby,
 Destination
 Rotorua
 Economic
 Development

Boost for Bay of Plenty regional projects

Forestry, aquaculture, energy and supply chain industries in the Bay of Plenty region received a \$390,000 boost this week from central government to carry out a range of projects.

Through the Bay of Connections Regional Governance Group, chaired by Bay of Plenty Regional Council Chairman John Cronin, the funds will add to the \$360,000 grant received in 2008 from New Zealand Trade and Enterprise, taking the total to \$750,000.

Mr Cronin said the region received the new funds because the economic development agencies and Bay of Plenty Regional Council had delivered good results, and NZTE believed that the projects proposed for the next 12 to 18 months would add real value.

"Over the long term, these projects will not just contribute to the local economy, but will be significant at a national level. We could have the largest aquaculture farm in New Zealand, we could be one of the country's largest energy producers and exporters, and be a world class producer of high value forestry products."

The projects were agreed on by the Regional Governance Group and the economic development agencies. They cover:

Aquaculture - to establish a Regional Aquaculture Organisation and operating procedures, develop a region-wide profile of the emerging aquaculture industry, future infrastructure needs and industry directory, develop a preliminary business case for the Opotiki Harbour development and a communications plan.

Energy - to establish an Energy Advisory Group and to complete the Strategy and Action Plan, hold a regional energy forum.

Forestry and Wood Processing - to develop a Strategy and Action Plan and work with land and forestry owners to get additional value from forestry.

Supply Chain and Logistics - to investigate regional logistics and supply chain to ensure a world-class, cost effective, efficient freight movement system to, from and around the Bay of Plenty.

Review Bay of Connections and update the Action Plan, carrying out an in-depth analysis into a number of sectors.

Advisory groups for these projects will be established, with have strong commercial representation.

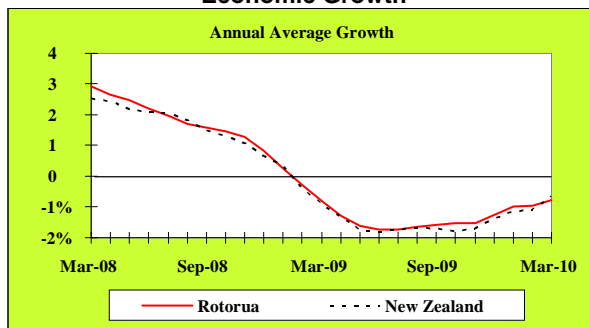
More information . www.bayofconnections.com

Cheryl MacGregor Cheryl.MacGregor@envbop.govt.nz

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Economic Growth



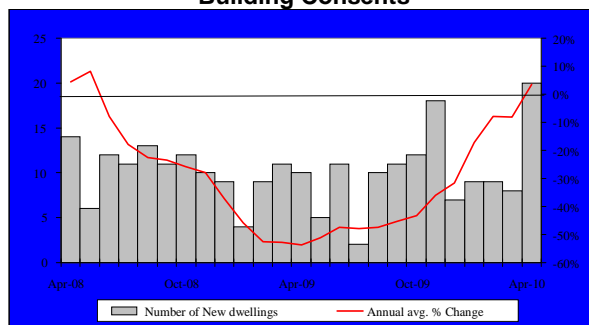
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in Rotorua's index was negative 0.8% for the year ended March 2010 which was marginally slower than the negative 0.7% 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.

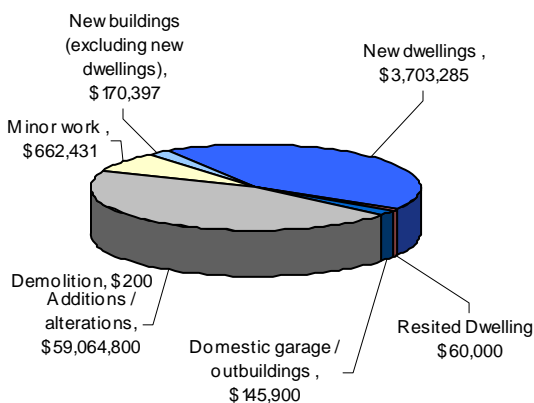
Building Consents



Source: Rotorua District Council

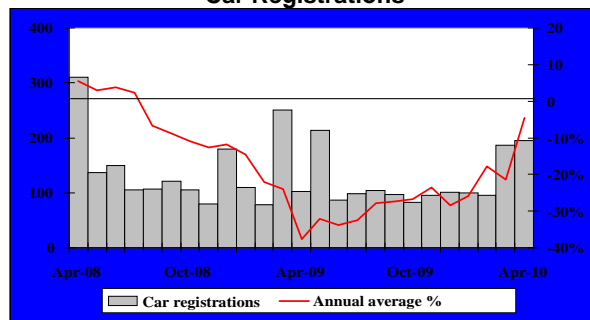
There was a total of 20 new building consents valued at around \$4.5 million issued for residential dwellings in Rotorua during April 2010. This was the highest level recorded since February 2008. The annual average growth in the number of new building consents issued for residential dwellings in Rotorua was 3.4% for the year ended April 2010.

Value of RDC Consents Passed May-2010



Source: Rotorua District Council

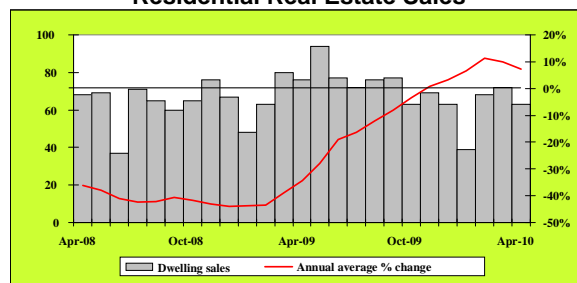
Car Registrations



Source: Land Transport Safety Authority

A total of 195 cars (including both new and ex-overseas car types) were registered in the local postal offices during April 2010. This was an increase from the 186 cars registered in March 2010 and the 103 cars registered April 2009. The annual average growth rate in the number of new and ex-overseas cars registered in Rotorua was negative 4.7% for the year ended April 2010.

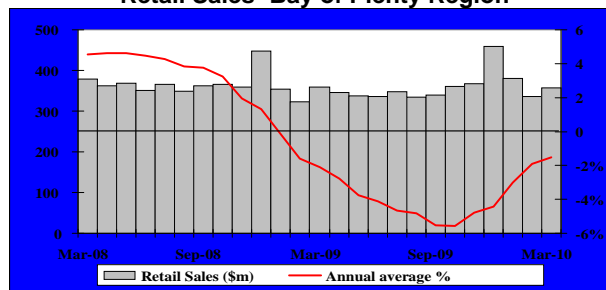
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

A total of 63 houses with a median sale price of around \$230,000 were sold in Rotorua during April 2010. This was less than the 72 houses sold in March 2010 and the 76 houses sold in April 2009. The annual average growth rate in the number of houses sold in Rotorua was 7.2% for the year ended April 2010.

Retail Sales- Bay of Plenty Region

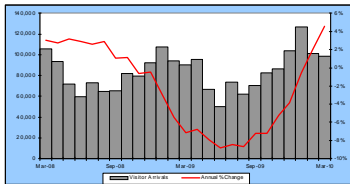


Source: Statistics New Zealand

SUMMARY.

The annual average growth rate in Rotorua's index was negative 0.8% for the year ended March 2010 which was marginally slower than the negative 0.7% annual average growth rate in New Zealand's index in the same period.

Rotorua Visitor Arrivals



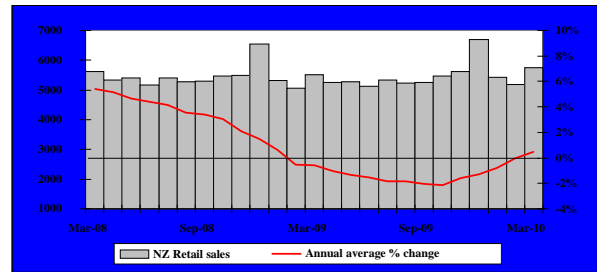
Source: Statistics New Zealand – Commercial Accommodation Monitor

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 100,888 in February 2010 to 98,673 in March 2010. When compared with the same period of the previous year this was a 9.6% increase over the 90,044 guest arrivals recorded for March 2009. For the year ending March 2010 there were 1.0 million guest arrivals to Rotorua commercial accommodation premises - a 4.5% increase over the same period of the previous year.

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

National Monitor

Retail Sales

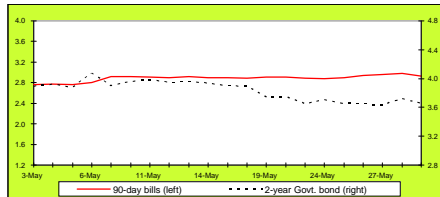


Source: Statistics New Zealand

The value of New Zealand’s retail sales increased from \$5,186.3 million in February 2010 to \$5,745.3 million in March 2010. March 2010’s level was a \$240.5 million increase (4.4%) compared to the value recorded in March 2009. The annual average growth rate in the nominal value of New Zealand’s retail sales was 0.5% for the year ended March 2010.

National Monitor

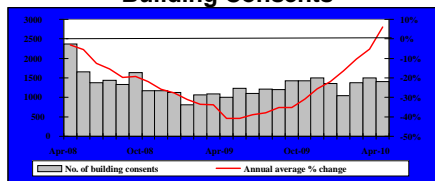
Interest Rates



Source: Reserve Bank of New Zealand

With the exception of the downward movement in short-term government bonds, New Zealand’s wholesale interest rates started to rise in early May 2010, but stabilised over the rest of the month. By the end of May 2010 the 90-day bill rate was 2.93%.

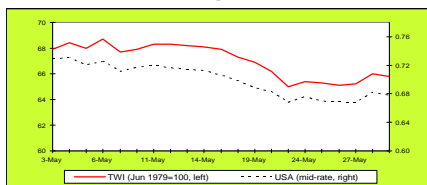
Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

There was a total of 1,400 new building consents valued at around \$382.7 million issued for residential dwellings in New Zealand during April 2010. This was greater than the 1,009 consents issued in April 2009. The annual average growth rate in the number of new building consents issued for residential dwellings in New Zealand was 6.1% for the year ended April 2010.

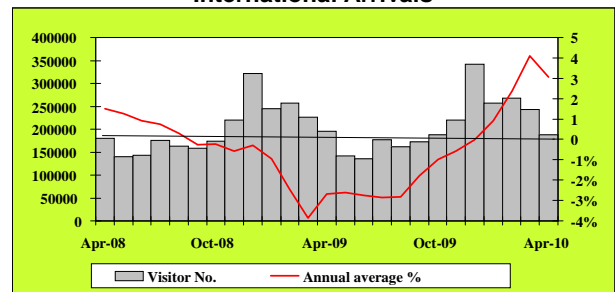
Exchange Rates



Source: Reserve Bank of New Zealand

New Zealand’s foreign exchange rates depreciated in May 2010, impacted negatively by the weaker Australian dollar as well as Greece’s default. By the end of May 2010, NZ\$1.00 traded against US\$0.68 (down from US\$0.72 a month ago) and the Trade-Weighted Index (TWI) declined to 65.8 points.

International Arrivals



Source: Statistics New Zealand

There was a total of 187,962 visitor arrivals to New Zealand in April 2010. This was a decrease from the 243,263 visitors recorded in March 2010 and was less than the 195,883 visitors recorded in April 2009. The annual average growth rate in the number of visitor arrivals to New Zealand has slowed from 4.1% for the year ended March 2010 to 3.1% for the year ended April 2010.

SUMMARY AND COMMENTARY

The outlook for the New Zealand economy has become more optimistic. The New Zealand Treasury has forecast that annual real GDP will grow on average around 3.0% p.a. during the next four years. However, annual inflation will reach a high of 5.9% during the next 12 months with around 2.0% caused by the GST increase.

The National Bank’s May 2010 Business Outlook survey showed that business confidence is high with a net 48% of respondents expecting the general economic conditions to improve in 12 months’ time. Firms’ expectations regarding their own level of activity were also strong with a net 45% feeling optimistic about their level of real business activity in 12 months’ time.

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

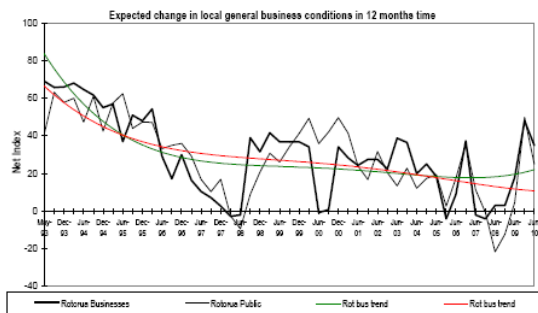
The Rotorua confidence indexes are showing reducing confidence levels, although most indexes are still positive. The positive indexes showed that the majority of Rotorua residents expect the economy to improve.

On a positive note,

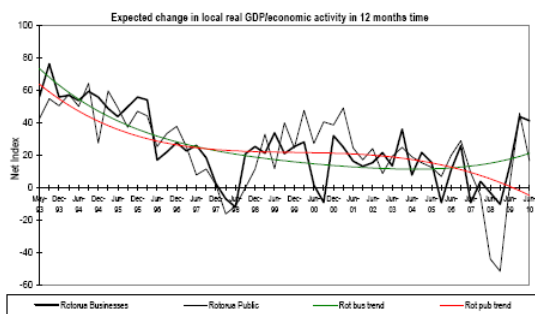
- Rotorua businesses and households expect local general business conditions
- Rotorua economic activity to increase.
- Personal income levels are expected to
- profits for business are also expected to increase.
- Businesses are planning to invest more into their businesses and keep promotion at June 2010 levels.
- Businesses are planning on employing more over the year to June 2011.
- Businesses involved in exporting reported an expectation of increasing export levels.
- Residential construction businesses expected increasing volumes of construction from June 2010 levels

On the negative side,

- Rotorua residents expect prices to increase,
- interest rates to rise
- unemployment to increase from June 2010 levels.



Rotorua businesses and households predicted that local general business conditions will increase from June 2010 levels over the 12 months to June 2011.



Rotorua businesses and households predicted that local economic activity will increase from June 2010 levels over the year to June 2011.

Source APR Consulting 6 Monthly Business Confidence report copy of full report available at www.rotorua-business.com

Planning for next year's Forest and Wood Industries Expo has stepped up a notch, with bookings opening this Thursday 1 July, 2010, for the 2011 New Zealand Forest Industries Expo.

Held every four years, the NZ Forest Industries Expo (or FI2011) will be held in Rotorua from 5 to 7 September, 2011, making the most of the 2011 Rugby World Cup in New Zealand.

The Expo will also be part of a national Forestry and Wood Industries Festival, with a number of other events planned to complement the Expo during the buildup to Rugby World Cup.

Event organiser, Dell Bawden, says members of the forestry industry from around the world will gather in Rotorua for FI2011, taking advantage of combining the Expo with other Festival activities, as well as a few games of rugby.

"The Rugby World Cup provides us with the opportunity to showcase our forestry sector on a global stage, and the Expo is an important part of that. The New Zealand Forestry and Wood Processing Festival will be the single biggest opportunity for the forestry industry to demonstrate their expertise, technology and products, and to reach new markets and grow the sector.

"If you are part of the forestry sector and you are focused on growing your business, you won't want to miss being part of FI2011."

Dell says the Expo will cover every aspect of the forestry industries sector from plant to market, and everything from genetics and growing, to harvesting, processing, design, manufacturing, technology workshops and links to domestic and international markets.

Traditionally held at the Rotorua Racecourse, this is the first time FI2011 will be held at Rotorua's new Energy Events Centre.

"The newly finished Energy Events Centre is purpose-built, which will better accommodate both exhibits and heavy machinery alike. Heavy machinery such as the latest logging gear, trucks and sawmilling equipment will have plenty of room on the carpark area and the Government Gardens Golf Driving range which is right next door."

Dell says she has already strong interest from exhibitors.

"There are only a handful of specific, dedicated forestry exhibition events worldwide, and FI2011 attracts exhibitors and visitors from around the world."

For further information about FI2011, or to reserve your space, check out www.forestevents.co.nz or contact Dell Bawden on +64 7 362 7865.





The Cooperative Education Unit and TechNZ invite you to attend an information evening.

Tuesday 3rd August 2010, 6.00pm. Scion Research, Te Papa Tipu Innovation Park, Rotorua.

Learn about accessing and applying for TechNZ funding for research and development.

Peter Maxwell from TechNZ will discuss funding opportunities, criteria and how to proceed with applications.

Co-op staff will discuss their role and the availability of work placement students.

Wine and cheese provided.

RSVP by 30th July 2010 to l.paku@waikato.ac.nz



The memorandum of understanding has been signed between the Rotorua Economic Development Unit and the organisers of the Global Entrepreneurship Week (November 15-21 2010) for rights of hosting this global event for three years. The week will see a range of 'entrepreneurial focused events and opportunities for start-up businesses to engage in across the globe and in Rotorua.

Global Entrepreneurship Week (GEW) is focussed on promoting the foundations that support aspiring entrepreneurship alongside foundations and organisations that enable our existing innovative and entrepreneurial businesses commercialise their products and services.

GEW is truly a global event with 88 countries hosting 32,000 events aimed at over 7.5 million participants. It is very clear from research completed and presented by Bill Payne leading US Angel Investor here in Rotorua a few weeks ago that entrepreneurs will be the bulk of the employers that lead growth from recession.

The Economic Development Unit look to develop with educators and trainers, business facing organisations like the Chamber of Commerce, Export BOP, NZT&E and other international groups events over the GEW that are both relevant and experiential for Rotorua start-ups. I see this opportunity as the chance to cement a culture of support for this sector that has historically found it tough to get both recognition and assistance in the early stages of setting up a business.

Read about the 2009 Event at the link below:

<http://unleashingideas.webjam.com/newzealand>

Winners of BNZ Partners Bay of Plenty Export Awards 2010

The winners of the BNZ Partners Bay of Plenty Export Awards 2010 to be announced this Friday evening are:

United Travel Emerging Exporter of the Year:

Page and Macrae Innovation in Export:

Bay of Plenty Polytechnic Export Achiever Award:

ZESPRI International Service to Export Award:

The big Award – the Sharp Tudhope Exporter of the Year Award was a regional battle with finalists from Rotorua, Kawerau and Katikati. In the end it was **Allied Industrial Engineering** who took out the award.

Export NZ Bay of Plenty and BNZ Partners congratulate the winners for their outstanding achievements.

The winners will receive their awards at a glamorous dinner at Tauranga's Baypark Stadium on Friday evening. The awards sold out with over a month to so it is a popular event. The guests will be entertained by Master of Ceremonies Jaquie Brown in the theme of the 1920's as this is the 20th Annual Bay of Plenty Export Awards.

For more information contact:

Angela Wallace 021 636 373

Pollen Plus Ltd

Trimax Mowers

Scott Coulter Comvita

Graeme Boyd

Congratulations to Mark Lovegrove and the team at Allied Engineering on winning the BIG Award !!



Business Mentors New Zealand in Rotorua

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

Topics covered include:

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

Take advantage of this opportunity and instructions to request a mentor <http://www.businessmentor.org>, or phone 0800 103400.



Rotorua Events Calendar

HAVE YOU BOOKED FOR OUR FORTHCOMING EVENTS YET?

20 July Kikstart Networking Indigo
20 July Export Club - Aussie Update

21 July - Midwinter Quiz Night

To register for any of these events go to:
www.rotorua-chamber.co.nz ; page: Chamber Events

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

Kathy Fisher : 07 349 8365
admin@rotorua-chamber.co.nz



The Get Sustainable Challenge (GSC) is your entry to the 2010 Regional Sustainable Business Network Awards.

Don't wait - entries close 31/07/10

"If you are working on sustainability, you're a leader. There's no greater challenge for businesses the world over. You're always challenging yourself and your business to do better. Find out how well you're doing by entering SBN's 2010 Awards...and celebrate with others on this fulfilling journey to sustainability" Rod Oram

Know an extraordinary business? Challenge them to enter.

Even if you prefer not to enter the awards, you can still take the Get Sustainable Challenge.

The Get Sustainable Challenge (GSC) is a tool designed to help you focus on the issues that are most important to your business.

This is your framework to guide you through your ongoing sustainability journey. Visit the link below to find out more >>
<http://sustainable.org.nz/index.php?page=gsc>

Become Involved!

"Why not Live, Work, Invest and Do Business where the rest of the world comes to Play?"

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

For more information:

heather.mcallister@rdc.govt.nz or visit our website www.rotorua-living.com

Log on to www.rotorua-business.com and take a look at the official Rotorua living, working, investing and doing business site generating around 120,000 hits and 12,000 visits per month. Enhance your business communication strategy by registering on the Rotorua business database or list your latest job vacancy.



Rotorua 2006 "Promotional DVD"

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

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

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



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:

"There are no failures - just experiences and your reactions to them."

Tom Krause

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