

Welcome to the March edition of Strictly Business

Are you Broadminded??

The demand for a high-speed internet (broadband) service is fast becoming a concern for businesses and residents both rurally and with-in our city. As lifestyle changes to the work-life balance, many business owners are wishing to work-from-home and many tourists are wishing to be connected while on vacation.

Considering where to stay if broadband is not in the offering will become the norm not the preferred in the very near future.

To have surgeons remotely operating on patients via a video link, to have students being lectured to via video link, to have conferences convened by international speakers through video link will be the norm...and demanded.

A knowledge economy is looming and it requires high speed reliable connectivity. The answer of course is broadband and this may be provided in a hybrid mix of fibre, copper, wireless or even satellite.

I consider broadband is as an essential service as water and power and being connected via broadband now the norm. Work is underway to identify how, who, what and when we will all be connected. The social, cultural and economic benefits of broadband go beyond just being connected and will create a new culture of use.

This must be fast-tracked in order for our economy to prosper as lag will be our undoing.

Good day and good luck

Grant



Grant Kilby,
 Destination
 Rotorua
 Economic
 Development

Events boosting local economy



Rotorua is fast gaining a well earned reputation as one of New Zealand's major events players and the potential for attracting even more large events is huge, says Mayor Kevin Winters.



We've shown how we can successfully run world class sporting events like the World mountain Bike championships and the opening match of the Lions New Zealand rugby tour. We're developing large scale entertainment productions like the Searchlight Tattoo and the wonderful Raggamuffin music festival.

These teams put a lot of effort into getting events to come to Rotorua, then helping make sure they are well marketed and run efficiently and safely. It's a big job, but an important one.

And major conferences and exhibitions have been beating a path to Rotorua, especially since we opened the doors to our much lauded Energy Events Centre a year ago. We've even enticed the country's largest annual tourism expo, TRENZ, away from its traditional Auckland and Christchurch homes, not once but two years in a row." Rotorua District Council is actively involved in events through the professional and innovative work of its business units, Events & Venues Rotorua and Destination Rotorua Tourism Marketing.

Mayor Kevin says big events generate a massive economic boost for the local economy and they also help lift our national and international profiles to new levels – often attracting the sort of publicity that money couldn't buy. "But to maximise these benefits we need to learn to put up with a little disruption to our normal lives from time-to-time so that important events can take place. And we all need to play a role in making sure visitors to town have access to the services they need, and that everyone offers a welcoming hand of Rotorua hospitality. Visitors are happy to help our local economy by spending money in our town – let's all make it easy for them to do so," says Mayor Kevin.

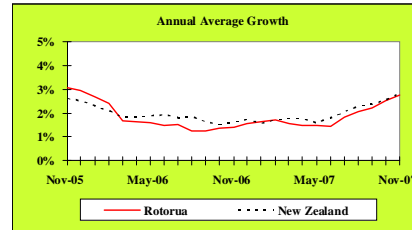
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Affordable Relaxing Unique Central

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Local Monitor

Economic Growth



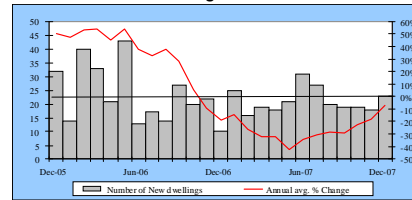
Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate in Rotorua's index was 2.8% for the year ended November 2007 which was the same as the annual average growth rate 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.

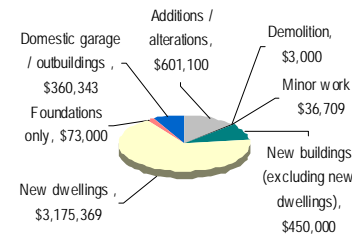
Building Consents



Source: Rotorua District Council

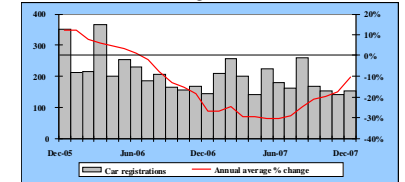
There was a total of 23 new building consents valued at \$6.5 million issued for new residential dwellings in Rotorua during December 2007. This was the highest level recorded over the past five months and was also greater than the ten consents issued in December 2006. The annual average growth rate in the number of new building consents issued for residential dwellings in Rotorua has accelerated from negative 17.9% for the year ended November 2007 to negative 6.6% for year ended December 2007.

Value of RDC Consents Passed, Jan-08



Local Monitor

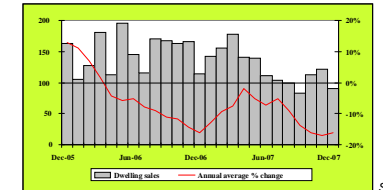
Car Registrations



Source: Land Transport Safety Authority

Despite a short trading period the number of new and ex-overseas car registrations recorded in Rotorua edged higher in December 2007. There was a total of 153 cars registered in local postal offices during the month. This represented an increase from the 142 cars registered in November 2007 and was also greater than the 145 cars registered in December 2006. The annual average growth rate in the number of new and ex-overseas cars registered in Rotorua was negative 10.1% for the year ended December 2007.

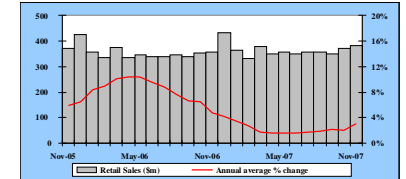
Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

There was a total of 91 houses with a median sale price of around \$255,000 sold in Rotorua during December 2007. This was the second month in 2007 that the monthly number of sales was less than 100 houses. The annual average growth rate in the number of houses sold in Rotorua was negative 16.0% for the year ended December 2007.

Retail Sales



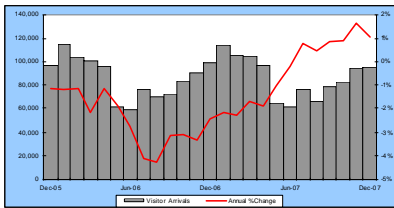
Source: Statistics New Zealand

The nominal value of Bay of Plenty region's retail sales totalled around \$384.7 million during November 2007. This represented an increase from the \$371.6 million of sales recorded in October 2007 and an increase of \$28.5 million (or 8.0%) compared to the value of sales recorded in November 2006. The annual average growth rate in the nominal value of Bay of Plenty's retail sales was 3.1% for the year ended November 2007.

Summary

The annual average growth rate in Rotorua's index was 2.8% for the year ended November 2007 which was the same as the annual average growth rate in New Zealand's index over the same period.

Rotorua Visitor Arrivals



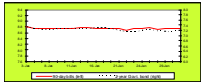
Source: Statistics New Zealand – Commercial Accommodation Monitor

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 94,336 in November 2007 to 94,920 in December 2007. However, when compared with the same period of the previous year was a 3.7% decline over the 98,601 guest arrivals recorded for December 2006. For the year ending December 2007 there were 1.0 million guest arrivals to Rotorua commercial accommodation premises - a 1.0% increase over the same period of the previous year.

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

National Monitor

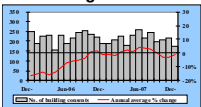
Interest Rates



Source: Reserve Bank of New Zealand

The average 90-day bill rate for January 2008 was 8.75% compared to 8.90% for December 2007. The average rate for January 2007 was 7.70%. Average yields for two-year government bonds were for 7.47% and 7.24% for December 2007 and January 2008 respectively while the average rate as at January 2007 stood at 6.52%.

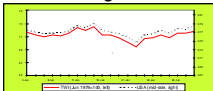
Building Consents



Source: Business Statistics Section, Statistics New Zealand

A total of 1,738 new building consents valued at around \$436.2 million were issued for residential dwellings in New Zealand during December 2007. This was the second lowest level recorded over the past two years. The annual average growth rate in the number of new building consents issued for residential dwellings in New Zealand was negative 1.1% for the year ended December 2007.

Exchange Rates



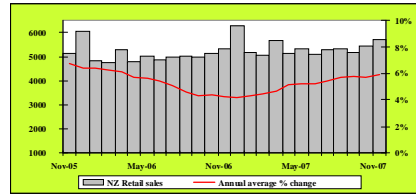
Source: Reserve Bank of New Zealand

The recent crash in the international financial markets impacted negatively on investors' confidence. This contributed to New Zealand's exchange rates depreciating in mid January 2008. However, the Kiwi dollar regained ground later on in the month with NZ\$1.00 trading US\$0.78, and the Trade-Weighted Index (TWI) standing at 71.8 points.

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National Monitor

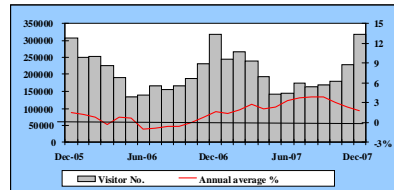
Retail Sales



Source: Business Statistics Section, Statistics New Zealand

New Zealand's nominal retail sales grew steadily in November 2007 with the combined value of sales standing at \$5,710.8 million. This represented an increase compared to the \$5,430.4 million of sales recorded in October 2007, and an increase of \$370.3 million (or 6.9%) compared to the value of sales recorded in November 2006. The annual average growth rate in the value of New Zealand's total nominal retail sales was 5.9% for the year ended November 2007.

International Arrivals



Source: Statistics New Zealand

The number of international visitor arrivals to New Zealand totalled 317,259 during December 2007. This was the highest level recorded over the past 12 months but was less than the 319,040 visitor arrivals recorded in December 2006. The annual average growth rate in the number of visitor arrivals to New Zealand was 1.8% for the year ended December 2007.

Summary

World stock markets went into free-fall on January 22, 2008. Share prices experienced their worst decline in a single day since 11 September 2001. The Australian ASX-200 plummeted 7.0%, the UK FTSE-100 declined by 5.5%, the Nikkei (Japan) lost 5.7% and the Hang Seng (Hong Kong) declined by 8.0%. As a response the US Federal Reserve cut the Federal Funds Rate to stimulate the US economy and to attenuate investor fears of an impending US recession.

The New Zealand economy was more or less immune from the external shocks, however, a decline in US interest rates will put upward pressure on New Zealand's exchange rates. This is clearly bad news for some of New Zealand's exporters.

The December Quarterly Survey of Business Opinion (QSBO) published by The New Zealand Institute of Economic Research (NZIER) showed that business confidence is still relatively subdued. A net 26% (not s.a.) of firms expected the general economic situation to deteriorate in the next six months.

On a seasonally adjusted basis a net 6.0% of firms reported an increase in their own level of business activity over the December 2007 quarter while a net 12% expected to increase their level of activity from the December 2007 quarter's level over the March 2008 quarter.

District Plan Review: Update

Targeted consultation on the District Plan review process has now begun, with a series of meetings with interest groups scheduled from late February. The starting point for these meetings is the "District Plan Review – Issues paper", now available on the Fresh Ideas website www.fresh-ideas.co.nz. This paper summarises the points raised in the first submission round and lists the many points that have come up over the last 10 years as Council has worked with the operative District Plan. It also presents some Fresh Ideas that Council wants considered during the review process.

A programme of research was implemented to support the District Plan review. One project involved the development of Structure Plans for the eastern, western and northern sectors of the district. Those plans are nearing completion and should be released in March.

New fact sheets are now available on www.fresh-ideas.co.nz. The fact sheets are designed to stimulate question and comment and are a quick and easy read. Submissions through the website are invited at any time.

www.fresh-ideas.co.nz



Marketing in Today's Wired World

A brand new survey of business owners and executives taken by international productivity and marketing expert Debbie Mayo-Smith has found 4 out of 10 will be watching videos and listening to audio files on their computer this year.

"Are businesses prepared for this requirement? I don't believe so. Further, many will suffer. With the sharemarket falling, real estate at a stand still, interest rates rising and the NZ dollar going through the roof, it's crucial to return to good business practices" said Ms Mayo-Smith. For the past five years business has been easy, for some simply answering the phone.

Effective strategies like communicating with clients or database marketing has not been prevalent. Not surprisingly the survey found 6 out of 10 businesses contact clients only when opportunities arise, while only 3 out of 10 are doing online newsletters, 35% print newsletters. Only 27% telephone clients for marketing purposes.

Using the Internet, email and txt messaging for marketing to clients and prospects with their consent is perfect for the 2008 business climate. Email is a cheap, easy and effective medium of communication. It allows businesses to keep a communication, branding, educational stream flowing.

Interestingly the survey found reading emails on cell phones is not predominant in this sector. Only 2 out of 10 read their emails on their phones, and of that small group, almost half read less than 25% of their emails on the phone.

The online survey completed on 7 February was sent to 13,847 business people primarily in NZ and Australia. 1902 responded, 1197 from NZ, 633 Australia, 72 from elsewhere. The database comprised mainly self employed, small business owners; medium business directors or executives and managers.

For more information email: debbie@successis.co.nz

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Immigrant Skilled Workers

Things are getting very busy here at New Life New Zealand. We now have over 300 skilled clients who are wanting to move to New Zealand and so if you are an employer looking for skilled people please contact us on 07 839 6666 or go to www.newlifeneewzealand.com to list your vacancies online. We are also marketing to the database of 11,000 people who have expressed an interest in moving to NZ that we have gathered over the past few months. Most of our clients are from the UK and we are about to visit the UK to hold a series of seminars with a view to attracting people to Rotorua. The trip will coincide with the opportunities NZ expo's which are held in London and Leeds and we will also be holding seminars in Coventry, Liverpool, Manchester, Newcastle and Glasgow. List your vacancies on our website before we make the visit in April 2008 and remember we look after the immigration process and our service to employers is FREE. We look forward to hearing from you and if you would like to know more about our UK visit please let me know.

Paul Goddard
Business Development
Manager
www.newlifeneewzealand.com
07 839 6666
021 706 726
paul@newlifeneewzealand.co



\$24 Million Airport Project

The Rotorua District Council was given the green light by the Environment Court to go ahead with the expansion, which would open up Rotorua to international flights.

Work on extending the runway at Rotorua Airport is proposed to start in October but questions remain over how it will be funded.

Councillors were told yesterday that the construction project, which was expected to be completed by July next year, will cost \$24 million.

The council is borrowing money to pay for the project and the debt will be serviced by the income the council makes from the Rotorua Regional Airport Company via its lease as well as a \$5 development levy, parking fees and money from rent received from properties purchased in the Holdens Bay area for this project.

Councillor Bob Martin, a director of the Rotorua Regional Airport, told the Daily Post he was confident airlines would want to provide flights between Rotorua and Australia but was concerned about how the debt would be serviced if no airline signed up. He did not want to be an "alarmist" but there needed to be a contingency plan in place if the council was not able to service the debt as ratepayers may end up paying the interest.



Energy Champion

One of the Energy Champion objectives has been to develop a web based directory for "energy related matters". The development has progressed very well and is nearing a stage where it can "go live" very soon. The web address is www.energychampion.co.nz. Although the scope is vast, initially we endeavoured to keep the information specific to a few key areas, with plans for the site to be continually developed over time. Emphasis has been placed on the information being as local as possible. For example, the heat pump section provides advice on how to protect against the lovely Rotorua sulphurous atmosphere, awareness of its performance during frosty conditions and lists local suppliers.

Rather than the site being just a directory, it has been developed to include a considerable amount of simple information and tips related to energy use, management, and conservation in the home or business. Two separate sections have been developed for domestic and commercial requirements.

The **home owner** can seek advice on such things as home heating, energy saving, hot water systems, home insulation and double glazing. One may also investigate electricity costs and the best usage rate. There are other link related sites where relevant information can be reviewed. By following this advice savings can be made to your household energy bills to counter the seemingly constant increases in energy costs.

For the **business owner** or operator there is information about the benefits of managing energy, how to develop an energy management programme and simple tips on how energy can be saved. By managing energy effectively you will reduce consumption, save money and therefore increasing the company profitability as well as reducing your environmental impact.

Another section relates to **Energy Auditing** which is a process where company energy use is analysed in detail. This entails reviewing historical energy use and purchases, reviewing all the ways energy is consumed by the business i.e. plant and equipment, lighting, pools, pumps, boilers, air conditioning etc, and then providing recommendations where savings can be made. These can be by way of very simple or low cost management systems, improved controls or possibly plant or equipment upgrades. The steps required to implement an energy audit are described along with possible funding assistance options. Power Solutions Ltd has local accredited energy auditors that can assist in this regard.

www.energychampion.co.nz

Kevin McGrath
Rotorua Energy Champion



Shop Rotorua

The Search for a Logo

The Rotorua Retail Promotions Advisory Group has selected the brand Shop Rotorua to cover promotional activity in the CBD

This brand will begin to be featured on the collateral that will be developed for upcoming promotions.

BUT WE NEED YOUR HELP

We need a logo to go with the brand name. Obviously, it needs to include the words 'Shop Rotorua' it should reflect the character of Rotorua, it should capture excitement, experience, and enjoyment of retail therapy in the CBD. So get your thinking caps on, and your design juices flowing. There will be a prize for the design selected by the Advisory group.

\$500 for the selected design

Designs may be sent as a word document or a .tif or .jpg file to the Rotorua Chamber of Commerce Email – info@rotoruchamber.co.nz or alternatively a hard copy of the design can be mailed to the Rotorua Chamber of Commerce, PO Box 385 Rotorua, or dropped off at the office at 1209 Hinemaru Street.

Professional, student and amateur entries welcome

For More information
Email: info@rotoruchamber.co.nz
Web: www.rotoruchamber.co.nz

Address: The Business Hub
1209 Hinemaru St
Rotorua



Get Sustainable Challenge Workshop

This is the first of our targeted Get Sustainable Challenge workshops for 2008 and will be focused on assisting in the development of sustainable purchasing policies. Office supplies are a necessity for all businesses, but are you assessing your administration resources for their need as well as their individual sustainability?

This workshop will provide you with the tools and resources needed to assess your own purchasing policies, as well as introduce you to sustainable products currently on the market, explaining what makes them a more sustainable option and providing information on the NZ certifications you can look out for.

This workshop is presented by Spicers paper and Corporate Express.

Wednesday 26th March 2008
Smart Business Centre
65 Chapel St, Tauranga
8.30am – 12noon (morning tea is provided)
Cost: \$30 + GST SBN members, \$50 + GST non SBN members

RSVP no later than **Wed 19th March** to Andrea at andrea@sustainable.org.nz or phone 07 577 9355
NB: cancellations received after the rsvp date will be charged at full cost

sustainable business network



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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.

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



Become involved !!!

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

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

\$ 7.50 plus GST each
For more information:
info@rotorua-business.com

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

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Rotorua Events Calendar

Business after Five
11 March> Event Impressions & Aquatic Centre
01 April> Grays Funeral Service & Pam Jenkins Florist
15 April> Te Puia

Rotorua Export Club
8 April> Millennium Hotel
(Limited places available, early registration recommended)

Workshops
4 March> Investment Ready
The Manufacturing Management Series
W/Shops 1 & 2> 28 February
W/Shops 3 & 4> 13 March
W/Shops 5 & 6> 10 April



Further information contact
Empower Team Ltd
0800 4387 267
Or (07) 578 7017

Golf Tournament
7th Annual Rotorua Chamber of Commerce
Newstalk ZB Golf Tourname

Date: 14 March 2003
Tee-Off: 12.30pm
Where: Arikikapakapa Golf Course
Guest Speaker (and player): Willie Lose (Radio Sport)

Great Prize Table made available by the generous sponsorship of Chamber Members

For More information
Email: Info@rotoruchamber.co.nz
Web: www.rotoruchamber.co.nz
Address: The Business Hub
1209 Hinemaru St
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

"A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty."
Winston Churchill