

## “Kia ora” welcome to the March edition of Strictly Business

Since 2004 the Economic Development Unit has been focused on delivering the strategic outcomes of the Wasley Knell (consultants) ‘Bright Economy’ strategy (Google, Rotorua Economic Strategy).

The foundations for sustainable economic growth embrace a collegial and collaborative business environment where barriers to growth are removed, ensuring a prosperous, learning and happening community and adding value to key business sectors that are integral to the prosperity of Rotorua.

The Ten Year Targets within the strategy highlight key areas where growth must occur in order to deliver the outcomes as set within the strategy. The five key themes being;

- Adding Value to the economy
- Dynamic Place
- Business Environment
- Education and Skills
- Building Networks and Growing Capacity

These themes collectively set out the desired actions and provide a platform from which projects that deliver the strategy can be developed and implemented by the Economic Development Unit in partnership with business and iwi.

Additionally on a sub regional (Bay of Connections, [www.bayofconnections.com](http://www.bayofconnections.com) ) and a National level (Economic Development Agencies New Zealand [www.edanz.org.nz](http://www.edanz.org.nz) ) the Economic Development agencies are working collaboratively to ensure engagement on a local level is nationally effective.

This is all good stuff but I know we must continue to lead review and refine the Rotorua Economic Strategy inline with the markets needs both locally, regionally and nationally.

Lastly, I look forward to the impacts of new government initiatives such as “Whanau Ora” developing a unified service delivery model and expect we will be reviewing how the Rotorua Economic Strategy can work to promote with business and agencies the benefits to the community.

These are exciting times for Rotorua, the thrust of Phil O’Reilly’s commentary on Breakfast TV (12/04/10) we must ensure that the business community continues to talk to each other and its staff as to how we can continue to grow through back end of the recession.



**Grant Kilby,**  
 Destination  
 Rotorua  
 Economic  
 Development

## New Zealand at Shanghai World Expo 2010

The World Expo to be held in Shanghai, China in 2010 will be the biggest in world history. During the six months the Expo will be open - 1 May to 31 October 2010 - it is expected to draw 70 million visitors.

This presents an opportunity for New Zealand to make a favourable impression to a huge audience in one of the world’s fastest growing economies. The New Zealand Pavilion, now nearing completion at the Expo site and the Expo Business Programme, are designed to meet this goal.

The World Expo and the New Zealand Pavilion offers New Zealand businesses the opportunity develop and build international relationships in China, and host their guests in an environment that features a unique showcase of New Zealand culture, innovation and technology.

In this section, learn about the New Zealand Pavilion and how to utilise New Zealand Trade and Enterprise’s Expo Business Programme, get booking details and information to help you plan your visit to Expo and China, meet some of the New Zealand Pavilion sponsors, and find news and updates about New Zealand’s participation at World Expo 2010.

### The New Zealand Pavilion

Along with an exhibition space that marries the theme of the expo – “Better City, Better Life” – with the nature and culture of New Zealand, the New Zealand Pavilion will include VIP visitor facilities where New Zealand businesses and organisations can host actual or prospective customers and clients. It will also provide a platform to promote tourism, education and sister city activities.



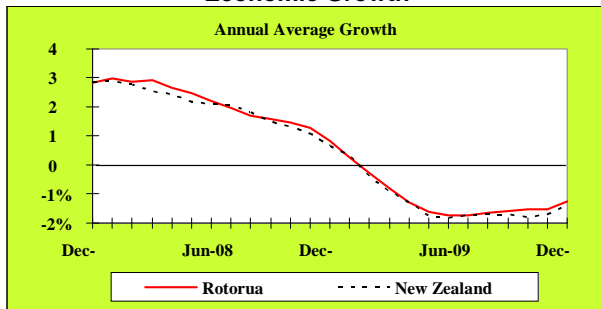
For more information visit :

<http://shanghaiexpo2010.nzte.govt.nz>

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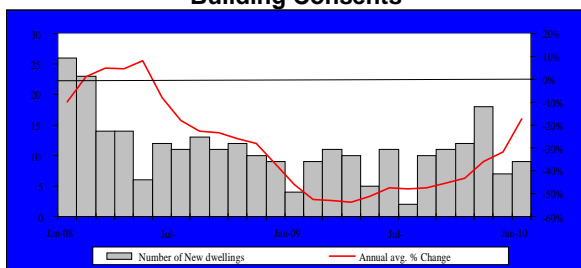
## Economic Growth



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 1.3% for the year ended December 2009 which was similar to the negative 1.4% annual average growth in New Zealand's index over the same period.

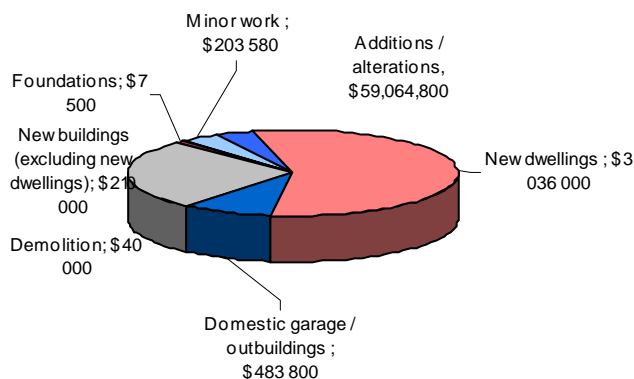
## Building Consents



Source: Rotorua District Council

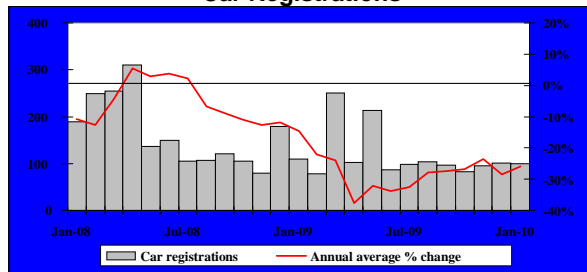
There was a total of nine new building consents valued at around \$2.7 million issued for residential dwellings in Rotorua during January 2010. This was greater than the seven consents issued in December 2009, but greater than the four consents issued in January 2009. The annual average growth rate in the number of new building consents issued for residential dwellings in Rotorua has strengthened from negative 31.7% for the year ended December 2009 to negative 17.3% for the year ended January 2010.

## Value of RDC Consents Passed Feb-2010



Source: Rotorua District Council

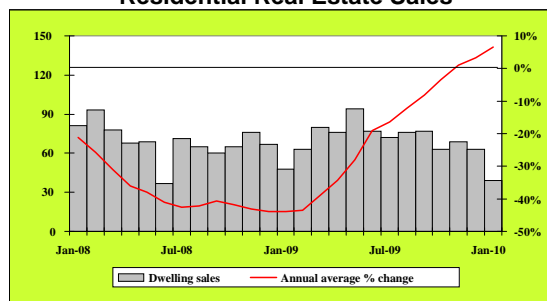
## Car Registrations



Source: Land Transport Safety Authority

The number of new and ex-overseas cars registered in Rotorua stood at 96, 100, and 101 cars in November 2009, December 2009 and January 2010 respectively. There was a total of 109 cars registered in Rotorua in January 2009. The annual average growth rate in the number of new and ex-overseas cars registered in Rotorua was negative 26.0% for the year ended January 2009.

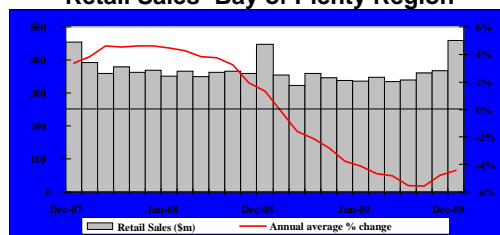
## Residential Real Estate Sales



Source: Real Estate Institute of New Zealand

A total of 39 houses with a median sale price of around \$230,000 were sold in Rotorua during January 2010. This was the lowest number recorded since July 2008 and was less than the 63 houses sold in December 2009 and the 48 houses sold in January 2009. The annual average growth rate in the number of houses sold in Rotorua was 6.5% for the year ended January 2010.

## Retail Sales- Bay of Plenty Region



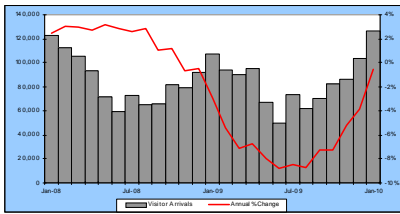
Source: Statistics New Zealand

Bay of Plenty's total nominal retail sales reached \$458.3 million in December 2009, the highest level ever recorded for the area. However, a subdued level of activity over the past 12 months has adversely impacted on the annual average growth rate which stood at negative 4.4% for the year ended December 2009.

## SUMMARY.

The annual average growth rate in Rotorua's index was negative 1.3% for the year ended December 2009 which was similar to the negative 1.4% annual average growth in New Zealand's index over the same period.

# Rotorua Visitor Arrivals



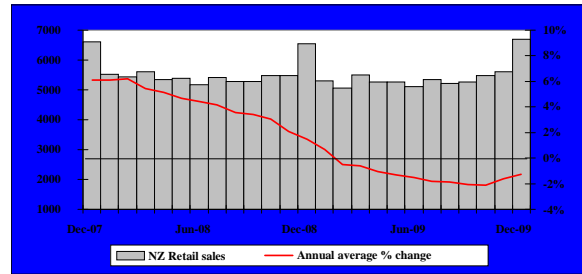
Source: Statistics New Zealand – Commercial Accommodation Monitor

The estimated number of guest arrivals to Rotorua's commercial accommodation premises increased from 103,551 in December 2009 to 126,555 in January 2010. When compared with the same period of the previous year this was a 17.7% increase over the 107,560 guest arrivals recorded for January 2009. For the year ending January 2010 there were 1.0 million guest arrivals to Rotorua commercial accommodation premises - a 0.6% decrease over the same period of the previous year.

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

# National Monitor

## Retail Sales

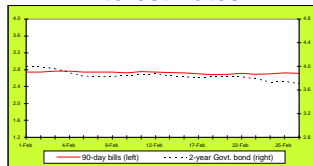


Source: Statistics New Zealand

The nominal value of New Zealand's retail sales totalled \$6,704 million in December 2009, this was the greatest level ever recorded. The annual average growth rate in the nominal value of New Zealand's retail sales has strengthened from negative 1.6% for the year ended November 2009 year to negative 1.3% for the year ended December 2009.

# National Monitor

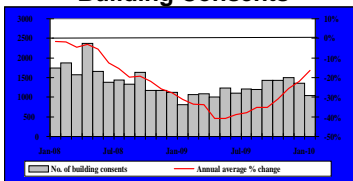
## Interest Rates



Source: Reserve Bank of New Zealand

As most financial institutions expected the RBNZ would hold the OCR at its present level over the first half of 2010, it was not surprising that the level of activity in the New Zealand wholesale interest rate market was relatively low in February 2010. By the end of the month, the 90-day bill rate stood at around 2.71%.

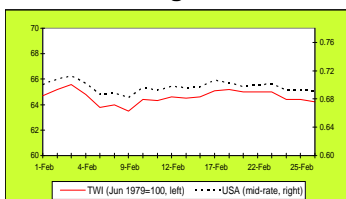
## Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

A total of 1,042 new building consents with a combined value of around \$287.1 million were issued for residential dwellings in New Zealand during January 2010. This was the second lowest level recorded over the past 12-month period. The annual average growth in the number of new building consents issued for residential dwellings in New Zealand was negative 16.4% for the year ended January 2010.

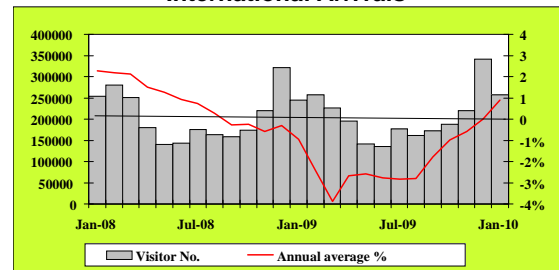
## Exchange Rates



Source: Reserve Bank of New Zealand

The release of SNZ HLFs data and an unexpected increase in the US Federal Discount Rate resulted in the depreciation of the New Zealand currency in the latter part of February 2010. By the end of the month, NZ\$1.00 traded against US\$0.69 and the Trade-Weighted Index (TWI) stood at 64.2 points.

## International Arrivals



Source: Statistics New Zealand

There was a total of 256,652 International visitor arrivals to New Zealand in January 2010, an increase of 12,622 (5.2%) visitors compared to the number recorded in January 2009. The annual average growth rate in the number of international visitor arrivals to New Zealand was 0.9% for the year ended January 2010.

## SUMMARY AND COMMENTARY

According to the National Bank's (NB) Business Outlook Survey for February 2010, a net 50% of firms expected general business conditions to improve in 12 months' time, up by 11 percentage points on December 2009 survey's result. (There are no NB surveys carried out in January). This was the highest level of confidence recorded by the NB since April 1999.

A high level of optimism was experienced across all industry sectors with the exception of retailing, which

declined by 14 percentage points compared to the level recorded as at December 2009. Firms' expectations regarding their own level of business activity in 12 months' time improved with a net 42% anticipating an increase, compared to a net 37% of respondents in the previous 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

# ACHIEVING BUSINESS GROWTH

Workshop

## DRIVE YOUR BUSINESS TO THE NEXT LEVEL

Growth is good. It is good for you, your business and your staff; it is good for the economy. As the Owner Manager, you know all this, but what can you do about growing your business when you are flat out running it?

That is where this unique workshop comes in. Facilitated by The ICEHOUSE, we will assist you to discover new ways to unlock your true potential and turn your ambitions into action plans. Designed for owner managers and senior leaders of New Zealand's small to medium enterprises; exporters; and Agri-based businesses, this workshop is an excellent start to your journey.

## PRACTICAL TOOLS TO APPLY TO YOUR BUSINESS

Your business is unique, but that doesn't mean you cannot learn from the experience of others. That is why the workshop brings together a motivated group of business owners from a diverse range of backgrounds. Together you will be kept busy working on real life NZ case studies and action steps to take you to the next level of success. The functional areas of Strategy, Marketing, Operations, People, Leadership and Finance are addressed as an integrated whole.

You will develop a 12-month action plan that would help you to stay focused and reach the milestones for your business.

## WHAT IS THE ICEHOUSE?

The ICEHOUSE, a business growth centre, is a collaborative partnership between The University of Auckland Business School, BNZ, The Boston Consulting Group, Telecom NZ, Minter Ellison Rudd Watts, Ernst & Young, HP and Microsoft NZ. It was established in 2001 in recognition of the importance of SMEs to the New Zealand economy.

The ICEHOUSE works with a range of businesses in the SME sector, from start-ups to established multi-million dollar enterprises. Its mission is to transform these companies into international success stories that add enormous value to the New Zealand economy. Two tailored learning environments are offered:

### ICE ACCELERATOR

A dynamic learning environment for entrepreneurs. It provides support that is tailored to the individual, the idea and the target market.

### ICE BRIDGE

A collaborative learning environment for owner-managers. It helps them identify and overcome roadblocks and gives them the tools to move their businesses forward.

To attend the seminar presented by Ice House on the 02 and 03 June 2010 in Rotorua Please contact :

Mike Stokes *ICE Bridge Sales Executive*

ddi 09 308 6221

m 027 277 2597

F 09 309 9713

[m.stokes@theicehouse.co.nz](mailto:m.stokes@theicehouse.co.nz)

[www.theicehouse.co.nz](http://www.theicehouse.co.nz)

Spend a day-and-a-half  
driving your business forward.

**ICE BRIDGE**  
Discover the way forward for your business

## Support a Great Cause

by having a night out with friends.

Ronald McDonald Family Retreat  
**Supper Club**



Wednesday 26th May 2010

Starts at 6pm with Cocktails and Canapes and a live auction at the Novotel Rotorua Lakeside followed by a random draw of Restaurants and Lodges for dinner at 7.30pm. Proceeds going entirely to the operational costs of the Ronald McDonald Family Retreat right here in Rotorua.

Tickets \$95 per person, enjoy a three course meal (dinner beverages not included).

contact Deb Bell on  
0274578485 or email  
[deb@debbell.co.nz](mailto:deb@debbell.co.nz) for  
details



## Great Offer to Sydney return

**Greetings** from the Rotorua International Airport, Firstly many thanks to Don and his team for introducing me to you all, I've had the pleasure to meet some of you and look forward to meeting you all in next few months to understand your unique place in Rotorua's tourism offering.

The trans-Tasman link is still in its early days but the positive results are starting to bloom with 2/3 of inbound flights full of our Australian Friends.

### So what now?

This is no time to take the eye off the prize; I encourage you all to get yourselves over to Sydney between May and September as often as you can to keep Rotorua and Central Park in the forefront of the Aussie minds. Better still team up with your fellow industry colleagues and make some real noise! If you've been at Trenz it's a perfect time to capitalise on all those Aussie leads!

We appreciate all the hard work you put in to your business so here at the Rotorua International Airport we think you need a reward, so, for as a one off offer, anyone that books a flight between May and September we'll give you

1 x "\$30.00 Free Duty Free Voucher"\*

But Wait "There's more"!

You guys give a lot so let's see it come back your way!

Along with our partners, we have a limited amount of return seats at special rates for those off to Sydney on marketing visits.

**\$199.00 Return**, Rotorua to Sydney (excluding taxes)

These are seats are limited, so get in quick, first in first Served!

Call Rhys on 021 921 736 to check availability and voucher redemption details.



Check out [www.Sydney.com](http://www.Sydney.com) for all the great things on in Sydney, NSW

Rhys Connors



### 1. FREE parking

Rotorua International Airport is offering free parking for trans-Tasman passengers flying direct, Rotorua-Sydney until 30 Sept 2010

### 2. Convenience

Save time, money and frustration. Rotorua International Airport is our local, easily accessible to the Bay of Plenty. Decreased travel times, no traffic issues.

### 3. User-friendly departure / arrival

Arriving every Tuesday and Saturday from Sydney at 2.35 pm and departing at the leisurely time of 3.35 pm. No more overnight or early morning treks.

### 4. Full-service flights

Complimentary cafe style meals and beverages with seat back entertainment including movies, games and music and free 20kg baggage allowance

Air New Zealand

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The New Zealand forest, wood and paper industry represents one of the country's greatest assets, according to Rotorua's economic development project manager Chris Heywood.

"Its attraction lies in its sustainability and environmental compatibility," he says.



Dr Jae Hyun Lee

However, large areas in the Bay of Plenty have been deforested and returned to dairy land. Other areas are threatened by high transport costs within the industry, fluctuating log prices and the fluctuating New Zealand dollar.

Chris Heywood says that he has been keen to explore alternative ways of increasing productivity of plantation land to add value to the industry.

A study of complementary industries was supported by the Rotorua economic development agency (EDA). This included developing the ginseng trials that were undertaken by Crop and Food. The trials indicated that a potentially premium product might be grown through inter-planting in *pinus radiata* forests. Forest Ginseng Ltd (FGL) have taken the lead in establishing this product and report very encouraging results. FGL is a Rotorua-based export company, led by Dr Jae Hyun Lee, which has been adding value to the pine forests of Rotorua through complementary land use.

*Panax ginseng* is considered better than other varieties of ginseng and one which is particularly suited for growing in New Zealand. FGL has been growing high quality, wild *panax ginseng* in pine forests around Rotorua since 2003.

Currently, there is a large market for ginseng in both eastern and western countries. It is used both as a general ingredient to boost immunity and in energy drinks as a stimulant.

However, the plant takes time to mature to a harvestable age, and product/market development of New Zealand grown ginseng is in its early stages. This is the first year that Forest Ginseng Ltd will market the product off shore.

The EDA supports the company with mentoring. It also introduces the company to other food and beverage industry players with potential product synergies (infusing ginseng into current products and thereby optimising the value).

The EDA has also been instrumental in matching FGL with potential partners and continues to work closely with them.

For further information :

[http://www.forestginseng.co.nz/ginseng\\_eng/msub\\_01.php](http://www.forestginseng.co.nz/ginseng_eng/msub_01.php)

Fifty films will screen at the Magma Short Film Festival when it returns to Rotorua's Shambles Theatre at the end of the month.

The films were selected from over 150 submissions from 15 countries, covering diverse issues such as immigration, love and divorce, cellular phones, murder – and even laundry.

The inaugural festival in 2006, directed by Rotorua District Council community arts officer Kiri Jarden and Vegas Film Club founder Juliet Boone, was an initiative to share original cinema with Rotorua audiences.

Ms Jarden says the film club had just been created, with Ms Boone also re-igniting Basement Cinema, but outside of this theatre Rotorua audiences needed to leave town to see foreign, arthouse, and original cinema.

"The success of the Magma Film Festival has been amazing. What started out as an ambitious project between two local movie buffs has escalated into a popular annual international event.

The Magma Film Festival is held from Thursday April 29 to Sunday 2 May at Shambles Theatre.

The programme is available online at [www.magmafilm.org.nz](http://www.magmafilm.org.nz), and hard copies from McLeod's Booksellers, Rotorua District Library, and City Focus.

## Next Export Club Meeting

Join us in Rotorua on Wednesday 21 April for an export focussed evening with;

### CTS – China Travel Service

China Travel Service (NZ) Ltd. is the exclusive New Zealand Official Ticket Agent for Shanghai World Expo 2010. Get the most up to date information about the Expo and hear about the opportunity to join the Rotorua contingent who are heading to the Expo with the Bay of Plenty Mayoral, MP and Export delegation.

### Gavin Read and Dennis Wallabh – Westpac

Gavin – Manager Financial Markets and Dennis – Manager International will give an overview on the current economic environment and what tools are available to assist with the volatility in the market place.

When: **5.30 – 7.30pm Wednesday 21 April 2010**

Where: The Millennium Rotorua Hotel – Millennium Room 4 (on 4th floor, take lift at far end of foyer)

Register to: [angela@exportnewzealand.org.nz](mailto:angela@exportnewzealand.org.nz) or [support@rotoruchamber.co.nz](mailto:support@rotoruchamber.co.nz) by Monday 19 April



## 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 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 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](mailto:heather.mcallister@rdc.govt.nz) or visit our website  
[www.rotorua-living.com](http://www.rotorua-living.com)

Log on to [www.rotorua-business.com](http://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.<sup>00</sup> excluding GST each. This is a great way to promote Rotorua.



For more information: Visit our Web Site  
[www.rotorua-business.com](http://www.rotorua-business.com) or contact us:  
Tel 348 4199 Ext 8055 or e-mail  
[info@rotorua-business.com](mailto:info@rotorua-business.com)

## Rotorua Events Calendar

### Kikstart Speed Networking..... Mac's Steaks

Thursday 22 April – 7.00 am to 9.00 am

ALL PARTICIPANTS AT THIS BREAKFAST WILL RECEIVE THE "NETWORKING HANDBOOK"

(the collection of all of the words of wisdom presented at the Kikstart breakfasts to date)

NOW BOTH COOKED AND CONTINENTAL BREAKFAST OPTIONS ARE AVAILABLE

This will really give a Kikstart to your day, a 'MUST BE THERE' event if

you are serious about developing your network of business contacts.

Mac's Steaks, 1110 Tutanekei Street

\$20.00 per person; Includes either a full cooked breakfast or a continental breakfast and coffee

To register electronically

Go to [www.rotoruchamber.co.nz](http://www.rotoruchamber.co.nz) then Chamber Events page, event Kikstart

### Westpac Rotorua Business Excellence Awards

EXPRESSION OF INTEREST (EOI) TO ENTER

Now is the time to express your interest in entering the 2010 Westpac Rotorua Business Excellence Awards

FREE 2 HOURS MENTORING from RESULTS.COM

To help you prepare your award

REGISTER FOR THE PROSPECTIVE ENTRANT WORKSHOPS

Either Wednesday 5 May, 4.00 pm to 5.00 pm  
Or Thursday 13 May 5.30 pm to 6.30 pm

To register ring Kathy on 349 8365



## 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

***You may be disappointed if you fail, but you are doomed if you don't try.***  
***Beverly Sills (1929 - )***