

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

For the third month in a row, beef, dairy, sawn timber and wool prices on the export market have all increased in May.

In the midst of recession concerns, these increases show clearly the resilience of Rotorua's broadly based economy, with agriculture, forestry and tourism all playing important roles. It is rare for all three to be in the doldrums at the same time.

While tourism numbers are down at present, sections of forestry and agriculture appear to be recovering. With an economic base like this, it remains vital that our business sector, local government and the community as a whole builds on the sound fundamentals to provide sustainable long-term growth to increase employment and incomes.

That sort of growth requires continuing investment to take advantage of opportunities identified in the BrightEconomy Strategy.



**Grant Kilby,**  
 Destination  
 Rotorua  
 Economic  
 Development

## Regional Governance Group moves forward with Energy Strategy



“With the importance of the region’s energy sources long been recognised nationally and locally, the Regional Governance Group felt it was time to look at new options for energy, as well as encouraging the region to work together,” Mr Olsen said.

“Opportunities for energy initiatives within the public and private sectors are immense in the Bay of Plenty, particularly around our untapped geothermal and use of biofuels such as forest harvesting residues.

“Energy is an area where we as a region can work together to increase the wealth and wellbeing for our communities. Investment in this region is a key to success; to encourage and achieve this we need to have absolute reliability and surety of supply for the long term while still maintaining affordability,” he said.

The group is consulting with key parties and stakeholders in the region on the development of the strategy. Experience from other regions indicates that this requires input from a wide range of energy users, including for heat and electricity use.

Consultants have been engaged to assist in the development of the strategy. They are approaching key parties in the energy sector to collect the full range of issues and opportunities that should be included in the strategy. A regional forum with key stakeholders will be held in early July to test the strategy options.

*For further media information please contact Janeane Joyce, Strategic Planner on 0800 ENV AUTO (368 288) ext 8320 or Amanda Weatherley, Communications Advisor, on 0800 ENV AUTO (368 288) ext 8150 or (021) 923 33*

New energy initiatives and opportunities, in addition to water and geothermal resources, are being looked at in the Bay of Plenty as part of a regional energy strategy.

The Regional Governance Group, made up of representatives from business, the economic development agencies and Environment Bay of Plenty, is developing the strategy as part of its economic development work for the region.

The main focus of the strategy is to look at regional security of supply and identify opportunities to increase local generation and energy use efficiency, while making sure the wealth and wellbeing of the community are at the forefront.

Energy is just one of the key projects underway since the region’s economic strategy - Bay of Connections - was launched in November last year. Other projects include an aquaculture strategy, a food sector strategy for the Bay of Plenty and economic studies into a marine precinct at Sulphur Point.

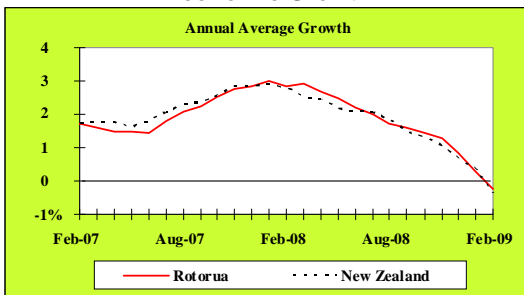
Regional Governance Group member Anthony Olsen said energy is currently generated from two main resources in the region, water and geothermal.

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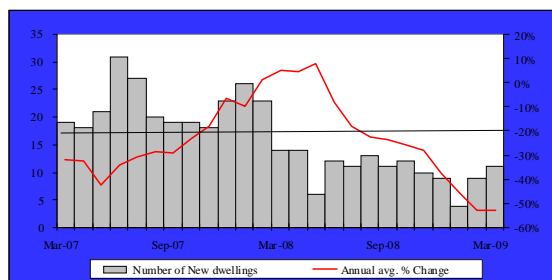
**Economic Growth**



Source: APR Consultants

The APR index of economic growth is constructed from key indicators. The annual average growth rate of Rotorua's index was negative 0.3% for the year ended February 2009, consistent with the negative 0.4% in New Zealand's index over the same period.

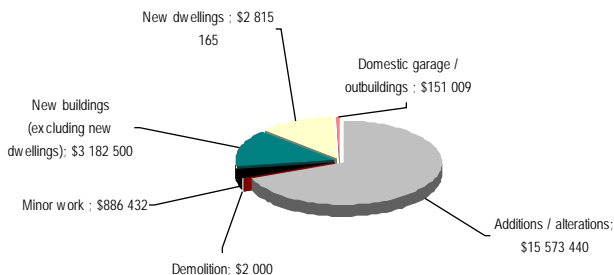
**Building Consents**



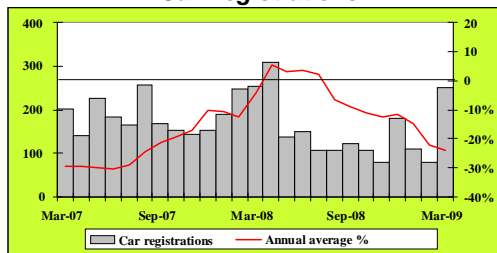
Source: Rotorua District Council

There was a total of 11 new building consents, with a combined value of around \$2.9 million, issued for new residential dwellings in Rotorua during March 2009. This was greater than the 9 consents issued in February 2009, yet less than the 14 consents issued in March 2008. The annual average growth rate in the number of new building consents issued for residential dwellings in Rotorua was negative 52.9% for the year ended March 2009.

Value of RDC Consents Passed, Jan-09



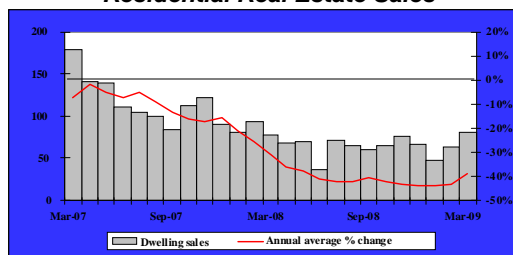
**Car Registrations**



Source: Land Transport Safety Authority

A total of 251 (including both new and ex-overseas car types) were registered in Rotorua during March 2009, the first time that monthly cars registrations surpassed 200 over the past 11 months. However, this was still marginally less than the 255 car registrations in March 2008. The annual average growth rate in the number of new and ex-overseas cars registered in Rotorua was negative 23.9% for the year ended March 2009.

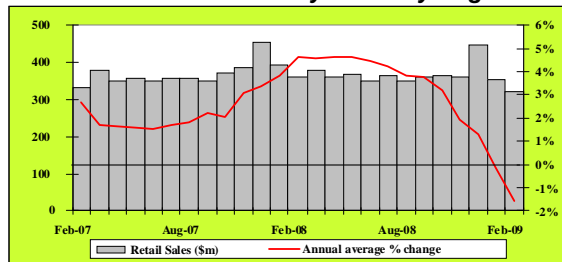
**Residential Real Estate Sales**



Source: Real Estate Institute of New Zealand

There was a total of 80 houses, with a median sale price of around \$250,000, sold in Rotorua during March 2009. This was greater than the 63 houses sold in February 2009. The annual average growth rate in the number of houses sold in Rotorua was negative 38.8% for the year ended March 2009.

**Retail Sales- Bay of Plenty Region**



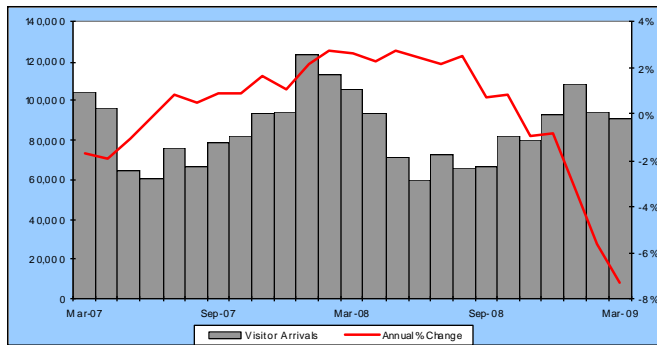
Source: Statistics New Zealand

The value of Bay of Plenty Region's retail sales totalled \$323.2 million during February 2009, which was less than the \$354.1 million sales in January 2009 and the \$359.6 million sales recorded in February 2008. The annual average growth rate in the nominal value of Bay of Plenty's retail sales was negative 1.6% for the year ended February 2009.

**SUMMARY**

All of the Rotorua's monthly economic indicators recorded negative growth for the year ended March 2009. Meanwhile, international visitors to Rotorua commercial accommodation providers and Bay of Plenty retail sales contracted further in the year ended February 2009. Annual average growth in APR's economic index for Rotorua turned negative for the year ended February 2009.

## Rotorua Visitor Arrivals



Source: Statistics New Zealand – Commercial Accommodation Monitor

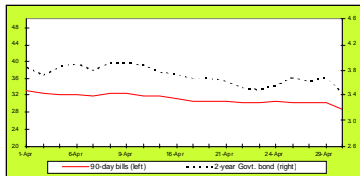
There is a seasonal pattern in guest arrivals to Rotorua's commercial accommodation premises where peaks occur in the summer months and troughs in the winter months. The estimated number of guest arrivals to Rotorua's commercial accommodation premises decreased from 94,890 in February 2009 to 90,844 in March 2009. When compared with the same period of the previous year this was a 14.7% decrease over the 106,480 guest arrivals recorded for March 2008. For the year ending March 2009 there were 1.0 million guest arrivals to Rotorua commercial accommodation premises - a 7.3% decrease over the same period of the previous year.

Full report available at:

<http://www.rotoruanz.com/downloads/pdfs/RTIF.pdf>

## National Monitor

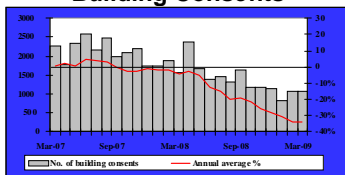
### Interest Rates



Source: Reserve Bank of New Zealand

Expectations on a fall of OCR dragged New Zealand wholesale interest rates down throughout April 2009. By the end of the month, 90-day bill rates had fallen to 2.86%.

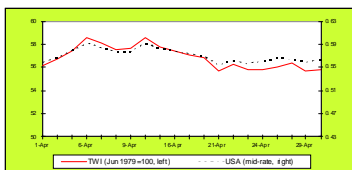
### Building Consents



Source: Dept of Statistics Building Surveys and Vitals Section

The annual average growth rate in the number of new building consents was negative 33.7% for the year ended March 2009.

### Exchange Rates



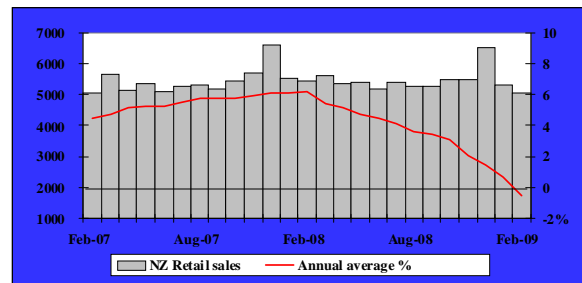
Source: Reserve Bank of New Zealand

The New Zealand dollar maintained a relatively high level for the first 2 weeks in April 2009, but had depreciated more than a cent against the US dollar by the end of the month, on expectations of an OCR cut. By the end of April 2009 the Trade-Weighted Index (TWI) stood at 55.8 points.

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## National Monitor

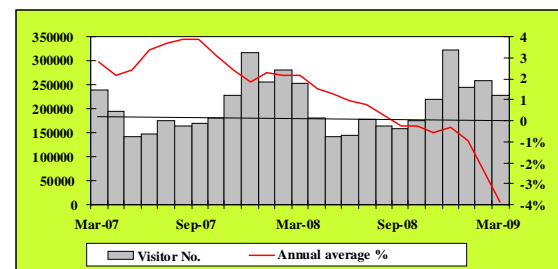
### Retail Sales



Source: Business Statistics Section, Statistics New Zealand

The value of New Zealand's retail sales for Feb 2009 were the lowest value of monthly retail sales recorded since March 2007. The annual average growth rate in the nominal value of New Zealand's retail sales was negative 0.5% for the year ended February 2009.

### International Arrivals



Source: Statistics New Zealand

The annual average growth rate in the number of international visitor arrivals was negative 3.9% for the year ended March 2009.

### SUMMARY AND COMMENTARY

According to the New Zealand Institute of Economic Research (NZIER) Quarterly Survey of Business Opinion, a net 45% of firms recorded a fall in their own business activity in the March 2009 quarter, with a net 39% expecting a decrease in the June 2009 quarter. While a net 58% anticipated a deterioration of the general economic conditions over the next 6 months, it improved from a net 77% reporting this view in December 2008.

This economic recession has lasted since early 2008, enduring five straight quarterly contractions in economic activity and possibly the longest recession experienced since the 1970s. Policymakers have been working hard to avoid further deterioration of the economy over the past year and some encouraging signs of recovery emerged in April 2009. Housing sales showed signs of recovery, dairy prices recovered, households received extra disposable income in the form of tax cuts, interest rates continued to fall and local and global stock markets rebounded. While none of these factors dominated they have all worked together to help rebuild confidence.

Disclaimer: The Rotorua Economic Monitor is a monthly publication prepared for the Aoraki Development Trust. 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 and any decisions based on the information contained in this report are made entirely at their own risk.

Sustainable Infrastructure and Facilities Seminar with Dr Annie Pearce, Assistant Professor in the Myers-Lawson School of Construction, Virginia Polytechnic Institute and State University, Blacksburg, Vermont, USA. Annie has been a regular visitor to our shores, and attended our last two conferences. As a LEED accredited professional, Annie brings the latest in green building methods, technologies, and best practices to the classroom. Her specific areas of interest include metrics of sustainability for built facilities, green building materials and systems, cost modeling to support sustainability implementation, and in situ performance of sustainable facility technologies.

ROTORUA – Wednesday 17 June  
Investment: \$495.00 Excl

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Vicky - [vicky@nzsses.org.nz](mailto:vicky@nzsses.org.nz)

More information:

<http://www.nzsses.auckland.ac.nz/docs/2009-06-Sustainable-Facilities-Infrastructure.pdf>



### Local Health boards on high alert to flu threat

Lakes and bay of Plenty DHB staff are gearing up for a probable steady increase in the number of people affected by Influenza A (H1N1) following major outbreaks in Australia last week.

Medical Officer of Health Dr Neil de Wet said it is likely that numbers would start to increase significantly within the next few weeks.

"The high level of traffic between New Zealand and Australia means it is inevitable the H1N1 will spread across this country. In Australia the numbers have been doubling every two days and we have to be prepared for a similar situation here," he said.

As of Friday last week there was one probable case, five suspected cases and five contacts in the Bay of Plenty and lakes DHB region. All are in isolation or quarantine and six have been offered Tamiflu.

Dr de Wet said the spread would be compounded by the start of the normal influenza season, and people will need to take practical measures to prevent spread of infection.

"Anyone showing symptoms should stay home and contact their doctor by phone, rather than risk infecting others."

The Ministry of Health launched a campaign in the weekend to increase awareness about how to keep swine flu at bay and how to prepare for its likely spread in the country.

Health officials have recommended that people should be prepared to cover a period of illness at home and stock up on three to five days' worth of food and any medicines required.

As of last week, 66 countries had officially reported 19,273 cases of swine flu, including 117 deaths, the World Health Organisation said.

In Australia, the number of affected people is now more than 1000 confirmed cases.

On 3<sup>rd</sup> June the regional business planning oral presentations and product launch of the Lion Foundation Young Enterprise Scheme took place. The event was themed on 'Dragon's Den' with Judy Keaney (Rotorua Energy Charitable Trust), Kim Lorigan (ASB Business), Steve Pinder (Westpac), and Grant Kilby (Economic Development RDC) the judges.

16 teams with businesses from John Paul College, Rotorua Boys High School and Rotorua Girls High Schools took part in the competition, a total of 66 pupils attended.

The day opened with a product launch, where the teams revealed their business ideas for the first time. The products were creatively presented to attract attention and display the use of their products.

The winner of the best product was closely contested with Vantage Enterprizez (John Paul College) and their temporary Maori Tattoos taking the title of Best Product, NZ Venture Soulz (John Paul College) with socks with soles were a close second and 3<sup>rd</sup> place went to Disguise (Rotorua Girls High) with their innovative panty liners.

The main event of the afternoon the oral presentations, proceeded, these were full of passion, energy and nerves and certainly wooed the judges.

The winner for this competition was again Vantage Enterprizez who received the Prize for Best Business Planning Oral Presentation, in second place were Phoenix Enterprize with their customized rain ponchos and Revolution Solution came 3<sup>rd</sup>, with their safety device for off-road vehicles.

At the end of the day the winners for Best Business Plan and Best Business Card were also announced. Best Business Plan was won by Vantage Enterprizez, NZ Venture Soulz came 2<sup>nd</sup> and Silicone Marketing Solutions took 3<sup>rd</sup> place with their embossed wrist bands for tourist attractions.

For the Business Card Competition Diabetees, a team from Taupo who are planning to raise awareness and assist research of diabetes by selling printed T-shirts, took the title followed by Vantage Enterprizez and Matariki Innovations who are designing a mp3 music vending machine. Mark Mortimer of Mortimer prit&design praised the high standard of designs.

The students all took pride in their businesses and wanted others to recognise their great business ideas.

The following prizes were awarded

**Write up on business by Jacky James**, Public Relations Specialists from Shine PR, to be printed the daily post!

**1 hr free web consultation by Royston Bartholomew** from ThisIsMe Web Solutions.

**Annual Reporting or Financial Advice sponsored by ASB.**

**Free printing of 500 business cards from Mortimer print&design** plus 1 month free radio advertisement with MoreFM.

[Annika.smail@rdc.govt.nz](mailto:Annika.smail@rdc.govt.nz)

*The Winning team  
"Vantage  
Enterprizez"  
from John Paul  
College*



## Targa Rally in Rotorua



Targa Rotorua is one of the three events on the 2009 Dunlop Targa NZ tarmac rally series calendar.

There is a strong field of 50 Classics and 44 Moderns for the Targa Rotorua on 13-14 June. They will compete over 17 special stages in the Rotorua district. That's two days of racing competition, approx 330kms of closed stages and 515 kms of touring stages. The touring part of the event is as time critical as the closed stages.

There are also 17 cars in the Narva Tour, led by a 'tour' leader who dictates the pace. They travel the same route prior to the racing classes but don't require crash helmets and roll cages because of their lesser speed.

As per the recent Bambina, Classic entrants will lead out from slowest to fastest, followed by the Modern entrants from fastest to slowest. In the past it was slowest to fastest right across the entire field which meant any delays had repercussions across the entire field and spectators could miss viewing the faster cars. It also means the faster cars were not catching the car in front and were not last into service - not ideal for 'race' machines which tended to need more attention at servicing.

Documentation and scrutineering (best described as the compliance and safety warrant of fitness) takes place at the Lakeside Novotel on the Friday from 3.00pm to 6.00pm with cars parked overnight on the Village Green opposite. Saturday morning, the first Car leaves Rotorua at 8.05am.

There are 7 Special Stages totalling 175km with 246km of touring. Pit Stops at: Ngakuru School, Rotorua Village Green (lunch stop) and Kawerau. The first car finishes back at Rotorua at 4.20pm.

The public can view the cars up close at the 'Show and Shine' which is from 4.30pm to 7.00pm on Tutanekai and Pukaki Streets as cars come in from Special Stage 7. Cars are then parked overnight (parc ferme) on the Village Green. Sunday morning, the first car leaves Rotorua at 7.05am. 10 Special Stages totalling 159km, with 269km of touring. Pit Stops at: Te Wautu School, Wharepapa School, Cambridge Village Green (lunch) and Matamata.

Paradise Valley Horse Treks are setting up a spectator vantage point complete with food and refreshments on-site.

First car finishes at Rotorua at 4.15pm with cars parked on the Village Green. This is where the public can view the cars up close and chat to the drivers and their teams. Prize Giving is at the Lakeside Novotel, at 6.30pm. The support of the Rotorua District Council and the Business Community has been significant as they recognise the publicity that the event generates for the district. A great example of potential publicity has just come to light. Race world in the UK is replaying the 2008 Dunlop Targa Rally in 3 x 13 minute segments over a total of 23 episodes on Sky Sports 1, Sky Sports 2 and Sky Sports Xtra throughout June. Event Director Peter Martin said: "That's a viewing audience of 6 million homes per episode, a total audience of 138 million homes in June. Statistically a home is counted as 2.5 people - that's potentially, a whopping 445 million people in total."

Race world is the ultimate motorsports magazine show. A weekly 1 hour show that covers the very best in 4-wheel motorsport in all its forms with behind-the-scenes features, race reports and profiles from Formula 1, international sports car racing, rallying, karting, drag racing and truck racing from all around the globe.

For more information : <http://www.targa.co.nz/>



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**How Does Your Business Participate In the JULY 2009 BIG SPENDER ?**

1. In the first week of July 2009 Official Big Spender Packs will be distributed around the CBD. Contest begins Monday 6 July 2009. To be sure you receive yours email [cathweston@slingshot.co.nz](mailto:cathweston@slingshot.co.nz) to register FREE.
2. Run Big Spender in your business as your 'own' in store promotion. Ask all your clients that have purchased to Complete a Big Spender entry ticket to be in the draw.
3. **Only** Official entry tickets qualify for the draw. More will be available at City Focus. Use this time to deliver filled in entry tickets to the Big Spender bin at City Focus.
4. You will need to deliver all completed Big Spender entry tickets to City in the Big Spender bin by Friday 31st July 2009. You have up until 4pm that day.

**Contact :**

**Cath Weston** [cathweston@slingshot.co.nz](mailto:cathweston@slingshot.co.nz)  
Tel : 07 345 7775

## Business Mentors New Zealand in Rotorua

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  
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**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.



### Rotorua 2008 "Promotional DVD

We have a few 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

### Exporter Education Workshops

Wednesday  
17 June 2009  
9am -4.30pm  
Morning Tea / Lunch / Afternoon Tea Provided

For more information:  
Empower Team Limited  
0800 4387 267 or (07) 572 5492  
email: [etpbop@xtra.co.nz](mailto:etpbop@xtra.co.nz)



### Focus On Business - Lunch with Hon Bill English

Event Time: 12:00  
Start Date: 12/06/2009  
Deputy Prime Minister, Minister of Finance, Minister for Infrastructure  
Friday 12 June 2009, 12noon- 2pm  
Distinction Hotel, Fenton Street, Rotorua  
BA5 VAN DYKS  
Event Time: 17:30  
Start Date: 16/06/2009

### BA5 VAN DYKS

Tuesday, 16 June 2009  
@ Van Dyks - Corner Pukuatua and Amohia Streets  
5:30 pm to 7:30 pm

### Stories From India

Start Date: 18/06/2009  
Thursday 18 June, 2009  
5:30 - 7:30pm  
Millennium Rotorua Hotel - Millennium 4 ( on 4th floor - take the lift at far end of foyer).  
Register by: Monday 15 June, 2009.  
Cash Bar. Venue and Nibbles proudly sponsored by Millennium Rotorua Hotel.

Contact; [admin@rotoruchamber.co.nz](mailto:admin@rotoruchamber.co.nz)  
tel; 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

When everything seems to be going against you, remember that the airplane takes off against the wind, not with it. **Henry Ford**